

EXPLANATORY MEMORANDUM TO
THE INDUSTRIAL TRAINING LEVY (CONSTRUCTION INDUSTRY TRAINING
BOARD) ORDER 2007

2007 No. 607

1. This explanatory memorandum has been prepared by The Department for Education and Skills and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 This Order will enable the Construction Industry Training Board (CITB) to raise and impose a levy on employers in the Construction Industry. This Order sets the rate of and exemptions from that levy.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 Section 11 of the Industrial Training Act 1982 (ITA) enables an industrial training board to submit, to the Secretary of State, proposals for the raising and collection of a levy to be imposed for the purpose of meeting the board's expenses. That levy is to be imposed in accordance with an order made by the Secretary of State. This Order will give effect to levy proposals submitted to the Secretary of State by the CITB.

5. Territorial Extent and Application

5.1 This instrument applies to Great Britain

6. European Convention on Human Rights

The Parliamentary Under Secretary of State for Skills and Vocational Education has made the following statement regarding Human Rights:

In my view the provisions of the Industrial Training Levy (Construction Industry Training Board) Order 2007 are compatible with the Convention rights

7. Policy background

7.1 The purpose of Industrial Training Boards

Industrial Training Boards (ITBs) are set up under the ITA to ensure that the quantity and quality of training are adequate to meet the needs of the industries for which they are established.

There are currently two ITBs covering the construction and the engineering construction sectors and both are Non-Departmental Public Bodies. They provide a wide range of services and training initiatives, including setting occupational standards and developing vocational qualifications, delivering Apprenticeships and paying direct grants to employers who carry out training to approved standards.

Employers in these sectors have consistently supported statutory underpinning for their training arrangements. They argue that the nature of their industries mean that individual employers are unable or unwilling to accept the responsibility of training their own employees. They believe that a national pool of labour, collectively funded by all employers, is the only way the industries' skill needs can be met.

Levy Arrangements

The ITA contains provision for a levy to be imposed on employers to finance an ITB's activities. It is for the ITB to make proposals for the rate of levy for the industry it covers and for the Secretary of State to make an order giving effect to the proposals.

This Order gives effect to proposals submitted by the CITB for a levy to be collected by them in 2007. Levy rates are determined by the employer members of the ITB and are fixed in light of the Board's general policy and plans. They must cover the cost of the Board's plans for the year in question. The levy rates are set out in article 4 of this instrument. There is no ceiling to the amount of levy paid by an employer. The proposals are expected to raise £160 - 165 million in the financial year-ended 31 December 2007.

Articles 3 and 4 of this Order set out the employers on whom the levy can be imposed. Subject to the exclusions set out below, this includes every employer whose main activity is included in the definition of the construction industry as set out in Schedule 1 to the Industrial Training (Construction Board) Order 1964, as amended by S.I. 1992/3048.

The CITB's proposals involved a levy greater than 0.2% of an employer's relevant emoluments with no provision for the issuing of exemption certificates under the ITA. Section 11(8) of the ITA defines "relevant emoluments". Consequently, to make this Order, the Secretary of State had to be satisfied that the proposals are necessary to encourage adequate training in the industry and that one of three conditions is satisfied.

The conditions are:-

- (a) that organisations representing more than half the persons likely to pay the levy and organisations representing persons who together are likely to pay more than half the aggregate amount of the levy consider, after taking reasonable steps to consult their members, that the proposals are necessary to encourage adequate training in the industry;
- (b) that the Order will be made less than two years after the making of a former levy Order giving effect to proposals in respect of which condition (a) was satisfied and certain conditions regarding the issuing of exemption certificates by the Board are satisfied;

(c) that neither condition (a) or (b) applies, but the proposals are considered by the Secretary of State to be appropriate in the circumstances.

The CITB consulted formally on the levy proposals in the summer of 2006 and they were supported by the industry's main employer organisations, who represent over 50% of employers who the Secretary of State considers are likely to be liable to make levy payments in consequence of the proposals. Those employers are together likely to pay 67.8% of the total levy. Condition (a) above is therefore satisfied.

The Secretary of State has estimated that the amount of levy payable by an employer will exceed 1% of the relevant emoluments and he considers this amount of levy to be appropriate in the circumstances. Accordingly, as required by section 12(6) of the ITA, a draft of this Order was approved by a resolution of each House of Parliament before it was made.

