

Annual Report & Accounts

2007





Engineering Construction Industry Training Board

Report of the Trustees and Accounts for the Year Ended 31 December 2007

To the Secretary of State for Innovation, Universities and Skills

Laid before Parliament by the Secretary of State for Innovation, Universities and Skills pursuant to section 8(4) of the Industrial Training Act 1982, and in respect of the accounts, on behalf of the Comptroller and Auditor General pursuant to section 12 of the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2003

Ordered to be printed by the House of Commons on 25 June 2008

© Crown Copyright 2008

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context.

The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

For any other use of this material please write to Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU
or e-mail: licensing@opsi.gov.uk

Contents

Chairman's Statement	p2
Chief Executive's Review	p3
The Industry and Economic Environment	p4
The Industry and the ECITB	p5
Activities and Mission	p7
Objectives in 2007	p8
Achievements and Performance in 2007	p9
Plans for Future Periods	p11
Structure, Governance and Management	p12
Financial Report	p16
Financial Accounts for Year Ended 31 December 2007	p26

APPENDICES

Appendix A	p47
Principal Office and other Offices, Charity Registration Details and General Information	
Appendix B	p48
Trustees	
Appendix C	p49
Register of Interests of Board Members	
Appendix D	p51
Membership of Board and Committees	
Appendix E	p52
Chief Executive Officer and Senior Staff	
Appendix F	p53
Employer and Employee Organisations	
Appendix G	p55
Other Relevant Organisations and Persons	



Chairman's Statement



I am delighted to report that 2007 was an excellent year. Improved engagement with our customers and stakeholders has increased the training momentum in the industry substantially. Ambitious targets were met or exceeded and the step change in apprenticeship enrolment is one of a series of strong results.

There is no doubt that the industry is benefiting from increased activity in all the major areas where engineering construction contributes. This has thrown into sharp relief both skills shortages and skills gaps.

Our consultation paper "Bridging the Skills Gap" set out the overall scale of the challenge we are facing to create a self sustaining, competitive UK workforce and I am delighted with how well the industry is responding.

Estimates show that at least 5,000 people are needed annually to replace retirees and meet predicted expansion demands. We are moving the debate forwards with employers and stakeholders on how to meet this challenge and aim to create a national skills plan for engineering construction during 2008.

I am indebted to all of my colleagues on the Board for their support and drive in moving forward the ECITB and the industry. The Chairs of the Regional Forums have invested considerable effort to help us and I am grateful for their personal and their companies' commitment.

We have achieved 20% growth in use of our core programmes and courses, reaching over 6,000 people in 2007. A further 50,000 benefited from targeted safety training and achieved their Safety Passport.

We have made good progress in accessing Government support for training of apprentices and adult skill enhancement. Looking ahead, with sustained throughput of 1,000 people per year achieving their apprenticeship or attaining an up-skilling qualification, the industry will receive or benefit from Government support of at least £12 million each year. This is equivalent to 85% of the training levy raised in 2007.

We have continued to extend the range of approved programmes and have engaged more training providers across the regions to deliver them.

The Government's approach to supporting training continues to evolve and we continue to adapt to these changes and are strategically well positioned to assist employers take advantage of the emerging opportunities.

We have maintained the strategy – Attract, Develop and Qualify and invested in a balanced way to give a mix of support to employers.

Our innovative "Construct your life, Engineer your future" road-show to schools was a huge success with 30,000 young people across the regions learning about career opportunities in engineering construction.

Usage increased of existing development programmes by 20% overall and new or improved programmes were introduced in the crucial skill areas of non destructive testing, project control, project management and supervisory development. The apprenticeship programme now contains fifteen core engineering construction disciplines and our TECSkills programme has over 200 flexible units.

The suite of technical and management programmes has expanded to meet demand from employers. New in 2007 were innovative interactive one day training events aimed at developing the skills of graduate engineers. A total of 70 options are available including an MSc in Project Management.

We further expanded our network of accredited providers and approved centres to 220. This has increased capacity and accessibility of quality assured training in the regions.

The rate of achieving ECITB qualifications has increased again with 3,000 people gaining their VQ at level 2, 3 or 4. Also, we have increased the network of approved centres that can deliver these qualifications and sixteen centres have been trained in the innovative paperless portfolio.

ECITB staff have performed well. They have demonstrated dedication and enthusiasm in delivering our exciting vision for the future of skills and training for engineering construction.

I am very pleased with the progress in 2007, particularly the response from employers. Our commitment is to keep accelerating.

T M Lazenby FEng, Chairman

Chief Executive's Review

Our strategy and the way we have organised and delivered regionally has helped us to achieve a substantial growth in output. It has been a very successful year, engaging more companies, people and providers than ever before.



I am grateful for the efforts and response of all of my colleagues, the support and guidance from the Board, and officials and Ministers in the Department for Innovation, Universities and Skills.

We continue to drive processes to **Attract** people to the industry, provide entry and up-skilling programmes to **Develop** capability and measure attainment against national standards to **Qualify** the people in the industry.

Apprenticeships

This remains a priority activity in terms of the number of apprentices enrolled and building capacity in the regions. A major achievement was increasing apprenticeship intake to 611 compared to 270 in 2006. This was a result of increasing the outreach activity to attract suitable candidates and securing pledges from employers. Also, we have increased flexibility and widened the programmes that receive ECITB grant support.

Our goengineer.co.uk careers information website and the "Construct your life, Engineer your future" campaign in schools have been very well received.

In 2008 we will consolidate this approach and assure quality of the expanded provider network. We will also strengthen our partnering to access Government funding opportunities and work towards further increases in apprentices.

Up-skilling

Demand for our TECSkills (Training in Engineering Construction Skills) programme has been significantly above expectations. The flexibility is welcomed by employers as is the introduction of learning material to give consistency of training delivery, on or off the job.

There are now 34 accredited providers, including 10 employers, delivering up-skilling to over 1,600 people.

Technical, Supervisory and Management Programmes

This area was in high demand and new programmes were introduced. We simplified our grant schemes, increased the number of accredited providers and introduced courses that lead to professional qualifications.

There are now over 70 different programmes available, requested by and designed by the companies with the need.

Support is available for 1-day programmes in interpersonal skills, master classes in project delivery, supervisory programmes and a MSc in Project Management.

Graduate development has risen in importance within the industry. New programmes have been introduced and further development work is ongoing to address skills gaps between BEng and MEng graduates.

Competence Assurance

This area of activity is very important as we are responsible for awarding the industry's preferred qualifications so that the individual and employer can be confident in the effectiveness of training delivery and the skills achieved.

The range of qualifications has increased to include VQ's at levels 2, 3, 4 and 5 and we partner with professional bodies to give professional recognition for supervisor, project control and project management skills. The paperless portfolio system was introduced in 2007 and there are now 16 centres trained in its use. We are also developing a skills diagnosis tool to assist employers in personnel selection and development.

We also maintain the National Occupational Standards that underpin all of our qualifications and training programmes. These provide the essential knowledge and skill requirement for each of 17 skill areas and we have begun important work to develop a Sector Qualification Strategy in partnership with Cogent and other Sector Skills Councils.

We also support the Client/Contractor National Safety Group (CCNSG) in delivering one of the country's leading Safety Passport schemes and the ACE initiative to assure the competence of existing workers in the sector to current VQ standards.

A handwritten signature in black ink that reads "David M Edwards". The signature is written in a cursive style and is positioned above the printed name of the Chief Executive.

David M Edwards, Chief Executive



The Industry and Economic Environment

The engineering construction sector plays an important role in the UK economy through export earnings and the design, construction and maintenance of much of the industrial processing and energy production facilities that are essential to the country's prosperity and way of life.

At its heart are oil and gas production, power generation, refining, water treatment and chemical production. It also includes pharmaceutical production, nuclear material processing, cement, brick and metal production, waste processing, glass and bottle production and food and drink production.

Consultation and research across the industry has shown that there is a shortage of skills and the situation is forecast to worsen. There is real growth in capital investment from Clients that is driving the need for more people in on-site repair and maintenance, new plant building programmes and dismantling of old facilities. The prediction is that a total of 31,000 craft technician engineering and project personnel will need to be recruited by 2014 to meet demand. The ECITB's plan will deliver 14,000 people, leaving a potential shortfall of 17,000 in these skill areas as shown in the following table.

The energy and power sectors are experiencing particularly strong demand now and it will rise further as new power stations are built to replace the old coal and nuclear stations.

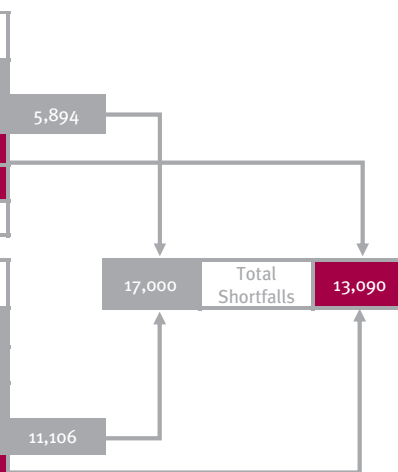
The international engineering construction market is also buoyant and expected to remain so, affecting the UK based engineering, design and procurement contractors (off-site). They are currently reporting 3,000 unfilled vacancies in key engineering, technical and project management roles.

This is reinforced by the statistics and the upturn in work that the industry experienced in 2006 showed no signs of abating in 2007 as a number of new significant projects which commenced. These included Centrica at Langage, International Power at Rugeley, Scottish Power at Longannet, Conoco Phillips at Immingham and Marchwood Power at Marchwood.

This continued increase in work resulted in another increase in the number of individuals employed in the industry. Total employment over the whole year rose by 10% to 72,000. This was primarily due to the increase in the number of new build projects, although the bulk of the work continues to be in repair and maintenance.

Off-site Skill Category	2014 Population	2007 Population	ECITB Plan	Net Shortfall
Senior Management & Project Management	4,165	3,500	1,232	1,463
Engineering Design & Project Engineering	17,040	12,000	4,809	4,431
Administration & Non Technical Support	9,450	7,000	0	5,390
Agency or Temporary	7,450	5,000	0	3,850
Total Off-site Workforce	38,105	27,500	6,041	15,134

On-site Skill Category	2014 Population	2007 Population	ECITB Plan	Net Shortfall
Professional Engineering & Technical	5,400	4,000	798	2,426
Management & Supervisory	2,700	2,000	1,540	0
Skilled Craft & Technician	20,250	15,000	3,500	8,050
Semi-skilled & Technical Support	5,400	4,000	2,450	630
Agency or Temporary	7,450	5,000	0	3,850
Total On-site Workforce	41,200	30,000	8,288	14,956

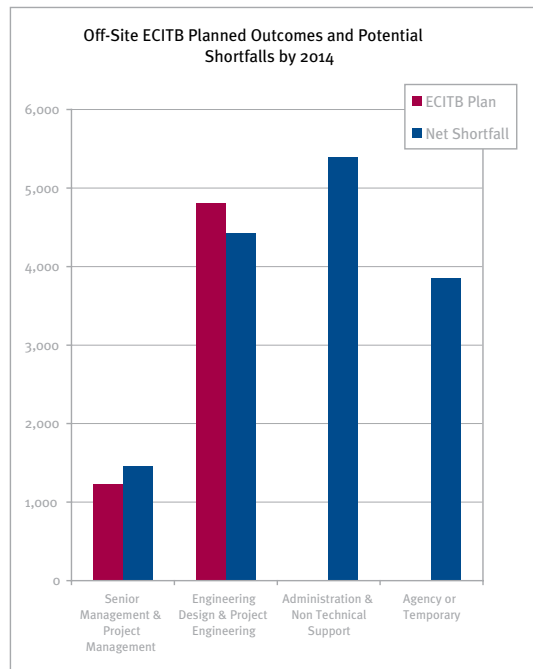
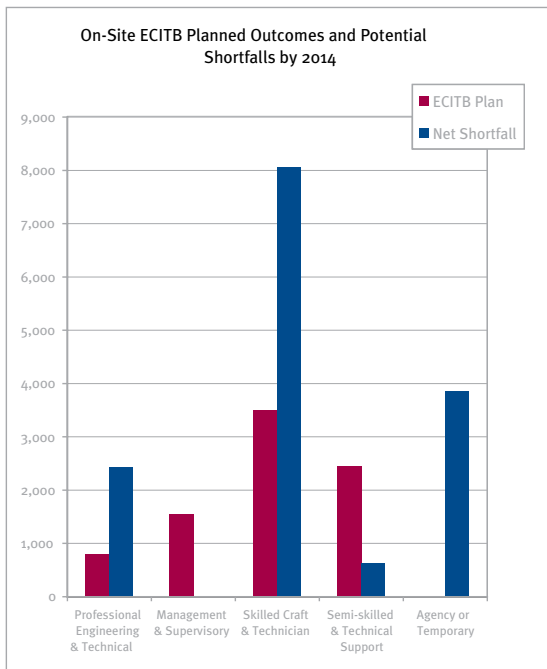


