





# **ENGINEERING CONSTRUCTION INDUSTRY TRAINING BOARD**

## **REPORT OF THE TRUSTEES AND ACCOUNTS FOR THE YEAR-ENDED 31 DECEMBER 2012**

Annual Report and Accounts presented to Parliament pursuant to Section 8(4)  
of the Industrial Training Act 1982

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# CHAIRMAN'S STATEMENT

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## The Industry and the Economic Environment



I am delighted to report to all of the stakeholders in the ECITB that the results in 2012 have been tremendous. It is important to recognise and appreciate these achievements and to thank all those involved.

Across the range of skills, training and assessment solutions provided and supported by the ECITB there has been a raised game, with new and improved programmes coming on stream and ECITB standards being adopted as the benchmark.

This does not happen by accident and our employer members, approved providers and ECITB staff all deserve a share of the credit for supporting the skills and training drive that is vital for the success of our industry.

In the future, we may look back on 2012 as a turning point year when true, sustainable growth began. I sincerely hope that we do, but I know that to succeed, further change and innovation is required, enabled by policy and behavioural changes.

The more I have come to understand the collective, industry-wide, employer funded and government backed skills model exemplified by the ECITB, the more I recognise that it is an asset the industry cannot do without.

I also recognise the strength of employers working together, through the ECITB, setting and raising training standards, building volume of learners, building capacity and being incentivised to qualify their people.

The beauty of the model we have is that the risks and costs of training are shared. Importantly, there is a safety net for the unfortunate occasions when learners, especially apprentices, cannot complete their learning because work has dried up. In these circumstances, the ECITB is able to provide transitional support to another employer so the learner is not lost to the industry. This flexible approach means that our learner success rates are amongst the highest in the country and minimises wasted effort and money.

I reaffirm the statement I made in last year's report that the ECITB is a strong and successful organisation that has earned the respect of a great many people with its comprehensive product range, the professionalism of its people and its willingness to adapt.

The times ahead look very interesting and it is worth reflecting on the breadth and depth of the engineering construction industry to understand its importance and also to get an appreciation of the practical issues that are being and need to be addressed if we are to secure engineering construction skills now and for the future.

## Engineering construction - working across sectors

Engineering construction skills are key to the design, construction, maintenance and safety of the UK's critical infrastructure which provides the energy and fuel we need, the plastics, detergents, cosmetics and medicines that are part of everyday life, cleans our water and protects the environment by recovering and treating waste.

The skills needed are diverse and demanding.

To deliver complex engineering projects, either major new infrastructure or upgrading and maintaining existing plant, requires excellence in engineering design, scheduling, purchasing, project management and project control, supported by advanced practical skills for construction, installation and commissioning.

All of these skills combine to make the UK's engineering construction industry of around 100,000 people. Successful project execution requires competent processes, people and systems that enable often many hundreds and sometimes even thousands of people to achieve the project objective whether it be a new power station, a successful maintenance programme or refit.

Surveys by the ECITB show the impact of the economic slow-down. In 2010, there was an expectation of 25% growth by 2020, mainly driven by investment in new nuclear power stations and offshore wind power.

In 2011, the survey results still showed growth but of only 11%.

The momentum appears to be growing again in nuclear power, with EDF Energy advancing their plans for Hinkley Point C and other investors picking up the pace again.

## Recruitment and training rates

Looking ahead, projections and the demographics of the workforce mean that some 40,000 to 60,000 people will be needed to both grow and replace retirees.

At current rates of recruitment and training a significant shortfall in capacity is likely. Estimates vary but the industry could be as much as 25,000 people short, giving only 75% capacity against demand.

On the positive side, history tells us that the industry will respond when orders materialise. The ECITB's challenge is both to encourage early investment and have responsive systems in place to enable rapid training to competence.

There are some arguments to be made and debates to be had as to how to provide the necessary levels of skills investment to secure engineering construction skills now and for the future.

It is fair to say that too many employers still view training as a cost rather than an investment for the future despite the strong evidence that investment in people gives economic benefit.

The opportunity and the challenge for operators, clients and engineering construction employers is to secure the skills investment required.

This is a priority for stakeholders, Government and the Board of the ECITB.



A P Collinson

# CHIEF EXECUTIVE'S REVIEW

## 21 years of success and going from strength to strength



2012 was a special year for the ECITB, with a celebration of 21 years of success and growth in learner engagement and output.

A key event was the inaugural Training and development awards in April that showcased the dedication and drive of the people, employers and providers that work tirelessly to secure engineering construction skills, now and for the future. This will become an annual event, to give the opportunity to promote the industry and celebrate its success in training.

The skills and training results for 2012 show significant growth and the operating targets were exceeded in most areas. Some of this is explained by increased engagement with nuclear employers which resulted in more levy income and high training demand. However, the underlying trends are also upwards with growth in output rising by 7-10%.

The predicted upturn in apprentice demand as a consequence of the outlook for new investment in energy and infrastructure projects did occur and feedback from employers has also shown graduate recruitment on the rise. This is all positive as far as building capacity is concerned, but finding resources to sustain this growth is a concern, without sacrificing other skills investments.

Proposals have been put to Government for more efficient, industry-wide use of public investment that could deliver more apprentices for less. These have not yet been responded to and in the meantime, project based proposals under the Employer Ownership of Skills pilot funding were and will continue to be pursued.

Our approved training provider network continued to grow and more employers are also being approved to deliver quality assured training to their own staff. This is a positive development with over 200 approved providers in Britain, delivering learning to almost 65,000 people annually.

Meeting demand for assurance of competence by companies continues to be a high priority which is being addressed through the industry framework, supported by the expanding technical test suite and the CCNSG and ACE programmes.

The operating model that places employers at the centre, setting policy and guiding ECITB strategy and implementation, remains strong and continues to evolve, driving engagement and improving satisfaction.

Initiatives to support the employers in the water industry, to enhance supervisor and project management skills and train personnel from the armed forces to work in the oil and gas sector were all introduced or progressed.

Across all of our operations there have been significant events or achievements as well as sustained effort to deal with the growth in volume of training and grants. The rest of this report expands on these points and gives a rounded picture of the work of the ECITB and once again I am indebted to the guidance and support of all staff and members of the Board.

### MISSION

**Securing engineering construction skills, now and for the future.**

**We will do this by delivering continually improving employer engagement, quality of advice, stakeholder engagement and training delivery.**

**Our approach is centred on delivering value, enhancing the industry's and our reputation and ensuring effective collaboration to increase efficiency.**

**Safety will underpin everything we do and we will link our occupational standards, training programmes and qualifications into an industry wide responsible competence framework.**

### **Employer engagement**

To strengthen the forums, increase dialogue and increase responsiveness.

### **Identification of skills needs and priorities**

To ensure we continue to keep pace with changing skill requirements and allocate resources to the greatest needs.

### **Stakeholder and provider engagement**

To build a larger, more focused provider network, delivering quality assured programmes at all levels. To work with new and existing partners and funding agencies to build common solutions and simplify the skills delivery system.

### **Delivery of services**

To ensure that we and our network deliver what is required, when it is required, to the right (high) standards and to drive growth in apprenticeships and all programmes.

### **Evaluation and improvement**

To ensure that we innovate to reduce costs, simplify and drive efficiency.

## **The ECITB's charitable activities**

The ECITB is a registered charity in England (Registered Charity No. 264506) whose charitable activities are in the four main areas set out below. Together these activities form an integrated approach that enables the ECITB to assist individuals and employers to develop their skills and capabilities.

Pathways to enter the industry are provided for school leavers, the unemployed and graduates. Ongoing support is then available to assist in re-skilling, skill enhancement and professional development.

At virtually every step, achievement of skills is marked by the award of qualifications that are recognised and portable across the industry.

<b>Apprentices and Careers</b>	<p>Aimed at encouraging young people to seek and gain access to careers in engineering construction. The main activity in attracting young and new people revolves around the ECITB's apprenticeship programme which recruits individuals to apprenticeship programmes with industry employers and accredited training providers.</p> <p>Evidence shows that young people in particular are showing much more interest in apprenticeships than before. The ECITB's aim is to ensure that school students are made aware of the opportunities in the industry. To achieve this and to ensure sufficient quality applicants for apprenticeships, the ECITB supports an annual programme of careers events and marketing to schools and colleges.</p>
<b>Skills and Technical programmes</b>	<p>The ECITB provides a range of flexible training programmes, designed to develop or "up-skill" existing workers from a wide spectrum, but normally with some existing technical competence.</p>
<b>Management and Professional programmes</b>	<p>The ECITB offers a comprehensive range of training programmes and courses within technical, supervisory and managerial disciplines, which are principally designed to up-skill professional engineers, supervisors and the like.</p>
<b>Awards and Qualifications</b>	<p>In this area, the ECITB's principal activities are:-</p> <ul style="list-style-type: none"> <li>• Awarding Body - assessing, verifying and awarding National and Scottish VQs.</li> <li>• Accrediting and quality assuring training and assessment providers.</li> <li>• Assuring Competence in Engineering Construction (ACE).</li> <li>• Client Contractor National Safety Group (CCNSG) Safety Passport Scheme.</li> <li>• Development of training products and services, including National Occupational Standards, which contribute to the competence of individuals.</li> </ul>

The table below shows the 2012 planned delivery objectives and achievements and the future targets for 2013 in each of the main areas of charitable activity.

The results show a strong performance overall with plans for 2013 based on estimates for demand from employers.

<b>Enrolment and Achievements</b>	<b>2011 Achieved</b>	<b>2012 Original Target</b>	<b>2012 Actual</b>	<b>% Achieved</b>	<b>2013 Objective</b>
Apprenticeships	583	581	849	146%	623
Skills & Technical	4,006	5,886	15,703	267%	14,178
Management & Professional	5,245	3,256	4,860	149%	14,453
Regional Discretionary Grant learners	9,317	3,745	7,163	191%	2,148
Awards & Qualifications	3,681	2,200	4,852	221%	4,000
<b>Sub total</b>	<b>22,832</b>	<b>15,668</b>	<b>33,427</b>	<b>213%</b>	<b>35,402</b>
CCNSG Safety Passports	42,130	45,000	40,291	90%	42,000
IHSP Safety Passports					38,000
Other International products					3,500
<b>Total</b>	<b>64,962</b>	<b>60,668</b>	<b>73,718</b>	<b>122%</b>	<b>118,902</b>

NB For comparative purposes the 2012 training activities of Sellafeld Limited, Magnox Limited and Dounreay Site Restoration Limited have not been included in the 2012 Actual figures in the table above.

Demand for Apprenticeships was much higher than expected, indicating rising employer confidence and the additional demand from employers working in the nuclear sector. Funding constraints in 2013 mean that a reduced intake will be supportable without either additional resource or changes to the funding model.

Demand for Skills and Technical training far exceeded that anticipated and the target for 2013 reflects the likely continued high demand and the uptake of new programmes (particularly “e-learners” in the Offshore sectors).

Demand for Management and Professional programmes was much higher than anticipated, exceeding the target by 49%. Demand in 2013 is expected to increase even further. This is partly due to increased engagement with the nuclear sector and general demand from employers.

Regional Discretionary Grant is allocated across all regions for use by employers to assist with additional training and skills required for their workforce. There was exceptional demand in 2012 of almost double the predicted number. Better education and information to employers has meant that more are able to access this funding.

Awards & Qualifications, which includes ACE cards issued, continues to exceed predicted numbers. The new card production system introduced in 2012 means that, with the easier access system, the number of cards issued each year will continue to rise.

## **Apprentices and Careers**

The ECITB continues to work closely with employers and providers to ensure the quality of programmes are available, recruitment of apprentices is managed and the provision of services is quality assured to secure the supply of the craft, technician, design and project control personnel of the future. In 2012, ECITB conducted an industry review of the apprenticeship offer. The review highlighted choke points in the delivery of more apprentices to the industry based on assessment opportunities, quality of delivery and year one costs of an apprentice. The outcome of this review will be a focus in 2013.

Over 600 apprentices completed frameworks supported by the ECITB in 2012, an increase of 20% from 2011. Design and Draughting and Project Control continued to be popular apprenticeships across several regions and there was a significant increase in the number of craft and technician apprentices recruited onto ECITB frameworks. More than 150 employers use ECITB apprenticeships and, in 2012, over 570 apprentices were recruited onto an ECITB framework. The programme provides learners with the essentials of their chosen discipline and are delivered by our network of over 200 quality assured, approved training providers. Throughout each year the ECITB supports 2,000 people in different stages of their apprenticeship.

In 2012, ECITB initiated a pilot to contract with an apprentice provider in Yorkshire and Humberside for 3 years worth of apprentice intakes. This provides stability for the region, enabling the provider to invest in their provision, and the quality of delivery and output is being monitored by the region. This approach, coupled with strong industry collaboration helps to maintain an achievement rate of over 90%, which is significantly higher than the national average.

## Apprenticeship achievements

### Record numbers

Over 800 apprentices supported by ECITB were recruited in 2012.

### Placement management

ECITB continues to find placements for apprentices unable to complete programmes due to unforeseen work-related circumstances such as redundancies.

### Developing the supply chain

ECITB tenders and awards for 3 years worth of apprentice intake in Yorkshire and Humberside.

### Employer ownership of Skills Round 1

ECITB supports successful bids to deliver new Construction Apprenticeship in the North East and Skills Enhancement Centre in Yorkshire and Humberside.

### Skills competitions

Alstom Power welding apprentice Richard Keatman wins gold at the Skills Show at the NEC, Birmingham. ECITB welding apprentice Neil Brace won the BOC Welsh Apprentice Welder of the year award. Doosan Power Systems apprentice Joe Cosgrove wins SkillWeld 2012.

ECITB continues to be active in attracting people into the industry. The schools liaison programme; 'Be a part of Engineering Construction', was again very successful, visiting over 162 schools and getting access to over 35,000 pupils (66% of the roadshow performances were in previously unvisited schools). ECITB continued to support skills events such as Skills London and several regionally based skills events. The Skills Show held in the Birmingham NEC in November was a particularly well attended event and was well supported by many Midlands based ECITB employers, such as Doosan Power Systems, Alstom Power and Peter J Douglas. These events continue to promote worthwhile careers in engineering construction across the country.



Looking ahead, despite the significant growth in apprentice numbers in 2012, this level of performance is not sustainable under the current predicted income streams. ECITB plans to recruit just over 620 apprentices in 2013. However, ECITB will continue to look for opportunities to maximise the return on public investment, along with levy investment and continue to demonstrate value for money which may lever increased support for increasing the levy.

## Skills and Technical

Work based learning qualifications form the core of the Skills and Technical courses, providing easy access to practical training and assessment within the day to day working environment. Courses are practical, cost-effective, and can bring immediate benefits.

Offering flexible training for any size of company, these modular courses offer a choice of learning and assessment methods. There are over 250 modules, covering 40 different disciplines including Mechanical Joint Integrity, Project Control and Plant Layout and Design.

Building on the foundations which were laid in 2011 for the Mechanical Joint Integrity and Small Bore Tubing standards and programmes aimed at reducing hydrocarbon release, ECITB have increased supply chain capacity to meet demand and have put more than 2,500 people through the MJI and SBT programmes in 2012. There were over 100 different users of these programmes, including client companies and government sponsored individuals. Working with Step Change in Safety to launch a four-stage competence model for Mechanical Joint Integrity and Small Bore Tubing, these approved courses and tests are now recognised as the industry standard and this model has been incorporated in the Energy Institute Guidelines for the Design, Installation and Management of Small Bore Tubing Assemblies due to be published in early 2013. Client companies from other sectors are also recognising the value of these standards and are looking to mandate these on their sites in 2013.

Technical Training has had a mixed year across the industry; this may be due to a continued shortfall of site-based work, or confusion over how the programme works, or a mixture of both. However, there were over 100 learners supported through Technical Training. The majority of these were part of Re-Engineer or Re-Skills programmes where the suite of units embedded into a bespoke programme to transfer someone's existing skills into the industry. This has proved to be a very successful model and the continuous improvement of this programme will continue to be a focus for the ECITB in 2013.

Technical Tests started to prove their worth as a versatile programme, both as a selection and an assessment tool. In 2012, Technical Tests were used to assess rigging technical competency for offshore personnel as well as testing capability in specialised bolting through the MJI programme.

Working with industry, ECITB developed and launched a 4 day Appointed Person Moving Loads Approved course and Technical Test to meet a skills gap in lifting operations. Currently, ECITB have two approved providers, Falck Onsite at Dyce and Teesside Rigging & Lifting at Stockton-on-Tees, who delivered courses in 2012. ECITB expect to see demand rise in 2013 for this new course and technical competence test.

Other successes in Skills and Technical include a significant increase in support for Computer Aided Design programmes and a steady demand for Project Control and Estimating programmes.

*"Being a member of the ECITB has and will continue to allow Structural and Weld Testing Services Ltd to achieve not only its own objective, but also the industry's, by meeting the growing need for skilled operatives. The opportunities provided by the ECITB for our own workforce to train, qualify and gain experience in many different engineering related subjects (such as non destructive testing and health and safety), have been invaluable not only for us, but also for our clients who recognise that they are contracting with a company who employ suitably qualified and experienced persons."*

**Gary Hayre, GInstNDT EngTech LEP  
NDT Manager  
Structural and Weld Testing Services Ltd**

## Management & Professional

ECITB Management & Professional programmes are designed to meet the diverse and developing needs of the engineering construction industry. The options are many and varied with key programmes to develop supervisors and project managers and support to progress people through their professional development. In 2012, nearly 5,000 learner places were delivered across this spectrum of training; this was a 50% increase against the target.

There were over 2,300 learner modules delivered for supervisors in the industry. This represents a slight decrease from 2011, but was expected, given the added incentive to train more supervisors towards the end of 2011. Project Management Short Courses saw a slight increase of 5% on 2011 performance.

Supervisory products retained their key product status and a review of the current supervisory offer was carried out with a view to provide an end to end progression route for supervisors; with a chargehand programme for those who are required to lead a team during a phase of a project, through the SMTD programme for full-time supervisors and the Advanced Supervisor Development Programme for senior or staff supervisors. The first ASDP pilot was completed in the North East in 2012 with graduates achieving the level 5 Diploma in Leadership and Management through the Chartered Management Institute. The programme is undergoing some amendments highlighted by the pilot and is due to be launched in 2013 as a core product.

The greatest increase in activity across the Management and Professional portfolio was in the area of graduate training. The new CEng development day grants, aimed at supporting the development of graduates on Professional Engineering Institution programmes were very well received with over 650 learner days supported. A similar programme of support is planned for 2013, where ECITB will support the continued professional development of existing Chartered Engineers to ensure the industry retains qualified engineers.

Workplace safety is the cornerstone to successful projects and through the ECITB, tens of thousands of industry personnel are trained and tested to the standards set by the Client Contractor National Safety Group (CCNSG) and receive their Safety Passport. Passport issues were down slightly from 2011, though the first Hungarian speaking course was delivered. The main development for CCNSG was the introduction of the web portal for providers to upload successful candidates' information to enable a swift turnaround of the card and to help combat card fraud.

The ECITB ACTIVE project management cup and Improving Project Performance programmes proved as popular as ever as employers improve their Project Management competencies.



