

# ANNUAL REPORT & ACCOUNTS



**ENGINEERING CONSTRUCTION  
INDUSTRY TRAINING BOARD**

**REPORT OF THE TRUSTEES AND ACCOUNTS  
FOR THE YEAR-ENDED 31 DECEMBER 2014**

Presented to Parliament pursuant to Section 8(4) of the Industrial Training Act 1982

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

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# STRATEGIC REPORT

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## CHIEF EXECUTIVE'S REVIEW



The continuing mission and core purpose of the ECITB is 'Securing Engineering Construction Skills, now and for the future.'

The vision for the next five years is to ensure employers receive enhanced value for the training levy investment through growth in learner numbers, greater cost efficiency in training and ensuring an adequate supply of personnel who are competent, safe and environmentally conscious to enable the industry to compete in the global market. The vision will be achieved through well-defined strategic and operational objectives and activities.

Being an employer-led organisation, we worked hard throughout 2014 to drive value for customers, keeping their needs firmly at the centre of all that we do. We engaged with industry through our employer-led Board, employer associations, regional employer forums, and with customers individually. This led to a clear plan of action, built directly from employer needs and priorities, and I am pleased to report that KPIs were achieved, thus delivering on our national and local promises.

### Pledging support for skills

In 2014 we continued to make good progress in increasing the number of clients and contractors who endorse the ECITB Skills and Training Charter. The Charter which pledges support for skills development is an important badge for companies, demonstrating employer commitment to working together to put skills at the top of the agenda. Employers and the ECITB have much to be proud of in growing the number of people being trained.

### Improving customer engagement

Our engagement with employers through delivering services to meet their needs, consultation, and independent surveys are valuable sources of feedback from customers and helps ensure that the ECITB is truly employer-led. Satisfaction amongst the majority of employers has risen over the years demonstrating the results of the hard work of everyone in working together, listening, learning and designing solutions that will drive value for employers. Engagement has also increased with now 92% of levy contributors and 43% of exempted firms benefiting from ECITB support. Additionally, employer support for the levy has risen.

### Teamwork and Collaboration

Teamwork and collaboration are core underpinning values of the ECITB, both internally and with partner organisations. In 2014 we were part of four hugely successful Employer Ownership of Skills (EOS) initiatives, involving a number of our major customers. The ECITB match-funded one EOS project to support over 200 learners in the area of high integrity welding. We also provided technical expertise in designing a new qualification. The joint team was particularly proud of this achievement, involving as it did the re-training of high numbers of previously unemployed people.

Two other EOS initiatives involved the development of a new Construction Management Apprenticeship in the North East, and the development of the CATCH (Competence Assessment and Training Centre Humberside) facility in Grimsby into a Skills Enhancement Centre. The Centre supports simulated assessment activities to help progress apprentices and other learners to complete their Vocational Qualification portfolios. A fourth key EOS project involved the ECITB becoming a strategic skills partner in the Nuclear Industry Partnership alongside NSAN (National Skills Academy for Nuclear), Cogent, the National Nuclear Laboratory, Hartlepool College and Gen2 Project Management is another important area where the ECITB has collaborated with employers to great effect in creating new innovative products. In my 2013 review, I reported on a very successful Project Management initiative pioneered in Aberdeen for the offshore community. I am delighted to report that this will be repeated in 2015 alongside a pioneering webinar series..

Our prestigious ACTIVE Cup inter-company Project Management Competition, in collaboration with Cranfield, the leading Business School, is another great example of working together to deliver excellence for the industry. Focused on sharing best practice and learning, the event is now in its 19<sup>th</sup> year, with competitions being run in England and Scotland. This fits very well with the ECITB's role in setting Project Management occupational standards and the Project Control suite of programmes and qualifications, all of which have been developed with industry input and collaboration.

The ECITB also engages in many industry platforms, focused on collective solutions for skills and training delivery. Examples include: Skills for Energy (SfE), The East of England Energy Group (EEEG), Nuclear Energy Skills Alliance (NESA), Nuclear Industry Partnership, OPITO, various University Technical Colleges (UTCs), and skills groupings with Local Enterprise Partnerships (LEPs). The ECITB brings long-standing experience, technical expertise and knowledge to these groupings, as well as a role in setting UK and international standards, such as the CCNSG Safety Passport, the ACE card (and international equivalent ICE). The ECITB is also engaged internationally with a range of government and commercial partners to develop best-in-class training solutions and platforms.

The ECITB continues to support the Talent Retention Solution (TRS), an industry-wide careers platform for Advanced Manufacturing and Engineering industries. The ECITB makes the platform available for all in-scope employers. It has proved to be a valuable resource for companies as part of their proactive resourcing, as well as managed transition situations. The ECITB is proud to be part of an initiative focused on retaining and nurturing talent within the industry, especially ex-services redeployment to industry.

## **Innovation – new products and services**

Each year the ECITB develops new products, services and qualifications as part of its responsibilities to the engineering construction industry. Developed collaboratively with customers, these often pioneering initiatives ensure that the ECITB's portfolio is constantly reviewed and refreshed to ensure relevance and value for employers and learners. 2014 saw a continuation of this trend with ongoing development of its Professional and Technical portfolio, including Project Controls and Supervisor Development qualifications. As a leading apprenticeship programme and qualification developer, we continue to enhance and develop our apprenticeships portfolio. Our goal in 2015 is also to maintain our engagement efforts with people who have been ECITB trained to create a shared community of learners new and old.

The ECITB is also pioneering new international qualifications, modelled on leading UK qualifications. I am proud of the work we do internationally contributing a well-recognised British skills and training brand to the list of other great exports in line with the Government's focus on promoting British businesses abroad. The ECITB badge is much-prized internationally.

## **Supporting STEM and school engagement**

The ECITB is committed to supporting the engineering construction industry in its efforts to inspire, attract and engage young people in the pursuit of STEM (science, technology, engineering and mathematics) subjects and careers in engineering construction. We continued our outreach activities in 2014, including our '*Theatre-in-Education*' schools roadshows (97 schools visited/15,536 students involved); work with the Smallpeice Trust on '*ECITB Engineering Experience*', and participation in major careers and skills events, such as The Skills Show and Big Bang Science and Engineering Fair. We estimate that our engagement activities reached around 155,000 young people. In 2015 it is our goal to extend this even further, making wider use of digital communications to engage audiences in new, cost effective and broader ways.

## **Women in Engineering**

The ECITB is committed to encouraging more women into engineering. In 2014 the ECITB as a member organisation of TRS was supportive of an important survey on women returners to the workforce, developed by TRS in conjunction with the Women's Engineering Society, Prospect, and British Glass. The survey results published in early 2015 focused on the opportunities, obstacles and requirements involved in bringing women back into the engineering workforce. In 2015, we will be targeted in our approach, nominating a number of key staff to champion women in engineering initiatives internally and externally.

## **Service leavers**

The ECITB believes strongly in the moral commitment society owes to ensuring service leavers are provided with the right support and training to assist them in their transition to civilian employment. I am particularly proud of the many instances where the ECITB has been instrumental in helping people make this transition. Our Armed Forces represent a huge economic asset to the British economy as a highly trained and skilled group within society. In 2014 the ECITB worked with various employers on targeted initiatives, such as its Re-Skill programme for the offshore industry. We also co-sponsored with TRS a highly-successful service leaver's careers event at the Royal Academy of Engineering and House of Commons reception in 2014. We will continue this focus in 2015.

## Looking ahead

In my Chief Executive's Review for 2013, I set out the main areas for review by the Department for Business, Innovation and Skills (BIS) as part of the Triennial Review process of the Industry Training Boards (ITBs). In Stage 1 of this review we participated in the consultation process with BIS and industry employers and other stakeholders. The ECITB consulted widely and made detailed submissions regarding industry skills and training, performance, achievements and plans.

The ECITB knows it must continue to demonstrate the value of the levy model and the positive contribution that the ECITB makes to employers, to learners, to industry, as well as the wider economy and society in providing a skilled and well trained engineering construction workforce. We are confident that we can address these issues through our employer-led approach and focus on collaboration and innovation in meeting the UK's industrial skills and training needs. The ECITB will continue to ensure its statutory responsibilities and duties are met to the highest standard and effective governance by industry will be embedded in everything it does.

In 2015 the ECITB will invest in its people and focus on embedding the "ECITB Way" in all it does to, creating a new, forward looking, and exemplary culture:

**The ECITB Way**

"We willingly take responsibility for delivery, to work together, to support each other, to ensure we deliver on our promises to our customers, and each other, to be mindful and control what we do, to share knowledge and keep people informed, by communicating directly, clearly and consistently."

**The ECITB's Mission**

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

We will do this by 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.

**The ECITB's Core Processes**

**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.

<b>Delivery of services</b>
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.
<b>Evaluation and improvement</b>
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 facilitate employment and skills and training within the industry.

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

Apprentices and Careers	<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>
Skills and Technical programmes	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.
Management and Professional Programmes	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.
Awards and Qualifications	<p>In this area, the ECITB's activities are:-</p> <ul style="list-style-type: none"> <li>• Awarding Organisation - assessing, verifying and awarding Vocational Qualifications in England, Scotland and Wales.</li> <li>• Accrediting and quality assuring training programme and vocational qualification providers.</li> <li>• Assuring Competence in Engineering Construction (ACE).</li> <li>• Client Contractor National Safety Group (CCNSG) Safety Passport Scheme.</li> <li>• Development of training products and services, including National Occupational Standards, which contribute to the competence of individuals.</li> </ul>



## 2014 Objectives, Achievements and the Future

Table 1 sets out the objectives planned for 2014, the actual achievements, and the targets for 2015 in each of the main areas of charitable activity.

The results show a strong performance, with the main charitable areas of Skills and Technical, Management and Professional and Awards and Qualifications well ahead of the planned targets. Apprenticeships were slightly behind plan. Plans for 2015 continue to be based on estimates of demand from employers and established and historical trends.

Achievements	2013 Actual	2014 initial target	2014 actual	% against 2014 target	2015 objective
Apprenticeships starts	759	622	745	120	797
Skills & Technical training outcomes	21,031	28,232	34,710	123	37,101
Management & Professional training outcomes	8,019	14,660	17,562	120	13,916
Regional Discretionary Grant Learners	3,803	4,061	7,782	192	4,070
Awards & Qualifications issued	4,280	3,700	4,373	118	3,700
Sub total	37,892	51,275	65,172	127	59,584
Safety Passports issued	44,790	42,500	44,161	104	45,000
IHSP / Technical Tests issued	8,802	12,100	11,180	92	13,000
Other International Training Outcomes	474	1,570	523	33	1,500
Total	91,958	107,445	121,036	113	119,084

Table 1 - Enrolments and Achievements 2014

Regional Discretionary Grant (RDG) is available in all regions for use by employers to assist with additional training and skills required for their workforce. In 2014 there was a significant increase in the number of learners supported by RDG and the 2014 target was exceeded.

## Apprentices and Careers

*“Just a line to say thank you for all the help I have received from the ECITB in advising and providing support for our apprenticeship training requirements. With the financial support you provided this has allowed AHL Pipework to provide employment for 3 apprentices. Without this funding and support I would not have been able to provide this employment.”*

*(Mr. Clifton Witt, Managing Director, AHL Pipework Specialist Ltd)*

Demand for Apprenticeships in 2014 was similar to demand in 2013. In 2014, 615 apprentices enrolled on an ECITB framework or were supported by ECITB grants. A further 130 apprentices were recruited by ECITB in-scope employers resulting in 745 apprentices in total recruited into the industry. The ECITB’s data shows that the uptake of apprenticeships amongst Small to Medium Sized Enterprises (SMEs) which are in-scope to the ECITB is four times the national average calculated by the UK Commission for Employment and Skills.

Anticipated demand for apprenticeships over a wide range of disciplines indicates that the planned intake of apprentices in 2015 will be similar to 2014. In 2015 the ECITB plans to support the industry to reach 797 new apprentices, and work towards over 1,000 per year.

In 2014, there were many apprenticeship highlights for the industry. The ECITB supported over 1,800 apprentices, involving 168 employers. Of the 615 apprentices recruited into the industry, 613 were employed by in-scope employers and 2 by other industry employers. Of those recruited:

- 444 commenced ECITB frameworks;
- Over 480 are following craft or technician frameworks; and
- 127 are pursuing Design and Draughting or Project Control frameworks.

In 2014 the first ECITB Project Control Apprenticeships were delivered in the North West Region through Training 2000 in collaboration with the National Skills Academy for Nuclear, and in the Engineering, Design and Procurement Forum through Richmond College.

*“Working with the ECITB North West Region team in launching the first Project Controls Apprenticeship for that region, I witnessed a tremendous collaborative effort led by the ECITB and supported by other stakeholders including National Skills Academy Nuclear (NSAN), Training 2000 and the six leading employers - AMEC, Bilfinger, Jacobs, NIS, Shepley Engineers and William Hare that have committed to the programme. I was proud to attend the celebratory launch event held in September 2014 to welcome the first cohort of 11 young people at the start of what will be very exciting, successful and rewarding careers.”*

*(Shane Forth, Director PMO, Costain)*



The first NW Project Control Apprenticeship Programme (2014)

One highlight of the launch event for the new cohort of North West Project Control Apprentices was hearing from three former Project Control Apprentices from AMEC who shared their personal journeys and inspirational stories.

*"I applied to the ECITB last year whilst travelling in Australia so was really pleased to be offered an Apprenticeship with Bilfinger. Having come from a family of engineers I'm really looking forward to getting started, listening to the stories from people that have been through the programme before just shows what you can achieve. I'm sure I am going to enjoy it!"*

*(Natasha Greenbury of Bilfinger Industrial Services Ltd)*

The ECITB continues to be active in attracting people into the engineering construction industry. The schools liaison programme 'Be a part of Engineering Construction,' exceeded last year's delivery, presenting 105 shows seen by 15,536 pupils in 97 schools. Additionally, there were over 40 local schools events and fairs attended by ECITB regional staff to promote the industry.

Engagement activity across all regional and national events reached around 155,000 people. In addition to roadshows, the ECITB engaged in numerous other activities, such as Skills London, World Skills, Big Bang, the Graduate Fair and various national and regional events to promote the industry and careers.

The ECITB also implemented two 'Engineering Construction Experience' programmes for schools with the educational charity, The Smallpeice Trust. One of these was aimed specifically at careers in Project Management.

The ECITB continues to support the TRS, the industry-led careers platform. There are over 60 ECITB in-scope employers registered on the system with 130 users able to post vacancies and view individual applicants. Access to the system is free of charge for ECITB members, offering real benefits. The system has already saved registered employers an estimated £290,000 in recruitment costs and the industry has recruited nearly 30 people through the system. Employers have been able to take advantage of direct hires placed on the system and the bespoke managed areas where there is a controlled environment for users accessing resource transfer information.

The ECITB will continue to focus on bringing in new entrants into the industry through targeted activities and collaborative events, such as the co-sponsored service leavers event with TRS in June 2014 held at the Royal Academy of Engineering. In 2015, the ECITB will continue its collaborative work to attract and develop high quality talent from amongst service leavers.

The ECITB is also supporting national and regional Women in Engineering initiatives and providing dedicated resource to help shape and drive targeted activities. The ECITB will work with employers to develop company and industry specific engagement activities to attract more women into STEM subjects and the pursuit of engineering careers.

*"I wanted a better career for myself and to support my five year old son. I went back to school and re-did my maths. I did face obstacles as my school didn't encourage me to look at engineering. I had to do it all myself. I knew I wanted to do something more hands on and physical, so took myself back to CATCH, the unique training centre at Stallingborough with CofelyFabricom GDF Suez, to train as a welding technician and did it through the ECITB. It shouldn't be like this but as a female you do have to work harder. I am proud of what I have achieved, I have a great supervisor and mentor and work for a great employer now. I hope it will inspire my son when he is grown up."*

*(Chelsea Griffin, 3<sup>rd</sup> year apprentice welder, CofelyFabricom GDF Suez. Winner of the trophy for CofelyFarbricom (GDF Suez) Apprentice Engineering Technician of the Year for 2014)*

In 2014 the ECITB launched its new quality assurance service to support employers' decision making about training provision. Working closely with employers, the ECITB saved over £650,000 in training provider costs, which then supported more training in the industry.

*"My association with the ECITB goes back years. The ECITB has always been a part of my association within the nuclear industry. Nuclear is an industry that supports training and development and by proving our staff are suitably qualified and experienced the ECITB is a vital part in this process.*

*I have always first and foremost looked at the support ECITB can give through their grants to allow me to make full use of my training budget to give the staff the necessary training and development. The staff appraisals, training and the support of ECITB are all underpinned. It is without doubt that Studsvik could not have afforded the training without the support of the ECITB.*

*Studsvik is not a huge company in the UK; however, eighteen months ago we were fortunate to take on board an apprentice. We are grateful for the funding from ECITB which supports this apprentice. Studsvik supports the ECITB and its vision."*

*(Colin Myers, Studsvik & Chairman ECIA Northern Region)*

In 2014 the Government announced significant changes in how future apprenticeships in England will be delivered and funded. These plans will largely support industry's needs and were consistent with many of the ECITB's findings from its own review of apprenticeships. However, there are some concerns within the industry about a Government-enforced end of programme assessment, and plans to fund apprenticeships through employers PAYE may cause problems for some parts of the industry.

In October 2014 the ECITB conducted a survey of employers in England to assess the impact that the proposed apprenticeship funding changes would have on apprentice recruitment in the engineering construction industry. Over 88% of respondents indicated that the funding changes would result in a decrease in recruitment. The ECITB shared this message with the Department for Business Innovation and Skills as part of the Government's consultation process on apprenticeship funding.

