

## CITB Levy Consensus 2021

### A Build UK Proposal for ‘Levy In – Skills Out’

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## Background

Every three years, construction employers that pay the CITB Levy are asked if they support its continuation and this process is known as Consensus. It is **not** a vote on the future of CITB; it is a say on how CITB will generate Levy over the next three-year period.

Build UK's response to the last Consensus in September 2017 was: *"Whilst a significant majority of our members supported the continuation of the Levy, this support is subject to the implementation of a clear reform programme"*.

Feedback from Build UK members since then indicates that there is still significant frustration with the services and support provided by CITB.

## Developing the Build UK Position

Build UK is a 'Prescribed Organisation' which means that we are required to formally consult members on the Levy proposals put forward by CITB and we will do that later this year.

In advance of that, Build UK has developed this proposal, setting out the services and support that the industry expects and needs in return for paying a levy and is asking members for their feedback.

Agreeing the expectations of employers in this way will enable both CITB and the industry to compare what is being offered by CITB with what is required by employers before Consensus takes place during June – August 2021.

### Action

Build UK members are asked to confirm if they:

- 1. Would support an organisation that delivered the objectives, services and support set out in this proposal**
- 2. Are prepared to pay a Levy to fund it.**

[Please click here to respond with your views by Friday 16 April 2021.](#)

This is part of Build UK's consultation with members to support preparations for the formal Levy Consensus process this summer and responses will not be considered as a final response to Consensus.

## Consensus Process

### Levy Proposals

In accordance with the Industrial Training Act, CITB is required to propose how it intends to raise a Levy to fund its activities. Before putting those proposals to Parliament, CITB must satisfy the Secretary of State that it has broad support by asking employers the following question:

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

Approximately 75,000 construction employers are registered with CITB and 33,000 of those pay the Levy which amounts to Levy income of £188 million each year.

Support must be demonstrated in the following two ways:

1. **Number of employers** = Support from at least 50% of employers liable to pay the Levy
2. **Value of Levy paid** = Support from employers that collectively pay more than 50% of the Levy

Where a Levy paying employer is a member of more than one Prescribed Organisations its response will be split equally between those organisations.

### Levy Rates

Time Period	Rates	Status
September 2020 - August 2021	0.35% for PAYE and 1.25% for Net CIS	Already agreed
September 2021 - August 2022	0.175% for PAYE and 0.625% for Net CIS	Already agreed
September 2022 - August 2025	0.35% for PAYE and 1.25% for Net CIS	Currently proposed

Employers with a wage bill up to £119,999 are exempt from paying the Levy and employers with a wage bill between £120,000 and £399,999 receive a 50% reduction in their Levy payment.

### Timeline

Date	Action
<b>1 March - 11 April</b>	CITB consults Registered Employers on its Levy Proposals
<b>25 March - 16 April</b>	Build UK consults members on 'Levy In - Skills Out' proposal
<b>20 April</b>	Build UK Member Briefings with CITB
<b>21 May</b>	CITB Board approves Levy Proposals
<b>14 June</b>	CITB Consensus starts - Build UK Consensus Survey opens
<b>30 July</b>	Build UK Consensus Survey closes
<b>15 August</b>	CITB Consensus closes
<b>September</b>	CITB Board confirms Consensus outcome

### CITB Prescribed Organisations

- Build UK
- British Woodworking Federation (BWF)\*
- Civil Engineering Contractors Association (CECA)
- Construction Plant-hire Association (CPA)\*
- Federation of Master Builders (FMB)
- Finishes and Interiors Sector (FIS)\*
- Hire Association Europe (HAE)\*
- Home Builders Federation (HBF)
- National Association of Shopfitters & Interior Contractors (NAS)\*
- National Federation of Builders (NFB)
- National Federation of Demolition Contractors (NFDC)\*
- Scottish Building Federation (SBF)
- Scottish Decorators Federation (SDF)
- Scottish Plant Owners Association (SPOA)