Exclusions

The ITA requires that levy proposals include proposals for exempting from the levy employers who on account of their small number of employees ought, in the Board's opinion, to be exempted from the levy. Article 5(1) of this Order reflects the exemption proposed by the CITB. The exemption is calculated by reference to an employer's expenditure rather than the number of employees because the numbers employed in any year by any particular employer in this industry, which largely operates on a short-term contract basis with significant usage of labour-only subcontractors, fluctuate and are therefore difficult to calculate or audit, should that be needed.

In addition, article 5(2) makes provision for certain employers who are charities to be exempt from the levy.

8. Impact

8.1 A Regulatory Impact Assessment has been produced for this instrument is attached to this memorandum

9. Contact

Tim Down at the Department for Education and Skills Tel: 0114-259-3235 or e-mail: tim.down@dfes.gsi.gov.uk can answer any queries regarding the instrument.

REGULATORY IMPACT ASSESSMENT

THE INDUSTRIAL TRAINING LEVY (CONSTRUCTION INDUSTRY TRAINING BOARD) ORDER 2007

Declaration :

I have read the Regulatory Impact Assessment and I am satisfied that the balance between cost and benefit is the right one in the circumstances.

Signed by the responsible Minister

Phil Hope.....

Date *3 December 2006*

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REGULATORY IMPACT ASSESSMENT

THE INDUSTRIAL TRAINING LEVY (CONSTRUCTION INDUSTRY TRAINING BOARD) ORDER 2007

The Issue and Objective

1. The measure gives effect to one of the provisions of the Industrial Training Act 1982, which empowers the Secretary of State to set up industrial training boards (ITBs) to ensure that the quantity and quality of training are adequate to meet the needs of the industry for which they are established. It enables the Construction Industry Training Board (CITB) ¹ to impose a levy on employers, other than the smallest, whose activities fall within its scope (as currently defined in the Industrial Training (Construction Board) Order 1964 (Amendment) Order 1992).
2. The context of this legislation is unusual in that it is to all intents and purposes self-imposed, and this should be taken into account in any judgment of the way in which it impacts on employers in the construction industry. Against the tide of Government policy of transforming ITBs from statutory to non-statutory organisations, two industries (of which this is one) have, through their representative organisations, persuaded the government to retain their statutory basis, including the power to impose a levy. This is to address particular industry characteristics which are outlined in paragraph 4. In practice, this means that each year the construction industry, after a process of consultation (as required by the Industrial Training Act), submits, through the ITB, its proposals for the following year's levy arrangements. The industry has had a levy/grant arrangement for some 40 years.
3. The Industrial Training Act 1982 also empowers ITBs to make grants to those employers that undertake training considered eligible by the Board to receive support. An employer that undertakes no training will have to pay a levy but will get no grant from the Board; an employer that undertakes approved training will pay the levy but may receive grants towards the cost of training. In this way, an employer will have an incentive to see that employees receive training and in particular to see that the quality of training is of a standard approved by the Board.
4. In addition to the payment of grants, CITB-ConstructionSkills funds and manages a range of training initiatives, such as apprenticeship and other new entrant training programmes and schemes to develop and validate the skills of the workforce. The construction industry is characterised by considerable movement of labour between employers and projects and a high degree of labour-only subcontracting. These initiatives are designed to benefit the industry collectively by providing a pool of skilled labour from which all employers benefit. The Board also provides a training consultancy service to the industry and develops standards of competence and associated national vocational qualifications and training specifications.
5. It is for the Board to make proposals for the particular levy arrangements and rates for the industry. Levy proposals are submitted annually by CITB-ConstructionSkills and are subject to Ministerial and Parliamentary approval. This RIA concerns the levy arrangements for 2007.
6. The measure is designed to:

¹ CITB currently uses the name CITB-ConstructionSkills to badge its levy and grant activities and this term will be used in the remainder of this document.

- share the cost of training between firms;
- secure an adequate supply of properly trained workers at all levels in the industry;
- meet the administrative expenses of the Board.

Risk Assessment

(i) The problem and harm

7. The statutory Industrial Training Boards (ITBs) set up by the Industrial Training Act 1964 were progressively wound-up between 1981 and 1992 and replaced by new employer-led organisations outwith a statutory framework.

8. However, employers in the construction industry have consistently put forward a strong case for the continuation of statutory training arrangements for their sector.

9. Ministers have acknowledged that insisting on non-statutory arrangements is unrealistic and have agreed to retain a statutory ITB subject to review at least every five years. The ITB is governed by the Industrial Training Act 1982, which includes the power to raise a levy, imposed by an order which gives effect to proposals submitted annually by the Board and requiring the approval of both Houses. The smallest employers are exempted from the levy.