Key

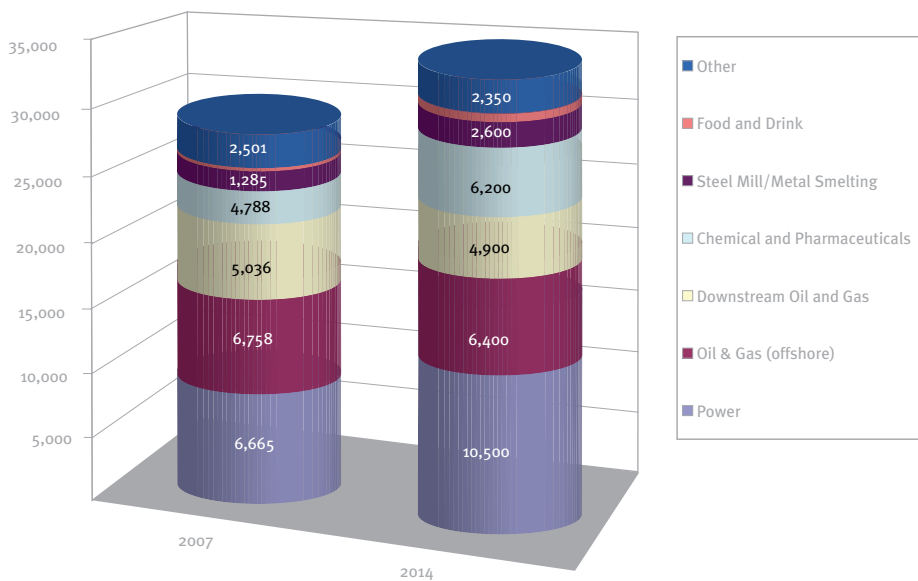
- Supported by ECITB
- Outside ECITB Programmes



The Industry and the ECITB



The share of work between project types is shown in the chart below. It is consistent with previous years although projections suggest the power sector share to rise over the next few years and the dominance of oil and gas to reduce.



There are some concerns that in the chemical and pharmaceutical area that companies will relocate large scale manufacturing facilities overseas and the scale of operations will reduce, focusing on small volume and high value chemicals.



The Industry and the ECITB

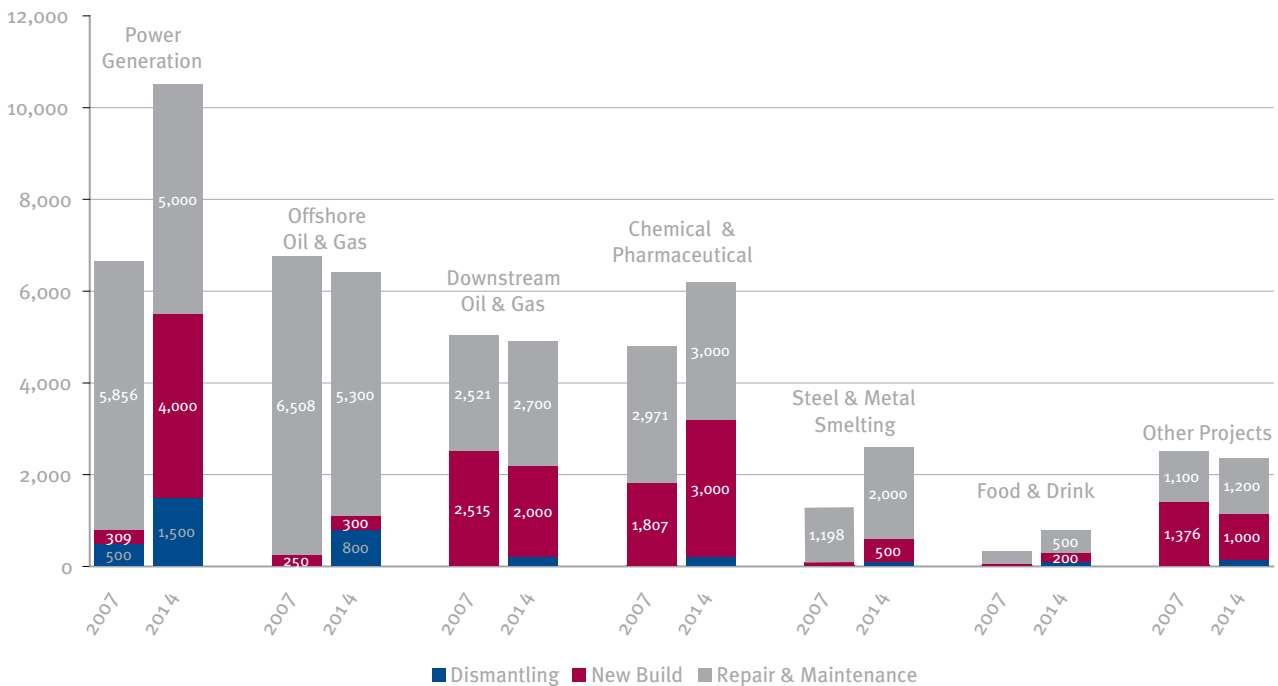
As indicated below, the engineering construction industry plays an important part in the UK economy. It is a specialist sector that is world class in the engineering design, project management, construction and maintenance of all types of processing equipment and facilities. The range of disciplines and skill levels involved is wide, from highly experienced project and programme managers, responsible for capital expenditure in hundreds of millions of pounds to skilled craft and technician personnel responsible for the safe construction and installation of individual pieces of equipment.

The ECITB's focus is to support the core technical and engineering skills necessary for the industry to prosper. The strategy is to put in place programmes to **Attract** people to the industry, **Develop** them through a network of accredited training provider and **Qualify** them to industry standards (assure competence).

In order to do this the ECITB works in close partnership with employers in the sector and provides significant skills development support to them financially, giving expert advice and brokering access to training and assessment services.

ECITB offers a comprehensive range of accredited training services and programmes, financial support and the award of valuable qualifications, enabling individuals and employers to increase competitiveness and business performance.

Comparison of 2007 Actual & Projected 2014 Site Activity by Sector





Activities & Mission

The ECITB's charitable activities

The ECITB's charitable activities are in four main areas that are set out below. Together these 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 re-skilling, skill enhancement and professional development.

At every step achievement of skills is recognised by the award of qualifications that are recognised and portable.

The recruitment and development of new entrants to the industry

This activity is geared towards encouraging people to seek and helping them gain access to worthwhile careers in engineering construction. The main activity in attracting young and new people revolves around the ECITB's apprenticeship programmes. This involves the recruitment of people to apprenticeship programmes with industry employers and accredited training providers.

Evidence shows that young people in particular are showing much more interest in apprenticeships generally 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 a programme of careers events and marketing to schools and colleges, which is carried out annually.

Up-skilling the existing workforce

The ECITB's principal activity in this area is the provision of a range of flexible training programmes, designed to develop or "up-skill" existing industry workers from a wide spectrum, but normally with some existing technical competence.

The provision of Technical, Supervisory and Management Programmes

The ECITB's offers a comprehensive range of training programmes and courses within technical, supervisory and managerial disciplines, which are principally designed to up-skill professional engineers and the like within the industry.

The Competence Assurance of industry workers

The ECITB's principal activities in the area of Competence Assurance are:

Awarding Body: assessing, verifying and awarding National and Scottish Vocational Qualifications

Accrediting and quality assuring training providers

Assuring Competence in Engineering Construction (ACE)

Client/Contractor National Safety Group (CCNSG) Safety Passport Scheme

Engineering Construction Industry (ECI) Skills Database Scheme (new registrations ceased to be taken in 2007)

Development of products and services, including National Occupational Standards, that contribute to the competence of individuals

The ECITB's Mission

The ECITB's Mission can be stated very simply as to help employers ensure their skills and competence needs are met.

The ECITB's primary purpose is to initiate, promote, improve and facilitate training, and develop standards for use throughout the engineering construction industry. It places particular emphasis on ensuring an adequately trained workforce, and the establishment and enhancement of national training standards. Furthermore, the ECITB supports companies in attracting new talent to the industry through activities designed to promote job and career opportunities.

The ECITB has continued its policies in respect of its own staff and trainees. The policies relate to equal opportunities and the provision of full information, through consultations with elected staff representatives and other means.



Objectives in 2007

The primary objectives in 2007 were to strengthen the regional structure and achieve a significant increase in utilisation of the ECITB's products and services. An overarching objective was to be more proactive and flexible in the delivery of training.

New entrants to the industry

The target was for 600 apprentices, more than two times the intake in 2006, to be recruited onto approved ECITB apprenticeship programmes and for the model to be sustainable at this level going forwards.

Up-skilling of existing workforce

The target was for 380 new learners to be registered on the TECSkills (Training in Engineering Construction Skills) programme in 2007 and for the model to be sustainable at least at this level going forwards.

Technical, Supervisory and Management Programmes

The objectives here were to achieve at least 1,100 learners participating in the suite of development programmes and to continue to widen the courses available according to demand from employers.

Competence Assurance

The primary and most significant objectives in 2007 were:

- Maintain the ECITB National Occupational Standards in line with the Sector Qualifications Reform Programme
- Develop TECSkills training resource materials, broaden the range of occupations covered and align NASEC off the job programmes
- Restructure and update the Supervisory Management Training and Development Programme
- Ensure the Construction and Built Environment Diploma reflects the needs of the engineering construction industry employers
- Develop and implement Project Control training schemes including a new apprenticeship programme
- Investigate the Train to Gain policy initiative and prepare briefing documentation for ECITB staff and engineering construction industry companies
- Ensure ECITB is represented at all appropriate Olympics 2012 skills planning activities
- Monitor and maintain the quality of the delivery of the ECITB suite of National and Scottish Vocational Qualifications, ensuring that all qualifications were being interpreted objectively and delivered fairly, with no discrimination against any candidates
- To manage and administer the Assuring Competence in Engineering Construction initiative (ACE) on behalf of the industry. This includes negotiating and managing funding contracts with various national and devolved administrations
- Promote, provide and implement the Paperless Portfolio with potential customers at home and abroad
- Develop a new national Vocational Qualification for Process Control Level 2 that is fit for purpose and based on the National Occupational Standards



Achievements & Performance in 2007

Review of Significant Activities and Performance in 2007

New entrants to the industry

The implementation of the new apprenticeship model was a success and led to more apprentices being recruited and growth in the number of employers engaged and accredited training providers in the regions.

- 612 Apprentices recruited onto approved ECITB apprenticeships (2006 - 270)
- 147 employers engaged in apprenticeships (2006 - 92)

New grant structures were introduced to encourage employers, particularly SMEs (Small to Medium Enterprises) to employ apprentices. This has been a success and the increase in the number of apprentices recruited was achieved for approximately the same overall cost as was used to recruit 270 apprentices in 2006.

