



2021 CONSULTATION REPORT

May 2021

Introduction

The purpose of this consultation was two-fold. As part of the Consensus 2021 process CITB consulted with construction employers on the CITB Levy Proposals 2022-25. The Consultation was open from 01st March to 11th April 2021. In addition to the Levy Proposals, CITB also looked for feedback on the ten areas identified with the greatest need for enhanced employer support in developing skills.

This form of engagement provided industry with the opportunity to consider and provide views on the Levy Proposals before the formal Consensus period, planned to take place during the summer of 2021.

CITB has used the information obtained during Consultation to assess whether its proposals are appropriate and adequate; or revised proposals necessary before running Consensus.

This report summarises the key findings from the questionnaire being delivered by CITB using the On-line consultation portal and is split into two sections. The results from consulting on the Levy Proposals are provided within Section 1 and the results from seeking feedback on CITB's enhanced support are detailed in Section 2.

Summary

The Consultation process is an important part of gathering industry views in the run up to Consensus.

Even with limited participation, industry provided an agreement with the Levy Proposals with no overwhelming alternative suggestion. Equally, there appears to be broad agreement for the ten occupational and skill areas for targeted support, at varying levels, which CITB will use to develop plans for in the coming months.

The views gathered will be added to the evidence that will be used to progress plans on how the Levy is invested.

CITB is grateful to all employers who have taken their time to provide their views and comments. Alongside other industry engagement, including surveys of employers and discussions with industry trade federations, these will now form part of the body of evidence that will be used in our plans to support industry moving forward.

Response to the 2021 Consultation

With 281 participating employers, there was a far lower response rate than originally anticipated. However, this is the second time CITB has consulted on the Levy Proposals after also consulting in March/April 2020. For reference, 281 responses equate to approximately 0.4% of employers registered with CITB.

All Levy registered employers received a direct invitation as well as the opportunity to join virtual employer roadshows, social media invites and other CITB communications to take part via the dedicated online consultation channel.

Appendix A. provides the number of responses by nations, size, Levy/non-Levy payer, grant/non grant recipient, represented and activity type.

Section 1 - Levy Proposal Question

Consulting on the Levy Proposals.

In the 2020 Levy Consultation CITB asked whether:

Option 1: All Levy rates and thresholds to remain the same

Option 2: All Levy rates to remain the same but the small business exemption to increase from £80,000 to £100,000

268 employers participated in this section of the survey and 85% preferred option 2 compared to 15% who selected option 1

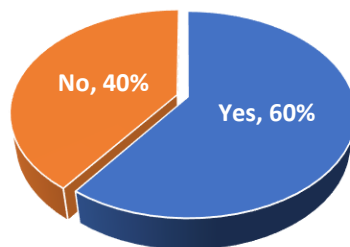
In 2021 one option was approved by the CITB Board and put forward for consultation:

Return to pre-Covid Levy rates & retention of the current Levy Exemption and Reduction Thresholds.

- 0.35% on PAYE staff
- 1.25% on NET paid (Taxable) CIS sub-contractors
- Wage bill: £0-£119,999. Employer exempt from paying Levy.
- Wage bill: £120,000 - £399,999. Employer receives a 50% reduction on their Levy assessment.

Employers were asked “Do you agree with these Levy Proposals for 2022-25?” 281 employers participated with 60% selecting Yes and 40% selecting No. as illustrated in Chart.1.

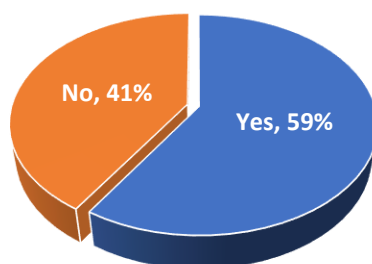
Chart 1. Agreement with Levy Proposals



Out of scope

The Levy Consultation was open to any employer who is registered with CITB and has a Levy registration number. During this consultation we received two responses from employers who are “Out of scope” and from specific dates are no longer required to complete a Levy Return or able to benefit from CITB funding and support. Excluding these responses, 279 employers participated with 59% selecting Yes and 41% selecting No. as illustrated in Chart.2.

Chart 2. Agreement with Levy Proposals
Responses excluding out of scope



Likely Levy Payers

Likely Levy paying employers are defined as employers who CITB expects to be liable to pay Levy in the period covered by the resulting Levy Order.

There were 256 likely Levy paying employers who responded to this section of the questionnaire. 148 selected Yes (58%) and 108 selected No (42%) as illustrated in Chart.3.

