

The 2nd meeting (2017) of the Board was held at 08:30 on Tuesday 7th February 2017 at MacDonald Holyrood Hotel, 81 Holyrood Rd, Edinburgh, EH8 8AU

PRESENT

James Wates (**Chair**) : Board Trustee
Maureen Douglas : Board Trustee
Diana Garnham : Board Trustee
Maria Pilfold : Board Trustee
Ray Wilson : Board Trustee

GOVERNMENT OBSERVERS

Dan Foster : Government Observer
Darryn Lewis : Government Observer

STAFF IN ATTENDANCE

Sarah Beale : Chief Executive Officer
Chris Brooks : Interim Chief Financial Officer & Corporate Performance Director
Gareth Evans : Strategic Communications Consultant
Mark Noonan : Industry Relations Director
Sally Spink : Board Secretary

APOLOGIES: Frances Wadsworth (Board Trustee), Karen Jones (Board Trustee), Steve Radley (Policy & Strategic Planning Director), Carl Rhymer (Delivery Customer Engagement Director), Sarah Hart (Scottish Government Observer) and David Harris (Board Trustee).

ITEM 1: APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST, MINUTES OF THE LAST MEETING HELD ON 16 NOVEMBER 2016. REVIEW OF ACTION PLAN.

1.1. The minutes of the meetings held on 16th November 2016 and 9 January 2017 were approved and signed as a true record.

1.2. The actions from the meeting on 16th November were reviewed and updated.

- 1.2.1 **Action 1.3** Ray Wilson confirmed that he was now having monthly calls with Susanna Nichols from Build UK, it was hoped this engagement would promote a positive step forward.
- 1.2.2 **Action 1.3** Steve Radley (SR) is working with the Federations to create a common understanding of terminology and a consistent use of the terms.
- 1.2.3 **Action 4.4** Sarah Beale (SB) Health, Safety and Welfare this has now been picked up and will be reported through Audit and Risk. The Board are aware that they are ultimately responsible for Health, Safety and Welfare in respect of the National Construction College therefore the Board would like to see a copy of these reports.
- 1.2.4 **Action 7.3** The nations committees will be reviewed together with the overall governance structure of the Board and its Committees following the completion of the ITB Review.
- 1.2.5 **Action 7.7** It was advised that the Scottish Government did not have the appetite to take forward an independent Scottish CITB. CITB would continue to engage with Scottish Government and advise the Board of future activities.

1.3. ACTION: Health, Safety, Welfare and Safeguarding details to be fed through to the Board as to ensure awareness by all trustees. (Carl Rhymer)

ITEM 2: CEO REPORT

2.1. SB presented the CEO report to the Board summarising the 2016 review. To highlight there had

been significant divestment of activities, including TUCA. TUCA has proved to also be a valuable source of learning for the team involved. Other activities to highlight include the Commissioning process with the resulting Aberdeen Scaffolding Centre with ASET, albeit a successful process there are now concerns as the oil and gas sector has retracted in recent months

Confidential commercially sensitive information

2.2. SB moved on to discuss current issues faced by CITB;

2.3. ITB Review, this remains ongoing in line with the April/May deadline. SB proposed the Board participate in a workshop with the Exec and the ITB Review Team to consider the longer term picture, what CITB is here to facilitate and on the other hand deliver and identify KPI's to measure its success.

2.4. ACTION: Workshop to be arranged with ITB Review Team, the Exec and the Board. SB

2.5. The Exec Team have had three meetings with DfE to discuss consensus federations and ideas are evolving, there is a need to consider the ideas raised and obtain the Council and Nations thoughts on this.

Confidential commercially sensitive information

2.8. Skills Test Scotland – the current situation, SQA are maintaining a robust position, the decision to remove the Skills Test will not be reversed, Scottish Ministers are aware of this. SQA firmly believe that even without the Skills Test the NOS standards are still met and the activity itself is in their view considered to be a 'restrictive practice.' Further, if industry require a Skills Test this is something it can undertake independently from SQA. The Scottish Federations are of the opinion a letter from CITB to SQA requesting the decision be reversed will be effective. The Board acknowledged their frustration, however it was noted that they represent only 1/6 of the employer base in Scotland, and therefore CITB should attempt to consult the whole sector to obtain evidence of the employers thoughts on the subject and that they are aware of the costs involved, (approx. £1million in CITB support for 2000 apprenticeships in only 9 crafts) before any future steps by CITB are taken.