To support increased skills needs the ECITB has launched two new apprenticeship programmes in Design and Draughting and Project Control and re-introduced an apprenticeship framework for Non Destructive Testing.

Up-skilling of existing workforce

The focus here remained the craft and technician skilled workforce and registrations exceeded expectations.

- 565 learners registered on the TECSkills programme in 2007 bringing the total learners in the scheme to 656

Learners in the previous scheme for up-skilling (NSDS (National Skills Development Scheme)) continues to achieve good outcomes and all are expected to complete by the end of 2008.

The overall outcome was that the ECITB provided more up-skilling of the existing workforce than has been achieved previously in its history. TECSkills has been welcomed by employers for its quality and flexibility.

The demand was so strong that a revised grant structure had to be introduced from the 1st August 2007 to cope with this demand. This has meant that the ECITB is better able to offer more widespread support going forward.

Technical, Supervisory and Management Programmes

This suite of programmes is very extensive and gives great flexibility to employers to develop their employees. Additions to the programme during the year brought the total number of options available to more than 70. A balance of grant support and provision of free or subsidised training was made to the industry.

- In total 2,157 course learners participated in 2007, significantly exceeding the target of 1,100

Significant demand was for the development of the managers, supervisory and professional engineers within the engineering construction industry. Working parties of employers were established to design new programmes for Layout Design and to address transition for BEng graduates to chartered status.

New programmes were introduced in 2007 in Maintenance Management, Project Management and Interpersonal Skills.

In 2007, we launched an updated version of our Supervisory Management Training and Development programme (SMTD) for both on-shore and offshore staff. The offshore version was also launched in an on-line version. The take up of these new programmes has been first class.

In Scotland this concept has been taken a step further where local funding has been obtained to enable approximately 40 Supervisors, based at Grangemouth, each year to complete a Supervisory Apprenticeship culminating in an N/SVQ Level 3 in Management.

The Project Management programme was improved following feedback from our industry, such that new suppliers were introduced, a new two day introduction to Project Management that incorporates the APM exam was launched and company specific Project Management schemes were accredited.

The Project Management competition run at Cranfield University at the beginning of the year was the most successful event of its type ever with more companies and more participants. As always it was extremely well received by all participants.



Achievements & Performance in 2007

Competence Assurance

2007 was a very successful year in all activities associated with Competence Assurance.

The Awarding Body experienced a record number of registrations and certifications, almost 4,000 individuals registered for a National or Scottish Vocational Qualification and 3,000 of those completed in the year. 16 new centres were approved, taking the total to 62 and 16 centres were trained in the use of the Paperless Portfolio. The new Project Control Level 2 National Vocational Qualification was approved and implemented and the Awarding Body developed and launched a new website. In the year there were also successful audits by the Scottish Qualifications Authority and the Qualifications and Curriculum Authority.

In the area of product development and National Occupational Standards there was significant development of the TECSkills training resource material and the Supervisory Management Training and Development Programme was restructured and updated. A Project Control Apprenticeship was developed and implemented, as was the development and implementation of the new off-site programmes, which commenced work in 2006. A significant amount of work was put in to ensure that the needs and requirements of the engineering construction industry were met in the development of the 14 – 19 Diploma in Construction in the Built Environment. Input was also made to the Diploma in Engineering. In addition, the National Occupational Standards were updated in line with industry requirements.

The ECITB was also successful in achieving SSDA recognition as a Cross Sector Body and subsequently received the go-ahead to develop a Sector Qualifications Strategy.

A new Training Provider Accreditation and Monitoring Framework was developed for implementation in 2008.

The Client/Contractor National Safety Group (CCNSG) continued its work throughout the year and 50,000 Safety Passports were issued. A new website was launched and a review of the Standard Operating Procedures began.

Successful affiliation agreements were negotiated with the JIB and CSCS for the ACE Card. This will have a significant impact on reducing the number of competence cards an individual is required to carry.

In addition the 2006 Market Report was developed and published and the 2007 Customer Survey carried out successfully. The ECITB also played a significant role in the Cogent Contractor Productivity Project which resulted in valid and credible data for the ECITB to use in the future.



Plans for future periods

The immediate plan for 2008 is to consolidate the success of 2007 and broadly sustain the output levels achieved. Looking further ahead there is likely to be increased demand and the resources of the ECITB will be stretched to meet this. Predictions are that the ECITB will be able to deliver around 14,000 people into the industry by 2014 but that significantly more people will be needed to meet the anticipated growth in demand.

Consultation with and involvement of the stakeholders across the regions has begun on how to increase the number of people being trained to meet the needs.

Targets for the key areas in 2008 are:

New entrants to the industry

- 600 apprentices recruited onto approved ECITB apprenticeship programmes
- The successful “Construct your life, Engineer your future” promotional programme in schools is expected to reach around 25,000 students.

Up-skilling of existing workforce

- 660 skills development learners registering on the TECSkills programme

Technical, Supervisory and Management Programmes

- 3,600 learners registering on the ECITB professional programmes

Competence Assurance

The significant deliverables for 2008 in the area of Competence Assurance are broken down under four headings; Strategic, Attract, Develop and Qualify.

Strategic deliverables

The objectives under this area for 2008 will be the development and publication of the 2007 Market Report, the management and facilitation of the 2008 Customer Survey and the implementation of the Training Provider Accreditation and Monitoring Framework that was developed in 2007.

Attract

The ECITB will ensure that the needs and requirements of the engineering construction industry are included in the development of the 14-19 Diplomas in Construction and the Built Environment and Engineering. The ECITB will also participate in all skills planning activities for the 2012 Olympics, once again to ensure that the needs of the engineering construction industry are met. In addition, career pathways will be developed to take individuals from BEng to MEng status and also in the area of Project Management and Project Control.

Develop

The development of the TECSkills training resource material will continue with the completion of work started in 2007 and the commencement of new material for Design and Draughting, Hydrocarbon Processing, and Health & Safety. The restructured Supervisory Management Training and Development Programme will be further enhanced with online training facilities; in addition, a new programme will be developed specifically for the off-site sector. There will be further development work to enhance the Project Management and Project Control courses and an in-depth evaluation of the new off-site programmes which were launched in 2007.

Qualify

The Awarding Body has set objectives to certificate a further 2,000 individuals in 2008 with an N/SVQ and approve 15 new centres to assist in this delivery. More centres will be trained to implement the Paperless Portfolio and the new Vocationally Related Qualification in Health & Safety will be implemented. However, the most significant piece of work for the Awarding Body in 2008 will be to obtain an extension to the current National and Scottish Vocational Qualifications in the Craft and Technician areas. The current qualifications are due to expire in August 2008 and we will be seeking a two year extension. Another significant piece of work will be the ECITB's participation in the Sector Qualifications Reform Programme. In-depth labour market research will be conducted which will inform the development of a Sector Qualifications Strategy. This Sector Qualifications Strategy will detail the requirements of the engineering construction industry in terms of skills and qualifications. Following completion of this strategy the ECITB will then begin work to convert its qualifications for admittance into the new Qualifications and Credit Framework. The Project Control Apprenticeship will be further enhanced and development will commence on the off the job programme for all apprenticeship routes. In addition, we will explore a Foundation Apprenticeship programme.

In the area of competence cards the ECITB will issue 1,600 ACE Cards and 50,000 Safety Passports in 2008.



Structure, Governance & Management

ECITB's statutory basis and charitable status

The Engineering Construction Industry Training Board ("ECITB") is a statutory body 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 engineering construction industry in Schedule No. 1 thereto. Full details on the powers and responsibilities of the ECITB as well as the restrictions placed on it can be found in the Act. The ECITB is a Non-Departmental Public Body (NDPB), and its Government sponsor body is the Department for Innovation, Universities and Skills (DIUS).¹ The Secretary of State for Innovation, Universities and Skills appoints Board members.

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 delivering 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 also a registered charity in England and Wales. The ECITB also undertakes charitable activities in Scotland. Information has been lodged with the Office of the Scottish Charities Regulator (OSCR) in accordance with the Charities and Investment (Scotland) Act 2005. OSCR has yet to determine whether the ECITB will be registered as a charity in Scotland.

The charitable activities of the ECITB are partly funded by the statutory levy established by the Act and confirmed by the annual Levy Order passed by both Houses of Parliament. The levy applies to all in-scope establishments to ensure greater equity across companies in the industry in the provision of training. The most recent levy order is the Industrial Training Levy (Engineering Construction Board) Order 2008 (2008 - No. 535), which was enacted on 27th February 2008 and came into force on 28th February 2008.

¹ Under the machinery of Government changes announced on 28th June 2007, lead sponsorship for the ECITB passed from the Department for Education and Skills to the Department for Innovation, Universities and Skills.

How decisions are made

Board & Committees

The Board of Trustees

The Board of Trustees (the Main Board) is responsible for ensuring that the ECITB performs within its remit and all applicable legislation. It is also responsible for setting the strategy and overseeing the exercise of these powers. The Board members are also the trustees of the ECITB as a registered charity. As such they will 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 by the Secretaries of State (England and Wales and Scotland). These all require endorsement and recommendation from the Main 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.

In addition to approving recommendations to the Secretaries of State set out above, the Main Board 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
- Receiving reports from the Management Board on progress against the Business Plan



- Approving the Annual Report and Accounts
- 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 Committee Chair and Members

The Management Board

The Main Board has delegated powers to the Management Board which are set out in sections 5, 10 and 14(5) of the Industrial Training Act 1982. 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 rate of levy to be raised
- Monitor performance using agreed KPIs
- Act as the Remuneration Committee of the ECITB, setting overall policies and levels and approving the remuneration of the Directors
- 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
- Report to the Board at agreed intervals on performance
- Propose to the Board the annual Budget and Business Plan
- Appoint bankers and agree appropriate mandates
- Agree the powers delegated to staff

The Main Board has delegated responsibility to the Management Board to form the Remuneration Committee.

The Audit Committee

The Main 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 Committee will receive reports from the Board's internal and external auditors as appropriate.

The Main Board appoints members of the Committee. The aim is to have between 5 and 7 members of whom 2 or 3 are not members of the Main Board. The Chair is a Main Board member and is not the Chair of the ECITB. Representatives of internal and external auditors are invited to attend all meetings. These representatives will have free and confidential access to the Chair of the Audit Committee if required at each meeting or during the year as appropriate. The 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 consider the internal audit programme for the year. Minutes are taken of the meetings which record actions to be taken, by whom and when, and, where necessary, reporting lines for progress.

The specific duties of the Committee are:

- to review the ECITB's Risk Management Policy and recommend it to the Board for approval. To review and monitor its implementation
- to review the ECITB's financial statements and reports to ensure that they reflect best practice
- to review the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff
- to 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
- to 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



Structure, Governance & Management

Audit Committee continued:

- to 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
- to consider and advise the Board on the ECITB's annual and long-term audit programme
- to consider any internal audit reports, including value for money reports and the arrangements for their implementation
- to review the operation of the ECITB's Code of Practice for Board members and Code of Conduct for staff
- to review the operation of the Board's procedures for ensuring the independence and integrity of its systems for awarding qualifications
- to consider any other matters where requested to do so by the Board
- to report at least once a year to the Board on the discharge of the above duties

The Main Board has delegated responsibility to the Audit Committee to form and discharge the duties of the Qualifications Committee.

Regions

The ECITB has a regional service delivery structure. This was established in 2003 following the recommendations from the Government's Quinquennial Review and the Board's own strategic review of its services and performance. ECITB's delivery of training support and services is driven by the demands of industry on a regional basis. ECITB adopts a customer-focused approach, and delivers its services to match industry requirements in each region. The ECITB has organised its regional structure into nine ECITB "regions," which ensures that the varying requirements of the industry across the UK are represented in the formulation of policy and the delivery of services.