ACTIVE Cup Winners

## Regional achievements

The ECITB's regional model, which distributes operations staff across geographical regions, helps ECITB get closer to the customers to deliver individual support. The model enables ECITB staff to develop a closer understanding of the needs of the particular region and has helped deliver success in a number of areas. In 2012, ECITB worked on refining processes and improving regional control to ensure regional managers were better informed to deliver more accurate forecasting and therefore better informed decisions to support customers.

ECITB supported 3 successful bids from Round One of the Employer Ownership of Skills resulting in over £8M of public funding being levered into the industry to:-

- Deliver a bespoke welding programme to address a critical skills shortage of high-integrity welders through the Midlands region.
- Deliver a new Construction Apprenticeship for the Industry through the North East region.
- Deliver a skills training model which utilises an immersed environment to remove assessment choke points and create simulated projects through the Yorkshire and Humberside region.

Other regional initiatives include:-

- Setting up a national Water Forum through the Midlands region for the sector's employers and delivering over 70 learner events to the sector.
- Client engagement in Yorkshire and Humberside and delivery of ECITB products to clients.
- Offshore Design and Draughting Apprenticeship won awards and was praised by Scottish MPs in the Scottish Parliament.

## Awards and Qualifications

The ECITB is a recognised and regulated awarding organisation and in 2012 had a further three qualifications accredited, bringing the total to 63, 41 for the Qualifications and Credit Framework (QCF) and 22 for the Scottish Credit and Qualifications Framework (SCQF). A further 3 new qualifications will be developed and introduced in 2013 in Welding and Moving Loads.

Ofqual and SQA both issued new regulatory requirements in 2012; the Ofqual General Conditions of Recognition and the SQA Principles of Accreditation, and the ECITB were required to carry out self-evaluation processes to establish whether or not it was complying with these requirements. Work was required to develop and implement new processes and procedures and revise existing ones. New policies were also developed and introduced. There were also some minor amendments made to documentation. The outcome of both self-evaluation processes was full compliance with both sets of requirements.

As part of the new regulatory requirements, the ECITB will be required to monitor the take-up of its qualifications and Ofqual have requested that low take-up qualifications are reviewed with a view to them being withdrawn. The ECITB will undertake this work in early 2013.

2012 saw the start of a major revision of the National Occupational Standards (NOS) for the engineering construction industry. 17 suites were reviewed and amended by industry, and a further 4 will be completed in 2013.

In addition, new Technical Training Standards, based on the NOS, were developed. These will provide a framework for training courses/programmes to be developed by providers, and a new Provider Course Approval Scheme was developed, which will be implemented in 2013.

The Provider Approval and Monitoring team was re-structured in 2012 and merged with the awarding organisation's quality assurance activities. This has created one quality assurance team for all providers of training programmes and qualifications. These arrangements will be trialled in 2013 with a view to permanent arrangements being put in place in 2014.

Other achievements in 2012 were:-

- Addressing hydrocarbon release issues through Mechanical Joint Integrity and Small Bore Tubing programmes.
- Following up the important work of the Engineering Construction Forum by developing progressive routes for supervisors.
- Launch of the suite of technical tests and the employer course approval scheme.
- Appointed Person Moving Loads Training Program launch.
- Apprenticeship Review.

Plans for 2013 include:-

- Complete the development of the new Technical Training Standards in Technical, HSE and Supervisory/Management.
- Carry out necessary revisions to existing CCNSG programmes and develop a new Foundation CCNSG programme. Also develop improved assessment tools for CCNSG.
- For supervision, develop a Charge Hand programme, revise SMTD and implement the Advanced Supervisor Programme across the industry.
- Develop and maintain competency frameworks for all industry sectors to use as tools to direct their own training and development activities.
- Deliver a wide variety of school-based careers events to inform and educate school children and their teachers about the engineering construction industry including the Schools Roadshow and sponsoring a Smallpeice Trust Residential Engineering Construction Experience Workshop.
- Attend, on behalf of the industry, a wide-ranging number of careers events, to inform and educate people about the industry. Events include The Big Bang, All Energy, Offshore Europe, The Skills Show NEC, Skills London, Glasgow and Aberdeen, Skills South West and Meet the Energy Sector in Pembrokeshire.
- Collect, analyse and present Labour Market Information and Sector Based Information for the industry to use in manpower planning and in identifying future skills needs.
- Further develop the Technical Test system and develop a new knowledge only system for use in recruitment screening, identifying training needs and recognising technical competence.
- Collaborate with stakeholders on specific projects such as Plant Layout and Design review and European Construction Institute Task Forces.

2012 saw the first completions of the new Level 3 Diploma in Project Controls with the first graduates from AMEC. Rob Knox, one of the graduate planners, was also nominated for and won the Junior Planner of the Year award at the Planning Awards in July. Rob beat planners from all industries.

***Rob Knox, Planner from AMEC wins Junior Planner of the Year and is the first graduate using the new Project Controls Diploma.***

*“Focused training and development is fundamental to the future success of our industry,”*

*“AMEC, supported by the ECITB, provides a perfect opportunity to develop our employees and helps to ensure we have the right range of skills to meet the needs of clients. We aspire to be the best, with the best people and the best systems. Project Controls really can make a fundamental difference to our business and our customers.”*

*Alan Johnstone, Managing Director, AMEC's Brownfield business*

## Commercial/international activities

There are several services provided by the ECITB that generate profit which is reinvested in additional training.

The approach has developed into a successful business model that is based around licensing of approved training providers (ATPs), learner registration income and consultancy work in the area of business development and technical support that generates immediate income and is effectively the investment needed to grow the business.

Our success in the domestic and international markets is built on quality of delivery, the ECITB's reputation and association with UK Government. These successes, and our governance model that captures industry expertise to define training and qualification standards, gives a unique selling proposition that differentiates the ECITB from potential competition and are the keys to current and future commercial success.

In 2012, approximately 12,000 International Health & Safety Passports (IHSP) were issued. The short term goals are:-

- The development of the International Competence Assurance scheme.
- The development of the ECITB Technical Tests.
- The approval of at least 5 more major international Approved Training Providers.
- The establishment of at least one more international ECITB Apprenticeship Scheme delivery hub.
- The delivery of 38,000 ECITB International Safety Passports and Technical Tests in 2013 in UAE, Qatar, Bahrain, KSA, Oman, Kuwait and Indonesia.

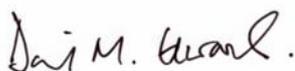
The medium to long term goal is the deployment of ECITB's competence based systems that utilise:-

- ECITB Technical Training programmes and standards.
- ECITB Technical Tests.
- ECITB specified frameworks.
- ECITB competency cards.
- ECITB web accessed database.

In the short term, this system will be used by the 40 UAE apprentices that started on ECITB frameworks on 18 November 2012, with a view to spreading it to the larger craft/technician community within the UAE in 2013, 2014 and 2015.

The UAE employer will then be the case study to assist the ECITB in promoting this scheme throughout the Middle East initially, and other parts of the world later.

Given that this scheme relies upon a three year reaccreditation process, similar to the ECITB IHSP, it is designed for long term growth and sustainability.



David M Edwards  
Chief Executive

# FINANCIAL REPORT

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## Statement of the ECITB's and the Accounting Officer's responsibilities

Under section 8 (1) of the Industrial Training Act 1982, the ECITB is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Business, Innovation and Skills with the consent of the Treasury. The accounts are prepared on an accruals accounting basis and must show a true and fair view of the ECITB's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the ECITB is required to:-

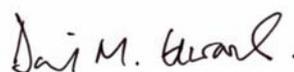
- Observe the accounts direction issued by the Secretary of State for Business, Innovation and Skills, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the body will continue in operation.

The Accounting Officer is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the ECITB and to enable it to ensure that the Financial Statements comply with the Industrial Training Act 1982. The Accounting Officer is also responsible for safeguarding the assets of the ECITB and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer for the Department for Business, Innovation and Skills has designated the Chief Executive of the ECITB as the Accounting Officer for the ECITB. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable, and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum, issued by the Treasury and published in Managing Public Money by The Stationery Office.



A P Collinson  
Chairman of the Trustees  
5th June 2013



D M Edwards  
Chief Executive Officer  
5th June 2013

## Results for the year

A Summary Statement of Financial Activities for the period 1 January 2012 to 31 December 2012 (with comparative information for 2011) is shown immediately below. This has been extracted from the audited financial statements which appear in full later in this report.

	<b>2012 £'000</b>	<b>2011 £'000</b>
<b><i>Incoming resources</i></b>		
Levy	24,943	23,596
Non levy income	2,638	2,540
<b>Total incoming resources</b>	<b>27,581</b>	<b>26,136</b>

<b><i>Expenditure</i></b>		
Investment Management Costs and Bad Debt Provision	1,038	5,566
Charitable activities (including Levy Collection costs)	29,102	22,147
Governance costs	147	114
<b>Total outgoing resources before other gains and losses</b>	<b>30,287</b>	<b>27,827</b>

Net incoming/(outgoing) resources before other gains and losses	(2,706)	(1,691)
Gain/(Loss) on revaluation of fixed assets	13	73
Gain/(Loss) on investment assets	120	(15)
<b>Net Movement in Funds Surplus/(Deficit)</b>	<b>(2,573)</b>	<b>(1,633)</b>

<b><i>Reconciliation of funds</i></b>		
Total funds brought forward at 1 January	20,079	21,712
<b>Total funds carried forward at 31 December</b>	<b>17,506</b>	<b>20,079</b>

<b><i>Balance Sheet</i></b>		
Fixed assets		
Tangible assets	1,144	1,240
Investments	14,320	12,215
	<b>15,464</b>	<b>13,455</b>

Current assets	6,638	10,986
Creditors	(4,596)	(4,362)
<b>Net current assets</b>	<b>2,042</b>	<b>6,624</b>

<b>Total assets less current liabilities</b>	<b>17,506</b>	<b>20,079</b>
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<b><i>Fund</i></b>		
Unrestricted Fund	17,506	20,079

## Commentary on the financial results

### Statement of financial activities for year-ended 31 December 2012

#### *Actual results compared with budget*

In 2012 the ECITB budgeted to achieve a deficit of -£3.27m in view of the high anticipated industry demand for training services and support. The actual deficit was -£2.573m. Despite uncertainty in the economic and industrial environment, engagement in training by employers was strong in 2012. Overall income and gains were approximately £4.79m higher than budgeted (£22.9m), mainly due to unbudgeted levy income received from employers in the nuclear sector of the industry. Charitable expenditure was approximately £3.68m higher than planned, largely as a consequence of unbudgeted grant expenditure in favour of the same employers. Overall costs were approximately £4.08m higher than planned (£26.17m).

#### *Incoming resources*

Levy income accounted for in 2012 amounted to £24.9m (2011 - £23.6m). The levy income represents the gross levy assessed during the year together with adjustments in respect of previous levies raised. A provision for levy bad debts has been reported separately as a cost of generating funds.

Virtually all of the 2012 levy income related to and was calculated by reference to the payments made to industry workers during the base period 6 April 2010 to 5 April 2011. For this purpose payments comprise PAYE wages paid to employees and labour-only payments made in respect of non-employed workers. Levy rates remained unchanged in 2012 at 1.5% on payments made in respect of site workers, and 0.18% on payments made in respect of all other workers. The levy exemption levels remained unchanged in 2012 for both site-based and other workers. Employers were exempt from paying site levy if payments made in respect of site-based workers were less than £275,000 during the 2010/11 base period. Employers were exempt from paying a levy in respect of all other workers if payments made in respect of all other workers during the same period were less than £1.0m.

Gross levy income in 2012 was 5.7% higher (an increase of £1.35m) than in 2011. This was largely due to a significant increase in the levy assessed for one establishment in respect of the 2010/11 base period. The employer concerned has appealed against the assessment, and this has been provided for in full as a bad debt in accordance with the ECITB's normal accounting policy. However, if this assessment is ignored, gross levy income in 2012 amounted to approximately £23.6m. On this basis, levy income was virtually the same as that in 2011. This reflects the significant downturn in activity across the industry in the second half of 2010 and during 2011, as revealed in employers' declarations of labour payments made in the 2010/11 base period.

Other incoming resources amounted to £2.638m (2011 – £2.540m), and mainly comprised investment income (£650,000) and income from sales and sponsorships (£1.948m).

Investment income (from quoted investments and cash deposits) was lower than in the previous year and amounted to £650,000 (2011 - £752,000). This reflected the reduced level of investments held during the year and investment performance, which continued to be poor as a consequence of ongoing low interest rates and depressed conditions in the global economy.

The receipt of public funding fell significantly compared with 2011 and amounted to £20,000 (2011 - £262,000). The main reasons for this were the cessation or completion of projects and initiatives in 2011. The only public funds received during the year (£28,000) related to the ECITB's participation in the National Occupational Standards Qualifications Project in England.

Overall, income from sales and sponsorships grew by 28% in 2012. The largest source of income continued to be CCNSG safety training, which fell by 11% compared with 2011. Similarly, income from the licensing of the ECITB's Supervisory Management and Training Development Programmes (SMTD) and Project Management Short Courses (PMSC), also fell by 5% during the year. However, in 2012 fees from VQ registrations, Technical Tests and consultancy services grew significantly. VQ registration income doubled (2012 - £317,000, 2011 - £156,000), and income from the sale of Technical Tests more than trebled (2012 - £132,000, 2011 - £38,000). The ECITB continued to develop its business providing training consultancy services to overseas training providers, and a significant increase in revenue from this source was achieved (2012 - £247,000, 2011 - £37,000). In tandem with this growth, income from the licensing of the ECITB's International Health and Safety Passports (IHSP) more than trebled (2012 - £94,000, 2011 - £26,000). Income from overseas sources amounted to £385,000, compared to £72,000 in 2011. This area of activity is envisaged to grow in 2013.

## Expenditure

The bad debts provision in 2012 amounted to £983,000 (2011 - £5.502m). The variance between the provisions is largely because of the following reasons:-

- The 2011 provision principally related to the 2009/10 levy assessments, which had been appealed by Dounreay Site Restoration Limited, Magnox Limited, Magnox South Limited and Sellafield Limited (“the nuclear employers”). In 2012, the ECITB entered into settlement agreements with each of these employers relating to their appeals and the levy assessed in respect of 2010/11. Under the agreements the employers accepted that they operated leviable establishments during the base periods 2009/10 and 2010/11. Accordingly, in 2012 no corresponding bad debt provisions were recorded in the year-end accounts.
- In 2012, Stork Technical Services (RBG) Limited, T&A Construction Limited and On Line Design and Engineering Limited appealed against the levy assessments relating to the 2010/11 base period. The ECITB’s accounting policy is to make a full bad debt provision when a formal appeal against a levy assessment is lodged by an employer, regardless of the likelihood of the ECITB’s success in the appeal. At the end of the year, Stork’s appeal (£1.314m) had yet to be heard by the Employment Tribunal and T&A’s levy had not been paid. Following a decision by the Divisional Court in the ECITB’s favour relating to appeals lodged by On Line relating to prior years of assessment, On Line withdrew its appeal against the 2010/11 assessment. The upshot of the Divisional Court’s decision meant that bad debts provisions amounting to £354,000 in respect of the 2008/09 and 2009/10 base periods for On Line Design and Engineering Limited were reversed in the 2012 accounts, thereby reducing the bad debts provision for the year.

Expenditure on charitable activities in 2012 was £29.10m, which was £6.95m higher than in 2011 (£22.15m). Expenditure was higher in each area of charitable activity. However, during the year the settlement agreements mentioned above were completed with the nuclear employers. Under the agreements, the ECITB reviewed the training activities undertaken by the employers during 2012, and agreed the employers’ eligibility for training grant payments. Training grants valued at £5.583m have been recorded in the accounts for the year. As no grant was paid to the nuclear employers’ in 2011, the table below shows a more accurate comparison of charitable expenditure in 2012 and 2011.

Charitable activities	2012 £'000	2012 nuclear employers' grants £'000	2012 before nuclear employers' grants £'000	2011 £'000
Apprentices and Careers	11,299	893	10,406	9,841
Skills & Technical	8,614	2,792	5,822	4,693
Management & Professional	6,126	1,898	4,228	5,270
Awards & Qualifications	2,689	0	2,689	1,948
Levy collection costs	374	0	374	395
<b>Totals</b>	<b>29,102</b>	<b>5,583</b>	<b>23,519</b>	<b>22,147</b>

On this basis, overall charitable expenditure was higher in 2012 than in 2011. The levels of expenditure relating to Apprentices and Careers, and Skills and Technical Programmes increased. However, there were reductions in expenditure in the other areas of charitable activity.

A more detailed explanation of charitable expenditure (excluding nuclear employers' grants) is set out below.

<p><b>Apprentices and Careers</b></p>	<p>The higher expenditure in 2012 was largely due to the increase in the number of apprentices recruited during the year. Thus, grant expenditure (2012 - £4.93m, 2011 - £4.55m), and combined direct and support costs allocated to apprenticeship programmes (2012 - £5.474m, 2011 - £5.293m) were higher in 2012 due to the payment of grants to employers upon the commencement of their apprentices' programmes and higher training provider costs.</p>
<p><b>Skills and Technical programmes</b></p>	<p>Skills and Technical expenditure largely comprises grants paid to employers. Overall, in 2012 grants increased to £4.529m (2011 - £3m). The main reasons were increases in offshore grants, Regional Discretionary Grants (relating to S&amp;T training) and CAD training grants. In addition, the ECITB introduced new Technical Training Grants, which amounted to £171,000.</p>
<p><b>Management and Professional Programmes</b></p>	<p>Management and Professional expenditure fell back during the year due to reductions in grants relating to SMTD, Project Management Short Courses and Regional Discretionary Grants (relating to M&amp;P training). However, expenditure relating to project management courses exceeded budgeted levels, and a new grant was introduced during the year relating to Chartered Engineer Training Days (£106,000).</p>
<p><b>Awards and Qualifications</b></p>	<p>Expenditure relating to Awards and Qualifications activities grew due to the introduction of new qualification grants. These included grants for Technical Tests, VQ Unit Assessments, APM certification and APMP examinations. Such grant expenditure amounted to £743,000.</p>
<p><b>Levy collection</b></p>	<p>Levy collection costs amounted to £374,000 (2011 - £395,000) and related to appeals against levy assessments, and the settlement agreements with the nuclear employers.</p>

The ECITB's freehold property at Blue Court, Kings Langley was formally revalued in 2012. The existing use value of the property at the year-end is £880,000, which represents a fall in the value of the property of £22,000. However, after adjustment to the cumulative depreciation relating to the building, a recognised gain of £13,000 has been recorded in the accounts.

Gains on investment assets amounting to £120,000 (2011 - Loss on investment assets amounting to £15,000) arose in the year. This partially offset the poor investment income, and reflected the uncertainty in the financial markets which continued to prevail in 2012.

## Balance Sheet at 31 December 2012

### Assets

Tangible Assets fell in value to £1.144m (2011 - £1.24m). This relates largely to the net depreciation charge during the year (£99,000). Fixed and current investments stood at £19.53m (2011 - £20.14m).

Debtors at the end of both 2011 and 2012 largely comprise prepayments and accrued income and trade debtors. As mentioned above, there is a significant levy debtor, which has appealed the levy assessed. The debt has been fully provided for as a bad debt in accordance with the ECITB's accounting policy. Overall, at the year-end debtors stood at £846,000, compared with £982,000 at 31 December 2011.