(ii) The risk

10. The industry argues that without collectively-funded training, paid for by a statutory levy on all employers and administered by the ITB, there is a serious risk that insufficient training will be carried out to meet the industry's skill needs. This could result in skill shortages, wage inflation and a less competitive construction industry.

Options

11. There are two options:

Option 1 - reject the levy proposals. This would mean that the Board would have no levy income for the financial year ended December 2007 and the only money available for operating purposes would be its reserves, which would soon be exhausted.

Option 2 - approve the levy proposals and enable the Board to raise the income it requires to continue to provide incentives by way of grants for employers who train and to deliver the training services required by the industry.

Issues of Equity or Fairness

12. The context of this legislation is unusual in that it is to all extents and purposes self-imposed by the employers in the construction industry.

13. It runs contrary to the current position of non-statutory training arrangements in most industry sectors but is nevertheless employer-led and employer-funded in accordance with employers' wishes.

Identify the Benefits

14. The options have the following benefits:

Option 1 - employers would not have to pay the training levy but, according to the industry, the particular employment patterns in the sector i.e. the itinerant nature of the workforce and extensive use of labour-only subcontractors, mean that employers individually are not prepared or are unable to undertake adequate (either qualitative or quantitative) training.

Option 2 - with its operating income secured the Board would be able to continue to organise, manage and fund the range of training services that have been developed on the industry's behalf. The cost would be shared between firms.

Quantifying and Valuing the Benefits

15. The monetary benefit for each option is:

Option 1 - zero

Option 2 - The Board calculates that for every £1 raised in levy, £1.88 is returned to the industry. This is given in the form of grant, training allowances, college fees, trainee recruitment, trainee advice and the development of industry standards. There is also the availability of a skilled pool of labour from which all employers benefit.

16. The costs of the options are:

Option 1 - cannot be quantified or costed

Option 2 - £162.3m raised in levy from the industry

Business Sectors Affected

17. Employers in the construction sector as defined in Industrial Training (Construction Board) Order 1964 (Amendment) Order 1992.

18. CITB-ConstructionSkills estimates that the number of companies in-scope is between 72,000 and 75,000. The number of employers registered with CITB-ConstructionSkills is some 72,000. Employers are not required to register with CITB-ConstructionSkills; rather it is for CITB-ConstructionSkills to identify them. Around 47,000 (65%) of registered in-scope employers are expected not to be liable to pay the levy. Of this figure, 31,000 (43%) are small firms whose payments are below the threshold; 4,000 (5%) are employers whose LOSC receipts outweigh their payments (offset to prevent double charging of levy), and 12,000 (17%) are employers that will not be assessed to levy for other reasons such as first year of registration or cessation of business.

Compliance costs for a “Typical” Business

19. The compliance cost for business is:

- the cost of training not previously carried out but which has been encouraged by imposition of the levy;

- the cost of completion of the annual levy assessment return;
- the amount of the individual levy assessment;
- the cost of processing the levy bill;
- the cost of completing Grant claims;

Less

- the benefits of training grants and initiatives and other Board services.

Note: The purpose of the Industrial Training Act is to encourage adequate training in any given industry. The cost of training itself cannot be quantified in the examples which follow. It is not possible to estimate the extent to which the imposition of a levy/grant mechanism induces employers to incur additional training costs to those which they might or might not already be incurring, particularly as many employers will have operated under these arrangements for a number of years.

20. All costs are non-recurring. All firms are required to complete an assessment return in order that their levy liability can be calculated. For the purposes of the total compliance cost table at paragraph 23, it is estimated that this is a negligible direct cost amounting to no more than one hour per year at £30 per hour for 30,000 of the registered employers and half an hour per year for the other 27,000 who submit a return. It is also estimated that the cost of claiming grants is half an hour per annum per new entrant trainee, half an hour per employee on a Training & Development Plan and half an hour per other grant claim at a cost of £30 per hour.

21. Compliance costs vary from company to company as a levy bill is based on the size of a firm's payroll and use of labour-only workers.

22. Furthermore, while it is possible to identify the value of grants paid directly to particular firms, it is impossible to quantify fully the extent to which individual firms benefit from industry-wide initiatives or other Board services such as R&D and consultancy advice.

