



# **Engineering Construction Industry Training Board**

## **Report of the trustees and accounts for the year ended 31 December 2024**

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

Ordered by the House of Commons to be printed on 8 July 2025.



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ISBN: 978-1-5286-5484-5

E-Number: E03306468 07/25

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## Chair's introduction

Welcome to the ECITB's Report of the trustees and accounts for 2024.

This is the second year of our three-year strategy and, again, it has been another year of excellent delivery.

We saw high demand for training from our employers to equip existing workers with new skills and develop early career professionals.

Delivery of the Regional Skills Hub programme continues apace with five projects now agreed for funding by the Board.

These projects will boost training provider capacity and grow new entrant numbers in the 'Industrial Cluster' hot spots that are at the heart of the UK's decarbonisation agenda.

We exceeded our new entrant support target, with the ECITB supporting 2,148 new entrant starts against a target of 1,500.

We also exceeded our targets for learning interventions on ECITB products (63.8k against a target of 51k), including CCSNG Safety Passports which saw the highest number of cards issued since 2016.

Another highlight this year was the massive growth in users for our Learner Experience Portal (online learning) which saw the equivalent of £1.5m of training content completed.

The ITB review was completed in 2024 and published in January 2025. This concluded that the ITB levy-grant model should be retained, that the role of the ITBs should be strengthened and called on us to do more.

The report also recognised that there are significant benefits to greater alignment and collaboration between the two ITBs, and a programme of co-operation in a number of areas has been initiated.

The next consultation (levy consensus) will take place in 2025 and ties in with the timetable of creating the next strategy for the ECITB which will cover the period 2026-2030.

We will be consulting with industry on the draft strategy in Spring 2025 to ensure we understand their priorities and have their support.

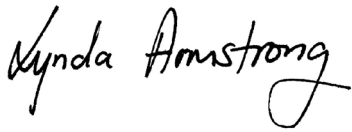
This strategy will look to address many of the structural skills challenges highlighted by the review and scale up delivery of impactful initiatives that we have developed in recent years, including our alternative new entrant pathways and programmes like Connected Competence.

We will also ensure the strategy aligns with central and devolved governments' priorities for skills, technical education and growth across our sectors.

Paramount is the need to ensure that employers have the skilled people required in the face of a tight labour market domestically and internationally.

As an industry, we must do more to attract, develop and qualify a diverse talent pool – including how we reskill and upskill the existing workforce – and we need to think innovatively and act collaboratively in how we do it. This will be a key focus of the new strategy.

We have had a successful year in delivering the vital work we do leading industry learning, attracting new entrants, expanding entry pathways into industry and supporting high-quality training provision, and I am confident we will continue and expand this work in 2025 and beyond.

A handwritten signature in black ink that reads "Lynda Armstrong". The signature is fluid and cursive, with the first name "Lynda" and the last name "Armstrong" clearly distinguishable.

**Lynda Armstrong OBE**

Chair

[27 June 2025]

## Chief Executive's review

As we move into 2025, our continued focus will be to deliver the final year of the current 2023-2025 strategy while developing and consulting industry on the next.

This is not just the ECITB's strategy – it is our industry's training and development strategy. It will provide the framework to develop the generation-defining skills and workforce landscape required for the delivery of critical infrastructure projects, energy security and net zero ambitions.

While we look forward with great excitement at what lies ahead, it is important to take a moment to reflect on the progress we've made over the last two years, turning intent into delivery across our three strategic pillars - Foundations, Growing a Skilled Workforce and Supporting Industry in Transition.

The Foundations pillar underpins everything the ECITB does, from grant funding training to developing actionable workforce intelligence to inform effective decision-making.

Across the course of our strategy, we will have committed more than £87 million to support workforce training and help tackle the industry's labour shortages and skills gaps.