#### *Apprentice Awards*

*At the Oil and Gas UK 2014 Awards, the ECITB sponsored and presented the Award for Apprentice of the Year to Marnie Toal, Apprentice Technician with Proserv. Marnie said: "It was a surprise to be nominated for an award just for doing my job. I really enjoy my work with Proserv and feel that I have learned a lot and had a lot of opportunities to gain skills and experience in a variety of roles."*

*Suzanne Birney of Doosan Babcock, Design & Draughting apprentice won the Hammermen Award and Prince Philip Prize (both awarded to the best University or College learner in the Strathclyde area) and has now been awarded Apprentice of the Year by the Institute of Mechanical Engineers (IMechE).*

## **Skills and Technical**

Skills and Technical programmes represent valuable, flexible training for re-skilling and upskilling, helping to meet industry demand. The ECITB's flexible funding support to develop industry specific skills and technical abilities, for both existing personnel and new entrants, continues to provide the way to improve the capacity and performance of industry employees when and where it matters most – in the workplace.

Skills and Technical courses are practical, cost-effective and flexible in their delivery model and can bring immediate benefits. In 2014 the ECITB continued the expansion of its Provider Course Approval Scheme (PCAS). 42 courses were approved in 2014. This model is designed to enable training providers to deliver what an employer needs by developing their own courses based on the ECITB Training Standards.

Demand for Skills and Technical training significantly exceeded expectations. Some of this was due to fresh engagement with a significant large employer in the offshore fabric maintenance sector following the settlement of a levy appeal. There was also growth in the use of the ECITB's technical test suite for offshore competence assurance. The use of ECITB approved courses has increased as clients and operators recognise the value of a

standardised approach to skills. Many employers have begun mandating ECITB Mechanical Joint Integrity programmes at their sites.

In 2014 there was an increase in the number of approved courses, with over 4,796 industry learners completing approved courses in Mechanical Joint Integrity (MJ) and Small Bore Tubing (SBT) and Appointed Persons Moving Loads (APML). The biggest increase in activity was in the Offshore Region where the ECITB Step Change MJI/SBT programme is being used to improve offshore safety and reduce hydrocarbon release.

The need to bring in more skilled personnel into the offshore sector meant that several contractors used the ECITB's Re-Engineer, Re-Skill and Forces Transition Programmes successfully to recruit personnel from the Armed Forces. In total 70 Armed Forces personnel were successfully transferred into the industry in 2014 through ECITB programmes. This included training 26 Instrument and Control technicians, which is an area in which there are critical shortages.

In 2014 there was a 20% increase in the use of the ECITB's Technical Tests with 2,100 tests being taken.

The ECITB Certificate in Project Controls remains popular. Year on year there has been an increase in its use by employers including those not in-scope to the ECITB. Employers such as Babcock Marine are using this programme with groups of learners as part of the UK's Aircraft Carrier New Build programme.

*"In my role as a Process Engineer, I mainly focus on completing technical design studies. Before enrolling onto the course, I wasn't very knowledgeable about the non-technical side of a project lifecycle. The Project Controls course was very beneficial for me as it gave me a holistic view of the project environment within the engineering consulting business. I learnt the importance and methods of managing risk and variations, estimating costs and producing plans. These are only a few highlights of the knowledge and skills I gained. I can now appreciate how my work as a Process Engineer contributes to the overall project lifecycle."*  
(Abigail Abiola-Cudjoe, OSL Consulting Engineers  
ECITB Certificate in Project Control learner)

## Management and Professional

The ECITB's Management and Professional suite of programmes supports development particularly in the areas of project management, people management and performance, projects and budgets, and health, safety and environment.

In 2014, the demand for Management and Professional programmes was higher than planned. Demand for supervisor training has varied. It was higher in the offshore region but lower on onshore sites, due in part, employers report, to tight project schedule margins.

In 2014 the ECITB provided grant support for the training of over 17,500 learners. Over 2,200 supervisory modules were delivered to learners, and the Oil and Gas sector was particularly buoyant.

The new ECITB supervisory framework was launched in 2014 providing learners with options for accreditation against national frameworks, providing industry with clearly defined supervisory career pathways. The new Charge Hand Development course was launched and delivered in 2014. In 2015 the ECITB will introduce a new Senior Supervisor Training programme with the first cohort expected to start this "mini-MBA" style programme in 2015.

The Government's National Infrastructure Plan 2014 sets out plans for around £274 billion investment in energy related infrastructure projects alone over the next decade. The ECITB has focused significant time and effort in ensuring the development of project management skills is at the forefront to enable industry to deliver vital infrastructure projects across the engineering construction industry, including new nuclear and renewable power systems, and engineering projects in the oil, gas, chemicals and refining sectors.

The Project Management Competition, historically known as The ACTIVE Cup, is one of the ECITB's flagship events. The competition has been running for 19 years and is normally run twice a year as part of a programme of project management training. This event has proved so important to the development of effective project managers that in 2014 the Offshore Region also launched the competition. The 2014 competition winners were Alstom (January) and Foster Wheeler (June) and Wood Group OSN (June) in the Offshore Region.



Winners Foster Wheeler and David Edwards, ECITB CEO (June 2014)

Professional engineers are critical to successful front-end engineering, design and engineering phases of projects. The ECITB supported the development of over 1,500 Higher Education or professional development programmes in 2014 with the highest number coming from the Engineering, Design and Procurement Forum in the South East and East. There was also a high take-up in the North West region.

*“When my employer Cleveland Bridge UK Ltd (CBUK) exposed me to various project environments early on in my career, I knew that I was interested in a project management role. CBUK supported my aspiration to develop my career in project management. I was keen to further my academic qualifications achieved at Sheffield Hallam University with a post-graduate Masters qualification. Securing funding with the ECITB was a key factor in CBUK offering me the opportunity to enrol onto a part-time Project Management course at Northumbria University.*

*I graduated in December 2014 with an overall Distinction, and received the Association of Project Managers award for ‘Best Dissertation.’ Achieving this qualification has given me a real foundation I can build on as I continue my career in project management, and it was the backing of ECITB that made enrolment possible.” (Dominic Charlton, Project Manager, Cleveland Bridge Ltd.)*

Workplace safety is a cornerstone of successful projects. In 2014 over 44,000 learners were trained and tested through the ECITB to the standards set by the Client Contractor National Safety Group (CCNSG) and received their Safety Passport.

The request from the industry for a testing system to be introduced which will allow renewal of the Safety Passport through a test only option, with a more robust test, is still on-going. Consultation and discussion with industry and the CCNSG Committee is currently taking place with the aim of piloting the system with a small number of Approved Training Providers during the second half of 2015.

*“The Power Industrial Group through its in-scope companies: Peter J Douglas Engineering and Grayton Engineering have enjoyed a long and beneficial relationship with the ECITB. This relationship is facilitated through the respective Account Managers for whom we have nothing but the highest praise.*

*The ECITB has provided the “standard” support for our training requirements but has also supported the Group in two projects that has seen the Group able to offer a unique Behavioural Safety initiative to the industry. These projects would not have been possible without the support of the ECITB but the benefits have been enjoyed by both permanent Group employees but also transient employees on short term contracts. The success of this project can be evidenced by the awards received from DuPont, the Engineering Employers Federation and indeed the ECITB itself.*

*The Power Industrial Group is more than happy to provide this testimonial for the ECITB and look forward to continuing our relationship with them.”*

*Mike Mahoney, HSE Director, PJD for Peter J Douglas & Grayton*

## Awards and Qualifications

This area of charitable activity is undertaken by the ECITB's Awarding Organisation and Research and Development functions.

Awards & Qualifications' activities exceeded the planned numbers of qualifications for the year. There were 1,882 ECITB vocational qualifications (VQs) issued in 2014, evenly split between in-scope and other employers. It is predicted a similar number of VQs will be awarded in 2015.

In 2014 the ECITB Awarding Organisation reviewed and updated all its processes and procedures to ensure continuing compliance in the light of regulatory changes in England, Scotland and Wales. The Awarding Organisation successfully maintained its awarding status, assuring the regulatory associations Ofqual and SQA that it was meeting their requirements. It had exceeded both VQ (vocational qualification) registration and certification targets for the year.

Sixteen qualifications were removed and nine new diploma qualifications were developed in 2014. Thus, thirty seven new QCF qualifications and twenty two new SCQF qualifications are now available, delivered by seventy two approved centres. Nine new diploma qualifications were developed in 2014.

The main objectives of the Awarding Organisation for 2015 are:

- All ECITB vocational qualifications will be reviewed to ensure that they comply with any new or amended regulatory requirements. Propose changes to all ECITB vocational qualifications to meet industry's changing needs.
- Review status of the ACE Card in the light of changes to vocational qualifications with a view to removing blockages to obtaining the card, whilst retaining a validation and recognition of occupational competence.
- Review and amend the industry's Qualification Strategy for the next 5 years to ensure the requirements for all sectors and disciplines are addressed with realistic and achievable outcomes.
- Ensure ECITB qualifications meet the regulatory requirements of the new Welsh regulator from September 2015.

The achievements of Research and Development in 2014 included:

- Development and release of Curriculum Materials for Schools (funded by employers & unions).
- Development of the new course: CCNSG Leading a Team Safely (LaTS).
- Researched, developed and released the Industry Role Profiles for all main trades.
- Developed and registered the new Level 3 Apprenticeship pathway: Construction & Completions Control.
- Developed and launched the new Monitoring Engineering Construction Activities qualification at level 3 that forms part of this new pathway.
- Reviewed and revised the suite of Project Control Qualifications at Level 2, Level 3 and Level 5.
- Carried out a review of Project Controls career routes. Training standards for the entire discipline are now being written.
- Launched the revised and rebranded Supervisor Development Programmes for Chargehand, Supervisory Training and Senior Supervisor Training.
- Developed and launched new Technical Tests in the areas of: Wind Turbine Mechanical Joint Integrity, Subsea Mechanical Joint Integrity, On Site Machining, Machining, Non Critical welding
- Developed and launched new Training Standards in the areas of: Flow Measurement, Working at Height, Abrasive Wheels, Hydraulics/ Pneumatics

- Supporting Trailblazer development in Welding and Engineering Design
- Developed the ECITB new starter induction programme.
- Provided direct consultancy and support to employers and providers in development of PCAS courses, including Siemens, NIG Academy, Edwards Elite, Doosan Power.

The main objectives of the Research and Development team for 2015 are:

- Develop and implement a new online Testing System to replace the existing Technical Test System and provide an assessment only route for CCNSG Safety Passport.
- With the Awarding Organisation, amend existing, or develop new vocational qualifications in line with any Ofqual requirements or opportunities that arise from the QCF and Guided Learning Hours reviews and industry needs.
- Investigate and if appropriate implement, a competence testing process for Planners and a Planning course to fill an acknowledged gap in provision.
- Following a request from industry, develop and implement an Expediting Short Course for employees and agency staff to update their knowledge.
- Develop Nuclear Careers Guidance at the request of the nuclear industry building on current Career Progression Map.
- Review and rewrite the National Occupational Standards for the engineering construction industry in line with Government policy and timetable.
- New product development in line with industry requests

## Commercial activities

Following a period of development in 2014 the ECITB experienced its best year to date in its commercial activities in Great Britain and abroad.

Commercial income is derived from the following activities:

- Licence income. The ECITB grants licences to use its training courses, tests and training specifications to Approved Training Providers (ATPs) in Great Britain and internationally.
- Fees in respect of each learner using the ECITB's training courses and tests delivered licensed ATPs.
- The registration and issue of vocational qualifications.
- Consultancy activities.

The bulk of the ECITB's commercial activities in Great Britain relate to the delivery of CCNSG Safety training courses and the issue of Safety Passports. In 2014 there was also a significant growth in Technical Training and Tests.



Highlights in 2014 include:

- In 2014 the ECITB granted licences to 195 ATP's in Great Britain and 26 internationally. This represented an increase of 15% in the number of licences issued (2014: 245, 2013: 213).
- In 2014 54,468 learners in Great Britain completed ECITB approved training and tests against a target of 51,913.
- 106 Technical Training Approved Courses now approved and being delivered.
- ECITB's Standard Operating Procedures streamlined and simplified.

In 2015 the ECITB's commercial focus in Great Britain will be:

- Increasing and improving the network of approved and licensed training providers.
- Providing effective quality assurance and account management services for providers/partners. A new Training Provider Account Management team has been put in place to focus on quality in training provision.
- Promoting the use of ECITB training products and qualifications by the University Technical College (UTC) network.
- Increasing the number of courses approved under Provider Course Approval Scheme, focusing on power generation, downstream oil and gas and renewables.

Good progress has been made in 2014 in the development of the ECITB's international commercial activities, which are now undertaken in the Middle East, Central Asia, the Far East, and in the Caribbean. The ECITB has increased its reach and reputation as a leading international standards, accreditation and skills and training organisation.

All ECITB international ATPs renewed their licences to deliver the ECITB's training products in 2014. Furthermore, 23 new licences were added bringing the total to 43. There are now 26 ATPs in 15 different countries.

Highlights in 2014 include:

- The ECITB International Competence in Engineering Construction (ICE) scheme and the ECITB International Apprenticeship Scheme were launched.
- The ECITB IHSP suite of training programmes was upgraded into a new universal ECITB International Format with new courses in Risk Assessment, Environmental Awareness and Accident Investigation.
- A five year contract with Abu Dhabi Vocational Educational and Training Institute (ADVETI) for the delivery of ECITB International Apprenticeships was secured. 115 Apprentices have registered since September 2014.
- A five year contract with MUBADALA in Abu Dhabi for the delivery of ECITB IHSP training was signed.
- A five year contract with Bahrain Vocational Educational and Training Institute (BVETI), renamed the Nasser Centre for Rehabilitation and Vocational Training for the delivery of ECITB International Apprenticeships was secured.
- The ECITB signed a memorandum of understanding with the National Training Agency of the Republic of Trinidad and Tobago relating to the recognition and adoption of the ECITB ICE qualifications scheme in Trinidad and Tobago.
- BP has specified ECITB ICE Rigger Qualifications for the Khazzan Gas Field project in Oman.
- Maersk Oil Qatar has specified ECITB MJJ qualifications and training to meet their competence requirements in Qatar.
- Working with ADVETI clients, Emirates Steel, Takreer, Total, Etihad and Gasco for the delivery of ECITB International Apprenticeships to these companies.

Looking ahead, internationally the ECITB remains focused on increasing commercial income and becoming recognised as a leading skills body for the Engineering Construction Industry. This will be measured by the growth in trading partnerships and licence uptake.

In 2015 the ECITB's international team will focus on:

- Providing consultancy support to Approved Training Providers/Partners to facilitate the licensing of ECITB products and services and thereby generating increases in income.
- Establishing relationships with government agencies within the Gulf Cooperation Council (GCC) region and South East Asia to underpin the ECITB's international reputation and capability.
- Adapting to local and sector specific needs with creative value adding solutions that can be utilised world-wide.
- Establishing commercial relationships with at least two ECITB in-scope employers operating within the GCC region and two in SE Asia and to assist them with their training and competency requirements.
- To embed ECITB training and qualifications into international projects as a mechanism for improving standards and increasing productivity and competitiveness.
- Growing the number of approved providers in a systematic way that gives wider product reach and presence in chosen markets, particularly in the GCC region.

## 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.

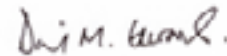
In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:-

- 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 as set out in the Government Financial Reporting Manual 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 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.



S Watson  
Trustee and Chairman of the Audit Committee  
19<sup>th</sup> May 2015



D M Edwards  
Chief Executive Officer  
19<sup>th</sup> May 2015

## Results for the year

A Summary Statement of Financial Activities for the period 1 January 2014 to 31 December 2014 (with comparative information for 2013) is shown immediately below. This has been extracted from the audited financial statements which appear in full later in this report.

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
<b><i>Incoming resources</i></b>		
Levy	28,968	26,083
Investment Income	513	488
Non levy income	2,758	2,465
<b>Total incoming resources</b>	<b>32,239</b>	<b>29,036</b>

<b><i>Expenditure</i></b>		
Investment Management Costs and Bad Debt Provision	(2,756)	1,797
Charitable activities (including Levy Collection costs)	34,184	28,348
Governance costs	160	160
<b>Total outgoing resources before other gains and losses</b>	<b>31,588</b>	<b>30,305</b>

Net incoming/(outgoing) resources before other gains and losses	651	(1,269)
Gain/(Loss) on revaluation of fixed assets	200	113
Gain/(Loss) on investment assets	(119)	(297)
<b>Net Movement in Funds Surplus/(Deficit)</b>	<b>732</b>	<b>(1,453)</b>

<b><i>Reconciliation of funds</i></b>		
Total funds brought forward at 1 January	16,053	17,506
<b>Total funds carried forward at 31 December</b>	<b>16,785</b>	<b>16,053</b>

<b><i>Balance Sheet</i></b>		
Fixed assets		
Tangible assets	1,360	1,193
Investments	14,203	13,711
	<b>15,563</b>	<b>14,904</b>

Current assets	5,452	5,571
Creditors	(4,230)	(4,422)
<b>Net current assets</b>	<b>1,222</b>	<b>1,149</b>

<b>Total Assets less Current Liabilities</b>	<b>16,785</b>	<b>16,053</b>
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<b><i>Fund</i></b>		
Unrestricted Fund	16,785	16,053

## Commentary on the financial results

### Statement of financial activities for year-ended 31 December 2014

#### Actual results compared with budget

In 2014 the ECITB budgeted to achieve a deficit of £2.76m. The 2014 Operating Plan and Financial Budget were prepared on the basis that:

- £3m should be drawn from reserves to fund a training project (High Integrity Welding) approved by the Board; and
- In all other respects 2014 expenditure should not exceed income during the year.

The actual result was a surplus of £732k. The most significant factors in the variance (£3.49m) were the settlement of a long-running levy appeal (which had not been included in the budget), and the significant shortfall in expenditure in the High Integrity Welding training project. There were other areas of disparity between the budgeted and actual results, and the matters where the variance between the budgeted and actual outcomes exceeded +/- £300k are described in the table below. In other respects actual financial outcomes were broadly in line with budget.