This analysis shows that likely Levy payers are slightly more in agreement of the proposals than not, while employers who are unlikely to pay Levy as illustrated in Chart.4 are significant more in agreement with the proposals.

Chart 3. Agreement with Levy Proposals
Responses from likely Levy payers

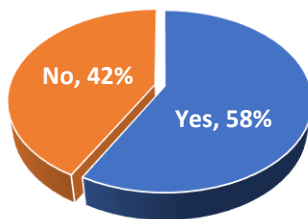
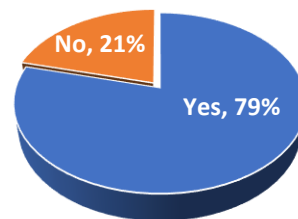


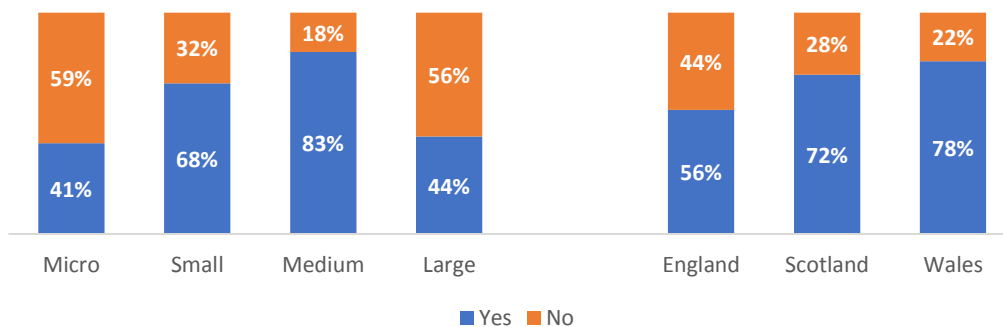
Chart 4. Agreement with Levy Proposals
Responses from likely NON Levy payers



Medium employers are most supportive of the Levy Proposals (83%) followed by Small employers (68%). Least supportive are Large Employers (44%) and Micro employers (41%).

Employers in Wales are most likely to be in agreement with the Levy Proposals at 78%, closely followed by Scotland (72%), while employers in England are less likely (56%). Responses were collected from each region in England with the two Northern regions expressing a higher agreement (62%+) while the region achieving the lowest is the South East with 42% Yes.

Chart 5. Agreement with Levy Proposals



Employers who have not claimed grant have low agreement to the Levy Proposals (39%) which reduces even further if they are a Levy Payer and haven't claimed grant (30%). While two thirds of employers agree with the Levy Proposals when they have claimed grant.

Question 1

The first open-ended question asks respondents to identify any relevant information that they feel CITB should consider before the Levy Proposals are finalised. In total, 163 comments have been left in response to this question. This report will split the comments by (a) Yes agree with Levy Proposals and (b) No disagree with Levy Proposals

A code frame has been developed for each of these questions, using summary themes to group a number of more detailed codes. The discussion below will refer to both these overarching themes and, where appropriate, some of the more commonly referenced codes for the 163 responses received. There can be multiple comment codes from an individual employer’s comment.

Question 1 (a)

Of the employers who agree with the Levy Proposals, 55 employers have left a response. Three overarching themes have been identified from these comments: positive impact, suggestions, and anything else.

Positive impact:

This theme has been used to code comments expressing positivity to the Levy Proposals. 46 comments have been coded under this theme. The main comment codes are; 16 expressed satisfaction with the proposals, 10 that the Levy/CITB is needed to rebuild or help the construction industry by increasing recruits or increasing skills. seven agree it encourages training:

- *“I Agree with the return to pre-COVID Levy rates, CITB Levy is used to support construction employers to make sure the industry has the skilled workforce it needs. I feel the industry hasn’t the skilled workforce needed and I agree with anything that will improve this.”*
- *“The grants scheme, and in particular the Skills and Training Fund have supported us to upskill and retain staff over the last couple of years and this would have been impossible otherwise.”*

Table 1. Illustration of comments provided under seven different topics

Description of positive impact	Number of comments per category
Employer Satisfied with proposals	16
Need the Levy to rebuild the construction industry	10
Encourages training	7
Happy with exemption thresholds	5
To increase Apprentices/new starters	4
Employer happy no increase	3
Fair for small businesses	1

Suggestions:

This theme has been used to code comments with suggestions to change the Levy Proposals, so even though they agree the proposals, these are amendments they would suggest. 13 employers have left suggestions (8%), 14 comments have been coded under this theme. The main comment codes are; three expressed dissatisfaction at having to pay both the CITB and Apprenticeship Levy, three that the thresholds should increase further and two that the Levy should be based on number of employees or construction employees:

- *“We are paying the full CITB grant based on our employee payroll costs. However, only, 29% (no.7) of our direct labour work in Construction the other 71% (no.17) work in Haulage and they require only their HGV qualifications, which aren't included in CITB Skills Funding and Grants. This seems unfair, would it be possible for you to calculate the levy based on a more accurate picture of a Companies workforce where construction is in a minority?”*
- *“Having to pay the Government Digital Account monies on top of the CITB levy makes it seems that Construction companies are unfairly treated when compared to other industries that do not have the old Training Board set up.”*
- *“In deciding the Levy I think the CITB should also consider the wage rises that may be applicable over the next 3 years as the construction Industry does seem to be seeing some increases already and this should be factored into the levy rates and thresholds somehow.”*

Table 2. Illustration of comments provided under nine different topics

Description of suggestion	Number of comments per category
Employer not happy about paying two Levies	3
Increase exemption threshold	3
Make Levy based on number of employees	2
How much of the workforce is construction based should be considered	1
Levy shouldn't have decreased during pandemic	1
Make Levy profit based rather than employment based	1
Micro/small businesses should be exempt	1
Reduce threshold	1
Specialist areas should be exempt	1

Anything else:

This theme has been used to encompass more general comments or feedback about the Levy or CITB. 22 comments have been coded under this theme. The main comment codes are: five employers support Training Groups, four don't consider the Levy/CITB good value for money, eight commented on grants and funding: (three) keep grants/funding, (three) wanting easier access and (two) that courses they need don't attract funding:

- *“The local CITB training group has proven very worthwhile in not only gaining access to discounted training and help with the Skills & Training Fund, but also networking with other businesses”*
- *“As a levy-paying company, and also a participant in a local training group, I have become confused about the "value for money" aspect of the levy we pay; so far as I can tell, we get little or nothing back in return at the moment, which we attribute to the COVID-19 situation , and the hiatus within CITB itself. The CITB needs to stabilise what it is about/what it is doing, and convey that much more simply to the levy-payers”*
- *“I agree with the proposal that rates go back to pre-Covid Levy rates as long as grants and funding for training goes back to pre-covid levels.”*

Table 3. Illustration of comments provided under nine different topics

Description of anything else	Number of comments per category
Supports Training Groups	5
CITB/Levy is not good value for money	4
Easier access to Grants/Funding	3
Keep Grants/Funding	3
CITB reforms needed	2
Courses don't attract grant	2
Disagree with being in-scope	1
Free training	1
Levy to Strategic plan not clear	1

Question 1 (b)

Of the employers who disagree with the Levy Proposals 104 employers have left a response. Three overarching themes have been identified from these comments: Negativity towards Levy/CITB, suggestions, and anything else.

Negativity towards Levy/CITB:

This theme has been used to code comments expressing negativity to the Levy and CITB. 70 comments have been coded under this theme. The main comment codes are: 36 don't believe that the Levy/CITB is good value for money, 19 that the Levy should be scrapped, seven that it only benefits large employers and four comment that as they use sub-contractors they don't benefit:

- *“Businesses in the industry who do not use CITB should not have to pay the levy nor fund other businesses who do use it. Not all can afford to pay the levy, and we gain nothing from it. for us, there is no value for money.”*
- *“I disagree with the recommendation because I think the percentage on net paid CIS subcontractors is too high and I feel that the companies that the levy is upon should cover all contractors and subcontractors. We pay the levy, get some money back to train people and then they leave and set up on their own fully trained at our expense. There should be no levy at all and perhaps tax breaks for those of us who want to train. That would be fairer.”*

Table 4. Illustration of comments provided under six different topics

Description of negativity towards Levy/CITB	Number of comments per category
CITB/Levy is not good value for money	36
Levy should be scrapped	19
Only benefits large employers	7
Use Sub-Contractors and therefore don't train / benefit	4

CITB poor service	3
Disagree with being in-scope	1

Suggestions:

This theme has been used to code comments with suggestions to change the Levy Proposals. 64 employers have left suggestions (57%), 73 comments have been coded under this theme. The main comment codes are: 20 employers suggested that the thresholds for exemption or reduction should be increased. These were mainly micro or small employers bar 1 large employer who agreed it should increase in line with wage inflation and 1 medium employer who thinks they should also benefit from the reduction. Of those who suggested an increased exemption threshold, the suggested increased ranged from £199k to £500k and for the 50% discount up to £750k. 14 employer suggestions are around sub-contractors, with seven wanting them excluded and seven wanting the differential reduced between CIS and PAYE. nine employers would like the Levy to be profit based and seven say micro and small businesses should all be exempt:

- *“The exempt figure is too low. It should be more like £300,000 and there should be more flexibility in the type of company included”*
- *“Total wage bill levels should be increased, and net paid percentage should also be reduced to a maximum of 1%. In the current climate wage bills are increasing due to availability, or lack of, skilled workers and the wage bill levels should reflect this. The proposed level of up to £120,000 equates to less than 4 people working 5 days a week on £15/hr.”*
- *“I believe that the differential rates for PAYE and LOSC were designed to nudge employers towards employing but have failed to do so and in the current uncertain times it is even less likely that employers will make long term commitments on staffing. I therefore think that CITB has missed an opportunity to simplify and just have one composite rate somewhere between the 2 proposed. I also think that smaller firms spend so little on training (and health and safety, benefits, worker welfare) that ceasing the exemption and reduction scheme would be appropriate. The biggest impact of levy is felt by mid-tiers who are the ones that are forced to do all the training as their LOSC won't and the principal contractors employ few trades. Spreading the burden would be a good thing for the industry.”*
- *“Due to the Covid pandemic construction companies on a whole are struggling. Profits have been drastically reduced and the levy is not calculated on a company's profit but is generated from payments made. Therefore, we could make a loss and still have to pay the full levy, which I believe is unfair and will add to companies going bankrupt.”*

Table 5. Illustration of comments provided under 15 different topics

Description of suggestions	Number of comments per category
Increase threshold	20
Make Levy profit based rather than employment based	9
Exclude sub-contractors	7
Micro/small businesses should be exempt	7
Reduce differential between CIS and PAYE	7

Reduce rates	6
CITB should register more in-scope employers	3
Reduce threshold	3
Encourage Training by offsetting against Levy	2
How much of the workforce is construction based should be considered	2
Small businesses should not be exempt	2
Specialist areas should be exempt	2
Current not previous payroll should be used	1
Increase rates	1
Make Levy based on number of employees	1

Anything else:

This theme has been used to encompass more general comments or feedback about the Levy or CITB. 43 comments have been coded under this theme. The main comment codes are: 16 employers mention grants and funding: (eight) wanting easier access or (eight) the courses they need don't attract funding. 13 expressed concern over the economic uncertainty and the effects of Covid-19 on their cashflow and looking for support to reduce outgoings:

- *“As a small business with 10 employees, we do find the levy is high, as most of the courses our employees do are not eligible to claim any training grants.”*
- *“The levy process and recovery of grants creates more work. It would be simpler for organisations to just use their levy directly and not have the added administrative task of processing grant claims.”*
- *“The reduced levy for 2021 should remain in place until at least 2025. The construction industry will not recover from the pandemic by 2022.”*

Table 6. Illustration of comments provided under 13 different topics

Description of anything else	Number of comments per category
Courses don't attract grant	8
Easier access to Grants/Funding	8
Economic uncertainty due to Coronavirus	7
Cashflow	6
CITB reforms needed	3
Accept other training providers for grant	2
Employer not happy about paying two Levies	2
Training groups	2
Company arrange/pay training	1

Levy shouldn't have decreased during pandemic	1
Levy to Strategic plan not clear	1
Need the Levy to rebuild the construction industry	1
Follow proposals from the Prescribed Organisations	1

Section 2 - CITB's targeted support

Seeking views on the ten areas identified to receive enhanced support

The questionnaire also provided employers with an opportunity to provide feedback on the ten occupational and skill areas which have been identified by CITB to have a need for targeted support to develop skills for employers and their business, whilst also best supporting the wider industry. The results will help shape the focus and eligibility for targeted employer and industry support as CITB develop the support over the next few months.

Agreement with the ten areas

The ten areas were described with why the area needs targeted support.

