

Consensus 2021 FAQs

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1. What is Consensus?

Every three years*, CITB must consult with construction industry employers on its proposals to deliver skills and training to the construction industry with Levy funding. 'Consensus' is the final stage of this consultation process, where employers are asked the Consensus Question:

“Do you agree that the Levy Proposals are necessary to encourage adequate training in the construction industry?”

Levy payers and '[Prescribed Organisations](#)' who will be asked the question, have to consider how the proposed Levy will benefit the entire construction industry – across all sizes of businesses – whether or not the proposals are likely to benefit them or their organisation directly.

Consensus is not itself a vote on the future of CITB, it is a say on how CITB will generate Levy over the next three years.

** Note: Consensus 2020 was suspended to allow the focus to be on immediate skills support in response to the COVID-19 pandemic. Further details of the 2020 Consensus are available [here](#).*

2. How often does Consensus take place?

It takes place every three years.

However, due to the COVID-19 pandemic the originally planned 2020 Consensus process was suspended, and Government legislated to secure the CITB Levy for 2021/22. This allowed CITB to focus on supporting employers' immediate skills needs through the impact of COVID-19.

Further details of the 2020 Consensus are available [here](#).

3. Consensus Legislation

When it submits Levy Proposals to Government, CITB is required by the Industrial Training Act 1982 (ITA) to demonstrate that its proposals have the support of the employers who are likely to pay the resulting Levy assessments. Legislation provides that the Secretary of State can only make a Levy Order if s/he is satisfied that: *“the board has taken reasonable steps to ascertain the views of persons who the Secretary of State considers are likely to be liable to make payments by way of Levy in consequence of the Levy Proposals”*.

(Industrial Training Act 1982)

The way in which CITB provides evidence is defined by two pieces of legislation – the ITA itself, and The Industrial Training Levy (Reasonable Steps) Regulations 2008.

Consensus and [Prescribed Organisations](#)

In establishing whether there is Consensus in the industry in favour of its Levy Proposals, CITB consults with [Prescribed Organisations](#). If a Prescribed Organisation supports the Levy Proposals, all its Levy paying members count as supporting the proposals.

The [Prescribed Organisations](#) CITB currently recognises are trade associations who typically represent employers who provide similar services (for example house builders or plant hire companies) and do not exist solely for the purpose of the CITB Consensus process.

The Reasonable Steps Regulations:

The Reasonable Steps Regulations define the approaches which can be taken to demonstrate that *“...the proposals are necessary to encourage adequate training in the industry.”*

- 1) Consultation with [Prescribed Organisations](#) only;
- 2) Consultation with [Prescribed Organisations](#) and all unrepresented persons;
- 3) Consultation with [Prescribed Organisations](#) and sampling all unrepresented persons;
- 4) Sampling of all relevant persons only.

Since 2008 CITB has chosen option 3, combining consultation with the [Prescribed Organisations](#) along with a sample survey (carried out by an independent research body) to record the views of unrepresented Levy payers.