We have worked with Government on several important policy reforms, most notably on T-level industrial placements, which will make it possible for learners to undertake part of their placement in a provider setting using simulated learning technology – this should enable more ECI employers with site access restrictions to offer placements as a result.

We achieved a high employer response rate for the 2024 Workforce Census, capturing anonymised data for 75,000 workers in the industry. This intelligence is vital to inform ECITB priorities and our engagement with external partners, including Government. It will also provide even greater accuracy to our Labour Forecasting Tool.

Our second pillar, Growing a Skilled Workforce, is about supporting a broad range of new entrant pathways and skills programmes so that industry can recruit, develop and retain talent. In the first two years of our strategy, we have supported more than 3,350 new starters, including more than 1,100 apprentices.

Working in collaboration with industry partners to build a sustainable talent pipeline for the future, Our Work Ready and Hinkley Support Operative (HSO) Bronze programmes offered 421 people career opportunities in industrial cluster hot spots across the UK in 2024.

Supporting Industry in Transition, our third pillar, is about anticipating and responding to the skills requirements of the future, including those driven by net zero.

With the ECI set to play a vital role in delivering net zero, helping industry navigate the energy transition and decarbonise the industrial clusters is central to our work.

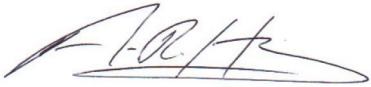
In addition to courses on the LXP (Learning Experience Platform), we provided £330k on net zero related training activity in 2024, while we also undertook work to understand the skills requirements for carbon capture, power and networks as part of the work of the Green Jobs Delivery Group.

This will put us in a good position to respond as project activity scales up across the industrial decarbonisation landscape, and in how we support the workforce transition from conventional energy sectors into emerging low-carbon industries including CCUS and hydrogen.

It was great to see the first recipient of Regional Skills Hub funding, Humber training provider, CATCH, open its new welding and pipefitting training facilities in September. This investment has enabled CATCH to increase its learning capacity by 100%.

I felt a deep sense of pride and hope as I reflected on the present and future potential of our industry at the annual ECI Training and Development Awards in November. The finalists are great examples of the success stories from across industry and have all benefited in some way from the ECITB delivering our strategy.

And we will continue to deliver – helping to ensure the engineering construction industry has the skilled workers it needs both for now and the future.

A handwritten signature in blue ink, appearing to read 'A. Hockey', with a stylized flourish at the end.

**Andrew Hockey**

Chief Executive and Accounting Officer

[27 June 2025]

## About the ECITB

Established in 1991, the ECITB was formed in recognition of the engineering construction industry's vital role in the UK economy, and the requirement for a statutory body to meet the special training needs of the industry. This industry is characterised by a highly mobile labour force and where there are few incentives for individual employers to train.

The engineering construction industry (ECI) delivers and maintains the nation's critical energy infrastructure, including the oil and gas, nuclear and renewables sectors, alongside major process industries, such as chemicals, pharmaceuticals, food processing, water and waste treatment.

The ECITB is the skills, standards and qualifications body with statutory responsibility for the development of the engineering construction workforce in Great Britain. It works closely with employers and governments to attract, develop and qualify engineering construction personnel in a wide range of craft, technical and professional skills and disciplines.

The ECITB's vision is a trailblazing engineering construction industry where critical infrastructure, energy security and net zero ambitions are achieved.

## Charitable activity

The ECITB is a registered charity in England (Registered Charity No. 264506), with one charitable object - to make provision for training persons for employment in the activities of the engineering construction industry. In pursuit of this object, the organisation provides grants for training and assessment, graduates and apprentices.

The ECITB develops its own standards, assures the quality of training centres and carries out focused research to inform reports and bulletins on skills in the industry.



# Strategic report and performance review 2024

## Key performance indicators

The following table provides an overview of the ECITB's progress in meeting its three-year business plan objectives that form the basis of the existing, Leading Industry Learning strategy 2023-25.

