

Levy In – Skills Out

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Background

Build UK is a ‘Prescribed Organisation’ and as part of the 2025 Levy Consensus process is consulting its members on the continuation of the CITB Levy.

Following consultation with members during the 2021 Levy Consensus process Build UK responded with its ‘[Levy In Skills Out](#)’ proposal which was unanimously supported by members and set out how the Levy should be used as part of a skills system which would benefit the whole industry and not just those in scope to CITB.

CITB responded positively and adopted the Levy In Skills Out mantra along with the principles of Recruit, Train and Retain, however many of the actions have yet to be implemented and CITB’s [2025-2029 Strategy](#) contains many of the same commitments.

In January 2025 the Department for Education responded to the [Farmer ITB review](#) confirming its support for the continuation of the Levy-Grant system with the objective of it improving workforce competency, productivity and retention.

The recommendations in the ITB review align with Build UK’s Levy In Skills Out proposal which has been updated for members to consider as part of our consultation process.

Introduction

The construction skills system is complex and the majority of employers agree that they need help and support to understand, navigate and benefit from it.

The majority of Build UK members in scope to CITB are prepared to pay a Levy for an organisation that facilitates the delivery of the diverse and competent workforce required by the industry now and in the future. They see the Levy as part of an overall skills system which provides both short and long-term solutions to:

- 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:

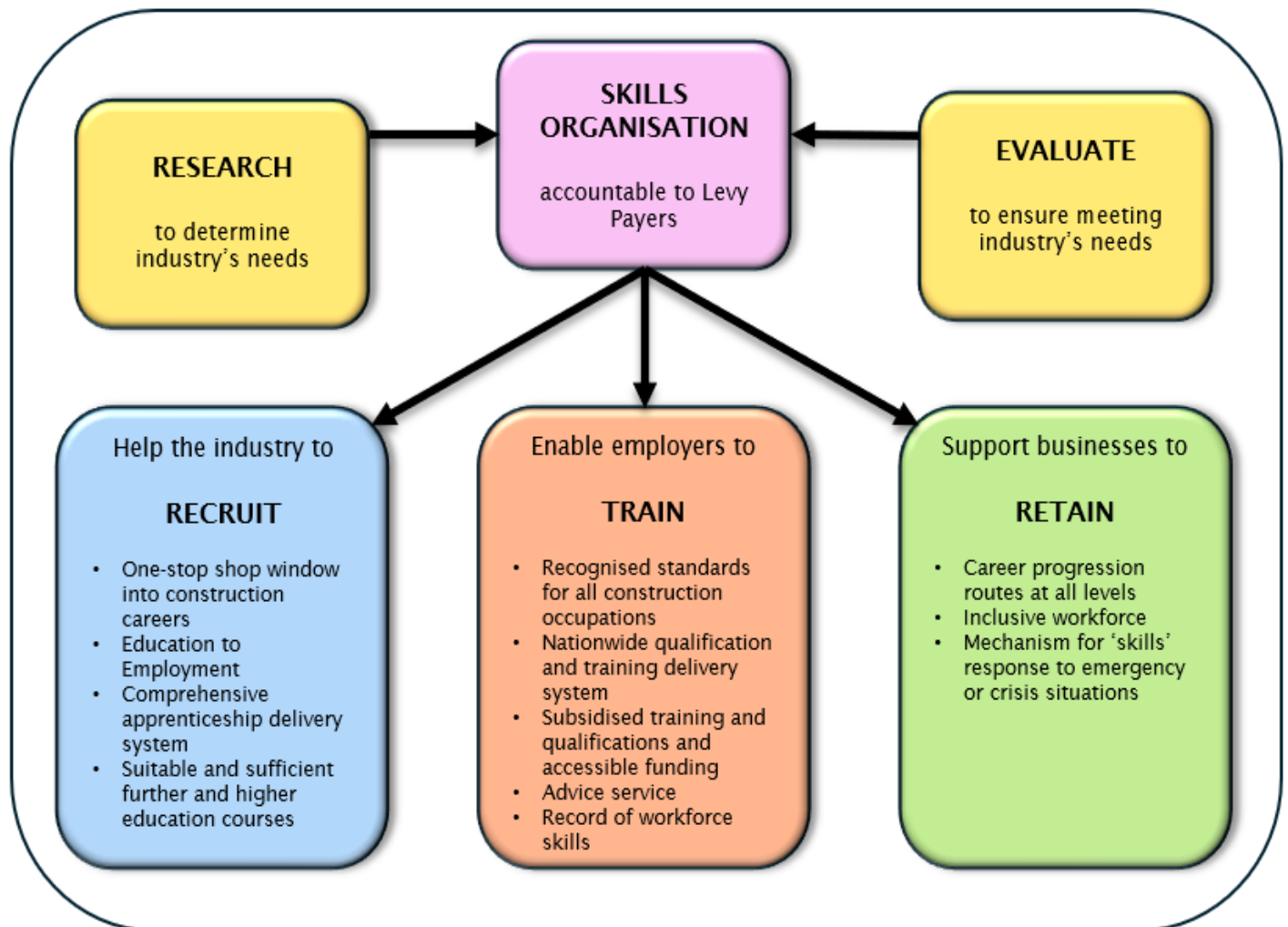
- Is accountable to Levy payers
- Undertakes appropriate research to determine the industry's needs
- Ensures standards and competence frameworks are in place and regularly reviewed
- Facilitates the delivery of training and qualifications
- Spends the levy effectively
- Evaluates its delivery to ensure it is meeting the industry's needs
- Transparently reports on its performance, outputs and outcomes.