4. How does CITB ensure transparency and independence during Consensus?

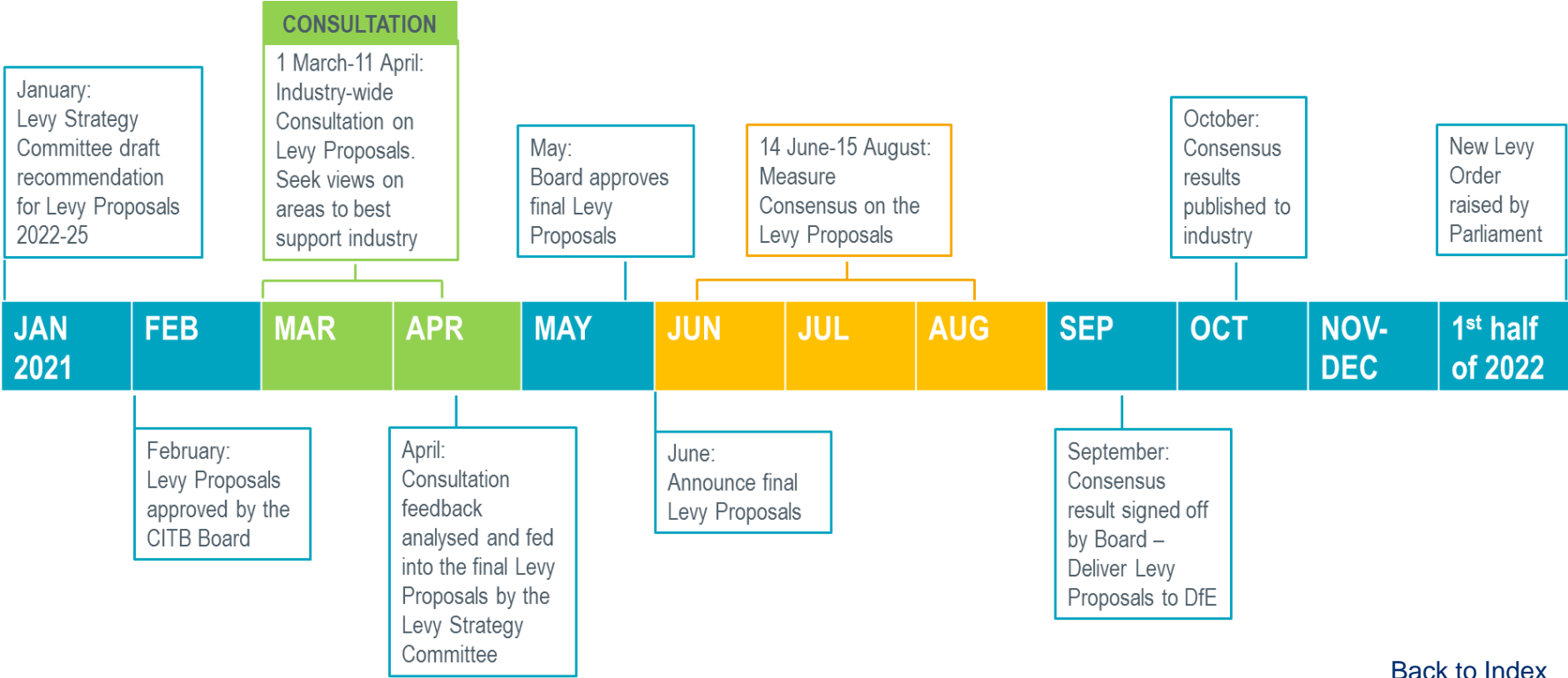
CITB ensures transparency by engaging, consulting and developing Levy Proposals with industry. Relevant information such as feedback, recommendations and survey results are published and made available through its various communication channels. These include its website, industry press, direct communications with employers, engagement with local employer groups, and through employer events.

When developing the Levy Proposals, independence is ensured through the [Levy Strategy Committee \(LSC\)](#) and [Prescribed Organisations](#) in consultation with the [Nation Councils](#). The [Nation Councils](#) for England, Scotland and Wales play a key role in helping to shape the future of construction training and skills development across Great Britain, and provide strategic advice to the [Board](#) to better meet industry's skills needs. Similarly, the [Industry Funding Committee](#) advises the Board on CITB's funding approach.

Representatives of these bodies are not employed by CITB and provide objective advice and insight.

When gathering and reporting on statistical information concerning Consensus, independence is ensured by outsourcing data gathering work to an independent research body that adheres to Market Research Society standards. The Prescribed Organisations that collect data on behalf of their members are also completely independent from CITB.

5. What will be the different phases during Consensus 2021?



6. How do you make sure that employers get a chance to express their opinion?

CITB seeks the views of represented employers through [Prescribed Organisations](#) and an independent research company conducts a telephone survey with a sample of eligible, unrepresented employers.

CITB decides whether an employer is 'represented' or 'unrepresented' based on information provided by employers within their last processed Levy Return.

Not all eligible employers will have the opportunity to provide their opinion as this is a sample-based process.

