

# CITB Consensus FAQs

24 Feb 2020



# The Consensus Process Index



1. What is Consensus?
2. How often does Consensus take place?
3. Consensus Legislation ( Consensus and Prescribed Organisations and The Reasonable Steps Regulations)
4. How does CITB ensure transparency and independence during Consensus?
5. What will be the different phases during Consensus 2020?
6. How do you make sure that employers get a chance to express their opinion?
7. Who are the Prescribed Organisations and what is their role during Consensus?
8. Why do the Prescribed Organisations get a say?
9. How does CITB make sure that the Prescribed Organisations provide a true representation of their members' views?
10. Why don't all employers get a say?
11. Who appoints the body that will select which businesses take part in Consensus, what is their brief, and who oversees their activity?
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?
13. Legal definition ( Consensus Survey)
14. Will non-Levy paying businesses be asked for their views?
15. What's the difference between the Apprenticeship Levy and the CITB Levy?

# The Levy Proposal Index

16. [What period do the 2020 Levy Proposals cover?](#)
17. [Who designs the Levy Proposals?](#)
18. [Who sits on the Levy Working Party \(LWP\), how were members selected and what is their role?](#)
19. [What are the proposed options?](#)
20. [What are the benefits and justification of the Levy Proposals?](#)
21. [Can industry influence these proposals?](#)
22. [Did you look at any other options?](#)
23. [Why were these options discounted?](#)
24. [Why are grants no longer available for non-construction training?](#)

# Consultation & Measuring Consensus Index



25. When does Consultation take place in 2020?
26. What is Consultation, why is it conducted and who is included?
27. What are CITB consulting on?
28. How will CITB communicate with industry?
29. What will CITB do with the feedback from Consultation?
30. What happens after Consultation?
31. When will Consensus be carried out?
32. What is the benchmark for achieving consensus?
33. How will the views of the PO's be captured in the final consensus result?
34. What questions will be asked in the Consensus survey?
35. When will the Consensus Results be published?
36. What happens if the Levy Proposals are supported?
37. What happens if the Levy Proposals are not supported?

# 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' (previously referred to as 'Consensus federations') 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 proposal is likely to benefit them or their organisation directly.

Therefore, Consensus is not itself a vote on the future of CITB, it is a say on the future of skills and training in the industry

## 2. How often does Consensus take place?



It takes place every three years.

### 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 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’ (previously known as Consensus federations). 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.

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.

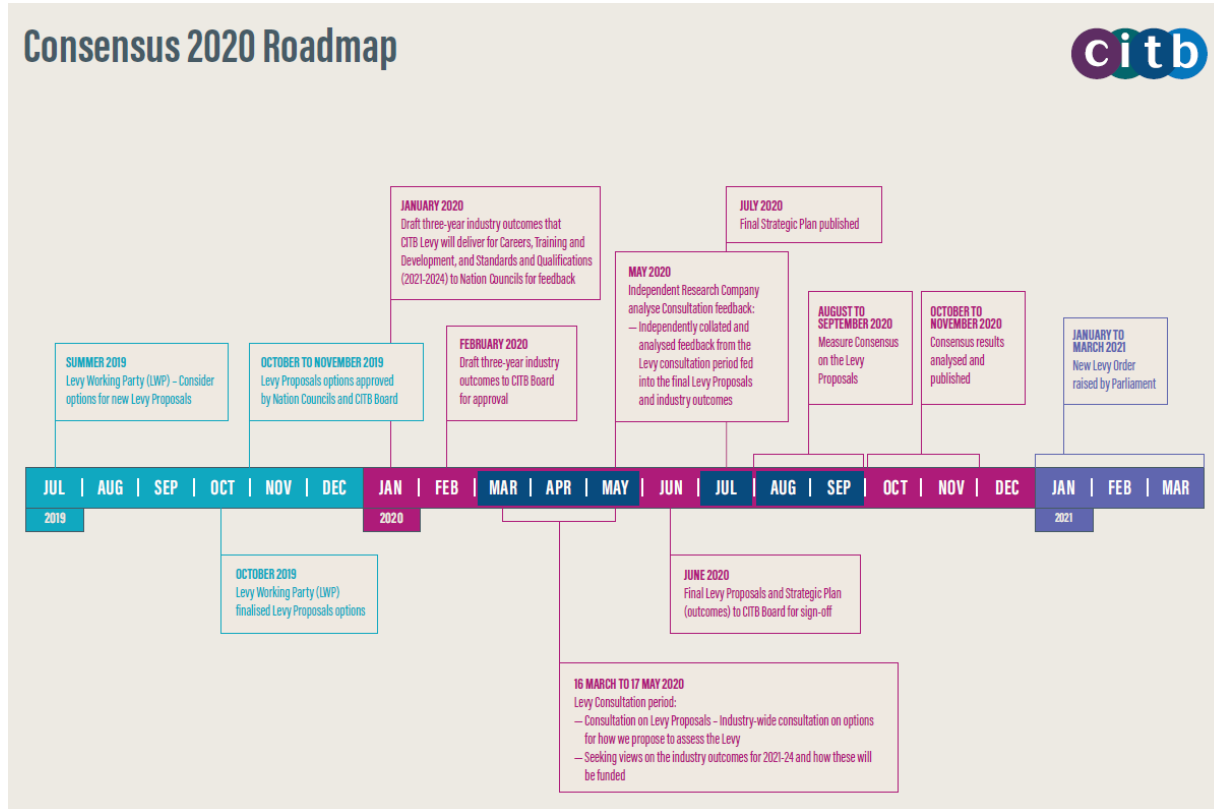
When developing the levy proposal(s) independence is ensured through the Levy Working Party (LWP) in consultation with the Nation Councils. The Nation Councils for England, Scotland and Wales play a key role in helping to shape the future of construction across Great Britain and provide strategic advice to the Board to better meet industry's skills needs.