### Strategy pillar: Foundations

3 Year Business plan objective	Performance and achievements in 2024
1. Fund high-quality training, enabled by the levy, for a safe and competent workforce	<ul style="list-style-type: none"> <li>• Invested £28m in training grants and new entrant programmes including scholars and HSO.</li> <li>• Issued 50 Business and Activity Return (BAR) forms to potential leviabile establishments.</li> <li>• Undertook 40 Establishment Reviews (19 new and 21 existing). 12 new establishments added to the Register, 14 removed.</li> <li>• An additional £1.7m of levy raised by bringing new establishments onto the Register/correcting declarations from existing establishments.</li> <li>• 63,888 learners trained/assessed using ECITB-approved products in 2024. This includes 31,130 for CCNSG (a 25% increase on 2023), 20,293 on other GB products and 12,465 for ECITB Global products.</li> </ul>
2. Produce impactful labour market intelligence to enable data driven decision making	<ul style="list-style-type: none"> <li>• Conducted the 2024 Workforce Census, achieving data for 78% of the in-scope workforce (up from 50% in 2021). Reports published in early 2025.</li> <li>• Published study into the career motivations of young people and attitudes towards careers in the ECI in February 2024.</li> <li>• Co-authored two Green Jobs Delivery Group reports (CCS and Power &amp; Networks), which drew on labour forecasting tool (LFT) data and informed the Government's Clean Power Plan 2030.</li> <li>• Supported stakeholders' strategic development activity using Census and LFT data (e.g. Sizewell C, Cumbria Chamber of Commerce, Solent, Greater Manchester LEPs).</li> <li>• Commissioned research into digital skills and trainer and assessor shortages, both of which have informed ECITB strategy.</li> </ul>
3. Champion diversity and inclusion	<ul style="list-style-type: none"> <li>• Expanded and strengthened partnerships to leverage ECITB messaging and expertise relating to Careers and ED&amp;I.</li> <li>• Rolled out the Culture+ inclusion tool to internal pilot group. External pilot due to commence Feb 2025.</li> <li>• 7,450 D&amp;I related courses accessed on LXP. More than £200,000 grant support towards D&amp;I related programmes.</li> <li>• Continued to provide work opportunities for the long term unemployed through the Work Ready programme. 94 learners enrolled in 2024.</li> <li>• Conducted TIDE internal audit and enhanced adherence to Public Sector Equalities Duty.</li> </ul>

3 Year Business plan objective	Performance and achievements in 2024
4. Work in partnership with industry and government to influence change	<ul style="list-style-type: none"> <li>Engaged the new Government on policy development, including the Growth and Skills Levy, the creation of Foundation apprenticeships, energy transition and skills for nuclear.</li> <li>Secured policy change on T-levels industrial placements, having successfully advocated for simulated environments at training sites to address COMAH site access barriers for students.</li> <li>Hosted two roundtables for nuclear sector stakeholders to develop ECITB's response to the National Nuclear Strategic Plan for Skills (NNSPS) and subsequent strategic interventions.</li> <li>Influenced standardisation and transferability of skills through the implementation of the Connected Competence Client Charter with 20 North Sea asset owners.</li> <li>Developed the Foundations in project collaboration eLearning course, which will facilitate effective collaborative working between clients and contractors. Scheduled for release in Q1 2025.</li> </ul>
5. Continuously improve how we work	<ul style="list-style-type: none"> <li>Improved risk management methodologies to ensure a more robust and proactive approach to identifying, evaluating and mitigating risks.</li> <li>Completed an internal audit on project governance, identifying areas for improvement and ensuring compliance with best practice.</li> <li>Launched a new levy application that enables employers to submit declarations with innovative and user-friendly functionality, enhancing customer engagement and operational efficiency.</li> <li>Published policies on cybersecurity and data protection. Provided targeted training sessions to colleagues.</li> <li>Issued updated guidance on procurement rules to ensure compliance with regulatory requirements and to clarify expectations for stakeholders. Released new templates that simplify documentation and improve efficiency in various workflows.</li> <li>Released refreshed and simplified Standard Operating procedures and more efficient approval processes for delivery of non-regulated training and competency testing. Reduced approvals to 1 day for trainer/examiner approvals and 2-3 weeks for new providers.</li> </ul>

