



Engineering Construction Industry Training Board



---

# ANNUAL REPORT & ACCOUNTS 2011



**ENGINEERING CONSTRUCTION  
INDUSTRY TRAINING BOARD**

**REPORT OF THE TRUSTEES AND ACCOUNTS  
FOR THE YEAR-ENDED 31 DECEMBER 2011**

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

Ordered by the House of Commons to be printed on 28<sup>th</sup> June 2012

Laid before the Scottish Parliament by the Scottish Ministers under Section 88 of the Scotland Act 1998  
June 2012

HC240  
SG/2012/99

London: The Stationery Office

£21.25

© Crown copyright 2012

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

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

Any enquiries regarding this publication should be sent to us at the Engineering Construction Industry Training Board, Blue Court, 1 Church Lane, Kings Langley, Hertfordshire, WD4 8JP.

This publication is available for download at [www.official-documents.gov.uk](http://www.official-documents.gov.uk)

This document is also available from our website at [www.ECITB.org.uk](http://www.ECITB.org.uk).

ISBN: 9780102976663

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

ID P002486849      07/12

Printed on paper containing 75% recycled fibre content minimum.



# CONTENTS

---

- 1 Chairman's Statement**
- 2 The Industry and Economic Environment**
- 4 Chief Executive's Review**
- 13 Structure, Governance and Management**
- 21 Remuneration Report**
- 24 Financial Report**
  - Statement of the ECITB's and the Accounting Officer's responsibilities
  - Results for the year
  - Commentary on the results
  - Reserves policy
  - Investment policy and performance
  - Employer registrations
  - Grant payment policy
  - Material cash support payments
  - Charitable donations
  - Payment policy and performance
  - Auditors
  - Statement as to disclosure of information to the Auditors
  - Statement on Internal Control
  - The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament
- 37 Financial Accounts for year-ended 31 December 2011**
  - Statement of Financial Activities for year-ended 31 December 2011
  - Balance Sheet as at 31 December 2011
  - Cash Flow Statement for year-ended 31 December 2011
  - Notes forming part of the Accounts for year-ended 31 December 2011

# CONTENTS

---

- 65 **Appendix A**  
Principal Office and other offices, charity registration details and general information
- 66 **Appendix B**  
Trustees
- 68 **Appendix C**  
Register of Interests of Trustees
- 70 **Appendix D**  
Membership of Board and Committees
- 72 **Appendix E**  
Chief Executive Officer and senior staff
- 73 **Appendix F**  
Employer, employee, industry, educational and governmental organisations
- 77 **Appendix G**  
Other relevant organisations



# CHAIRMAN'S STATEMENT

---



## Securing Engineering Construction Skills, Now and for the Future

Over the twelve months since my last report there have been many achievements and some setbacks in the fortunes of both the engineering construction industry and the Engineering Construction Industry Training Board. Inevitably the two are intimately intertwined but, despite still relatively few major engineering and infrastructure projects on the go in 2011, the overall level of training was sustained.

Speaking personally, I have been part of the engineering construction industry in one way or another for all of the 50 years of my career which is why I was delighted for the chance to Chair the ECITB for the last 7 years and why I am keen for it to continue to prosper. A strong ECITB is vital for the future prosperity of what I believe is an undervalued industry without which, the lights of the country would go out.

There is no doubt in my mind that the ECITB has become an exemplar for how to orchestrate, coordinate and lead training for a whole industry that is also very diverse. The efforts of everyone involved to transform delivery, training programmes and governance have been tremendous.

I have thoroughly enjoyed making a contribution and am grateful for the commitment and dedication of all of my colleagues in the Board and staff who now carry forwards significant responsibilities at a time of emerging opportunities.

The Government is very keen to transform the skills and training system to be employer owned and led and there is growing momentum, particularly in the need for new energy sources and electricity generation.

Therefore the time is perfect for a strong, coherent and coordinated voice and approach from the engineering construction industry as a whole. It is essential to work together to drive the recruitment and training of the apprentices, graduates, supervisors and project managers that are needed to deliver the projects that are critical to the country's economy.

I am also grateful for the increased levels of engagement and support from Ministers and officials in BIS, DECC and the UK Commission for Employment and Skills.

As well as celebrating 20 years of successful delivery in 2011, I believe that in the future, it will be possible to look back and see that 2011 was a pivotal year in which the ECITB began to be truly appreciated for what it is:-

- employer led, funded, governed and transformed, driving more training;
- a high achieving organisation, with clear purpose and dedicated staff;
- ensuring high quality and fit for purpose training programmes are designed and implemented through a strong network of assured, partner training providers;
- innovative and responsive to changes in industry needs; and
- a thought leading organisation that is a great ambassador for the industry, the employers and stakeholders.

Sustaining these achievements and building on them to secure engineering construction skills now and for the future is someone else's responsibility.

I have no doubt that the potential is there to do this and to do it well. The ECITB has transformed and will continue to respond, adapt and deliver.

Further alignment of the industry's stakeholders will provide a golden opportunity to achieve more success and secure the UK's capacity and capability for delivering the technically demanding and diverse projects that depend on the engineering construction industry.

A handwritten signature in black ink that reads "Terry Lazenby". The signature is written in a cursive, flowing style.

T M Lazenby MBE FREng, Chairman



# THE INDUSTRY AND ECONOMIC ENVIRONMENT

---



**Andrew Collinson**  
Chairman from 1 April 2012

I am delighted to have been given the opportunity to take up the Chairmanship of the ECITB and to build on the excellent work done by and during the tenure of my predecessor, Terry Lazenby.

The ECITB is a strong and successful organisation that has earned the respect of a great many people with its comprehensive product range, the professionalism of its people and willingness to adapt. I say this with confidence because I have experienced it during my previous role on the Board as Non Executive Director.

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

## Engineering Construction - working across sectors

The skills of engineering construction are key to the design, construction, maintenance and safety of the UK's critical infrastructure which:-

- provides the energy and fuel we need;
- manufactures the plastics, detergents, cosmetics and medicines that are part of everyday life;
- cleans our water; and
- protects the environment by recovering and treating waste.

The skills needed are diverse and demanding.

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

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

Surveys by the ECITB show the impact of the economic slow-down. In 2009, there was an expectation of 25% growth by 2020, mainly driven by investment in new nuclear power stations and offshore wind power. In 2011, the survey results still showed growth but of only 11%. The drop came as a result of the loss of confidence in nuclear power following the Fukushima disaster.

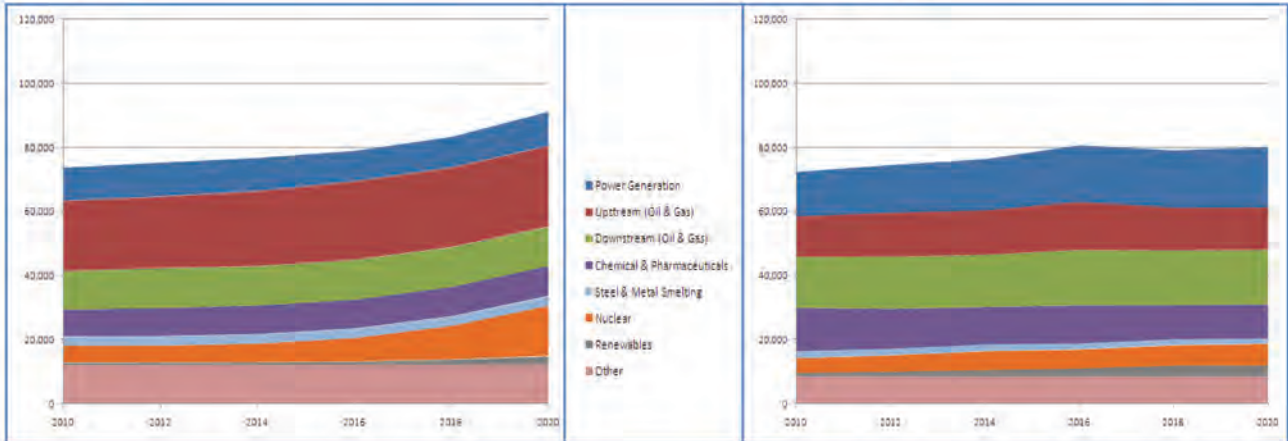
The momentum appears to be growing again, following the report by Professor Weightman and the Government's National Policy Statements in 2011. EDF Energy is well advanced in its plans for Hinkley Point C and other investors are picking up the pace again.

We expect to see confidence returning in 2012 when the next survey is carried out.



**2009 Manpower Projection by Sector - 25% growth**

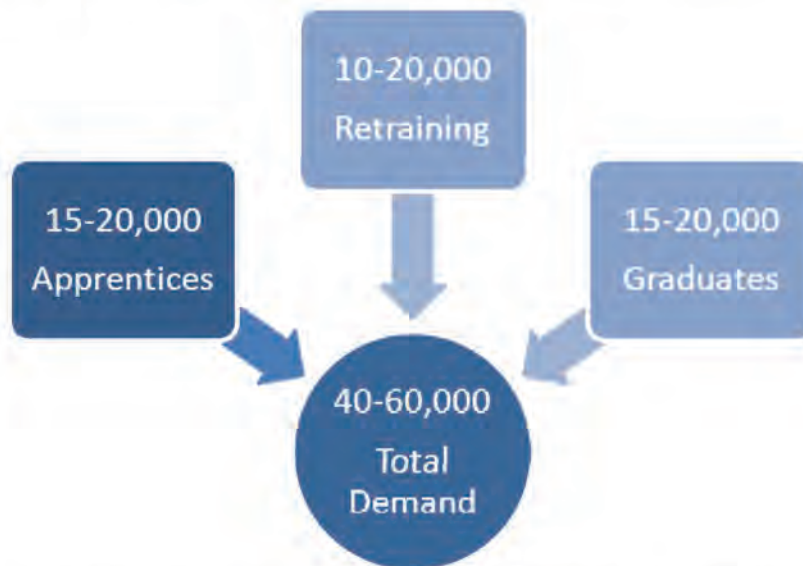
**2011 Manpower Projection by Sector - 11% growth**



**Recruitment and Training Rates**

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

This is a requirement of between 4,000 to 6,000 people each year across all skill areas. Previous analysis by the ECITB has indicated that this needs to be shared equally between apprentices, graduates and skilled recruits from outside the engineering construction industry.



The Engineering Construction Forum (set up post the Gibson Review on Skills and Productivity in Engineering Construction) has considered these and other issues facing the industry as a whole. It is clear that increased effort is needed to build capacity and capability.

To help to achieve this the priorities are: collaboration and alignment of purpose, sharing responsibilities in new ways between clients and contractors, driving recruitment and training to the excellent standards that the ECITB provides and that enable our people to work flexibly across many sectors.

A P Collinson



## CHIEF EXECUTIVE'S REVIEW

---



### 20 years of success, 1,000,000 learners and counting!

Engagement in training by employers remained strong in 2011 and the 1,000,000th learner milestone was achieved as expected, despite the economic and industry environments being again characterised by change, turbulence, uncertainty and periodic shocks.

The outlook for new investment in energy and infrastructure projects suggests that there will be an upturn in apprentice and graduate recruitment in the near term, reversing the recent shift in demand from employers towards short duration training and the recruitment of slightly fewer apprentices and other new entrants.

Our approved training provider network continued to grow and more employers are also being approved to deliver quality assured training to their own staff. This is a positive development and fits well with the increased uptake by employers of the Skills and Training Charter and demand from employers for assurance of competence.

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

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

Another milestone was recognition by the Government of the ECITB's role and purpose in supporting the skills of our industry and for the collective approach of training levy and grant programmes to encourage and support training.

Across all of our operations there have been significant events or achievements as well as sustained effort to deal with the growth in volume of training and grants.

Some other highlights were:-

- Embedding the new QCF and SCQF qualifications, being recognised as an Issuing Authority for apprenticeship frameworks and the launch of new, compliant apprenticeship programmes;
- A strong careers promotional drive, with significant presence and profile at World Skills in London in partnership with Doosan Power Systems and EDF Energy plus a range of events in support of National Apprenticeship Week and the launch of a new road show to schools to influence students towards engineering and science careers;
- The launch of the Careers Progression Route Map – an interactive online tool allowing school leavers and graduates to find career routes in engineering construction;
- Strengthening the service offer and tools for employers with the design and launch of a suite of technical tests to validate technical competence;
- Launch of the International Health and Safety Passport and licensing of providers in the Middle East oil, gas, steel and chemicals industries to deliver ECITB programmes;
- Creation of an Advanced Supervisor programme to complement the well established Supervisory Management Training and Development programme;
- Collaborating with DECC, BIS and the Nuclear Decommissioning Authority in the Nuclear Energy Skills Alliance to secure the skilled people needed for both nuclear new build and ongoing decommissioning;
- Partnering with Skills for Energy in the Energy Foundation programme and the development of other programmes and facilities to support the energy industry in the East of England; and
- Setting new standards for mechanical joint integrity that are used widely in the processing industries which the engineering construction industry support.



The rest of this report expands on these points and gives a rounded picture of the work of the ECITB and once again I am indebted to the guidance and support of all staff and members of the Board.

I should like to pay a special tribute to Terry Lazenby, Chairman, whose leadership and encouragement has been an inspiration to me and everyone.

## MISSION

**Securing Engineering Construction Skills, now and for the future**

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

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

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

### Employer engagement

To strengthen the forums, increase dialogue and increase responsiveness.

### Identification of skills needs and priorities

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

### Stakeholder and provider engagement

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

### Delivery of services

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

### Evaluation and improvement

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

## The ECITB's charitable activities

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

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

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

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



## Objectives, Achievements and the Future

The table below shows the 2011 planned delivery objectives and achievements and the future targets for 2012 in each of the main areas of charitable activity.

The results show a strong performance overall with plans for 2012 based on estimates for demand from employers. In total, the ECITB supported just under 23,000 learners in 2011, 43% more than the planned objective of just over 16,000, in addition to over 42,000 people achieving their Safety Passport.

