

The 5th meeting (2017) of the Board was held at 08:30 on Wednesday 17 May 2017 at Goodenough College, Mecklenburgh Square, London WC1N 2AB.

PRESENT

James Wates (**Chair**) : Board Trustee
Maureen Douglas : Board Trustee
Diana Garnham : Board Trustee
David Harris : Board Trustee
Karen Jones : Board Trustee
Maria Pilfold : Board Trustee
Ray Wilson : Board Trustee

GOVERNMENT OBSERVERS

Dan Foster : Government Observer
Darryn Lewis : Government Observer

STAFF IN ATTENDANCE

Sarah Beale : Interim Chief Executive Officer
Chris Brooks : Interim Chief Financial Officer & Corporate Performance Director
Gareth Evans : Strategic Communications Consultant
Mark Noonan : Industry Relations Director
Steve Radley : Policy Director
Carl Rhymer : Delivery and Customer Engagement Director
Sally Spink : Board Secretary

LEGAL ADVISERS

Matthew Lohn : FieldFisher
David Northfield : FieldFisher

APOLOGIES: Sarah Griffiths (Scottish Government Observer) and Frances Wadsworth (Board Trustee).

ITEM 1: APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

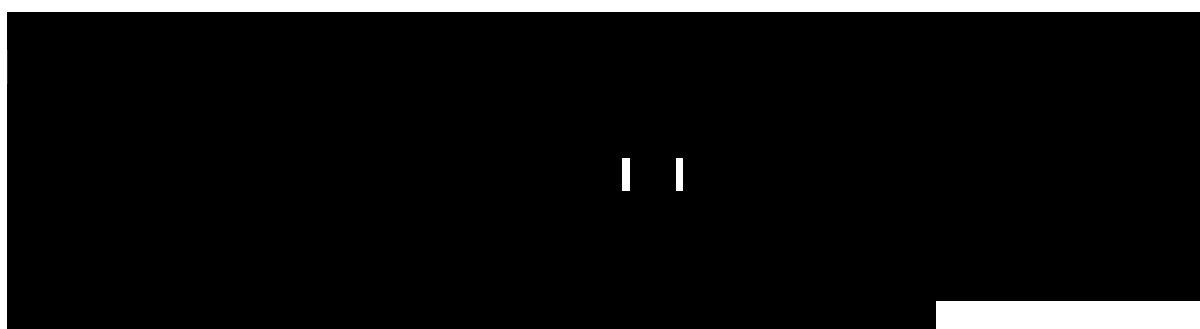
1.1. Apologies for absence noted no declarations of interest noted.

ITEM 2: TO APPROVE THE MINUTES OF THE PREVIOUS MEETINGS HELD ON 7 FEBRUARY, 28 FEBRUARY AND 8 MARCH 2017

2.1. The minutes of the above meetings were approved by the Board and signed as a true and correct record.

ITEM 3: CEO REPORT

3.1. Sarah Beale presented the CEO Board update advising that matters are moving swiftly on. Financial performance is on track the Board will be discussing later in the meeting the matter of future affordability within Item 4 below. It was acknowledged that the 2016 Annual Report and Accounts would be reviewed by the Audit and Risk Committee following this Board meeting.



[REDACTED]

3.4. SB updated the Board on matters concerning the removal of the Skills Test in Scotland. Clarity was sought in respect of costs if CITB were to invest and deliver. Further the Board desire to understand the costs of the employer if they were to accept responsibility. It was explained that industry is under the impression this will be funded by CITB, however as the Skills test is not deemed evidence of competency simply an end test should CITB be considering funding? The Board highlighted the importance of handling communication sensitively in respect of this matter.

3.5. ACTION Skills Test, share with the Board before 20th June costs from CITB's perspective and that of an employer. Provide Board with Feedback from discussions on the subject with employers. (SB)

[REDACTED]

3.7. The results of the ITB Review, due to the calling of the snap election, are likely to be released in November 2017, however, the Review Team have advised that they will provide some messaging for publication prior to consensus. The Board felt that there is a need for some form of CITB messaging too as the review had been expected to be completed by April 2017. The Board were advised that steps were contained within the Communications Plan to be discussed later in this agenda. DfE are being supportive however in the event of new ministers post-election other changes could occur.

3.8. CSkills Awards, the final stages in respect of this disposal were well underway, a press release from CITB has been prepared explaining the reasoning behind the agreement to be issued upon completion.

[REDACTED] DfE confirmed that the announcement could progress irrespective of purdah on the basis of potential commercial loss in the event of failure to do so.

3.9. SB highlighted the specific estate divestment matters within the paper and advised a detailed paper for consideration by the Board will be forthcoming at the July or September Board meeting.

3.10. ACTION: To provide an update on Estates strategy at July and September Board meetings, to align with FOM updates / workshops (SB).