## Strategy pillar: Growing a skilled workforce

3 Year Business plan objective	Performance and achievements in 2024
1. Attract and develop the next generation	<ul style="list-style-type: none"> <li>Supported 2148 new entrant starts in total in 2024.</li> <li>This includes 1132 apprentice starts and 508 new graduates.</li> <li>Enrolled 100 new starts on the ECITB scholarship programme in 2024. Over 600 learners supported to date.</li> <li>Launched further cohorts of the Work Ready programme, which is helping to provide entry-level opportunities for long-term unemployed people. 94 additional learners supported in 2024 with 83% progression into employment with in-scope companies.</li> <li>Funded 327 Hinkley Support Operative (HSO) Bronze learners which is helping to train up individuals for semi-skilled on-site roles at HPC.</li> <li>Enhanced careers promotion activity including successful campaigns during National Apprenticeship Week and National Graduate Week.</li> <li>Delivered employer-led careers event in the central belt of Scotland that saw more than 150 secondary school attendees.</li> </ul>
2. Expand entry pathways into industry	<ul style="list-style-type: none"> <li>Scoping for 2 prison Work Ready cohorts completed, ready for roll out in 2025.</li> <li>Plans for new ISO and TMO pathways put in place for 2025 roll out (offshore ISO coatings and WR rigging)</li> <li>Development of 2 new vocational qualifications commissioned to support ECITB led new entrants at level 2 (Welding and generalist).</li> <li>Work commenced to create funded qualification to replace HSO Bronze and PEP.</li> <li>Further content added to ECITB's new entrant online virtual academy (NOVA).</li> <li>Obtained £750,000 in external and match funding to support the ECITB scholarship and Work Ready programmes.</li> </ul>
3. Deliver industry-leading standards, qualifications and competence assurance	<ul style="list-style-type: none"> <li>Launched 9 new Scottish qualifications and secured PLA funding for ECITB qualifications and products in Wales.</li> <li>Created or reviewed 25 Training standards and 72 technical tests across 11 disciplines.</li> <li>Carried out full CCNSG Review and produced updated course to meet industry requirements.</li> <li>Released new or updated courses, including ECITB Medium risk confined space, 3 new RCC-M training courses for nuclear and Supervisor Training Module 4 - Health, Safety and Environment for Site Supervision.</li> <li>2,763 learners supported through competence-related programmes.</li> <li>479 regulated qualification certifications; 685 newly registered candidates.</li> <li>Identified pathways for Connected Competence certified workers to allow two-way transition into offshore wind.</li> <li>Issued over 4,970 Connected Competence digital badges in 2024 which allows verification of technical competence.</li> <li>Held over 35 working groups across 12 disciplines with 120 individual attendees.</li> </ul>

<b>3 Year Business plan objective</b>	<b>Performance and achievements in 2024</b>
4. Help employers retain and upskill a flexible and transferable workforce	<ul style="list-style-type: none"> <li>• 100 learners on Project Management/Project Control Bootcamp programmes leveraging in £285K.</li> <li>• Supported the NNSPS' pilot Project Controls accelerator programme for 20 mid-career switchers, including accrediting the course.</li> <li>• Updated the Connected Competence role profiles to demonstrate transferable qualifications and common technical skills transfer across Oil &amp; Gas, Wind, Nuclear, CCUS and Hydrogen plants.</li> <li>• Grant aided 7 learners to complete the STEM Returners pilot, in collaboration with the Global Underwater Hub. The programme has helped reintegrate workers in the subsea sector back into the sector following a careers break, aiding retention.</li> <li>• 35 learners trained on ECITB upskill programmes covering pathways for pipefitting, rigging and welding (utilising £75k of external funding).</li> </ul>
5. Broaden access to training	<ul style="list-style-type: none"> <li>• 70 employer academies are now live (up 59% on 2023) with 158 employers using the Learning technologies service offer.</li> <li>• There are now 23,156 unique users across all offers (up 277% on 2023).</li> <li>• 45,649 courses were completed in 2024, which is the equivalent to £1,552,066 of value-added training.</li> </ul>