\* Build UK member organisations

## Build UK Proposal for ‘Levy In – Skills Out’

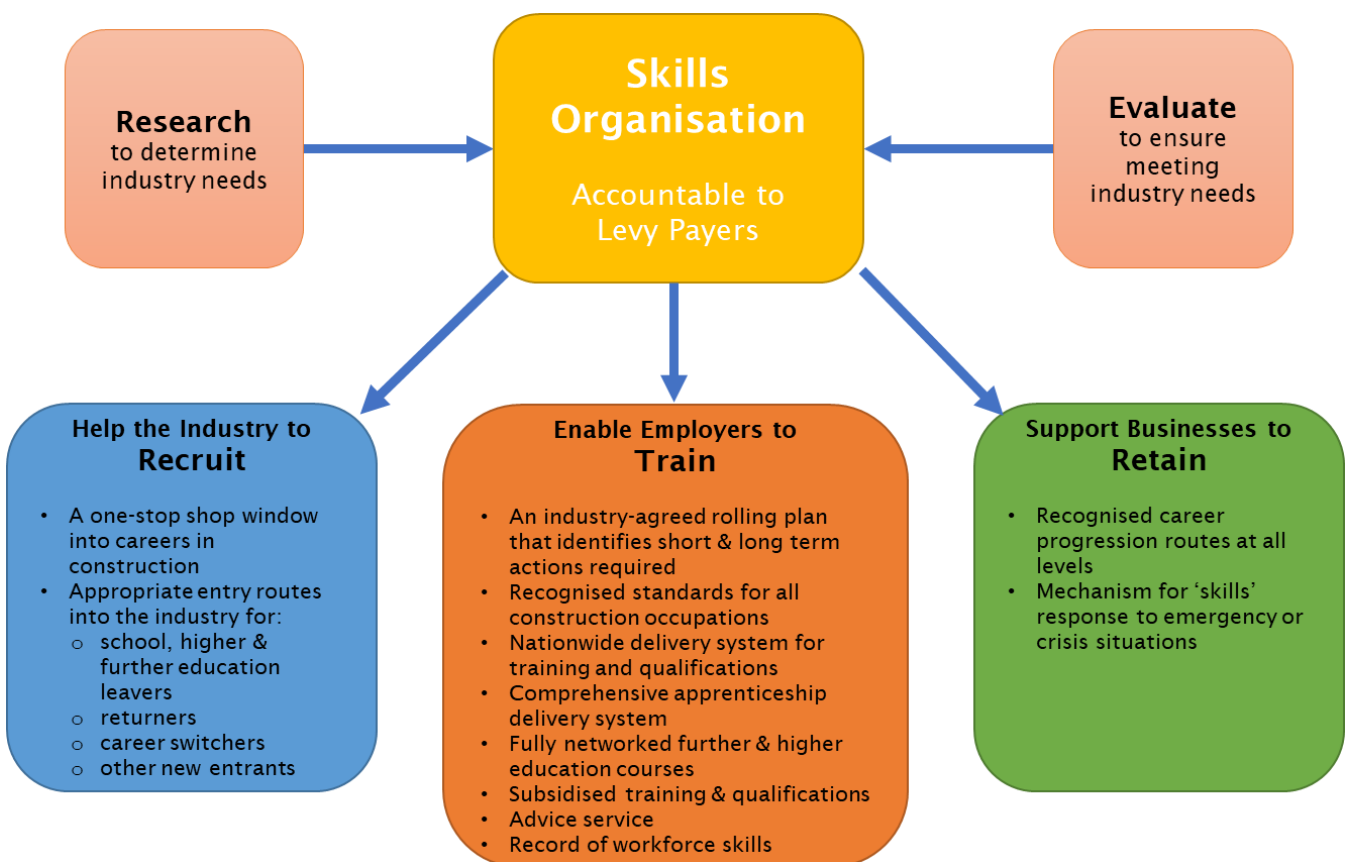
The construction training and qualifications system is complex and the majority of employers would agree that they need help and support to understand it.