Enrolment and Achievements	2011 Objective	2011 Achievement	% Achieved	2012 Objective
Apprenticeships	731	583	80%	581
Skills & Technical	1,397	4,006	287%	5,886
Management & Professional	5,840	5,245	90%	3,258
Regional Discretionary Grant	4,450	9,317	209%	3,745
Awards & Qualifications	3,600	3,681	102%	2,200
<b>Sub total</b>	<b>16,018</b>	<b>22,832</b>	<b>143%</b>	<b>15,668</b>
Safety Passports	50,000	42,130	84%	45,000
<b>Total</b>	<b>66,018</b>	<b>64,962</b>	<b>98%</b>	<b>60,668</b>

The number of apprenticeship starters is a significant achievement in the current economy. Demand for apprenticeships was slightly weaker in 2011 partly due to the impact of changes to the government funding policy and the levels of economic activity in the industry at present.

Demand for Skills and Technical training far exceeded that anticipated and the target for 2012 reflects the likely high demand and the uptake of new programmes.

Demand for Management and Professional programmes was reasonably maintained, falling only slightly below target and the objective for 2012 has been adjusted to meet the likely demand.

Regional Discretionary Grant is allocated across all regions for use by employers to assist with additional training and skills required for their workforce. There was exceptional demand in 2011 of more than double the predicted number. Better education and information to employers has meant that more are able to access this funding.

Awards & Qualifications, which includes ACE cards issued, continues to exceed predicted numbers. A new card production system is now in place and it is anticipated that with the easier access system, the number of cards issued each year will continue to rise.

## Apprentices and Careers

The ECITB collaborates closely with employers and training providers through the apprenticeship programme to secure the supply of qualified craft people, technicians, design and project control personnel needed for the future.

Over 500 apprentices completed frameworks supported by the ECITB in 2011. This is the largest number of completions ever and reflects the increased apprenticeship intake in 2007 when just over 600 apprentices were recruited. Design and Draughting and Project Control continued to be popular apprenticeships in the Offshore Region and additional apprentices in craft disciplines were taken on to help address the skills shortage.

More than 200 companies use ECITB apprenticeships. The professional programme provides learners with the essentials of their chosen discipline and are delivered by our network of over 200 accredited training providers. Throughout each year the ECITB supports between 2,500 and 3,000 people in the different stages of their apprenticeships.



The achievement rate of apprentices completing their programme is 90%+ and is well above the national average of 65%. This demonstrates the strength of the collective approach and effectiveness of the ECITB's coordination.

2011 saw the ECITB in Scotland take on a record number of apprentices, beating the target for the year by 13%. 138 apprentices began their courses during the year in a variety of disciplines such as NDT (non destructive testing), mechanical fitting, pipefitting and welding for companies such as Applus RTD, Doosan Power Systems, Granite International and JGC.

## Apprenticeship achievements

### Jacobs awarded top apprentice employer award

ECITB member Jacobs Engineering Group Inc. (Jacobs) has been selected by the UK's leading vocational education organisation as one of the top 100 apprentice employers in the country.

### Welding win for Alstom apprentice

In October, an Alstom welding apprentice won the BOC Apprentice Welding Competition 2011 title after completing a challenging series of welding tasks at The Welding Institute. Another Alstom apprentice following an ECITB programme gained second place at the Euroskills welding competition.

### Former apprentices flying the flag for ECITB

An ECITB pipefitting apprentice has received an award for best welding and fabrication at the 2011 Tullos Training Awards.

An apprentice from the ECITB's 2009 intake received the Score Award for best HNC Electrical Engineer at Banff and Buchan College and is now based on the Beryl Alpha Platform.

### Outstanding success at 2011 Worldskills event

A Doosan Babcock welding apprentice following an ECITB programme won the Bronze Award at 2011 Worldskills in London and also achieved a Gold medal at the Global Skills Challenge in Melbourne.

The careers programme, 'Be a Part of Engineering Construction' travelled the country from September until the beginning of December. It visited 150 specialist STEM (science, technology, engineering and mathematics) secondary schools, performed 180 shows, and reached 21,330 pupils. Now in its fifth year, the road show was completely redesigned for 2011 and features a multimedia experience which blends live action, film clips and audience participation to explain the exciting and rewarding careers within the engineering construction industry.

In February 2011 to coincide with Apprenticeship Week, ECITB launched the Career Progression Route Map (CPRM). An online interactive tool that allows school leavers and graduates to find information on routes to jobs in engineering construction. It contains information on around 170 roles and evolves as roles are added or updated.

WorldSkills was a major event in the careers programme, and was held in London during October. The ECITB exhibited in collaboration with Doosan Power Systems, EDF Energy and Lincoln Electric. The event was held alongside the Skill Olympics competitions and attracted over 200,000 attendees, the majority being school pupils. This provided an excellent opportunity to promote careers in engineering construction and the industry's apprenticeship programme.





Looking ahead, the ECITB aims to continue to increase the numbers of apprentices starting their careers in engineering construction in 2012, with more opportunities in the rapidly growing green/renewables and nuclear new build sectors, as well as in the established energy and processing infrastructure. The Scottish Government has plans to deliver 2,000 modern apprenticeships for the energy industry over the coming four years, and the ECITB will be at the heart of that growth.

## Skills and Technical

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

Offering flexible training for any size of company, these modular courses offer a choice of learning and assessment methods. There are over 200 modules covering 16 different disciplines including Specialist Critical Bolting, Project Control and Plant Layout and Design.

Demand for computer aided design, one day courses and approved courses far exceeded expectations as employers favoured short duration training in 2011.

The ECITB approved courses for Mechanical Joint Integrity and Small Bore Tubing had over 1000+ attendees, three times the initial estimate of demand. This volume is expected to increase significantly in 2012 following the endorsement of the ECITB Technical Tests and ECITB Technical Training in this area.

With the Offshore Specific Grant learners (669), Technical Tests (152), Doosan Welding Pilot (16) and Skills & Technical learners, ECITB supported 4,006 learners in 2011.

As the standard setting body for Small Bore Tubing the ECITB spent a significant amount of time in 2011, in consultation with industry, in revamping these standards. As a consequence Step Change is reviewing the guidelines used in this area within the Oil and Gas Industry in the North Sea. ECITB Technical Training and ECITB Technical Tests are likely to be used to train people and validate competence in this area. The same is being considered in the "Authorised Persons" area of electrical equipment.

In response to industry consultation, the grant structure was amended so that employers can now receive grant payments when units of training are completed rather than on completion of the full qualification. In addition, a clear distinction has been set between grants for training and grants for qualifications to make the system more flexible.

ReEngineer and ReSkill are two initiatives aimed at bringing new people into the offshore industry and altogether four schemes ran in 2011.

A cohort of personnel from the Army, Royal Navy and Royal Air Force were put through an intensive eight week course with TTE Technical Training Ltd to prepare them for working offshore with Wood Group PSN in maintenance of instrumentation and control systems.

Three further cohorts were trained in rigging and pipefitting with TLS Training (Scotland), MetTECH and Falck Onsite. These people will continue their development and work towards their Diplomas.

"Re-Engineer is one of our most important people development initiatives. It represents our investment in the future of our workforce and our industry. We recognise that our success depends on our ability to attract, develop and retain the best people."

Ian McKay  
Global Head of Operations & Maintenance at  
Wood Group PSN.

More ReEngineer and ReSkill programmes are planned for 2012 in maintenance and production operations, recruiting personnel from the armed forces as well as from other process industries such as the petrochemical and manufacturing sectors.

The concept of using skill enhancement centres to accelerate learning was successfully tested in and will continue in the North East, and approved providers in both Yorkshire and Humberside and the South of England have also expressed an interest in establishing centres. These initiatives will enable industry to better deal with retraining of the unemployed and personnel from other sectors as well as increasing the number of apprentices.



## Management & Professional

ECITB Management & Professional courses are designed to meet the diverse and developing needs of the engineering construction sector. Options vary from short, hands-on interactive one day courses to a post graduate MSc. All are delivered by an assured network of training providers, and lead to recognised qualifications.

The Supervisory Management Training & Development (SMTD) programme continued to set the benchmark for supervisor training in our industry and training demand remained strong.

Effective supervision is a key enabler for productivity on projects and a new advanced supervisor programme has been developed to raise the industry's capability. The reviews of the pilot have been very positive and it will be made fully available in 2012 and will fill an important gap in supervisor progression and development.

The programme delivers a level 5 Diploma in Leadership and Management awarded by the Chartered Management Institute and interest is high in the nuclear and offshore sectors where five leading companies are already engaged.

Overall in 2011, over 5,000 separate learner places were provided to industry personnel. Having regard to the economic climate in 2011, the demand was reasonable and in some areas such as Project Management, attendance doubled from 2010 levels, whilst SMTD was only marginally below target.

### Bridgwater College

Preliminary work has begun on the construction of the new Hinkley Point C nuclear power station in Somerset, where EDF announced this spring that all construction personnel working on site will be required to have a CCNSG Safety Passport.

Workforce safety is a key priority for everyone involved in engineering construction and, through the ECITB, tens of thousands of industry employees each year take advantage of the proven training and assessment programme for protecting both themselves and their colleagues in the workplace. The Client Contractor National Safety Group (CCNSG) safety passport scheme was again successful with over 41,000 passports being issued.

Project management skills are a key strength of our industry and we strengthened the service offer through collaboration with Cranfield University to relaunch the Improving Project Performance, seven day, project management course. The course is designed to help develop the skills for the project management challenges of tomorrow, especially of large, complex projects.

Participants gain an overview of project management and how their role fits in and develop their confidence and ability. Feedback about the course has already been positive.

The ECITB ACTIVE project management cup competition is an important programme which is now held twice a year in January and July. In 2011, both events were fully attended. The programme takes place over 3 days and consists of teams of 5 people managing a fixed price project, from inception to completion. Competition is intense, so too is the learning experience.

### Cranfield IPP Project Management Course

"This course engages you emotionally and takes you through a range of emotions. It is very interesting to see how you behave and respond in pressurised situations."

Steve Yardley  
Shaw Energy & Chemicals Ltd



## Awards and Qualifications

The ECITB is a recognised and regulated awarding organisation and by the end of 2011 had developed and obtained accreditation for a total of 39 qualifications for the Qualification and Credit Framework (QCF) and 21 for the Scottish Credit and Qualification Framework (SCQF).

As well as finalising development, 2011 also saw the first phase of implementation of the new qualifications. In total there were 1,715 registrations for the new QCF and SCQF qualifications with 567 candidates completing.

Total registrations for all ECITB qualifications available in 2011 was 1,906 and 2,009 individuals completed and received their qualification certificates.

The number of ACE cards issued in 2011 exceeding the target set at the beginning of the year. A new card system was introduced and is now running smoothly. We expect the number of cards issued in 2012 to be higher again.

All of this important work is governed by a committee of expert members drawn from across the industry that reports to the Board of the ECITB. It meets four times a year, is chaired by a Board member and has representatives from employers, trades unions and operators/clients.

A very successful marketing campaign took place in 2011 to promote the new qualifications. The ECITB's website was updated with the new qualifications, and information leaflets and animation videos were produced outlining the QCF and SCQF and detailing the new qualifications. These are available on the website and are aimed at candidates, centres and employers.

As part of their new regulatory powers OfQual launched a new set of Conditions for the Recognition of Awarding Organisations. This requires the ECITB to carry out a self-evaluation process to establish compliance with the new conditions. This process started in late 2011 with a meeting with OfQual and the first phase of the self-evaluation process to identify areas that the ECITB needs to address to ensure compliance. The process will continue into 2012 and has to be completed in May.

Two successful External Verifier Standardisation meetings were held at which new simulation guidelines were developed. These guidelines will help centres decide what areas of the qualification requirements can be simulated and how to go about it. This will assist greatly with helping candidates achieve their qualifications if workplace assessment opportunities are limited.

Other activities in 2011 included:-

- Launch of the Supervisory Competence Framework;
- Implementation of the Advanced Supervisor Development Programme;
- Review of the Project Management National Occupational Standards;
- Development of an Authorised Person Moving Complex Loads programme;
- Development and implementation of the Online Technical Tests system;
- New training courses in Coaching, Mechanical Joint Integrity, NAECI, and
- A complete review of technical training and the introduction of Technical Training Standards.

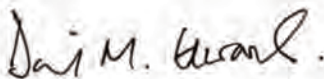
## International activities

The demand for ECITB approval and licenses by international providers is rising as awareness increases.

The ECITB has appointed a Business Development Manager tasked with this job. The ECITB International Health and Safety Passport (ECITB IHSP) is based upon the CCNSG Safety Passport Scheme, and is the primary product that is being sold mainly in the Middle East. In 2011, approximately 4,000 IHSP passports were issued and the expected volume in 2012 is circa 40,000.

In 2012, the international business is expected to increase such that it begins to make a significant positive contribution to the income of the ECITB and allow reinvestment of surpluses in increasing the training in the UK.

The effort is modest compared to the overall scale of activity of the ECITB and growth will be self financing and remain focused in the Middle East where there are strong economic and technical links with the UK.



David M Edwards  
Chief Executive



# STRUCTURE, GOVERNANCE AND 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 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 Business, Innovation and Skills (BIS). The Secretary of State for BIS 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 a registered charity in England and Wales and also undertakes charitable activities in Scotland.

The charitable activities of the ECITB are partly funded by the statutory levy established by the Act and confirmed by Levy Orders passed by both Houses of Parliament. The levy applies to all in-scope establishments to ensure greater equity across employers in the industry in the provision of training. The most recent Levy Order is the Industrial Training Levy (Engineering Construction Board) Order 2009 (2009 No. 548), which was enacted on 3 March 2009 and came into force on 4 March 2009.

## How decisions are made

### Board and 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 of 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.



### The Board of Trustees (cont'd)

In addition to approving recommendations to the Secretaries of State as 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.
- Approving the Annual Report and Accounts.
- Receiving reports from the Management Board on progress against the Business Plan.
- Setting the Risk Management strategy and reviewing its operation.
- Appointing the Audit Committee Chair and Members, and the Internal Auditors.
- Considering the Annual Report from the Audit Committee supported by reports from the external and internal auditors.
- Appointing the Qualifications & Awards Committee Chair and Members.

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

The Management Board's responsibilities are to:-

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



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



## The Qualifications and Awards Committee

The Main Board appoints members of the Qualifications and Awards Committee. The aim is to have 9 members. The Chair is a Main Board member who is not the Chair of the ECITB. The Committee normally meets four times per year, although additional meetings may be arranged if necessary. 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 and terms of reference of the Committee are to:-

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

## The Client Contractor National Safety Group (CCNSG)

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

A representative from the Health and Safety Executive is invited to attend meetings of the CCNSG as an observer. The Group meets quarterly or more/less frequently as determined by its members, dependant on the volume or urgency of the business to be considered.