In March 2020, over 75,000 construction employers were on the Levy register, with nearly 33,000 liable to pay a Levy. Of these 33,000 Levy payers, around 7,000 declared they are represented by [Prescribed Organisations](#), so their views will be gathered via their Prescribed Organisation. Of the remaining 26,000 unrepresented employers, a representative sample of 4,000 likely Levy payers will take part in the telephone survey.

7. Who are the Prescribed Organisations and what is their role during Consensus?

The role of the [Prescribed Organisations](#) are to present the Levy Proposals to their Levy paying members and seek their views on them. Responses are collated and the Prescribed Organisation then decides whether it supports the Levy Proposals or not on behalf of its Levy paying members.

A full list of the [Prescribed Organisations](#) can be found at the following link:

<https://www.citb.co.uk/levy-grants-and-funding/industry-consultation-consensus/who-is-consulted/prescribed-organisations/>

8. Why do the Prescribed Organisations get a say?



Prescribed Organisations represent approximately one-fifth of all employers who are likely to pay Levy under the Levy Proposals. These organisations are well placed to obtain a collective view on their members' support for the Levy Proposals. They also communicate information to assist CITB in the development of future plans, by helping CITB to understand the needs of their sector.

9. How does CITB make sure that the Prescribed Organisations provide a true representation of their members' views?

Prescribed Organisations must be able to demonstrate to CITB that they have taken "reasonable steps" to satisfy the Secretary of State that the Levy Proposals are necessary to encourage adequate training in the industry. The Industrial Training Levy (Reasonable Steps) Regulations 2008 set out what these "reasonable steps" are.

CITB works with and supports the Prescribed Organisations by providing clear information on the Levy Proposals and general guidance on the necessity to have a transparent process for ascertaining the views of their members. How they go about consulting with their members depends on their own governance arrangements.

10. Why don't all employers get a say?

Measuring Consensus is a sample-based process, so there is no expectation that all likely Levy payers will be asked to provide their views. The sample is designed to be representative of the Levy paying population and of a large enough size to give a high degree of confidence in the results. We are mindful of spending Levy money appropriately for Consensus, as reflected in the size of the survey.

All employers can however have a say during the consultation phase of Consensus. Views can be provided at a dedicated online consultation channel that will be available from 1st March to 11th April 2021.

This information is fed back to the [Levy Strategy Committee](#) before the final Levy Proposals are recommended to the [Board](#).

The CITB [Board](#) considers the combination of consulting with [Prescribed Organisations](#) and sampling unrepresented employers is more effective and practical than attempting to survey 33,000 individual employers.

11. Who appoints the body that will select which businesses take part in Consensus, what is their brief, and who oversees their activity?

The research is conducted by an external body in accordance to relevant Market Research Society codes, with full anonymity of responses. The research team is selected from a Government approved list of independent research houses. The brief is provided by CITB, but the research is conducted independently.

CITB does not and should not know which employers are contacted; however, strict quotas are put in place to ensure that the responses match the overall composition of Levy paying employers.

12. How will the Prescribed Organisations and the Independent Research Company make sure they approach the most appropriate person in each business to answer the Consensus survey?

Identifying the most appropriate person to participate in CITB's Consensus survey can be challenging in some organisations, particularly larger businesses which operate from multiple locations.

Both the [Prescribed Organisations](#) who are surveying their represented Levy paying members, and the independent research company who will be surveying unrepresented likely Levy payers will be directed to speak to a person in a position of responsibility, authorised to speak on behalf of the business.

13. Legal definition (Consensus Survey):

The sample has to be undertaken in accordance with the legislation which states that it must be:

- (a) obtained by an independent research company; and
- (b) designed to ascertain the number of Levy payers who consider the proposals are necessary, and the value of the total amount of Levy likely to be payable in consequence of the Levy Proposals by Levy payers who consider the proposals are necessary; and
- (c) of a size sufficient to enable any conclusions reached to be stated with a 95% level of confidence.