Cash at bank and in hand were significantly lower at the end of the year than at the start (opening balance £2.075m, closing balance £580,000). This was because investments were not encashed prior to the end of year in order to fund the high level of outgoings during January 2013. This meant that cash held at the year-end was £1.495m lower than at the commencement.

## Creditors

Year-end creditors amounted to £4.596m (2011 - £4.362m). This largely comprised grant creditors and accruals (2012 - £3.998m, 2011 - £4.162m).

## The funds of the charity

The year-end balance sheet shows total charity funds of £17.506m (2011 - £20.08m).

## Reserves Policy

The value of reserves (defined as the unrestricted fund) at 31 December 2012 was £17.506m.

The ECITB retains reserves required to cover the costs of completing training programmes and meeting staff redundancy costs in the event that the ECITB ceases to operate.

The Reserves Policy is reviewed principally to cater for the future financial commitments arising principally from apprenticeship, degree and other longer-term programmes. This is because such programmes carry forward significant financial commitments into future periods. The Reserves Policy is reviewed by the Management Board and the Audit Committee to ensure that adequate reserves are held to meet such requirements over the ensuing five-year period. Its conclusions and recommendations are reported to the Main Board, which confirms the Reserves Policy. In 2012, the Audit Committee and Management Board concluded that the average minimum reserves required over the five-year period were in the region of £7m to £8m.

## Investment policy and performance

The ECITB must invest money in accordance with guidelines approved by the Secretary of State (section 17(5) Industrial Training Act 1982). The latest guidelines appear in *Managing Public Money*, issued by HM Treasury. These broadly allow investment in a range of high quality interest bearing instruments. Investment in equities is not permitted. The management of investments is contracted to Schroder & Company, which is required to operate within the guidelines.

Performance is measured against a benchmark, namely the FTSE UK Government Bond Fixed 1-5 Year Index. In the period from 14 September 2004 (when Schroder took over the portfolio) to 31 December 2012, the performance of the long-term portfolio after the deduction of management fees was 49.8% compared to the benchmark of 46.4%, giving an annual portfolio return of 4% (benchmark return 0.9%) for the year to 31 December 2012.

The Audit Committee periodically reviews the ECITB's investments, and the performance of the investment manager. This last occurred in November 2012, and the Committee undertakes this exercise twice a year. The ECITB's opinion remains that it is unnecessary to dispose of any part of the investment portfolio or change the current investment policy in view of the very low risk attached to the portfolio (all investments are effectively guaranteed by the government). It is considered that the investment mix is appropriate to the prevailing market conditions.

## Auditors

The ECITB's external auditor is the Comptroller and Auditor General who is appointed under Section 2 of the Industrial Training Act 1982 as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2003. The cost of the statutory external audit for 2012 was £35,000.

## Statement as to disclosure of information to the Auditors

The Accounting Officer who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditors are unaware. The Accounting Officer has confirmed that he has taken all the steps that he ought to have taken as Accounting Officer in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditors.

# REMUNERATION REPORT

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## Unaudited information

### *Staff appointments*

Permanent employees of the ECITB are employed under open-ended contracts of employment, which may be terminated on one month's notice (subject to statutory increases in employees' entitlements to notice). The only exceptions to this apply to senior staff as described below.

There were no employees engaged under fixed term contracts of employment. As a general policy the ECITB does not employ temporary staff. However, this may occasionally occur to provide staff cover in cases of long term sickness, or maternity absence, or in circumstances where additional human resources are required to fulfil specific projects.

The ECITB will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There were no disabled persons employed by the ECITB during the year.

The ECITB recognises Unite (a trade union) as representing employee interests and periodically meets with representatives of the union to discuss health, safety and welfare issues.

### *Staff sickness absence*

The ECITB monitors levels of staff sickness absence. In 2012, the sickness absence rate was 3.3% (2011 - 3.3%), equivalent to 7.5 working days per head (2011 - 7.7 working days). This compares with a 2011 public sector average absence rate (as published by the ONS Labour Force Survey) of 2.6%, and a 2011 private sector average of 1.6%.

## Audited information

### *Senior staff costs and pensions*

Decisions on remuneration are delegated to the Management Board, which determines general policy on remuneration and the individual remuneration packages for the Executive Team (comprising the Chief Executive, the Director of Finance and Board Secretary, the Director of Operations and the Director of Development & Quality).

The contracts of employment of the Executive Team are, in all material respects, in line with those of other staff of the ECITB. The only exception is a notice period of 3 months (6 months notice for the Chief Executive) rather than the normal 1 month. They are entitled to membership of the ITB Pension Funds, which is a contributory final salary scheme.

At its meetings held in 2012 the Management Board reviewed the salaries and performance of the Chief Executive and Executive team, drawing on its extensive knowledge of business affairs and taking account of comparable remuneration packages within the industry.

Details of the individual remuneration packages and benefits for the Executive Team are set out below.

The information comprising the remainder of the Remuneration Report has been audited.

## Senior staff salaries and benefits

2012			2011			Date of appointment to position	Notice period (months)	Type of Contract	Unexpired Term at 31.12.12
Salary £'000	Benefits in kind (to nearest £100)	Performance Pay £'000	Salary £'000	Benefits in kind (to nearest £100)	Performance Pay £'000				
<b>D M Edwards, Chief Executive</b>									
115-120	7,000	0.8	110-115	6,500	0.8	01.07.99	6	Open ended	N/A
<b>A M Featherstone, Director of Operations</b>									
105-110	7,200	0.8	90-95	6,700	0.8	11.07.05	3	Open ended	N/A
<b>P C Hill, Director of Finance &amp; Board Secretary</b>									
85-90	600	0.8	80-85	600	0.8	15.05.06	3	Open ended	N/A
<b>N Spencer, Director of Development &amp; Quality</b>									
80-85	600	0.8	80-85	600	0.8	01.11.03	3	Open ended	N/A

Benefits in kind represent company car and private health insurance. Except for private health insurance and entitlement to notice, all other terms and conditions, including ITB Pension Fund membership, are in line with those of other staff members.

There have been no payments in respect of provision for compensation for early termination for senior managers serving in the year, and no significant awards in respect of early termination have been made to former managers.

ECITB is required to disclose the relationship between the remuneration of its highest-paid director and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in ECITB in the financial year 2012 was £120,000-£125,000 (2011 - £115,000-£120,000). This was 3.6 times (2011 - 3.5 times) the median remuneration of the workforce, which was 34,140 (2011: £34,000). In 2012, no (2011 - none) employees received remuneration in excess of the highest-paid director. Total remuneration ranged from £5,000 to £125,000 (2011 - £5,000-£120,000). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

## Senior staff pension entitlements

Name	Real increase in pension at age 60 (£'000)	Total accrued pension at age 60 (£'000)	CETV at 31.12.11 (£'000)	CETV at 31.12.12 (£'000)	Employer funded real increase in CETV (£'000)
<i>D M Edwards</i>	0 - 2.5	25-30	403	423	31
<i>A M Featherstone</i>	0 - 2.5	10-15	107	112	9
<i>P C Hill</i>	0 - 2.5	5-10	76	79	7
<i>N Spencer</i>	0 - 2.5	10-15	186	192	16

The table above shows how the pension/benefits (expressed in terms of accrued pension) of senior staff in ITB Pension Plans increased during the course of the year. The accrued pension is the annual pension payable from the scheme when the member reaches his/her normal retirement age (65 years).

## Trustees' costs

In accordance with his appointment by the Secretary of State for Business, Innovation and Skills, the Chairman of the Board is entitled to remuneration. During the year Mr T M Lazenby retired as Chairman and received £5,102 (2011 - £17,595). Mr Collinson was appointed as Chairman in April 2012 and received £19,715.

Two independent trustee non-executive directors have been appointed. They have been paid in accordance with The Charity Commission's agreement. In 2012, they received remuneration amounting to £15,000 (2011 - £24,000).

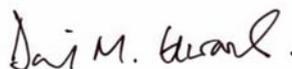
In 2012, 19 trustees (2011 – 16) incurred travel, accommodation and subsistence expenses, which were reimbursed by the ECITB. In 2012, these expenses amounted to £28,728 (2011 - £24,017).

The ECITB does not provide pension benefits for any of the trustees.

Appendix B of this report contains a list of current trustees and former trustees who held office in 2012.



A P Collinson  
Chairman of the Trustees  
5th June 2013



D M Edwards  
Chief Executive Officer  
5th June 2013

# GOVERNANCE STATEMENT

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## Scope of Responsibility

As Chief Executive and Accounting Officer, I have responsibility for maintaining a sound system of governance and internal control that supports the achievement of the Engineering Construction Industry Training Board's (ECITB) policies, aims and objectives, whilst safeguarding the funds and assets for which the Accounting Officer is responsible, in accordance with the responsibilities assigned to him in *Managing Public Money*. This means that the funds and assets are properly accounted for, and are used efficiently, effectively and economically.

## The purpose of the Governance Statement

The Governance Statement facilitates a clear understanding of the dynamics of the organisation's activities and its control structure. It supplements the financial information in the accounts by explaining how the organisation's governance structure directs and reviews plans and performance. The statement shows how the ECITB applies the principles of good governance and reviews the effectiveness of these arrangements.

## Governance Framework of the Organisation

The ECITB is a statutory body (an Industrial Training Board (ITB)) governed by the Industrial Training Act 1982 (as amended) ("the Act"). The Industrial Training (Engineering Construction Board) Order 1991 (Statutory Instrument 1991 No. 1305) defines the activities of the Board and the engineering construction industry. Details of the powers and responsibilities of the ECITB, as well as the restrictions placed on it, are described in the Act. The ECITB is a Non-Departmental Public Body, and reports to its government sponsor body, the Department for Business, Innovation and Skills (BIS).

The ECITB has responsibilities to Parliament and to its industry. It was formed in recognition of the engineering construction industry's vital role in the UK economy and the requirements for a statutory body to undertake the responsibilities of meeting the special training needs of an industry where the labour force is highly mobile and where there is less opportunity for individual employers to train.

The ECITB is established for exclusively charitable purposes and is a registered charity in England and Wales. It also undertakes its charitable activities in Scotland. As a registered charity, members of the Board are charitable trustees. The ECITB is bound by the Charity Commission's Statement of Recommended Practice (SORP) rather than the UK Corporate Governance Code. However, the ECITB complies with the Code's principles, except that: the Board is wholly non-executive; no trustee is remunerated apart from the Chairman and two other directors; the ECITB communicates with its stakeholders through several engagement channels, and does not hold an annual general meeting.

The charitable activities of the ECITB are partly funded by the statutory levy established by the Act and confirmed by Levy Orders passed by both Houses of Parliament. The levy applies to all in-scope establishments operated by industry employers to ensure equity across employers in the industry in the provision of training. The most recent Levy Order is the Industrial Training Levy (Engineering Construction Board) Order 2013 (2013 No.1397), which was made on 3rd June 2013 and came into force on 4th June 2013.

## Board of Trustees and Committees

The members of the ECITB's Board of Trustees and its committees as at 5th June 2013 are set out in Appendix D.

### *The Board of Trustees (the Board)*

The Board of Trustees is responsible for establishing and monitoring appropriate policies to fulfil the objectives of the ECITB as an ITB. The Accounting Officer is responsible for managing the implementation of agreed policies and is accountable to the Board.

The ECITB is directed by an employer-led Board, largely comprising unpaid volunteers. It is composed mainly of representatives from industry employers. Trades unions and employers' clients are also represented on the Board. In accordance with the Act, trustees are appointed by the Secretary of State for BIS following public appointment processes. These meet the requirements of the Office of the Commissioner for Public Appointments. Nominations of candidates from the industry's employers are sought from the principal trade associations and from employers which participate in the ECITB's Regional Forums. Nominations for employee representatives are made by the Trades Unions. Appointments are generally for either three or five years, and second terms are possible. Members cannot serve for more than ten years.

Following the appointment of a trustee, the ECITB provides each trustee with a comprehensive package of documents, which define the nature of:-

- The statutory constitution of the organisation.
- The ECITB's governance arrangements and decision-making processes.
- The ECITB's management and organisational structure.
- The work of the ECITB.
- The trustee's role and responsibilities.

This information provided by the ECITB reinforces and expands upon the information and guidance provided by BIS in the terms of a trustee's appointment. Shortly after an appointment, I conduct an induction session with a new trustee, which confirms the main points described above, explains the current issues, opportunities and risks affecting the ECITB, and addresses any questions raised by the trustee.

Trustees receive ongoing support from the Secretariat. As all members are required to have industrial or commercial experience, further training (whether formal or informal) is provided to support specific duties, such as participation in the Audit Committee.

In addition to serving on the Board, some will also take part in policy making as members of the Management Board and other sub-committees of the Board, as shown in below. The Audit Committee, the Qualifications and Awards Committee and the Client Contractor National Safety Group are also supported by other volunteers from the industry.

During 2012, three Board members' terms of office came to an end as a result of retirement or resignation, and seven were appointed. Details of who served as trustees during the year are shown in Appendix B, and the Register of Trustees' Interests appears in Appendix C.

The Board is responsible for ensuring that the ECITB performs within its remit and all applicable legislation. It is responsible for setting the organisation's strategy and policies, overseeing the implementation of business and financial plans, and delegating operational decision-making to the Executive Team. As trustees of a registered charity, board members have an over-riding obligation to place the interests of the beneficiaries above all others, including their own. They also need to take account of any guidance issued by The Charity Commission from time to time.

The following are the main issues that require the support and/or action of the relevant Secretaries of State (in England and Wales and Scotland). These all require endorsement and recommendation from the Board.

- Recommending to Parliament the raising of a levy.
- Laying the Annual Report and Accounts before Parliament.
- Endorsement of the Strategic Plan.
- Approval of grant schemes.
- Approval of information to be collected from employers.
- The delegation of functions to a Committee and approval of any allowances to Committee members for loss of remunerative time.

The Board also has the following responsibilities:-

- Appointing the Management Board, agreeing Codes of Practice and recommending any remuneration for the non-executive members.
- Recommending the Terms of Reference of and powers delegated to the Management Board and to other Committees.
- Setting and endorsing the Strategic Plan and agreeing the annual Business Plan and Budget, together with appropriate performance measures to be used to monitor progress.
- Approving the Annual Report and Accounts.
- Receiving reports from the Management Board on progress against the Business Plan.
- Setting the Risk Management strategy and reviewing its operation.
- Appointing the Audit Committee Chair and Members, and the Internal Auditors.
- Considering the Annual Report from the Audit Committee supported by reports from the external and internal auditors.
- Appointing the Qualifications & Awards Committee Chair and Members.

The Board normally meets three times per year, although additional meetings may be arranged if necessary. Of these, one meeting will be before the year-end to review and approve strategy and plans for the ensuing year, and one will be after the year-end to review and approve the Trustees' Report (including the audited accounts). Average attendance at the Board across the year was 77.3%, and each member's attendance statistic is set out in Appendix B.

### *The Management Board*

The Board has delegated powers to the Management Board which are set out in sections 5, 10 and 14(5) of the Act. The Board has also delegated responsibility to the Management Board to form the Remuneration Committee. The Chairman of the Management Board is the Chairman of the Board.

The Management Board's responsibilities are to:-

- Direct the operations of the ECITB.
- Ensure that the ECITB operates within the approved budget with power to agree virement between heads of expenditure.
- Propose to the Board the rates of levy to be applied.
- Monitor performance using agreed key performance indicators.
- Act as the Remuneration Committee of the ECITB, setting overall policies and levels and approving the remuneration of the Directors.
- Propose to the Board the annual Budget and Business Plan.
- Agree the powers delegated to staff.
- Agree the products and services to be offered to meet the needs of the industry and any charging policies (as defined in Section 5 of The Industrial Training Act 1982 and the appeal function defined in Section 14(5) of the Act).
- Appoint Investment Managers and monitor their performance within the guidelines set by the Secretaries of State and The Charity Commission.
- Appoint bankers and agree appropriate mandates.
- Report to the Board at agreed intervals on performance.

The Management Board normally meets four times per year, although additional meetings may be arranged if necessary.

## The Audit Committee

The Board, taking account of any Treasury guidance and good practice in respect of Audit and Control, appoints members of the Audit Committee. Its Terms of Reference are to promote the highest standards of propriety in the operation of the ECITB by maintaining an overview of its financial and other systems to ensure their effectiveness and integrity of operation. The Audit Committee receives reports from the Board's internal and external auditors as appropriate.

The Board appoints members of the Audit Committee. The aim is to have between 5 and 7 members of whom 2 or 3 are not members of the Board. The Chairman of the Audit Committee is a Board member who is not the Chairman of the Board. Representatives of internal and external auditors are invited to attend all meetings. These representatives will have free and confidential access to the Chairman of the Audit Committee if required at each meeting or during the year as appropriate.

The main duties of the Audit Committee are to:-

- Review the ECITB's Risk Management Policy and recommend it to the Board for approval. To review and monitor its implementation.
- Review the ECITB's financial statements and reports to ensure that they reflect best practice.
- Review the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.
- Consider all relevant reports by the appointed external auditors, including reports on the ECITB's accounts, achievement of value for money and the response to any management letters.
- Ensure that the internal auditors monitor the effectiveness of the ECITB's internal control system established to ensure that the aims, objectives and key performance targets of the ECITB are achieved in the most economic and effective manner.
- Ensure that the ECITB's internal audit service meets, or exceeds, the standards specified in the Government Internal Audit Manual and complies in all other respects with these guidelines and meets agreed levels of service.
- Consider and advise the Board on the ECITB's annual and long-term audit programme.
- Consider any internal audit reports, including value for money reports and the arrangements for their implementation.
- Review the operation of the ECITB's Code of Practice for Board Members and Code of Conduct for staff.
- Consider any other matters where requested to do so by the Board.
- Report at least once a year to the Board on the discharge of the above duties.

The Audit Committee normally meets three times per year, although additional meetings may be arranged if necessary. Of these, one meeting will be before the year-end to review plans for the external audit, and one will be after the year-end to review the accounts and reports, and to consider the internal audit programme for the year.

### *The Qualifications and Awards Committee*

The Board appoints members of the Qualifications and Awards Committee. The aim is to have 9 members. The Chairman is a Board member who is not the Chairman of the Board.

The main duties and terms of reference of the Committee are to:-

- Approve the development and implementation of all new ECITB qualifications and awards.
- Ensure that all qualifications and awards given or recognised by the ECITB are supported with appropriate approval and assessment processes.
- Advise on all aspects of the Vocational Qualifications Reform Programme, specifically the implementation of the Qualification Strategy Action Plan and the transfer of ECITB qualifications from the National Qualifications Framework to the new Qualifications and Credit Framework.
- Monitor progress towards the achievement of the ECITB's Awarding Body's strategic plans for OfQual or SQA, including making any recommendations for new awards.
- Review the operation of procedures for ensuring the independence and integrity of systems for awarding qualifications.
- Advise on procedures for assessment and verification, ensuring value for money in delivery.
- Review audit reports from the regulatory authorities and endorse any resulting action plans.
- Advise on any sanctions imposed upon approved centres and any appeals, which may result from such sanctions.
- Monitor and regulate ECITB provider approval and accreditation processes to ensure quality and rigour.
- Review the operation of the Board's procedures for ensuring the independence and integrity of its systems for awarding qualifications.

The Committee normally meets four times per year, although additional meetings may be arranged if necessary.