<i>Area of variance</i>	<i>Variance between 2014 budget and actual results</i>	
	<i>+/- £m</i>	<i>Note</i>
<i>Budgeted deficit</i>	<b>-2.76</b>	
Levy Appeal Settlement – Unbudgeted net levy	+5.52	1
Levy Appeal Settlement – Unbudgeted retrospective and 2014 training grants	-3.49	
Increased Offshore Training Grants	-0.60	2
Lower High Integrity Welding Training Grants	+2.00	3
Increased Regional and Training Expenditure	-0.87	4
Lower Regional Income	-0.36	5
Reduced Head Office function costs	+0.59	6
Other	+0.70	
<b>Actual surplus</b>	<b>0.73</b>	

#### 1. Levy Appeal Settlement

In October 2014 the ECITB and Stork Industrial Services (RBG) Limited entered into a settlement agreement in connection with Stork's on-going levy appeals relating to the base periods 2010/11, 2011/12 and 2012/2013, and the payment of retrospective grants in respect of the years 2012, 2013 and part of 2014. Prior to exchange of the agreement the Main Board confirmed its approval to its terms. The settlement was approved by the government. As a consequence of the settlement, net levy income in 2014 increased by £5.52m above the budgeted level. This was largely due to the reversal of bad debt provisions made in 2012 and 2013 and levy due in 2014.

As part of the settlement, the ECITB reviewed Stork's records of training undertaken in 2012, 2013 and for the period from 01 January to 31 May 2014. It was concluded that there was evidence of appropriate training completed during the period for Stork to have qualified for the receipt of retrospective training grants amounting to £2.78m. Stork also qualified for training grants in respect of the period 1st June to 31st December 2014 amounting to £730k, bringing the unbudgeted grant expenditure connected with the settlement to £3.49m.

#### 2. Offshore Training Grants

During the course of the year, a review of the costs to employers of undertaking training in the offshore oil and gas sector was undertaken. Training costs are high in the sector due to the nature of the training and the high demand, particularly in Aberdeen. It was agreed by the Board that the value of "offshore" training grants should be increased backdated to 1<sup>st</sup> January to take such factors into account. The additional and unbudgeted costs in this area amounted to approximately £600k.

### *3. High Integrity Welding Training Grants*

The level of grant expenditure in support of the training of High Integrity Welders fell significantly short of budgeted £3m. At the end of the year grants amounting to just under £1m had been awarded. To a degree this reflects the time taken for learners to complete the training programme, and it is anticipated that such activities will continue in 2015. Although it is now clear that overall grant expenditure relating to such training will be lower than originally agreed, valuable training in this key area will have occurred over the course of the project (2013 to 2015 inclusive), and it is anticipated that total grant support from the ECITB will exceed £2m.

### *4. Other Regional and Training Expenditure*

In other areas, employer demand for training support was very strong during the year. Overall, training and regional expenditure was approximately £870k higher than budgeted. Training grants relating to training in the Skills & Technical and Management & Professional areas exceeded budgeted levels by £308k and £1.04m respectively. Demand was particularly strong from employers in the offshore oil and gas and nuclear sectors. In addition, grant support provided under the auspices of the ECITB's Regional Discretionary scheme exceeded budgeted levels by £308k.

Although, the ECITB's overall costs relating to apprenticeships were £115k lower than budgeted, grants paid to employers were £96k higher than planned. During the year, the ECITB's approach to supporting apprenticeship programmes changed. In all but two regions, the procurement of apprentice training and assessment services from providers ceased. The change means that the ECITB now works more closely with the providers delivering ECITB apprenticeship frameworks thereby raising the quality of training, and giving employers a greater choice of service provision. This has also led to reductions in training provision, recruitment and administrative costs amounting to £211k compared with budget.

The increased levels of training and training grant support described above were partially offset by lower than budgeted costs in other areas. Grant expenditure relating to the award of qualifications was £450k lower than budgeted, particularly relating to the achievement of vocational qualifications and technical tests. Also, regional operating costs were £199k lower than planned, largely due to the control of staff costs.

### *5. Regional Income*

Regional income fell short of the budgeted amount by £358k. This was largely due to lower than anticipated funding income from Skills Development Scotland relating to The Challenge Fund in the Offshore region.

### *6. Head Office costs*

During the year there was a comprehensive review of the ECITB's central functions, comprising the Development & Quality and Finance & Legal Directorates, and the UK Section of the Commercial Directorate. The review was undertaken for a number of reasons, including the need to improve cost-effectiveness and efficiency. This meant that the requirement for some positions ceased, the responsibilities of some positions changed, and new roles were created. Regrettably, the process involved redundancies, and 10 members of staff left due to redundancy. Additional unbudgeted redundancy costs (comprising statutory and contractual payments) amounted to £191k. Albeit that the reductions in staff numbers had been completed by September (bar one employee), the net effect on staff costs for the year was negligible in view of the redundancy costs. The financial benefits arising from the lower staffing levels will become more apparent in 2015.

However, due to the reorganisation and its timing, there were significant reductions in costs compared with budget, particularly relating to marketing activities and information technology projects. The main financial effect of the reorganisation in 2015 was that planned activities were either deferred to 2015 or cancelled. Overall, and largely as a result of the reorganisation, the actual costs of the ECITB's central functions were approximately £590k lower than budget.

An unrealised fixed asset gain on the ECITB's freehold property and buildings arose during the year, amounting to £200k. The ECITB does not make budgetary provision relating to movements in the value of fixed property, in view of the difficulties and unreliability in predicting commercial property market indices, and the immaterial financial impact that such year-end adjustment would be likely to have.

## Actual results compared with 2013

### Incoming resources

Levy income in 2014 amounted to £28.97m (2013 - £26.08m). The levy income represents the gross levy assessed during the year together with adjustments in respect of previous levies raised.

Virtually all of the 2014 levy income related, and was calculated by reference to, the payments made to industry workers during the base period 6 April 2012 to 5 April 2013. 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 2014 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 also remained unchanged in 2014 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 2012/13 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 £1m.

Gross levy income in 2014 was 11% higher (an increase of £2.89m) than in 2013. This is mainly because total declared and estimated wage and labour costs in the industry's leviable establishments grew during the 2012/13 base period by approximately 13% (to approximately £4.2 billion), when compared with 2011/12. The number of declared and estimated site workers increased by 17% (to approximately 48,000), and the number of off-site workers increased by 18% (to approximately 50,000). Thus, the overall number of declared and estimated site and off site workers declared to be working in such establishments increased by 17%, to about 98,000 workers. It should be noted that the number of declared workers during the 2012/13 base period includes permanent and full time labour, and individuals working either for some of the period or on a part time basis. This reflects the fact that sections of the industry's workforce, particularly those who work at sites, are mobile, and move between projects as demand requires. The upshot of these factors was that site levy increased by 8% to approximately £24.14m, and off-site levy increased by 18% to approximately £4.50m.

As reported above, appeals were lodged by Stork Technical Services (RBG) Limited against the levy assessments relating to its establishment in respect of the 2010/11, 2011/12 and 2012/13 base periods. In the absence of any declarations of labour payments from Stork, the assessments were based upon the ECITB's estimates of such payments during the relevant base periods. The income relating to the 2010/11 and 2011/12 base periods was recorded in the accounts for 2012 and 2013. As part of the settlement agreement between the parties, Stork made declarations of its labour payments during the appealed base periods. Consequently, the aggregate levy income for the years 2012 to 2014 inclusive was approximately £22k higher than that previously assessed. This adjustment was made to the levy income recorded in the 2014 accounts.

Other incoming resources amounted to £3.27m (2013 – £2.95m), and mainly comprised investment income and income from sales and sponsorships.

Investment income (from quoted investments and cash deposits) was higher than in the previous year and amounted to £513k (2013 - £488k). This principally reflected investment performance, which continued to be poor as a consequence of ongoing low investment yields. It is anticipated that yields are likely to remain low into the foreseeable future as central banks continue to show little inclination to increase interest rates. The depressed nature of the bond markets in 2014 meant that losses on investment assets amounting to £119k were incurred in the year (2013 - £297k loss).

The only public funds received during the year related to the ECITB's receipt of £174k from Skills Development Scotland (in connection with the Energy Skills Challenge Fund), and £16k from the Department of Energy & Climate Change (relating to Nuclear Workforce Modelling). In 2013, the ECITB received £36k in public funds from The UK Commission for Employment & Skills in connection with the National Occupational Standards Qualifications Project in England.

Overall, income from sales and sponsorships grew by 6% in 2014 to £2.568m (2013 - £2.427m). The main sources of such income were from the sale of training products and services to training providers in Great Britain and overseas.

Most sales activity was with training providers in Great Britain. CCNSG safety training income comprised over 40% of all income from all sales and sponsorships. CCNSG income was 5% higher than in 2013. There was strong growth in sales from the use of the ECITB's technical training courses and technical tests, which grew by 19% and 27% respectively. However, income relating to Supervisory Development Programmes and Project Management Short Courses continued to fall (by 35% during the year).

Sales income from overseas training providers continued to grow. Sales achieved in 2014 amounted to £705k, which represented an increase of 20% compared with 2013. Income from the provision of consultancy services to overseas clients was marginally lower in the year. However, there was strong growth in income from the delivery

of the ECITB's International health and Safety Passport training courses (which grew by 50%), and technical tests (which grew by 91%).

## Expenditure

In 2014, bad debt provisions were made in respect of levy and trade debtors whose debts exceeded six months in age, or which had entered into insolvency. These provisions amounted to £108k (2013: £120k). In addition, a bad debt provision of £59k was made, which represented the value of the levy appealed during the year by an employer in the wind power sector. However, following the settlement of the levy appeals lodged by Stork (see above) the bad debt provisions made in prior years for the appealed levies in respect of the 2010/11 and 2011/12 base periods were reversed. This credit amounted to £2.963m. During the year there were other reversals of bad debt provisions relating to levies raised in prior years, which amounted to £10k. Thus, in 2014 an overall net reversal of bad debt provisions amounting to £2.806m was recorded (which had an "income effect" in the accounts), compared with a bad debts charge amounting to £1.75m in 2013.

Expenditure on charitable activities in 2014 (excluding levy collection costs) amounted to £33.72m which was £5.74m higher than in 2013 (£27.98m). This represents an increase of 20%, when compared with 2013. The main reasons for this are explained below:-

- Overall expenditure relating to apprenticeships (including grant, direct and support costs) was 12% lower (-£1,137m) in 2014 (£9.663m) than in 2013 (£10.800m). However, as mentioned above, this was attributable more to the change of approach described above, rather than reduction in the apprenticeship training activities supported financially by the ECITB. Consequently, expenditure on training provision (direct costs) was 26% (£1.0m) lower in 2014 (£2.88m) than in 2013 (£3.88m). However, apprenticeship grants paid to employers was 5% (£255k) higher in 2014 (£5.66m) than in 2013 (£5.40m).
- However, Skills & Technical expenditure (£13.58m) exceeded 2013 levels by 49% (£4.48m). However, this variation includes the retrospective training grants paid to Stork in 2014 amounting to £2.9m. Similar grants were not paid in 2013. If these grants are excluded from the analysis in order to get a more accurate comparison, then 2014 Skills & Technical expenditure increased by 18% compared with 2013. This reflected employers' increasing demand for training support in this area, as reported above.
- Similarly, Management & Professional expenditure (£8.182m) exceeded 2013 levels (£5,606m) by 46% (£2,576m). Again, this variation includes the grants paid to Stork in 2014 amounting to £0.59m. Similar grants were not paid in 2013. If these grants are excluded from the analysis, then 2014 Management & Professional expenditure increased by 35% compared with 2013. This was largely because of increased demand for project management training support.
- However, Awards & Qualifications expenditure was 8% lower (-£186k) in 2014 (£2.291m) when compared with 2013 (£2.477m). This entirely reflects the reduction in the levels of grants awarded on the registration and achievement of qualifications. In 2014, grants fell in this area by 18% from £1.034m in 2013 to £0.845m in 2014. Direct and support costs in this area are virtually identical in 2014 (£1.45m) and 2013 (£1.44m).

It should be noted that in 2014 grant expenditure in respect of all charitable activities (excluding levy collection activities) rose by 35% (2014: £25.27m, 2013: £18.78m). If the grants paid to Stork (£3.49m) are excluded, then the rate of increase was 16%. This reflects the strong level of engagement in training by employers during the year. Albeit that the demand for the ECITB's support grew, the direct and support costs of charitable activities both fell during the year. This reflected the change in approach to apprenticeship training, and the effects of the reorganisation described above. Direct costs across the charitable activities (£6.01m) fell by 9% (-£611k) compared with 2013 (£6.62m). Support costs (£2.57m) fell by 4% (-£116k) compared with 2013 (£2.68m).

Levy collection costs amounted to £468k in 2014, which was 28% higher (£101k) than in 2013 (£367k). The level of cost reflected the legal fees incurred in the Stork levy appeals and their settlement. Had the settlement not occurred, the costs would have been considerably higher as it was likely a full hearing in the Employment Tribunal would have otherwise occurred in 2014.

The existing use value of the property at the year-end is £1.116m which represents an increase in the value of the property of £159k. After adjustment to the cumulative depreciation relating to the building, a recognised gain of £200k has been recorded in the accounts.



## Balance Sheet at 31 December 2014

### Assets

Tangible assets marginally increased in value to £1.360m (2013 - £1.193m). This largely comprises the recognised revaluation gain relating to the freehold property.

At the year-end fixed and current investments amounted to £16.48m (2013 - £17.53m), which represents a reduction in the investment portfolio value of £1.05m, compared with the 2013 year-end. However, this reflects the level of investments encashed in December 2014 to fund payments in the immediate future. December and January are traditionally months in which cash outflows are at their highest. It should be noted that at the year-end cash at bank were comparatively high (2014: £2.32m, 2013: £1.15m) in order to fund the anticipated high level of cash outgoings (largely training grants) at the beginning of January 2015.

Debtors at the end of both 2013 and 2014 largely comprised levy and trade debtors, prepayments and accrued income. As a consequence of the settlement of the levy appeals mentioned above, the bad debt provision at the year end (£437k) is significantly lower than at the 2013 year end (£3.269m). Overall, at the year-end net debtors stood at £857k, compared with £606k at 31 December 2013.

### Creditors

Year-end creditors amounted to £4.230m (2013 - £4.422m). These largely comprised grant creditors and accruals.

### The funds of the charity

The year-end balance sheet shows total charity funds of £16.785m (2013 - £16.053m).

## Reserves Policy

The ECITB's policy is to retain a minimum level of reserves ("the Minimum Reserves Requirement") which is sufficient to fund future financial commitments arising principally from apprenticeship, degree and other longer-term training programmes or commitments. Such programmes carry forward significant financial commitments into future periods. In this policy, such financial commitments are distinguished from:

- Training expenditure which is agreed and likely to be incurred within the same financial period; and
- Other expenditure constituting the normal running costs of the organisation.

It is assumed that such short-term training costs and normal running costs will be defrayed from the income arising in the corresponding period. In the event that Board approves a budget leading to a planned financial deficit, the extent to which reserves reduce to meet the cost of the deficit must not result in the reserves falling below the Minimum Reserves Requirement.

In calculating the Minimum Reserves Requirement no allowances are made for fluctuations in income, the ability to respond to new initiatives, or any contingencies. This is because:

- Historical evidence suggests that the probability of the requirement to hold funds to meet such purposes arise is remote; and
- The Board's policy is to hold reserves at a level having regard to the interests of levy payers, which provide the ECITB's main source of funds.

When reserves exceed the Minimum Reserves Requirement the ECITB may draw upon the excess to fund activities in periods of high demand for training support, or to maintain levels of training during periods of comparatively low economic activity, or to fund special projects approved by the Board.

This policy is based on the assumption that the ECITB remains a going concern. In the event of the cessation of the ECITB's operations, it is acknowledged that all creditors (other than those with statutory or legal precedence) will rank *pari passu* in their claims.

The Minimum Reserves Requirement is reviewed annually as part of the financial planning and budgeting exercise for the ensuing financial year by the Management Board and the Audit Committee to that the ensure that the Minimum Reserves Requirement is likely to be exceeded over the ensuing five-year period. Its conclusions and recommendations are reported to the Main Board, which considers and confirms the position.

The level of the Minimum Reserves Requirement is calculated by reference to a financial model which has been developed by the ECITB. The assumptions adopted in the financial model relating to reserves are approved by the Management Board and the Audit Committee on behalf of the Main Board.

In 2014, the Management Board and the Audit Committee concluded that the average Minimum Reserves Requirement over the five-year period was £9m. This was confirmed by the Main Board in November 2014.

## Investment policy and performance

The ECITB is required by section 17(5) Industrial Training Act 1982 to invest money in accordance with guidelines approved by the Secretary of State for the Department for Business Innovation and Skills (BIS). The investment guidelines appear in the Financial Memorandum issued by Secretary of State, and in *Managing Public Money*, issued by HM Treasury. These broadly permit 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.

In 2013, BIS approved variations to the investment guidelines to enable investment in a wider range of “investment grade” bonds. The purpose of the variations was to improve investment performance, while not excessively increasing ECITB’s exposure to additional risk. Although the revised guidelines permit a wider range of bonds to be considered for investment, the risk associated with the current investment policy is still low, as all investments must be “investment grade” and many are guaranteed by the government. Investment in equities is still not permitted.

It is believed that yields are likely to remain low into the foreseeable future. However, there are now signs of bond market rehabilitation. The revised investment guidelines now offer the opportunity gradually to switch investments into shorter duration corporate bonds (which are likely to yield more than government gilts) as and when the appropriate opportunities arise. However, the ECITB adopts a conservative approach. Even if such opportunities are identified, it is not envisaged that the current investment mix will alter significantly in the future. However, in the longer term, if and when yields increase, then longer duration bonds will be considered.

Investment performance is measured against a benchmark, namely the FTSE UK Government Bond Fixed 1-5 Year Index. In the period from 14th September 2004 (when Schroder took over the portfolio) to 31st December 2014, the performance of the long-term portfolio, after the deduction of management fees, was 53.9% compared to the benchmark 49.5%, giving an annual portfolio return of 1.8% (benchmark return 2.9%) for the year to 31st December 2014.