14. Will non-Levy paying businesses be asked for their views?

No, CITB is directed by legislation to demonstrate the views of employers likely to be liable to pay Levy in the next Levy Order period. Therefore, the pool provided to the research company is employers who are likely to receive a positive valued assessment in the 2020 bulk assessment run (due to be raised in August 2021). From this list, the independent research agency will select and survey 4,000 employers who are not members of [Prescribed Organisations](#).

15. What's the difference between the Apprenticeship Levy and the CITB Levy?

The UK Government Apprenticeship Levy is paid by employers from all industries that have an annual wage bill in excess of £3 million. Wages above this amount are levied at 0.5% and collected by HMRC on behalf of Government.

CITB has approximately 1,000 employers on its register who pay the Apprenticeship Levy as well as the CITB Levy. The CITB Levy is dedicated to attracting and supporting the development of people to construct a better Britain. CITB does this by focusing on three strategic priorities:

Careers

Standards & Qualifications

Training & Development

The Apprenticeship Levy is collected by UK Government to support apprenticeship course fees. It does this by supporting 100% of apprenticeship course fees in Scotland and Wales and a percentage co-investment in England, depending on the age of an apprentice and size of the employing business.

The CITB Levy is raised through Levy registered employers who have a wage bill (employees and taxable sub-contractors) above the Levy exemption threshold. This includes supporting employers with the costs of having an apprentice, such as wages and travel.

CITB uses the Levy to:

Support training development through grants and funding

Identify skills needs across the construction industry

Develop occupational standards and qualifications

Support employers to recruit new entrants, including through offering high-quality apprenticeships

CITB's Levy supports the British construction industry to develop the skilled workforce it needs.

16. What period do the Levy Proposals cover?

This year's consultation is in respect of the **2022 Levy Order for the Levy Proposals 2022-25**. Once a Levy Order is approved by Parliament, this enables CITB to issue Levy Assessments for the period of the Order.

At the same time as consulting on the Levy Proposals, CITB will be seeking feedback on what's been identified as the **ten areas of greatest need** for industry in developing skills for their business success, whilst also best supporting the wider industry. Other areas will continue to be supported; the recommendation is that that these ten areas would receive enhanced support.

We've built these ten areas into our Business Plan 2021-22 (to be published Spring 2021); employers' views will help shape how support in these areas is developed over the next few months. Support will be phased through 2021-22.

17. Who designs the Levy Proposals?

A group of industry representatives and external specialists, supported by CITB staff, form the [Levy Strategy Committee](#) (LSC), which is convened in advance of the next Levy Order.

The [Levy Strategy Committee](#) represents the views of Industry across all three GB Nations on the development of the Levy proposals with specific reference to the anticipated cost of the Strategic Plan against the impact on all industry employers with a view to achieving a fair and sustainable outcome.

The group discusses, debates, develops and recommends Levy Proposals that will enable CITB to deliver its plans*. When the proposals are agreed, the LSC submits its recommendations to the CITB [Board](#).

*CITB plans include:

[Strategic Plan 2021-25](#)

[Business Plan 2021-22](#)

18. Who sits on the Levy Strategy Committee (LSC), how were members selected and what is their role?

The [Levy Strategy Committee](#) comprises of a group of industry representatives and external specialists, and is chaired by Diana Garnham, a CITB Board Trustee.

Members are predominately selected from the three [Nation Councils](#) based on their experience, skills, knowledge and objectivity. Their role is to assess, monitor and evaluate potential Levy designs. Current Members (as of February 2021) are:

- Diana Garnham – Chairperson and CITB Trustee
- Yvonne Kelly – CITB Trustee and CEO of Barking and Dagenham College
- Craig Bruce – Managing Director, Pert Bruce Construction – **Scotland SME Employer**
- Vikki Skene – HR Director, Galliford Try – **Scotland Large Employer**
- Gareth Davies – Construction Director, Knox & Wells Ltd – **Wales**
- Ryan David Miles – Director, Miles Hire – **Wales**
- Alison Lamplough – Head of Skills & Technical Training, Laing O’Rourke – **England Large Employer**
- Andrew Harvey – Managing Director, Harvey Shopfitters Ltd – **England**
- Liz Bridge – Joint Taxation Committee of Construction
- Neil Rogers – CEO, Scottish Decorators’ Federation
- Rob Tansey – Retired, previously Group HR Director, Barratt Developments PLC

19. What is the recommendation for the Levy Proposals 2022-25?

The [Levy Strategy Committee \(LSC\)](#) has only recommended one set of Levy Proposals for wider industry consultation in 2021.