### *The Client Contractor National Safety Group (CCNSG)*

The CCNSG is a committee of the Board, and is responsible for the management of the CCNSG's Nationally Accredited Safety Passport Scheme. The CCNSG reports to the ECITB's Management Board on its activities. The ECITB manages the operation of the Scheme, and the CCNSG retains responsibility for the strategic direction of the Scheme, including determination of the Scheme's content, the standards for approval of training providers, the future development of the Scheme and its integrity assurance.

A representative from the Health and Safety Executive is invited to attend meetings of the CCNSG as an observer.

The CCNSG comprises:-

- Up to four members from client organisations (including at least one from a Capital Projects Client's Group member).
- Up to four members from engineering construction employers.
- Up to two members from Trades Unions.
- Two members from CCNSG training provider organisations (which are actively providing CCNSG training).
- A member representing the ECITB.

The Chairman is selected by members of the Group, which meets quarterly, or more/less frequently as determined by its members.

## Regions

The ECITB operates a regional structure to ensure that delivery of training support and services is driven by the demands of industry on a regional basis. The ECITB has organised its regional structure into seven regional forums and two national forums, which ensure that the varying requirements of the industry across Great Britain are represented and taken into account in the formulation of policy and the delivery of services. The regions either represent geographical areas, or specific and significant industry sectors, which have particular requirements.

<i>Regional Forums</i>	<i>National Forums</i>
<ul style="list-style-type: none"><li>• Midlands</li></ul>	<ul style="list-style-type: none"><li>• Engineering, Design and Procurement Forum</li></ul>
<ul style="list-style-type: none"><li>• North East England</li></ul>	<ul style="list-style-type: none"><li>• Offshore Industry Forum</li></ul>
<ul style="list-style-type: none"><li>• North West England</li></ul>	
<ul style="list-style-type: none"><li>• Scotland</li></ul>	
<ul style="list-style-type: none"><li>• South East and East England</li></ul>	
<ul style="list-style-type: none"><li>• Wales and South West England</li></ul>	
<ul style="list-style-type: none"><li>• Yorkshire and Humberside</li></ul>	

Each Forum comprises industry employers and normally meets three times a year under the chairmanship of a Board member (the Regional Chair). Through this structure the ECITB concentrates on identifying and meeting regional skills requirements, and is able to address particular recruitments and training needs.

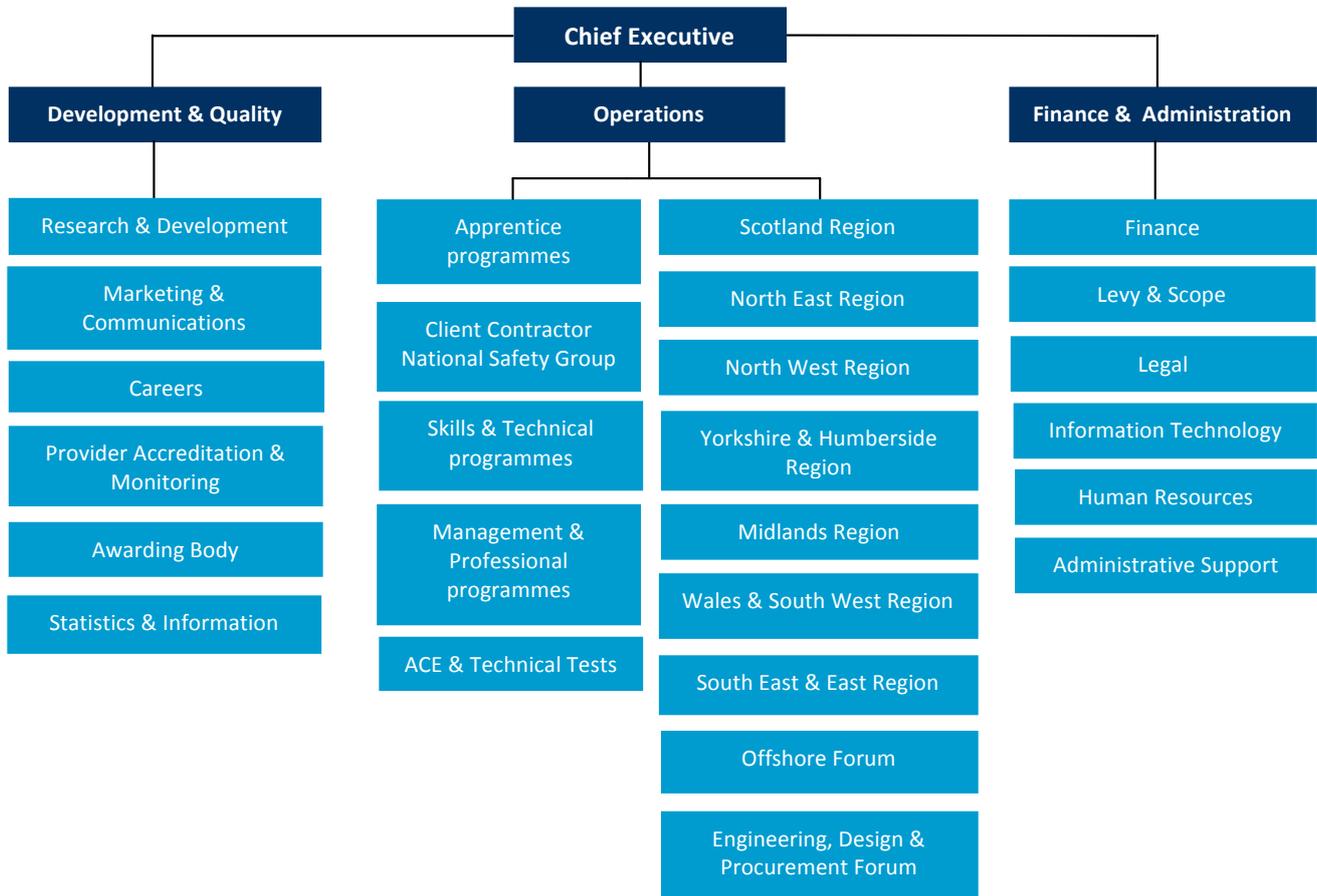
To address specific and local issues and needs, in some regions the ECITB has established sub-forums. In the Midlands region a Water Industry Forum has been established. Due to their size, in the Scottish and South East & East regions meetings are held in different locations. This enables attendance by as many employers as possible. The ECITB also works closely with other key regional stakeholders, such as industry clients, local government agencies, funding bodies, local authorities, training providers, trades unions and the workforce.

Under the ECITB's regional governance model, forums are empowered and operate as "business units" charged with supporting the achievement of the agreed strategic goals by the development and delivery of regional operating plans. In broad terms, the Chairman of the Regional or National Forum leads the forum on behalf of the Board. This ensures effective governance and the creation of a regional operating plan (targets and outcomes) and budget (financial resources). He/she will also provide support and guidance to ECITB staff, who in turn are accountable for the delivery of the agreed regional operating plan.

The regional plan will include training targets, the mix and methods required to meet the region's needs. Such targets and objectives may vary between regions. Furthermore, each regional plan will determine the training providers and partners engaged to deliver regional outcomes, subject to satisfying relevant procurement requirements.

## ECITB management and staff

The Board and the Management Board have delegated responsibility for the implementation of the ECITB's strategic plans, and the management of the organisation to the Chief Executive. The Chief Executive leads the organisation's executive management team ("the Executive Team"). In 2012, this comprised the Chief Executive, the Director of Finance and Board Secretary, the Director of Operations and the Director of Development and Quality ("the directors"). The ECITB's management and organisation structure was divided into the following directorates with the principal responsibilities shown below.



Each director was responsible for ensuring that the activities of each directorate are managed to ensure that the achievement of the ECITB’s strategic and regional objectives are conducted efficiently, to the highest quality standards, and in compliance with the law.

In order to enable the development of the ECITB’s activities, in January 2013 incremental changes to this management structure were made, which will be reflected in the 2013 Trustees’ Report.

## Board effectiveness and performance

In order for the Board members to be able to fulfil their joint and several responsibilities as trustees of the charity a range of processes are implemented.

To be effective, the Board must be fully informed of the work of the ECITB across all areas of activity. This is achieved by transparency of discussion papers presented to the Board and all of its committees, and of the minutes of such meetings. Reports are also made by committee chairmen. This affords Board members the opportunity to both monitor and contribute to all matters under consideration by the committees. In addition, as Chief Executive I provide reports and require other staff to prepare reports to the Board covering progress against objectives, management of risks and financial control.

A key enabling feature is that the principal operating units and major areas of activity either have a governing board committee, or have a nominated Board member with responsibilities for oversight and leadership. For example, in each region employers elect a Chairman, who is then appointed to the Board. The Regional Chairman provides a direct link to the Board and represents the needs of the employers to the Board and vice versa. These measures support a culture of openness and transparency that in turn ensures that the Board is able to make decisions with a high degree of clarity and consensus on the issues at hand.

Each year in July the Board conducts a thorough appraisal of the issues at hand, risks, opportunities and threats arising from external drivers and performance of the organisation. This involves a series of meetings and discussion sessions over the course of a day, and this is a key milestone in the annual review and planning cycle. It ensures the ECITB remains focussed and responsive to employer needs and market changes. The occasion also allows the Board to reflect informally on its effectiveness. The Board's view is that in general terms it is effective in terms of its role and responsibilities.

In November 2012, members of the Board attended a seminar on the role and responsibilities of charitable trustees. The course was specifically designed to address the ECITB's circumstances, and was led by a barrister specialising in the law in this area.

The Board has a well developed approach to balancing strategic priorities, for example the recruitment and training of apprentices, with support for employers' immediate skills and competence needs. This is through both bottom-up and top-down debate, that leads to shifts in budget allocation and grant adjustments, all set within affordable limits.

The focus in 2013 onwards is to sustain the existing processes of dialogue and transparency, bring more stakeholder engagement into the regions and forums, strengthen the quality arrangements around training providers and drive the international activity. Also, the review process relating to the role and effectiveness of the Board and its committees will be strengthened. It will include an annual self-evaluation by the Board and its committees, which will concentrate of their strengths and areas for development.

## Conflicts of Interest

As a Non-Departmental Public Body the ECITB is accountable to BIS and must abide by the principles of regularity and propriety. It must ensure that its activities are not affected adversely by any conflicts of interest. I consider that the ECITB's transparency of decision-making and scrutiny by stakeholders through the governance arrangements described in this statement enables it to achieve this objective.

## Staff tax arrangements

The ECITB does not engage any staff under any contractual arrangements that are not contracts of employment. This means that all the ECITB's members of staff are paid via ECITB's payroll. I am satisfied that ECITB complies with the requirements and recommendations of the Cross Government Review of Tax Arrangements of Public Sector Appointees published in May 2012, and that all staff are paying the tax in accordance with notices issued by HMRC.

## Austerity measures

I am satisfied that the ECITB is taking responsibility for compliance with the applicable austerity measures introduced by government with the aim to reduce expenditure. Specifically, the ECITB adheres to a procurement policy which emphasises that purchasing activity achieves value for money. Furthermore, when appropriate, services are procured from suppliers under the terms of governmentally approved framework agreements. For example, in 2012 the ECITB procured travel and accommodation and mobile telephone services under such agreements. In 2013, similar arrangements will be introduced relating to office supplies. Thus, I am satisfied that the ECITB manages such matters carefully, and has put appropriate procedures in place.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the ECITB's policies, aims and objectives. It is also designed to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the ECITB for the year-ended 31 December 2012 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

## Capacity to handle risk

The management of strategic and operational risk is embedded in business processes. The Executive Team and senior managers provide high level leadership to the risk management process. This group of staff has a good understanding of the key risks facing the ECITB. Selection and performance review procedures ensure that personnel are trained to manage risk in a way appropriate to their authority and duties. The directors and senior managers understand the importance of their roles in the risk management process.

## The risk and control framework

The ECITB aims to adopt best practice in the identification, evaluation and cost-effective management of risks, as an integral part of operational activity. The directors are accountable for risk management in their respective areas of activity and regularly report to me in my capacity as Accounting Officer and Chief Executive. Risk is assessed in these reporting processes and, more importantly, within the established business and financial planning process. Implicit in this approach is encouragement and support to the achievement of business objectives, anticipating and responding to changing social, environmental and legislative requirements, optimisation of control to achieve operational efficiencies and ensuring legal compliance as a minimum standard. A Risk Register is maintained for each directorate and there is a designated senior manager responsible for reporting the status of each identified risk. New risks which are identified during the year are added to the risk register.

As Accounting Officer and Chief Executive, I formally report to the Management Board the Audit Committee formally on these matters several times per year. The ECITB's corporate risk register is reviewed at every meeting of the Management Board and Audit Committee. This includes consideration of changes since the last review. The minutes of the meetings of the Management Board and the Audit Committee indicate to me that they are content that appropriate consideration is being given to risk management. I attend all such meetings and am satisfied that adequate consideration is given to risk management.

## Risk policy and responsibility

A risk management policy has been established and communicated to all relevant parties. Responsibility for risk management is assigned to the directors and their respective managers, to reflect actual responsibilities.

All directors are responsible for evaluating risk and taking measures to mitigate or minimise identified risk within their respective areas of operations and responsibility. The results of this exercise are reported to the Accounting Officer at least twice in the year.

Risk management is embedded within normal operations, such as system development risk analysis and progress reports for major projects.

## Internal audit

Deloitte & Touche Public Sector Internal Audit Ltd served as the ECITB's internal auditor throughout 2012. The internal auditor operates to standards defined by HM Treasury, which include the submission of an independent opinion on the adequacy and effectiveness of the system of internal control.

Reports are submitted to the Audit Committee concerning audits undertaken, implementation of recommendations, post capital expenditure reviews and other ad hoc reports, as required. The internal auditor has a direct reporting line to the Audit Committee to ensure independence.

In 2012 the internal auditor undertook audits of the ECITB's systems and controls in the following areas:-

- Regional Forecasting (including Regional Discretionary Grant follow up).
- Data Quality.
- Information Security.
- Industrial Training Levy.

In its reports, the auditor confirmed that the design of, and compliance with, the relevant systems and controls meant that the Board could derive full and substantial levels of assurance in them. Overall I consider that the outcomes of the work undertaken by the internal auditors give effective support my statement relating to internal control set out in this statement.

## Audit Committee

The Trustees maintain an overview of internal control issues through the Audit Committee. The Committee is formally constituted and operates in accordance with best commercial practice and HM Treasury guidelines. This Committee plays a pivotal role in ensuring a sound control environment. Its members ensure that a wide range of experience and expertise is available to the ECITB by attending meetings and offering advice when required.

The Chairman of the Audit Committee makes formal reports to the Board concerning risk management and the status of internal control within the ECITB.

The Accounting Officer joins the Audit Committee to review the ECITB's management of risk and ensures that advice from members concerning the identification, assessment and management of risk is taken into account. The Committee has approved the Risk Management Policy and reviews the Risk Register regularly.

## Information risk

Throughout 2012 the development of the ECITB's management information systems (MIS) continued. This enabled and supported changes in business processes and organisational performance improvements. In particular, data handling practices were simplified and consolidated. This rolling programme of system operation, review and improvement will continue in 2013 when the completion of all legacy data migration into a single database will be completed. This will mitigate the risks associated with distributed information systems.

Web portal development and improving the services available to ECITB's Approved Training Provider network featured prominently during 2012. The receipt of electronic data from training providers has meant enhanced data accuracy levels; which have significantly reduced the inherent risks associated with manual data handling. This has also led to faster processing times and better customer service.

Information security is still of vital importance to the operation and reputation of the ECITB. This is instilled within all areas of the organisation by annual staff refresher training led by the ECITB's Information Technology and Business Administration Manager, who also has responsibility as the ECITB's Senior Information Risk Owner (SIRO). The recommendations of the internal auditor in connection with the ECITB's Information Security processes either have been, or will be implemented, thereby leading to further improvements and risk reductions in this area of activity.

All IT upgrade projects are overseen by the Audit Committee and managed in accordance with guidelines and standards specified by the internal auditor. Key elements in the project remain to ensure full compliance with the information aspects of the Security Policy Framework, and to ensure that all staff receive training on handling data. In addressing the applicable minimum security requirements the ECITB will ensure that there is clear reporting to the SIRO and the Audit Committee.

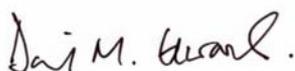
A single data breach occurred during 2012 involving the theft of laptop computer from an ECITB vehicle. The laptop was encrypted and contained no personal data or information that could have been likely to cause reputational damage to the business. This incident was reported to BIS.

## Review of effectiveness

The processes described above in “The risk and control framework” contribute to ensuring that the systems of internal control are continually reviewed and improved. As Accounting Officer, I have responsibility for reviewing the effectiveness of the systems of governance and internal control. My review of the effectiveness of these systems is informed by the directors and senior managers within the organisation (who have responsibility for the development and maintenance of the internal control framework), the work of the internal auditors, and comments made by the external auditors in their management letter and other reports. I am also advised on the effectiveness of the system of internal control by the Management Board and the Audit Committee. When weaknesses are identified, plans to address them and ensure continuous improvement of the system are put in place.

The internal auditor’s opinion on the control environment is that the ECITB has adequate and effective systems over risk, control and governance which provide reasonable assurance regarding effective and efficient achievement of the ECITB’s objectives.

My review of the effectiveness of the governance and internal control system shows that in 2012 the ECITB had adequate and effective risk management, control and governance processes to manage the achievement of its objectives.



D M Edwards  
Chief Executive and Accounting Officer  
5th June 2013

# THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

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I certify that I have audited the financial statements of the Engineering Construction Industry Training Board for the year ended 31 December 2012 under the Industrial Training Act 1982. These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Board's and Accounting Officer's Responsibilities, the Board and Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Engineering Construction Industry Training Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Engineering Construction Industry Training Board; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Engineering Construction Industry Training Board's affairs as at 31 December 2012 and its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Industrial Training Act 1982 and directions issued thereunder by the Secretary of State for Business, Innovation and Skills.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Industrial Training Act 1982 and Secretary of State directions issued thereunder; and
- the information given in the sections headed Financial Report, and Appendix C: Register of Interests of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

Amyas C E Morse  
Comptroller and Auditor General

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

Date: 17<sup>th</sup> June 2013

# FINANCIAL ACCOUNTS

## FOR THE YEAR-ENDED 31 DECEMBER 2012

### Statement of financial activities for the year-ended 31 December 2012 including an Income and Expenditure Account and Statement of Total Recognised Gains and Losses

#### Incoming resources

		2012 £'000	2011 £'000
<b>Incoming resources from generated funds</b>			
Investment income	<i>Note 4</i>	650	752
<b>Incoming resources from charitable activities</b>			
Non-levy income	- Apprentices and Careers	6	56
	- Skills & Technical Programmes	257	269
	- Management & Professional Programmes	178	202
	- Awards & Qualifications	1,527	1,261
<b>Total non-levy income</b>	<i>Note 3</i>	1,968	1,788
<b>Levy</b>		24,943	23,596
<b>Other incoming resources</b>	<i>Note 5</i>	20	0
<b>Total incoming resources</b>		27,581	26,136

#### Resources expended

<b>Cost of generating funds</b>			
Investment management costs		55	64
Bad debt provision	<i>Note 6</i>	983	5,502
<b>Charitable activities</b>			
Apprentices and Careers		11,299	9,841
Skills & Technical Programmes		8,614	4,693
Management & Professional Programmes		6,126	5,270
Awards & Qualifications		2,689	1,948
Levy collection costs		374	395
<b>Total costs of charitable activities</b>	<i>Note 7</i>	29,102	22,147
<b>Governance costs</b>	<i>Note 14</i>	147	114
<b>Total resources expended</b>		30,287	27,827

<b>Net incoming/(outgoing) resources for the year before other recognised gains and losses</b>	(2,706)	(1,691)
<b>Other recognised gains and losses</b>		
Gains/(losses) on revaluation of fixed assets for own use	13	73
Gains/(losses) on investment assets	<i>Note 17</i>	120
		(15)
<b>Net movement in funds</b>	(2,573)	(1,633)

#### Reconciliation of funds

<b>Total funds brought forward at 1 January</b>	20,079	21,712
<b>Total funds carried forward at 31 December</b>	<i>Note 23</i>	17,506
		20,079

The statement of financial activities reflects all gains and losses during the year to 31 December 2012. All activities are continuing. All funds are unrestricted.