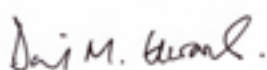
The Management Board is responsible for the periodic review of the ECITB’s investments, and the performance of the investment manager. This last occurred in September 2014, and the Management Board undertakes this exercise twice a year. The ECITB’s opinion remains that it is unnecessary to dispose of any part of the investment portfolio or change the current investment policy in view of the very low risk attached to the portfolio (many investments are effectively guaranteed by the government). It is considered that the investment mix is appropriate to the prevailing market conditions.

## Auditors

The ECITB’s external auditor is the Comptroller and Auditor General who is appointed under Section 2 of the Industrial Training Act 1982. The cost of the audit for 2014 was £50k (2013 - £47k).

## 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.



**D M Edwards**  
Chief Executive Officer  
19<sup>th</sup> May 2015

# REMUNERATION REPORT

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## Unaudited information

### *Staff appointments*

Most 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 contracts of employment of senior managers may be terminated on three months' notice.

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 and Unite (a trade union) have entered into a voluntary agreement. Under its terms the union represents employees on a collective basis on specified matters. The ECITB periodically meets with representatives of the union to discuss matters such as the annual basic salary review, holidays, sick pay and pensions.

### *Staff sickness absence*

The ECITB monitors levels of staff sickness absence. In 2014, the sickness absence rate was 1.5% (2013 - 2.5%), equivalent to 3.5 working days per head (2013 - 5.6 working days). This compares with a 2013 public sector average absence rate (as published by the ONS Labour Force Survey) of 2.9%, and a 2013 private sector average of 1.8% (this is latest data available).

## 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 Regional Operations, the Director of Development & Quality, and Director of International Operations and Commercial).

The contracts of employment of the Executive Team are, in all material respects, in line with those of other staff of the ECITB. The exceptions are a notice period of three months (six months' notice for the Chief Executive) rather than one month, and the entitlement to private medical insurance. They are entitled to membership of the ITB Pension Funds, which is a contributory final salary scheme. No members of the Executive Team are employed on fixed term contracts.

At its meetings held in 2014 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.

2014					2013					Date of appointment to position
Salary £'000	Pension Benefit £'000	Benefits in kind (to nearest £100)	Performance Pay £'000	Total Salary £'000	Salary £'000	Pension Benefit £'000	Benefits in kind (to nearest £100)	Performance Pay £'000	Total Salary £'000	
D M Edwards, Chief Executive										
130-135	25-30	700	3	155-160	125-130	30-35	2,800	1	160-165	01.07.99
A M Featherstone, Director of International Operations and Commercial										
100-105	20-25	7,100	0	130-135	105-110	20-25	7,700	0	140-145	11.07.05
P C Hill, Director of Finance & Board Secretary										
90-95	20-25	300	3	115-120	90-95	20-25	700	1	110-115	15.05.06
N Spencer, Director of Development & Quality										
85-90	15-20	300	1	105-110	85-90	20-25	700	1	110-115	01.11.03
A Brown, Director of Regional Operations										
85-90	25-30	700	1	110-115	75-80	0	1,000	0	75-80	01.04.13

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 senior managers.

ECITB is required to disclose the relationship between the remuneration of its highest-paid director and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in ECITB in the financial year 2014 was £130,000-£135,000 (2013 - £125,000-£130,000). This was 3.7 times (2013 - 3.8 times) higher than the median remuneration of the workforce, which was £36,081 (2013 - £34,000). In 2014 no employees received remuneration in excess of the highest-paid director (2013 - none). Total remuneration ranged from £16,000 to £135,000 (2013 - £5,000-£130,000). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

### Senior staff pension entitlements

Name	Real increase in pension at age 60 (£'000)	Total accrued pension at age 60 (£'000)	CETV at 31.12.13 (£'000)	CETV at 31.12.14 (£'000)	Employer funded real increase in CETV (£'000)
D M Edwards	0 – 2.5	30-35	466	509	31
A M Featherstone	0 – 2.5	10-15	129	149	16
P C Hill	0 – 2.5	10-15	94	110	13
N Spencer	0 – 2.5	15-20	216	240	19
A Brown	0 – 2.5	5-10	22	33	5

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

## Trustees' costs

In accordance with his appointment by the Secretary of State for Business, Innovation and Skills, the Chairman of the Board is entitled to remuneration. During the year the Chairman, Mr A Collinson, received £19,854 (2013 - £23,460).

Two independent trustee non-executive directors, Mr J Gammage and Miss S Watson, have been paid in accordance with The Charity Commission's agreement. In 2014, collectively they received remuneration amounting to £24,000 (2013 - £23,000).

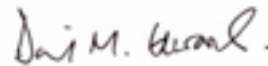
In 2014, 16 trustees (2013 - 24) incurred travel, accommodation and subsistence expenses, which were reimbursed by the ECITB. In 2014, these expenses amounted to £21,477 (2013 - £27,337).

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

Appendix A of this report contains a list of current trustees and former trustees who held office in 2014.



S Watson  
Trustee and Chairman of the Audit Committee  
19<sup>th</sup> May 2015



D M Edwards  
Chief Executive Officer  
19<sup>th</sup> May 2015

# GOVERNANCE STATEMENT

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## Scope of Responsibility

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

## The purpose of the Governance Statement

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

## Governance Framework of the Organisation

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

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

The ECITB is established for exclusively charitable purposes and is a registered charity in England and Wales. It also undertakes its charitable activities in Scotland. The charitable activities of the ECITB are partly funded by the statutory levy established by the Act and confirmed by Levy Orders passed by both Houses of Parliament. The levy applies to all in-scope establishments operated by industry employers to ensure equity across employers in the industry in the provision of training. The most recent Levy Order is the Industrial Training Levy (Engineering Construction Industry Training Board) Order 2015 (2015 No. 677), which was made on 10 March 2015 and came into force on 11 March 2015.

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

## How ECITB is governed and decisions are made

### Board and Committees

The members of the ECITB's Board and its committees as at 19<sup>th</sup> May 2015 are set out in Appendix C.

### The Board of Trustees (the Board)

The ECITB is directed by an employer-led Board, largely comprising unpaid volunteers. Its composition reflects the main stakeholders in the engineering construction industry. In accordance with the Act, trustees are appointed by the Secretary of State for BIS following public appointment processes. These meet the requirements of the Office of the Commissioner for Public Appointments (OCPA). Nominations of candidates from the industry's employers are sought from the principal trade associations and from employers which participate in the ECITB's Regional Forums. Nominations for employee representatives are made by the Trades Unions. Appointments are generally for either three or five years, and second terms are possible. Members who are not ex-officio appointees cannot serve for more than ten years in one capacity. For example, this means that it would be possible for member to serve for up to ten years as member nominated by a trade association, and then for a further term as a Regional Chair elected by employers which participate in the relevant regional forum. All appointments must satisfy the requirements of OCPA and the Secretary of State.

Following the appointment of a trustee, he or she is inducted by the ECITB and provided with a comprehensive package of documents, which define the nature of:-

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

This information provided by the ECITB reinforces and expands upon the information and guidance provided by BIS in its terms of a trustee's appointment. The induction session with a new trustee 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 ECITB's Executive. This includes periodic training sessions on the role and responsibilities of trustees. As all members are required to have industrial or commercial experience, further training (whether formal or informal) is provided to support specific duties, such as participation in the Audit Committee.

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

During 2014 seven Board trustees were appointed, and nine members' terms of office came to an end as a result of retirement or resignation. In October 2014 the Chairman of the Board resigned. Pending the appointment of a new Chairman, meetings of the Board have been chaired by the Chairman of the Audit Committee, and the responsibilities of the Chairman have been discharged by members of the Board and the Executive, with the agreement of the Management Board. It is anticipated a new Chairman will be appointed later in 2015. Details of who served as trustees during the year are shown in Appendix A, and the Register of Trustees' Interests appears in Appendix B.

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

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

- |  |   |
|--|---|
| <ul style="list-style-type: none"><li>• Recommending to Parliament the raising of a levy.</li><li>• Laying the Annual Report and Accounts before Parliament.</li><li>• Endorsement of the Strategic Plan.</li><li>• Approval of grant schemes.</li></ul> | <ul style="list-style-type: none"><li>• Approval of information to be collected from employers.</li><li>• The delegation of functions to a Committee and approval of any allowances to Committee members for loss of remunerative time.</li></ul> |
|--|---|

The Board also has the following responsibilities:-

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Appointing the Management Board, agreeing Codes of Practice and recommending any remuneration for the non-executive members.</li> <li>• Recommending the Terms of Reference of and powers delegated to the Management Board and to other Committees.</li> <li>• 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.</li> <li>• Approving the Annual Report and Accounts.</li> </ul> | <ul style="list-style-type: none"> <li>• Receiving reports from the Management Board on progress against the Business Plan.</li> <li>• Setting the Risk Management strategy and reviewing its operation.</li> <li>• Appointing the Audit Committee Chair and Members, and the Internal Auditors.</li> <li>• Considering the Annual Report from the Audit Committee supported by reports from the external and internal auditors.</li> <li>• Appointing the Qualifications &amp; Awards Committee Chair and Members.</li> </ul> |
|--|--|

The Board normally meets three times per year, although additional meetings may be arranged if necessary. Of these, one meeting will be before the year-end to review and approve strategy and plans for the ensuing year, and one will be after the year-end to review and approve the Trustees' Report (including the audited accounts). Average attendance at the Board across the year was 76.3% (2013 – 72.9%), and each member's attendance statistic is set out in Appendix A.

### The Management Board

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

The Management Board's responsibilities are to:-

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Direct the operations of the ECITB.</li> <li>• Ensure that the ECITB operates within the approved budget with power to agree virement between heads of expenditure.</li> <li>• Propose to the Board the rates of levy to be applied.</li> <li>• Monitor performance using agreed key performance indicators.</li> <li>• Act as the Remuneration Committee of the ECITB, setting overall policies and levels and approving the remuneration of the Directors.</li> <li>• Propose to the Board the annual Budget and Business Plan.</li> <li>• Agree the powers delegated to staff.</li> </ul> | <ul style="list-style-type: none"> <li>• 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).</li> <li>• Appoint Investment Managers and monitor their performance within the guidelines set by the Secretaries of State and The Charity Commission.</li> <li>• Appoint bankers and agree appropriate mandates.</li> <li>• Report to the Board at agreed intervals on performance.</li> </ul> |
|---|---|

The Management Board normally meets four times per year, although additional meetings may be arranged if necessary. The identities of the members of the Management Board are shown in Appendix C.



## The Audit Committee

The Board appoints members of the Audit Committee having taken account of any Treasury guidance and good practice in respect of Audit and Control. 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 receives reports from the Board's internal and external auditors as appropriate.

The Board appoints members of the Committee. The aim is to have between five and seven members of whom 2 or 3 are not members of the Board. The Chairman of the Committee is a Board member who is not the Chairman of the Board. Representatives of internal and external auditors are invited to attend all meetings. These representatives will have free and confidential access to the Chairman of the Audit Committee, if required at each meeting or during the year as appropriate. It should be noted that the Chairman of the ECITB is formally a member of the Audit Committee. Potentially, this creates a risk to the independence of the Audit Committee. However, the risk is not considered to be significant.

At present there are four members of the Committee. The ECITB is endeavouring to seek new independent (i.e. individuals who are not trustees) members, who possess suitable experience and qualifications. The process involves seeking candidates from within the industry and advertising more generally for applicants.

The main duties of the Committee are to:-

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• Review the ECITB's Risk Management Policy and recommend it to the Board for approval. To review and monitor its implementation.</li><li>• Review the ECITB's financial statements and reports to ensure that they reflect best practice and relevant guidance.</li><li>• Review the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.</li><li>• 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.</li><li>• 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.</li></ul> | <ul style="list-style-type: none"><li>• 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.</li><li>• Consider and advise the Board on the ECITB's annual and long-term audit programme.</li><li>• Consider any internal audit reports, including value for money reports and the arrangements for their implementation.</li><li>• Review the operation of the ECITB's Code of Practice for Board Members and Code of Conduct for staff.</li><li>• Consider any other matters where requested to do so by the Board.</li><li>• Report at least once a year to the Board on the discharge of the above duties.</li></ul> |
|---|--|

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 to consider the internal audit programme for the year. The identities of the members of the Committee are shown in Appendix C. Each member's meeting attendance statistic is set out in Appendix D.

During the year, the Committee commenced a process of assessing its effectiveness. This included consideration of the NAO's Audit Committee self-assessment checklist. The process is ongoing, and it is anticipated that this will be concluded and reported to the Main Board in 2015.

## The Qualifications and Awards Committee

The Board appoints members of the Qualifications and Awards Committee. The aim is to have nine members. At present, there are eight members, and the ECITB is seeking a candidate from the Offshore oil and gas sector of the industry. The Chairman is a Board member who is not the Chairman of the Board.

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

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>Oversee the development all new ECITB qualifications and awards, approve them and their implementation.</li> <li>Ensure that all qualifications and awards given or recognised by the ECITB are supported with appropriate approval and assessment processes.</li> <li>Oversee the development, maintenance and implementation of the ECITB's Qualification Strategy and Action Plan</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Advise on procedures for assessment and verification of qualifications and awards, and ensure value for money in their delivery.</li> <li>Review audit reports from the relevant regulatory authorities and endorse any resulting action plans.</li> <li>Advise on any sanctions imposed upon approved centres and any appeals, which may result from such sanctions.</li> <li>Monitor and regulate ECITB provider approval and accreditation processes to ensure quality and rigour.</li> <li>Review the operation of the Board's procedures for ensuring the independence and integrity of its systems for awarding qualifications.</li> </ul> |
|---|---|

The Committee normally meets four times per year, although additional meetings may be arranged if necessary. The identities of the members of the Committee are shown in Appendix C.

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

The CCNSG is a committee of the Board, and is responsible for the management of the CCNSG's nationally accredited Safety Passport Scheme. The CCNSG reports to the ECITB's Management Board on its activities. The ECITB manages the operation of the Scheme, and the CCNSG retains responsibility for the strategic direction of the Scheme, including the determination of the Scheme's content, the standards for approval of training providers, the future development of the Scheme and its integrity assurance. A representative from the Health and Safety Executive is invited to attend meetings of the CCNSG as an observer.

The CCNSG comprises:-

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>Up to four members from client organisations (including at least one from a Capital Projects Client's Group member).</li> <li>Up to four members from engineering construction employers.</li> <li>Up to two members from Trades Unions.</li> </ul> | <ul style="list-style-type: none"> <li>Two members from CCNSG training provider organisations (which are actively providing CCNSG training).</li> <li>A member representing the ECITB.</li> </ul> |
|--|---|

The Chairman is selected by members of the Group, which meets quarterly, or more/less frequently as determined by its members. The identities of the members of the Committee are shown in Appendix C.

**Regions**

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

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

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

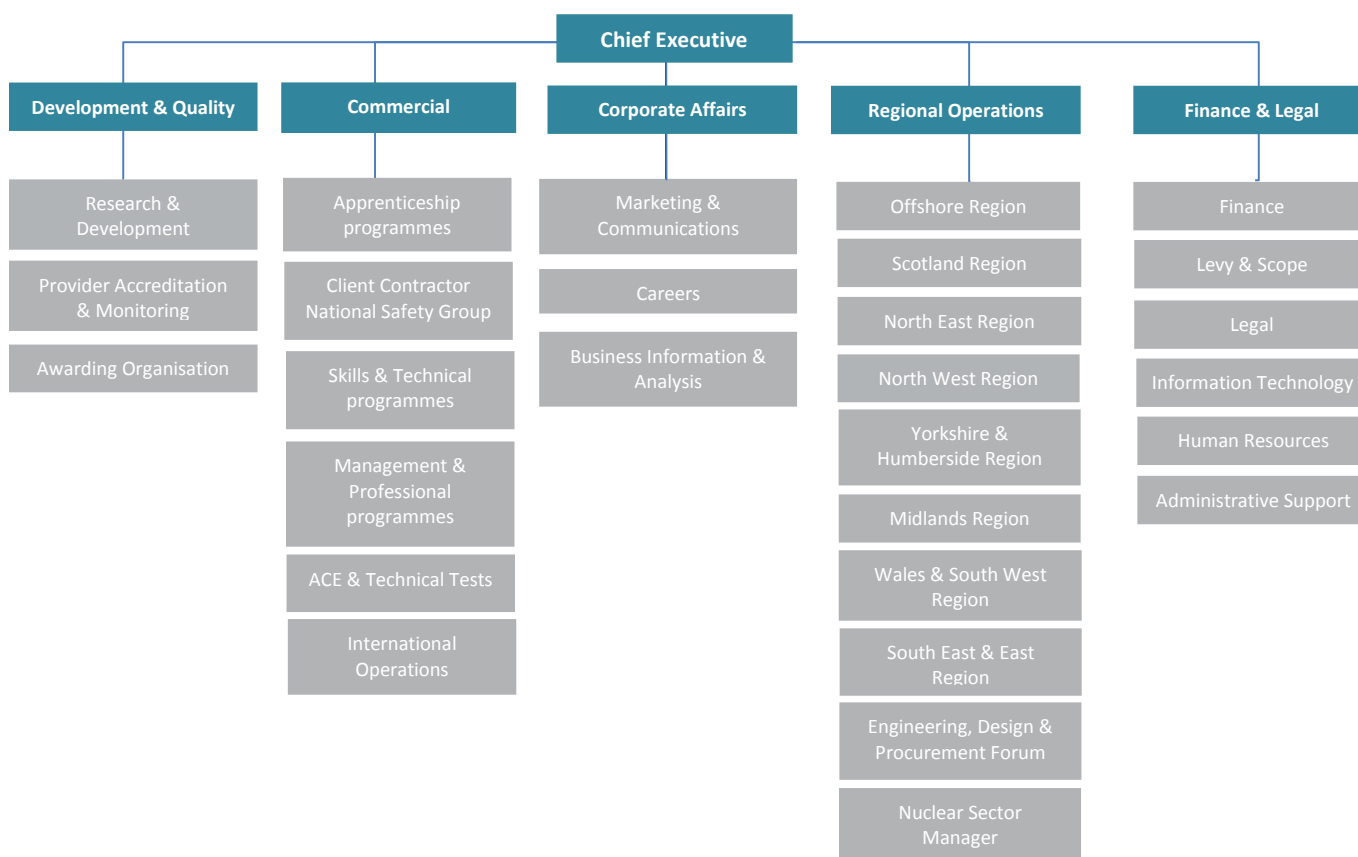
To address specific and local issues and needs, in some regions the ECITB has established sub-forums. For example, in the Midlands region a Water Industry Forum has been established. Due to their size, in the Scottish and South East & East regions meetings are held in different locations. This enables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

Under the ECITB’s regional governance model, forums are empowered and operate as “business units” charged with supporting the achievement of the Board’s strategic goals by the development and delivery of regional operating plans. The Chair of the Regional or National Forum leads the forum on behalf of the Board. This includes the review of the regional operating plan (targets and outcomes) and financial budget. He/she will also provide support and guidance to ECITB staff in the region, which in turn are accountable for the delivery of the agreed regional operating plan.