23. A range of examples (based on 2005 data) has been provided in order to demonstrate the costs and benefits of training services provided and grants awarded:

Example 1: A large general building contractor with 684 employees, including 11 trainees, which uses a significant amount of labour-only sub-contractors. The company's levy represents 0.70% of total payroll. 128 grant claims were submitted in 2005 (average value £379), largely in respect of work experience, short duration courses and S/NVQ achievements.

	£	£
Completion of Levy Return	30	
Processing Levy assessment	30	
Registering new entrant trainees (11 trainees x £15)	165	
Completing other grant claims (128 claims x £15)	1,920	
Levy payment	134,842	
	<u>136,987</u>	
<i>Less:</i> NET attendance grants and allowances directly attributable		36,566
Other grants directly attributable		48,525
Estimated College Fees not directly attributable		31,248
		<u>116,339</u>
 NET COST/(BENEFIT)		 <u><u>20,648</u></u>

Example 2: A large building and civil engineering contractor with 958 employees, including 9 trainees, which uses a small element of labour-only sub-contractors. The company's levy represents 0.52% of total payroll. 48 grant claims were submitted in 2005 at an average value of £509 in respect of S/NVQ achievements and site management courses, and the company also operates a Training and Development Plan.

	£	£
Completion of Levy Return	30	
Processing Levy assessment	30	
Registering new entrant trainees (9 x £15)	135	
Producing a Training and Development Plan (958 x £15)	14,370	
Completing other grant claims (48 claims x £15)	720	
Levy payment	<u>164,475</u>	
	179,760	
<i>Less:</i> NET attendance grants and allowances directly attributable		7,377
Training and Development Plan grants directly attributable		305,110
Other grants directly attributable		24,450
Estimate College Fees not directly attributable		<u>4,520</u>
		341,457
 NET COST/(BENEFIT)		 <u>(161,697)</u>

Example 3: A medium sized civil engineering company with 62 employees, which employs a small amount of labour-only sub-contractors. Levy represents 0.60% of total payroll and the company made 128 grant claims in 2005 (average value £385) for S/NVQ achievements.

	£	£
Completion of Levy Return	30	
Processing Levy assessment	30	
Completing other grant claims (128 claims x £15)	1,920	
Levy payment	<u>11,405</u>	
	13,385	
<i>Less:</i> Grants directly attributable		<u>49,350</u>
		49,350
 NET COST/(BENEFIT)		 <u>(35,965)</u>

Example 4: A small roofing business (34 employees) which employs some labour-only sub-contractors. The firm's levy represents 0.61% of total payroll. No grant claims were made in 2005.

	£	£
Completion of Levy Return	30	
Processing Levy assessment	30	
Completing Grant claims	Nil	
Levy payment	<u>3,632</u>	
	3,692	
<i>Less</i> Grants directly attributable		Nil
 NET COST/(BENEFIT)		 <u>3,692</u>

Example 5: A micro building repair and maintenance firm with 3 employees and no labour-only sub-contractors. The total payroll is below the small firms' exclusion level of £69,000 and thus no levy is payable. The firm made 4 grant claims in 2005 (average value £1,890) for Investors in People and S/NVQ achievements, and also received grant for producing and delivering a training and development plan.

	£	£
Completion of Levy Return	15	
Processing Levy assessment	Nil	
Producing a Training and Development Plan (3 employees x £15)	45	
Completing other grant claims (4 claims x £15)	60	
Levy payment	-	
	<u>120</u>	
Less: Training and Development Plan grants		561
Other grants directly attributable		<u>7,562</u>
		8,123
 NET COST/(BENEFIT)		 <u><u>(8,003)</u></u>

Total Compliance Costs

	£'000	£'000
Total compliance costs are estimated as follows:		
Completion of Levy Return (30,000 x £30; 27,000 x £15)	1,305	
Processing Levy assessment (say 25,000 x £30)	750	
Registering new entrant trainees (40,000 trainees x £15)	600	
Producing Training and Development Plans (165,000 x £15)	2,475	
Completing other grant claims (150,000 claims x £15)	2,325	
Levy payment	<u>136,020</u>	
	143,475	
<i>Less</i> Grants		105,556
Allowances and Expenses		5,191
College Fees		<u>29,107</u>
		139,854
 NET COST/(BENEFIT)		 <u><u>3,621</u></u>

Less the benefits of industry-wide initiatives and other Board services including training centres, recruitment of trainees, development of standards, careers and training advice etc.