They have also indicated that they would be prepared to pay for a skills organisation that facilitates the delivery of the diverse and skilled workforce required by the industry, now and in the future, which:

- Helps the industry to **Recruit** the next generation;
- Enables employers to **Train** their workforce; and
- Supports businesses to **Retain** talent.

In return, employers expect an organisation that:

- Is accountable to, and supported by, Levy payers
- Undertakes appropriate research to determine the industry’s needs
- Facilitates the required training and qualifications
- Evaluates its delivery to ensure it is meeting the industry’s needs.



## Enable Employers to Train

### 1. An industry-agreed rolling plan that identifies short and long term actions required

Delivering the skills the industry needs requires a long term strategic plan to ensure that the underlying system is in place. This should be supported by an annual action plan, based on research carried out and the evaluation of previous activities undertaken, which sets out specific outcomes, milestones and timelines. DfE and Levy payers should collectively agree these outcomes through a simple consultation mechanism.

### 2. Recognised standards for all construction occupations

Standards set out the learning content and structure for nationally-recognised training and qualifications to ensure that they are consistent and transferable, giving confidence to employers and reducing the need for unnecessary and repeated training and qualifications. Standards should be developed by and kept under review with input from the relevant sectors.

### 3. Nationwide delivery system for training and qualifications

Employers require easy access to quality training and the services essential to the achievement of qualifications. A delivery system should include:

- A UK-wide network of Training Groups
- An online directory of recognised training courses
- A network of recognised providers
- A matrix of every construction occupation, detailing the recognised qualification, the relevant sector organisation(s) and a review schedule.

### 4. Comprehensive apprenticeship delivery system

There should be a clear, streamlined apprenticeship system that provides:

- Information on apprenticeships
- A recruitment portal
- Details of local provision
- Employer and apprentice support, and
- Access to funding.

It should be easy for employers, young people, parents, guardians and teachers to understand, and deliver the required number of apprentices each year.

### 5. Fully networked further and higher education courses

Entry and progression routes into the industry are essential, providing the stepping stone to a career in construction. Relevant college and university programmes that offer a formal entry route to the industry should be detailed and rated according to their success in delivering qualifications.

### 6. Subsidised training and qualifications

In return for paying a Levy, employers of all sizes should be able to access training and qualifications at subsidised rates.

### 7. Advice service

Employers of all sizes need advice, guidance and support to navigate the complex skills system and ensure that they are training their workforce in the right skills in the most effective way.

### 8. Record of workforce skills

To reduce duplication and ensure workers have the right skills, there should be an easily accessible record of construction workers showing their training, qualifications and experience throughout their career.

## Help the Industry to Recruit

### 1. A one-stop shop window into careers in construction

Anyone looking to join the construction industry should be able to find information on the wide range of roles available, the training and qualifications required, the appropriate entry routes, and where to apply.

### 2. Appropriate entry routes into the industry

Entry routes into the industry should be effective, efficient, fit for purpose and easy to use.

They should be clearly set out for both entrants and employers to ensure that the route selected provides the necessary skills, knowledge and experience required to begin a career in the industry.

Engagement with schools, colleges etc. should be easy for employers to undertake with up to date resources available.

## Support Businesses to Retain

### 1. Recognised career progression routes at all levels

Training should be continuous throughout an individual's working life. Not only will this ensure their skills remain relevant, it will help everyone to develop their capabilities to achieve their full potential. Employers and the workforce should easily understand the options available to progress from every level in all occupations enabling the industry to retain the talent it has invested in.

### 2. Mechanism for 'skills' response to emergency or crisis situations

The industry needs to rapidly respond to situations such as the Grenfell Tower Fire, the collapse of Carillion and the coronavirus pandemic. Such events often require quick reactions to mitigate their impact on skills or training related issues in order to retain skills, particularly apprentices, within the industry.