The Proposals are:

- To return to pre-COVID Levy rates assessed in 2018 – 2020:
 - PAYE: 0.35%
 - Net paid (Taxable) CIS Sub-contractors: 1.25%
- To retain the Levy Exemption and Reduction Thresholds included in the Proposals for the 2021 Levy Order:
 - Levy Exemption for employers with a wage bill below £120,000
 - A 50% Reduction in Levy for employers with a wage bill of £120,000 or more, but below £400,000

20. Why is the recommendation to return to pre-COVID Levy rates when employers may still need extra support due to the ongoing impact of the pandemic?

CITB Levy calculations for 2022-23 are based on payments the employer made in the tax year 2020-21. So, whilst the recommendation is to return to pre-COVID rates for 2022-25, many employers are likely to pay less CITB Levy in 2022-23 as a result of the impact of COVID on business activity in 2020-21 which led to a lower total wage bill*. CITB is forecasting a reduction in Levy income of more than £30m over the course of the three years 2022-25 when compared to forecasts prior to the pandemic.

Note: Employers are paying Levy at half rates in 2021, to provide support during the COVID-19 crisis.

* *The amount the employer pays their workforce in a year*

21. What are the rationale and benefits of the Levy Proposals?

In making their Proposals, the Levy Strategy Committee (LSC) considered the following:

- They wanted to provide some stability, continuity and simplicity for employers
- They did not want to create significant winners and losers or redistribute Levy payment levels between groups of employers such as size or occupation
- They only wanted to make changes if there was strong evidence that change was required
- They were mindful that employers will be paying Levy at half rates in 2021 and that moving from this reduced Levy in 2021 to anything higher than the pre-COVID Levy rates in 2022 would be difficult for employers to accept
- Following the reduced Levy in 2021, they wanted to get CITB back to a position where it can support industry fully again as quickly as possible but without putting extra burden on Levy payers
- Over the next couple of years they will be supporting a Fundamental Review of Levy which could result in changes to Levy in 2025 that would make the system more efficient and future proofed, so they didn't want to hinder or pre-empt the outputs from this review.

22. Can industry influence these proposals?

Yes, CITB will seek industry feedback during the consultation phase of Consensus which will run from 1st March to 11th April 2021. Should there be a swell of opinion on any aspect of the proposals, CITB will provide the feedback to the [Levy Strategy Committee](#) to make final Levy Proposals to the [CITB Board](#) in April-May 2021. Once the Board has approved the proposals (May 2021), these will be communicated to industry and we then [go to Consensus](#) (from 14th June-15th August).

At the same time as consulting on the Levy Proposals, we are also seeking views on what's been identified as the areas of greatest need for employers in developing skills for their business success, whilst also best supporting the wider industry.

Over the next four years, CITB forecasts Levy will be reduced by over 30% compared to pre-COVID-19 levels, so feedback at consultation is important to make sure that Levy is directed to where it can make a real difference.

23. Did you look at any other options?

Yes, the following options were reviewed by the [Levy Strategy Committee](#):

1. Returning to pre-COVID Rates of 0.35% and 1.25%
2. Increasing the Levy differential between PAYE and Net CIS Levy rates
3. Reducing the Levy differential between PAYE and Net CIS Levy rates
4. Removing the Levy differential and moving to a single Levy rate
5. Increasing rates to collect a minimum of £200m Levy p.a.
6. Increasing rates to collect a minimum of £190m Levy p.a.
7. Increasing rates to collect a minimum of £185m Levy p.a.
8. Increasing PAYE Levy rates in 24/25 to account for Levy lost due to IR35 changes
9. Considering changes to the Levy Exemption Threshold
10. Considering changes to the Levy Reduction mechanism.

