

Levy In – Skills Out

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Introduction

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

Build UK members are 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 will:

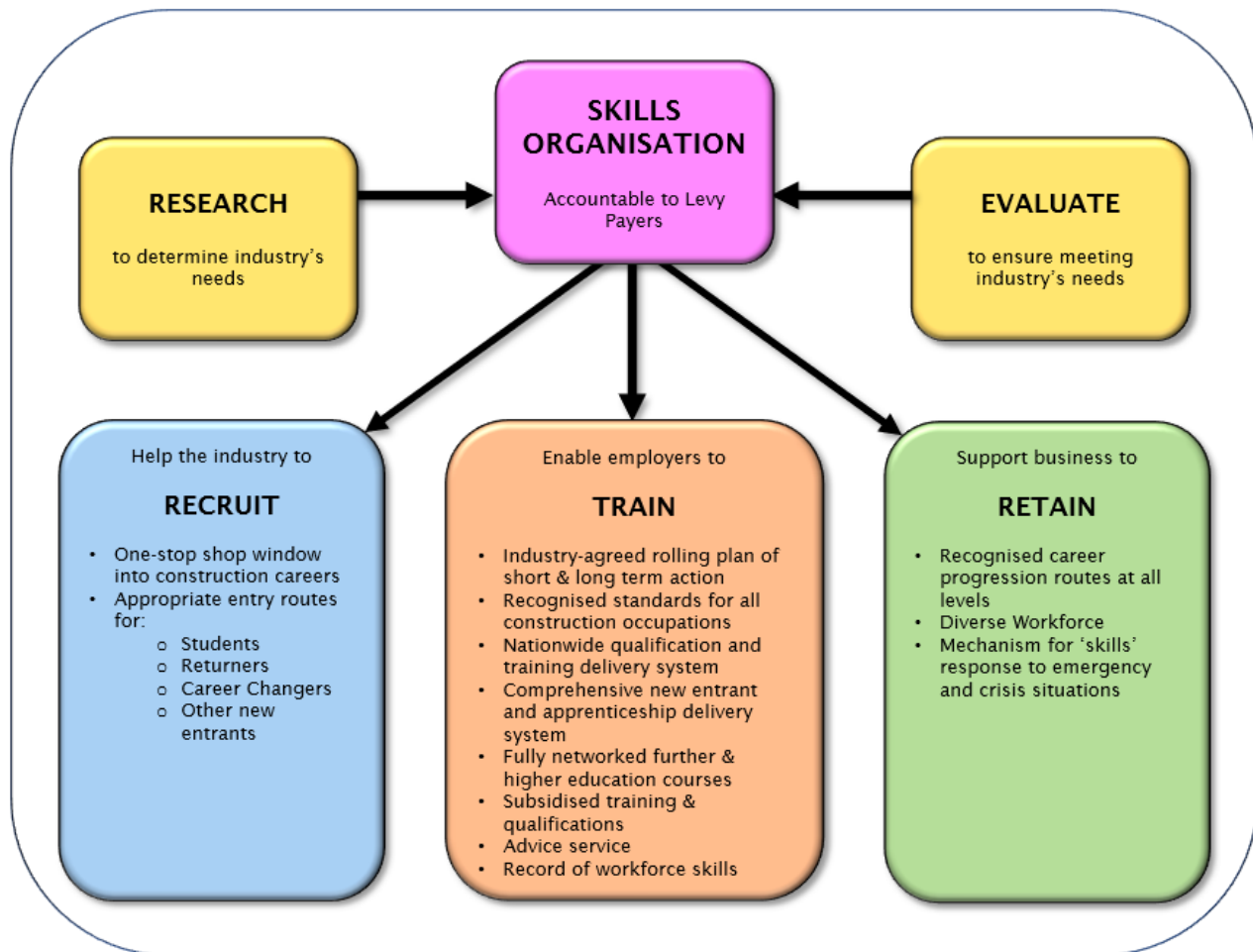
- Help the industry to **Recruit** the next generation
- Enable employers to **Train** their workforce
- Support businesses to **Retain** talent.

In return, they 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 effectively.

This '**Levy In – Skills Out**' proposal is supported by Build UK members and sets out how the Levy can be used more effectively to deliver better outcomes, including recognised standards for all construction occupations; a nationwide delivery system for training and qualifications; and an effective apprenticeship system, which would benefit the whole industry and not just those in scope to CITB.

Levy In - Skills Out Proposal



Help the Industry to Recruit

1. One-stop shop window into construction careers

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 how to apply.

2. Appropriate entry routes

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 education and training providers should be easy for employers to undertake with up-to-date resources available.

Enable Employers to Train

1. Industry-agreed rolling plan of short and long-term action

Delivering the skills the industry needs requires a long term strategy to ensure that an underlying system is in place. This should be underpinned by an agreed, rolling annual action plan, based on research and evidence that is informed by the evaluation of previous activity, 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 qualification and training delivery system

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 new entrant and apprenticeship delivery system

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

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

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

5. Fully networked further and higher education courses

Entry and progression routes into the industry are essential and provide 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.

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. Diverse workforce

Creating fair and inclusive workplaces and offering more flexible working opportunities at all levels will help to make construction a positive and rewarding career choice for everyone, leading to a more diverse workforce which remains within the industry.

3. Mechanism for 'skills' response to emergency or crisis situations

The industry needs to respond rapidly 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, and particularly apprentices, within the industry.

Background to the Levy

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

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.

For the Levy to be continued, support must be demonstrated in the following two ways¹:

1. **Number of employers** = At least 50% of employers liable to pay the Levy² must support it, and
2. **Value of Levy paid** = Support from employers that collectively pay more than 50% of the Levy.

Build UK is one of 14 'Prescribed Organisations', which means it is required to formally consult members on the CITB Levy and submit a consolidated response on their behalf. The other 13 Prescribed Organisations include a number of Build UK's Trade Association members.

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*

Consensus Response

Due to the COVID-19 pandemic, the 2020 Levy Consensus was delayed by 12 months and took place between June and August 2021.

Build UK's response to Consensus confirmed that its members **agreed** that the Levy proposals are necessary to encourage adequate training in the construction industry. However, the level of support from Build UK members was significantly lower than in previous years and there is continued widespread frustration with the performance of CITB and the way in which the Levy is used to support employers in-scope to CITB.

Levy Rates 2020 - 2025

Period	Rates
September 2020 - August 2021	0.35% for PAYE and 1.25% for Net CIS
September 2021 - August 2022	0.175% for PAYE and 0.625% for Net CIS
September 2022 - August 2025	0.35% for PAYE and 1.25% for Net CIS

¹ Where a Levy paying employer is a member of more than one Prescribed Organisations its response is split equally between those organisations.

² 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.