3.11 The Board further agreed that SB would circulate monthly CEO updates by email and move towards a quarterly performance paper. In addition the Board requested during consensus that weekly updates in respect of the telcon survey and Federation submissions be shared.

3.12. ACTION: Monthly CEO update to be circulated by email to the Board (SB) weekly consensus updates in respect of the survey and Federation responses be provided to the Board from commencement in July (SR)

ITEM 4: PERFORMANCE REPORT

4.1. Chris Brookes (CB) delivered to the Board the Performance Report and split the report into three areas namely i) Performance to Date; ii) Supplementary Information on employee statistics and Health & Safety; iii) Affordability questions over the next three years.

4.2. Performance to date – CB specifically advised the Board that there had been an increase in the number of levy payers, grant scheme payments are currently in line with plan, operational costs were positive and under control. In respect of staffing, the level of contractors is higher than desired

this is a result of the change control programme and the need for individuals to deal with bulk processing. September is expected to peak as the 'Green Cards' are due to expire.

4.3. ACTION: Green cards expire in September, specifically in relation to Scotland there is no mechanism to get qualifications required, what is the plan to support this issue? (CB)

4.4. Supplementary Information – The Board discussed the Health and Safety and FIR Summary and what the information is to be used for and what should CITB be seeking to achieve. Further clarity was required in respect of sectors of 'unknown or no data', benchmarking and consideration in light of the 'Befair' Framework. The Board recognised the increase in mental health issues; this is to a degree down to better reporting but also the uncertainty around the organisation together with the build-up of anxiety. Support mechanisms are in place through occupational health, early intervention and this used in conjunction with performance management is assisting. The Board stressed the importance of not losing good staff.

4.5. ACTION: Chris Brooke and Diana Garnham to meet to discuss the presentation of this information together with Dan Forster looking into other organisations use of similar data. Further CB to contact Carillion (RW) for benchmarking data in respect of safeguarding and wellbeing (CB)

4.6. Affordability – CB sought consideration from the Board in respect of future affordability as a result of the implementation of the Transition Package and the new grant scheme. The modelling undertaken on the assumption that there is 100% grant uptake (on the existing grant scheme rates). The Board were asked to consider the level of minimum reserves that would be acceptable, currently in the region of £60 million, would a reduction to £40 million be acceptable? The general consensus from the Board was a minimum reserve of £40 million was acceptable, it would need to be managed tightly and robustly, further CITB must be transparent in informing industry where the finances are being directed. Members of the Board did voice concerns of the then lack of working reserve but as it was noted the forecasting provided includes numerous levels of prudence.

4.7. ACTION: the Board requested for the next full meeting a range of scenarios for consideration (worst, medium and best). Further these plans should contain detailed trigger points with associated actions. A full 2018-2020 forecast to be provided. (CB)

ITEM 5: LEVY AND FUNDING LANDSCAPE 2018

5.1. It was flagged that in the new Grants Scheme all future accruals of Supplementary Grant cease from April 2018 when the new Grants Scheme is introduced. However, the Board discussed the impact on companies that would be recruiting apprentices in September 2017 and would have factored the payment of Supplementary into their budgeting.

5.2. DECISION. It was agreed that payment of Supplementary Grant would cease from April 2018. However, an enhanced payment, based on current Supplementary Grant rates, would be paid for the duration of all apprenticeships commencing before the start of the new Grants Scheme in April 2018 but on completion of these apprenticeships, this payment would cease.

5.3. The Board were updated of the reaction from the consultation events delivered in relation to the Levy proposals. The key issue raised in respect of this year's levy changes concerned a number of employers failing to anticipate the change (62% employers were not affected, 22% employers levy bill fell, 16% employers levy bill increased). The Board confirmed that they remained in agreement with the existing levy proposals and acknowledged the proposed new automated system will help. The Board believed it would be beneficial to ensure communications offer suggestions/help to employers planning the possible impact/effect that the changes may have.

5.4. The Board were advised of the need for a level of control in the initial year as the automated process allows claims to be processed immediately. The existing rule, (save for apprenticeships) no

payments in the first year of levy registration would exist. The Board agreed that this principal was sound and should be retained. In respect of Commissioning programmes encouraging partnership workings should be maintained and a statement to accelerate Commission be driven forward. The Skills Training Fund shall continue as the data indicates that 10% of companies have failed to claim any grant over the last 3 years.

5.5. Following the 18th May MN advised the Board that a micro-site would be live (approx. 4-5 weeks' time) providing third parties with communications on what activities and why CITB are undertaking, what it would mean if CITB were lost to industry, key statistics and representations across each nation detailing where expenditure has gone.