The notes on pages 39 to 60 form part of these financial statements.

## Balance Sheet as at 31 December 2012

		2012	2012	2011	2011
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	<i>Note 15</i>		1,144		1,240
Investments	<i>Note 17</i>		14,320		12,215
<b>Total fixed assets</b>			<b>15,464</b>		<b>13,455</b>

<b>Current assets</b>					
Debtors	<i>Note 18</i>	846		982	
Investments	<i>Note 17</i>	5,212		7,929	
Cash at bank and in hand	<i>Note 25</i>	580		2,075	
<b>Total current assets</b>		<b>6,638</b>		<b>10,986</b>	

<b>Creditors</b>					
Amounts falling due within one year	<i>Note 19</i>	(4,596)		(4,362)	

<b>Net current assets (liabilities)</b>			<b>2,042</b>		<b>6,624</b>
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<b>Total assets less current liabilities</b>			<b>17,506</b>		<b>20,079</b>
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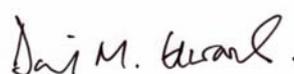
<b>The Funds of the Charity</b>					
Unrestricted fund	<i>Note 23</i>		<b>17,506</b>		<b>20,079</b>

<b>Total Charity Funds</b>			<b>17,506</b>		<b>20,079</b>
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The accounts were approved by the Board on 25<sup>th</sup> April 2013.



A P Collinson  
Chairman of the Trustees  
5<sup>th</sup> June 2013



D M Edwards  
Chief Executive Officer  
5<sup>th</sup> June 2013

The notes on pages 39 to 60 form part of these financial statements.

## Cash flow statement for the year-ended 31 December 2012

		2012 £'000	2011 £'000
<b>Net cash inflow (outflow) from operating activities</b>	<i>Note 24</i>	(2,551)	(3,438)
<b>Returns on investments and servicing of finance</b>			
Investment income		408	334
Gains/(losses) on investment assets		(6)	(76)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets	<i>Note 15</i>	(112)	(148)
Proceeds from disposal of tangible fixed assets		27	61
<b>Management of liquid resources</b>			
Purchase of investments	<i>Note 17</i>	(8,270)	(4,083)
Disposal of investments		6,291	5,342
Cash invested		2,718	3,621
<b>Increase/(decrease) in cash</b>	<i>Note 25</i>	(1,495)	1,613

<b>Reconciliation of changes in cash to net fund</b>	2012 £'000	2011 £'000
Balance at 1 January	2,075	462
Change in cash	(1,495)	1,613
Balance at 31 December	580	2,075

The notes on pages 39 to 60 form part of these financial statements.

## 1 Accounting policies

### *Going concern*

These accounts are prepared on a going concern basis.

### *Accounting convention*

These accounts have been prepared in accordance with the Industrial Training Act 1982 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005) ("the SORP"). An accounts direction issued by the Secretary of State requires that the ECITB prepares accounts in accordance with Treasury guidance. Consequently, these accounts follow the principles in the 2011/12 Government Reporting Manual (FReM) where it goes beyond the requirements of the SORP.

The accounts are prepared under the historical cost convention as modified by the revaluation of Land and Buildings and Investments.

### *Grants receivable*

The ECITB received grants from Government and European Union sources in respect of the following charitable activities:-

- Apprentices & Careers (grants for apprenticeship programmes).
- Skills & Technical Programmes (grants in respect of the Train to Gain initiative and the WISE Project in Wales).
- Management & Professional Programmes (grants relating to Construction Skills Action Plan).
- Awards & Qualifications (grants relating to development projects).

Grants are recognised when the SORP 2005 criteria of entitlement, certainty and measurement have been satisfied. Such grants are repayable in the event that the activities to which the grant relates do not occur.

This grant income is not an agreed annual cash allowance to meet the ECITB's financial cash outgoings for the year. It does not represent grant in aid. Consequently it is treated in the accounts as income.

No such grants were received in 2012.

### *Levy income*

Levy income is recognised on an annual cycle in the year in which it is raised together with adjustments in respect of previous levies raised. The levy receivable relating to the base period ended 5 April 2011 was raised in January 2012 and recognised as income in 2012.

### *Other categories of income*

Whenever possible, other categories of income (for example, sales, sponsorship and investment income) are recognised on an accruals basis. However, when income is unknown or receipt is uncertain it is recognised on a receivable basis. Non-levy income is allocated amongst charitable activities on the same basis as direct costs (see Notes 3 & 9).

### *Investment management costs*

Investment management costs are recognised on an accruals basis.

### **Charitable expenditure**

Charitable expenditure includes all expenditure incurred on the charitable activities described below:-

- Apprentices and Careers.
- Skills & Technical programmes.
- Management & Professional programmes.
- Awards & Qualifications.
- Levy collection costs.

### **Grants payable**

Grants are recognised as liabilities when the relevant training milestones and or grant conditions have been achieved or met.

The ECITB only records accrued grants in respect of interim apprenticeship and Regional Discretionary grants, when there is a high likelihood that the evidential requirements confirming these grants should be paid have been satisfied. However, no accruals are made for other grants. Such grants are only recognised when all the evidential requirements have been satisfied. At that point, such grants are recognised as grant creditors.

All grants are paid to employers when evidence of all the relevant training milestones and or grant conditions has been received. Such milestones and conditions are agreed with the employer prior to the commencement of the relevant training activity. Most grants are paid without the requirement for the employer to submit a claim. However, the ECITB requires employers to submit claims for Regional Discretionary Grants and grants relating to some training courses (for example, post graduate (or equivalent) programmes, Assessor Verifier training, and some technical training courses).

Grants are recorded against charitable activities in a manner that reflects the use of the resources.

### **Direct and support costs**

Direct costs (Note 9) have been recorded against activity cost categories on a basis consistent with the use of the resources. Direct staff costs have been allocated on the basis of staff time devoted to activity cost categories. Other direct costs have been allocated to the activity cost categories to reflect the activity in which the cost arose.

Support costs (Note 10) largely relate to the organisation's central functions. Such costs cannot be allocated to cost activities with the same degree of certainty as direct costs. The costs of the central functions are split between cost activities to reflect the allocation of direct costs to activity categories.

### **Governance costs**

Governance costs include those incurred in the governance of the ECITB and its assets and are primarily associated with constitutional and statutory requirements.

### **Land and buildings**

FRS 15 requires fixed assets which are carried at re-valued amounts to be shown at their current value at the balance sheet date. To achieve this, freehold land and buildings are subject to a full external valuation every 5 years. The last existing use valuation of the freehold land and buildings was undertaken at 31 December 2012 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Valuation Professional Standards (March 2012). Following the valuation, the existing use property value was recorded in the 2012 balance sheet.

In the intervening years between full external valuations the last revalued existing use value is adjusted (where material) by reference to relevant published commercial property indices by financial and professional services firms specialising in real estate services and investment management.

## **Other assets**

Apart from freehold property, fixed assets are stated at their historical cost, less accumulated depreciation. They are not re-valued as this is unlikely to reveal any material difference in values.

## **Capitalisation**

Fixed assets costing below £500 are not capitalised.

## **Depreciation**

Depreciation on fixed assets other than freehold land and buildings is provided on cost or valuation in equal annual instalments by class of asset over the estimated lives of each class, from the date on which the assets are brought into use. The rates of depreciation are as follows:-

Office furniture and equipment – 10 years

Plant and machinery:-

Training Rigs and Display Stands – 5 years

Motor Vehicles – 4 years

Tools and Equipment – 3 years

Computer equipment and IT software – 3 years

No depreciation is provided on freehold land.

Depreciation on freehold buildings is provided on the last revalued existing use value over the remaining useful life of the asset. The annual depreciation provision is calculated by dividing the latest revalued amount by the number of years of remaining useful life. Under this policy at the year-end date the remaining useful life of the buildings is 19 years.

## **Investments**

Investments are carried at market value. Realised and unrealised gains and losses are reflected in the statement of financial activities.

## **Bad debts provision**

Levy debtors are reported in the balance sheet net of a provision for bad debts. Full bad debt provisions are made in the following circumstances:-

- When a formal appeal against an assessment for industrial training levy is made by an employer, regardless of the likelihood of the ECITB's success in the appeal.
- When there is a strong possibility that a debt will not be recovered.
- When any debt is older than six months.

In the Statement of Financial Activities the bad debts provision is treated as an expense within Cost of Generating Funds.

## **Pensions**

The ECITB is a participating employer in the ITB Pension Funds, which are constituted as multi-employer defined benefit schemes. Pension contributions are charged to the statement of financial activities as incurred.

## Corporation Tax

As a registered charity in England and Wales, the ECITB is exempt from Corporation Tax on its primary purpose activities. As such there is no Corporation Tax to pay.

## Value Added Tax

The ECITB is registered for VAT. However, the ECITB is not able to recover VAT on most supplies of goods and services which it receives. Thus, all costs are shown inclusive of VAT.

## Fund

The ECITB's fund is available to the Trustees to apply for the general purposes of the charity as governed by the Industrial Training Act 1982 (as amended) and related regulations. As such the fund is unrestricted because the Trustees are free to use it for any of the charity's purposes. Income generated from assets held in the fund is unrestricted income.

## 2 Levy receivable

In 2012, there were 375 establishments, which were wholly or mainly undertaking engineering construction activities. From this total, Industrial Training Levy was assessed in respect of 237 establishments. 138 establishments were exempted from paying a levy because the level of payments made in respect of personnel at these establishments did not exceed the statutory exemption levels.

At the end of 2012 there was one levy assessment under appeal. The amount appealed to £1.323m (see Notes 6 and 18).

3 Non-levy income	2012 £'000	2011 £'000
From Government and European Union sources	20	262
From sales and sponsorships	1,948	1,526
	1,968	1,788

The following streams of income were received from Government and the European Union:-

Income Stream	Government/European Sources	Charitable Activity	2012 Income £'000	2011 Income £'000
Apprentice training grants	Skills Funding Agency	Apprenticeships & Careers	0	14
Train to Gain	Skills Funding Agency	Skills & Technical	0	35
Wales & Ireland Sustainable Enterprise project (WISE)	European Social Fund		(8)	165
National Occupational Standards Qualifications Project	UK Commission for Employment & Skills	Awards & Qualifications	28	10
Specification of Apprenticeship Standards for England Project			0	38
			20	262

*In 2011 income from the WISE Project was accrued. It transpired that the accrued income in 2011 was too high by £8,000, and the charge against income in 2012 represents a reversal of the over-accrued income.*

The £28,000 of income from The UK Commission for Employment & Skills represents fees for contracted work undertaken by the ECITB in connection with the National Occupational Standards Qualifications Project.

The following streams of income were received from sales and sponsorships:-

Income Stream	Sources of Sales and Sponsorship Income	Charitable Activity	2012 Income £'000	2011 Income £'000
ACE cards	UK employers	Awards & Qualifications	0	21
VQ registration and certification	UK employers and UK training providers		317	156
Consultancy Services	Overseas training providers	Awards & Qualifications	123	24
		Skills & Technical	124	13
CCNSG licence fees and safety passport income	UK employers	Awards & Qualifications	800	896
IHSP licence fees and safety passport income	Overseas training providers		94	26
SMTD and PMSC licence fees and training course income	UK training providers	Management & Professional	162	173
	Overseas training providers		9	7
Technical Test licence fees and test income	UK training providers	Skills & Technical	97	36
	Overseas training providers		35	2
Provider Accreditation & Monitoring Audit Fees	UK training providers	Awards & Qualifications	155	146
Apprentice Certification	UK training providers	Apprenticeships & Careers	5	0
Other	OPITO	Apprenticeships & Careers	0	26
Other	UK employers	Awards & Qualifications	27	0
			1,948	1,526

VQ registration and certification income was higher in 2012 because such fees were only charged for part of the year in 2011.

Income from the provision of consultancy services to overseas clients (training providers) grew significantly in 2012 as a consequence of securing new consultancy contracts and clients during the year.

In 2012 the method of charging CCNSG safety training course providers for safety passports changed. Prior to 2012 passports were purchased in advance of the delivery of training courses. In 2012 the system of training certification changed, and charges for safety passports were made following the successful completion of course tests by candidates. As part of the transitional arrangements, the superseded versions of the safety passports were returned to the ECITB, which issued corresponding refunds to the training providers concerned. Refunds were offset against income received from CCNSG training providers.

Income from the sale of International Health and Safety Passports to overseas training providers grew significantly in 2012 as a consequence of granting new licence agreements to existing and new clients, whose volumes of business grew significantly during the year.

Following the introduction of new Technical Tests, their use by training providers and industry employers grew in 2012, particularly in the UK.

The receipt of income in 2011 from OPITO relating to apprenticeship training was an arrangement that only applied in 2011, which was not repeated in 2012.

Other income amounting to £27,000 represents income received from employers, which sponsored a training awards event organised by the ECITB in April 2012.

No grant-in-aid is receivable by the ECITB.

<b>4 Investment income</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Income from quoted investments	456	507
Income from cash deposits	194	245
	650	752

<b>5 Other operating income</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Other operating income	20	0

In February 2013 the Divisional Court ruled in favour of the ECITB in an appeal by On Line Design and Engineering Limited against levy assessed in respect of the 2009/10 base period. The Court awarded costs favour of the ECITB in the sum of £20,000, and this has been recorded as Other Operating Income in the 2012 accounts. It has not been offset against the legal fees incurred in 2012 in levy appeals (see Note 7).

<b>6 Bad debt provision</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Levy Assessments under appeal	969	5,587
Other bad debts	14	(85)
Debts older than 6 months	0	0
	983	5,502

<b>Levy Assessments under appeal</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Nuclear employers	0	5,420
Other employers	969	167
	969	5,587

The following factors explain the disparity between the bad debt provisions in respect of levy assessments under appeal at the 2011 and 2012 years ends.

#### **Levy Assessments under appeal at the end 2011**

At the end of 2011 the bad debt provision in respect of levy under appeal related to the appeals against levy assessments in respect of the 2009/10 base period lodged by Sellafield Limited, Magnox Limited, Magnox South Limited, Dounreay Site Restoration Limited and On Line Design and Engineering Limited. The value of the levies under appeal amounted to £5.587m.

In 2012, settlement agreements between the ECITB and the first four employers mentioned above were completed. These agreements related to the levy assessments in respect of the 2009/10 (see below) and 2010/11 base periods. The agreements were approved by BIS. The assessments in respect of 2010/11 were not appealed. Consequently, bad debt provisions similar to those in the 2011 accounts were not recorded in the 2012.

Under the settlement agreements mentioned above levy debts of £5.421m relating to the 2009/10 base period and recorded in the 2011 accounts as levy income, will not be recovered from the relevant employers. These debts have been written off against the related bad debt provision in the balance sheet (see Note 18). These transactions have not affected the 2012 statement of financial activities.

### Levy Assessments under appeal at the end 2012

In 2012, Stork Technical Services (RBG) Limited and T & A Construction Limited appealed against levy assessed in respect of the 2010/11 base period amounting to £1.323m. Full bad debt provisions were recorded in the accounts.

Following the decision of the Divisional Court in the appeal by On Line Design and Engineering Limited against levy assessments in respect of the 2008/09 and 2009/10 base periods, the corresponding full bad debt provisions recorded in prior years were reversed in 2012. In February 2013, On Line Design and Engineering Limited also withdrew its appeal against the levy assessed in respect of the 2010/11 base period, and consequently the bad debt provision recorded in the 2012 accounts prior to the year-end was also reversed. The total reversal of these bad provisions recorded in the 2012 accounts amounted to £354,000.

At the year-end, the quantum of the bad debt provision related to the 2011/12 levy assessments relating to Stork Technical Services (RBG) Limited and T & A Construction Limited, and the reversal of bad debts described above.

Other bad debts	£'000
Levy bad debts arising during the year due to debtors' insolvency	35
Reversal of levy bad debt provisions made in previous years	(21)
	14

The reversal of levy bad debt provision made in previous years mainly relates the debt owed by Caxios Limited. During the year a final payment of £21,000 was received relating to the debt. The remainder of the debt was written off. Accordingly, the bad debt provision was reversed to reflect the dividend received from the liquidator.

7 Charitable activities	Grant Funding (Note 8) £'000	Direct Costs (Note 9) £'000	Support Costs (Note 10) £'000	Total 2012 £'000	Total 2011 £'000
Apprenticeships and Careers	5,825	4,065	1,409	11,299	9,841
Skills & Technical programmes	7,321	952	341	8,614	4,693
Management & Professional programmes	5,217	698	211	6,126	5,270
Awards & Qualifications	1,279	1,041	369	2,689	1,948
Levy collection costs	0	277	97	374	395
	19,642	7,033	2,427	29,102	22,147

Expenditure relating to Apprenticeships & Careers, Skills & Technical and Management & Professional activities significantly increased in the year. This was partially due to the award of grants to Sellafield Limited, Magnox Limited, Magnox South Limited and Dounreay Site Restoration Limited pursuant to the settlement agreements described above. These amounted to:-

Charitable activities	£'000
Apprenticeships and Careers	893
Skills & Technical programmes	2,792
Management & Professional programmes	1,898
	5,583

Notwithstanding the effect of the grants referred to above:-

- Skills and Technical expenditure grew in the year due to increases in Offshore Grants (up by £429,000), Regional Discretionary Grants (up by £257,000), CAD training grants (up by £285,000) and other approved training course grants (up by £150,000). In addition, the ECITB introduced new Technical Training Grants which amounted to £171,000.
- Management and Professional expenditure fell back during the year due to reductions in grants relating to SMTD (down by £700,000), Project Management Short Courses (down by £170,000), Regional Discretionary Grants (down by £738,000). However, a new grant was introduced during the year relating to Chartered Engineer Training Days (£106,000).
- Expenditure relating to Awards and Qualifications activities grew due to the introduction of new qualification grants. These included grants for Technical Tests, VQ Unit Assessments, APM certification and APMP examinations. Such grant expenditure amounted to £743,000.

## 8 Grant funding

Of the £19.642m of grants made to employers in 2012, grants amounting to £16.813m were awarded to the employers in the following list. The list is limited to the 50 largest employers in terms of grant values, and the value for each employer is the aggregate of total grants received.