24. Why were these options discounted?

Options were discounted for a number of reasons:

- If they resulted in significant increases of Levy when compared to the pre-COVID rates of 0.35% and 1.25%
- If they resulted in significant redistribution of Levy payments between employer groups such as size or occupation
- If there was no strong evidence base to justify a change

The LSC assessed some of the options against a range of Guiding Principles and only the option to return to pre-COVID rates and retention of the current thresholds met these criteria.

25. When does consultation take place in 2021?



Consultation ran from Monday 1st March to Sunday 11th April 2021. Consultation was online at:

www.citb.co.uk/levyconsultation

26. What is consultation, why is it conducted and who is included?

If the [Board](#) approves the recommended Levy Proposals, CITB adopts best practice by consulting with the construction industry on how we propose to collect the Levy for the next three year Levy cycle, the year before the next Levy Order is required.

For the 2022 Levy Order, consultation will take place in 2021. CITB creates a plan to explain the Levy Proposals and obtain industry feedback. This includes but is not limited to providing information on the CITB website www.citb.co.uk; direct communication; online surveys and employer forums.

These audience groups are invited to take part in consultation on the Levy Proposals:

Registered Employers

[Prescribed Organisations](#)

After consultation, any issues raised by industry are considered by the [LSC](#) and they decide whether the Levy Proposals require any changes. Final Levy Proposals are then recommended to the [Board](#) for approval.

Once approved, the next stage is known as Consensus.

27. Are the IR35 changes that come into effect from April 2021 being taken into account in the Levy Proposals?

No. The Levy Strategy Committee considered whether the IR35 changes should influence the Levy rates proposed for the 2022 Levy Order, but came to the conclusion that it was too early to accurately judge what, if any, impact the changes will have on the CITB Levy. Firstly, whilst the changes are effective from April 2021, the resulting wage bill payments will not be declared on a CITB Levy return until 2022 and not assessed to Levy until 2023. The general feeling is that the full impact will not actually be evident until the assessment that will be raised in 2024, which is the last year of the three year 2022 Levy Order. It is not clear how employers are going to react to the changes and therefore it is not feasible to assess the impact this will have on Levy due from employers, or on training demand.

Instead, as part of the fundamental review of Levy, the LSC will monitor the impact of the changes over the next 2-3 years and will incorporate any changes to Levy as appropriate in the 2025 Levy Order.

28. How will CITB communicate with industry?



CITB will use all available channels to inform and consult with Levy registered employers on the Levy Proposals. This includes a series of virtual events in Spring 2021, CITB website updates, employer mailing and digital communications including a dedicated online consultation channel:

www.citb.co.uk/levyconsultation

29. What will CITB do with the feedback from consultation?

Our consultation process is designed so industry can provide feedback.

CITB will refer this back to the [Levy Strategy Committee](#) for them to review, and to provide guidance to the [Board](#) as to what steps should be taken.

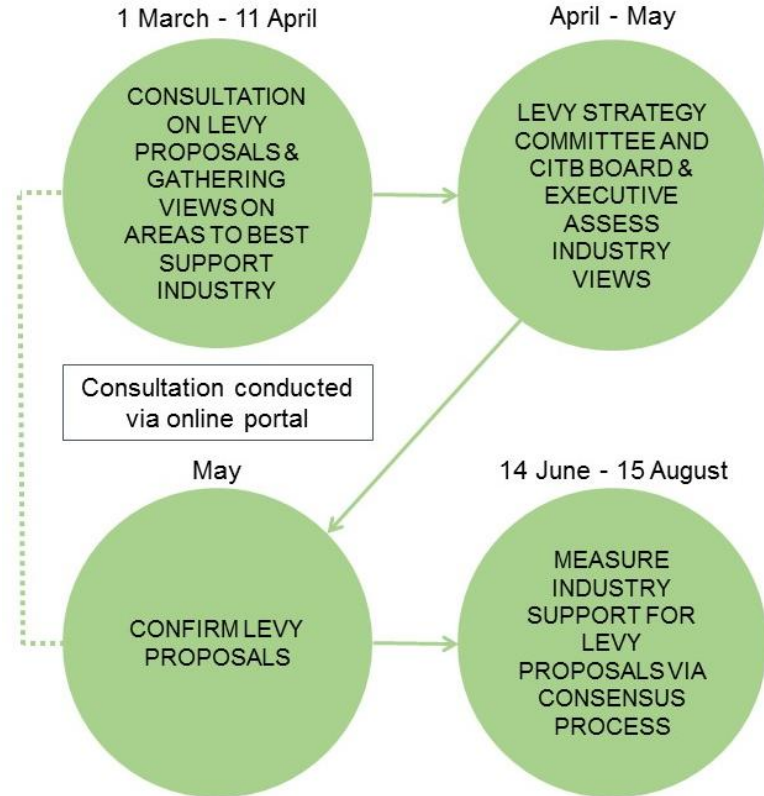
We will share the feedback and actions taken with industry once the [Board](#) has considered the recommendations from the [LSC](#).