2.9. ACTION: What are the actual annual costs incurred by CITB in delivery of the Skills Test as a means of supporting the outcomes in Scotland (No. of Apprenticeships). SB/CR

2.10. The Immigration Skills Charge was highlighted to the Board, namely employers will be liable to a charge of £1000/head per annum in respect of Tier 2 workers, at the moment it would exclude EU residents however this may change following Brexit.

2.11. ACTION: Circulate to the Board details of the Immigration Skills Charge and when it is to come into effect. SB


ITEM 3: PERFORMANCE REPORT

3.1. Chris Brooks the interim CFO and Corporate Performance Director presented his paper to the Board providing a full annual review of performance including the most recent risk register reviewed at the Audit and Risk Committee meeting in November 2016. The final position for the year end is £8m in surplus (planned position £9.5m deficit); non grant funding ended the year at £26m against a plan of £36m; Head count ended the year on 1375 (against a plan of 1377); there is evidence of greater cost control and benefit realisation. This leaves the organisation in a strong place with good reserves in readiness for an expensive 2017/18 in relation to transition arrangements, the organisation remains within the minimum and maximum reserve limits set by government.

3.2. The Board discussed the levels of funding awarded in 2016 and sought confirmation as to the amount of funding not yet paid out (subject to outcomes being met) relating to awards made in 2016.


Confidential commercially sensitive information


3.3. ACTION: CB to confirm a) amount of 2016 funding allocated to project yet to be paid subject to meeting relevant outcomes; and b)


Confidential commercially sensitive information**ITEM 4: BOARD DELIVERABLES – SPECIFIC MEASURES**

4.1. CB moved on to present a paper flowing on from the priorities for industry discussed at the Board meeting in November. Five (5) Strategic priorities were listed, namely: 1) Training and Development; 2) Careers; 3) Influence and Engagement; 4) Funding; and 5) Future Operating Model. Against each Priority outcomes were detailed together with a delivery date and how they may cascade down through the Exec, Leadership Team and beyond.

4.2. The Board felt that they were too long and too much activity was contained within the content. For instance within 'Careers' the Go-Construct Website is not yet operating at an optimal level as a market leader and should be improved to work across all nations before expanding and providing additional functions.

4.3. The members were of the opinion that the proposed high level Board Outcomes were over ambitious and therefore should be reduced to around six (6) namely 1) Apprenticeship Standards; 2) Matching Service requirements; 3) Consensus review; 4) Transition package; 5) new Grants Scheme; and 6)


Confidential commercially sensitive information.
There was also the need to map out the long term objectives and review the future 2020 vision; this could be undertaken within the workshop proposed with the ITB Review Team.

4.4. ACTION: Update the proposed Board Outcomes for 2017 and work towards a long term map of the future with CITB (5-10years) with the ITB review team. SB See Action 2.2.2. above.

ITEM 5: CONSENSUS PROCESS UPDATE and MEETING WITH FEDERATIONS

5.1. SB provided a verbal update concerning the Consensus process, teams have been engaging with the Federations within England and Scotland. Specifically related to the Federations, it has been made clear that CITB require evidence to show how they are engaging and transparency in this process. There has been some resistance from certain Federations. These Federations have been advised that this should be an auditable process that shows that members have been consulted and therefore engaged in the process, failure to comply places their status as a prescribed organisation at risk. The sample size in relation to the number of employers which CITB is engaging with has also been increased. CITB have engaged an external organisation to help with the objectivity of the survey and review documentation throughout the process. Specifically employers are being asked whether they believe that the construction industry as a whole still requires a levy system.

5.1. Through this process CITB are taking the opportunity to further gauge opinion as to what other products and services the industry may want CITB to provide. The Board stressed the importance of engaging with the right individual within employers, SB is writing to all levy payers explaining the levy and what it is used for, the questions and directing to a CITB micro site.

5.2. ACTION SB to provide the Board with the exact questions being asked by CITB to employers for information.

5.3. The Board were shown a video that is being used to explain the detail set out in paragraph 5.2 above. It was felt that some employers did not understand the Apprenticeship Levy and its impact on 700 of the 70,000 CITB levy payers.

5.4. ACTION: SB, MN and DF to consult as how best to explain the distinction between the two levies without duplicating and further identify what the CITB levy gives the employer that the apprenticeship levy does not. SB/MN/DF

5.5. The Board reviewed the 2017 Levy Return and Guidance notes and approved. There is a push to increase the online route for completion however, paper returns remain an option for employers. It was felt that the levy return provided an opportunity to reaffirm the point of contact within an employer's organisation and this should be implemented if possible.