The regional operating plan will include training objectives and targets, and the planned activities to achieve such outcomes. Such objectives and targets may vary between regions.

### ECITB management and staff

The Board and the Management Board have delegated responsibility for the implementation of the ECITB’s strategic plans, and the management of the organisation to the Chief Executive. The Chief Executive leads the organisation’s executive management team (“the Executive Team”). In 2014, this comprised the Chief Executive, the Director of Finance and Board Secretary, the Director of Regional Operations, the Director of Development and Quality, and the Director of International Operations and Commercial (“the directors”). The ECITB’s management and organisation structure was divided into the following directorates with the principal responsibilities shown below.



Each director was responsible for ensuring that the activities of each directorate are managed to ensure that the achievement of the ECITB’s strategic and regional objectives are conducted efficiently, to the highest quality standards, and in compliance with the law. Regular meetings of the Executive occur (at least two per month) and each director reports concerning their areas of responsibility. In addition, written performance reports are provided,

including performance against key performance indicators. This enables me to make the statements in this report, and in particular my assessment of internal controls.

In January 2015 I announced my intention to retire and to leave the ECITB in the course of 2015. The recruitment process for a new Chief Executive and a new Accounting Officer has commenced and an appointment will be made during the course of the year.

## Overview of Board Effectiveness and Performance

The Board has a well-developed approach to balancing strategic priorities (for example the recruitment and training of apprentices) with support for employers' immediate skills and competence needs. This is through the existing processes of dialogue and transparency, which lead to increased employer engagement in the regions and their forums, and improved quality of delivery from training providers.

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

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

New members of the Board are invited to attend a seminar on the role and responsibilities of charitable trustees. The course has been specifically designed to address the ECITB's circumstances, and is led by a barrister specialising in the law in this area. Such seminars were run in 2012 and 2013. This did not occur in 2014 because the appointment formalities for some of the new Board members were not completed until late in the year. A training event for members will be organised in 2015 in order to assist them in the effective discharge of their roles and responsibilities.

In 2013 members of the Board completed the National Audit Office's Board Evaluation Questionnaire. The broad conclusion was that the Board was effective and meeting its responsibilities. The responses from the questionnaire confirmed that members had a good understanding of the performance of the organisation and the risks that it faced. Nevertheless, the Board identified areas for improvement in its effectiveness. The issues of governance and Board effectiveness have also arisen during the course of BIS' Triennial Review of the industry training boards. This has included questions about the size of the board, how emerging industry sectors are represented, the diversity of the Board has (with an expectation for gender equality), and how suitable Board members are recruited. Thus, the Board has initiated a review of Board effectiveness to consider such issues. The remit of the review also extends include other aspects of the ECITB's governance arrangements. An independent consultant has been engaged to lead the review, which will include consultations with Board members, the Executive and other key stakeholders, including BIS and NAO. It is anticipated that recommendations arising from the review will be considered by the Board in the summer of 2015.

## Conflicts of Interest

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

## 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 2014 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

## Capacity to handle risk

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

## The risk and control framework

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

A risk management policy has been established and communicated to all relevant parties. Risk management is embedded within normal operations, including system development risk analysis and progress reports for major projects. Responsibility for risk management is assigned to the directors and their respective managers, to reflect actual responsibilities. 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. 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.

The Audit Committee has reviewed the provisions of the current risk management system and the question of how the Board should define its attitude and appetite towards risk. A review of these matters is underway. It is envisaged changes will be made in the manner in which risks are assessed and graded, and corresponding amendments to the policy have been considered by the Audit Committee in April 2015. A process will be devised for assessing the organisation's risk appetite and tolerance, and the matter will be considered by the Main Board in July 2015.

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

## Key Issues and Risks

The key issues and associated risks discussed by the Board during the year related to:-

- The ability of the ECITB to offer financial support for the high levels of training activities undertaken by industry employers, particularly relating to apprentices.
- The Triennial Review of the industry training boards by BIS and the consequences for the industry and the organisation in the event that the Review concludes that the ECITB is either no longer needed, or should be substantially reformed.
- The position adopted by some employers in the wind power sector that the scope of the 1991 Board Order ought not to extend to the sector.

In order to mitigate the risks arising from these issues, the following approach and steps have been adopted:-

- The risk of failing to meet employer demand for training support: The ECITB engages with employers in order to agree training plans and commitments, and closely controls its regional training budgets to ensure that resources are used equitably and efficiently. During 2014 the ECITB reorganised its central functions with a view to improving service quality and reducing costs.
- The Triennial Review: Full submissions have been made to the Review team concerning the industry's skills and training needs, the organisation and its performance, achievements and plans.

- The wind power sector: The ECITB has participated in the dialogue facilitated by BIS between employers in the sector and relevant skills bodies concerning the future skills requirements of the sector.

## Internal audit

Mazars Public Sector Internal Audit Ltd served as the ECITB's internal auditor throughout 2014. The internal auditor operates to standards and requirements defined by HM Treasury, which include the submission of an independent opinion on the adequacy and effectiveness of the system of internal control, and the provision of assurance relating to the ECITB's governance and risk management arrangements.

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

In 2014, the internal auditor undertook an audit of the processes of employer engagement and the identification of skills needs and priorities. In its reports the auditor confirmed that the design of, and compliance with, the relevant systems and controls meant that the Board could derive substantial levels of assurance in them. Overall I consider that the outcomes of the work undertaken by the internal auditors give effective support to my statement relating to internal control set out in this statement.

The internal auditor has reported that based on the work completed during 2014, carried out in accordance with the scope agreed by the Audit Committee, with the exception of the control weaknesses identified in its detailed report, in its opinion the ECITB has an adequate and effective system of internal controls, which provides reasonable assurance regarding the effective and efficient achievement of the ECITB's objectives. The auditor made recommendations to improve controls and rectify weaknesses identified. Management has proposed appropriate action to strengthen the current controls.

Mazars' appointment concluded at the end of 2014, and the Government Internal Audit Agency has been appointed to undertake internal audit work from 2015 onwards.

## 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 and the Board Secretary attend meetings of the Audit Committee to assist the Committee in its review of the ECITB's management of risk, and ensure 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. This includes a review by the Committee of the full Risk Register at least once a year, and the consideration of the Accounting Officer's report at each Committee meeting relating to the significant risks in the risk register, and the risk profile of the organisation. The Committee's attendance records for 2014, and each member's attendance statistic, are set out in Appendix D.

The Committee still largely comprises members of the Board, who are also members of the Management Board. There is only one "independent" member of the Committee. The Committee recognises that it is good practice for an Audit Committee to have the ability to consider the affairs and conduct of the organisation, and in particular the manner of its decisions, with as high a degree of independence and impartiality as possible. Furthermore, the Committee recognises that the level of financial and legal expertise amongst members of the Committee could be greater, bearing in mind the matters that are considered in the normal course of the Committee's business. The ECITB is endeavouring to attract suitable candidates who may meet the criteria mentioned above, thereby improving the effectiveness of the Committee. However, it is not considered that at present there is any risk that the Audit Committee may not be effective. The review of Board effectiveness and governance arrangements mentioned above will include the issues relating to the current composition and effectiveness of the Audit Committee.

## Information risk

In 2014 the development of ECITB's management information systems continued. This enabled and supported changes in business processes and organisational performance improvements. The emphasis remains to ensure data handling practices are simple, rigorous and efficient. Information security is of vital importance to the operation and reputation of the ECITB. Its IT Manager is the ECITB's Senior Information Risk Owner (SIRO) and has operational responsibility for this. Between September and December 2014, the responsibilities of the SIRO were discharged by the Board Secretary, whilst a new IT Manager was recruited.

All information technology projects are currently overseen by the Audit Committee, and managed in accordance with the guidelines and standards recommended by the internal auditor. Key elements in any project remain to ensure full compliance with the information aspects of the Security Policy Framework, and to ensure staff understand their personal responsibilities and are adequately trained in this area. In addressing the applicable minimum security requirements the ECITB ensures that there is clear transparent reporting to the SIRO and the Audit Committee.

Progress has been maintained in the development of the new Candidate Registration Portal, which is a key project in view of the ECITB's strategic objectives. Following a public tendering exercise, contractual arrangements with Capita have been completed, and development work is in progress under the supervision of a project board comprising representatives of the ECITB's Executive, relevant internal "user groups" and Capita's development team. It is anticipated the new system will be developed in 2015.

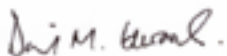
During 2014 there were no data breaches, and no disclosures or reports were submitted to the Information Commissioner.

## Review of effectiveness

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

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

My review of the effectiveness of the governance and internal control system shows that in 2014 the ECITB had adequate and effective risk management, control and governance processes to manage the achievement of its objectives.



D M Edwards  
Chief Executive and Accounting Officer

19<sup>th</sup> May 2015

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

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I certify that I have audited the financial statements of the Engineering Construction Industry Training Board (ECITB) for the year ended 31 December 2014 under the Industrial Training Act 1982. The financial statements 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 ECITB, Accounting Officer and Auditor**

As explained more fully in the Statement of the ECITB and Accounting Officer's Responsibilities, the ECITB and the 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 ECITB's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ECITB; and the overall presentation of the financial statements.

In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. 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 ECITB's affairs as at 31 December 2014 and of its incoming resources and resources expended for the year then ended; and
- The financial statements have been properly prepared in accordance with the Industrial Training Act 1982 and Secretary of State directions issued thereunder.



## **Opinion on other matters**

In my opinion:

- The part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Industrial Training Act 1982; and
- The information given in the Financial Report, Organisational Details and Key Policies, Annex A – Trustees, Annex C – Membership of Board and Committees and Annex D – Audit Committee Attendance for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

## **Report**

I have no observations to make on these financial statements.

**Sir Amyas C E Morse**  
**Comptroller and Auditor General**

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

**22<sup>nd</sup> June 2015**

# FINANCIAL ACCOUNTS

## FOR THE YEAR-ENDED 31 DECEMBER 2014

Statement of financial activities for the year-ended 31 December 2014 including an Income and Expenditure Account and Statement of Total Recognised Gains and Losses

<i>Incoming resources</i>	2014 £'000	Restated 2013
<b>Incoming resources from generated funds</b>		
Investment income <span style="float: right;"><i>Note 4</i></span>	513	488
<b>Incoming resources from charitable activities</b>		
Non-levy income - Apprentices and Careers	92	7
- Skills & Technical Programmes	600	506
- Management & Professional Programmes	129	210
- Awards & Qualifications	1,937	1,740
<b>Total non-levy income</b> <span style="float: right;"><i>Note 3</i></span>	2,758	2,463
<b>Levy</b>	28,968	26,083
<b>Other incoming resources from charitable activities</b>	0	2
<b>Total incoming resources</b>	32,239	29,036

### *Resources expended*

<b>Cost of generating funds</b>		
Investment management costs	50	47
Bad debt charge <span style="float: right;"><i>Note 5</i></span>	(2,806)	1,750
<b>Charitable activities</b>		
Apprentices and Careers	9,663	10,800
Skills & Technical Programmes	13,580	9,098
Management & Professional Programmes	8,182	5,606
Awards & Qualifications	2,291	2,477
Levy collection costs	468	367
<b>Total costs of charitable activities</b> <span style="float: right;"><i>Note 6</i></span>	34,184	28,348
<b>Governance costs</b> <span style="float: right;"><i>Note 13</i></span>	160	160
<b>Total resources expended</b>	31,588	30,305

<b>Net incoming/(outgoing) resources for the year before other recognised gains and losses</b>		651	(1,269)
<b>Other recognised gains and losses</b>			
Gain/(loss) on revaluation of fixed assets and depreciation adjustment	<i>Note 14</i>	200	113
Gain/(loss) on investment asset	<i>Note 16</i>	(119)	(297)
<b>Net movement in funds</b>		732	(1,453)

### **Reconciliation of funds**

<b>Total funds brought forward at 1 January</b>		16,053	17,506
<b>Total funds carried forward at 31 December</b>	<i>Note 22</i>	16,785	16,053

The statement of financial activities reflects all gains and losses during the year to 31 December 2014. All activities are continuing. All funds are unrestricted.

The notes on pages 42 to 61 form part of these financial statements.

## Balance Sheet as at 31 December 2014

		2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	<i>Note 14</i>	1,360	1,193
Investments	<i>Note 16</i>	14,203	13,711
<b>Total fixed assets</b>		<b>15,563</b>	<b>14,904</b>

<b>Current assets</b>			
Debtors	<i>Note 17</i>	857	606
Investments	<i>Note 16</i>	2,277	3,817
Cash at bank and in hand	<i>Note 24</i>	2,318	1,148
<b>Total current assets</b>		<b>5,452</b>	<b>5,571</b>

<b>Creditors</b>			
Amounts falling due within one year	<i>Note 18</i>	(4,230)	(4,422)

<b>Net current assets</b>		<b>1,222</b>	<b>1,149</b>
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<b>Total assets less current liabilities</b>		<b>16,785</b>	<b>16,053</b>
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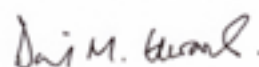
<b>The Funds of the Charity</b>			
Unrestricted fund	<i>Note 22</i>	<b>16,785</b>	<b>16,053</b>

<b>Total Charity Funds</b>		<b>16,785</b>	<b>16,053</b>
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The accounts were approved by the Board on 19<sup>th</sup> May 2015.



S Watson  
Trustee and Chairman of the Audit Committee  
19<sup>th</sup> May 2015



D M Edwards  
Chief Executive Officer  
19<sup>th</sup> May 2015

The notes on pages 42 to 61 form part of these financial statements.

## Cash flow statement for the year-ended 31 December 2014

		2014 £'000	2013 £'000
<b>Net cash inflow (outflow) from operating activities</b>	<i>Note 23</i>	(217)	(1,562)
<b>Returns on investments and servicing of finance</b>			
Investment income		513	492
Gains/(losses) on investment assets		0	(104)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets	<i>Note 14</i>	(117)	(112)
Proceeds from disposal of tangible fixed assets		62	42
<b>Management of liquid resources</b>			
Purchase of investments	<i>Note 16</i>	(27,319)	(23,646)
Disposal of investments	<i>Note 16</i>	28,248	25,458
<b>Increase/(decrease) in cash</b>	<i>Note 24</i>	1,170	568

<b>Reconciliation of changes in cash to net fund</b>		2014 £'000	2013 £'000
Balance at 1 January		1,148	580
Change in cash		1,170	568
Balance at 31 December		2,318	1,148

The notes on pages 42 to 61 form part of these financial statements.

### 1 Accounting policies

#### *Going concern*

These accounts are prepared on a going concern basis. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the ECITB to continue as a going concern.

#### *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 2014/15 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*

From time to time the ECITB receives grant income from Government and the European Union in respect of projects in which the ECITB has agreed to participate.

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. In these circumstances, such sums are recorded as grant creditors.

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

No grant in aid was received in 2014.

#### *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 2013 was raised in January 2014 and recognised as income in 2014.

#### *Other categories of income*

Whenever possible, other categories of income (for example, sales, sponsorship and investment income) are recognised on an accruals basis. However, when income is unknown or receipt is uncertain it is recognised on a receipts basis. Non-levy income is allocated amongst charitable activities on the same basis as direct costs (see Notes 3 & 8).

#### *Investment management costs*

Investment management costs are recognised on an accruals basis.

## **Charitable expenditure**

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

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

## **Grants payable**

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

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

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

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

## **Direct and support costs**

Direct costs (Note 8) have been recorded against activity cost categories on a basis consistent with the use of the resources. Direct staff costs have been allocated on the basis of staff time devoted to activity cost categories. Other direct costs have been allocated to the activity cost categories to reflect the activity in which the cost arose.

Support costs (Note 9) 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. Most of the costs recorded under this head relate to internal and external audits, fees and salaries paid to Trustees, and the costs and expenses associated with meetings of the Board and its Committees (see Note 13).

## **Land and buildings**

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

In the intervening years between full external valuations the last revalued existing use value is adjusted (where material) by reference to relevant commercial property indices published 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 and motor vehicles) 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 assets are depreciated over the following periods:-

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

No depreciation is provided on freehold land.

Depreciation on freehold buildings is provided on the last revalued existing use value over the remaining useful life of the asset. The annual depreciation provision is calculated by dividing the latest revalued amount by the number of years of remaining useful life. Under this policy at the year-end date the remaining useful life of the buildings is 17 years.

Depreciation on motor vehicles is provided on an initial value, which is calculated by deducting the anticipated residual value at the end of the vehicle's estimated life from the cost price. The initial value of the vehicle is depreciated in equal annual instalments over a period of five years from the date of purchase.