30. What happens after consultation?



Once the Board has approved the feedback and recommendations from industry and the LSC, the next stage is known as Consensus.

This diagram shows how consultation on the Levy Proposals plays an important role in the Consensus process.



31. When will Consensus be carried out?



Consensus will run from 14th June to 15th August 2021.

32. What is the benchmark for achieving Consensus?

The benchmark for achieving Consensus has two criteria:

1. More than 50% of likely Levy payers must support the proposals
2. More than 50% of likely Levy payable must be paid by employers supporting the proposals

The final result is calculated by amalgamating the responses from each Prescribed Organisation with the sample of non-represented Levy payers.

33. How will the views of the Prescribed Organisations be captured in the final Consensus result?

Likely Levy paying employers are allocated to Prescribed Organisations depending on the membership they've declared on their most recent Levy Return.

As Prescribed Organisations represent the views of their members, they will each provide an overall response on the Levy Proposals during Consensus - this will be either a Yes or No response.

If a Prescribed Organisation has 500 likely Levy paying members with a combined Levy of £200,000 then the Prescribed Organisation's response will count for all of its members. This means that a Yes response would count as all 500 members supporting the Levy Proposals and the full £200,000 in Levy value would be allocated to a Yes response. This also means that a No response would count as all 500 members not supporting the Levy Proposals and the full £200,000 would be allocated to a No response.

The views of likely Levy paying employers who are members of two or more Prescribed Organisations will be split equally between the Prescribed Organisations to which they belong by number and Levy value. This means an employer paying a Levy of £3,000 who is a member of three Prescribed Organisations would be allocated as a third of an employer and £1,000 to each of their Prescribed Organisation's responses.

34. What questions will be asked in the Consensus survey?

Selected employers will be asked this question:

“Do you agree that the Levy Proposals are necessary to encourage adequate training in the construction industry?”

35. When will the Consensus results be published?



The results will be published to the construction industry once the Secretary of State confirms that the requirements for the Consensus process has been carried out in line with the Industrial Training Act.

36. What happens if the Levy Proposals are supported?



Once the results of Consensus are collected, CITB submits the results to the Department for Education and they are published to the construction industry.

If the results show that a majority of employers by both number and Levy value support the Levy Proposals, Government will make a new Levy Order.

37. What happens if the Levy Proposals are not supported?

If Consensus does not demonstrate sufficient industry support for the Levy Proposals, then Government will work with CITB to consider further options, including submitting fresh proposals or making a default order so as to best protect training and skills development in the industry.

38. What is next for Levy after Consensus?

Once the Levy Proposals have been finalised by the Levy Strategy Committee they will turn their attention to a fundamental review of Levy. This review will look at the whole basis of the Levy system to ensure it remains fit for purpose for now and into the future. The objective is to identify ways of making the system simpler, more cost effective, user friendly and aligned to the future construction industry. Amongst other things it will consider what information should be used to generate Levy and whether Levy should be assessed and collected in Real Time. Employers will be able to contribute to this work over the coming months and if improvements are identified CITB will work to incorporate them into the 2025 Levy Order.