The CCNSG comprises:-

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



## Regions

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

Regional Forums	National Forums
Midlands	Engineering, Design and Procurement Forum
North East England	Offshore Industry Forum
North West England	
Scotland	
South East and East England	
Wales and South West England	
Yorkshire and Humberside	

Each Forum comprises of industry employers and normally meets three times a year under the chairmanship of a Main Board member (the Regional Chair). Through this structure the ECITB concentrates on identifying and meeting regional skills requirements, and is able to address particular recruitment and training needs. To address specific and local issues and needs, in some regions the ECITB has established sub-forums. In the Midlands region a Water Industry Forum has been established. In the Scottish and South East & East regions meetings are held in different locations due to their size. This enables attendance by as many employers as possible. The 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.

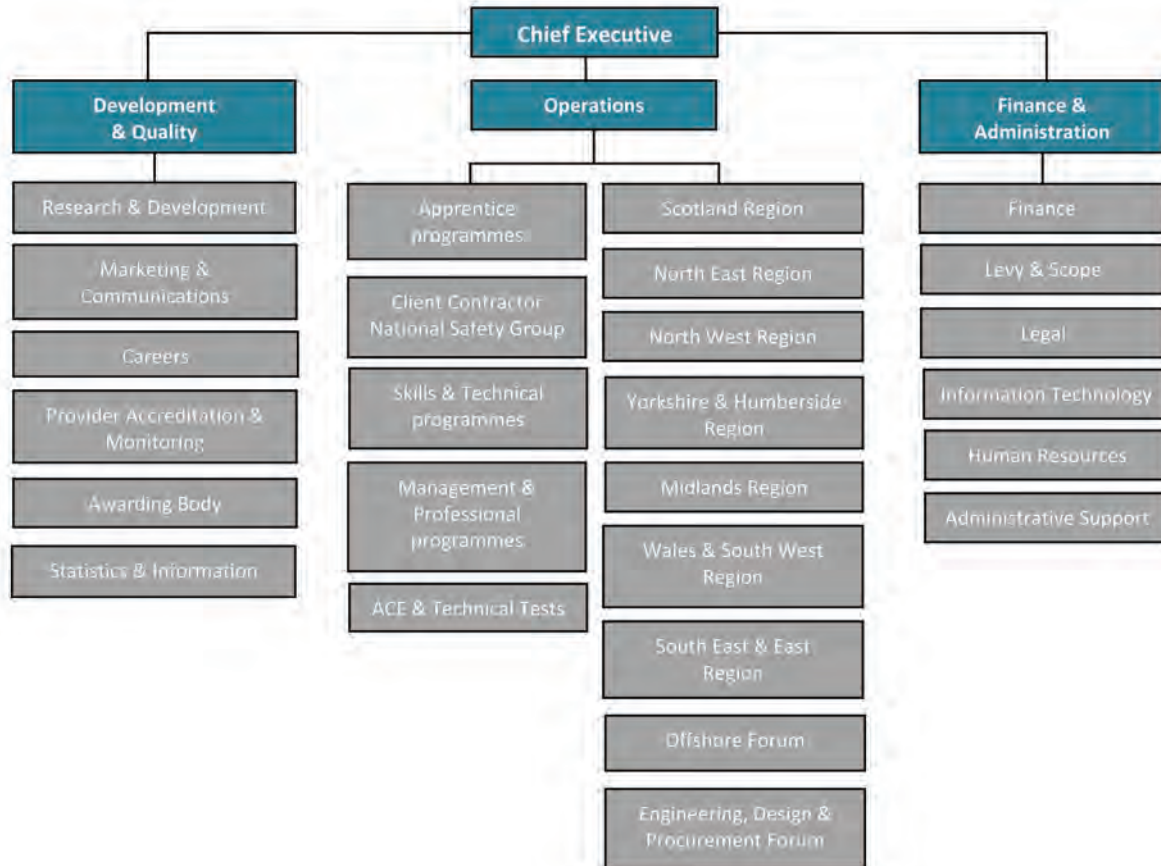
Under the ECITB's governance model, forums are empowered and operate as "business units" charged with supporting the achievement of the agreed strategic goals by the development and delivery of regional operating plans.

In broad terms, the Regional or National Forum Chair leads 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 ECITB staff, who in turn will be accountable for the delivery of the agreed regional operating plan.

The regional plan will include training targets, the 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.

## ECITB management and staff

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



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



## Environmental policy and social responsibility

### Environmental policy

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

The ECITB's policy is to:-

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

The ECITB's main activities are designed to develop skills and improve competency levels in the UK engineering construction industry. This will contribute to the ability of the industry not only to protect the environment from harm arising from its activities, but also to make significant steps towards meeting the government's low carbon strategy and objectives. Over the next decade or more, much of the nation's power generation infrastructure will be replaced or renewed. This will have to meet the requirements of the low carbon strategy, and will embrace a variety of alternative power generation approaches, including renewables and nuclear power as well as the more conventional carbon technologies. The ECITB's training programmes and frameworks are designed to ensure that the industry's workforce at all levels and across many disciplines are able to meet the challenging environmental demands which will arise.

### Social responsibility

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

The government published "Changing to Compete – Review of Productivity and Skills in UK Engineering Construction" ("the Gibson Review") at the end of 2009. This recognised the importance to society of an efficient and competitive engineering construction industry. In 2011, the ECITB has participated in and contributed to the work of The Engineering Construction Forum (set up under the auspices of the Gibson Review), and in particular to the training sub-group. This group has identified some new training to better support progression, particularly from level 3 to level 4 and 5 for supervision and this scheme is now available. It also endorsed the creation and launch of a career progression route map to give individuals clear guidance on career opportunities and the training needed to develop and progress which was launched in February 2011 to coincide with National Apprenticeship Week.



### *Work with young offenders*

The ECITB has participated with three young offender units to establish training pathways for the engineering construction industry, including safety training at Portland and Reading Young Offender Institutes.

### *The Wales & Ireland Sustainable Enterprise (WISE) project*

The ECITB participates in the WISE project, which is funded by the European Regional Development Fund. Its aim is to provide support to a total of 40 beneficiary companies, 20 of which are in Pembrokeshire, South West Wales. The principle objectives of the project are to boost company sustainability, help companies to identify how they can grow, and provide the expertise and support to make this happen. The project finished during 2011.

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

The ECITB has worked with employers and providers to create retraining pathways into the oil and gas industry from the armed services. Cohorts of personnel from the Army, Royal Navy and Royal Air Force were put through intensive programmes in maintenance, instrumentation, rigging and pipefitting.

### *Talent Retention Solution*

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

# REMUNERATION REPORT

---

## Unaudited information

### *Staff appointments*

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

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

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

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

### *Staff sickness absence*

The ECITB monitors levels of staff sickness absence. In 2011, the sickness absence rate was 3.3% (2010 - 2.5%), equivalent to 7.7 working days per head (2010 - 5.7 working days). This compares with a 2011 public sector average absence rate (as published by the ONS Labour Force Survey) of 3.1%, and a 2011 private sector average of 2.3%.

## Audited information

### *Senior staff costs and pensions*

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

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

At its meetings held in 2011 the Management Board reviewed the salaries and performance of the Chief Executive and Executive team, drawing on its extensive knowledge of business affairs and taking account of comparable remuneration packages within the industry.

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

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



## Senior staff salaries and benefits

2011			2010			Date of appointment to position	Notice period (months)	Type of Contract	Unexpired Term at 31.12.11
Salary £'000	Benefits in kind (to nearest £100)	Performance Pay £'000	Salary £'000	Benefits in kind (to nearest £100)	Performance Pay £'000				
D M Edwards, Chief Executive									
110-115	6,500	0-8	105-110	6,500	0-5	01.07.99	6	Open ended	N/A
A M Featherstone, Director of Operations									
90-95	6,700	0-8	85-90	6,400	0-5	11.07.05	3	Open ended	N/A
P C Hill, Director of Finance & Board Secretary									
80-85	600	0-8	80-85	600	0-5	15.05.06	3	Open ended	N/A
N Spencer, Director of Development & Quality									
80-85	600	0-8	80-85	500	0-5	01.11.03	3	Open ended	N/A

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

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

## Senior staff pension entitlements

Name	Real increase in pension at age 60 (£'000)	Total accrued pension at age 60 (£'000)	CETV at 31.12.10 (£'000)	CETV at 31.12.11 (£'000)	Employer funded real increase in CETV (£'000)
D M Edwards	0-2.5	20-25	312	403	16
A M Featherstone	0-2.5	5-10	79	107	11
P C Hill	0-2.5	5-10	54	76	9
N Spencer	0-2.5	10-15	135	186	11

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 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.

### *Trustees' costs*

Mr T M Lazenby was the Chairman of the Board until 31 March 2012. In accordance with his appointment by the Secretary of State for Business, Innovation and Skills was entitled to remuneration as Chairman of the Board, and received £17,595 in 2011 (2010 - £17,595).

Two independent trustee non-executive directors have been appointed. They have been paid in accordance with The Charity Commission's agreement. In 2011, Mr A Collinson received £12,000 directly, and Mr J Gammage received £12,000 directly.

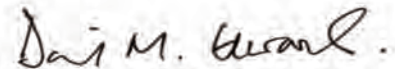
In 2011, 16 trustees (2010 – 21) incurred travel, accommodation and subsistence expenses, which were reimbursed by the ECITB. In 2011, these expenses amounted to £24,017 (2010 - £24,480).

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

Appendix B of this report contains a list of current trustees and former trustees who held office in 2011.



A P Collinson  
Chairman of the Trustees  
31<sup>st</sup> May 2012



D M Edwards  
Chief Executive Officer  
31<sup>st</sup> May 2012

# FINANCIAL REPORT

---

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

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

In preparing the accounts the ECITB is required to:-


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

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

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



A P Collinson  
Chairman of the Trustees  
31<sup>st</sup> May 2012



D M Edwards  
Chief Executive Officer  
31<sup>st</sup> May 2012



## Results for the year

A Summary Statement of Financial Activities for the period 1 January 2011 to 31 December 2011 (with comparative information for 2010) is shown immediately below. This has been extracted from the audited financial statements which appear in full later in this report.

	<b>2011 £'000</b>	<b>2010 £'000</b>
<b><i>Incoming resources</i></b>		
Levy	23,596	22,161
Non levy income	2,540	3,154
<b>Total incoming resources</b>	<b>26,136</b>	<b>25,315</b>

<b><i>Expenditure</i></b>		
Investment Management Costs and Bad Debt Provision	5,566	(130)
Charitable activities (including Levy Collection costs)	22,147	20,754
Governance costs	114	108
<b>Total outgoing resources before other gains and losses</b>	<b>27,827</b>	<b>20,732</b>

Net incoming/(outgoing) resources before other gains and losses	(1,691)	4,583
Gain/(Loss) on revaluation of fixed assets	73	107
Gain/(Loss) on investment assets	(15)	(64)
<b>Net Movement in Funds Surplus/(Deficit)</b>	<b>(1,633)</b>	<b>4,626</b>

<b><i>Reconciliation of funds</i></b>		
Total funds brought forward at 1 January	21,712	17,086
<b>Total funds carried forward at 31 December</b>	<b>20,079</b>	<b>21,712</b>

<b><i>Balance Sheet</i></b>		
Fixed assets		
Tangible assets	1,240	1,278
Investments	12,215	13,412
	<b>13,455</b>	<b>14,690</b>

Current assets	10,986	12,912
Creditors	(4,362)	(5,890)
<b>Net current assets</b>	<b>6,624</b>	<b>7,022</b>

<b>Total assets less current liabilities</b>	<b>20,079</b>	<b>21,712</b>
--	---------------	---------------

<b><i>Fund</i></b>		
Unrestricted Fund	20,079	21,712



## Commentary on the results - statement of financial activities for year-ended 31 December 2011

In 2011 the ECITB budgeted to achieve a deficit of -£1.978m. The actual deficit was -£1.633m. Although, engagement in training by employers remained strong in 2011, uncertainty in the economic and industry environments affected levels of training expenditure. Overall income and gains were approximately £3m higher than planned, mainly due to unbudgeted levy income. Charitable expenditure was approximately £2m lower than planned, largely as a consequence of the delayed progress of existing learners in the completion of their programmes. Such expenditure is anticipated to be incurred in 2012, and this has been carried forward into the 2012 budget. During 2011 a significant bad debt provision was recorded because five employers lodged appeals against levy assessments amounting to £5.5m. This is in accordance with normal accounting policy. Thus, overall costs were approximately £2.4m higher than planned.

### *Incoming resources*

Levy income accounted for in 2011 amounted to £23.6m (2010 - £22.2m). The levy income represents the gross levy assessed during the year together with adjustments in respect of previous levies raised. A provision for levy bad debts has been reported separately as a cost of generating funds.

Virtually all of the 2011 levy income related to and was calculated by reference to the payments made to industry workers during the base period 6 April 2009 to 5 April 2010. 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 2011 at 1.5% on payments made in respect of site workers, and 0.18% on payments made in respect of all other workers. The levy exemption levels remained unchanged in 2011 for both site-based and other workers. Employers were exempt from paying site levy if payments made in respect of site-based workers were less than £275,000 during the 2009/10 base period. Employers were exempt from paying a levy in respect of all other workers if payments made in respect of all other workers during the same period were less than £1.0m.

Gross levy income in 2011 was 6.5% higher (an increase of £1.435m) than in 2010. This is largely due to levy assessments served on Magnox Limited, Magnox South Limited and Dounreay Site Restoration Limited in respect of establishments which were added to the ECITB's Register of Leviable Establishments in 2011. These levies amounted to £3.42m. Sellafeld Limited and On Line Design and Engineering Limited appealed against their levy assessments in respect of the base period 2009/10, which amounted to £2.16m. If all the assessments described in this paragraph are ignored, gross levy income in 2011 amounted to just over 18m. On this basis, levy income fell by approximately 18%. This reflects the significant downturn in activity across the industry in the second half of 2009 and during 2010, as reflected in the declared labour payments made in the 2009/10 base period.

Other incoming resources amounted to £2.540m (2010 – £3.154m), and mainly comprised investment income (£752,000), income from Government and European Union sources (£262,000), and income from sales and sponsorships (£1.526m).