### Strategy pillar: Supporting industry in transition

<b>3 Year Business plan objective</b>	<b>Performance and achievements in 2024</b>
1. Prepare the workforce for net zero	<ul style="list-style-type: none"> <li>• Rolled out the Regional Skills Hub model, with £1m of funding over two years. Committed funding for 5 projects to date, including the CATCH expansion of its welding, electrical and pipefitting bays and 3Ts mobile training rigs. The remaining projects will be announced in early 2025.</li> <li>• £330k of grant spent on net zero related training activity in 2024 (does not include LXP training).</li> <li>• 'Decarbonising the Engineering Construction Sector' and 'Clean Energy Technologies' ECITB online courses released in late Q4. These were deployed to 1,025 users and had 148 completions by the end of the year.</li> <li>• ECITB supported the work of two Green Jobs Delivery Groups on CCUS and Power &amp; Networks respectively. Provided labour market intelligence and competency mapping work, which featured in the final reports.</li> </ul>
2. Identify emerging industry trends and longer-term skills needs	<ul style="list-style-type: none"> <li>• Continued to develop links with industrial cluster partners to identify skills and workforce requirements. Held roundtable in January 2024 with the Scottish Cluster stakeholders and the Minister for Small Business, Innovation, Tourism and Trade.</li> <li>• Established a strategic skills working group for Sizewell C alongside EDF and CITB.</li> <li>• Delivered regional skills surveys to identify current and future skills needs.</li> </ul>

<b>3 Year Business plan objective</b>	<b>Performance and achievements in 2024</b>
3. Bridge the digital skills gap to drive innovation and productivity	<ul style="list-style-type: none"> <li>• £75K of grant support for digital skills training in 2024.</li> <li>• As part of the scholarship programme, 135 learners have gained their ECITB digital passport.</li> <li>• £70k external funding secured to support development of the Advanced Industrial Drone Operating course and test in 2024.</li> <li>• Commissioned new research into the implications of AI and digital technology growth on the ECI and the skills base.</li> </ul>
4. Evolve the remit of the ECITB to respond to the changing industrial landscape	<ul style="list-style-type: none"> <li>• Ongoing engagement with DfE as part of the Review of the Industrial Training Boards in 2024. The review was published at the end of January 2025.</li> <li>• Continued work to support large employers and their clients to identify and support value-adding activities, including in the area of new entrants.</li> </ul>
5. Export ECITB products and services to establish a global standard for safety and skills excellence	<ul style="list-style-type: none"> <li>• 14 new licensed training providers in 2024 (63 in total), 22 new licenses (170 in total), 87 new approved trainers (316 in total) and 22 new facilities (111 in total).</li> <li>• Training delivered in 24 countries to 15,593 delegates; a 39.3% increase in delivery over 2023's figures. Tracking well above the annual 10% growth target.</li> <li>• Secured further market share with the Mozambican, Malaysian and Cambodian Governments' Regulatory Authorities endorsing ECITB products.</li> <li>• IHSP now embedded within the NIOSH Contractors' Induction Card – a mandatory card for use by all new contracting staff on all Malaysian Government sites.</li> <li>• Total Energies issued contracts to training providers for National Content delivery around the Tilenga Project (part of the wider EACOP Project) in Uganda. ECITB training is a mandated requirement.</li> </ul>

## Sustainability - Unaudited

In 2024 and 2023 ECITB captured key sustainability measures to review our impact on the environment and help identify future steps we can take to reduce our overall impact.

