



Name of the instrument in English	CITB levy/Industrial Training Levy (construction)
Country	 United Kingdom
Type of instrument	Training funds

Level of operation	Sectoral
	Sub-country
Part of the country where the instrument applies	England
Region(s) in which the instrument applies	nap
Sector(s) in which the instrument applies	Construction sector
Legal basis	Industrial Training Act 1982 (c.10) for construction. It amended the Industrial Training Act 1964
Objective(s) and target(s)	To ensure that industry invests in attracting and training new entrants, as well as retaining and developing its existing workforce. Equipping people with the right skills ensures construction projects are completed safely, on time, to cost and to the highest standards (CITB: 2017 Levy Return. Guidance Notes, p.3).
Year of introduction	1982
Year of termination	No foreseen end to the instrument (on-going)
Governance (management, operation, monitoring and evaluation)	CITB is responsible for the overall management, monitoring/evaluation of the instrument and day-to-day operation. Department for Business, Energy and Industrial Strategy (BEIS, previously BIS), public interest bodies and individual employers are also involved.
Eligible group(s)	Companies in construction sector employing apprentices at EQF 3-5 levels.
Education and training eligible	The instrument supports apprenticeship and other types of education and training. It applies to EQF 3-5 levels (ISCED 3c,3a,5b levels; NQF 2-5 levels).
Source of financing and collection mechanism	Levy on companies (regulated by law). Companies are obliged to contribute 0.5% of their payments to directly employed staff and 1.25% of net payments made to sub-contractors (2016).
Financing formula and	Grants are paid for yearly attendance and for

allocation mechanisms	achievement of the qualification. Figures are provided for a 3-year level 3 apprenticeship: EUR 2,464 in year 1; EUR 5,060 in year 2 and EUR 5,330 in year 3 (in total: EUR 12,853.50 over 3 years). This includes a 10% supplement paid if all eligibility criteria are met every year. It is assumed that supplementary rates are paid on attendance and completion.
Eligible costs	The grant supports off-the-job attendance with a work based training provider and the achievement of a vocational qualification and an apprenticeship framework.
Volumes of funding	In 2016, EUR 226,000,000 were collected (the amount is specified as net levy income). No public and EU funding involved. In 2016, EUR 68,430,000 were disbursed (funds spent on attendance grants and apprenticeship achievement grants; to note: the levy is spent on costs other than training (including support and matching apprentices and employers)
Beneficiaries/take up	In 2016, out of the 69,812 employers 28,155 were assessable to positive levy, i.e. had to pay a levy (9,144 employers have not yet been assessed at the time of this research). Some 8,400 employers received a grant to pay for apprenticeships, irrespective of whether or not they paid the levy. Around one third of CITB supported apprentices are with non-levy paying firms, within the scope of the levy (Gospel 2012). Some 24,625 apprentices (including 6,599 framework achievements) were funded through a CITB levy grant. It is estimated that 18% of apprentices withdraw at level 2 and 5% at level 3 (the estimate is based on available figures for completion rates). The levy funds level 2-5 apprenticeships, however most apprenticeships are said to be at level 2 as this is where the demand from employers is greatest.
Monitoring/evaluation reports available	CITB (2017) Annual report and accounts 2016. http://www.citb.co.uk/about-us/annual-report-accounts/ CITB (2016) Skills and training in the construction industry 2016 (includes a section on take up of apprenticeships, based on an employer survey). http://www.citb.co.uk/documents/research/citb%20skills%20and%20training... Gospel 2012: Understanding training levies: final report (UKCES evidence report 47) (this includes a section on stakeholder assessments based on 12 interviews)
Monitoring/evaluation results	There is industry support for the levy. Stakeholders' feedback indicates that communication with employers about the CITB services could be improved and that further work may need to be required to simplify the complexity of the grants system. In fact, at the time of this research, CITB was reviewing its grant system. Having researched CITB data, Gospel (2012) concluded: The CITB collects extensive statistics and carries out considerable quality research. However, it was not always

	clear as to how to interpret some of the statistics and whether robust cost benefit analysis was conducted as to the value of grants. The figures below provide information on the scope of apprenticeships in the construction industry based on a CITB commissioned employer survey. It is not known though whether these apprenticeships were funded through the levy, but it may be very likely: - 23% currently employ staff undertaking apprenticeships (compared to 14% in 2014 and 2011 respectively) 34% of those offering apprenticeships reported an increase in the number of apprenticeships in the last 12 months (compared to 27% in 2014) and 12% reported decreasing numbers (compared to 13% in 2014) - 15% offer apprenticeships but currently do not have apprentices (compared to 10% in 2014) - Overall, 33% reported that it was likely that they would take on an apprentice in the next 12 months. This rises to 62% of employers who currently employ an apprentice (compared to 55% in 2014) - The likelihood of employing an apprentice rises with the size of the business: 21% with 2-9 employees employ an apprentice compared to 80% with 100 and more employees.
Recent or planned changes	In addition to the CITB levy (where applicable), large employers with an annual pay bill over EUR 3.4 million will also have to pay the new cross-sectoral apprenticeship levy, introduced by the Government in May 2017. CITB has introduced a one-year transition package for those employers who have to pay the Apprenticeship Levy and the CITB Levy to ensure that they can continue to invest in training. These employers will receive enhancements of the training grants they claim (i.e. grants are paid for yearly attendance and for achievement of the qualification). The apprenticeship levy pays for the apprenticeship training while the CITB levy has a broader remit (such as supporting employers in developing the skills the construction industry needs or promoting construction as a career choice for young people) http://www.citb.co.uk/grant/citb-transition-package/*
Sources	CITB (2017) Annual report and accounts 2016, http://www.citb.co.uk/about-us/annual-report-accounts/ CITB (2016) Skills and training in the construction industry 2016 (includes a section on take up of apprenticeships, based on an employer survey), http://www.citb.co.uk/documents/research/citb%20skills%20and%20training... CITB (2016) Grant modernisation, http://www.citb.co.uk/documents/research/grant%20modernisation%20employ... Gospel 2012: Understanding training levies: final report (UKCES evidence report 47) (this includes a section on stakeholder assessments based on 12 interviews) http://www.citb.co.uk/grant/citb-transition-package

Construction Industry Training Board/ Construction Skills levy-grant scheme

 United Kingdom

Training fund

Related apprenticeship schemes

Apprenticeships

 UNITED KINGDOM

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