Investment income (from quoted investments and cash deposits) remained at a similar level as in the previous year and amounted to £752,000 (2010 - £722,000). This reflected the relatively high level of investments, rather than investment performance, which was poor as a consequence of ongoing low interest rates and depressed conditions in the global economy.



The receipt of public funding fell significantly compared with 2010 and amounted to £262,000 (2010 - £474,000). The most significant areas of financial activity related to:-

- Apprentice training grant income arising from the ECITB's managing agency contracts with The Skills Funding Agency and Skills Development Scotland. In 2011 this fell by £337,000 to £14,000. This is because the last apprentices subject to the managing agency arrangements commenced their programmes in 2006. The final apprentices from pre-2007 cohorts concluded their programmes in 2011 when the final managing agency funding was received.
- Grant income in connection with the WISE Project. This increased in 2011 reflecting the level of claims made in the year. However, the project activities came to an end in 2011, and accordingly the final income will be recorded in 2012.

Income from sales and sponsorships grew in 2011. The largest source of income continued to be CCNSG safety training, which remained at the same level as in 2010. However, during the year the ECITB commenced the charging of fees for audits of training providers. Previously, the cost of such services had been borne by the ECITB. Consequently, the combined licence income, safety passport sales and audit fees received from CCNSG training providers increased by £121,000, representing an increase of 13%. Trading income from the licensing of the ECITB's Supervisory Management and Training Development Programmes (SMTD) and Project Management Short Courses (PMSC), grew by 50% to £180,000. This reflects the increasing demand for such training from industry. Fees from VQ Registration increased in 2011 as a consequence of the requirement for Awarding Bodies (such as the ECITB) to make such charges. However, income from the sale of ACE cards fell following the Board's decision to cease making such charges.

In 2011, the ECITB continued to develop its business of granting licences to deliver the ECITB's training courses and tests, and providing related consultancy services to overseas training providers. Income from overseas sources amounted to £72,000, compared to £23,000 in 2010. In view of the contracts with overseas trading partners which have been put in place, this area of activity is envisaged to grow significantly in 2012.

### Expenditure

The bad debts provision in 2011 amounted to £5.502m (2010, -£181,000). The provision principally comprised the levy assessments which have been appealed by Dounreay Site Restoration Limited, Magnox Limited, Magnox South Limited, On Line Design and Engineering Limited and Sellafield Limited. The ECITB's accounting policy is to make a full bad debt provision when a formal appeal against a levy assessment is lodged by an employer, regardless of the likelihood of the ECITB's success in the appeal.

Expenditure on charitable activities in 2011 was £22.15m, which was £1.393m higher than in 2010. With the exception of Awards & Qualifications, expenditure was higher in each area of charitable activity. A comparison of expenditure in the main areas of charitable activities between 2010 and 2011 appears in the table below.

Charitable activities	2011 £'000	2010 £'000
Apprentices and Careers	9,841	9,379
Skills & Technical Programmes	4,693	4,166
Management & Professional Programmes	5,270	4,674
Awards & Qualifications	1,948	2,295
Levy collection costs	395	240



A more detailed explanation of charitable expenditure is set out below.

<p><b>Apprentices and Careers</b></p>	<p>Apprenticeship grant expenditure in 2011 was £4.55m (2010 - £3.95m). The increased expenditure was largely due to the Board's decision to bring forward payment of one half of programme completion grants to the point at which apprentices have completed 12 months of workplace experience with an employer. Such payments amounted to approximately £1.8m, and were made in the last quarter of 2011 to all eligible employers. Furthermore, in 2011 the level of grants payable to employers upon the commencement of their apprentices' programmes was increased to £1,500 from £500.</p> <p>However, the level of combined direct and support costs allocated to this area of charitable activity (£5.293m) was marginally lower in 2011 than in 2010 (£5.430m). In 2011 the difficult economic conditions in the industry continued to affect the level of apprentice recruitment by employers. This meant that lower training provider costs in respect of the 2011 cohort were incurred in the last half of the year. Although the ECITB strives to achieve lower training costs as a consequence of competitive tendering prior to the appointment of training providers in each region, the relatively low cohort sizes in some areas has meant that it has been difficult to achieve unit cost economies.</p>
<p><b>Skills and Technical programmes</b></p>	<p>Skills and Technical expenditure largely comprises grants paid to employers. Overall, grants under this charitable activity fell by £230,000 to £3m (2010, £3.23m). The main reason was because Regional Discretionary Grants allocated to this head of charitable activity fell (2011 - £1.12m, 2010 - £1.60m). However, NVQ completions by learners pursuing TECSkills programmes rose to £1.60m (2010 - £1.22m), and grants in respect of CAD and Estimating Courses were higher than planned. WISE Project expenditure decreased to £79,000 during the year (2010 - £110,000). While overall grant expenditure in other areas of Skills and Technical training was similar to that in 2010, higher demand for training in this area is anticipated.</p>
<p><b>Management and Professional Programmes</b></p>	<p>Expenditure increased significantly during 2011 largely due to the higher levels of Supervisory Management and Training Development (SMTD) training grants. This was principally due to the Board's decision to increase the level of SMTD grants in order to encourage more employers to undertake supervisory training. Consequently, SMTD grant expenditure rose from £1.277m in 2010 to £1.843 in 2011. Regional Discretionary Grants allocated to this head of charitable activity amounted to £1.12m (2010 - £794,000). Grants paid to employers relating to their learners who completed post graduate or equivalent qualifications fell from £440,000 in 2010 to £305,000 in 2011. This reflects the slower than planned rates of learner progress. However, expenditure relating to project management courses exceeded budgeted levels. Generally speaking, there continues to be a growing demand from industry for training programmes and support in management and professional disciplines.</p>
<p><b>Awards and Qualifications</b></p>	<p>Expenditure in this area fell (2011 - £1.9m, 2010 - £2.3m). The decrease is largely due to the deferral or cancellation of planned product development projects, which are allocated to this area of charitable activity.</p>
<p><b>Levy Collection</b></p>	<p>Levy collection costs amounted to £395,000 (2010 - £240,000) and related to appeals against levy assessments, and in particular the appeal lodged On Line Design and Engineering Limited which culminated in a tribunal hearing in December 2011.</p>



The ECITB's freehold property at Blue Court, Kings Langley was last formally revalued in 2007. However, movements in published commercial property value indices indicate that in 2011 the value of commercial property in the south east of England increased by approximately 4.8%. Consequently, the value of freehold land and buildings has been increased by this factor. After adjustment for depreciation the net value has been increased by £73,000, and this appears as a recognised gain in the accounts.

Losses on investment assets amounting to -£15,000 (2010 -£16,000) were incurred in the year. This reflects the uncertainty and performance of the financial markets which continued to prevail in 2011.

## **Balance Sheet at 31 December 2011**

### **Assets**

Tangible Assets fell in value to £1.24m (2010 - £1.28m). This relates largely to the depreciation charge during the year.

Fixed and current investments stood at £20.14m (2010 - £24.96m). The decrease in investments (£4.83m) is attributable to three main reasons. The ECITB drew upon investments to fund planned activities (as reflected in the deficit of approximately £1.6m). The level of year end creditors fell by £1.5m. Finally, at the end of year, the ECITB had encashed investments in order to fund the high level of outgoings during December and January. This meant that cash held at the year-end was £1.6m higher than at the commencement.

There has been a significant increase in levy debtors. At the year-end levy debtors stood at £6.128m, compared with £854,000 at the end of 2010. This is largely attributable to the levy debts owed by Magnox Limited, Magnox South Limited, Dounreay Site Restoration Limited, Sellafield Limited and On Line Design and Engineering Limited (see above). All levy debtors at the 2011 year-end have been fully provided for as bad debts. Overall, at the year-end debtors stood at £982,000, compared with £899,000 at 31 December 2010.

Cash at bank and in hand were significantly higher at the end of the year than at the start (opening balance £462,000, closing balance £2.075m) for the reason mentioned above.

### **Creditors**

Creditors fell to £4.362m (2010 - £5.890m). This is principally due to a significantly lower level of year-end grant accruals at (2011 - £1.02m, 2010 - £2.922m) and other accruals (2011 - £82,000, 2010 - £1.126m).

### **The funds of the charity**

The year-end balance sheet shows total charity funds of £20.08m (2010 - £21.71m).



## Reserves policy

The value of reserves (defined as the unrestricted fund) at 31 December 2011 was £20.08m.

The ECITB retains reserves required to cover run-out costs (i.e. the costs of completing training programmes and meeting staff redundancy costs in the event that the ECITB ceases to operate).

The Main Board and Audit Committee review the Reserves Policy principally to cater for the levels of financial commitments arising from Apprenticeships, Skills and Technical programmes (mainly TECSkills programmes leading to NVQ qualifications) and Management and Professional programmes (particularly degree and longer-term programmes). This is because such programmes carry forward significant financial commitments into future periods. The Reserves Policy is reviewed by the Audit Committee to ensure that adequate reserves are held to meet the requirements of the organisation over the ensuing five-year period. Its conclusions and recommendations are reported to the Main and Management Boards, which confirm the Reserves Policy.

The Audit Committee concluded in 2010 that a minimum of approximately £13m in reserves should be held for the purpose of covering run-out costs. In 2011 it was concluded that the minimum reserves required at the end of 2014 and beyond was in the region of £7m to £8m. This has fallen because of the decision taken in 2011 to grant aid Technical Training as it occurs, rather than deferring grant payment until the completion of full VQ (as in the case of pre-2012 TECSkills programmes). From a financial perspective this has the effect of meaning that all new Skills & Technical grant payments will become "current year" expenditure, similar to short training courses. This reduces the amounts needed to be held in reserves to fund the future payment of completion grants.

As mentioned above, at the end of 2011 the value of reserves was approximately £20m. By way of explanation for the relatively high level of reserves, it should be noted that it is provisionally estimated that the costs of completing existing training programmes and meeting staff redundancy costs in the event of the ECITB's closure would be in the region of £17m. This section of the reserves has been designated for such purposes. In making this estimate, various assumptions have been made. For example, the future liabilities associated with "long term" programmes commencing in 2011 have not been taken into account as it has been assumed that in reality the ECITB would have at least 12 months' notice of closure, and consequently would not enter into such commitments during the final year. It should be noted that if such assumptions were not made, the value at the year end of these costs would exceed the value of the reserves. This demonstrates why reserves' levels are maintained at levels commensurate with the anticipated training completion and closure costs.

## Investment policy and performance

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

Performance is measured against a benchmark, namely the Citigroup UK Government Bond 1-5 Year Index. In the period from 14 September 2004 (when Schroder took over the portfolio) to 31 December 2011, the performance of the long-term portfolio after the deduction of management fees was 44.08% compared to the benchmark 44.67%, giving annual portfolio return of 3.6% (benchmark return 3.9%) for the year to 31 December 2011.

The Audit Committee periodically reviews the ECITB's investments, and the performance of the investment manager. This last occurred in November 2010, and the Committee undertakes this exercise twice a year. The ECITB's opinion remains that it is unnecessary to dispose of any part of the investment portfolio or change the current investment policy in view of the very low risk attached to the portfolio (all investments are effectively guaranteed by the government). It is considered that the investment mix is appropriate to the prevailing market conditions, and the portfolio is not directly exposed to US sub-prime related securities or embedded derivatives.



## **Employer registrations**

The number of employers' establishments registered as being in-scope to the ECITB at 31 December 2011 was 368 (380 at 31 December 2010) of which 238 were due to pay a levy in 2012.

## **Grant payment policy**

Employers operating leviable establishments (i.e. "in-scope" employers) 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 for Products and Services, 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 7 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 2011, 97% 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 9 days. For the purposes of these calculations, it has been assumed that invoices that are outstanding for more than 40 days are the subject 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 statutory external audit for 2011 was £35,000.

## **Statement as to disclosure of information to the Auditors**

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



## Statement on Internal Control

As 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 the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to him 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). The Accounting Officer is responsible for managing the implementation of agreed policies and is accountable to the Board. As a statutory ITB and Non-Departmental Public Body, the ECITB reports to the Department for Business, Innovation 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 a 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 in the ECITB for the year-ended 31 December 2011 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 (comprising the Chief Executive, the Director of Finance and Board Secretary, the Director of Operations, and the Director of Development and Quality) and senior managers provide high level leadership to the risk management process. This group of staff has a good understanding of the key risks facing the ECITB. Selection and performance review procedures ensure that personnel are trained to manage risk in a way appropriate to their authority and duties. The directors and senior managers understand the importance of their roles in the risk management process.

### *The risk and control framework*

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

As Accounting Officer and Chief Executive, I report to the Management Board the Audit Committee formally on these matters several times per year. The ECITB's corporate risk register is reviewed at every meeting of the Management Board and Audit Committee. On each occasion the whole register is reviewed, and this includes consideration of changes since the last review. The Management Board and the Audit Committee reported to me that they are content that appropriate consideration is being given to risk management.



### *Policy and responsibility*

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

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

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

### *Internal audit*

Deloitte & Touche Public Sector Internal Audit Ltd served as the ECITB's internal auditor throughout 2010. 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*

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

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

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

### *Review of effectiveness*

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

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



### *Information risk*

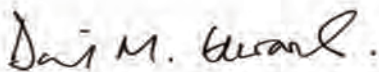
The ECITB routinely reviews its systems and processes for handling data securely. During the course of 2011 a senior manager was appointed to assume responsibility for all aspects of Information Technology and Business Administration systems. He has assumed responsibility as the ECITB's Senior Information Risk Owner (SIRO). In order to ensure that the ECITB meets latest best practice, a the review of systems access and information security processes commenced in 2009 is on-going. Following completion of the first phase of the project in 2010, 2011 saw the deployment of new software to all regional offices and the migration of in excess of 600,000 records into the new Management Information System (MIS). Further development continued throughout the year offering strategic functional enhancements to specific business areas and alongside this project, ECITB upgraded all of its core internal server infrastructure creating a secure robust environment to support on-going activity.

The upgrade of the organisation's accounting system was also successfully implemented in 2011. The next stage will be to integrate the accounts and customer relationship management systems. This will enable seamless transaction and grant/liability processing. All IT upgrade projects are overseen by the Audit Committee and managed in accordance with guidelines and standards specified by the internal auditor. Key elements in the project remain to ensure full compliance with the information aspects of the Security Policy Framework, and to ensure that all staff receive training on handling data. In addressing the applicable minimum security requirements the ECITB will ensure that there is clear reporting to the SIRO and the Audit Committee. In 2011 there were no data security breaches.