The ECITB "regions" either represent geographical areas where there are high levels of engineering construction activity, or specific and significant industry sectors, which have particular requirements. The regions are as follows:





Each region has a Forum comprising industry employers. The Forum's normally meet three times a year, under the chairmanship of a Main Board member (the Regional Chair). Through this structure ECITB concentrates on identifying and meeting regional skills requirements, and is able to address particular recruitment and training needs. ECITB also works closely with other key regional stakeholders, such as industry clients, Regional Development Agencies, local Government agencies, funding bodies, local authorities, training providers, trades unions and the workforce.

Under the ECITB's regional governance model, regions 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 Regional Chair leads the region on behalf of the Main Board, ensuring 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 the staff of the ECITB. In turn, the staff will be accountable for delivery of the agreed regional operating plan.

Each region, through its Regional Forum and Chair, has the authority and responsibility to devise its own objectives and plan within the overall ECITB strategic framework in terms of training outcomes on an annual basis. The regional plan will include training targets, mix and methods required to meet its needs together with leveraged funding arrangements. 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.

An annual regional plan and budget is submitted to the Main Board (via the Management Board) for approval. Once approved, ECITB staff are responsible for the delivery of the regional plan within the agreed budget, and the operational manner in which this occurs.

Management and staff

The Main and Management Boards have delegated responsibility for the implementation of ECITB's strategic plans, and the management of the organisation to the Chief Executive. The Chief Executive forms part of, and presides over the organisation's executive management team (the Executive Team). This comprises the Chief Executive, the Board Secretary and Director of Finance, the Operations Director and the Development and Quality Director ("the Directors"). The ECITB's management and organisation structure has been divided into the following directorates:

Operations

Finance and Administration
(including Levy, Compliance, and Human Resources)

Development and Quality
(including Competence Assurance and Awarding Body)

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

Financial Report

Accounting and Reporting Compliance

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

Under section 8 (1) of the Industrial Training Act 1982, the Engineering Construction Industry Training Board (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 Innovation, Universities 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 Innovation, Universities 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 Innovation, Universities and Skills 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.

Results for the Year

A financial summary for the period 1 January 2007 to 31 December 2007 (with comparative information for 2006) is shown immediately below. This has been extracted from the audited financial statements which appear in full later in this report.

Summary Statement of Financial Activities	2007	2006
	£'000	£'000
Incoming Resources		
Levy	14,019	11,369
Non levy income	5,244	4,529
Total incoming resources	19,263	15,898
Expenditure		
Investment management costs	30	30
Charitable activities	19,724	17,903
Governance costs	135	143
Total outgoing resources before other gains and losses	19,889	18,076
Net outgoing resources before other gains and losses	(626)	(2,178)
Gain/(Loss) on revaluation of fixed assets	(71)	148
Gain/(Loss) on investment assets revaluation of fixed assets	103	(260)
Net Movement in Funds (Deficit)	(594)	(2,290)
Reconciliation of Funds		
Total funds brought forward at 1st January	10,369	12,659
Total funds carried forward at 31 December	9,775	10,369
Balance Sheet		
Fixed Assets		
Tangible assets	1,450	1,643
Investments	9,813	9,913
	11,263	11,556
Current Assets	2,301	1,852
Creditors	(3,789)	(3,039)
Net current liabilities	(1,488)	(1,187)
Total Assets less current liabilities	9,775	10,369
Fund		
Unrestricted Fund	9,775	10,369

Commentary on the Results

Statement of Financial Activities for year ended 31 December 2007

Incoming resources

Levy income in 2007 amounted to £14.02m (2006 - £11.37m). It should be noted that in the 2007 accounts there has been a change in the presentation of levy income. In previous years bad debts were set against levy income, and so the reported income figure represented net receivable levy. However, in the 2007 accounts the levy income represents the gross levy assessed, and a provision for bad debts has been shown separately as a cost of charitable activities. In the 2007 accounts, the 2006 figures have been adjusted to give a like comparison between the years.

The growth in gross levy income between the years is approximately 24%. During the year a large establishment was brought into scope which significantly increased gross income. An appeal against the levy assessment is ongoing at 31st December 2007 (see Expenditure). However, if this assessment is ignored, the underlying growth in levy was 15% during the year. The increase reflects two factors. Wage and labour costs in the industry grew during the 2005/2006 base period. In addition, the number of declared on-site and off-site workers engaged in the industry grew by 18% and 16% respectively during the 2005/2006 period.

The levy assessed and collected in 2007 was calculated by reference to the payments made to industry workers during the base period 6th April 2005 to 5th April 2006. 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 2007 at 1.5% on payments made in respect of on-site workers, and 0.18% on payments made in respect of off-site personnel.

The levy exemption levels remained the same in 2007 as for 2006 for both categories of workers. Employers were exempt from paying on-site levy if payments made in respect of on-site workers were less than £275,000 during the 2005/2006 base period. Employers were exempt from paying off-site levy in 2007 if payments made in respect of off-site workers were less than £1.0m.

The ECITB received public funding in respect of its apprenticeship programmes from The Learning and Skills Council, Scottish Enterprise and The Scottish Executive, where the ECITB was a managing agent. The ECITB also received grant funding for the ACE programme. Grant income and programme support income increased in 2007, mainly due to the level of income for the ACE scheme (2007 - £2.02m, 2006 - £1.60m). There was also an increase in respect of apprenticeship programmes income (2007 - £1.92m, 2006 - £1.8m).

Investment income grew by 3% in 2007 compared with 2006. Whilst the ECITB planned to use a higher level of investments necessary to fund current activities, the actual requirement was not as high as budgeted, and the drawings from investments required for charitable activities was correspondingly lower.

Expenditure

In 2007 expenditure on charitable activities (excluding bad debts) increased by £1.82m compared with 2006. In 2007 a bad debts provision of £1.22m is included in the costs of charitable activities (see above). All levy assessments which become the subject of formal appeals are provided for in full as bad debts, regardless of the likely outcomes of the proceedings. In 2007 Sellafield Limited appealed against a levy assessment, and a corresponding provision of £968,000 was included in the costs of levy collections and bad debts.

In other respects, expenditure on charitable activities was £686,000 higher in 2007 than in 2006. This increase largely reflected the growing number of learners covered by the four areas of charitable activity. In order to meet the increase in industry demand in all four areas new methods and models of delivering training services and support were introduced. This was so particularly in the areas of apprenticeship programmes and the skill enhancement of existing workers. Such initiatives enabled significant increases in the numbers of learners who were involved in ECITB programmes and received training support during the year compared with 2006, whilst costs were controlled within economic limits. For example, in 2007 the costs of delivering apprenticeship programmes fell by 4%, while the number of apprentices involved in such programmes grew by 36%. A comparative analysis of expenditure and learners is set out.

Charitable Activity	Expenditure			Learners undergoing training during the year		
	2006 £'000	2007 £'000	% change	2006 £'000	2007 £'000	% change
Recruiting and developing new entrants	10,313	9,929	-4%	983	1,338	+36%
Re-skilling and skill enhancement of existing workers	2,850	3,007	+5%	1,790	2,845	+59%
Supervisory leadership & management training	1,840	2,108	+15%	869	2,157	+48%

Off-site levy abatement grants amounting to £796,000 (2006 - £740,000) were paid to eligible employers who could demonstrate training activity for off-site workers across the areas of charitable activity.

Expenditure on Competence Assurance activities (which also include the costs of developing new training services and products) rose by 24% (2007 - £3.31m, 2006 - £2.66m). This reflects the increased numbers in training and attaining accreditation, and the training development needs of industry. The numbers of learners certified by the ECITB's Awarding Body (which forms part of Competence Assurance activities) rose by 50% (2007 - 2990 NVQ's, 2006 - 1994 NVQ's). This included an increase of 13% in the number of learners certified in the ACE programme (2007 - 2466 learners, 2006 - 2177 learners).

Balance Sheet at 31 December 2007

Assets

Tangible Assets fell in value to £1.45m (2006 - £1.64m). This included a loss arising from the revaluation of freehold and buildings (£105,000). The remainder of the change is attributable to net asset additions (£33,000) and net depreciation for the year (£121,000).

Debtors stood at £1.32m compared with £1.00m at the 31st December 2006. The difference is largely attributable to the increased balance owed by the Learning and Skills Council (2007 - £685,000, 2006 - £142,000). This reflects the high level of claims for ACE funding made to the LSC at the end of the year prior to the cessation of financial support from the Government for the programme in England. Conversely, levy debtors fell to £93,000 (2006 - £352,000), despite the increase in levy income. This was a direct result of continued improvements in the debt collection processes, which included the increasing number of payments being made by BACS.

Creditors

Creditors rose to £3.79m at 31st December 2007 (2006 - £3.04m) principally due to increases in grant creditors, which rose to £2.254m at 31st December 2007 (2006 - £778,000). This reflects the increased levels of learners participating in programmes during 2007, and includes an accrual for grants payable in respect of 2007 activity. Reductions in other creditors (2007 - £345,000, 2006 - £445,000) and other accruals (2007 - £996,000, 2006 - £1.13m) largely represent lower levels of further education costs and training fees incurred in the ECITB's apprenticeship programmes. This reflects the introduction of new apprenticeship models which came into effect with the 2007 intake of apprentice learners.

The Balance Sheet shows net current liabilities, which fall due for payment during the ensuing 12 months. 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. However, the ECITB's policy is to only convert investments to cash which are sufficient to meet liabilities that are due in the immediate future (up to 6 weeks ahead). Accordingly, the balance sheet reveals net current liabilities because the ECITB has not converted investments to cash sufficient to meet all current liabilities.

The funds of the charity

The year end balance sheet shows total charity funds of £9.78m (2006 - £10.37m). The ECITB planned to incur a deficit for the year, as part of its strategy to increase the level of training support and services to industry.

Reserves Policy

The current level of reserves (defined as the unrestricted fund) at 31st December 2007 stands at £9.78m.

The ECITB retains reserves required 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).

The Main Board and Audit Committee review Reserves Policy principally to cater for the levels of financial commitments arising from apprenticeship and TECSkills programmes. This is because such programmes carry forward significant financial commitments into future periods. It was concluded that approximately £6.5m to £7m in reserves should be held for the purpose of covering run-out costs. ECITB plans to reduce reserves to this level over the next 3 years through the controlled use of reserves to meet training expenditure until this level is achieved. Thereafter, annual budgets will be balanced to ensure income and expenditure are matched.

The Audit Committee reviews the Reserves Policy annually, to ensure that adequate reserves are held to meet the requirements of the organisation over the ensuing three year period. Its conclusions and recommendations are reported to the Main and Management Boards, which confirm the Reserves Policy annually.

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 were issued in March 2004, and are attached to the ECITB's Financial Memorandum dated February 2006. The management of investments is contracted to Schroder & Company, which is required to operate within the guidelines. These broadly allow investment in a range of high quality interest bearing instruments. Investment in equities is not permitted.

Performance is measured against a benchmark, namely the Citigroup UK Government Bond 1-5 Year Index. In the period from 14 September 2004 (when Schroder took over the portfolio) to 31st December 2007, performance after deduction of management fees was 16.4% compared to the benchmark 15.6%.

Investment performance during the year was better than anticipated in view of volatility in the financial markets. The value of the investment portfolio (comprising long-term and current assets) at 31st December 2007 was £14,000 lower than at the 1st January 2007. The fund manager has reported that the investment mix was appropriate to the prevailing market conditions, and has confirmed that the portfolio is not directly exposed to US sub-prime related securities.

Performance is reported to and monitored by the Management Board and Audit Committee.

Employer registrations

The number of employers' establishments registered as being in-scope to the ECITB at 31st December 2007 was 411 (at 31st December 2006 - 367), of which 242 were due to pay a levy in 2008.

Grant payment policy

Levy paying companies are eligible to receive grants for training activities. Details of the grant schemes and criteria for award are approved by the Secretary of State and are set out in the ECITB's Guide to Grants and Training Programmes, which is published annually.