Employer	£
Magnox Ltd	2,976,000
Sellafield Limited	2,056,000
AMEC Group Ltd	1,763,939
* Wood Group Engineering (North Sea) Ltd	1,604,308
* Doosan Power Systems Ltd	1,540,714
* Petrofac Facilities Management Ltd	600,099
Dounreay Site Restoration Ltd	551,000
Siemens Transmission & Distribution Ltd	334,013
* Alstom Power Ltd	333,963
* Production Services Network (UK) Ltd	275,070
Aker Offshore Partner Ltd	264,059
* Jacobs UK Limited	256,245
Steelcraft Erection Services Ltd	248,125
Kellogg Brown & Root Limited	244,340
* Foster Wheeler Energy Ltd	223,409

Employer	£
* TEI Limited	101,460
* SSE Contracting Ltd	100,906
MII Engineering Limited	96,785
Cameron Ltd	95,810
Intellect (UK) Ltd	92,915
Saipem Ltd	85,207
Shanahan Engineering Ltd	82,800
Weir Engineering Services Ltd	82,376
Technip E&C Ltd	79,237
* Redhall Engineering Solutions Ltd	78,199
Applus RTD UK Ltd	77,005
PPS Electrical Ltd	76,648
Pipex Ltd	75,600
Main Port Engineering (1990) Ltd	73,880
Fluor Ltd	70,360

	Cordell Group Ltd	221,608
	Fabricom Oil Gas and Power Ltd	207,997
*	Jacobs LES Ltd	201,228
	3 Sun Ltd	200,400
	BNS Nuclear Services Ltd	186,890
	BIS Industrial Services Ltd	179,391
*	Siemens plc	138,602
*	Interserve Industrial Services Ltd	109,503
	Shepley Engineers Ltd	103,674
	Granite Services International Inc. (UK)	102,130

	Boulting Group Plc	69,676
	Rayfern Ltd	68,656
	Stork Technical Services (RBG) Ltd	65,898
	Costain Oil Gas & Process Ltd	65,231
*	Laker Vent Engineering Ltd	63,040
	WorleyParsons Europe Ltd	61,710
	CLS Offshore Ltd	58,915
	SPIE WHS Ltd	56,806
	Blackrow Engineering Company Ltd	56,407
	Rowecord Engineering Ltd	54,995
	Sub Total	16,813,229
	Other Grants	2,828,568
	Total	19,641,797

\* A member of the Board of Trustees is employed by this employer or an associated company.

Under the four settlement agreements and completed in 2012 with Sellafeld Limited, Magnox Limited, Magnox South Limited and Dounreay Site Restoration Limited, the parties reviewed the training activities undertaken by the employers during 2012 in order to agree eligibility for the award of training grants. The agreements also provided that the value of any such grants would not exceed the value of the levies assessed relating to the employers' leviable establishments for the 2010/11 base period. The ECITB concluded that the nature and extent of the training undertaken by these employers meant that they were eligible for grant equal to or exceeding the value of the corresponding levies.

## 9 Direct costs

Direct costs have been recorded against activity cost categories on a basis consistent with the use of the resources. In the main, they comprise costs which have been directly incurred in fulfilling the relevant charitable activity.

Staff costs have been categorised as direct costs when the staff time can be clearly and accurately allocated to one or more charitable activities. For example, regional staff are exclusively engaged in the four main charitable activities, and their time devoted to each head of activity is recorded. Similarly, Product Development staff manage projects which fall under one or other charitable head, and their costs have been allocated accordingly.

Other examples of direct costs include Training Provider costs, which have mostly been incurred in consideration of services provided by training providers in the training and assessment of apprentices. Product development costs largely relate to consultancy costs incurred in the development of training products and materials used in the re-skilling and skill enhancement of existing industry workers.

Depreciation relates to cars and equipment in the possession of staff who are clearly engaged in one or more charitable activities.

Other direct costs have been allocated to the cost categories to reflect the activity in which the cost arose.

	Apprentices and Careers	Skills & Technical programmes	Management & Professional programmes	Awards & Qualifications	Levy Collection	2012 Total	2011 Total
Activity	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs (salary, NI and pensions) <i>Note 11</i>	1,057	678	455	443	81	2,714	2,454
Staff travel & subsistence and other costs	168	146	87	95	3	499	405
ACE				20		20	43
Apprentice allowances, travel and subsistence	717					717	1,417
Apprenticeship recruitment costs	278					278	270
Apprentice training and assessment costs	1,663					1,663	1,115
Skills & Technical and Management & Professional programme costs		9	8			17	16
Project Management courses						0	63
WISE Project						0	79
SMTD courses			24			24	21
ECITB Active Cup			52			52	91
Programme administration costs	3	4	2			9	6
Safety Passport issue and administrative costs				102		102	76
Training Provider Accreditation and Monitoring			3			3	22
External Verification				115		115	147
VQ programme costs				59		59	213
Regional premises costs	94	20	12	5		131	156
Overseas training provider and consultancy costs		33		33		66	43
Product development costs	12	85	60	85		242	473
Legal fees incurred in levy appeals					181	181	226
Levy debt collection fees					9	9	1
Depreciation	63	28	28	9	4	132	139
	4,055	1,003	731	966	278	7,033	7,476

The proportions of direct costs allocated to each charitable activity are as follows:-

Charitable Activity	%
Apprentices & Careers	58
Skills & Technical programmes	14
Management & Professional programmes	10
Awards & Qualifications	14
Levy collection costs	4
	100

These proportions have been used as the basis for allocating support costs to charitable activities (see Notes 7 and 10).

## 10 Support Costs

Support costs largely comprise the costs of central functions which cannot be allocated to charitable activities with the same degree of certainty as direct costs. The central functions are:-

- Central Executive
- Finance and Legal
- Human Resources
- Information Technology
- Marketing
- Research
- Head Office premises and support activities

In addition, there are various professional services and costs which have been managed by central functions

It is not possible to allocate support staff costs to charitable activity cost categories on the basis of time devoted to such activities. Similarly, it is not possible to allocate other support costs (for example, Head Office premises costs, Information Technology, Office expenses and Depreciation) to charitable activities on a basis consistent with the charitable use of the resources. Thus, support costs have been allocated to charitable activity cost categories by adopting the same proportions reflected in the allocation of direct costs to charitable activities (see Note 9).

Activity	2012 £'000	Restated 2011 £'000
Staff costs (salary, NI and pensions)	1,066	1,097
Staff travel and subsistence	102	92
Agency costs	69	26
Staff recruitment and training	142	92
Other personnel costs	5	27
Head office costs	150	173
Marketing	500	418
Research costs	4	18
IT and telecommunications	250	222
Legal (non-levy collection matters)	48	46
Professional charges	30	44
Depreciation	83	93
(Profit)/loss on disposal of fixed assets	(22)	(34)
	2,427	2,314

Recruitment costs were high in 2012 as consequence of recruiting 16 new members of staff in 2012.

Marketing and Professional costs in 2011 have been restated to reflect the manner in which comparable costs have been reported in each category in 2012. This has occurred because in 2012 publication costs were recorded as marketing costs. This reflected the budgetary responsibility of the Marketing and Communications Department for such expenditure. In 2011, such costs were recorded as professional expenditure.

<b>11</b> Staff costs	2012 £'000	2011 £'000
Salaries	2,982	2,746
Social security costs	286	265
Pension costs	552	540
Agency costs	69	26
Other personnel costs	8	27
	3,897	3,604

Staff costs include Trustees' and Senior Staff Salaries and Pensions (see Remuneration Report).

Salaries include gross salaries; performance related pay or bonuses; overtime; private or home office allowances and other allowances to the extent that they are subject to UK taxation. The ECITB operates a performance-related incentive scheme in which all employees are eligible to participate (after completing initial periods of employment in their roles). In 2012, the maximum achievable incentive award amounted to 1% of an employee's basic salary.

Agency costs have increased largely as a consequence hiring the services of a temporary accountant between January and August 2012 pending the appointment of a new Financial Controller.

Other personnel costs comprised the costs of private medical insurance (approximately £4,000), staff medical examinations, eye tests, protective clothing and other sundry costs. In 2011, such costs also included the payment made under the terms of a Compromise Agreement between the ECITB and a former member of staff.

## 12 Staff numbers

The numbers of employees earning over £60,000 per annum including benefits in kind, excluding pension contributions were:-

	2012 Number	2011 Number
£60,001 - £75,000	2	0
£75,001 - £80,000	0	0
£80,001 - £85,000	1	2
£85,001 - £90,000	1	0
£90,001 - £95,000	0	0
£95,001 - £100,000	0	1
£100,001 - £105,000	0	0
£105,001 - £110,000	1	0
£110,001 - £115,000	0	0
£115,001 - £120,000	1	1
	6	4

The average number of employees, by function, was:-

	2012 Number	2011 Number
Apprenticeships & Careers, Skills & Technical Programmes, Management & Professional Programmes	44	48
Awards & Qualifications	13	11
Levy Collection	2	2
Senior Management and Corporate Support Services	24	20
	83	81

The ECITB has considered the issue of allocating the numbers of staff engaged amongst each charitable activity. However, it is felt that with the exception of Awards & Qualifications and Levy Collection (where members of staff are clearly and solely allocated to this activity) it is not possible to achieve an accurate allocation amongst the other heads of charitable activity. The table indicates that in both years approximately half of the ECITB's employees were engaged in the charitable activities of Apprenticeships & Careers, Skills & Technical Programmes, and Management & Professional Programmes. This largely reflects how all members of the organisation's regional staff are engaged in the delivery of services, which span all three areas of charitable activity. Furthermore, in providing service to some employers it is not unusual for such employers' learners to be undertaking training in more than one area of charitable activity. For these reasons, it is not possible to allocate with accuracy the numbers of staff that are allocated to each of these heads of charitable activity.

The ECITB is a participating employer in the ITB Pension Funds Scheme, a multi-employer defined benefit scheme. It is therefore not possible to identify separately the proportion of assets and funding level attributable to the ECITB. Therefore, in accordance with the provisions of FRS 17 relating to multi-employer schemes, the Scheme has been accounted for as a defined contribution scheme.

The scheme comprises:-

### *The Open Fund*

The Open Fund is valued triennially by an independent qualified actuary. The last valuation reported was at 31 March 2010, which showed the net asset value of the assets was £581.5 million and the actuarial value of those assets represented 87% of the benefits that had accrued to the members. The valuation indicated that the actuarial value of the total assets held by the Scheme showed a deficit of £90m over the total Scheme liabilities. The valuation was based on methodology and assumptions set out in a Statement of Funding Principles, which has been approved by all participating employers. For the purpose of the valuation the actuary assumed the nominal rate of return on the assets of 5.99% (and that future pensions in payment would increase by 3.30% per annum for Old Section members and effectively not more than 2.50% per annum for New Section and 2007 Section members), increases in total pensionable earnings would be 4.90% per annum.

An interim actuarial review of the Open Fund was undertaken at the 31 March 2012. This valued the assets at £739.5 million. The actuary assumed the nominal rate of return on the assets of 4.4%. The next formal valuation will be carried out at 31 March 2013.

The assets of the scheme are held separately from those of the ECITB in an independently administered fund. During the period, employer's normal contributions at a rate of 13.1% for the New Section and 8.1% for the 2007 Section (as determined by the Trustees acting on the advice of the Funds' Actuaries) have been made in respect of all employees who are members of the Funds.

In 2011 the ECITB, along with other participating employers, agreed a deficit recovery plan with ITB Pension Funds. Under the plan the ECITB will pay additional contributions amounting to £271,000 per annum commencing in 2011 for a period of 7 years.

The pension cost charge for 2012 of £551,993 (year to 31 December 2011 - £540,415) represents all contributions (normal and deficit contributions) payable by the ECITB to the scheme.

### *The Closed Fund*

The Closed Fund is valued triennially by an independent qualified actuary. The last formal valuation was at 31 March 2012, which showed the market value of the assets was £211 million (31 March 2009 - £196.7 million). For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 2.74%.

Participating employers in defined benefit occupational pension schemes may become liable for a statutory debt under section 75 of the Pensions Act 1995 in certain circumstances, such as if the scheme starts to wind up, or the employer ceases to participate. In the case of the ECITB's participation in the ITB Pension Funds Scheme, were the ECITB to withdraw from the Scheme, or were the Scheme to be wound up, the assessment of any amounts due from the ECITB to the scheme would take account of both ITB Pension Scheme members who were current and past employees of the ECITB, and also of pension scheme members who were employees of the Engineering Industry Training Board prior to 1991.

### *The Defined Contribution Scheme*

In April 2012 ITB Pension Funds established a Defined Contribution pension scheme. Since then new employees of the ECITB have been offered membership of this scheme, as opposed to membership of the Open Fund, which is a defined benefit scheme. Both the ECITB's and the employee's standard rates of contribution are 4.5% of the employee's pensionable salary. In 2012, 10 new employees joined the scheme (including one leaver who left employment prior to the year-end). The ECITB's contributions to the scheme in the year amounted to £3,577.

<b>14 Governance costs</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Board and Committee costs	93	53
Internal audit	15	10
External audit	35	40
Other audit undertaken by External Auditor	1	1
Other	3	10
	147	114

<b>15 Tangible Fixed Assets</b>						
<b>2012 Tangible Fixed Assets</b>	<b>Freehold land &amp; buildings £'000</b>	<b>Plant &amp; machinery £'000</b>	<b>Computer Equipment £'000</b>	<b>IT software £'000</b>	<b>Furniture &amp; equipment £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>						
1 January 2012	901	614	791	34	64	2,404
Revaluation	(21)	0	0	0	0	(21)
Additions	0	78	33	0	0	111
Disposals	0	(84)	(3)	0	0	(87)
At 31 December 2012	880	608	821	34	64	2,407
<b>Depreciation</b>						
1 January 2012	0	366	740	28	30	1,164
Provided	35	141	33	2	4	215
Revaluation adjustment	(35)	0	0	0	0	(35)
Disposals	0	(78)	(3)	0	0	(81)
At 31 December 2012	0	429	770	30	34	1,263
<b>Net book value</b>						
At 1 January 2012	901	248	51	6	34	1,240
At 31 December 2012	880	179	51	4	30	1,144

2011 Tangible Fixed Assets	Freehold land & buildings £'000	Plant & machinery £'000	Computer Equipment £'000	IT software £'000	Furniture & equipment £'000	Total £'000
<b>Cost or valuation</b>						
1 January 2011	860	677	765	26	75	2,403
Revaluation	41	0	0	0	0	41
Additions	0	95	31	8	14	148
Disposals	0	(158)	(5)	0	(25)	(188)
At 31 December 2011	901	614	791	34	64	2,404
<b>Depreciation</b>						
1 January 2011	0	342	720	12	51	1,125
Revaluation adjustment	(32)	0	0	0	0	(32)
Provided	32	155	25	16	4	232
Disposals	0	(131)	(5)	0	(25)	(161)
At 31 December 2011	0	366	740	28	30	1,164
<b>Net book value</b>						
At 1 January 2011	860	335	45	14	24	1,278
At 31 December 2011	901	248	51	6	34	1,240

### Land and buildings

Land and buildings comprise a freehold property in Kings Langley, Hertfordshire.

The freehold land and buildings were last valued on the basis of existing use value on 31 December 2012 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Professional Valuation Standards (March 2012). The ECITB's usual practice between professional valuations is to adjust the value of the land and buildings by reference to the relevant commercial property index published by Jones Lang LaSalle (a financial and professional services firm specialising in real estate services and investment management).

The 2012 existing use valuation of the freehold land and buildings was £880,000, and this value is recorded in the year-end balance sheet. The existing use value of the land has been apportioned at £220,000 (2011 - £220,550). The land is not depreciated. The historic cost of the land and buildings is £1,300,000.

The cost and accumulated depreciation at 31 December 2012 includes fully depreciated assets at historical cost of £925,963 (31 December 2011 - £790,191).

## 16 Capital commitments

There were no capital commitments at 31 December 2012 (31 December 2011 - £19,898).

<b>17 Investments</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Listed investments</b>		
Market value at 1 January	12,215	13,412
Purchases	8,270	4,083
Sales	(6,285)	(5,265)
Net Profit / (Loss)	120	(15)
<b>Market value at 31 December</b>	<b>14,320</b>	<b>12,215</b>
<b>Cash investments</b>		
Market value at 1 January	7,929	11,551
Purchases	58,811	22,813
Sales	(61,528)	(26,435)
<b>Market value at 31 December</b>	<b>5,212</b>	<b>7,929</b>
<b>Total market value at 31.12.12 confirmed by investment portfolio manager</b>	<b>19,532</b>	<b>20,144</b>
<b>Fixed asset investments</b>	<b>14,320</b>	<b>12,215</b>
<b>Current asset investments</b>	<b>5,212</b>	<b>7,929</b>

The investment portfolio is managed by Schroder & Company as discharged by the Trustees. Details of material investments are as follows:-

	<b>% value of portfolio</b>
Treasury Stock 7.9.15 (4.75% Fixed Interest)	4.1%
Treasury Stock 22.1.15 (2.75% Fixed Interest)	0.5%
Network Rail Infrastructure 7.3.14 (2.5% Interest)	1.3%
Network Rail Infrastructure 27.11.15 (4.875%)	11.3%
European Investment Bank Bonds 8.7.15 (4.375%)	12.3%
Yorkshire Building Society Bonds 23.3.16 (Var% Floating Rate)	7.7%
Abbey National Treasury Services PLC Bonds 16.2.15 (Var% Floating Rate)	7.7%
Barclays Bank PLC Bonds 20.1.15 (Var% Floating Rate)	7.7%
Nationwide Building Society Bonds 23.1.15 (Var% Floating Rate Secured)	7.8%
Coventry Building Society 10.2.15 (0% Floating Rate)	7.7%
Barclays Bank PLC 4.4.17 (1.5% Fixed Rate)	3.9%
Bank and cash	28.0%

A proportion of the investment portfolio is used to finance the day to day running of the ECITB. Investments may be converted to cash within a very short period, typically 2 weeks.

<b>18 Debtors</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Levy debtors	1,750	6,128
Bad debt provision	(1,577)	(6,120)
Total Levy raised but uncollected	173	8
Prepayments and accrued income	312	659
Trade debtors	361	315
<b>Total Debtors</b>	<b>846</b>	<b>982</b>

Balances with intra Governmental bodies		Restated
Central Government bodies	0	0
Local authorities	24	27
NHS bodies	0	0
Public corporations and trading funds	0	0
<b>Balances with Other Bodies</b>	822	955
Total Debtors	846	982

Levy debtors at the 2012 year-end were significantly lower than at the end of 2011. This is largely attributable to the setting off of prior year levy debts owed by Sellafield Limited, Magnox Limited, Magnox South Limited and Dounreay Site Restoration Limited (which will not be recovered) as a consequence of the settlement agreements described in Note 6. The debts were written off against the related bad debt provisions made in 2011.

During the course of 2012 debts amounting to £104,923 (2011 - £359,786) were written off in the balance sheet. Such debts had previously been fully provided for as bad debts in prior years' accounts. However, the debts had not been written off until the ECITB had received final confirmation from the liquidators and administrator of the relevant debtors that the debts were irrecoverable. Under the terms of the ECITB's Financial Memorandum, the ECITB is required to report such matters in its annual report, and where required, the ECITB has obtained the consent of BIS to write off debts in this manner.

The 2011 Balances with intra Governmental bodies have been restated, this was due to a £20,000 Local authority balance being incorrectly disclosed as Balances with Other Bodies in 2011.