Employers were asked to what extent they agree this is an area where CITB should enhance its support and provide more of a focus for its investment and activity, and had one of five options to select for each area as follows:

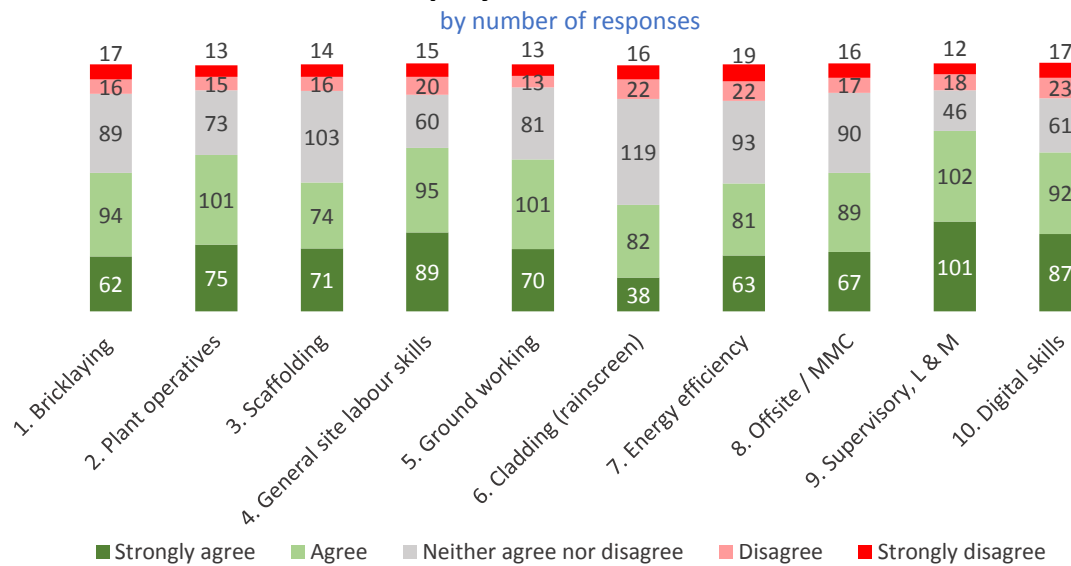
- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

There were 281 employers who participated in this section of the questionnaire. Supervisory, management & leadership received the highest number of employers selecting Strongly agree or agree (73%), with medium employers the most likely to agree (93%) and micro employers the most likely to disagree (20%). This is followed by General site labour skills (65% strongly agree or agree) and Digital skills (64%).

A summary of the overall results is provided in the below. Table 7 and Chart 6.

Table 7.	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
1. Bricklaying	22%	34%	32%	6%	6%
2. Plant operatives	27%	36%	26%	5%	5%
3. Scaffolding	26%	27%	37%	6%	5%
4. General site labour skills	32%	34%	22%	7%	5%
5. Ground working	25%	36%	29%	5%	5%
6. Cladding (rainscreen)	14%	30%	43%	8%	6%
7. Energy efficiency property retrofitting	23%	29%	33%	8%	7%
8. Offsite / MMC	24%	32%	32%	6%	6%
9. Supervisory, management & leadership	36%	37%	16%	6%	4%
10. Digital skills	31%	33%	22%	8%	6%

Chart 6. Employers views on the ten areas



Across all ten areas of enhanced support, employers from England have a higher level of disagreement, ranging from 12% to 17% Strongly disagree or disagree, while Scotland and Wales range from 0% to 9%.

Question 2

The second open-ended question asked respondents to express their opinion on the proposed ten areas, impact on employers and alternative suggestions. In total, 111 comments have been left in response to this question.

Four overarching themes have been identified from these comments: opinions on the 10 areas; attracting young and new people to construction; alternative suggestions and anything else.

Opinions on the 10 areas:

33 employers made comments specific to the 10 areas proposed for enhanced employer support, with many giving feedback on more than one of the areas. 55 comments have been coded under this theme:

- *“Management skills is an area we believe requires support and as we rapidly promote groundworkers to supervisors out of necessity it is vital that the management skills required should be recognised as equally as important as the technical ones. More support for half day Ad Hoc management courses through the Training Groups and Federations would be helpful.”*
- *“I think the digital skills gap needs addressing, it impacts growth, development and change management processes.”*
- *“I strongly believe CITB should be focusing on creating new skills or upskilling in regard to retrofitting homes. The green homes grant fiasco has shown how unprepared/disadvantaged small companies are when it comes to retrofitting homes.”*

Table 8. Illustration of comments provided under 14 different topics

Opinions on the 10 areas	Number of comments per category
Digital - Agree	10
Management & Leadership - Agree	10
Energy efficiency - Agree	8
Ground working - Agree	5
MMC - Agree	4
Good areas of enhanced support	4
General site labourers - Agree	3
Bricklaying - Agree	3
MMC - Disagree	2
Plant operatives - Agree	2
Energy efficiency - Disagree	1
Plant operatives - Disagree	1
Bricklaying - Disagree	1
Scaffolding - Agree	1