Material cash support payments

The names of the recipients and the aggregate amounts of material grant and support payments are disclosed in Note 6 to the Financial Statements.

Charitable donations

No charitable donations were made during the year.

Payment policy and performance

The ECITB observes the principles of the Government's Better Payment Practice Code. In doing so payment terms are agreed at the outset of relationships with suppliers and, wherever possible, amounts due are settled promptly within these terms except in cases of dispute. In 2007, 67% of invoices were settled within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later. The average time for the payment of invoices not subject to query was 25 days. For the purposes of these calculations it has been assumed that invoices which are outstanding for more than forty days are the subjects of disputes or other queries with the suppliers concerned.

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 external audit for 2007 was £22,000.

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.

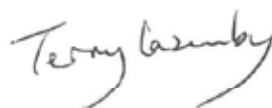
Remuneration report

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 Board Secretary and Director of Finance, the Operations Director and the Development & Quality Director).

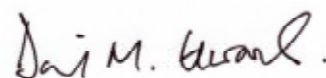
The contracts of employment of the Executive Team are, in all material respects, in line with those of other staff of the ECITB. The only exception is a notice period of 3 months (6 months notice for the Chief Executive) rather than the normal 1 month. They are entitled to membership of the ITB pension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

At its meetings held in January and March 2007 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 are set out in the note 7 to the financial statements.



T M Lazenby FREng
Chairman



David Edwards
Chief Executive and Accounting Officer

Statement on Internal Control

Scope of responsibility

As Chief Executive and Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the ECITB's policies, aims and objectives, whilst safeguarding the funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in **Managing Public Money**. The Board is responsible for establishing and monitoring appropriate policies to fulfil the objectives of the ECITB as a statutory Industrial Training Board (ITB). As Chief Executive and Accounting Officer, I am responsible for managing the implementation of agreed policies and am accountable to the Board. As a statutory ITB and Non-Departmental Public Body, the ECITB reports to the Department for Innovation, Universities and Skills. The ECITB is established for exclusively charitable purposes and is therefore registered as a charity. The charitable activities of the ECITB are partly funded by a statutory levy, which is confirmed by an annual Levy Order passed by both Houses of Parliament.

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 for the year ended 31 December 2007 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. These groups of staff have a good understanding of the key risks facing

the ECITB. Selection and performance review procedures ensure 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 role 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. Directors are accountable for risk management in their respective areas of activity and regularly report to the Chief Executive and Accounting Officer. Risk is assessed in these reviews 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 corporate Risk Register is maintained for each Directorate. The Chief Executive and Accounting Officer reports to the Audit Committee formally on these matters at least two times per year.

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 Chief Executive and 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 2007. 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.

Audit Committee

A formally constituted Audit Committee operates in accordance with best commercial practice and HM Treasury guidelines.

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 Chief Executive joins the Audit Committee to review ECITB management of risk and ensures that advice from members concerning the identification, assessment and management of risk is taken into account.

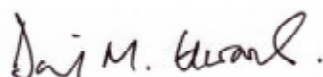
Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Directors and executive managers (who have responsibility for the development and maintenance of the internal control framework) within the ECITB, and the internal auditor. 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 ECITB's objectives.

Comments made by the external auditors in their management letter and other reports also inform my review of the effectiveness of the system of internal control. As part of my review, I have been informed on the effectiveness of the system of internal control by the Directors and the Audit Committee.

Conclusion

No significant problems were encountered in 2007 and none are known to exist at the year end.



David Edwards
Chief Executive and Accounting Officer

29th April 2008

The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament and the Trustees of the Engineering Construction Industry Training Board

I certify that I have audited the financial statements of the Engineering Construction Industry Training Board for the year ended 31 December 2007 under the Industrial Training Act 1982. These comprise the Statement of Financial Activities, the Balance Sheet and Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Board, Chief Executive and auditor

The Board and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report and the financial statements in accordance with the Industrial Training Act 1982 and directions made by the Secretary of State for Innovation, Universities and Skills and for ensuring the regularity of financial transactions. These responsibilities are set out on page 16 in the Statement of the Board's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Industrial Training Act 1982 and directions made by the Secretary of State for Innovation, Universities and Skills. I report to you whether, in my opinion, information given in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition I report to you if the Board has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Board's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Board's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

Audit opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Innovation, Universities and Skills, of the state of affairs of the Engineering Construction Industry Training Board as at 31 December 2007 and of the incoming resources and application of resources for the year then ended
- the financial statements have been properly prepared in accordance with the Industrial Training Act 1982 and directions made thereunder by the Secretary of State for Innovation, Universities and Skills and
- information given within the Annual Report is consistent with the financial statements

Audit opinion on regularity

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

Report

I have no observations to make on these financial statements.

T J Burr
Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

2nd May 2008

Financial Accounts for the year ended 31 December 2007

Statement of Financial activities for the year ended 31 December 2007

Incoming Resources	Note	2007 £'000	2006 £'000
Incoming resources from generated funds			
- Investment income	4	742	718
Incoming resources from charitable activities			
Non levy income			
- Recruiting and developing new entrants		1,922	1,860
- Re-skilling and skill enhancement for existing workers		70	4
- Supervisory leadership, management and project management training		18	47
- Competence Assurance		2,486	1,893
Total non-levy income	3	4,496	3,804
Levy	2	14,019	11,369
Other incoming resources	5	6	7
Total incoming resources		19,263	15,898

Resources Expended			
Cost of generating funds			
Investment management costs	7	30	30
Charitable activities			
- Recruitment and developing new entrants		9,929	10,313
- Re-skilling and skill enhancement of existing workers		3,007	2,850
- Supervisory leadership, management and project management training		2,108	1,840
- Competence assurance		3,305	2,660
- Levy collection costs and Bad Debt Provision	1	1,375	240
Total costs of charitable activities	6 & 7	19,724	17,903
Governance costs	8	135	143
Total resources expended		19,889	18,076
Notional cost of capital		559	591
Total resources expended including notional costs		20,448	18,667

Net outgoing resources for year after charging notional cost of capital		(1,185)	(2,769)
- Notional cost of capital added back		559	591
Net outgoing resources for the year before other recognised gains and losses		(626)	(2,178)
Other recognised gains and losses			
- Gains/(Losses) on revaluation of fixed assets for own use	9	(71)	148
- Gains/(Losses) on investment assets	11	103	(260)
Net movement in funds		(594)	(2,290)

Reconciliation of Funds			
Total funds brought forward at 1 January	16	10,369	12,659
Total funds carried forward at 31 December	16	9,775	10,369

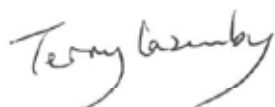
The statement of financial activities reflects all gains and losses during the year to 31 December 2007. All activities are continuing. All funds are unrestricted. The notional cost of capital has been calculated in accordance with HM Treasury's Financial Reporting Manual.

The notes on pages 30 to 46 form part of these financial statements.

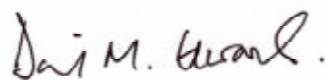
Balance sheet at 31 December 2007

	Note	2007 £'000	2007 £'000	2006 £'000	2006 £'000
Fixed assets					
- Tangible assets	9		1,450		1,643
- Investments	11		9,813		9,913
Total Fixed Assets			11,263		11,556
Current assets					
- Debtors	13	1,322		1,004	
- Investments	11	154		68	
- Cash at bank and in hand		825		780	
Total Current Assets		2,301		1,852	
Creditors					
- Amounts falling due within one year	14	(3,789)		(3,039)	
Net current liabilities			(1,488)		(1,187)
Total assets less current liabilities			9,775		10,369
The Funds of the Charity					
- Unrestricted fund	16		9,775		10,369
Total Charity Funds			9,775		10,369

The accounts were approved by the Board on 29th April 2008.



T M Lazenby FREng
Chairman



D M Edwards
Chief Executive Officer

The notes on pages 30 to 46 form part of these financial statements.

Cash flow statement for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Net cash outflow from operating activities	17	(631)	(1,669)
Returns on investments and servicing of finance			
- Investment income		655	718
- Gains/(Losses) on investment assets		9	(260)
Capital expenditure			
- Purchase of tangible fixed assets		(117)	(145)
- Proceeds from disposal of tangible fixed assets		22	44
Management of Liquid Resources			
- Purchase of investments		(3,259)	(1,016)
- Disposal of investments		3,452	2,406
- Cash invested		(86)	11
Increase/(Decrease) in cash	18	45	89

The notes on pages 30 to 46 form part of these financial statements.

Notes forming part of the Accounts for the year ended 31 December 2007

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 Act and an accounts direction issued by the Secretary of State that requires ECITB to apply relevant accounting standards and also comply with the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" dated March 2005 (SORP 2005).

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

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. Current liabilities represent liabilities which fall due for payment between the balance sheet date and up to 12 months beyond then. However the ECITB's policy is to convert investments to cash which are sufficient to meet liabilities that are due in the immediate future (up to 6 weeks ahead). Thus the balance sheet reveals net current liabilities as the ECITB has not converted investments to cash or cash equivalents sufficient to meet all current liabilities shown in the balance sheet.

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 2006 was raised in January 2007 and recognised as income in that year. In certain cases estimated levy notices were raised in advance of the year end and this income was treated as deferred.

Grants receivable

There are two streams of grants, which are received from Government sources (such as the Learning and Skills Council), as follows:

- Grants for Apprentice Training (Charitable Activity: "Recruiting & Developing New Entrants")
- Assuring Competence in Engineering (ACE) (Charitable Activity: "Competence Assurance")

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.

Grants payable

Grants are recognised as a liability when the claim for the grant has been accepted by the ECITB.

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 in pursuance of the ECITB's objectives.

- Recruiting and developing new entrants
- Re-skilling and skill enhancement of existing workers
- Supervisory leadership, management and project management training
- Competence Assurance
- Levy collection costs

Other categories of income

All other categories of income (e.g. sales, sponsorship and investment income) are recognised on an accruals basis.

Support costs

Support costs include central functions which have been allocated to activity cost categories on a basis consistent with the use of the resources. Staff costs have been allocated on the basis of staff time devoted to each activity cost category. Other support costs have been allocated to the activity cost categories to directly reflect the activity in which the cost arose.

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.

Notional cost of capital

In accordance with HM Treasury Guidance, the accounts include a notional charge representing the cost of capital, which is based on the average capital employed (equivalent to net assets) at a rate prescribed by HM Treasury of 3.5% (2006 - 3.5%). The charge has been included after the heading "total resources expended". As the charge is notional, it is removed from the Statement of Financial Activities before identifying net outgoing resources for the year.

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. In the intervening years the modified historical cost accounting basis is considered and adjusted where material. The last existing use valuation of the freehold land and buildings was undertaken at 31st December 2007. The freehold land and buildings have been valued at £1,125,000, and therefore the property value is stated at this figure in the Balance Sheet.

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 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:

Freehold buildings	2 1/2% per annum
Plant and machinery	10% to 25% per annum
Office furniture and equipment	10% to 33.3% per annum

No depreciation is provided on freehold land.

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:

1. 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
2. When there is a strong possibility that a debt will not be recovered
3. When any debt is older than six months

In the 2007 Statement of Financial Activities the bad debts provision is treated as an expense of Charitable Activities, and is included in Levy Collection Costs and Bad Debts Provision. Levy income has not been adjusted to take into account any bad debts. This represents a change in the way levy income and bad debts are reported. In previous Statements of Financial Activities a bad debt provision was shown as an adjustment to levy income, and was not shown as an expense of Charitable Activities. In the 2007 Statement of Financial Activities, the 2006 figures have been adjusted to give a like comparison between the years.