Bad debt provision	2012 £'000
Opening bad debt provision	6,120
Levies appealed in year	1,323
Liquidations	35
Write off of levy bad debt provisions (Note 6)	(5,420)
Reversal of bad debt provision	(355)
Reversal due to receipt of liquidator's dividend (Note 6)	(21)
Write-off final confirmation	(105)
Closing bad debt provision	1,577

<b>19</b> Creditors – amounts falling due within one year	2012 £'000	2011 £'000
Creditors	2,866	3,160
Grants accruals	1,132	1,002
Income Tax and social security	15	14
VAT	28	9
Accruals	521	82
Deferred income	34	95
Total Creditors	4,596	4,362

Balances with intra Governmental bodies		Restated
Central Government bodies	150	125
Local authorities	123	184
NHS bodies	0	0
Public corporations and trading funds	0	0
Balances with other bodies	4,323	4,053
Total Creditors	4,596	4,362

The 2011 Balances with intra Governmental bodies have been restated due to reclassification. The movement is between Central Government bodies, Local Authorities and Balances with Other Bodies.

## 20 Financial instruments

FRS 29 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks the ECITB faces in undertaking its activities.

Due to the largely non-trading nature of its activities and the requirements of the financial framework set by BIS, the ECITB is not exposed to the degree of risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial standard mainly applies. The ECITB has very limited powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities and are not considered to change the risks the organisation faces in undertaking its activities.

The ECITB has undertaken a review of its financial assets and liabilities, and has concluded that they do not contain any material embedded derivatives, which require disclosure in these accounts.

Financial assets by category		2012 £'000	2011 £'000
Investments	<i>Note 17</i>	19,532	20,144
Debtors	<i>Note 18</i>	846	982
Cash at bank	<i>Note 25</i>	580	2,075
Financial liabilities by category			
Creditors	<i>Note 19</i>	4,596	4,362

### Investment risk

The ECITB's investment portfolio is invested in accordance with rules approved by the Secretary of State. These only permit investment in a range of high quality fixed interest-bearing instruments. Investment in equities is not permitted. The investment portfolio is managed by Schroders and Company, which adheres to these rules.

### Interest rate risk

The ECITB has limited exposure to interest rate risk on its financial assets. Such risk is limited to interest rate fluctuations which affect its bank accounts.

## Credit and liquidity risks

The ECITB does not hold any complex financial instruments. The only financial instruments included in the accounts are cash, short-term investments, receivables and payables (see Notes 17, 18 and 19). Levy, governmental and trade receivables are recognised at fair value less a provision for impairment (bad debts). The fair value equals the carrying value. Bad and doubtful debts are provided for on an individual basis when the ECITB considers that a debt may not be collectable in full, or in part in accordance with the terms of the relevant transaction. The bad debt provision recorded in 2012 amounted to £983,000 (2011 - £5.503m) (see Notes 1 and 6).

The organisation has no borrowings and relies primarily on the industrial training levy for its cash requirements. ECITB's principal exposure to risk is primarily attributable to levy debtors. However, this risk is minimised because most major levy debtors are familiar to ECITB. The organisation holds reserves, which are sufficient to cover run-out costs (i.e. the costs of completing training programmes and meeting closure costs in the event that the ECITB ceases to operate). Consequently, the ECITB is not exposed to material liquidity risks.

## Foreign currency rate risk

The ECITB operates a Euro bank account solely for the purpose of receiving and making payments in connection with a European Union funded project, which concluded in 2011. In 2012, the approximate annual value of both income and expenditure transactions in euro currency was in the region of £48,000.

The ECITB trades with parties based overseas (principally training providers). However in contractual arrangements with such parties, payment of the full consideration to the ECITB must be made in sterling, net of foreign withholding taxes and transactions costs.

All other assets are held in sterling, and so there is no exchange risk.

Accordingly, it is not considered that the ECITB is exposed to a material foreign currency rate risk.

## 21 Financial commitments

Financial commitments at 31 December 2012 are estimated to amount to £11.193m (2011 - £9.326m). These comprise the value of outstanding payments which the ECITB has committed to pay to various parties involved in the training of apprentices. The parties to which such commitments have been made are training providers, industry employers and apprentices. These commitments are contracted for, but not provided in the accounts. The commitments have been categorised by the years in which the apprentice "cohorts" commenced their apprenticeships.

Apprentice cohort	2012 £'000	2011 £'000
2005 and earlier	0	5
2006	0	45
2007	95	265
2008	323	829
2009	670	1,238
2010	1,299	2,713
2011	2,638	4,231
2012	6,168	0
	11,193	9,326

The commitments in respect of the pre-2009 cohorts have significantly reduced as a consequence of the completion of apprenticeships during the year. The year-end commitments in respect of these cohorts reflect the reduced numbers still in the process of completing their programmes. The commitments in respect of the 2009, 2010 and 2011 cohorts have fallen following the payment of interim and final grants to employers during the year.

The commitments relating to the 2012 cohort were made upon the commencement of the relevant learners' programmes, and by the year-end grant and programme costs only in respect of the initial months of training had been discharged. The 2012 year-end commitments relating to the cohort commencing in 2012 were significantly higher than the 2011 year-end commitments relating to the cohort commencing in 2011 because the number of apprentices commencing their programmes in 2012 was higher than in 2011.

Other financial commitments arising from contracts made with other service providers are not material.

## 22 Operating leases and commitments

As at 31 December 2012 the ECITB had the following commitments under the terms of tenancy and licence agreements relating to its regional resource centres (offices). The ECITB occupies such premises under the terms of agreement which may be determined by either party upon the service of notice. The value of the commitment at the year-end reflects the value of the liability to pay rent and licence fees during the notice periods.

	2012 £'000	2011 £'000
Within 1 year	6	4
Between 2 to 5 years	0	0
After 5 years	0	0
	6	4

## 23 Unrestricted fund

	2012 General reserves £'000	2012 Revaluation reserve £'000	2012 Total reserves £'000	2011 General reserves £'000	2011 Revaluation reserve £'000	2011 Total reserves £'000
Balance at 1 January	19,710	369	20,079	21,416	296	21,712
Surplus/(Deficit) for the year	(2,586)	13	(2,573)	(1,706)	73	(1,633)
Balance at 31 December	17,124	382	17,506	19,710	369	20,079

## 24 Reconciliation of net outgoing resources to net cash inflow from operating activities

	2012 £'000	2011 £'000
Net incoming/(outgoing) resources	<i>SOFA</i>	(2,706)
Depreciation	<i>Note 15</i>	215
Investment income	<i>SOFA</i>	(650)
(Profit) on disposal of fixed assets		(20)
Decrease/(increase) in debtors		376
(Decrease)/increase in creditors	<i>Note 19</i>	234
Net cash inflow/(outflow) from operating activities		(2,551)

## 25 Analysis of changes in net fund

	At 01/01/12 £'000	Cashflows £'000	At 31/12/12 £'000
Cash at bank	2,075	(1,495)	580
Bank overdraft	0	0	0
	2,075	(1,495)	580

All cash at bank is held in commercial banks. At the year-end date the balance of the ECITB's Euro bank account was converted at the rate of €1.222 = £1. The account balance held was £21 (2011 - £.79)

## 26 Contingent liabilities

There are no contingent liabilities at the balance sheet date (2011: No contingent liabilities).

## 27 Related Party Transactions

Some members of the Board of Trustees also hold positions with and/or are employees of organisations with which the ECITB has transacted during the year. Details of such positions and employments are declared in the Register of Interests of Trustees, which appears in Appendix C of this report.

All of the transactions were under normal terms and carried out at arms' length.

The transactions in the following table comprised the receipt of levy and income from the sale of training services. The sale of services arises from licences granted to the relevant employers by the ECITB relating to the use of training materials, and includes licence fees and the sale of CCNSG Safety Passports. The total sums involved were:-

Transactions with related employers under which funds were paid to ECITB	2012 £'000	2011 £'000
Levy paid to ECITB	8,092	3,646
Sale of training services by ECITB	156	24
	8,248	3,670

The transactions in the following table comprised the payment of grants, the award of qualifications and the procurement of training and assessment services. The total sums involved were:-

Transactions with related employers under which payments or value flowed to the employers	2012 £'000	2011 £'000
Payment of grants	5,314	3,597
Purchase of training and assessment services by ECITB	179	16
	5,493	3,613

Any significant changes between 2011 and 2012 in the tables above are a consequence of changes in membership of the Board of Trustees.

The ECITB is a Non-Departmental Public Body sponsored by the Department for Business, Innovation and Skills (BIS). During the year the ECITB had transactions with The UK Commission for Employment & Skills, which is also sponsored by BIS (see Note 3).

In addition, the ECITB has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with HM Revenue & Customs.

During the year, no key manager, employee or other related parties has undertaken any material transactions with ECITB.

## 28 Post year-end events

The financial statements were authorised for issue on 17th June 2013 by the Accounting Officer.

No events have occurred since the balance sheet date that affect the reader's understanding of the financial statements.

## APPENDIX A

### Principal office and other offices, charity registration details and policies

#### Head office and principal address

Blue Court, Church Lane, Kings Langley, Herts, WD4 8JP

#### Other regional offices

Midlands	ECITB Resource Centre, Warwickshire College, Rugby Centre, Technology Drive, Rugby, Warwickshire, CV21 1AR
Wales & South West	ECITB Resource Centre, Office Suite G10, The Business Centre, Cardiff House, Cardiff Road, Vale of Glamorgan, CF63 2AW
North East	ECITB Resource Centre, The Innovation Centre, Vienna Court, Kirkleatham Business Park, Redcar, Cleveland, TS10 5SH
North West	ECITB Resource Centre, Office Suite 25, Blackburn Enterprise Centre, Furthergate, Blackburn, Lancashire, BB1 3HQ
Yorkshire and Humberside	ECITB Resource Centre, Humberside Client/Contractor Training Association, Kiln Lane, Stallingborough, North East Lincolnshire, DN41 8TH
Offshore	ECITB Resource Centre, Suite 11, Enterprise Business Centre, Admiral Court, Poynerook Road, Aberdeen, AB11 5QX
Scotland	ECITB Resource Centre, Unit 26, Evans Business Centre, Earls Road Industrial Estate, Grangemouth, FK3 8UU
South East and East and EDP Forum	ECITB Resource Centre, Innovation Centre Medway, Maidstone Road, Chatham, Kent, ME5 9FD

#### Charity registration details

Registered as a charity in England and Wales with The Charity Commission No 264506.

#### Policies

##### *ECITB's Equal Opportunities Policy*

The ECITB are committed to being an equal opportunities employer and the aim is to develop all staff to enable them to make a full contribution to meeting the Board's objectives and to fulfil their own potential on merit. The ECITB will promote and support our policy to ensure that no job applicant, employee or customer receives less favourable treatment than any other on the grounds of sex, marital status, race, colour, nationality, ethnic or national origin, religion, age, disability or sexual orientation.

##### *Environmental policy*

It is the ECITB's policy to carry out its core business of supporting the engineering construction industry in an as environmentally sound a manner as possible (within the bounds of practicability), which supports both local and national objectives in maintaining a sustainable environment. This policy is applicable to all of the ECITB's activities.

The ECITB's policy is to:-

- Effectively manage its environmental responsibilities so far as it is possible and practicable;
- Seek to recycle waste materials, through re-use within the organisation and, where this is not possible, participate in local recycling/waste management programmes with the view to reducing the volume of waste to be disposed of by the organisation, and thereby lessen its environmental impact;
- Monitor its consumption of electricity, gas and water with a view to reducing the organisation's 'carbon footprint', and thereby its impact on the local and national environment;
- Manage the travel of its staff to minimise fuel consumption and environmental impact; and
- Consider the 'carbon footprint' of its training activities to minimise their impact.

The ECITB's main activities are designed to develop skills and improve competency levels in the UK engineering construction industry. This will contribute to the ability of the industry not only to protect the environment from harm arising from its activities, but also to make significant steps towards meeting the government's low carbon strategy and objectives.

Over the next decade or more, much of the nation's power generation infrastructure will be replaced or renewed. This will have to meet the requirements of the low carbon strategy, and will embrace a variety of alternative power generation approaches, including renewables and nuclear power as well as the more conventional carbon technologies. The ECITB's training programmes and frameworks are designed to ensure that the industry's workforce at all levels and across many disciplines are able to meet the challenging environmental demands which will arise.

### ***Social responsibility***

The achievement of the highest standards of health and safety at work is the paramount concern of engineering construction industry employers and workers alike. Ensuring the achievement of this objective is embedded in all the ECITB's training programmes. In particular, the ECITB's Safety Passport Scheme is recognised across the industry as a means of demonstrating health and safety competence, and is a requirement for entry at most major installations. The ECITB regards the maintenance of safe practice by the industry's workforce as being its most important social responsibility. It seeks to meet this by ensuring that its training programmes incorporate and promote current and highest standards of safety conduct and techniques.

The ECITB has continued to support the oil and gas industry scheme "Step Change to Safety". ECITB standards in mechanical joint integrity have been adopted by the scheme and work is ongoing for small bore tubing standards

### ***Retraining of personnel from the armed services***

The ECITB has continued to work with employers and providers to create retraining pathways into the oil and gas industry from the armed services with programmes in maintenance, instrumentation, rigging and pipefitting.

### ***Talent Retention Solution***

The ECITB has actively promoted the use of the government sponsored initiative (the Talent Retention Solution) to help find opportunities for personnel from the advanced manufacturing and engineering industries. Employers can use the web based database technology to match people with jobs, and to help them retain a highly skilled workforce, particularly in engineering skills.

## APPENDIX B

### Trustees

The names of those serving as charitable trustees of the ECITB on 5 June 2013 are shown below, together with the names of those who have stepped down since 1 January 2012.

As specified in Schedule 1 of the Industrial Training Act 1982, trustees are appointed by the Secretary of State for Business, Innovation and Skills, normally for three to five years, following a public appointment process. Nominations of candidates from the industry's employers are sought from employers which participate in the ECITB's Regional Forums, and from the principal trade associations. Nominations for employee representatives are made by the Trades Unions. Candidates from the education sector are appointed after consultation with the Ministers concerned with education in England, Scotland and Wales.

#### *Policies and procedures relating to the induction and training of trustees*

Following the appointment of a trustee, the ECITB provides each trustee with a comprehensive package of documents, which define the nature of:-

- The statutory constitution of the organisation.
- The ECITB's governance arrangements and decision-making processes.
- The ECITB's management and organisational structure.
- The work of the ECITB.
- The trustee's role and responsibilities.

This information provided by the ECITB reinforces and expands upon the information and guidance provided by The Department for Business, Innovation and Skills in the terms of the trustee's appointment. Shortly after a trustee's appointment, the ECITB's Chief Executive and Accounting Officer meets the new trustee in order to conduct an induction session which confirms the main points described above, explains the current issues, opportunities and risks affecting the ECITB, and addresses any questions raised by the trustee.

Trustees receive ongoing support from the Secretariat. As all members are required to have industrial or commercial experience, further training (whether formal or informal) is provided to support specific duties, such as participation in the Audit Committee.

The trustees are responsible for agreeing the ECITB's policies, business and financial plans and delegating operational decision-making to the Executive Team. In addition to serving on the Board, some will also take part in policy making as members of the Management Board and other sub-committees of the Board, as shown in Appendix D. The Audit Committee, the Qualifications and Awards Committee and the Client Contractor National Safety Group and are also supported by other volunteers from the industry.

#### *Current and former trustees (2012)*

<b>Name</b>	<b>2012 Meeting Attendance Record</b>	<b>Changes during 2012</b>
G Beattie	1 of 1	Retired June 2012
D Billington	2 of 3	
B Buchan	3 of 3	
A Collinson	3 of 3	
R Dean	3 of 3	
F Doyle	2 of 3	Appointed April 2012
K Ferguson	2 of 3	Appointed April 2012
M Fletcher	3 of 3	
C Forbes	3 of 3	
J Gammage	3 of 3	

I Greenbeck	3 of 3	
K Hazlewood	2 of 2	Retired October 2012
M Hockey	3 of 3	
J Hornby	2 of 3	
S Hoskins	3 of 3	
J Jones	1 of 3	
T Lazenby	0 of 0	Retired March 2012
T Maplesden	1 of 2	Appointed July 2012
B McAulay	3 of 3	
D McNerney	0 of 0	Appointed February 2013
J Mellon	1 of 3	
T Millard	1 of 3	
W Murray	1 of 3	
A Smith	3 of 3	
C Smith	1 of 3	Appointed April 2012
J Stirling	2 of 3	Appointed April 2012
R Ventre	2 of 3	
S Watson	0 of 0	Appointed December 2012
J Young	3 of 3	Appointed April 2012

## APPENDIX C

### Register of Interests of Trustees

Trustees are appointed by the Secretary of State because of their positions in the industry. The following Board members (who are serving as charitable trustees at 5 June 2013 or who have stepped down since 1 January 2012) have declared the following other interests:-

Mr G Beattie	Assignment Manager, Production Services Network Chairman of the Oil Chaplaincy Trust – a charity that assists oil related personnel in times of illness and hardship
Mr D Billington	Managing Director, TEI Limited Past President of Engineering Construction Industry Association
Mr B Buchan	Director, Operations Support, Doosan Power Systems Ltd (supply training services to the ECITB) Trustee, DPS Pension Scheme
Mr A Collinson	Director, Alstom Power Ltd Director, ECIA (Insurance Services) Ltd Director, ECIA Trustees Ltd Director, Vintage Sports Car Club Ltd
Mr R Dean	Director, British Chemical Engineering Contractors Association (BCECA) Honorary Vice President, Energy Industries Council
Ms F Doyle	Human Resources Manager, Harsco Corporation
Mr K Ferguson	Director, Operations, Petrofac Offshore Engineering & Operations
Mr M Fletcher	Director of Operations Support, Doosan Power Systems Ltd The Welding Institute Professional Board Skillweld Committee Member
Miss C Forbes	Human Resources Director, Wood Group Kenny (wholly owned by Wood Group)
Mr J Gammage	Managing Director, JG Industrial Consulting Ltd
Mr I Greenbeck	Executive Director, Jacobs LES Limited Vice Chairman, HCCTA Ltd – local non-profit making training organisation Board Member, Humber Chemical Focus – non-profit making regional development organisation
Mr K Hazlewood	National Secretary, GMB Trade Union
Mr M Hockey	Managing Director, Engineering Construction Industry Association Member, ACE Steering Group
Mr J Hornby	Director of Construction, Jacobs E&C Ltd General Council Member, Engineering Construction Industry Association Chairman, NETA Training Chairman, Sellafield Contractors Group Community Governor, Conyers Secondary School, Yarm Member, Sellafield Supply Chain Focus Group
Mr S Hoskins	Divisional Director, Project Management, Foster Wheeler Energy Ltd
Mr J Jones	Health & Safety Advisor, Siemens AG in the Netherlands at the Siemens 34 CCGT Project Director, Safety Services Swansea
Mr T Lazenby	Chairman, Portsmouth Water Ltd Director, Seamab Consultancy Ltd Trustee, Panasonic Trust Trustee, ITB Pension Fund
Mr T Maplesden	Business Unit Director, Wood Group PSN Director, Wood Group Engineering (North Sea) Ltd Director, P4 Project Consulting Ltd Member of Executive Board, University of Leeds; Engineering Project Academy
Mr B McAulay	National Officer for Construction, Unite the Union
Mr D Mc Nerney	Executive Director, Human Resources, AMEC - secondee to Sellafield Ltd
Mr J Mellon	Industrial Relations Consultant, Interserve Industrial Services Ltd Manager, Grangemouth Contractors' NVQ Approved Centres Chairman, ACE Scottish Regional Group
Mr T Millard	Regional Director, SSE Contracting Ltd Employers' Chairman, Fawley Mechanical Joint Council

Mr W Murray	Director, Offshore Contractors Association Company Secretary, Offshore Contractors Association
Mr A Smith	Managing Director, Redhall Engineering Solutions Ltd Managing Director, Redhall Jex Ltd Director, CHB-Jordan Ltd Director, ACPP-Redhall Ltd
Mr C Smith	Asset Operations Group Manager - Opted In Plant, RWE Npower plc
Ms J Stirling	Knowledge and Development Manager, Total E&P UK Limited Board Member, Young Enterprise Scotland Steering Group Member, OPITO/ECITB Modern Apprenticeship Scheme Married to Regional Director of Wood Group Engineering
Mr R Ventre	Chief Executive, Laker Vent Engineering Ltd General Council Member, Engineering Construction Industry Association Member, Engineering Construction Industry Member, British Safety Council Member, The Welding Institute
Mrs S Watson	Self Employed Consultant Non Executive Director, East Thames Group Limited Non Executive Director, East Thames Partnership Limited Non Executive Director, East Place Limited Non Executive Director, East Potential Limited Non Executive Director, East Homes Limited Non Executive Director, East Living Limited Member, Construction Industry Council Diversity Panel Associate, Constructing Equality
Mr P Whitehurst	National Lead Organiser, GMB Trade Union Proposed Board Member CSCS for GMB Proposed Board Member CIJC for GMB GMB seat on the NJC GMB Chair for NECC GMB Chair for NAECI Stewards Forum
Mr M Wilkins	Managing Director, Doosan Lentjes UK Limited President, Engineering Construction Industry Association
Mr J Young	Vice President, Strategy & Development, SNC Lavalin UK Ltd Interim Vice President, Project Management, SNC Lavalin UK Ltd Director, OAO "VNIPIneft" Director, Luwoco B.V. Director, Caspian Projects B.V.