### **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 charge 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 a multi-employer defined benefit and contribution scheme. 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 2014, there were 371 (2013 – 372) establishments, which were wholly or mainly undertaking engineering construction activities. From this total, Industrial Training Levy was assessed in respect of 239 (2013 – 243) establishments. 132 (2013 – 129) establishments were exempted from paying a levy because the level of payments made in respect of personnel at these establishments did not exceed the statutory exemption levels.

At the end of 2014 there was one levy assessment under appeal. The amount appealed was £59k (see Notes 5 and 17).

<b>3 Non-levy income</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
From Government and European Union sources	190	36
From sales and sponsorships	2,568	2,427
	<b>2,758</b>	<b>2,463</b>

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

<b>Income Stream</b>	<b>Government/European Sources</b>	<b>Charitable Activity</b>	<b>2014</b>	<b>2013</b>
			<b>Income</b>	<b>Income</b>
			<b>£'000</b>	<b>£'000</b>
National Occupational Standards Qualifications Project	UK Commission for Employment & Skills	Awards & Qualifications	0	36
Wales & Ireland Sustainable Enterprise project (WISE)	European Social Fund	Skills & Technical	0	0
Energy Skills Challenge Fund	Skills Development Scotland	Awards & Qualifications	174	0
Nuclear Workforce Modelling	Department of Energy & Climate Change	Allocated over all Charitable Activities	16	0
			<b>190</b>	<b>36</b>

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

Sources of Sales and Sponsorship Income	Income Stream	Charitable Activity	2014 Income £'000	Restated 2013 Income £'000
UK employers	ECI Training and Development Awards Event	Awards & Qualifications	48	40
	ECITB Project Management Conference	Management & Professional	0	48
	Services provided in an Employer Ownership of Skills project	Apprenticeships & Careers	30	0
	Services provided in Nuclear Labour Market Information project	Allocated over all Charitable Activities	10	0
UK employers and trade unions	Development of schools Curriculum Material	Awards & Qualifications	0	40
UK Training Providers	Apprentice Certification	Apprenticeships & Careers	6	7
	CCNSG licence fees and safety passport income	Awards & Qualifications	1,082	1030
	Supervisory and PMSC licence fees and training course income	Management & Professional	110	148
	Technical Test licence fees and test income	Skills & Technical	80	63
	Technical Training licence fees and training courses	Skills & Technical	217	182
	VQ registration and certification	Awards & Qualifications	280	282
Overseas Training Providers	IHSP licence fees and safety passport income	Awards & Qualifications	155	103
	Apprenticeship Learner Income	Apprenticeships & Careers	23	0
	Supervisory and PMSC licence fees and training course income	Management & Professional	12	14
	Technical Test licence fees and test income	Skills & Technical	65	34
	Technical Training licence fees and training courses	Skills & Technical	39	19
	Consultancy Services	Awards & Qualifications	191	209
		Skills & Technical	191	208
		Apprenticeships & Careers	29	0
			2,568	2,427

The table above has been redesigned to enable a clearer understanding of income from sales and sponsorships, having particular regard to the sources of the various flows of income. The comparative data for 2013 has been represented in the new format.

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

<b>4 Investment income</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Income from quoted investments	427	389
Income from cash deposits	86	99
	<b>513</b>	<b>488</b>

<b>5 Bad debt charge</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Levy Assessments under appeal	59	1,649
Levy bad debts due to insolvency or non-payment	99	102
Reversal of levy bad debt provisions made in previous years	(2,973)	(19)
Trade bad debts	9	18
	<b>(2,806)</b>	<b>1,750</b>

In 2014, Dawson Energy Limited appealed against levy assessed in respect of the 2012/13 base period amounting to £59k. A full bad debt provision was recorded in the accounts.

Under the settlement agreement completed in 2014 with Stork Technical Services (RBG) Limited, the bad debt provisions made in prior years for the appealed levies in respect of the 2010/11 and 2011/12 base periods were reversed (£2.963m). During the year there were other reversals of bad levy debt provisions relating to levies raised in prior years, which amounted to £10k. Thus, in 2014 the overall net reversal of bad debt provisions amounted to £2,973m.

<b>6 Charitable activities</b>	<b>Grant Funding (Note 7) £'000</b>	<b>Direct Costs (Note 8) £'000</b>	<b>Support Costs (Note 9) £'000</b>	<b>Total 2014 £'000</b>	<b>Total 2013 £'000</b>
Apprenticeships and Careers	5,663	2,878	1,122	9,663	10,800
Skills & Technical programmes	11,582	1,420	578	13,580	9,098
Management & Professional programmes	7,182	718	282	8,182	5,606
Awards & Qualifications	845	995	451	2,291	2,477
Levy collection costs	0	336	132	468	367
	<b>25,272</b>	<b>6,347</b>	<b>2,565</b>	<b>34,184</b>	<b>28,348</b>

## **7 Grant funding**

Of the £25.272m of grants made to employers in 2014, grants amounting to £22.903m 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	£
	Stork Technical Services (RBG) Ltd	3,544,331		Oceaneering International Services Ltd	102,955
*	Wood Group Engineering (North Sea) Ltd	2,816,927	*	SSE Contracting Ltd	100,382
*	AMEC Group Ltd	2,623,801		WorleyParsons Europe Ltd	98,385
	Magnox Ltd	2,224,772		Bilfinger Industrial Services UK Ltd	94,097
*	Doosan Power Systems Ltd	1,872,418		Intelect (UK) Ltd	92,955
	Sellafield Limited	1,769,240		Enterprise Engineering Services Ltd	85,522
*	Petrofac Facilities Management Ltd	1,101,830		Fluor Ltd	85,395
	Dounreay Site Restoration Ltd	952,662		PPS Electrical Ltd	83,758
*	Alstom Power Ltd	658,177		NNB Generation Company Ltd	80,081
*	Jacobs UK Limited	483,564		CLS Offshore Ltd	73,939
	Aker Offshore Partner Ltd	355,661		Interserve Industrial Services Ltd	68,127
	Cavendish Nuclear Limited	339,191		Genesis Oil & Gas Consultants Ltd	62,137
*	Foster Wheeler Energy Ltd	260,410		Boulting Group Plc	61,030
	Kellogg Brown & Root UK Limited	233,884		Applus RTD UK Ltd	60,813
*	Production Services Network (UK) Ltd	220,573		Blackrow Engineering Company Ltd	59,552
*	Jacobs LES Ltd	210,723		OneSubsea UK Ltd	56,350
	Siemens plc	206,779		Main Port Engineering (1990) Ltd	53,900
	Siemens Transmission & Distribution Ltd	197,669		On Line Design & Engineering Ltd	52,072
	Fabricom Oil Gas and Power Ltd	195,150	*	Redhall Engineering Solutions Ltd	51,000
*	3 Sun Ltd	156,369		Quartzelec Ltd	48,400
	Cordell Group Ltd	144,056		IRISNDT Ltd	47,120
	Weir Engineering Services Ltd	133,806	*	Laker Vent Engineering Ltd	46,690
	Peter J Douglas Engineering Ltd	131,995		Cleveland Bridge UK Ltd	45,700
	CB&I UK Ltd	121,844			
*	TEI Limited	116,455		Sub Total	22,902,929
	Shepley Engineers Ltd	114,580		Other Grants	2,369,562
	SPIE WHS Ltd	105,702		Total	25,272,491

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

Under the settlement agreement completed in 2014 with Stork Technical Services (RBG) Limited the ECITB reviewed the training activities undertaken by the employer during 2012, 2013 and part of 2014 in order to agree eligibility for the award of training grants. The agreement provided that the value of any such grants would not exceed the value of the levies assessed relating to the employers' leviable establishments for the appealed base periods. The ECITB concluded that the nature and extent of the training undertaken by Stork meant that it was eligible for grant amounting to £3.54m.

## 8 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.

The table above has been redesigned to enable a clearer understanding of how the direct costs are allocated amongst the charitable activities. The comparative data for 2013 has been represented in the new format.

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	Skills & Technical programmes	Management & Professional programmes	Awards & Qualifications	Levy Collection	2014 Total	Restated 2013 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ACE	0	0	0	9	0	9	8
Apprentice allowances, travel and subsistence	460	0	0	0	0	460	750
Apprentice training and assessment costs	1,209	0	0	0	0	1,209	1,347
Apprenticeship recruitment costs	253	0	0	0	0	253	286
Awarding Body administration	0	0	0	22	0	22	20
Depreciation on assets in staff possession	22	23	16	7	0	68	84
ECITB Active Cup	0	0	87	0	0	87	81
ECITB Awarding Body External Verification	0	0	0	94	0	94	126
Legal fees incurred in levy appeals	0	0	0	0	208	208	144
Legal fee incurred in levy debt collection	0	0	0	0	13	13	11
Overseas training provider and consultancy	0	34	0	34	0	68	48
Product development	32	86	65	32	0	215	298
Profit & Loss on disposal of Fixed Assets	(15)	(23)	(18)	(5)	0	(61)	(36)
Programme administration	0	0	0	0	0	0	4
Regional premises	64	64	16	16	0	160	192
Safety Passport issue and administrative	0	0	0	106	0	106	100
Staff costs (salary, NI and pensions) (Note 10)	735	1,011	441	568	101	2,856	2,841
Staff travel & subsistence and other	118	221	89	112	14	554	534
Training Provider Account Management	0	4	22	0	0	26	48
	2,878	1,420	718	995	336	6,347	6,886

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

Charitable Activity	2014 %	2013 %
Apprentices & Careers	45	56
Skills & Technical programmes	22	13
Management & Professional programmes	11	12
Awards & Qualifications	17	15
Levy collection costs	5	4
	100	100

These proportions have been used as the basis for allocating support costs to charitable activities (see Notes 6 and 9).

## 9 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:-

- Corporate Affairs
- Finance and Legal
- Human Resources
- Information Technology and telecommunications
- Head Office premises and support activities

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 8).

Function	Activity	2014 £'000	Restated 2013 £'000
Corporate Affairs			
	Marketing and Public Relations	332	501
	Research	26	28
Finance & Legal			
	Legal (non-levy collection matters)	40	28
	Professional charges	7	6
	Depreciation categorised as a Support Cost	75	79
	Disposal of fixed assets (profit)/loss	0	(7)
Human Resources			
	Support staff costs (including salary, NI and pensions)	1,375	1,273
	Support Staff travel and subsistence	73	123
	Agency costs	18	16
	Professional charges	7	15
	Staff recruitment and training	87	151
Information Technology and telecommunications		145	299
Head Office premises and support activities		380	169
		2,565	2,681

The table above has been redesigned to enable a clearer understanding of how the responsibilities for support costs are allocated amongst the central functions. The comparative data for 2013 has been represented in the new format.

During the year, the ECITB reorganised its central functions based at its head office. Expenditure which was previously managed from the centre was categorised as support costs in 2013 and beforehand. However, following the reorganisation, some costs previously falling within Marketing and Public Relations costs have been charged to charitable activities as grants or direct costs.

The legal fees (not related to levy collection matters) incurred during the year were higher than in 2013. The fees largely related to advice sought in connection with ECITB's membership of ITB Pension Funds.

During the year, expenditure on Head Office premises and support activities (£380k) were significantly higher than in 2013 (£169k) due to the costs of repairs and refurbishment to the head office premises. The project will be completed in 2015.

Information Technology and telecommunications costs were significantly lower than in 2013 due to the reorganisation of the ECITB's central functions. This meant there were significant reductions in costs of information technology projects. Planned activities were either deferred to 2015 or cancelled.

<b>10 Staff costs</b>	<b>2014</b> £'000	<b>2013</b> £'000
Salaries	3,149	3,264
Social security costs	319	326
Pension costs	619	558
Agency costs	17	16
Other personnel costs	23	12
Termination costs	190	9
	<b>4,317</b>	<b>4,185</b>

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 2014, the aggregate incentive award amounted to an average 1% of the total basic salary.

Pension costs increased in the year as a consequence of higher rates of employer contribution to ITB Pension Plans in respect of active members in both the defined benefits section (following the scheme's 2013 Actuarial Valuation) and the defined contribution section.

Other personnel costs comprised the costs of administrative support services received abroad in connection with the ECITB's commercial activities (£15k), private medical insurance (approximately £2k), staff medical examinations, eye tests, protective clothing and other sundry costs.

Termination costs comprised:

- The statutory and contractual payments made in respect of 10 employees whose employment terminated during the year due to reasons of redundancy; and
- The payments in lieu of notice were also made to some of these individuals.

The table below analyses the termination costs by value bands, and provides details of the numbers of individuals who volunteered for redundancy and who were selected for compulsory redundancy.

Termination value band	2014			2013		
	Number of compulsory redundancies	Number of voluntary redundancies	Value of Termination cost by cost band £'000	Number of compulsory redundancies	Number of voluntary redundancies	Value of Termination cost by cost band £'000
<£10,000	1	1	12	0	1	9
£10,001 - £25,000	2	4	92	0	0	0
£25,001 - £50,000	0	1	32	0	0	0
£50,001 - £100,000	0	1	54	0	0	0
£100,001 - £150,000	0	0	0	0	0	0
Total number of redundancies	3	7	-	0	1	-
Total termination cost (£'000)			190	9		

## 11 Staff numbers

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

	2014 Number	2013 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	0	1
£80,001 - £90,000	1	1
£90,001 - £100,000	2	1
£100,001 - £110,000	0	0
£110,001 - £120,000	1	1
£120,001 - £130,000	0	1
£130,001 - £140,000	1	0
	8	9

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

	2014 Number	2013 Number
Apprenticeships & Careers, Skills & Technical Programmes, Management & Professional Programmes	42	45
Awards & Qualifications	15	14
Levy Collection	2	3
Senior Management and Corporate Support Services	22	23
	81	85



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

The costs of temporary staff amounted to £11k. The ECITB engaged 3 temporary members of staff in 2014. They worked on temporary administrative assignments. In 2013, the ECITB engaged one temporary member of staff for three months of the year (£6k).

## 12 Industry Training Board Pension Funds

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

The ECITB is also a participating employer in the Defined Contribution section of the ITB Pension Funds' scheme in respect of employees which commenced employment after May 2012.

### *ITB Pension Funds' Open Fund*

The Open Fund is a defined benefit scheme. It is valued triennially by the Government Actuary's Department. The last valuation reported was at 31 March 2013, which showed that on a solvency basis the value of the assets was £808.7 million (2010 - £620.2 million) and the value of those assets represented 93% (2010 - 92%) of the benefits that had accrued to members (the technical provisions) and other liabilities.

The valuation was based on methodology and assumptions set out in a Statement of Funding Principles. Under scheme funding legislation, the trustees of the Scheme must decide the methodology and assumptions used for the actuarial valuation and the Statement of Funding Principles. The Statement has been approved by all participating employers.

The assets of the scheme are held separately from those of the ECITB in an independently administered fund. During 2014, total (employer's and employees') standard contribution rates of 25.4% for the New Section and 16.7% for the 2007 Section applied in respect of all employees who are members of the Funds.

The ECITB, along with other participating employers, have agreed a deficit recovery plan with ITB Pension Funds. Under the plan the ECITB is paying additional contributions amounting to £271,000 per annum (which commenced in 2011) for a period of 8 years (i.e. until and including 2018).

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.

### ITB Pension Funds' Defined Contribution Scheme

ITB Pension Funds has established a Defined Contribution pension scheme. All new employees of the ECITB are offered membership of this scheme, and not membership of the Open Fund. The average combined contribution rate (i.e. paid by the ECITB and the employees) amounts to 11% of the pensionable salary.

It is the ECITB's policy to achieve the accrual of all employees' pension benefits in respect of future service in a defined contribution scheme. Accordingly, the ECITB is pursuing discussions with the trustees of ITB Pension Funds on the matter. It remains the ECITB's objective to transfer existing defined benefits section members to the ITB Pension Funds' Defined Contribution pension section in respect of future pension benefits' accrual, without triggering any liability for a statutory debt under section 75 of the Pensions Act 1995.

### ITB Pension Funds' Closed Fund

By definition, the Closed Fund does not have any active members, and consequently no regular contributions are made by the ECITB. It is valued triennially by an independent qualified actuary. The last formal valuation was at 31 March 2012, which showed the market value of the assets was £211 million (31 March 2009 - £196.7 million). For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 2.74%. It is not anticipated that any future liabilities will arise to be borne by the participating employers in respect of the Closed Fund.

### Total pension costs in 2014

The pension costs incurred by ECITB in 2014 amounted to £618,937 (2013 - £557,909). This represents all contributions (normal and deficit contributions) payable by the ECITB to the ITB Pension Funds' Open Fund and the Defined Contribution Scheme.

<b>13 Governance costs</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Board and Committee costs	92	92
Internal audit	14	20
External audit	54	48
	<b>160</b>	<b>160</b>

The external audit fee for 2014 includes an agreed charge of £4k relating to the 2013 audit.

<b>14 Tangible Fixed Assets</b>						
<b>2014 Tangible Fixed Assets</b>	<b>Freehold land &amp; buildings £'000</b>	<b>Plant &amp; machinery £'000</b>	<b>Computer Equipment £'000</b>	<b>IT software £'000</b>	<b>Furniture &amp; equipment £'000</b>	<b>Total £'000</b>
<b>Cost or valuation</b>						
1 January 2014	957	538	836	34	64	2,429
Revaluation	159	0	0	0	0	159
Additions	0	98	1	0	18	117
Disposals	0	(207)	(589)	0	(6)	(802)
At 31 December 2014	1,116	429	248	34	76	1,903
<b>Depreciation</b>						
1 January 2014	0	375	791	33	37	1,236
Provided	41	77	26	1	5	150
Revaluation	(41)	0	0	0	0	(41)
Disposals	0	(207)	(589)	0	(6)	(802)
At 31 December 2014	0	245	228	34	36	543
<b>Net book value</b>						
At 1 January 2014	957	163	45	1	27	1,193
At 31 December 2014	1,116	184	20	0	40	1,360

2013 Tangible Fixed Assets	Freehold land & buildings £'000	Plant & machinery £'000	Computer Equipment £'000	IT Software £'000	Furniture & equipment £'000	Total £'000
<b>Cost or valuation</b>						
1 January 2013	880	608	821	34	64	2,407
Revaluation	77	0	0	0	0	77
Additions	0	85	27	0	0	112
Disposals	0	(155)	(12)	0	0	(167)
At 31 December 2013	957	538	836	34	64	2,429
<b>Depreciation</b>						
1 January 2013	0	429	770	30	34	1,263
Provided	36	101	33	3	4	177
Revaluation	(36)	0	0	0	0	(36)
Disposals	0	(155)	(12)	0	(1)	(168)
At 31 December 2013	0	375	791	33	37	1,236
<b>Net book value</b>						
At 1 January 2013	880	179	51	4	30	1,144
At 31 December 2013	957	163	45	1	27	1,193

### Land and buildings

Land and buildings comprise a freehold property in Kings Langley, Hertfordshire. The historic cost of the land and buildings is £1,300,000.