5.6. ACTION: MN to liaise with DfE to ensure they are happy with slide content in respect of the micro-site. (MN/DF)

5.7. ACTION: MN to further share the engagement strategy with the Board as to enable trustees to detail the journey to external organisations consistently. (MN)

ITEM 6: HUDSON – PRESCRIBED ORGANISATION APPLICATION

6.1. The Trustees were joined by two representatives from Fieldfisher (██████████) and moved on to discuss the application from ██████████ to be regarded as a 'prescribed organisation.' In assessing the application the Trustees considered the Reasonable Steps Regulations 2008 ('the Regulations') and were mindful that they should first determine whether ██████████ meets the definition of a 'prescribed organisation'. If satisfied that it does meet the description, the Trustees should then consider whether it is desirable to consult ██████████ as a Consensus Federation on behalf of its members.

6.2. The paper presented to the Board by Fieldfisher detailed information supplied by ██████████ in writing. The information included numbers of ██████████ clients that it believed to be in scope, together with numbers of those belonging to existing consensus federations. ██████████ failed to respond to CITB's request to provide specific details of those it represented on the basis that it would be a breach of Data Protection law. ██████████ did indicate that it would seek authority to disclose their identities to CITB when it contacted members to obtain their views on the forthcoming levy proposals. The Trustees were also advised that ██████████ did not provide any information as to any steps it might take to avoid or manage any potential or perceived conflict of interest despite specifically being asked to do so.

6.3 Trustees noted that ██████████ had quoted research showing 94% of its clients were happy to represent their views on whether CITB levy is necessary to encourage adequate training in the industry. The Trustees were concerned that there was no evidence of a formal agreement of representation from ██████████ clients and no details were forthcoming despite requests to the organisations for its governance framework/terms of reference which would provide for this. The Trustees also expressed concerns over the potential for a disproportionate power and influence ██████████ may exert over its clients in its position.

6.4 The Trustees considered due to the lack of information, they could not determine how ██████████ consulted with clients. Further the Trustees were aware of the need to consider the specific levy-paying employers Hudson represented. In light of ██████████ being unable to share the identities of these employers the Trustees could not satisfy themselves that they had sufficient information to proceed in determining whether ██████████ met the definition of a 'prescribed organisation'.

6.5. The Board requested that ██████████ be advised of the same. It was noted that for practical reasons if such information could not be supplied before the 15th June 2017 and their request being accepted it would not be feasible to include them in this consensus year process. To help expedite this process, the Trustees agreed to delegate to two Trustees the authority to consider any further evidence submitted by ██████████ and make a final decision on their application.

6.6. ACTION: Two trustees to have delegated authority from the Board to consider future evidence from [REDACTED] and make a final decision on their application. Ray Wilson volunteered as one member.

6.7. ACTION: Letter to go to [REDACTED] advising of today's decision. SS

ITEM 7: BOARD COMMITTEE REPORTS

7.1. The Board acknowledged the content of the Board reports submitted within the meeting pack. The Investment Funding Committee met on 16th May 2017 and advised that Gerald Oppenheim had at this meeting offered his resignation due to other commitments therefore a recruitment process would be underway to seek a replacement. The Board believed it would be beneficial to find an individual with Data Protection experience and/or Government funding scheme involvement.

7.2. ACTION: Recruitment of extra member to committee as Gerald Oppenheim stepping down. SS, KJ

7.3. The English Committee on 2 May had been poorly attended however the discussion points had been in depth and informative, it had been agreed that a more English national focus was required as per the Scottish and Welsh Nation Committees.

7.4. Maureen Douglas advised since the last Scottish Nations Committee meeting she had visited ASET in Aberdeen, the scaffolding training centre set up through CITB's Commissioning process. The visit was very positive.

7.5. ACTION: Following the ITB Review the scope and workings of all committees to be reviewed. SS

ITEM 8: CHAIR'S ANY OTHER BUSINESS AND EFFECTIVENESS REVIEW OF MEETING

8.1. The annual Report and Accounts 2016 would be shared with the Board when ready, the Board moved to delegate authority to James Wates and Diana Garnham (Chair of the Audit and Risk Committee) to review and have authority to finalise these documents.

8.2. DECISION: The Board agreed to delegate authority to James Wates and Diana Garnham to finalise the 2016 CITB Annual Report and Accounts.

8.3. The Chairman moved on to praise the previous evenings English Stakeholder dinner at Goodenough College. All had welcomed the inclusion of the winning Apprentice Joe Dorsett and his employers Pearl Fitout Ltd thoughts and this should be shared through the industry. The Chairman further praised SB's speech.

8.4. ACTION: Mark Noonan to communicate the thoughts and values of the winning Apprentice and his employers to the wider industry. MN

ITEM 9: DATE OF NEXT MEETING

9.1. The next meeting will be held at 13:30 on Thursday 15 June 2017 via tele-conference.

SUMMARY OF ACTIONS

Completed Underway/Pending No action yet .

[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]		[REDACTED]
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