This accounting change means that:

1. The levy income and bad debts figures for 2006 which appear in the 2007 Statement of Financial Activities are different and higher than the corresponding figures in the published 2006 Statement of Financial Activities
2. There are no changes to the net movement in funds reported in the 2006 Statement of Financial Activities

Pensions

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

Corporation Tax

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

Value Added Tax

ECITB is registered for VAT. However, 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 Act 1982 (as amended) and related regulations. As such the fund is "unregulated" 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 2007 Industrial Training Levy was assessed in respect of 218 establishments, which were wholly or mainly undertaking engineering construction activities. 146 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.

3) Non Levy Income	2007	2006
	£'000	£'000
From LSC's/Scottish Enterprise	3,808	3,313
Other Government bodies	143	89
ESF (European Social Funds)	46	58
From sales and sponsorships	499	344
	4,496	3,804

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

4) Investment Income		
Income from quoted investments	487	550
Income from cash deposits	255	168
	742	718

5) Other Operating Income		
Other income	6	7

6) Charitable Activities	Grant funding	Direct costs	Support costs	Total 2007	Total 2006
	£'000	£'000	£'000	£'000	£'000
Recruiting and developing new entrants	734	6,767	2,428	9,929	10,313
Re-skilling and skill enhancement of existing workers	2,319	293	395	3,007	2,850
Supervisory leadership, management and project management training	827	926	355	2,108	1,840
Competence Assurance	2,127	373	805	3,305	2,660
Levy collection costs and Bad Debt Provision*	-	1,375	-	1,375	240
	6,007	9,734	3,983	19,724	17,903

*As reported in Note 1, in the Statements of Financial Activities for previous years, Bad Debt Provisions were not reported as part of Levy collection costs and Bad Debt Provision. However, in 2007 a Bad Debt Provision was included in the Levy collection costs and Bad Debt Provision. In the 2007 Statement of Financial Activities, the 2006 figures have been adjusted to give a like comparison between the years.

Grant Funding

SORP 2005 requires material grants made during the year to be disclosed. Disclosure must include the name of the recipient and the aggregate amount of grants made to that recipient. Of the £6.007m of grants made to employers in 2007, grants amounting to £4.68m were awarded to the employers in the following list. The list is limited to the largest 50 in terms of grant values.

Doosan Babcock Energy Ltd	1,069,599	*	Worley Parsons E & C Europe Ltd	44,500
Amec Group Ltd	509,065	*	Boulting Group Plc	43,636
Siemens Power Generation Ltd	226,610		Saipem UK Ltd	40,647
L E S Engineering Ltd	225,758	*	VAI Industries (UK) Ltd	40,623
C B & I UK Ltd	182,032		Heerema Hartlepool Ltd	38,633
Alstom Power Ltd	156,866		Hertel Total Asset Management Ltd	37,370
Production Services Network (UK) Ltd	136,960	*	Meldan Fabrications Ltd	33,358
Cleveland Bridge UK Ltd	120,400	*	Jacobs Catalytic (UK) Ltd	32,560
Cordell Group Ltd	112,945		O'Hare Engineering Ltd	32,440
Thermal Energy Construction Ltd	112,598		Aset Ltd	32,340
Fabricom Contracting Ltd	111,129		SEC Electrical & Instrumentation Ltd	32,244
KBR	93,346		Steelcraft Erection Services Ltd	32,125
Fluor Ltd	92,020		M.S.S. Ltd	32,000
Petrofac Facilities Management Ltd	90,199	*	Shepley Engineers Ltd	30,800
Foster Wheeler Energy Ltd	81,249	*	Watson Norie Ltd	30,150
M W Kellogg Ltd	79,120		PTF Engineering Ltd	29,284
Aker Offshore Partner Ltd	63,831	*	Morebrooke Ltd	27,200
Interserve Industrial Services Ltd	62,415	*	Grant & Livingstone Ltd	25,950
Aker Solutions E&C Ltd	62,383	*	Caterpillar UK Ltd	25,600
Wood Group Engineering (North Sea) Ltd	59,050	*	TEI Limited	25,485
Site Service Engineering Ltd	59,000		Grayton Engineering Ltd	25,058
Holme Steel Fabricators Ltd	51,400		Air Products Plc	24,321
AMEC Nuclear UK Ltd	48,934	*	Rohm & Haas Ltd	23,000
Watson Steel Structures Ltd	46,930		Metco Services Ltd	21,437
Jordan Engineering Service Ltd	44,778		EI WHS Ltd	21,078
				4,680,455

* A member of the Board of Trustees is employed by this employer.

Direct Costs

Direct costs have been allocated to 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. For example, most Training Provider costs have been incurred in consideration of services provided by training providers in the training and assessment of apprentices (recruiting and developing new entrants). 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. Other direct costs have been allocated to the cost categories to reflect the activity in which the cost arose.

	Recruiting and developing new entrants	Re-skilling and skill enhancement of existing workers	Supervisory leadership, management & project management training	Competence Assurance	Total
Training Provider Costs	1,964				1,964
Trainee Costs	4,650				4,650
Recruitment Costs	94				94
Product Development Costs	29	253	54	1	337
Research Costs	30	3	3	8	44
TECSkills Programme Costs		37			37
Project Management Courses			284		284
SMTD Courses			417		417
Technical Managerial Courses			128		128
ECITB Active Cup			40		40
ACE				13	13
Skills Database Costs				15	15
Safety Passports Costs				105	105
Vocational Qualifications				231	231
Levy collection costs and Bad Debt Provision					1,375
	6,767	293	926	373	9,734

Levy collection costs and bad debts provision

Levy collection costs	2007 £'000	2006 £'000
Levy Audit Costs	11	-
Legal Fees incurred in levy appeals	111	24
Debt Collection Fees	33	14
	155	38

Bad debt provision	2007 £'000	2006* £'000
Levy Assessments under appeal	968	-
Irrecoverable Debts	244	202
Debts older than six months	8	-
	1,220	202

* A Bad Debts Provision was not reported in the 2006 Statement of Financial Activities. Instead a provision for bad debts was offset against Levy Income (see Note 1). However, the 2006 provision is shown in the table above for comparative purposes.

7) Support costs	2007 £'000	2006 £'000
Staff Costs (see below)	2,376	2,107
Staff travel	348	295
Premises costs	76	82
Office expenses	519	474
Staff recruitment and training	198	177
Professional Fees	248	87
Depreciation	218	242
	3,983	3,464

Support costs have been allocated to activity cost categories on a basis consistent with the use of the resources. Staff costs have been allocated on the basis of staff time devoted to each activity cost category. Other support costs have been allocated to the activity cost categories to directly reflect the activity in which the cost arose. Where this is not possible (Premises Costs, Office Expenses and Depreciation) costs have been allocated on the same basis used in the allocation of staff time.

In 2007 Professional fees significantly exceeded the level incurred in 2006. A comparative analysis of such costs is set out in the following table.

Professional fees	2007 £'000	2006 £'000
Marketing	165	8
Information Technology & Telecommunications	63	37
Taxation & Financial Advice	10	10
Legal (non-levy collection matters)	5	17
Payroll	3	3
Quality Assurance	1	12
Other	1	-
	248	87

The main variances relate to Marketing and Information Technology & Telecommunications fees.

Marketing fees

The variance between the 2007 and 2006 is due to the following reasons:

- In 2007 the ECITB created a separate Marketing Department in view of the increased levels of industry engagement and the promotion of training support and services. Thus, there was increased activity in this area
- Following the creation of the department marketing activities were accounted for in a separate cost centre. In 2006 and before, such activities formed part of training programme activities and were accounted for accordingly

Information Technology & Telecommunications fees

In 2007 the ECITB replaced its computer servers at its head office. Professional fees relating to the project amounting to approximately £34,000 were incurred. These costs were not capitalised.

Staff costs

Staff costs include Trustees' and Senior Staff Salaries & Pensions (see below).

	2007 £'000	2006 £'000
Wages and salaries	1,849	1,693
Social security costs	171	154
Pension costs	239	211
Other personnel costs	117	49
	2,376	2,107

Salary includes gross salary; 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 2007, the maximum achievable incentive award amounted to 1.5% of an employee's basic salary.

Trustees' costs

The Chairman of the Board, Mr T M Lazenby, in accordance with his appointment by the Secretary of State for Innovation, Universities and Skills is entitled to remuneration as Chairman of the Board, and received £17,165 (2006 - £16,368). Two independent trustee Directors have been appointed and have, with agreement from The Charity Commission, been paid. Mr N Davis received £12,000 directly. Mr M Beaumont's company received £12,000 for his services.

20 Trustees (2006 - 27) had expenses totalling £33,771 reimbursed with regard to travel, accommodation, subsistence and telephone charges (2006 - £16,420).

Appendix B contains a list of current trustees and former trustees who held office in 2007.

Senior staff costs and pensions

The Salary and pension entitlements of senior managers are as follows:

Salaries & Benefits

Name	Salary 2007 £'000	Benefits in kind 2007 (to nearest £100)	Salary 2006 £'000	Benefits in kind 2006 (to nearest £100)	Date of appointment to position	Type of Contract	Unexpired Term at 31.12.2007	Details of Notice period
D M Edwards (Chief Executive)	95 - 100	5,400	90 - 95	7,400	01.07.99	Open ended	Not applicable	6 months
A M Featherstone (Operations Director)	75 - 80	6,600	75 - 80	6,700	11.07.05	Open ended	Not applicable	3 months
P C Hill (Board Secretary & Finance Director)	70 - 75	500	40 - 45*	500	15.05.06	Open ended	Not applicable	3 months
N Spencer (Development & Quality Director)	60 - 65	5,000	60 - 65	5,700	28.01.02	Open ended	Not applicable	3 months

* P. C. Hill joined the ECITB in May 2006. His full-time equivalent salary fell within the band £65,000 to £70,000.

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.

Pension Entitlements

Name	Real increase in pension at age 60 £	Total accrued pension at age 60 (£'000)	CETV at 1 January 2007 (£'000)	CETV at 31 December 2007 (£'000)	Employer funded real increase in CETV (£'000)
D M Edwards	0 - 2,500	15 - 20	136	150	9
A M Featherstone	0 - 2,500	0 - 5	16	27	7
P C Hill	0 - 2,500	0 - 5	5	14	5
N Spencer	0 - 2,500	5 - 10	49	57	6

CETV means the cash equivalent transfer value. This is the actuarially assessed capitalised value of the pension schemes benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details, include the value of any pension benefit in another pension scheme or arrangement that the individual has transferred to the ITB arrangements and for which the ITB fund has received a transfer payment commensurate to the additional pension liabilities being assumed. They include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service at their own cost. CETVs are calculated within guidelines and framework prescribed by the Institute of Actuaries.

Real increase in CETV

This reflects the increase in CETV funded by the employer. It takes account of the increase of the accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme arrangement) and uses common market valuation factors for the start and end of the period.

Staff numbers

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

	2007 Number	2006 Number
£60,001 - £70,000	-	1
£70,001 - £75,000	2	-
£75,001 - £80,000	-	-
£80,001 - £85,000	1	1
£85,001 - £90,000	-	-
£90,001 - £95,000	-	-
£95,001 - £100,000	-	-
£100,001 - £105,000	1	1

The average number of employees, by function, was:

	2007 Number	2006 Number
Recruiting and developing new entrants, re-skilling and enhancement for existing workers, Supervisory leadership, management & project management training	22	30
Competence Assurance	8	8
Administration	27	14
Research and development	5	4
	62	56

The above includes fixed term contract personnel. 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 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.

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 and are described above.

The ECITB recognises the Unite (formerly Amicus/MSF) union as representing employee interests and meets with them to discuss health, safety and welfare issues.

Industry Training Board pension funds

The ECITB is a participating employer in the ITB Pension Funds, which are constituted as defined benefit schemes. The assets of the schemes are held separately from those of the charity in an independently administered fund. During the period, employer's contributions at a rate of 16% of pensionable salaries for the Old Section, and 11% for the New 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. The pension cost charge of £238,882 (year to 31 December 2006 - £210,905) represents contributions payable by the charity to the scheme.