Note: CITB-ConstructionSkills generates income direct from LSCs/LECs/ELWa (£50m).

Consultation with Small Business: "The Litmus Test"

24. In consultation with industry (see paragraphs 2 and 30), provision has been made for exempting employers with combined payroll and net labour-only payments of £73,000 or less.

25. Around 47,000 (65%) of registered in-scope employers are expected not to be liable to pay the levy. Of this number, 12,000 (17%) employers are not assessed to levy for other reasons such as first year of registration, or cessation of business and 4,000 (5%) declare labour-only receipts greater than labour-only payments (offset to prevent double charging of levy).

Other Costs

26. No other costs have been identified. Neither option has a cost for the Department or the Government.

Results of Consultations

27. The estimates are based wherever possible on statistical information published by CITB-ConstructionSkills. Where this was not available, assumptions have been obtained from the Board.

28. CITB-ConstructionSkills and its statutory levy system have been retained at the express wish of employers in the sector and their representative organisations. The levy provisions contained within this Order were proposed by the Board and have the support of the industry as required by the Industrial Training Act 1982. Evidence of that support has been obtained from the representative employer organisations.

Summary and Recommendations

29. On the basis of expected costs and benefits, option 2 is the preferred option.

30. The conclusion is also sensitive to the belief that employers are best-placed to decide which training arrangements best suit their needs. As required by the governing legislation for Industrial Training Boards, they have been consulted on and support the levy proposals in question.

Enforcement, Sanctions, Monitoring and Review

31. As a Non-Departmental Public Body, CITB-ConstructionSkills is subject to a periodic review of its performance and the continuing need for its existence. A key element of such reviews is full consultation with employers in the sector. The last review was completed in October 2003 and the industry confirmed its support for the Board.

32. An ITB's levy proposals are submitted to Ministers on an annual basis. This Order gives effect solely to the Board's 2007 levy.

How does Government satisfy itself that CITB-ConstructionSkills represents good value for money?

- ◆ The Sector Skills Council contract with SSDA and the Sector Skills Agreement, agreed with a wide range of stakeholders across the sector.
- ◆ Through CITB-ConstructionSkills' Board, Training Committee and Grants Scheme Working Party (comprised of employer, employee, and education sector representatives from the industry) agreeing, monitoring and reviewing performance targets via the organisation's Scorecard.
- ◆ The Quinquennial Review process (conducted most recently in 2003).
- ◆ Consensus – CITB-ConstructionSkills is required to demonstrate the support of over 50% of registered levy-paying employers for its plans each year. This is achieved through formal consultation with employer bodies in the sector and this year was confirmed to the Board on 12 October 2006.
- ◆ The Employer Tracking Survey – see below.
- ◆ Government Observers attend CITB-ConstructionSkills Board and other committee meetings.
- ◆ CITB-ConstructionSkills Annual Report and Accounts is subject to the annual scrutiny of the National Audit Office.

How can CITB-ConstructionSkills demonstrate the value added by its levy/grant system?

The Levy/Grant system is an integral part of CITB-ConstructionSkills' plans for delivering against the priorities agreed with industry and other key stakeholders, both in funding terms and in providing grant incentives in support of these priorities. Added value should not be measured purely on the basis of the volume of training undertaken, but by its quality and impact on the performance of individuals and employers. This is a key focus of the Sector Skills Agreement.

1. Sector Skills Agreement

The priorities are encapsulated in the ConstructionSkills Sector Skills Agreement (SSA), and progress towards its delivery (in conjunction with partners, government, employers and training providers) will continue to demonstrate the value returned to industry for their 'investment'.

The focus for CITB-ConstructionSkills spans four areas, each with its own challenges:

Shaping Up Industry's Performance

- Securing a significant increase in the number of companies investing in the planned training and development of their workforce
- Developing the leadership and management skills needed to deliver to clients on quality, time and cost
- Identifying and delivering the skills needed for the future growth of the industry – including new working practices, processes, technologies and materials.

Brushing Up the Industry's Existing Skills

- Delivering a major development in the capacity and capability of the On-site Assessment and Training programme
- Ensuring the specialist sector has access to the training and development it needs

- Addressing the challenges posed by the increasing use of migrant labour.

Stepping Up the Quality of Qualified New Entrants

- Increasing apprentice completions and widening opportunities for work-based practice
- Encouraging more women and ethnic minorities to join and stay in construction
- Ensuring there are enough graduates with the right skills, knowledge and understanding.