### *Internal control issues and conclusion*

My review of the effectiveness of the internal control system shows that in 2010 the ECITB has adequate and effective risk management, control and governance processes to manage the achievement of its objectives.

No significant internal control issues arose during 2011 and none are known to exist at the year-end.



D M Edwards  
Chief Executive and Accounting Officer

31<sup>st</sup> May 2012



## **The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament**

I certify that I have audited the financial statements of the Engineering Construction Industry Training Board for the year ended 31 December 2011 under the Industrial Training Act 1982. These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

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

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

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

### ***Scope of the audit of the financial statements***

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

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

### ***Opinion on Regularity***

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

### ***Opinion on Financial Statements***

In my opinion:

- the financial statements give a true and fair view, of the state of the Engineering Construction Industry Training Board's affairs as at 31 December 2011 and of its 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 issued thereunder by the Secretary of State.

### ***Opinion on other matters***

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Industrial Training Act 1982 and directions issued thereunder by the Secretary of State; and
- the information, which comprises the section on "Structure, Governance and Management", the Financial Report, Appendix B: Trustees, and Appendix E: Chief Executive Officer and Senior Staff, included in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.



### *Matters on which I report by exception*

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

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

### *Report*

I have no observations to make on these financial statements.

*Amyas C E Morse*

*Comptroller and Auditor General*

*National Audit Office*

*157-197 Buckingham Palace Road*

*Victoria*

*London*

*SW1W 9SP*

*Date 11<sup>th</sup> June 2012*



# FINANCIAL ACCOUNTS FOR THE YEAR-ENDED 31 DECEMBER 2011

## Statement of financial activities for the year-ended 31 December 2011

### Incoming resources

		2011 £'000	2010 £'000
<b>Incoming resources from generated funds</b>			
Investment income	<i>Note 4</i>	752	722
<b>Incoming resources from charitable activities</b>			
Non-levy income	- Apprentices and Careers	56	351
	- Skills & Technical Programmes	269	132
	- Management & Professional Programmes	202	131
	- Awards & Qualifications	1,261	1,072
<b>Total non-levy income</b>	<i>Note 3</i>	1,788	1,686
<b>Levy</b>		23,596	22,161
<b>Other incoming resources</b>	<i>Note 5</i>	0	746
<b>Total incoming resources</b>		26,136	25,315

### Resources expended

<b>Cost of generating funds</b>			
Investment management costs		64	51
Bad debt provision	<i>Note 6</i>	5,502	(181)
<b>Charitable activities</b>			
Apprentices and Careers		9,841	9,379
Skills & Technical Programmes		4,693	4,166
Management & Professional Programmes		5,270	4,674
Awards & Qualifications		1,948	2,295
Levy collection costs		395	240
<b>Total costs of charitable activities</b>	<i>Notes 7, 8, 9 10, 11 &amp; 14</i>	22,147	20,754
<b>Governance costs</b>		114	108
<b>Total resources expended</b>		27,827	20,732



<b>Net incoming/(outgoing) resources for the year before other recognised gains and losses</b>	(1,691)	4,583
<b>Other recognised gains and losses</b>		
Gains/(Losses) on revaluation of fixed assets for own use	73	107
Gains/(Losses) on investment assets	(15)	(64)
<b>Net movement in funds</b>	(1,633)	4,626

#### Reconciliation of funds

<b>Total funds brought forward at 1 January</b>	21,712	17,086
<b>Total funds carried forward at 31 December</b>	<i>Note 23</i> 20,079	21,712

The statement of financial activities reflects all gains and losses during the year to 31 December 2011. All activities are continuing. All funds are unrestricted.

The notes on pages 41 to 64 form part of these financial statements.



## Balance Sheet as at 31 December 2011

		2011 £'000	2011 £'000	2010 £'000	2010 £'000
<b>Fixed assets</b>					
Tangible assets	Note 15		1,240		1,278
Investments	Note 17		12,215		13,412
<b>Total Fixed Assets</b>			<b>13,455</b>		<b>14,690</b>

<b>Current assets</b>					
Debtors	Note 18	982		899	
Investments	Note 17	7,929		11,551	
Cash at bank and in hand	Note 25 & 26	2,075		462	
<b>Total Current Assets</b>		<b>10,986</b>		<b>12,912</b>	

<b>Creditors</b>					
Amounts falling due within one year	Note 19	(4,362)		(5,890)	

<b>Net current assets (liabilities)</b>			<b>6,624</b>		<b>7,022</b>
---	--	--	--------------	--	--------------

<b>Total assets less current liabilities</b>			<b>20,079</b>		<b>21,712</b>
--	--	--	---------------	--	---------------

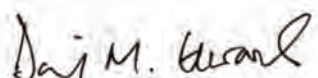
<b>The Funds of the Charity</b>					
Unrestricted fund	Note 23		<b>20,079</b>		<b>21,712</b>

<b>Total Charity Funds</b>			<b>20,079</b>		<b>21,712</b>
----------------------------	--	--	---------------	--	---------------

The accounts were approved by the Board on 26<sup>th</sup> April 2012.



A P Collinson  
Chairman of the Trustees  
31<sup>st</sup> May 2012



D M Edwards  
Chief Executive Officer  
31<sup>st</sup> May 2012

The notes on pages 41 to 64 form part of these financial statements.



## Cash flow statement for the year-ended 31 December 2011

		2011 £'000	2010 £'000
<b>Net cash inflow (outflow) from operating activities</b>	<i>Note 24</i>	(3,438)	5,018
<b>Returns on investments and servicing of finance</b>			
Investment income		334	575
Gains/(Losses) on investment assets		(76)	(77)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets	<i>Note 15</i>	(148)	(214)
Proceeds from disposal of tangible fixed assets		61	39
<b>Management of Liquid Resources</b>			
Purchase of investments	<i>Note 17</i>	(4,083)	(5,833)
Disposal of investments		5,342	3,334
Cash invested		3,621	(3,205)
<b>Increase/(Decrease) in cash</b>	<i>Note 25 &amp; 26</i>	1,613	(363)

The notes on pages 41 to 64 form part of these financial statements.



## 1 Accounting policies

### *Going concern*

These accounts are prepared on a going concern basis.

### *Accounting convention*

These accounts have been prepared in accordance with the Industrial Training Act 1982 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005) ("the SORP"). An accounts direction issued by the Secretary of State requires that the ECITB prepares accounts in accordance with Treasury guidance. Consequently, these accounts follow the principles in the 2010/11 Government Reporting Manual (FReM) where it goes beyond the requirements of the SORP.

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

### *Grants receivable*

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

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

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

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

### *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 2010 was raised in January 2011 and recognised as income in 2011.

### *Other categories of income*

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

### *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.

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

### *Grants payable*

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

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

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

### *Direct and support costs*

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

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

### *Governance costs*

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



### **Land and buildings**

FRS 15 requires fixed assets which are carried at re-valued amounts to be shown at their current value at the balance sheet date. To achieve this, freehold land and buildings are subject to a full external valuation every 5 years. The last existing use valuation of the freehold land and buildings was undertaken at 31 December 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). Following the last valuation, the existing use property value was recorded in the 2007 Balance Sheet. In the intervening years between full external valuations the last revalued existing use value is adjusted where material by reference to relevant published commercial property indices by financial and professional services firms specialising in real estate services and investment management.

### **Other assets**

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

### **Capitalisation**

Fixed assets costing below £500 are not capitalised.

### **Depreciation**

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

Office furniture and equipment	10 years
Plant and machinery:-	
Training Rigs and Display Stands	5 years
Motor Vehicles	4 years
Tools and Equipment	3 years
Computer equipment and IT software	3 years

No depreciation is provided on freehold land.

Depreciation on freehold buildings is provided on the last revalued existing use value over the remaining useful life of the asset. The annual depreciation provision is calculated by dividing the latest revalued amount by the number of years of remaining useful life.

### **Investments**

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

### **Bad debts provision**

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

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



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

### *Pensions*

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

### *Corporation Tax*

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

### *Value Added Tax*

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

### *Fund*

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

## **2 Levy receivable**

In 2011 Industrial Training Levy was assessed in respect of 247 establishments, which were wholly or mainly undertaking engineering construction activities. From this total, 115 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.

<b>3 Non-levy income</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
From Government and European Union sources	262	474
From sales and sponsorships	1,526	1,212
	1,788	1,686



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

Income Stream	Government/European Sources	Charitable Activity	2011 Income £'000	2010 Income £'000
Apprentice training Grants	Skills Funding Agency	Apprenticeships & Careers	14	175
	Skills Development Scotland		0	176
Train to Gain	Skills Funding Agency	Skills & Technical	35	37
Wales & Ireland Sustainable Enterprise project (WISE)	European Social Fund		165	46
Construction Skills Action Plan – ECITB Skills Programme	Skills Development Scotland	Management & Professional	0	11
Construction in the Built Environment Diploma	UK Commission for Employment & Skills	Awards & Qualifications	0	13
National Occupational Standards Qualifications Project			10	0
Specification of Apprenticeship Standards for England Project			38	0
Other development projects			0	16
			262	474

There has been a significant reduction in the level of income from the Skills Funding Agency and Skills Development Scotland in support of apprenticeship training. This is because the ECITB's managing agency contracts with the Skills Funding Agency drew to a close in 2010, and the contract with Skills Development Scotland concluded in 2011.

Funding under the ECITB's Train to Gain compact concluded in 2011 as a result of the Government's cost-cutting programme.

Funding recorded in connection with the WISE Project rose in 2011 as the level of retrospective grant claims submitted by ECITB in respect of eligible activities increased. Such income is recognised at the time claims are accepted for payment. Project activities drew to a conclusion in 2011. However, income will be recorded in 2012 on the same basis.

The remainder of the income streams received from Government in 2011 relate to development projects or initiatives which commenced during the year.



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

Income Stream	Sources of Sales and Sponsorship Income	Charitable Activity	2011 Income £'000	2010 Income £'000
ACE cards	UK employers	Awards & Qualifications	21	71
VQ registration and certification	UK employers and UK training providers		156	72
Consultancy Services	Overseas training providers	Awards & Qualifications	24	0
		Skills & Technical	13	0
CCNSG licence fees and safety passport income	UK employers	Awards & Qualifications	896	887
IHSP licence fees and safety passport income	Overseas training providers	Awards & Qualifications	26	12
SMTD and PMSC licence fees and training course income	UK training providers	Management & Professional	173	120
	Overseas training providers		7	0
Technical Test licence fees and test income	UK training providers	Skills & Technical	36	39
	Overseas training providers		2	11
Provider Accreditation & Monitoring Audit Fees	UK training providers	Awards & Qualifications	146	0
Other	OPITO	Apprenticeships & Careers	26	0
			1,526	1,212

Income from the issue of new and renewed ACE cards fell during the year as a consequence of the decision to cease making such charges for cards. This was an incentive to encourage higher levels of competence accreditation under the ACE scheme.

Income arising from the registration and certification of VQ candidates increased due to the requirement for Awarding Bodies (such as the ECITB) to charge registration fees. The ECITB commenced making charges in April 2011.

The increase in the value of trading income derived from the licensing of the ECITB's Supervisory Management and Training Development Programmes (SMTD) and Project Management Short Courses (PMSC) training materials is attributable to higher numbers of training providers licensed to deliver such courses.

The ECITB trades with overseas training providers. The ECITB has provided consultancy services relating to the delivery of ECITB training and test materials and courses, and has entered into licences under the same model adopted in Great Britain. The provision of consultancy services and the licensing of training and test materials have been classified as either Awards & Qualifications activity or Skills & Technical activity, depending on the nature of the training and test materials involved.



Provider Accreditation & Monitoring Audit Fees appears as a new source of income in 2011, as until then training providers were not charged for the provision of such services.

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

4 Investment Income	2011 £'000	2010 £'000
Income from quoted investments	507	483
Income from cash deposits	245	239
	752	722

5 Other operating income	2011 £'000	2010 £'000
Other operating income	0	746

In 2010 other operating income related to the resolution of legal proceedings with three employers which had appealed against training levy assessments. In 2011, there was no other operating income.

6 Bad debt provision	2011 £'000	2010 £'000
Levy Assessments under appeal	5,587	(115)
Irrecoverable debts	(85)	(66)
Debts older than 6 months	0	0
	5,502	(181)

In 2011, the ECITB was involved in appeals against levy assessments lodged by Dounreay Site Restoration Limited, Magnox Limited, Magnox South Limited, On Line Design and Engineering Limited and Sellafield Limited. The bad debt provision principally comprised the levy under appeal. This is in accordance with the ECITB's accounting policy to make a full bad debt provision 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.

The bad debt provisions made in 2011 relating to levy assessments under appeal are as follows:-

Levy Assessments under appeal	Base period(s) to which appealed levy relates	Amount appealed £'000
Dounreay Site Restoration Limited	2009/10	535
Magnox Limited	2009/10	1,041
Magnox South Limited	2009/10	1,848
On Line Design and Engineering Limited	2009/10	167
Sellafield Limited	2009/10	1,996
		5,587

It should be noted that the establishments operated by Dounreay Site Restoration Limited, Magnox Limited, and Magnox South Limited were first registered as leviable establishments in 2011, and accordingly the levy assessed in respect of the 2009/10 base period represent the first assessments in respect of these employers.



The Watford Employment Tribunal dismissed On Line Design and Engineering Limited's appeals against the levies due in respect of the base periods of 2008/9 and 2009/10. However, the bad debt provisions relating to the appealed levies have not been reversed because the appellant has lodged an appeal with The Divisional Court against the decision of the tribunal on a point of law. It is not anticipated that the appeal will be heard by The Divisional Court until the second half of 2012 at the earliest. The parties agreed upon the labour payments made during the 2008/9 and 2009/10 base periods. These were different to the estimated payment figures used in the appealed levy assessments, and would have led to different assessments of £190,520 and £163,728 in respect of the 2008/9 and 2009/10 base periods respectively. The requisite adjustments meant that the bad provision made in 2011 relating to the levies appealed by On Line Design and Engineering Limited was £167,125.