The scheme comprises two funds:

The Open Fund

The Open Fund is valued triennially by an independent qualified actuary. The last valuation reported was at 31 March 2007, which showed the net asset value of the assets was £578 million and the actuarial value of those assets represented 108% of the benefits that had accrued to the members. This valuation was based on methodology and assumptions set out in a new Statement of Funding Principles, which has been approved by all participating employers. For the purpose of this valuation the actuary assumed the nominal rate of return on the assets of 6% (and that future pensions in payment would increase by 3.4% per annum for Old Section members and 2.5% per annum for New Section members), increases in total pensionable earnings would be 1½% per annum.

The Closed Fund

The Closed Fund is valued triennially by an independent qualified actuary. The last formal valuation was at 31 March 2006, which showed the market value of the assets was £223.1million. For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 3.87% (and that future pensions in payment would increase by 2.81% per annum).

Financial Reporting Standard 17 “Retirement Benefits” (FRS 17)

As the ITB Pension Funds is a multi-employer scheme and the Board is unable to identify its share of the underlying assets and liabilities the Board is required to account for contributions to the scheme as if it were a defined contribution scheme. As a result the impact of FRS 17 on the financial statements will not be significant.

8) Governance Costs	2007	2006
	£'000	£'000
Board and Committee Costs	87	82
Internal Audit	17	18
External Audit	22	20
Other	9	23
	135	143

9) Tangible Assets	Freehold land & buildings	Motor vehicles & equipment	Office furniture & equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 2007	1,230	639	836	2,705
Revaluation	(105)	-	-	(105)
Additions	-	90	31	121
Disposals	-	(86)	(2)	(88)
At 31 December 2007	1,125	643	865	2,633
Depreciation				
At 1 January 2007	-	301	761	1,062
Revaluation adjustment	(34)	-	-	(34)
Provided for the year	34	139	57	230
Disposals	-	(73)	(2)	(75)
At 31 December 2007	-	367	816	1,183
Net book value at 31 December 2007	1,125	276	49	1,450
Net book value at 31 December 2006	1,230	338	75	1,643

Land and buildings comprise a freehold property including land of £275,000 which will not be depreciated (2006 - £330,000).

The freehold land and buildings were valued on the basis of existing use value at £1,125,000 (as at 31st December 2007) by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Valuation Standards (6th edition). The property value is stated at this figure in the Balance Sheet. The historic cost of the land and buildings is £1,300,000.

The cost and accumulated depreciation at 31 December 2007 includes fully depreciated assets at historical cost of £874,446 (31 December 2006 - £718,156).

10) Capital Commitments

Capital commitments at 31st December 2007 amounted to £nil (31st December 2006 - £nil).

11) Investments	2007 £'000	2006 £'000
Listed investments		
Market value at 1 January	9,981	11,642
Purchases	3,259	1,016
Sales	(3,462)	(2,406)
Net Profit/(Loss)	103	(260)
Market value at 31 December	9,881	9,992
Bank and cash investments	86	(11)
Total market value at 31 December as confirmed by investment portfolio manager	9,967	9,981
Fixed asset investments	9,813	9,913
Current asset investments	154	68
	9,967	9,981
Historical cost at 31 December	9,873	10,240

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

	% Value of Portfolio
Granite Mortgages Plc Bonds 20.1.43 (Variable Interest)	5.9%
Bank of Scotland Plc Bonds 17.12.08 (4.5% Fixed Interest)	8.5%
European Investment Bank Bonds 7.12.09 (5.5% Fixed Interest)	19.6%
European Investment Bank Bonds 7.12.11 (5.5% Fixed Interest)	19.3%
European Investment Bank Bonds 14.1.13 (4.5% Fixed Interest)	23.4%
LCR Finance Plc Bonds 31.12.10 (4.75% Fixed Interest)	19.4%
Bank and cash	3.9%

12) Financial Reporting Standard 13 – “Derivatives and Other Financial Instruments” (Frs 13)

FRS13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks that an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the requirements of the financial framework set by DIUS, ECITB is not exposed to the degree of financial 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 FRS 13 mainly applies. 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 held to change the risks it faces in undertaking its activities.

As permitted by FRS 13, debtors and creditors which mature or become payable within 12 months from the balance sheet date have been omitted from the currency profile.

Liquidity risk

As an NDPB, the ECITB has no borrowings and relies primarily on levy income for its cash requirements. ECITB 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 liquidity risks.

Interest rate risk

ECITB has limited exposure to interest rate risk on its financial assets. Such risk is limited to interest rate fluctuations on a current

bank account and Granite Mortgages Plc Bonds which at 31st December 2007 comprised 9.8% of the value of the ECITB's material investment portfolio. Other investments in the portfolio yield fixed interest payments.

Foreign currency rate risk

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

Fair values

The book values of financial instruments are considered equivalent to their fair values as at 31st December 2007.

13) Debtors	2007 £'000	2006 £'000
Balances with intra Governmental Bodies		
Central Government Bodies	755	171
Local Authorities	1	1
NHS Bodies	-	-
Public Corporations & Trading Funds	-	-
Balances with Other Bodies	566	832
	1,322	1,004
Levy raised but uncollected	93	352
Prepayments and accrued income	1,073	198
Other debtors	156	454
	1,322	1,004

14) Creditors - Amounts falling due within one year	2007 £'000	2006 £'000
Balances with intra Governmental Bodies		
Central Government Bodies	101	21
Local Authorities	1	1
NHS Bodies	-	-
Public Corporations & Trading Funds	-	-
Balances with Other Bodies	3,687	3,017
	3,789	3,039
Grants payable	2,254	778
Taxes and social security	16	11
Other creditors	345	445
Accruals	996	1,132
Deferred income	178	673
	3,789	3,039

15) Financial commitments

Financial commitments at 31st December 2007 are estimated to amount to £7.3m (2006 - £6.4m). 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 to 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.

	2007 £'000	2006 £'000
2004 and earlier apprentice cohorts	-	870
2005 apprentice cohort	786	1,463
2006 apprentice cohort	1,866	4,059
2007 apprentice cohort	4,654	-
	7,306	6,392

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

16) Unrestricted fund	2007			2006		
	General Reserves £'000	Revaluation Reserve £'000	Total Reserves £'000	General Reserves £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 1 January	9,829	540	10,369	12,267	392	12,659
Surplus/(Deficit) for the year	(523)	(71)	(594)	(2,438)	148	(2,290)
Balance at 31 December	9,306	469	9,775	9,829	540	10,369

17) Reconciliation of net outgoing resources to net cash outflow from operating activities	2007 £'000	2006 £'000
Net outgoing resources	(626)	(2,178)
Depreciation	230	262
Investment income	(742)	(718)
(Gains)/Losses on investment assets	0	260
(Profit) on disposal of fixed assets	(12)	(20)
Decrease/(Increase) in debtors	(230)	382
Increase in creditors	749	343
Net cash outflow from operating activities	(631)	(1,669)

18) Reconciliation of changes in cash to net fund	2007 £'000	2006 £'000
Change in cash	45	89
Balance at 1 January	780	691
Balance at 31 December	825	780

19) Analysis of changes in net fund	At 01/01/07 £'000	Cash flows £'000	At 31/12/07 £'000
Cash at bank	780	45	825
Bank overdraft	-	-	-
	780	45	825

20) Contingent liabilities

There are no contingent liabilities at the balance sheet date.

21) 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. These transactions have included the receipt of levy, payment of grants, provision of training, award of qualifications and procurement of training.

21) Related party transactions continued

All of the transactions were under normal terms and carried out at arms length. The total sums involved were:

	2007 £'000	2006 £'000
Transactions with related Employers		
Levy paid to ECITB	5,894	4,981
Payment of Grants	2,587	1,792
Provision of Apprentices	678	568
Purchase of Training Services by ECITB	380	361

ECITB is a Non Departmental Public Body. For most of 2007 ECITB was sponsored by the Department for Education and Skills (DfES). During 2007 DfES reorganised, and was succeeded by the Department for Innovation, Universities and Skills (DIUS). For the purposes of this note, DfES and DIUS will collectively be referred to as the Department, which is regarded as a related party. During the year ECITB has had a number of material transactions with the Department and other entities for which the Department is regarded as the parent Department, namely the Learning & Skills Council, the Sector Skills Development Agency and the Construction Industry Training Board.

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

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

22) Post year end events

The financial statements were authorised for issue on 29th April 2008 by the Accounting Officer. With the exception of the matters mentioned below, no events have occurred since the balance sheet date that affect the reader's understanding of the financial statements.

Since 1st January 2008 discussions between the ECITB and VT Project Services Limited (formerly BNG Project Services) have concluded. It has been agreed that the company has been wholly or mainly engaged in engineering construction activities since the 2005/06 base period (year ended 5th April 2006). On 18th March 2008 the ECITB served a levy assessment notice amounting to £59,911 in respect of 2005/06. This sum was paid on 18th April 2008, and will be recorded in the 2008 accounts.

In April 2008 the ECITB served levy assessment notices on AMEC Group Limited for levy estimated to be payable in respect of its offshore establishments arising from the 2005/06 and 2006/07 base periods (years ended 5th April 2006 and 5th April 2007 respectively). This matter has been the subject of protracted and unresolved discussions between the ECITB and AMEC. In view of the time that has elapsed in reaching a conclusion in this matter, the ECITB has served levy assessments dated 11th April 2008 amounting to £500,725 based upon its estimate of the relevant labour payments made by the establishment in the base periods. The levy income has not been recognised in the 2007 accounts because it is based on an estimate and it is possible that an appeal against the assessment may be made.

Appendix A

Principal Office and other Offices, Charity Registration Details and General Information

Head Office and Principal Address: Blue Court, Church Lane, Kings Langley, Herts, WD4 8JP.

Other Offices

Midlands Region	ECITB Resource Centre, Warwickshire College, Rugby Centre, Lower Hillmorton Road, Rugby, Warks, CV21 3QS
Wales & South West Region	Pembrokeshire College, Merlins Bridge, Haverfordwest, Wales, SA61 1SZ
North East Region	ECITB Resource Centre, The Innovation Centre, Vienna Court, Kirkleatham Business Park, Redcar, Cleveland, TS10 5SH
North West Region	ECITB Resource Centre, Office Suite 25, Blackburn Enterprise Centre, Furthergate, Blackburn, Lancashire, BB1 3HQ
Yorkshire & Humberside Region	ECITB Resource Centre, Humberside Client/Contractor Training Association, Kiln Lane, Stallingborough, North East Lincs, DN41 8TH
Offshore Region	ECITB Resource Centre, Suite 11, Enterprise Business Centre, Admiral Court, Poynerook Road, Aberdeen, AB11 5QX
Scottish Region	ECITB Resource Centre, MetTECH Training Centre, Earls Gate, Falkirk Road, Grangemouth, FK3 8XZ
South East & East Region & Off-Site Forum	ECITB's Head Office and Principal Office Address

Charity registration details

Registered as a charity in England & Wales with the Charity Commission No 264506.

General Information

ECITB's equal opportunities policy

We are committed to being an equal opportunities employer. We aim 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. We 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.

"Service First" and Open Government

The Board fully supports and applies the principles of the Government's new Charter programme "Service First", which has replaced the Citizen's Charter. The aims of the Charter are to raise the standards of public service and make them more responsive to the wishes of the users. The Board also complies with the Government's Code of Practice on Access to Government Information. The Code of Practice supports the Charter principle of extending access to official information and responding to reasonable requests for information.

The Board has developed and adopted its own Code of Best Practice for Board Members, based on a model produced by HM Treasury. The Code of Best Practice complies with the recommendations of the Nolan Committee on Standards in Public Life.

The ECITB is continuing to develop its web site as a source of information about its activities.

Complaints

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

Appendix B

Trustees

The names of those serving as charitable trustees of the ECITB on 29th April 2008 are shown below, together with the names of those who stepped down since 1st January 2007.