5.6. ACTION: SB to contact levy return team to establish if there is time to include the ability to reaffirm contact details on the levy return form. SB

ITEM 6: ENGAGEMENT STRATEGY

6.1. The Board welcomed Mark Noonan to his first Board meeting. MN explained to the Board that he would be aiming to bring simplicity and clarity to the CITB message with a clear line strategy so people understand the benefit of CITB. MN expanded on his proposed developments and shaping within the internal team. The Board welcomes the vision and requested a summary for reference as to what are the key messages, the key stakeholders, what part can the Board members play to assist and what key events should they be going to.

6.2. ACTION: MN to provide a summary of the key principles and communications map for Board members to take away as to assist in the future impact of the CITB team internally and externally. MN

ITEM 7: COMMITTEE REPORTS

7.1. Investment Funding - 29th November 2016 - Structured and flexible funding had been lower than predicted as a result the application process was being reviewed together with opening

longer windows of availability. Wales remained low in uptake. The committee had agreed to moving forward in 2017 with a greater focus on commissioning.

7.2. Audit and Risk - 30th November 2016 - DG had circulated a summary within the Board Pack specifically highlighting; 1) the increased number of FOI requests and this had been reflected into organisations strategic risks; 2) the Change Board now comprised of solely Exec Team members each allocated with a specific risk; 3) steps were being taken to assess the quality and standards of NCC in relation to Learner support; 4) the internal Audit Charter had been approved; 5) NAO had presented details of the pending NAO audit review and areas it intends to focus. MN will be working closely with this process to ensure documentation is streamlined and compliant.

7.3 ACTION: The Audit and Risk register to include details of funding not spent together with the inclusion of an 'Opportunities Register'.

7.4. Appointment & Remuneration - 16th November 2016 & 24th January 2017 - The meetings finalised pay and bonus arrangements together with confirming the contingency plan in respect of the CEO position. The meetings formalised the appointment of Sarah Beale as Interim CEO and Chris Brooks as CFO. The Council had recently appointed six (6) new members following interviews, the Youth seat remained vacant following no applications. AON had advised and finalised the Exec pay philosophy and this could cascade down through the organisation.

7.5. Welsh Nations Committee - 2nd February 2017 - A key issue raised was the clarity of CITB's future offering concluding that the upskilling offer and its key role in supporting was not being promoted sufficiently. Greater transparency of roles available building from 'Go Construct'. The Committee were very keen to support a further version of 'Construction Futures Wales' being put in place, building on the learning from the first initiative and building on its successes. Employers are nervous and frustrated regarding the Welsh Government handling of the Apprentice Levy due to the lack of clarity in respect of funds generated by the Levy and lack of clarity as to how it will be invested over and above current committed levels of investment.

7.6. Scottish Nations Committee - 6th Feb 2017 - A Scottish Summary would follow for circulation to the Board, the meeting had been positive with the inclusion of new faces. The meeting identified the need to ensure that Standards and Quality had taken into account Scottish requirements, differences and needs. Ian Hughes and Maureen Douglas would be reviewing membership of the Scottish Nations Committee prior to the June meeting.

7.7. ACTION: Review of Scottish Nations membership. MD

ITEM 8: CHAIR'S ANY OTHER BUSINESS/EFFECTIVENESS REVIEW OF MEETING

8.1. The Board Effectiveness Review. In light of the external review undertaken in 2015/16 it was agreed an internal review would be implemented this summer by means of a survey of the Board, following the results the Chairman would meet with each Board member separately to conduct a 121 review.

8.2. ACTION: Implementation of a 2017 internal review summer 2017. SS/JW

8.3. The Board identified the need to focus on a greater understanding of Standards and Quality, policy position on apprenticeships and the CITB Evidence Base.

8.4. ACTION: Inclusion of the identified areas to increase Board understanding within a workshop for the Board. SB




8.5. The Chairman gave praise for the Scottish Nations Stakeholder dinner held the evening before

whereby valuable feedback had resulted, furthermore the visit to the Queens Ferry Crossing arranged by CECA, had been extremely interesting and thanks had gone out for this.

ITEM 9: DATE OF NEXT MEETING

9.1. The next meeting will be held on **17th May 2017 at the Goodenough College, Mecklenburgh Square, London WC1N 2AB.**

SUMMARY OF ACTIONS Confidential commercially sensitive information

Completed  Underway/Pending  No action yet  .

ACTION	ACTION BY	STATUS	PROGRESS
[Redacted content]			