The freehold land and buildings were last valued on the basis of existing use value on 31 December 2012 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Professional Valuation Standards (March 2012). The ECITB's usual practice between professional valuations is to adjust the value of the land and buildings by reference to the relevant commercial property index published by Jones Lang LaSalle (a financial and professional services firm specialising in real estate services and investment management). At the end of 2014 this indicated that office property values in the South East of England had increased during the year by 16.6%. Consequently, the ECITB has increased the value of the property by £159k. After adjustment for depreciation the net book (existing use) value has been increased to £1,116,000. This appears as a recognised gain in the accounts (£200,000).

The existing use value of the land has been apportioned at £279,094 (2013 - £239,360). The land is not depreciated.

The cost and accumulated depreciation at 31 December 2014 includes fully depreciated assets at historical cost of £285,389 (31 December 2013 - £973,064).

### Plant and Machinery

Plant and machinery largely comprises motor vehicles. In 2014, the level of motor vehicle disposals was higher than in 2013, largely because the number of vehicles which were replaced upon the end of their economic lives.

## 15 Capital commitments

There were no capital commitments at 31 December 2014 (31 December 2013 - £0).

16 Investments	2014 £'000	2013 £'000
<b>Listed investments</b>		
Market value at 1 January	13,711	14,320
Purchases	969	5,466
Sales	(358)	(5,778)
Net Profit / (Loss)	(119)	(297)
Market value at 31 December	14,203	13,711
<b>Cash equivalent investments</b>		
Market value at 1 January	3,817	5,212
Purchases	26,350	18,180
Sales	(27,890)	(19,575)
Market value at 31 December	2,277	3,817
Total market value at 31.12.14 confirmed by investment portfolio manager	16,480	17,528

The full investment portfolio (listed and cash) is managed by Schroder & Company, as delegated by the Trustees. Details of material investments are as follows:-

	% value of portfolio
Nationwide Building Society Bonds 23.1.15 (Var% Floating Rate Secured)	8.7%
Yorkshire Building Society Bonds 23.3.16 (Var% Floating Rate)	8.9%
Abbey National Treasury Services PLC Bonds 16.2.15 (Var% Floating Rate)	8.7%
Network Rail Infrastructure 27.11.15 (4.875%)	6.0%
Barclays Bank PLC Bonds 20.1.15 (Var% Floating Rate)	8.7%
Coventry BS 10.2.15 (0% Floating Rate)	6.7%
Barclays Bank PLC 4.4.17 (1.5% Fixed Rate)	4.4%
Transport for London 21.11.17 (1.25%)	8.8%
Lloyds Bank Plc 30.3.15 (6.625%)	2.0%
BSKYB Finance UK Plc 20.10.17 (5.75%)	2.3%
BUPA Finance PLC 4.7.16 (7.5%)	2.2%
Severn Trent Utilities Finance PLC 22.1.18 (6%)	3.6%
Coventry Building Society 19.4.18 (4.625%)	2.2%
SSE PLC 1.10.18 (5%)	2.3%
Centrica PLC 19.9.18 (7%)	2.4%
National Grid Gas PLC 7.6.17 (6%)	2.3%
London Power Networks 11.11.16 (Var% Floating Rate)	2.2%
Bank and cash	17.6%

The cash equivalent investments are 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>17 Debtors</b>	<b>2014</b> £'000		<b>2013</b> £'000	
Levy debtors	416		3,259	
Levy bad debt provision	(407)		(3,248)	
Total levy raised but uncollected		9		11
Non-levy debtors	671		397	
Non-levy bad debt provision	(30)		(21)	
Total non-levy debtors		641		376
Prepayments and accrued income		207		219
Total debtors		857		606

The reversals of bad levy debt provisions described in Note 5 (£2,973m) largely accounts for the significant reductions in the levels of levy debtors and the corresponding in bad debts between 2013 and 2014.

<b>Balances with intra Governmental bodies</b>	<b>2014</b> £'000	<b>2013</b> £'000
Central Government bodies	0	0
Local authorities	23	22
NHS bodies	0	0
Public corporations and trading funds	0	0
Balances with other bodies	834	584
Total	857	606

<b>Bad debt provision</b>	<b>2014</b> £'000	<b>2013</b> £'000
Opening bad debt provision	3,269	1,577
Levies appealed in year	59	1,649
Levy bad debts due to insolvency or non-payment	99	102
Reversal of bad debt provision due to payment of debt	0	(9)
Reversal of bad debt provision due to receipt of liquidator's dividend	(1)	(10)
Reversal of bad debt provision due to Netting with Grant	(9)	0
Reversal of bad debt provision due to Settlement Agreement	(2,963)	0
Other bad debts	9	18
Reversal of bad debt following write-off of debt due to confirmation of irrecoverability	(26)	(27)
Reversal of bad debt due to accounting adjustment	0	(31)
Closing bad debt provision	437	3,269

During the course of 2014 debts amounting to £26k (2013 - £76k) were written off in the balance sheet. Such debts had previously been fully provided for as bad debts in prior years' accounts. However, the debts had not been written off until the ECITB had received final confirmation from the liquidators and administrator of the relevant debtors that the debts were irrecoverable. Under the terms of the ECITB's Financial Memorandum, the ECITB is required to report such matters in its annual report, and where required, the ECITB has obtained the consent of BIS to write off debts in this manner.

<b>18 Creditors – amounts falling due within one year</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Creditors	2,715	512
Accruals	1,323	3,854
Taxation	48	39
Deferred income	144	17
<b>Total creditors</b>	<b>4,230</b>	<b>4,422</b>

<b>Balances with intra Governmental bodies</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Central Government bodies	594	1,114
Local authorities	48	265
NHS bodies	0	0
Public corporations and trading funds	0	0
Balances with other bodies	3,588	3,043
<b>Total creditors</b>	<b>4,230</b>	<b>4,422</b>

## **19 Financial instruments**

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

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

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

<b>Financial assets by category</b>		<b>2014 £'000</b>	<b>2013 £'000</b>
Investments	<i>Note 16</i>	16,480	17,528
Debtors	<i>Note 17</i>	857	606
Cash at bank	<i>Note 24</i>	2,318	1,148
<b>Financial liabilities by category</b>			
Creditors	<i>Note 18</i>	4,230	4,422

### **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 Schroder and Company, which adheres to these rules.

### Interest rate risk

The ECITB has limited exposure to interest rate risk on its financial assets. The risk relates to interest rate fluctuations, which affect its bank accounts. Such fluctuations also affect bond market yields and consequently affect its investment portfolio.

### Credit and liquidity risks

The ECITB does not hold any complex financial instruments. The only financial instruments included in the accounts are cash, short-term investments, receivables and payables (see Notes 16, 17 and 18). Levy, governmental and trade receivables are recognised at fair value less a provision for impairment (bad debts). The fair value equals the carrying value. Bad and doubtful debts are provided for on an individual basis when the ECITB considers that a debt may not be collectable in full, or in part in accordance with the terms of the relevant transaction.

The 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 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.

## 20 Financial commitments

Financial commitments at 31 December 2014 are estimated to amount to £10.809m (2013 - £11.613m). 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	2014 £'000	2013 £'000
2008	11	36
2009	3	86
2010	94	621
2011	570	1,300
2012	1,764	3,708
2013	3,409	5,862
2014	4,958	
	10,809	11,613

The commitments in respect of the all cohorts have 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 relating to the 2014 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.

## 21 Operating leases and commitments

As at 31 December 2014 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.

	2014 £'000	2013 £'000
Within 1 year	7	7
Between 2 to 5 years	0	0
After 5 years	0	0
	7	7

22 Unrestricted fund	2014 General reserves £'000	2014 Revaluation reserve £'000	2014 Total reserves £'000	2013 General reserves £'000	2013 Revaluation reserve £'000	2013 Total reserves £'000
Balance at 1 January	15,558	495	16,053	17,124	382	17,506
Surplus/(Deficit) for the year	532	200	732	(1,566)	113	(1,453)
Balance at 31 December	16,090	695	16,785	15,558	495	16,053

23 Reconciliation of net outgoing resources to net cash inflow from operating activities		2014 £'000	2013 £'000
Net incoming/(outgoing) resources	SOFA	651	(1,269)
Depreciation	Note 14	150	177
Investment income	SOFA	(513)	(488)
(Profit) on disposal of fixed assets		(62)	(48)
Decrease/(increase) in debtors	Note 17	(251)	240
(Decrease)/increase in creditors	Note 18	(192)	(174)
Net cash inflow/(outflow) from operating activities		(217)	(1,562)

24 Analysis of changes in net fund	At 01/01/14 £'000	Cashflows £'000	At 31/12/14 £'000
Cash at bank	1,148	1,170	2,318
	1,148	1,170	2,318

All cash at bank is held in commercial banks.

## 25 Contingent liabilities

There are no contingent liabilities at the balance sheet date (2013 - No contingent liabilities).



## 26 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 B of this report.

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

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

Transactions with related employers under which funds were paid to ECITB	2014 £'000	2013 £'000
Levy paid to ECITB	12,904	11,822
Sale of training services by ECITB	174	127
	13,078	11,949

The amount owed to ECITB by related employers at the balance sheet date is £90k (2013: £13k).

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	2014 £'000	2013 £'000
Payment of grants	11,071	8,884
Purchase of training and assessment services by ECITB	13	25
	11,084	8,909

The amount owed by ECITB to related employers at the balance sheet date is £1,822k (2013 - £1,594k).

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

During the year, no key manager, employee or other related parties has undertaken any material transactions with ECITB. The remuneration arrangements with members of the ECITB's Executive Team are set out in the Remuneration Report.

## 27 Post year-end events

The financial statements were authorised for issue on the date of certification by the C&AG.

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

## Organisational Details and Key Policies

### The ECITB's Executive Team comprises:-

Chief Executive Officer	David Edwards	E-mail	DavidEdwards@ecitb.org.uk
		Direct Tel	01923 402121
Director of Finance and Board Secretary	Peter Hill	E-mail	PeterHill@ecitb.org.uk
		Direct Tel	01923 402124
Director of International Operations & Commercial	Tony Featherstone	E-mail	TonyFeatherstone@ecitb.org.uk
		Direct Tel	01923 402133
Director of Development and Quality	Nigel Spencer	E-mail	NigelSpencer@ecitb.org.uk
		Direct Tel	01923 402132
Director of Regional Operations	Andy Brown	E-mail	AndyBrown@ecitb.org.uk
		Mobile	07973 416149

### Complaints

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

### 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, Unit 39, Western Industrial Estate, Caerphilly, CF83 1BE
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	Blue Court, Church Lane, Kings Langley, Herts, WD4 8JP

### Charity registration details

Registered as a charity in England and Wales with The Charity Commission N<sup>o</sup> 264506.

### Policies

#### ECITB's Equal Opportunities Policy

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

## ***Environmental policy***

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

The ECITB's policy is to:-

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

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

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

## ***Social responsibility***

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

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

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

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

## ***Talent Retention Solution***

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

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

ECITB maintains close contact with the following associations and bodies concerning skills, training and other 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

Aberdeen & Grampian Chamber of Commerce  
APMG  
Association of Cost Engineers  
Association for Project Management  
Capital Projects Client Group (CPCG)  
Chartered Institute of Building (CIOB)  
Chartered Management Institute (CMI)  
Cogent  
Constructing Excellence  
Energy Skills Scotland  
Engineering Council  
European Construction Institute  
Greater Lincolnshire Local Enterprise Partnership  
Humber Local Enterprise Partnership  
Institute of Leadership & Management (ILM)  
Institute of Occupational Safety & Health (IOSH)  
National Joint Council for the Engineering Construction Industry (NJC)

Leeds City Region Local Enterprise Partnership  
National Skills Academy for Nuclear (NSAN)  
NOFF Energy  
North East Process Industries Chemical Cluster  
Nuclear Industry Association (NIA)  
Oil & Gas UK  
Offshore Petroleum Industry Training Organisation (OPITO)  
Project Management Institute (PMI) UK  
Royal Institute of Chartered Surveyors (RICS)  
Scottish Enterprise  
Skills Development Scotland  
Skillweld Industrial Leadership Team  
Steering Committee of the Engineering Council UK  
Step Change in Safety  
Subsea UK  
Tees Valley Local Enterprise Partnership  
The Welding Institute (TWI)  
UK Onshore Oil and Gas (UKOOG)

### Educational organisations and training providers

1st Milestone Ltd  
20/20 Business Insight Ltd / Business Management  
2VT  
3Sun Academy Ltd

ABAX Consultancy  
Aberdeen Computer Services  
Aberdeen Fluid Systems Technology Ltd  
Aberdeen Skills and Enterprise Training Ltd  
Abu Dhabi Vocational Education & Training Institute (ADVETI)  
Accounting for Safety Ltd  
Acorn Learning & Development Solutions Ltd  
ACT Associates Ltd  
Adept Knowledge Management Ltd  
Advanced Industrial Solutions Ltd  
Ainscough Crane Hire Ltd  
AJB Assessments & Training Ltd  
Aker Process Ltd  
Aker Offshore Partner Ltd  
AI Futtain Carillion LLC  
AI Mashreq Training  
Alliance Learning Ltd  
Alstom Power Ltd  
AMEC Group Ltd

Andrew Carnegie Business School  
Anglesey Retail Training Solutions Ltd  
AP Training Ltd  
Applus RTD UK Ltd  
Appris Management Ltd  
APT Health and Safety Training Solutions Limited  
Arab Shipbuilding & Repair Yard Company (ASRY)  
ARC Associates UK Ltd  
Area North Training Safety Services Ltd  
Armada Occupational Safety and Health Ltd  
ARMSA Consulting Ltd  
Ascenda (Kent) Ltd  
Assessment Services Centre (The)  
Aston University  
Atlas Interactive Ltd  
AVEVA Engineering IT Ltd  
Aveva Solutions Ltd  
Avon Vale Training Ltd  
Azea Ltd

Barry Training Services Ltd  
Basingstoke College of Technology  
Bentley Systems (UK) Ltd  
Best Training (Lincs) Ltd  
BETA Training  
Biglift Ltd

Bill Rogerson Safety Services Ltd  
Bordesley Management & Leadership Centre  
Bradley Group Ltd (The)  
Bridgwater College Construction Training Centre  
Brinsworth Training Ltd  
BSSHSE Ltd, (T/A British Safety Services Ltd)

C & G Assessments & Training Ltd  
Cambridge University  
Cape Industrial Services Ltd  
Capper Industrial Contractors Ltd  
Cardiff & Vale College  
Carillion MENA Ltd  
CBL Cable Contractors Ltd  
Central Training Services Ltd

CLS Offshore Limited  
Colchester Institute  
Complete Performance Development Ltd  
Complete Site Safety Ltd  
Conform Safety Management Ltd  
Confined Spaces Training Services Ltd (T/A CSTS)  
CORE Safety & Training Solutions Ltd  
Costain Group Plc

Chartered Management Institute City & Guilds (City & Guilds of London Institute) Cordell Group Ltd	Cranfield School of Management Creativedge Training & Development Ltd
D Rampersad & Co Ltd Derby College Direct Distance Learning	Doosan Babcock Energy Ltd Doosan Power Systems Ltd DTEC Site Services Ltd
EAL (EMTA Awards Ltd) East Midlands Instrument Company Ltd EDETA Ltd EnerMech Ltd Enertech Qatar Engineering Construction Training Ltd Engineering Council	Engineering Management Partnership - University of Bath Engineering Project Academy (The) Enterprise Engineering Services Ltd ERIKS Industrial Services Ltd European Construction Institute (ECI) Evolve International Safety Training Ltd Expedient Training Services Ltd
Falck NUTEC Ltd Falck Onsite Ltd Falck Safety Service LLC Fenelon Storage Tanks Limited First Intervention Training Ltd	Flexitallic Ltd Fluor Ltd Focus Training Ltd LLC Forth Valley College Foster Wheeler Energy Ltd
Gastech-ne Ltd GENII Engineering Technology Training Ltd Grimsby Institute of Further & Higher Education (GIFHE)	Grimsby International College Ltd GSS Training Ltd
Haliburton Manufacturing & Services Ltd Harpers Environmental Ltd,(T/A TES Training) Hartlepool Training & Employment Services Ltd HCCTA (CATCH) Health Life and Safety Limited Hertel UK Ltd Heselden Associates Ltd Hi-Force Ltd	Hire Station Ltd, (T/A ESS Safe Force) Hire Torque Ltd Humber Chemical Focus Limited Humber Resource Training Ltd Humberside Engineering Training Association Ltd (HETA) Hunter Safety & Training Hydrasun Ltd Hydratight Ltd
IKM Testing UK Limited Independent Scaffold Ltd Integral Training Services Ltd Intergraph (UK) Ltd	Interserve Industrial Services Ltd IPS International Ltd ITCA
J Murphy & Sons Ltd Jacobs LES Ltd Jacobs UK Ltd	JEP Safety Services JGC Engineering & Technical Services Ltd, (T/A T3UK)
Keith Bassendine ITC Kellogg Brown & Root (UK) Ltd Kirkdale Industrial Training Services Ltd KT Associates	Ledwood Mechanical Engineering Ltd Logical Personnel Solutions Ltd London Fluid System Technologies Ltd Loughborough University Lowestoft College Lowton Training Services Ltd
Maersk Oil Qatar Maersk Training Newcastle Ltd Maggie Braid Associates Ltd Maris Training Ltd Maritime & Engineering College North West MECsafe Ltd Metalock Engineering UK Ltd MetTECH UK	MHS Learning Ltd (T/A Knight Learning) Mid & North Wales Training Group Ltd, (T/A Myrick Training Services Ltd) Middlesbrough College Midland Group Training Services Ltd Mines Rescue Service Ltd Monitor Management Control Systems Ltd MT Training Solutions Ltd
Nass Contracting Company WLL National Forum for Engineering Colleges (NFEC) National Qualifications Authority (UAE) National Training Authority (Trinidad & Tobago) Neath Port Talbot College NETA Training Group Network Employment Consultancy Limited New College Lanarkshire Newcastle-Under-Lyme College	Nigg Skills Academy NLT Training Services Ltd North East Scotland College North Lindsey College North Notts Create Ltd North West Kent College Northern Safety Ltd Nottingham Trent University Novare Consulting Limited
Oceaneering International Services Ltd Occupational Safety Training & Advisory Services Ltd (OSTAS) Oldham Engineering Group Training Association Ltd (OTC)	Oracle United Kingdom Ormerod Management Services Ltd, (T/A OMS)
Paragon Education & Skills Ltd Patriot International Ltd Pembrokeshire College	Pivotal Performance Ltd Prontoport Ltd Prospects Training Solutions Ltd