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 adhere 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 2020?



## 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 2019, over 75,000 construction employers were on the Levy register, with nearly 30,000 liable to pay a Levy. Of these 30,000 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 23,000 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 is 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 on our website.

## 8. Why do the Prescribed Organisations get a say?



Prescribed Organisations represent approximately a quarter 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; thereby enabling better planning for sector specific support.

## 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 ascertain the views of their likely Levy paying members.

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 member 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, however the sample is designed to be representative of the Levy paying population and of a large enough size to report reliable results.

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 16<sup>th</sup> March 2020”.

This information is fed back to the Levy Working Party before the final Levy Proposals are recommended to the Board.

The CITB Board consider the combination of Consulting with Prescribed Organisations and sampling unrepresented employers is more effective and practical than attempting to survey 30,000 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 are 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 all employers who received a positive valued assessment in the 2018 bulk assessment. 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 950 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 the three key strategic areas:

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, travel etc.

CITB uses the Levy to:

Support training development through grants and funding

Promote the construction industry as a great career choice and offer high-quality apprenticeships

Identify skills needs across the construction industry

Develop occupational standards and qualifications.

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

[Back to Index](#)

## 16. What period do the 2020 Levy Proposals cover?



The 2020 Levy Proposals relate to Levy assessments that CITB plan to raise between 2021-23.

At the same time as Consulting on the Levy Proposals, CITB will be seeking views of Industry on the Industry Outcomes that are proposed to be delivered in the period April 2021 – March 2024 by way of the Levy raised in 2021 – 2023.

## 17. Who designs the Levy Proposals?

A group of industry representatives and external specialists, supported by CITB staff, form the Levy Working Party ('LWP'), which is convened in advance of the next Levy Order.

The Levy Working Party represents the views of Industry across all three GB Nations on the development of the 2020 Levy proposals with specific reference to the anticipated cost of the Funding Strategy 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 strategic plan. When the proposals are agreed, the LWP submits its recommendations to the CITB Board.

## 18. Who sits on the Levy Working Party (LWP), how were members selected and what is their role?

The Levy Working party 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 3 Nation Councils based on their experience, skills, knowledge and objectivity. Their role is to assess, monitor and evaluate potential Levy designs. Current Members (as at February 2020) are:

Diana Garnham – Chairperson and CITB Trustee

Yvonne Kelly – CITB Trustee and CEO of Barking and Dagenham College

Liz Bridge – Joint Taxation Committee

Craig Bruce – Scottish Nation Council member, Pert Bruce Construction

Gareth Davies – Welsh Nation Council Member, Knox & Wells

Tony Elliott – Scottish Nation Council Chair, Robertson Group

Seamus Keogh – England Nation Council Chair

Alison Lamplough – Investment Funding Committee Member, Laing O'Rourke

## 19. What are the proposed options?

The proposed options that have been put to the CITB board for approval by the LWP are:

- No change to the current Levy rates and thresholds
- Increase the Levy exemption threshold to £100k

## 20. What are the benefits and justification of the Levy Proposals?

The benefits of 'No Change' are: no employers would be negatively impacted by a rate or threshold adjustment; the option would be simple to communicate to industry and provide continuity after several years of change. This option also had the support of 77% of Levy payers during the 2017 Consensus.