Full bad debt provisions were made in respect of levies assessed in respect of the 2009/10 base period amounting to £58,445. This was due to the commencement of the administration or liquidation of the debtors concerned. During the year the ECITB was notified of the completion of the liquidation or administration of the affairs of debtors whose levy debts had fully provided for as bad debts in prior years. As part of such processes final dividends were received from the relevant administrator and liquidators, and credit balances in favour of two debtors were offset against the affected debts, which were written off (see Note 18). The net effect was that bad debts amounting to £85,074 were reversed in the 2011 accounts.

Irrecoverable debts	£'000
Levy bad debts arising during the year due to debtors' insolvency	58
Reversal of levy bad debt provisions made in previous years	(143)
	(85)

7 Charitable activities	Grant funding £'000	Direct Costs £'000	Support Costs £'000	Total 2011 £'000	Total 2010 £'000
Apprenticeships and Careers	4,548	4,043	1,250	9,841	9,379
Skills & Technical programmes	3,000	1,300	393	4,693	4,166
Management & Professional programmes	4,495	590	185	5,270	4,674
Awards & Qualifications	315	1,240	393	1,948	2,295
Levy collection costs		302	93	395	240
	12,358	7,475	2,314	22,147	20,754



## 8 Grant funding

Of the £12,357m of grants made to employers in 2011, grants amounting to £10,266m were awarded to the employers in the following list. The list is limited to the 50 largest employers in terms of grant values, and the value for each employer is the aggregate of total grants received.

Employer	£		Employer	£
Doosan Power Systems Ltd	1,571,214	*	Kellogg Brown & Root Limited	101,230
Wood Group Eng (North Sea) Ltd	1,464,680	*	Costain Oil Gas & Process Ltd	100,545
AMEC Group Ltd	1,168,288		Applus RTD UK Ltd	97,100
Production Services Network (UK) Ltd	708,985	*	Siemens Transmission & Distribution Ltd	93,773
Petrofac Facilities Management Ltd	446,008		C & A Pumps Ltd	79,905
Alstom Power Ltd	352,726	*	Granite Services International Inc (UK)	78,670
Foster Wheeler Energy Ltd	274,665	*	Weir Engineering Services Ltd	71,050
Siemens plc	242,536		East Midland Instrument Company Ltd	65,208
Aker Offshore Partner Ltd	233,858		BIS ATG Ltd (Engineering Division)	65,147
BNS Nuclear Services Ltd	200,848		VWS (UK) Limited	62,447
Cordell Group Ltd	192,464		Boulting Group Plc	60,135
Fabricom Oil Gas and Power Ltd	173,731		WorleyParsons Europe Ltd	59,090
Stork Technical Services (RBG) Ltd	167,060		JGC Engineering & Technical Services Ltd	57,969
Jacobs E&C Ltd	157,218	*	TEI Limited	57,445
Shaw Group UK Ltd	148,700		Rayfern Ltd	53,500
Siemens VAI Metals Techs Ltd	145,450		3 Sun Ltd	52,219
BIS Industrial Services Ltd	143,442		Shaw Energy & Chemicals Ltd	51,404
Redhall Engineering Solutions Ltd	129,222	*	Steelcraft Erection Services Ltd	51,166
Jacobs LES Ltd	124,345	*	Interserve Industrial Services Ltd	50,696
Main Port Engineering (1990) Ltd	120,800		Quartzelec Ltd	43,151
Cameron Ltd	118,440		Hydratight Ltd	38,601
Laker Vent Engineering Ltd	113,955		AMEC Nuclear Ltd	37,954
PPS Electrical Ltd	112,085	*	Techno Engineering Ltd	37,250
Shepley Engineers Ltd	109,562		Unit Engineers & Constructors Ltd	37,167
Southern Electrical Contracting Ltd	106,272		Mustang Engineering Ltd	37,044
		*		
			Sub Total	10,266,420
			Other Grants	2,091,293
			Total	12,357,713

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



## 9 Direct costs

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

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

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

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

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

Activity	Apprentices and Careers £'000	Skills & Technical programmes £'000	Management & Professional programmes £'000	Awards & Qualifications £'000	Levy Collection £'000	2011 Total £'000	2010 Total £'000
Staff costs (salary, NI and pensions)	896	672	259	562	65	2,454	2,093
Staff travel and subsistence	123	126	46	104	6	405	350
ACE				43		43	50
Apprentice allowances, travel & subsistence	1,417					1,417	1,578
Apprenticeship recruitment costs	270					270	302
Apprentice training & assessment costs	1,115					1,115	1,352
Skills & Technical and Management & Professional Programme costs		13	3			16	69
Project Management courses		63				63	80
Train to Gain						0	21
WISE Project		79				79	110
SMTD courses			21			21	39
ECITB Active Cup			91			91	67
EDP courses						0	4
Programme administration costs	2	2	2			6	2
Safety Passport issue and administrative costs				76		76	72



Training Provider Accreditation and Monitoring	1	2	2	17		22	19
External Verification				147		147	117
VQ Programme costs				213		213	19
Regional premises costs	89	42	8	17		156	136
Overseas training provider and consultancy costs		21		22		43	36
Product development costs	72	236	141	24		473	367
VQRP						0	143
Legal fees incurred in levy appeals					226	226	231
Levy debt collection fees					1	1	9
Depreciation	58	44	17	16	4	139	139
	4,043	1,300	590	1,240	302	7,475	7,405

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

Charitable Activity	%
Apprentices & Careers	54
Skills & Technical programmes	17
Management & Professional programmes	8
Awards & Qualifications	17
Levy collection costs	4
	100

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

In 2011 the basis of the categorisation of direct and support costs was reviewed. This is explained in notes 9 and 10. The summary of direct costs incurred in 2010 shown in the first table in this note have been represented on the same basis adopted in 2011.



## 10 Support Costs

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

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

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

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

Activity	2011 £'000	2010 £'000
Staff costs (salary, NI and pensions)	1,097	948
Staff travel and subsistence	92	88
Agency costs	26	3
Staff recruitment and training	92	79
Other personnel costs	27	0
Head office costs	173	199
Marketing	363	248
Research costs	18	22
IT and telecommunications	222	287
Legal (non-levy collection matters)	46	5
Professional charges	99	62
Depreciation	93	79
(Profit)/loss on disposal of fixed assets	(34)	(33)
	2,314	1,987

Legal (non-levy collection matters) costs related to the provision of advice in connection with employment and pension matters.

Comments on Agency and Other Personnel costs appear in Note 11.

The increase in marketing costs is principally due to the ECITB's participation in events and activities aimed at attracting entrants to the engineering construction industry across all worker types. For example, in 2011 the ECITB participated in The World Skills London 2011 event as well as participating in promotional activities at a regional level.

IT and telecommunications costs were lower as significant IT software system upgrades (CRM system) occurred in 2010. However, the ECITB also secured lower mobile telephone costs as a consequence of entering a governmentally approved framework agreement with a new provider.



As mentioned in Note 9, in 2011 the basis of the categorisation of direct and support costs was reviewed. The summary of support costs incurred in 2010 shown in the table in this note have been represented on the same basis adopted in 2011.

<b>11 Staff costs</b>	2011 £'000	2010 £'000
Salaries	2,746	2,602
Social security costs	265	234
Pension costs	540	206
Agency costs	26	7
Other personnel costs	27	0
	3,604	3,049

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

Salaries include gross salaries; performance related pay or bonuses; overtime; private or home office allowances and other allowances to the extent that they are subject to UK taxation. The ECITB operates a performance-related incentive scheme in which all employees are eligible to participate (after completing initial periods of employment in their roles). In 2011, the maximum achievable incentive award amounted to 1% of an employee's basic salary.

Pension costs have increased largely as a consequence of the increased employer contributions payable by the ECITB as part of the deficit recovery plan agreed with ITB Pension Funds (see Note 13).

Agency costs have increased largely as a consequence of the necessity to provide temporary cover during a period of long-term staff sickness. In addition, the services of a temporary accountant were procured to provide additional resource during the period in which the ECITB's accounting software was upgraded.

Other Personnel Costs comprised the payment made under the terms of a Compromise Agreement between the ECITB and a former member of staff.



## 12 Staff numbers

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

	2011 Number	2010 Number
£60,001 - £75,000	0	0
£75,001 - £80,000	0	0
£80,001 - £85,000	2	2
£85,001 - £90,000	0	0
£90,001 - £95,000	0	1
£95,001 - £100,000	1	0
£100,001 - £105,000	0	0
£105,001 - £110,000	0	0
£110,001 - £115,000	0	0
£115,001 - £120,000	1	1

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

	2011 Number	2010 Number
Apprenticeships & Careers, Skills & Technical Programmes, Management & Professional Programmes	48	39
Awards & Qualifications	11	19
Levy Collection	2	2
Senior Management and Corporate Support Services	20	18

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



## 13 Industry Training Board Pension Funds

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

The scheme comprises two funds:-

<p><b>The Open Fund</b></p>	<p>The Open Fund is valued triennially by an independent qualified actuary. The last valuation reported was at 31<sup>st</sup> March 2010, which showed the net asset value of the assets was £581.5 million and the actuarial value of those assets represented 87% of the benefits that had accrued to the members. The valuation indicated that the actuarial value of the total assets held by the Scheme showed a deficit of £90m over the total Scheme liabilities. The valuation was based on methodology and assumptions set out in a Statement of Funding Principles, which has been approved by all participating employers. For the purpose of the valuation the actuary assumed the nominal rate of return on the assets of 5.99% (and that future pensions in payment would increase by 3.30% per annum for Old Section members and effectively not more than 2.50% per annum for New Section and 2007 Section members), increases in total pensionable earnings would be 4.90% per annum.</p> <p>The latest asset values of the Open Fund are £620.20 million. The next formal valuation will be carried out as at 31 March 2013.</p> <p>The assets of the scheme are held separately from those of the ECITB in an independently administered fund. During the period, employer's normal contributions at a rate of 13.1% for the New Section and 8.1% for the 2007 Section (as determined by the Trustees acting on the advice of the Funds' Actuaries) have been made in respect of all employees who are members of the Funds.</p> <p>In 2011 the ECITB, along with other participating employers, agreed a deficit recovery plan with ITB Pension Funds. Under the plan the ECITB will pay additional contributions amounting to £271,000 per annum commencing in 2011 for a period of 7 years.</p> <p>The pension cost charge for 2011 of £540,415 (year to 31<sup>st</sup> December 2010 - £205,954 represents all contributions (normal and deficit contributions) payable by the ECITB to the scheme.</p>
<p><b>The Closed Fund</b></p>	<p>The Closed Fund is valued triennially by an independent qualified actuary. The last formal valuation was at 31 March 2009, which showed the market value of the assets was £196.7 million. For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 3.26% (and that future pensions in payment would increase by 2.6% per annum).</p> <p>An interim actuarial review of the Closed Fund was undertaken as at the 31 March 2010. This revealed the market value of the assets was £210.9 million. For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 3.92% (and that future pensions in payment would increase by 3.73% per annum).</p> <p>Participating employers in defined benefit occupational pension schemes may become liable for a statutory debt under section 75 of the Pensions Act 1995 in certain circumstances, such as if the scheme starts to wind up, or the employer ceases to participate. In the case of the ECITB's participation in the ITB Pension Funds Scheme, were the ECITB to withdraw from the Scheme, or were the Scheme to be wound up, the assessment of any amounts due from the ECITB to the scheme would take account of both ITB Pension Scheme members who were current and past employees of the ECITB, and also of pension scheme members who were employees of the Engineering Industry Training Board prior to 1991.</p>



<b>14 Governance costs</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Board and Committee costs	53	46
Internal audit	10	13
External audit	40	37
Other audit undertaken by External Auditor	1	1
Other	10	11
	<b>114</b>	<b>108</b>

The external audit costs shown above relates to the statutory audit of the ECITB's annual accounts. The cost of the 2010 audit was understated in the 2010 accounts by £5,000. This cost has been recorded in the 2011 accounts. The cost of the statutory audit for 2011 was £35,000.



15 Tangible Assets	Freehold land & buildings	Plant & machinery	Computer equipment	IT software	Furniture & equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
1 January 2011	860	677	765	26	75	2403
Revaluation	41					41
Additions		95	31	8	14	148
Disposals		(158)	(5)		(25)	(188)
At 31 December 2011	901	614	791	34	64	2,404
<b>Depreciation</b>						
1 January 2011		342	720	12	51	1,125
Revaluation adjustment	(32)					(32)
Provided	32	155	25	16	4	232
Disposals		(131)	(5)		(25)	(161)
At 31 December 2011	0	366	740	28	30	1,164
<b>Net book value</b>						
At 1 January 2011	860	335	45	14	24	1,278
At 31 December 2011	901	248	51	6	34	1,240

### Land and buildings

Land and buildings comprise a freehold property including land of £220,550 (2010 - £210,450). The land is not depreciated.

The freehold land and buildings were last valued on the basis of existing use value at £1,125,000 on 31 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 (6<sup>th</sup> edition).

The ECITB's usual practice between professional valuations is to adjust the value of the land and buildings by reference to the relevant commercial property index published by Jones Lang LaSalle (a financial and professional services firm specialising in real estate services and investment management). At the end of 2011 this indicated that office property values in the South East of England had increased in 2011 by approximately 4.8%. Consequently, the ECITB has increased the value of the property by this factor to £901,980. After adjustment for depreciation the value has been increased by £41,310, and this appears as a recognised gain in the accounts.

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 2011 includes fully depreciated assets at historical cost of £790,191 (31 December 2010 - £795,377).

### 16 Capital commitments

Capital commitments at 31 December 2011 amounted to £19,898 (31 December 2010 - £40,796). This represents an unfulfilled order for one car.