# APPENDIX D

## Membership of Board and Committees as at 5th June 2013

Member	* = Trustee	Main Board	Management Board	Audit Committee	Qualifications & Awards Committee	CCNSG Committee
Mr A Collinson	*	CHAIR	CHAIR	✓		
<b>EMPLOYER REPRESENTATIVES</b>						
Mr B Buchan	*	✓		✓		
Mr K Ferguson	*	✓				
Miss C Forbes	*	✓				
Mr D Billington	*	✓				
Ms F Doyle	*	✓				
Mr A Smith	*	✓				
Mr J Young	*	✓				
Mr G Cole				✓		
<b>REGIONAL CHAIRS</b>						
Mr T Maplesden (Offshore Forum)	*	✓				
Mr J Mellon (Scotland)	*	✓				
Mr J Hornby (North East)	*	✓				
Mr R Ventre (North West)	*	✓				
Mr I Greenbeck (Yorkshire & Humberside)	*	✓	✓			
Mr M Fletcher (Midlands)	*	✓	✓		✓	
Mr J Jones (Wales & South West)	*	✓				
Mr T Millard (South East & East)	*	✓				
Mr S Hoskins (EDP Forum)	*	✓				
<b>EMPLOYER ASSOCIATION REPRESENTATIVES</b>						
Mr W Murray (OCA)	*	✓	✓	✓		
Mr M Hockey (ECIA)	*	✓	✓	✓		
Mr M Wilkins (ECIA)	*	✓				
Mr R Dean (BCECA)	*	✓				
<b>TRADE UNION REPRESENTATIVES</b>						
Mr P Whitehurst	*	✓				
Mr B McAulay	*	✓	✓			
<b>CLIENT REPRESENTATIVES</b>						
Mr C Smith	*	✓	✓			
Ms J Stirling	*	✓				
<b>NUCLEAR INDUSTRY REPRESENTATIVE</b>						
Mr D McNerney	*	✓				
<b>NON-EXECUTIVE DIRECTORS</b>						
Mr J Gammage	*	✓	✓		CHAIR	
Ms S Watson	*	✓	✓	CHAIR		
<b>QUALIFICATIONS &amp; AWARDS COMMITTEE</b>						
Mr P Turner					✓	
Ms L Thornton					✓	
Mr M Lewis					✓	✓
Mr N Revell					✓	
Ms D Thompson					✓	
Mr R Clarke					✓	✓
<b>CLIENT CONTRACTOR NATIONAL SAFETY GROUP (CCNSG) COMMITTEE</b>						
Mr R Ash						CHAIR
Mr K Hall						✓
Mr C Abbey						✓
Mr J Denis						✓
Mr S Nettleton						✓
Mr S Leyshon						✓
Mr G Duncan						✓

## APPENDIX E

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### Chief Executive Officer and senior staff

*The ECITB's executive team comprises:*

Chief Executive Officer	David Edwards	E-mail Direct Tel	DavidEdwards@ecitb.org.uk 01923 402121
Director of Finance and Board Secretary	Peter Hill	E-mail Direct Tel	PeterHill@ecitb.org.uk 01923 402124
Director of Operations	Tony Featherstone	E-mail Direct Tel	TonyFeatherstone@ecitb.org.uk 01923 402133
Director of Development and Quality	Nigel Spencer	E-mail Direct Tel	NigelSpencer@ecitb.org.uk 01923 402132

*The executive team can be contacted by post at:-*

Blue Court, 1 Church Lane, Kings Langley, Hertfordshire, WD4 8JP

### **Complaints**

Any complaint concerning conduct of the ECITB should be addressed in the first instance to the Chief Executive.

## APPENDIX F

### Employer, employee, industry, educational and governmental organisations

ECITB maintains close contact with the following associations and bodies concerning skills and training issues.

#### Employer organisations

British Chemical Engineering Contractors Association (BCECA)  
Engineering Construction Industry Association (ECIA)  
Offshore Contractors Association (OCA)

#### Trades unions

GMB  
Unite

#### Industry bodies and associations

APMG  
Association of Cost Engineers  
Association for Project Management  
Capital Projects Client Group (CPCG)  
Chartered Institute of Building (CIOB)  
Chartered Management Institute (CMI)  
Engineering Council  
European Construction Institute  
Institute of Leadership & Management (ILM)  
Institute of Occupational Safety & Health (IOSH)

National Joint Council for the Engineering Construction Industry (NJC)  
North East Process Industries Chemical Cluster  
Project Management Institute (PMI) UK  
Royal Institute of Chartered Surveyors (RICS)  
Skillweld Industrial Leadership Team  
Steering Committee of the Engineering Council UK  
Tees Valley Engineering Partnership  
Yorkshire Forward Chemical Alliance

#### Educational organisations and training providers

1st Milestone Ltd  
20/20 Business Insight Ltd / Business Management  
2VT

ABAX Consultancy  
Aberdeen Computer Services  
Aberdeen Fluid Systems Technology Ltd  
Accounting for Safety Ltd  
Acorn Learning & Development Solutions Ltd  
ACT Associates Ltd  
Adept Knowledge Management Ltd  
Advanced Industrial Solutions Ltd  
Agility UK Ltd  
AIM Academy Ltd  
AJB Assessments & Training Ltd  
Aker Process Ltd  
Aker Solutions  
AI Futtain Carillion LLC  
Alliance Learning Ltd  
Alstom Power Ltd

AMEC Group Ltd  
Angus College  
AP Training Ltd  
Applus RTD UK Ltd  
Appris Management Ltd  
ARC Associates UK Ltd  
Area North Training Safety Services Ltd  
ARMSA Consulting Ltd  
Ascenda (Kent) Ltd  
ASET (Aberdeen Skills & Enterprise Training) Ltd /  
Aberdeen College  
Atlas Interactive Ltd  
AVEVA Engineering IT Ltd  
Aveva Solutions Ltd  
Azea Ltd  
Aztec Technical Services Ltd

Bam Nuttall Ltd  
Banff & Buchan College  
Barry Training Services Ltd  
Basingstoke College of Technology  
Bentley Systems (UK) Ltd  
BETA Training

BETA Training  
Bill Rogerson Safety Services Ltd  
Bordesley Management & Leadership Centre  
Bridgwater College Construction Training Centre  
Brinsworth Training Ltd  
BSSHSE Ltd, T/A British Safety Services Ltd

<p>C &amp; G Services (Europe) Ltd  Cambridge University  Cape plc  Capper Industrial Contractors Ltd  Cardiff &amp; Vale College  Carnegie College  Central Training Services Ltd  Chartered Management Institute  City &amp; Guilds (City &amp; Guilds of London Institute)  City College Plymouth</p>	<p>Clear Safety Ltd  Clydebank College  Coleg Glan Hafren  Coleg Gwent  College of NW London  Cordell Group Ltd  Costain Group Plc  Cranfield School of Management  Creativedge Training &amp; Development Ltd</p>
<p>Derby College  Direct Distance Learning</p>	<p>Doosan Babcock Energy Ltd  Doosan Power Systems Ltd</p>
<p>EAGIT Training Services Ltd  EAL (EMTA Awards Ltd)  East Midlands Instrument Company Ltd  Eastern Training Services Ltd  EC Harris LLP  EDETA Ltd  Engineering Construction Training Ltd</p>	<p>Engineering Council  Engineering Management Partnership - University of Bath  ERIKS Industrial Services Ltd  European Construction Institute (ECI)  Evolve International Safety Training Ltd  Expedient Training Services Ltd</p>
<p>Falck NUTEC Ltd  Falck Onsite Ltd  First Intervention Training Ltd</p>	<p>Flexitallic Ltd  Forth Valley College  Foster Wheeler Energy Ltd</p>
<p>Gastech-ne Ltd  GENII Engineering Technology Training Ltd  Grimsby Institute of Further &amp; Higher Education (GIFHE)</p>	<p>Grimsby International College Ltd  Group Safety Services  GSS Training Ltd</p>
<p>Harpers Environmental Ltd, T/A TES Training  HCCTA (CATCH)  Hertel UK Ltd  Heselden Associates Ltd  Hi-Force Ltd  Hire Station Ltd, T/A ESS Safe Force  Hire Torque Ltd</p>	<p>HMPS - Camp Hill  HMPS – Lindholme HMYOI - Reading  Humberside Engineering Training Association Ltd (HETA)  Hunter Safety &amp; Training  Hydrasun Ltd  Hydratight Ltd  Hydratight Operations Ltd</p>
<p>Integral Training Services Ltd  Intergraph (UK) Ltd  Interserve Industrial Services Ltd</p>	<p>Inverness College  IPS International Ltd  ITC</p>
<p>J Murphy &amp; Sons Ltd  Jacobs LES Ltd</p>	<p>JEP Safety Services  JGC Engineering &amp; Technical Services Ltd, T/A T3UK</p>
<p>Keith Bassendine ITC  Kirkdale Industrial Training Services Ltd  KT Associates</p>	<p>Link Associates International Ltd  Lowestoft College  Lowton Training Services Ltd</p>

Maggie Braid Associates Ltd  
Mainport Training Ltd  
MAL Training Ltd  
Maritime & Engineering College North West  
MC2 Technical Recruitment Ltd  
MECsafe Ltd  
MetTECH UK  
Michael Carter Associates Ltd

Mid & North Wales Training Group Ltd, T/A Myrick  
Training Services Ltd  
Middlesbrough College  
Midland Group Training Services Ltd  
Mines Rescue Service Ltd  
Monitor Management Control Systems Ltd  
Motherwell College  
Mustang Engineering Ltd

National Forum for Engineering Colleges (NFEC)  
Neath Port Talbot College  
NES Aim Academy Ltd  
NETA Training Trust  
Network Training Services Ltd  
Newcastle-Under-Lyme College  
NLT Training Services Ltd

North Lindsey College Properties Ltd  
North Notts Create Ltd  
North West Kent College  
Northern Assessment Centre Ltd  
Northern Safety Ltd  
Northumberland College  
Nottingham Trent University

Oceaneering International Services Ltd  
Occupational Safety Training & Advisory Services Ltd  
(OSTAS)  
Offshore Design Engineering Ltd

Oldham Engineering Group Training Association Ltd  
(OTC)  
Oracle United Kingdom  
Ormerod Management Services T/A OMS

Paisley & Johnstone Training Group Ltd  
Patriot International Ltd  
Pembrokeshire College  
Peta Ltd  
Phoenix Training Solutions Ltd  
Pipes & Tubes (2010) Ltd, T/A Process Pipework Services

Pipex Ltd  
Pivotal Performance Ltd  
Production Services Network (UK) Ltd  
Prospects Business Training Ltd  
Provek Ltd  
Providence Training (Safety Train) Ltd

Qatar International Safety Centre (QISC)  
Quartzelec Limited

R P S Risk Management  
Radway Training Ltd  
Redhall Engineering Solutions Ltd  
Richmond Upon Thames College

Rob Butler HSE Ltd  
Robert Gordon University  
Romatech (N.I) Ltd  
RSS Training & Consultancy Ltd

Safetech Training & Development Services Ltd  
Safety Advisory & Training Services Ltd  
Safety Gain Ltd  
Safety Passport Training Ltd  
Safety Training & Consultants Ltd  
Salford & Trafford Engineering Group Training  
Association Ltd  
Sarens (UK) Ltd  
School for MACE  
Scottish External Verification Services  
Secas Training Association Ltd  
SETA Training & Advisory Services Ltd  
Setter & Associates Ltd  
Shanahan Engineering Ltd  
SHE Knows Ltd

Sibbald Ltd  
Siemens Power Generation / (Siemens Energy ESSF)  
Siemens Transmission & Distribution Ltd  
Skillbuilder Training  
SMTS Ltd  
Southampton Engineering Training Association (SETA)  
SPX Bolting Systems  
SSG Training & Consultancy Ltd  
St Helens College  
STC Global Ltd  
Stockport Engineering Training Association Ltd  
Stork Technical Services Ltd  
Sutton Coldfield College  
S W Durham Training Ltd

T3UK (a division of JGC Engineering & Technical Services Ltd)  
TDB Training Specialists Ltd  
TDR Training Ltd  
Technip E&C Ltd  
Teesside Rigging & Lifting Ltd  
Teesside University  
Tentec Ltd  
The Bradley Group Ltd  
The Grimsby Institute of Further & Higher Education (GIFHE)

The Manchester College, c/o HMPS – Lindholme  
The TTE Technical Training Group  
Thermal Insulation Contractors Association  
TMS International Ltd  
Torque Tension Systems Ltd  
Total Safety Services Ltd, T/A Breathing Equipment Hire  
Train to Safety Ltd  
Training 2000 Ltd  
Trainow Ltd  
Transafe Training  
TTE Training Ltd

University of Aberdeen

V2T Ltd  
Vital Resources Ltd

Warwickshire College  
Waterside Training Ltd  
Weston College  
Wiltshire College  
Wolviston Management Services Ltd

Wood Group Engineering (North Sea) Ltd  
Workskills  
Worley Parsons Europe Ltd  
Wright Brothers Industrial Services Ltd, T/A Trainright

Yorkshire Training Services

## ECITB approved centres

Aberdeen College  
Aberdeen Fluid Systems Technology Ltd  
AJB Assessments and Training Ltd  
Aker Offshore Partner  
Alliance Learning  
Alstom Power Services UK  
AMEC Group  
Angus College  
Annie'sland College  
Ascenda (Kent) Ltd  
Avon Vale Training  
Banff and Buchan College  
Blackpool and Fylde College  
C&G Assessments and Training Ltd  
Cardiff and Vale College  
Carnegie College  
City College Plymouth  
City College Southampton  
Clydebank College  
Colchester Institute  
Doosan Power Systems Ltd  
EAGIT  
Eastern Training Services  
Edutrain International  
Engineering Construction Training  
Envirotec Group Ltd  
Falck Onsite  
Forth Valley College  
GENII Engineering Technology Training Ltd  
Great Yarmouth College  
Grimsby Institute of Further and Higher Education  
Harlow College  
Hartlepool Training and Employment Services Ltd  
Hartlepool College of Further Education  
HETA  
IPS International  
ITCA  
Jacobs LES Engineering Ltd  
KBR

Kirstall Ltd  
KT Associates  
Lambeth College  
Leeds College of Building  
Logistic Employment Training Services  
Lowestoft College  
Maggie Braid Associates  
Maritime & Engineering College North West  
MetTech Training  
Middlesbrough College  
Neath Port Talbot College  
NETA Training  
Newcastle Under Lyme College  
Northern Assessment Centre Ltd  
Northumberland College  
Paisley & Johnstone Training Group  
Pembrokeshire College  
Production Services Network  
Prospect Training Solutions Ltd  
QTS  
Richmond Upon Thames College  
Salford & Trafford Engineering Group Training Association  
Shropshire County Council Training  
Siemens plc  
Southampton Engineering Training Association  
Stockport ETA  
Teesside Rigging and Lifting  
The Assessment Services Centre  
The Manchester College – Lindholme Learning & Skills Academy  
The North Highland College  
The TTE Technical Training Group  
TMS International  
TTE Training Ltd  
Tullos Training Ltd  
Warwickshire College  
Wood Group Engineering  
Yorkshire Training Services

## *Governmental bodies and agencies*

Alliance of Sector Skills Councils  
Alliance of Sector Skills Councils - Scotland  
Careers Wales  
Council for Curriculum Examinations and Assessment - Northern Ireland  
Department for Business, Innovation and Skills (BIS)  
Department for Children, Education Lifelong Learning & Skills (DCELLS)  
Department for Energy, Climate and Change (DECC)  
European Social Funding (ESF)  
Highlands and Islands Enterprise (HIE)  
National Apprenticeship Service (NAS)  
Nuclear Energy Skills Alliance (NESA)  
Office of the Qualifications and Examinations Regulator (OfQual)  
Scottish Enterprise  
Scottish Qualifications Authority (SQA)  
Sector Skills Council for Chemicals, Nuclear, Oil and Gas, Petroleum and Polymers (Cogent)  
Sector Skills Council for Construction (CSkills)  
Sector Skills Council for Energy & Utility (EUSkills)  
Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTA)  
Sector Skills Council for the Building Services Engineering Sector (SummitSkills)  
Sector Skills Council for Facilities Management, Housing, Property, Planning, Cleaning and Parking (Asset Skills)  
Sector Skills Council for the Process and Manufacturing Sector (Proskills UK)  
Sector Skills Council for the Electricity, Gas, Waste Management and Water Industries (Energy & Utility Skills)  
Skills for Business Network (SfBN)  
Skills Funding Agency (SFA)  
Skills Development Scotland  
UK Commission for Employment and Skills (UKCES)

## APPENDIX G

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### *Other relevant organisations*

External auditors	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP
Internal auditors	Deloitte & Touche Public Sector Internal Audit Ltd 3 Victoria Square Victoria Street St Albans Hertfordshire AL1 3TF
Bankers	Barclays Bank Plc Blenheim Gate 22/24 Upper Marlborough Road St Albans Hertfordshire AL1 3AL
Investment managers	Schroder & Company 100 Wood Street London EC2V 7ER
Solicitors	Shoosmiths Witan Gate House 500-600 Witan Gate West Milton Keynes Buckinghamshire MK9 1SH  SA Law 60 London Road St Albans Hertfordshire AL1 1NG







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