The exemption threshold has not changed for 11 years and over this time inflation and wages have gradually increased. The option of increasing the Levy exemption threshold from £80k to £100k would bring all of the benefits described in the 'No change option'. In addition, the smallest 4% of Levy paying employers would no longer be liable to pay CITB Levy.



## 21. Can industry influence these proposals?

Yes absolutely, CITB will seek industry feedback during the Consultation phase of Consensus which will run from 16<sup>th</sup> March to 17<sup>th</sup> May 2020. Should there be a swell of opinion on any aspect of the proposals, CITB will provide the independently collated feedback to the Levy Working Party to make final Levy Proposals to the CITB Board In June 2020.

At the same time as Consulting on the Levy Proposals, CITB will be seeking industry's views on the Industry Outcomes that are proposed to be delivered by way of the Levy raised in 2021 – 2023. In the event of significant changes to the proposed Outcomes as a result of this conversation with industry, this **could** also impact the final Levy rates that will be recommended to the CITB Board.

## 22. Did you look at any other options?

Yes, the following nine options were reviewed by the Levy Working Party.

- No Change
- Raise exemption threshold
- Remove exemption threshold
- Additional reduction band
- Reduced differential between the Payroll and Net CIS Levy rates
- Reduced differential with increased thresholds
- Increased differential
- Increased differential with decreased thresholds
- Single Levy Rate

## 23. Why were these options discounted?

A range of principles or criteria were established by the Levy Working Party to assess the merits of each of the nine Levy options.

These principles included issues such as, legislative requirements, and the impact on individual employers or construction sectors.

Seven options were discounted on the basis that they failed to meet at least one of these principles or criteria.

## 24. Why are grants no longer available for non-construction training?

During the 2017 Consensus process, Industry supported a reduction in the payroll Levy rate from 0.5% to 0.35%. As a result, CITB now has less Levy to distribute in the form of grants and funding.

After this reduction, the Board had to make some difficult decisions regarding Industry's main priorities. A principle was adopted to ensure grants and funding aims to encourage adequate training which specifically relates to the construction industry, thereby aligning the Grants Scheme with CITB's Scope Order.

CITB's objectives are to use grants to help the GB construction industry carry out the training it needs to meet its skills demands, now and in the future; whilst providing funds for specific projects relating to careers, innovation and training.

Where evidence points to an industry need regarding non-construction skills, this is considered for funding support on a case by case basis.

## 25. When does Consultation take place in 2020?



Consultation will be open Monday 16th March to Sunday 17th May 2020.

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

If the Board approves the recommended Levy Proposals, CITB must then consult with the construction industry the year before the next Levy Order is required.

For the 2021 Levy Order, Consultation will take place in 2020. 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](http://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:

Likely Levy payers

Prescribed  
Organisations

Nation Councils

After Consultation, any issues raised by industry are considered by the 'LWP' 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. What are CITB consulting on?



CITB consult on how we propose to collect the Levy for the next 3-year Levy cycle. This is legally required “meaningful consultation”. We will also be seeking the views of industry on how the levy will be used to support the industry

## 28. How will CITB communicate with industry?



CITB will use all available channels to inform and consult with likely Levy payers on the Levy Proposals. This includes a series of face to face events in spring 2020, CITB website updates, employer mailings and digital communications including a dedicated online Consultation Channel



## 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 Working Party 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 LWP.

## 30. What happens after Consultation?



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

# 31. When will Consensus be carried out?



Consensus will run from 1<sup>st</sup> August – 30 September 2020.

## 32. What is the benchmark for achieving consensus?



The benchmark for achieving consensus has two criteria:

More than 50% of likely Levy payers must support the proposals

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 PO's be captured in the final consensus result?

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

As PO's 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 PO has 500 likely Levy paying members with a combined Levy of £200,000 then the PO'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 PO's 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 PO's would be allocated as a third of an employer and £1,000 to each of their PO'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 review the position with CITB and consider further options, including submitting fresh proposals or making a default order so as to best protect training and skills development in the industry.

Thank you