Next Steps

Build UK recognises that in order to commit to investment in skills employers require certainty of pipeline. The 10-year Infrastructure Strategy, due to be published by the Government later this year, should give them the confidence to make that investment and the industry will need an effective skills system in place to deliver the capacity required to meet the UK's homes and infrastructure needs.

Levy In - Skills Out Proposal

Employers need a skills system that helps them achieve a competent, productive and inclusive workforce, underpinned by an agreed, rolling annual action plan, which sets out specific outcomes, milestones and timelines. With regard to the use of the Levy, the DfE, CITB and Levy payers should collectively agree the outcomes through a simple consultation mechanism and the relevant parties be held accountable for their delivery.



Help the Industry to Recruit

The industry needs to recruit over 250,000 workers each year which [according to CITB](#) includes up to 100,000 apprenticeship starts. Collectively, and in a co-ordinated way, we need to showcase the opportunities in construction, set out the Journey from Education to Employment and provide a path for career changers and others into the industry.

We also need to support businesses in providing employment opportunities.

1. One-stop shop window into construction careers

Anyone looking to join the construction industry should easily be able to find up to date and relevant information on the wide range of roles available and the competencies required including the necessary training and qualifications.

2. Education to Employment

School, college and university engagement should be brought together to identify the most effective methods of bringing people into the industry and co-ordinated more efficiently using established programmes such as Open Doors and STEM ambassadors to maximise the return on limited resources.

There should also be an element of consistency in skills bootcamps, ex-military, ex-offenders and care-leavers recruitment initiatives however a more specialist or localised approach may be appropriate.

3. Comprehensive apprenticeship delivery system

It should be easy for employers, young people, parents, guardians and teachers to understand the relevant apprenticeships on offer and how to access them including:

- Information on the apprenticeships and training providers available
- An apprenticeship hub connecting apprentices with employers and colleges
- Standardised employment documentation
- Clear and consistent support and funding

4. Suitable and sufficient further and higher education courses

Relevant training, 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. Government funding should only be available for programmes that provide the skills recognised by employers.

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

The industry and education providers should capitalise on, and retain, experience within the workforce by promoting and supporting teaching opportunities in further and higher education.

Enable Employers to Train

The industry needs a system that delivers the wide range of training required for a mobile workforce of over two million people across the multitude of different occupations operating in a range of complex and ever-changing environments.

1. Recognised standards for all construction occupations

Competence frameworks developed by the relevant sectors in partnership with Sector Skills Bodies should set out the learning content and structure for nationally-recognised training and qualifications for all construction occupations and roles. They should be consistent and transferable, reducing the need for unnecessary and repeated training and qualifications, and recognised by all employers.

Information on every construction occupation, detailing the required Skills and Knowledge, the relevant Sector Representative Organisation(s) and Sector Skills Body should be easily available and kept under review.

2. 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 support for employers
- An online directory of recognised training courses
- A network of recognised providers

3. Subsidised training and qualifications and accessible funding

In return for paying a Levy, employers of all sizes should be able to easily access relevant training and qualifications at subsidised rates along with appropriate funding to support skills solutions that benefit multiple employers.

4. 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.

5. 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 to support the demonstration of skills, knowledge and competence.

Support Businesses to Retain

The industry needs to grow and develop the people it has invested in, offering rewarding careers to keep them within the sector and improving its collective productivity, knowledge and experience.

1. Career progression routes at all levels

Construction careers don't always follow a linear progression however 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.

Training and support such as personal development and mentoring should be continuous throughout an individual's working life. Not only will this ensure their skills remain relevant, it will also help everyone to develop their capabilities and achieve their full potential.

2. Inclusive 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 be able to respond rapidly to situations to mitigate their impact, such as a pandemic or the collapse of an employer, which risk losing skills from the industry or changes such as the new Building Safety regime which increase the demand for new or different skills. Such events often require an immediate and industry wide response.

Background to the Levy

In a process known as Consensus, construction employers that pay the CITB Levy are asked periodically 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 67,000 construction employers are registered with CITB and approximately 21,000 of those pay the Levy, which going forward will amount to average annual Levy income of around £239 million.

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 Levy 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*

Levy Rates and Thresholds

| Levy Order | Assessment years covered | PAYE Rate | Net CIS rate | Exemption Threshold | 50% Reduction Threshold |
|------------|--|-----------|--------------|---------------------|-------------------------|
| 2021 | 2021 - 2022 (1 year order due to COVID-19) | 0.175% | 0.625% | Less than £120,000 | £120,000 - £399,999 |
| 2022 | 2022-2025 | 0.35% | 1.25% | Less than £120,000 | £120,000 - £399,999 |
| 2025 | 2025 -2026 (1 year order due to ITB review) | 0.35% | 1.25% | Less than £135,000 | £135,000 - £449,999 |
| 2026 | 2026-2029 (This years proposal) | 0.35% | 1.25% | Less than £150,000 | £150,000 - £499,999 |

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