<b>17 Investments</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
<b>Listed investments</b>		
Market value at 1 January	13,412	10,901
Purchases	4,083	5,833
Sales	(5,265)	(3,306)
Net Profit / (Loss)	(15)	(16)
<b>Market value at 31 December</b>	<b>12,215</b>	<b>13,412</b>
<b>Cash investments</b>	<b>7,929</b>	<b>11,551</b>
<b>Total market value at 31.12.11 as confirmed by investment portfolio manager</b>	<b>20,144</b>	<b>24,963</b>
<b>Fixed asset investments</b>	<b>12,215</b>	<b>13,412</b>
<b>Current asset investments</b>	<b>7,929</b>	<b>11,551</b>

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

	<b>% value of portfolio</b>
European Investment Bank Bonds 14.1.13 (4.5% Fixed Interest)	13.5
European Investment Bank Bonds 7.7.13 (2.875% Fixed Interest)	2.5
Lloyds TSB Bank Plc 16.3.12 (2.75% Fixed Interest)	5.8
Treasury Stock 22.1.15 (2.75% Fixed Interest)	5.3
European Investment Bank Bonds 8.7.15 (4.375% Fixed Interest)	12.1
Treasury Stock 7 9 15 (4.75% Fixed Interest)	4.2
Network Rail Infrastructure 7.3.14 (2.5% Fixed Interest)	5.9
Network Rail Infrastructure 27.11.15 (4.875% Fixed Interest)	11.3
Bank and cash	39.4

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

<b>18 Debtors</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Levy debtors	6,128	854
Bad debt provision	(6,120)	(857)
Levy raised but uncollected	8	(3)
Prepayments and accrued income	659	547
Trade debtors	315	355
<b>Total Debtors</b>	<b>982</b>	<b>899</b>



<b>Balances with intra Governmental bodies</b>		
Central Government bodies	0	0
Local authorities	7	9
NHS bodies	0	0
Public corporations and trading funds	0	0
<b>Balances with Other Bodies</b>	<b>975</b>	<b>890</b>
<b>Total Debtors</b>	<b>982</b>	<b>899</b>

During the course of 2011 debts amounting to £359,786 (2010 £211,152) were written off in the balance sheet. Such debts had previously been fully provided for as bad debts in prior years' accounts. However, the debts had not been written off until the ECITB had received final confirmation that the debts were irrecoverable. Such confirmation was received from the liquidators and administrator of the debtors concerned. Under the terms of the ECITB's Financial Memorandum, the ECITB is required to report such matters in its annual report, and where required, the ECITB has obtained the consent of BIS to write off debts in this manner.

<b>19 Creditors – amounts falling due within one year</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Creditors	3,160	1,409
Grants accruals	1,002	2,922
Income Tax and social security	14	13
VAT	9	55
Accruals	82	1,126
Deferred income	95	365
<b>Total Creditors</b>	<b>4,362</b>	<b>5,890</b>

<b>Balances with intra Government bodies</b>		
Central Government bodies	145	141
Local authorities	2	2
NHS bodies	0	0
Public corporations and trading funds	0	0
<b>Balances with other bodies</b>	<b>4,215</b>	<b>5,747</b>
<b>Total Creditors</b>	<b>4,362</b>	<b>5,890</b>

## **20 Financial instruments**

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

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



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

Financial assets by category		2011 £'000
Investments	Note 17	20,144
Debtors	Note 18	982
Cash at bank	Note 25 & 26	2,075
Financial liabilities by category		
Creditors		3,160

### *Investment risk*

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

### *Interest rate risk*

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

### *Credit and liquidity risks*

The ECITB does not hold any complex financial instruments. The only financial instruments included in the accounts are cash, short-term investments, receivables and payables (Notes 17, 18 and 19). Levy, governmental and trade receivables are recognised at fair value less a provision for impairment (bad debts). Bad and doubtful debts are provided for on an individual basis when the ECITB considers that a debt may not be collectable in full, or in part in accordance with the terms of the relevant transaction. Write-offs in the year for bad debts amounted to £5.503m (2010 - £3.94m). It should be noted that a full bad debt provision is made 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 (see Notes 1 and 6).

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

### *Foreign currency rate risk*

The ECITB operates a Euro bank account solely for the purpose of receiving and making payments in connection with a European Union funded project WISE (see Note 3). The approximate annual value of both income and expenditure is in the region of £150,000.

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

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

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



## 21 Financial commitments

Financial commitments at 31 December 2011 are estimated to amount to £9,326m (2010 - £10.41m). These comprise the value of outstanding payments which the ECITB has committed to pay to various parties involved in the training of apprentices. The parties to which such commitments have been made are training providers, industry employers and apprentices. These commitments are contracted for, but not provided in the accounts. The commitments have been categorised by the years in which the apprentice "cohorts" commenced their apprenticeships.

Apprentice cohort	2011 £'000	2010 £'000
2004 and earlier	0	13
2005	5	29
2006	45	321
2007	265	1,253
2008	829	2,505
2009	1,238	2,296
2010	2,713	3,990
2011	4,231	0
	9,326	10,407

The commitments in respect of the pre-2008 cohorts have significantly reduced as a consequence of the completion of apprenticeships during the year. The year-end commitments in respect of these cohorts reflect the reduced numbers still in the process of completing their programmes. The commitments in respect of the 2008, 2009 and 2010 cohorts have fallen following the payment of interim and final grants to employers during the year. These include the payment of a new interim grant payable after apprentices have completed 12 months of workplace experience. The commitments relating to the 2011 cohort were made upon the commencement of the relevant learners' programmes, and by the year-end grant and programme costs only in respect of the initial months of training had been discharged.

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

## 22 Operating leases and commitments

As at 31 December 2011 the ECITB had the following commitments under the terms of tenancy and licence agreements relating to its regional resource centres (offices). The ECITB occupies such premises under the terms of agreement which may be determined by either party upon the service of notice. The value of the commitment at the year-end reflects the value of the liability to pay rent and licence fees during the notice periods.

	2011 £'000	2010 £'000
Within 1 year	4	8
Between 2 to 5 years	0	0
After 5 years	0	0
	4	8



<b>23 Unrestricted fund</b>	2011 General reserves £'000	2011 Revaluatio n reserve £'000	2011 Total reserves £'000	2010 General reserves £'000	2010 Revaluatio n reserve £'000	2010 Total reserves £'000
Balance at 1 January	21,416	296	21,712	16,897	189	17,086
Surplus/(Deficit) for the year	(1,706)	73	(1,633)	4,519	107	4,626
Balance at 31 December	19,710	369	20,079	21,416	296	21,712

<b>24 Reconciliation of net outgoing resources to net cash inflow from operating activities</b>		2011 £'000	2010 £'000
Net incoming/(outgoing) resources	SOFA	(1,691)	4,583
Depreciation	Note 15	232	218
Investment income	SOFA	(752)	(722)
(Profit) on disposal of fixed assets		(34)	(33)
Decrease/(increase) in debtors		335	56
(Decrease)/increase in creditors	Note 19	(1,528)	916
Net cash inflow/(outflow) from operating activities		(3,438)	5,018

<b>25 Reconciliation of changes in cash to net fund</b>	2011 £'000	2010 £'000
Balance at 1 January	462	825
Change in cash	1,613	(363)
Balance at 31 December	2,075	462

<b>26 Analysis of changes in net fund</b>	At 01/01/11 £'000	Cashflows £'000	At 31/12/11 £'000
Cash at bank	462	1,613	2,075
Bank overdraft	0	0	0
	462	1,613	2,075

All cash at bank is held in commercial banks.

## **27 Contingent liabilities**

There are no contingent liabilities at the balance sheet date.



## 28 Related Party Transactions

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

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

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

Transactions with related employers under which funds were paid to ECITB	2011 £'000	2010 £'000
Levy paid to ECITB	3,646	4,788
Sale of training services by ECITB	24	35
	3,670	4,823

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

Transactions with related employers under which payments or value flowed to the employers	2011 £'000	2010 £'000
Payment of grants	3,597	3,796
Purchase of training and assessment services by ECITB	16	60
	3,613	3,856

Any significant changes between 2010 and 2011 in the tables above are a consequence of changes in membership of the Board of Trustees.

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

In addition, the ECITB has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with The Scottish Executive (see Note 3) and HM Revenue & Customs.

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

## 29 Losses, special and other payments

On 28<sup>th</sup> May 2012 Sellafield Limited and the ECITB signed an agreement relating to the appeals lodged by Sellafield Limited against levy assessments in respect of the base period 2009/10. Under the agreement:

- Sellafield Ltd has accepted without admission as to future years that the directorates known as "Decommissioning" and "Major Projects" were leviable establishments during the base period 2009/10.
- ECITB has agreed that training undertaken by Sellafield Limited in 2011 would have attracted grant funding, and that training proposed in 2012 is likely to attract grant funding.

The agreement will become legally binding between the parties if H M Treasury confirms its approval to the agreement. If such approval is forthcoming, debts of £1.996m relating to 2011 levy income, which will not be recovered from Sellafield Limited, will be off set against the related bad debt provision. As these debts have



been fully provided for within "Levy collection costs and bad debt provision" in the Statement of Financial Activities for 2011, there is no net effect of this transaction on reported outturn or net assets.

On the date the 2011 audited accounts were certified by the Comptroller and Auditor General, the ECITB was involved in negotiations with three other employers relating to the appeals lodged by these employers against levy assessments in respect of the base period 2009/10. Similar settlement agreements to that described above involving Sellafield Limited were under discussion between the ECITB and the relevant employers. In the event that all or any such agreements are signed by the ECITB and the relevant employers, any such agreements will become legally binding between the parties if H M Treasury confirms its approval to the agreements. If such approvals are forthcoming, debts up to a total of £3.424m relating to 2011 levy income, which will not be recovered from the relevant employers, will be off set against the related bad debt provisions. As these debts have been fully provided for within "Levy collection costs and bad debt provision" in the Statement of Financial Activities for 2011, there is no net effect of this transaction on reported outturn or net assets.

### 30 Post year-end events

The financial statements were authorised for issue on 11<sup>th</sup> June 2012 by the Accounting Officer.

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



## Appendix A

### Principal office and other offices, charity registration details and general information

#### Head office and principal address

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

#### Other regional offices

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

#### Charity registration details

Registered as a charity in England and Wales with The Charity Commission N° 264506.

#### ECITB's Equal Opportunities Policy

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

#### "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 website 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 31<sup>st</sup> May 2012 are shown below, together with the names of those who have stepped down since 1 January 2011.

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

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

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

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

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

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

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

### *Current and former trustees (2011)*

Mr G Beattie	
Mr D Billington	
Mr B Buchan	
Mr A Collinson	
Mr R Dean	
Ms F Doyle	Appointed April 2012
Mr C Ennis	Resigned November 2011
Mr M Fletcher	
Miss C Forbes	
Mr K Ferguson	Appointed April 2012
Mr J Gammage	
Mr P Gotts	Resigned May 2011
Mr I Greenbeck	
Mr T Hardacre	Retired January 2011
Mr K Hazlewood	



Mr M Hockey	
Mr J Hornby	
Mr S Hoskins	
Mr J Jones	
Mr T Lazenby	Retired March 2012
Mrs T McDougall	Resigned April 2011
Mr B McAulay	
Mr J Mellon	
Mr T Millard	
Mr W Murray	
Mr A Smith	
Mr C Smith	Appointed April 2012
Ms J Stirling	Appointed April 2012
Mr R Ventre	
Mr J Young	Appointed April 2012



## Appendix C

### Register of Interests of Trustees

Trustees are appointed by the Secretary of State because of their positions in the industry. The following Board members (who are serving as charitable trustees at 31<sup>st</sup> May 2012 or who have stepped down since 1 January 2011) have declared the following other interests:-

Mr G Beattie	Assignment Manager, Production Services Network Chairman of the Oil Chaplaincy Trust – a charity that assists oil related personnel in times of illness and hardship
Mr D Billington	Managing Director, TEI Limited Immediate Past President of Engineering Construction Industry Association
Mr B Buchan	Director, Operations Support, Doosan Power Systems Ltd (supply training services to the ECITB) Trustee, DPS Pension Scheme
Mr A Collinson	Director, Alstom Power SA Director, ECIA (Insurance Services) Ltd Director, ECIA Trustees Ltd Director, National Skills Academy for Power Director, Vintage Sports Car Club Ltd
Mr R Dean	Director, British Chemical Engineering Contractors Association (BCECA) Honorary Vice President of the Energy Industries Council
Ms F Doyle	Human Resources Manager, Harsco Corporation
Mr C Ennis	Divisional Managing Director, Siemens Energy Services Chairman, North East Regional Leadership Team, Business in the Community Board Member, South Tyneside and Newcastle Groundwork
Mr K Ferguson	Director, Operations, Petrofac Offshore Engineering & Operations
Mr M Fletcher	Chief Engineer - Welding, Doosan Power Systems Ltd The Welding Institute Professional Board Skillweld Committee Member & Treasurer
Miss C Forbes	Human Resources Director, JP Kenny (wholly owned by Wood Group)
Mr J Gammage	Divisional Director, Pyeroy Limited
Mr P Gotts	Director, Levenholme Consultancy Ltd Consultant to the North East Process Industry Cluster (NEPIC) Chairman, Teesside Client & Contractor Group (TCCG) Member, Steering Group of the North Engineering Manufacturers Alliance Member, Capital Projects Client's Group (CPCG)
Mr I Greenbeck	Director, Jacobs LES Limited Board Member, Impress (HCCTA Ltd) – local non-profit making training organisation Board Member, Humber Chemical Focus – non-profit making regional development organisation managing the CATCH facility
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
Mr M Hockey	Managing Director, Engineering Construction Industry Association Member, ACE Steering Group
Mr J Hornby	Director of Construction, Jacobs E&C Stockton Ltd Chairman, NETA Training Chairman, Sellafeld Contractors Group (SCG) Community Governor, Conyers Secondary School, Yarm
Mr S Hoskins	Divisional Director, Project Management, Foster Wheeler Energy Ltd
Mr J Jones	Health & Safety Advisor, Siemens AG in the Netherlands at the Siemens 34 CCGT Project Director of Safety Services Swansea



Mr T Lazenby	Chairman, Portsmouth Water Ltd Director, Seamab Consultancy Ltd Trustee, Panasonic Trust Trustee, ITB Pension Fund
Mr B McAulay	National Officer for Construction, Unite the Union
Mrs T McDougall	Senior HR Manager, International Operations, URS E&C UK Limited
Mr J Mellon	Industrial Relations Consultant, Interserve Industrial Services Manager, Grangemouth Contractors' NVQ Approved Centres Chairman, ACE Scottish Regional Group
Mr T Millard	Regional Director, SSE Contracting Employers' Chairman, Fawley Mechanical Joint Council
Mr W Murray	Director, Offshore Contractors' Association Company Secretary, Offshore Contractors' Association
Mr A Smith	Managing Director, Redhall Engineering Solutions Ltd Managing Director, Jex Engineering Ltd Director, CHB-Jordan Ltd Director, ACPP-Redhall Ltd
Mr C Smith	Head of Generation, RWE, Aberthaw Power Station
Ms J Stirling	Knowledge and Development Manager, Total E&P UK Limited Board Member, Young Enterprise Scotland Steering Group Member, OPITO/ECITB Modern Apprenticeship Scheme
Mr R Ventre	Chief Executive, Laker Vent Engineering Ltd General Council Member, Engineering Construction Industry Association Member, Engineering Construction Industry Member, British Safety Council Member, The Welding Institute
Mr J Young	Senior Vice President, SNC Lavalin UK Ltd