As specified in Schedule 1 of the Industrial Training Act 1982, Trustees are appointed by the Secretary of State for Innovation, Universities 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 employees 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.

Trustees are introduced to the ECITB's work through an induction meeting with the Chief Executive Officer and 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.

Trustees are responsible for agreeing the ECITB's policies, business and financial plans, 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 the Audit Committee (both sub-committees of the Board) as shown in Appendix D. The Audit Committee is also supported by other volunteers from the industry.

Current and former Trustees (2007)

Mr T M Lazenby - Chairman	
Mr C Barnes	Retired July 2007
Mr G Beattie	
Mr D Billington	
Mr M Beaumont	Resigned January 2008
Mr M Bretherick	
Mr B Buchan	
Mr N Davis	
Mrs L Ferguson	
Mr M Fletcher	Appointed April 2007
Miss C Forbes	
Mr P Gotts	
Mr T Hardacre	
Mr K Hazlewood	
Mr M Hockey	
Mr J Hornby	
Mr M Jex	
Mr J Jones	Appointed April 2007
Mr T Jones	Appointed January 2007
Mr R Leamon	
Mr S Lee	Appointed January 2008
Mrs T McDougall	
Mr J Mellon	Appointed January 2007
Mr W Murray	
Mr B Rogan	
Mr S Scrimshaw	Resigned April 2007
Mr A Smith	Appointed February 2008
Mr S Smith	Resigned January 2007

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 29th April 2008 or who have stepped down since 1st January 2007) have declared the following other interests:

Name	Interest
Mr C Barnes	Self Employed Consultant
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 M Beaumont	Directorships of Foster Wheeler subordinate/affiliate companies
Mr D Billington	Managing Director, TEI Limited Director of Asbestos Surveys & Management UK Ltd President of Engineering Construction Industry Association
Mr M Bretherick	Vice-Principal and Deputy Chief Executive, Hartlepool College of Further Education which supplies services to ECITB via apprentice training Director, Hartlepool Business Development Centre Ltd
Mr B Buchan	Director, Operations Support, Doosan Babcock (supply training services to the ECITB)
Mr N Davis	Managing Director, Crawford UK Limited
Ms L Ferguson	Head of Learning & Development, Petrofac Operations Services Ltd Contract with ECITB for National Assessment Service Offshore
Mr M Fletcher	Strategic Construction Support Manager, Doosan Babcock Energy Ltd Member of ACE ISG Governor, Fair oak Business & Enterprise College, Rugeley
Miss C Forbes	Human Resources Manager, Wood Group Engineering (North Sea) Limited
Mr P Gotts	Director, Levenholme Consultancy Ltd – engaged primarily with the North East Process Industries Cluster (NEPIC), National Skills Academy for the Process Industry, various client fora etc. Chairman, Teesside Clients Construction Group Chairman, Teesside CCNSG Safety Passport Steering Committee Ex-Committee Member, Tees Valley Engineering Partnership Member of Construction Projects Client's Group (CPCG)
Mr T Hardacre	National Officer, Unite the Union Member of Joint Industry Board for Electrical Contracting Member of NAECI Other Industry Pension Schemes (Trustee)
Mr K Hazlewood	National Secretary, GMB Trade Union Member of NAECI NJC Trade Union NECC Chairman
Mr M Hockey	Managing Director, Engineering Construction Industry Association Member of ACE Steering Group

Mr J Hornby	Director of Construction & Completion, Aker Solutions E & C Ltd Chairman, NETA Training Chairman, Tees Valley Engineering Partnership Chairman, Sellafield Contractors Group Parent Governor, Conyers School, Yarm
Mr M Jex	Chairman, LES Engineering Limited Board member of Impress (HCCTA Ltd) – Local training organisation, non-profit making Board member of Humber Chemical Focus – Regional development organisation managing the “CATCH” facility, non-profit making
Mr J Jones	IMS Manager, Taylor & Sons Ltd
Mr T Jones	Divisional Director, Interserve Industrial Services Limited
Mr T Lazenby	Chairman, Portsmouth Water Ltd Chairman, Occupational Standards Council for Engineering Executive Board member, European Construction Institute Non-Executive Director, Expro International Group plc Non-Executive Director, MTL Instruments plc Director, Seamab Consultancy Ltd Director, Chilli Shack Ltd
Mr R Leamon	Corporate Compliance Officer, Foster Wheeler Energy Ltd British Chemical Engineering Contractors Association Council member
Mr S Lee	Managing Director, AMEC Industrial Division Chairman, Energy Industrial Council Management Board Member, Engineering Construction Industry Association
Mrs T McDougall	HR Manager, Washington E&C Ltd
Mr J Mellon	Industrial Relations Consultant, Interserve Industrial Services Manager of Grangemouth Contractors NVQ Approved Centres ACE Scottish Regional Group Chairman ECITB Scottish Regional Chair
Mr W Murray	Director, Offshore Contractors Association Company Secretary, Offshore Contractors Association Company Secretary, Enviro-Resource Ltd
Mr B Rogan	Assistant Managing Director, Cleveland Bridge UK Limited Member of BCSA National Steelwork Contractors Group Member of BCSA Bridgeworks Committee
Mr S Scrimshaw	Managing Director, Siemens Power Generation
Mr A Smith	Managing Director, Jordan Engineering Services Ltd
Mr S Smith	Director, Human Resources, ALSTOM Power Service UK

Appendix D

Membership of Board and Committees

As at 29th April 2008

				* = Trustee	MAIN	MANAGEMENT	AUDIT
Mr	T	Lazenby		*	CHAIR	CHAIR	CHAIR
EMPLOYER REPRESENTATIVES							
Mr	B	Buchan		*	✓		
Mrs	L	Ferguson		*	✓		✓
Miss	C	Forbes		*	✓		
Mr	S	Lee		*	✓		
Mrs	T	McDougall		*	✓		
Mr	M	Gordon					✓
Mr	G	Richards					✓
Mr	A	Smith		*	✓		
Mr	R	Leamon	Regional Chair (Off-site)	*	✓		
Mr	B	Rogan		*	✓		
REGIONAL CHAIRS							
Mr	G	Beattie	Offshore	*	✓	✓	
Mr	J	Hornby	North East	*	✓	✓	
Mr	M	Jex	Yorkshire & Humberside	*	✓		
Mr	M	Fletcher	Midlands	*	✓		
Mr	J	Mellon	Scotland - onshore	*	✓		
Mr	J	Jones	Wales & South West	*	✓		
Mr	T	Jones	North West	*	✓		
EMPLOYER ASSOCIATION REPRESENTATIVES							
Mr	W	Murray	Offshore Contractors Association (OCA)	*	✓	✓	✓
Mr	M	Hockey	Engineering Construction Industry Association (ECIA)	*	✓	✓	✓
Mr	D	Billington	President (ECIA)	*	✓		
TRADE UNION REPRESENTATIVES							
Mr	K	Hazlewood		*	✓		
Mr	T	Hardacre		*	✓	✓	
CLIENT REPRESENTATIVE							
Mr	P	Gotts		*	✓	✓	
NON-EXECUTIVE DIRECTOR							
Mr	N	Davis		*	✓	✓	
EDUCATIONALIST							
Mr	M	Bretherick		*	✓		

Appendix E

Chief Executive Officer and Senior Staff

The ECITB's Executive Team comprises:

Chief Executive Officer

David Edwards

E-mail: DavidEdwards@ecitb.org.uk

Direct Tel: 01923 402121

Board Secretary and Director of Finance

Peter Hill

E-mail: PeterHill@ecitb.org.uk

Direct Tel: 01923 402124

Operations Director

Tony Featherstone

E-mail: TonyFeatherstone@ecitb.org.uk

Direct Tel: 01923 402133

Development and Quality Director

Nigel Spencer

E-mail: NigelSpencer@ecitb.org.uk

Direct Tel: 01923 402132

The Executive Team can be contacted by post at:

Blue Court
1 Church Lane
Kings Langley
Hertfordshire
WD4 8JP

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)

National Joint Council (NJC)

Offshore Contractors Association (OCA)

Trade Unions

GMB

Unite

Industry Bodies & Associations

European Construction Institute

North East Process Industries Chemical Cluster

Skillweld Industrial Leadership Team

Tees Valley Engineering Partnership

Yorkshire Forward Chemical Alliance

Educational Organisations and Training Providers

Adept Knowledge Management

Aim Academy

Alliance Learning

Ascenda

ASET (Aberdeen Skills and Enterprise Training) Ltd /Aberdeen College

AVEVA Engineering IT Limited

Banff and Buchan College

Barry Training Services Ltd

Brinsworth Training

Coleg Glan Hafren

Cranfield University School of Management

Creativedge Training & Development Ltd

ECl Loughborough University

EAGIT Ltd

Eastern Training Services

Forth Valley College

GENII

Grimsby Institute of Further and Higher Education (GIFHE)

EC Harris LLP

Intergraph (UK) Ltd

Laird Foundation

Lattitude Safety

MetTECH UK Ltd

Michael Carter Associates

Milestone Project Management Solutions

Monitor Management Control Systems Ltd

Neath Port Talbot College

NETA Training Group

North Highland College

Paisley & Johnstone Training Group Ltd

Peak Performance

Pembrokeshire College

Peterborough College

Educational Organisations and Training Providers continued

Petrofac Training
Phoenix Training Solutions
Richmond College
Southampton Engineering Training Association (SETA)
St Helens College
Sutton Coldfield College
Training 2000
TTE Training Ltd
TTE Ltd
Tullos Training
University of Aberdeen
University of Bath
University of Manchester
Warwickshire College

Governmental Bodies and Agencies

Careers Wales
CITB – Construction Skills
Department for Innovation, Universities and Skills (DIUS)
Department for Business Enterprise and Regulatory Reform (DBERR)
Department for Children Education Lifelong Learning & Skills (DCELLS)
European Social Funding (ESF)
Highlands and Islands Enterprise (HIE)
Learning and Skills Council (LSC)
Qualifications and Curriculum Authority (QCA)
Scottish Enterprise
Scottish Qualifications Authority (SQA)
Sector Skills Council for the property, facilities management, housing and cleaning industries (Asset Skills)
Sector Skills Council for Construction (Construction Skills)
Sector Skills Council for the electricity, gas, waste management and water industries (Energy & Utility Skills)
Sector Skills Council for the process and manufacturing sector (Proskills UK)
Sector Skills Alliance Scotland (SSAScot)
Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTA)
Sector Skills Council for Chemicals, Nuclear, Oil and Gas, Petroleum and Polymers (Cogent)
Sector Skills Development Agency (SSDA)
Sector Skills Council for the building services engineering sector (SummitSkills)
Skills for Business Network (SfBN)

Appendix G

Other relevant organisations and persons

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, 32 Clarendon Road, Watford, WD1 1LD.

Investment Managers

Schroder & Company, 100 Wood Street, London, EC2V 7ER.

Solicitors

Davies Arnold Cooper, 1st Floor, 28-32 Britannia Street, London,
WC1X 8JF.

SA Law, 60 London Road, St Albans, Hertfordshire AL1 1NG.

Maxwell MacLaurin, 100 West Regent Street, Glasgow, G2 2QB.

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID5742200 06/08

Printed on Paper containing 75% recycled fibre content minimum



Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: customer.services@tso.co.uk

Textphone: 0870 240 3701

TSO Shops

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax: 028 9023 5401

71 Lothian Road, Edinburgh EH3 9AZ

Tel: 0870 606 5566 Fax: 0870 606 5588

The Parliamentary Bookshop

12 Bridge Street, Parliament Square

London SW1A 2JX

TSO@Blackwell and other Accredited Agents

ISBN 978-978-010-294-4



9 789780 102944



Engineering Construction Industry Training Board

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

Tel: 01923 260000 Fax: 01923 270969 Email: ecitb@ecitb.org.uk www.ecitb.org.uk

Registered Charity No. 264506

ECITB116-07/08