Infrastructure in Support of These Priorities

- Establishing the Construction Skills Network to provide industry forecasting capability to enable informed forward planning and well-considered agreed solutions
- Developing a Sector Qualifications Strategy, with separate delivery plans for Scotland Wales and England that will ensure a well-planned and structured approach to the development of qualifications and progression pathways, and which meets sector and learner needs and addresses new skill areas as they emerge
- Exploring different approaches to the delivery of training which meet demand in terms of quantity, delivery models and timing.

2. CITB-ConstructionSkills' Scorecard

Developed, agreed and reviewed in consultation with representative stakeholder groups, the annual Scorecard measures CITB-ConstructionSkills' performance against key industry, effectiveness and efficiency measures. These targets represent an important part of the organisation's direct contribution to addressing the above priority areas, and as such their achievement demonstrates a direct return of value to industry.

Effectiveness measures such as 'Non-Levy Income contribution and the 'Employer Satisfaction Survey' (see below), and Efficiency measures such as 'Operating Costs as a Percentage of Total Costs' and 'Levy and Grant administration costs as a percentage of total Levy plans total Grant', further demonstrate the level of additional value (in funding terms) secured for industry's benefit, and the continued reduction in operating costs to maximise return to industry.

3. Influencing a Training Culture

Over half the employers claiming grant are classed as "micro" (fewer than 10 employees) and they claim more than 20% of total grant spend.

There is evidence that such businesses create significant new job opportunities (because this is where most apprenticeships arise). However, they are less likely to have a formal training plan and budget and rely on the financial support and training advice offered by CITB-ConstructionSkills. Growth in the uptake of the training plan grant option – which rewards the development and delivery of a training plan – is a Scorecard target and is often a first step towards the achievement of Investors in People status.

In the 2004/2005 Grant year (the latest for which figures are available), 2,296 employers claimed support for 656,000 training days for 165,000 workers under the Training and Development Plan route, an average of four days per capita. A further 3,253 employers claimed for 141,000 training days under the short duration courses route.

In 2005, nearly 40% of 39,900 grant-aided new entrant trainees were employed in micro-businesses. These employers are vital in offering opportunities and are particularly sensitive to the time and financial resource implications of doing so.

In addition to grant, a significant element of support for the recruitment of new entrants to the industry is delivered by CITB-ConstructionSkills' Modern Apprenticeship Officers, who support employers in recruiting apprentices and monitor their progress during training.

4. Value of Training Influence

In 2005, grant expenditure and direct financial support for training provided by CITB-ConstructionSkills was £139.9m. This represents £684m (1.8m days) of training influence based on a training day cost of £380. In addition, £84m of indirect financial support was given towards recruitment and training for the industry.

5. Quality Assurance

To ensure that training is of an appropriate standard CITB-ConstructionSkills has a dedicated quality assurance team.

6. Employer Satisfaction Survey

Independent research into the added value of the levy/grant system is undertaken on an annual basis. Responses from the most recent survey have found:

- ◆ 61% of employers believed that the amount of training would decrease in the absence of a statutory training body.
- ◆ 59% of employers felt that progress towards a qualified workforce would be hindered by the absence of a statutory training body such as CITB-ConstructionSkills.
- ◆ 72% of employers said that the availability of CITB-ConstructionSkills' grant was a positive factor in enabling them to undertake management and supervisory training.
- ◆ 84% of employers said that the availability of CITB-ConstructionSkills' grant was a positive factor in enabling them to undertake new entrant or youth training.
- ◆ When specifically asked whether the statutory levy/grant system should continue, 75% of all employers said that it should.
- ◆ 70% of employers who paid a levy but were not members of any trade association supported the continuation of a statutory levy/grant system.

7. National Construction College

By providing youth and adult learners with training across the widest spectrum of construction disciplines beyond what is available through alternative routes, NCC meets the skills needs of industry in areas that might otherwise be left without provision. Including commercially unviable areas such as heavy plant and steeplejack training, NCC activities range from engaging

employers and employees to promote the value of staff development and lifelong learning, to recruiting, training and qualifying the widest diversity of workforce.

8. Financial Return to Industry for Each £1 of Levy Paid

In 2005, CITB-ConstructionSkills returned £1.88 to industry for each £1 of Levy paid. Through maximising support for Levy, minimising support to operations from Levy, maximising grant and driving efficiency, CITB-ConstructionSkills is working towards achieving a return of £3 for each £1 of Levy paid by 2011.