**Appendix D**  
**Membership of Board and Committees as at 31st May 2012**

MEMBER		* = Trustee	Main Board	Management Board	Audit Committee	Qualifications & Awards Committee	CCNSG Committee
Mr A Collinson		*	CHAIR	CHAIR	✓		
<b>EMPLOYER REPRESENTATIVES</b>							
Mr B Buchan		*	✓		CHAIR		
Mr K Ferguson		*	✓				
Miss C Forbes		*	✓				
Mr D Billington		*	✓				
Ms F Doyle		*	✓				
Mr A Smith		*	✓				
Mr J Young		*	✓				
Mr G Cole					✓		
<b>REGIONAL CHAIRS</b>							
Mr G Beattie	Offshore	*	✓	✓			
Mr J Hornby	North East	*	✓				
Mr I Greenbeck	Y&H	*	✓				
Mr M Fletcher	Midlands	*	✓			✓	
Mr J Mellon	Scotland	*	✓				
Mr J Jones	W&SW	*	✓				
Mr R Ventre	North West	*	✓				
Mr T Millard	SE&E	*	✓	✓			
Mr S Hoskins	EDP	*	✓				
<b>EMPLOYER ASSOCIATION REPRESENTATIVES</b>							
Mr W Murray	OCA	*	✓	✓	✓		
Mr M Hockey	ECIA	*	✓	✓	✓		
Mr R Dean	BCECA	*	✓				
<b>TRADE UNION REPRESENTATIVES</b>							
Mr K Hazlewood		*	✓				
Mr B McAulay		*	✓	✓			
<b>CLIENT REPRESENTATIVES</b>							
Mr C Smith		*	✓				
Ms J Stirling		*	✓				
<b>NON-EXECUTIVE DIRECTORS</b>							
Mr J Gammage		*	✓	✓		CHAIR	
<b>QUALIFICATIONS &amp; AWARDS COMMITTEE</b>							
Mr P Turner						✓	
Ms L Thornton						✓	
Ms J Clark						✓	
Mr N Revell						✓	
Ms H Saunders						✓	
Mr R Clarke						✓	



CLIENT CONTRACTOR NATIONAL SAFETY GROUP (CCNSG) COMMITTEE							
Mr R Ash							<b>CHAIR</b>
Mr K Hall							✓
Mr C Abbey							✓
Mr M May							✓
Mr S Nettleton							✓
Mr I Graham							✓
Mr I Bracegirdle							✓
Mr M Gibbons							✓
Mr G Duncan							✓
Mr R Clark							✓



## Appendix E Chief Executive Officer and senior staff

*The ECITB's executive team comprises:-*

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

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

Blue Court  
1 Church Lane  
Kings Langley  
Hertfordshire  
WD4 8JP



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

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

### Employer organisations

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

### Trades unions

GMB  
Unite

### Industry bodies and associations

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

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

### Educational organisations and training providers

1st Milestone Ltd  
20/20 Business Insight Ltd / Business Management  
2VT  
ABAX Consultancy  
Aberdeen Computer Services  
Accounting for Safety Ltd  
Aberdeen Fluid Systems Technology Ltd  
Acorn Learning & Development Solutions Ltd  
ACT Associates Ltd  
Adept Knowledge Management Ltd  
Advanced Industrial Solutions Ltd  
Agility UK Ltd  
AIM Academy Ltd  
Aker Process Ltd  
Aker Solutions  
Al Fultaim Carillion LLC  
Alliance Learning Ltd  
Alstom Power Ltd  
AMEC Group Ltd  
Angus College  
AP Training Ltd  
Applus RTD UK Ltd  
Appris Management Ltd  
ARC Associates UK Ltd  
Area North Training Safety Services Ltd  
Ascenda (Kent) Ltd  
ASET (Aberdeen Skills & Enterprise Training) Ltd /Aberdeen College  
AVEVA Engineering IT Ltd  
Aveva Solutions Ltd  
Aztec Technical Services Ltd

Mainport Training Ltd  
MAL Training Ltd  
Maritime & Engineering College North West  
MC2 Technical Recruitment Ltd  
MECsafe Ltd  
MetTECH UK  
Michael Carter Associates Ltd  
Mid & North Wales Training Group Limited T/A Myrick Training Services Ltd  
Middlesbrough College  
Midland Group Training Services Ltd  
Mines Rescue Service Ltd  
Monitor Management Control Systems Ltd  
Motherwell College  
Mustang Engineering Ltd  
Neath Port Talbot College  
NES Aim Academy Ltd  
NETA Training Trust  
Network Training Services Ltd  
Newcastle-Under-Lyme College  
NLT Training Services Ltd  
North Lindsey College Properties Ltd  
North Notts Create Ltd  
North West Kent College  
Northern Assessment Centre Ltd  
Northern Safety Ltd  
Northumberland College  
Occupational Safety Training & Advisory Services Ltd (OSTAS)  
Oceanering International Services Ltd  
Offshore Design Engineering Ltd  
Oldham Engineering Group Training Association Ltd (OTC)



Bam Nuttall Ltd	Oracle United Kingdom
Banff & Buchan College	Ormerod Management Services T/A OMS
Barry Training Services Ltd	Paisley & Johnstone Training Group Ltd
Basingstoke College of Technology	Pembrokeshire College
Bentley Systems (UK) Ltd	Pennine Health & Safety Ltd
BETA Training	Peta Ltd
Bill Rogerson Safety Services Ltd	Phoenix Training Solutions Ltd
Bridgwater College Construction Training centre	Pipes & Tubes (2010) Ltd T/A Process Pipework Services
Brinsworth Training Ltd	Pipex Ltd
British Safety Services	Pivotal Performance Ltd
BSSHSE Ltd, T/A British Safety Services Ltd	Premier Corporate Training Services Ltd
C & A Pumps Ltd	Production Services Network (UK) Ltd
C & G Services (Europe) Ltd	Prospects Business Training Ltd
Cambridge University	Provek Ltd
Cape DBI	Providence Training (Safety Train) Ltd
Cape plc	Qatar International Safety Centre (QISC)
Cardiff & Vale College	Quartzelec Limited
Carnegie College	R P S Risk Management
Central Training Services Ltd	Radway Training Ltd
City & Guilds (City & Guilds of London Institute)	Redhall Engineering Solutions Ltd
City College Plymouth	Richmond Upon Thames College
Clear Safety Ltd	Rob Butler HSE Ltd
Clydebank College	Robert Gordon University
Coleg Glan Hafren	Romatech (N.I) Ltd
Coleg Gwent	RSS Training & Consultancy Ltd
College of NW London	S W Durham Training Ltd
Construction Learning World Ltd	Safetech Training & Development Services Ltd
Cordell Group Ltd	Safety Advisory & Training Services Ltd
Costain Group Plc	Safety Training & Consultants Ltd
Cranfield School of Management	Salford & Trafford Engineering Group Training Association Ltd
Creativedge Training & Development Ltd	(STEGTA)
Derby College	Sarens (UK) Ltd
Direct Distance Learning	School for MACE
Doosan Babcock Energy Ltd	Scottish External Verification Services
Doosan Power Systems Ltd	Scottish Prison Services - HMP Glenochil
EAGIT Training Services Ltd	Secas Training Association Ltd
EAL (EMTA Awards Ltd)	SETA Training & Advisory Services Ltd
East Midlands Instrument Company Ltd	Setter & Associates Ltd Shanahan Engineering
Eastern Training Services Ltd	Shaw Energy & Chemicals Ltd
EC Harris LLP	SHE Knows Ltd
EDETA Ltd	Sibbald Ltd
Engineering Construction Training Ltd	Siemens Power Generation / (Siemens Energy ESSF)
Engineering Council	Siemens Transmission & Distribution Ltd
Engineering Management Partnership - University of Bath	Skillbuilder Training
European Construction Institute (ECI)	Southampton Engineering Training Association (SETA)
Evolve International Safety Training Ltd	SPX Bolting Systems
Expedient Training Services	SSG Training & Consultancy Ltd
Falck NUTEC Ltd	St Helens College
First Intervention Training Ltd	STC Global
Forth Valley College	Steelcraft Erection Services Ltd
Foster Wheeler Energy Ltd	Stockport Engineering Training Association Ltd
GENII Engineering Technology Training Ltd	Stork Technical Services Limited
Grimsby Institute of Further & Higher Education (GIFHE)	Sutton Coldfield College
Grimsby International College Ltd	T3UK (a division of JGC Engineering & Technical Services Ltd)
Group Safety Services	TDB Training Specialists Ltd
GSS Training Ltd	TDR Training Ltd
Harpers Environmental Ltd, T/A TES Training	Teesside University
HCCTA (CATCH)	Tentec Limited
Heselden Associates Ltd	The Bradley Group Ltd
Hire Station Ltd, T/A ESS Safe Force	The Grimsby Institute of Further & Higher Education (GIFHE)
Hire Torque Ltd	The Manchester College, c/o HMPS – Lindholme
HMPS - Camp Hill	The TTE Technical Training Group
HMPS - Lindholme	Thermal Insulation Contractors Association
HMYOI - Reading Humberside Engineering Training Association Ltd	TMS International Ltd
Humberside Engineering Training Association Ltd (HETA)	Torque Tension Systems Ltd Total Safety Services Ltd, T/A
Hunter Safety & Training	Breathing Equipment Hire
Hydrasun	Train to Safety Ltd
Hydratight Ltd	Training 2000 Ltd
Hydratight Operations Ltd	Trainow Ltd
Integral Training Services	Transafe Training
	TTE Training Ltd

Intergraph (UK) Ltd  
 Interserve Industrial Services Ltd  
 Inverness College  
 IPS International Ltd  
 ITCA  
 J Murphy & Sons Ltd  
 Jacobs LES Ltd  
 JEP Safety Services  
 JGC Engineering & Technical Services Ltd, T/A T3UK  
 Keith Bassendine ITC  
 Kirkdale Industrial Training Services Ltd  
 KT Associates  
 Latitude Safety Ltd  
 Link Associates International Ltd  
 Lowestoft College  
 Lowton Training Services Ltd  
 M & E Global Resources Ltd  
 Maggie Braid Associates Ltd

University of Aberdeen  
 Vital Resources Ltd  
 Warwickshire College  
 Waterside Training Ltd  
 Wiltshire College  
 Wolviston Management Services Ltd  
 Wood Group Engineering (North Sea) Ltd  
 Workskills  
 Worley Parsons Europe Ltd  
 Wright Brothers Industrial Services, T/A Trainright  
 Yorkshire Training Services

### **ECITB approved centres**

Aberdeen College  
 Aberdeen Fluid Systems Technology Ltd  
 Aker Offshore Partner  
 Alliance Learning  
 Alstom Power Services UK  
 AMEC Group  
 Angus College  
 Anniesland College  
 Ascenda (Kent) Ltd  
 Avon Vale Training  
 Banff and Buchan College  
 Blackpool and Fylde College  
 Bridgend College  
 Carnegie College  
 City College Plymouth  
 City College Southampton  
 Cardiff and Vale College  
 Clydebank College  
 Doosan Babcock Services Ltd  
 EAGIT  
 Eastern Training Services  
 Edutrain International  
 Engineering Construction Training  
 Envirotec Group Ltd  
 Falck Onsite  
 Forth Valley College  
 GENII Engineering Technology Training Ltd  
 Grimsby Institute of Further and Higher Education  
 Hartlepool Training and Employment Services Ltd  
 HETA  
 IPS International  
 ITCA  
 Jacobs LES Engineering Ltd  
 KBR  
 KT Associates  
 Leeds College of Building  
 Logistic Employment Training Services  
 Lowestoft College  
 Maggie Braid Associates  
 Maritime & Engineering College North West  
 M&E Global Resources  
 MetTech Training  
 Michael Carter Associates

Middlesbrough College  
 Neath Port Talbot College  
 NETA Training  
 Newcastle Under Lyme College  
 Northern Assessment Centre Ltd  
 Northumberland College  
 Paisley & Johnstone Training Group  
 Pembrokeshire College  
 Peterborough Regional College  
 Production Services Network  
 Prospect Training Solutions Ltd  
 Providence Training  
 QTS  
 Richmond Upon Thames College  
 Salford & Trafford Engineering Group Training Association  
 Siemens Power Generation  
 Southampton Engineering Training Association  
 Stockport ETA  
 Teesside Rigging and Lifting  
 The Assessment Services Centre  
 The Manchester College – Lindholme Learning & Skills Academy  
 The North Highland College  
 The TTE Technical Training Group  
 TMS Learning Centre  
 TTE Training Ltd  
 Tullos Training Ltd  
 Varis Training  
 Warwickshire College  
 Wood Group Engineering  
 Wright Brothers Industrial Services  
 Yorkshire Training Services



## **Governmental bodies and agencies**

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

## Appendix G

### Other relevant organisations

External auditors	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP
Internal auditors	Deloitte & Touche Public Sector Internal Audit Ltd 3 Victoria Square Victoria Street St Albans Hertfordshire AL1 3TF
Bankers	Barclays Bank Plc 32 Clarendon Road Watford Hertfordshire WD1 1LD
Investment managers	Schroder & Company 100 Wood Street London EC2V 7ER
Solicitors	Shoosmiths Witan Gate House 500-600 Witan Gate West Milton Keynes Buckinghamshire MK9 1SH  SA Law 60 London Road St Albans Hertfordshire AL1 1NG  Maxwell MacLaurin 100 West Regent Street Glasgow G2 2QB



**BLANK BACK PAGES**

**BLANK BACK PAGES**





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

Online [www.tsoshop.co.uk](http://www.tsoshop.co.uk)

Mail, telephone, fax and email

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](mailto:customer.services@tso.co.uk)

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square, London

SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: [bookshop@parliament.uk](mailto:bookshop@parliament.uk)

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other accredited agents

ISBN 978-0-10-297666-3



9 780102 976663