Attracting young and new people to construction:

19 employers made comments on the need to attract more people into construction, including help with apprenticeships. 23 comments have been coded under this theme:

- *“We need to be able to attract young and upcoming people to the construction industry as we will always need these trades so the more investment there is input, the better.”*
- *“I feel apprenticeships have really suffered in the recent year. None of the above areas covers the area of apprenticeships and bringing new people to the construction industry and training them up with the necessary skills. Any new apprenticeships are no longer under the care/ responsibility of CITB which is a huge disappointment.”*

Table 9. Illustration of comments provided under three different topics

Attracting young and new people to construction	Number of comments per category
Pathway into construction/recruitment	13
Apprentices	9
Reduced migrant workers	1

Alternative suggestions:

47 employers expressed alternative suggestions on enhanced support. 53 comments have been coded under this theme: The highest comment code is Specialist/other sectors need more, which incorporated a number of different job types they feel aren't considered, including; carpentry, joinery, heritage, internal finishers, passive fire, demolition, asbestos, surveyors, plumbers, electricians, plasterers and tilers.

- *“Companies with specialist skills rather than house building are again not in focus at all.”*
- *“Support should be given to other areas of the industry, not just house building. Many existing buildings are likely to now be converted if they are not required for their previous business, such as offices or shops, and support is needed for the companies that deal with this side of the industry - a side that is often forgotten in my opinion.”*
- *“Much of this does really not apply to small/medium construction companies. We are rarely involved in new builds and generally only refurbish existing Victorian housing. We do not believe we should be taxed in this way.”*

Table 10. Illustration of comments provided under 11 different topics

Alternative suggestions	Number of comments per category
Specialist/other sectors need more	16
Too much towards house builders	8
Support SME's	6
Upskilling existing workforce	5
Equal funding no enhanced	5
More/continued support to roofers	4
Net Zero	2
Future skills	2
Free training	2
Training groups	2
Onsite experience	1

Anything else:

This theme has been used to encompass more general comments or feedback about the Levy, grants or CITB. 48 employers gave comments on other subjects. 55 comments have been coded under this theme:

- *“Reinstate grant aid for all staff not just operatives in micro companies - staff wear many hats!”*
- *“Employers have seen a huge decrease in funding due to the inefficiencies of the new funding scheme through the GET Codes, standards. We are still investing in training but unable to receive grant against the spend.”*

- *“Support is not needed, removal of an imposed levy that isn't particularly beneficial to smaller employers is what is needed especially as the industry steers it way through the current economic climate.”*
- *“The construction model from the Top down needs to be addressed with long term trades people leaving the industry, due to lack of continuity, job security and heavy-handed red tape.”*
- *“We would like to see the CITB taking an active role in leading the technical skills agenda to develop common programmes across the industry, relating to each construction trade/activity. Also taking the lead with training required to support changes in legislations particularly around the new imminent Building Safety Bill.”*

Table 12. Illustration of comments provided under 13 different topics

Anything else	Number of comments per category
Courses don't attract grant	11
Don't agree paying Levy	10
No value to employer	7
Don't want CITB help	5
Easier access to Grants/Funding	5
Grants/funding	5
CITB customer service	3
Change in construction mindset	2
CITB should own the training process	2
Training standards	2
Depends what the support is	1
Levy to Strategic plan not clear	1
Training providers	1

Appendix A

Agreement to Levy Proposal	Yes	No	% Yes	% No
Overall	168	113	60%	40%
Overall (excl out of scope)	166	113	59%	41%
England	128	101	56%	44%
Scotland	13	5	72%	28%
Wales	25	7	78%	22%

London	12	9	57%	43%
Midlands and East	47	31	60%	40%
North East, Yorks and Humber	18	11	62%	38%
North West	17	9	65%	35%
South East	21	29	42%	58%
South west	13	12	52%	48%
Micro	31	45	41%	59%
Small	78	37	68%	32%
Medium	33	7	83%	18%
Large	15	19	44%	56%
Unknown size	11	5	69%	31%
Levy payer	148	108	58%	42%
Non-Levy payer	11	3	79%	21%
Unknown Levy payer	9	2	82%	18%
Grant claimant	138	70	66%	34%
Non grant claimant	28	43	39%	61%
Unknown grant claimant	2	0	100%	0%