Peta Ltd  
Petrofac Facilities Management Ltd  
Petroleum Development Oman  
Phoenix Training Solutions Ltd  
Pipes & Tubes (2010) Ltd, (T/A Process Pipework Services) Pipex Ltd

Provek Ltd  
Providence Training (Safety Train) Ltd  
PT Alkon Trainindo Utama  
PT Rigspek Perkasa  
PT Samson Tiara  
Purple Cow Training Ltd

Qatar International Safety Centre (QISC)  
QTS Ltd  
Quartzelec Ltd  
Quick Hydraulics Ltd

Radway Training Ltd  
Redcar & Cleveland College  
Redhall Engineering Solutions Ltd  
Rewards Training Recruitment Consultancy (Scotland) Ltd

Richmond Upon Thames College  
Rob Butler HSE Ltd  
Robert Gordon University

Safe Life Health Safety & Environmental Management Limited  
Safetech Training & Development Services Ltd  
Safety Gain Ltd  
Safety Passport Training Ltd  
Safety & Training Limited  
Safety Training & Consultancy Ltd  
Safety Training & Consultants Ltd  
Salford & Trafford Engineering Group Training Association Ltd  
Sarens (UK) Ltd  
School for MACE  
Score Training & Multimedia Productions Ltd (STAMP)  
Scorpio Health & Safety Consultants  
Scottish External Verification Services  
Secas Training Association Ltd  
Serba Dinamik  
SETA Training & Advisory Services Ltd  
Setter & Associates Ltd  
Shanahan Engineering Ltd

SHE Knows Ltd  
Shropshire Council County Training  
Sibbald Ltd  
Siemens Power Generation / (Siemens Energy ESSF)  
Siemens Transmission & Distribution Ltd  
Simon Carves Engineering Ltd  
Skillbuilder Training  
Smallpeice Trust  
SMTS Ltd  
Southampton Engineering Training Association (SETA)  
South West Durham Training Ltd  
SSG Training & Consultancy Ltd  
St Helens College  
STC Global Ltd  
Stork Technical Services Ltd  
Sulzer Chemtech (UK) Ltd  
Swagelok Scotland  
South West Durham Training Ltd

T3UK (a division of JGC Engineering & Technical Services Ltd)  
Tala Training Ltd  
TDB Training Specialists Ltd  
Technip E&C Ltd  
Teesside Rigging & Lifting Ltd  
Teesside University  
Tentec Ltd  
TMS International Ltd  
Torque Tension Systems Ltd  
Total Safety Services Ltd, (T/A Breathing Equipment Hire)  
Train to Safety Ltd

Training 2000 Ltd  
Training & Development Resource Ltd  
Trainrite Ltd  
Trainow Ltd  
Transafe Training  
TTE International Ltd  
TTE Technical Training Group (The)  
TTE Training Ltd  
Tullos Training Limited  
TUV SUD Ltd, (T/A NEL)  
TUV SUD Middle East LLC

Unite the Union  
University of Aberdeen

V2T Ltd  
Vital Human Resources Ltd  
Vocational Training Associates

Warwickshire College  
Waterside Training Ltd  
Webbs Training Services  
WEP-HSE Ltd  
Weston College

Wolviston Management Services Ltd  
Wood Group Engineering (PSN) Ltd  
Worley Parsons Europe Ltd  
Wright Brothers Industrial Services Ltd, (T/A Trainright)

Yorkshire Training Services

ZeroHarm Training Ltd

### **ECITB approved centres**

3Sun Academy Ltd  
Aberdeen Fluid System Technologies Ltd  
AJB Assessments & Training Ltd  
Aker Offshore Partner Ltd  
Alliance Learning Ltd  
Alstom Power Ltd  
AMEC Group Ltd  
Ascenda (Kent) Ltd  
Avon Vale Training Ltd  
C & G Assessments & Training Ltd  
Cardiff and Vale College  
Colchester Institute  
Doosan Babcock Ltd  
Dundee and Angus College  
Engineering Construction Training Ltd

Maggie Braid Associates  
Maritime & Engineering College North West  
MetTECH UK  
Middlesbrough College  
Neath & Port Talbot College  
NETA Training Trust  
Newcastle Under Lyme College  
Nigg Skills Academy  
North East Scotland College  
Paragon Education & Skills Ltd  
Pembrokeshire College  
Petrofac Training Limited, (T/A Petrofac Training Services)  
Pipex Ltd  
QTS Ltd  
Richmond Upon Thames College

Envirotec Group Ltd  
Falck Onsite Ltd  
Fife College  
Forth Valley College  
Gen II Engineering Technology Training Ltd  
Glasgow Clyde College  
Global Training & Assessment Services Ltd  
Great Yarmouth College  
Grimsby Institute of Further and Higher Learning  
Hartlepool College of Further Education  
Hartlepool Training and Employment Services Ltd  
Humberside Engineering Training Association Ltd  
IPS International Ltd  
ITCA  
Jacobs LES Ltd  
Kellogg Brown & Root Ltd  
KT Associates  
Leeds College of Building  
Logistic Employment Training Services Ltd  
Lowestoft College

Shropshire Council County Training  
Siemens plc  
South West Durham Training Ltd  
Southampton Engineering Training Association  
STEGTA  
Stockport Engineering Training Association Ltd  
Teesside Rigging and Lifting Ltd  
The Assessment Services Centre  
The Manchester College (HMP Lindholme)  
TMS International Ltd  
Training 2000 Ltd  
TTE Training Group Ltd  
Tullos Training Ltd  
Vocational Training Associates  
Warwickshire College  
West College Scotland  
Wood Group Engineering PSN Ltd  
Yorkshire Training Services Ltd

### **Governmental bodies and agencies**

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

### **Regulatory bodies**

Office of the Qualifications and Examinations Regulator (OfQual)  
The Scottish Qualifications Authority (SQA)

### **External auditors**

Comptroller and Auditor General, National Audit Office

### **Internal auditors**

Mazars Public Sector Internal Audit Limited (until 31 December 2014)  
XDIAS (from 1 January 2015)

### **Bankers**

Barclays Bank Plc

### **Investment managers**

Cazenove Capital Management

### **Solicitors**

Shoosmiths  
The Scottish Qualifications Authority (SQA)  
SA Law

## Appendix A Trustees

The names of those serving as charitable trustees of the ECITB on 19<sup>th</sup> May 2015 are shown below, together with the names of those who have stepped down since 1 January 2014.

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.

### *Current and former trustees (2014)*

Name	2014 Meeting Attendance Record	Changes during 2014
Mr J Andrew	0 of 0	Appointed December 2014
Mr K Benson	0 of 0	Appointed December 2014
Mr D Billington	3 of 4	
Mr D Boath	0 of 0	Appointed December 2014
Mr P Bunyan	0 of 0	Appointed December 2014
Mr C Claypole	0 of 0	Appointed December 2014
Mr A Collinson (Chairman)	3 of 3	Resigned October 2014
Ms F Doyle	2 of 2	Resigned May 2014
Mr K Ferguson	2 of 4	
Mr M Fletcher	3 of 4	
Ms C Forbes	2 of 3	Retired September 2014
Mr G Galloway	2 of 4	Resigned January 2015
Mr J Gammage	3 of 4	
Mr I Greenbeck	2 of 4	
Mr J Hall	0 of 0	Appointed December 2014
Mr M Hockey	4 of 4	
Mr S Hoskins	4 of 4	
Ms D James	0 of 0	Appointed January 2015
Mr J Jones	0 of 2	Retired June 2014
Mr T Maplesden	3 of 4	
Mr B McAulay	2 of 4	
Mr D McNerney	2 of 2	Resigned June 2014
Mr F Millar	2 of 3	Resigned September 2014
Mr T Millard	2 of 4	Retired December 2014
Mr W Murray	4 of 4	
Mr I Muscroft	4 of 4	
Ms T Shelley	4 of 4	
Mr A Smith	4 of 4	
Mr C Smith	0 of 2	Resigned April 2014
Ms J Stirling	3 of 3	Resigned November 2014
Mr R Ventre	3 of 4	
Ms S Watson	4 of 4	
Mr P Whitehurst	3 of 4	
Mr M Wilkins	1 of 1	Appointed September 2014



## Appendix B

### 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 19<sup>th</sup> May 2015 or who have stepped down since 1<sup>st</sup> January 2014) have declared the following other interests:-

Mr J Andrew	Manager, Generated Gases and Electronics Tonnage Engineering Team – EMEA, Air Products PLC
Mr K Benson	Funding & Competency Manager, Alstom Power Ltd Board Member, EUSkills: Independent Quality Board: EOS funding bid Board member EUSkills: Energy & Efficiency Independent Assessment Service (EEIAS); EOS funding bid Chairman, National Skills Academy for Power (NSAP); Head of Training Group Chairman, National Skills Academy for Power (NSAP); Generations Group Chairman, National Skills Academy for Nuclear (NSAN); Nuclear Industrial Partnership (NIP) steering group; EOS funding bid
Mr D Billington	Managing Director, TEI Limited Management Board Member, Engineering Construction Industry Association Council Member, Engineering Construction Industry Association Financial & General Purposes Committee Member, National Joint Council for the Engineering Construction Industry (NJC) Council Member, National Joint Council for the Engineering Construction Industry (NJC)
Mr D Boath	Vice President and Chief Engineer, AMEC Foster Wheeler, Clean Energy Director, National Nuclear Corporation Ltd Director, Energy, Safety & Risk Consultants (UK) Ltd Director, GENII Engineering & Technology Training Ltd Member of the Governing Board, Sustainable Nuclear Energy Technology Platform
Mr P Bunyan	Managing Director, C&P Engineering Services Ltd Member, Institute of Engineering & Technology
Mr C Claypole	Managing Director, Site Service Engineering Ltd Managing Director, Stocks Group Ltd Managing Director, Trent Lifting Ltd Managing Director, Newlea Fuel Systems Ltd Managing Director, Ashthorn Electrical Services Ltd Managing Director, Green Cross Health & Safety Systems Ltd
Mr K Ferguson	Director, Operations, Petrofac Offshore Engineering & Operations
Mr M Fletcher	Director of Operations Support, Doosan Babcock Ltd Board Member, National Skills Academy for Nuclear Manufacturing The Welding Institute – Trailblazer Participant, Nuclear Industry Partnership
Mr J Gammage	Managing Director, Business Strategy Direction Consultants Ltd
Mr I Greenbeck	Executive Director, Jacobs LES Limited Director, Centre for the Assessment of Technical Competence – Humber (CATCH) – non-profit making training organisation Director, Humber Chemical Focus – non-profit making training organisation
Mr J Hall	Operations Manager, 3sun Ltd Income Stream Manager, 3sun Academy Ltd Dawson Energy, Part of 3sun Group Member, Renewable Training Network (RTN) Member, Skills & Employment Strategy Group (SESG) Member, National Skills Academy for Power (NSAP)
Mr M Hockey	Managing Director, Engineering Construction Industry Association (ECIA) Member, ACE Steering Group
Mr S Hoskins	Divisional Director, Project Management, Foster Wheeler Energy Ltd
Ms D James	VP Nuclear Generation and Defence Clean Energy, AMEC Foster Wheeler Spouse is Director, Nuclear Generation Division, Nuvia
Mr T Maplesden	Strategic Authority - Projects, Wood Group PSN Director, Wood Group Engineering (North Sea) Ltd Director, P4 Project Consulting Ltd
Mr B McAulay	National Officer for Construction, Unite the Union

Mr W Murray	Chief Executive (Director), Offshore Contractors' Association (OCA) Company Secretary, Offshore Contractors' Association Steering Group Member, Upstream Oil & Gas Industry Technician Training Scheme
Mr I Muscroft	Human Resources Manager, Jacobs UK Ltd
Mrs T Shelley	Director, British Chemical Engineering Contractors Association (BCECA)
Mr A Smith	Managing Director, Redhall Nuclear Ltd Managing Director, Redhall Marine Ltd Managing Director, Jordan Manufacturing Ltd Director, ACPP-Redhall Ltd
Mr R Ventre	Chief Executive, Laker Vent Engineering Ltd General Council Member, Engineering Construction Industry Association Member, Engineering Construction Industry Member, British Safety Council Member, The Welding Institute
Mrs S Watson	Director, Watson Porter Ltd (a company formed to undertake interim and consultancy assignments) Associate, Constructing Equality
Mr P Whitehurst	National Officer for Construction, GMB Union Board Member, Construction Skills Certification Scheme (CSCS) for GMB Board Member, Construction Industry Joint Council (CIJC) for GMB GMB seat on National Joint Council for the Engineering Construction Industry (NJC) GMB seat on National Engineering Construction Committee (NECC) GMB Chair for National Agreement for the Engineering Construction Industry (NAECI) Stewards Forum
Mr M Wilkins	President, Engineering Construction Industry Association (ECIA) Director, ECIA Trustees Ltd Director, ECIA (Insurance Services) Ltd Director, Engineering Construction Management Ltd

## Appendix C

### Membership of Board and Committees as at 19<sup>th</sup> May 2015

Member	* = Trustee	Main	Management	Audit	Qualifications	CCNSG
Position currently vacant	*	CHAIR	CHAIR	✓		
<b>EMPLOYER REPRESENTATIVES</b>						
Mr M Fletcher	*	✓				
Mr A Smith	*	✓				
Mr C Claypole	*	✓				
Mr D Billington	*	✓				
Mr D Boath	*	✓				
Mr J Andrew	*	✓				
Mr K Ferguson	*	✓				
Mr G Cole				✓		
<b>REGIONAL CHAIRS</b>						
Mr T Maplesden (Offshore Forum)	*	✓				
Position currently vacant (Scotland)	*	✓				
Mr I Muscroft (North East)	*	✓	✓			
Mr R Ventre (North West)	*	✓	✓			
Mr I Greenbeck (Yorkshire & Humberside)	*	✓				
Mr K Benson (Midlands)	*	✓				
Mr P Bunyan (Wales & South West)	*	✓				
Mr J Hall (South East & East)	*	✓				
Mr S Hoskins (EDP Forum)	*	✓				
<b>EMPLOYER ASSOCIATION REPRESENTATIVES</b>						
Mr W Murray (OCA)	*	✓	✓	✓		
Mr M Hockey (ECIA)	*	✓	✓	✓		
Mr M Wilkins (ECIA)	*	✓				
Mrs T Shelley (BCECA)	*	✓				
<b>TRADE UNION REPRESENTATIVES</b>						
Mr P Whitehurst	*	✓				
Mr B McAulay	*	✓	✓			
<b>CLIENT REPRESENTATIVES</b>						
Position currently vacant	*	✓	✓			
Position currently vacant	*	✓				
<b>NUCLEAR INDUSTRY REPRESENTATIVE</b>						
Ms D James	*	✓				
<b>NON-EXECUTIVE DIRECTORS</b>						
Mr J Gammage	*	✓	✓		CHAIR	
Miss S Watson	*	✓	✓	CHAIR		
<b>QUALIFICATIONS &amp; AWARDS COMMITTEE</b>						
Mr T Stone					✓	
Mr D Whitehouse					✓	
Mr J White					✓	✓
Mr N Revell					✓	
Mr J Redmond					✓	
Mr J Reekie					✓	
Mr R Clarke					✓	✓
<b>CLIENT CONTRACTOR NATIONAL SAFETY GROUP (CCNSG) COMMITTEE</b>						
Mr R Ash						CHAIR
Mr K Hall						✓
Mr C Abbey						✓
Mr J Denis						✓
Mr S Nettleton						✓
Mr S Leyshon						✓
Mr G Duncan						✓
Mr A Mason						✓
Mr D Crampsie						✓
Mr M Thomas						✓
Mr P Counce						✓

## Appendix D

### Audit Committee Attendance Records

Name	2014 Audit Committee Attendance Record
G Cole	1 of 3
A Collinson (resigned October 2014)	2 of 2
M Hockey	3 of 3
W Murray	3 of 3
S Watson (Chair)	3 of 3



Blue Court, Church Lane, Kings Langley, Hertfordshire WD4 8JP  
T: 01923 260000 F: 01923 270969  
E: [ecitb@ecitb.org.uk](mailto:ecitb@ecitb.org.uk)  
[www.ecitb.org.uk](http://www.ecitb.org.uk)