These are set out in the table below:

Sustainability measures	2024	2023
<b>Paper</b>		
Reams (number)	49	55
Amount spent on paper- £	490	550
<b>Travel</b>		
Expenditure on official business travel £	264,107	225,061
Domestic flights:		
Quantity of flights	203	174
emissions (tCO2e)	30	23
distance (km)	110,544	89,320
International flights:		
Quantity of flights	203	129
emissions (tCO2e)	118	59
distance (km)	591,338	395,245
Trains:		
emissions (tCO2e)	18	12
distance (km)	514,074	328,735
<b>Utilities</b>		
Electricity used (kwh)	1,000	750
Total water consumption (m3)	2	1.10
Total energy indirect emissions (kwh)	1,000	750
Total other indirect emissions - gross (tCO2e)	166	94

Paper usage has seen a slight decrease due to a commitment to reducing the use of paper within the company.

Overall business travel (which includes hotels, ferries, trains, flights, mileage and parking) has increased due to additional staff, more face-to-face meetings and an increase in the cost of hotels, flights and train fares.

Domestic flights and train travel have seen an increase due to an increase in the size of the workforce, although train distance has increased by a more significant amount due to encouragement within the organisation to use train travel where appropriate.

International travel has seen an increase due to growing our presence in the international market.

Utilities have seen an increase because during the year as we have started renting a second office.

The difference between the amounts shown under 'Expenditure on official business travel £' in the table and the 'Travel and Subsistence' figures disclosed in Notes 8 and 9 relates to hotel accommodation, meeting room hire, and other ancillary costs that are not included in the sustainability reporting figures.

## Commercial activities 2024

The ECITB's commercial activities comprise operations in Great Britain and overseas, primarily in the Middle East, South East Asia and East Africa. Commercial income is derived from a variety of sources including:

- Licence income – whereby the ECITB grants licences to training providers (ATPs) to use its training materials and tests.
- Fees payable by the ATPs in respect of learners using ECITB training courses.
- Registration of and issuance of vocational qualifications.

## Commercial activities in Great Britain

The main source of income within Great Britain derives from the issuance of Client Contractor National Safety Group (CCNSG) Safety Passports. Overall income net of bad debt rose from £1,344k in 2023 to £1,570k in 2024 which was driven by committed marketing and business development activity growing demand for CCNSG at a period when industry activity and consequent headcount was increasing. Overall, cards issued increased by 20% year on year as a result of this drive.

## International commercial activities

ECITB operates in three main areas overseas, namely the Middle East, South East Asia and East Africa. International commercial income net of bad debt in 2024 was £729k. This was a £78k (12%) increase on 2023 which itself was a £103k (19%) increase on 2022. Income was mainly delivered through charges for International Training Provider Licences. The consistently improving performance is a result of a focus by the Finance and Business Services directorate on the international business.

The number of providers on our books continued to grow during 2024.

## Looking ahead: 2025

2025 marks the final year of an exciting three-year strategy period for the ECITB. Full details of the strategy and its KPIs can be found on the ECITB's website, to which we would encourage readers of this Report of the trustees and accounts to refer.

## Financial projections 2025

The 2025 operational plan and financial budget are based on the ECITB's strategic priorities and objectives. Given the ambitious 2023-25 strategy, continued high demand for training grants in 2024 and increasing demand for ECITB's value add strategic projects, we expect the ECITB to continue to be able to draw down on its reserves and therefore run at a deficit in 2025.

The 2025 budget currently anticipates a £1.3m deficit, using reserves to support training during a period of very high demand and worker shortages. Key assumptions within this conservative 'base case' budget include:

- A £3.5m increase in levy during the year, however, more funds are likely to become available as a result of establishment reviews.
- A number of projects developing grant and training course management systems have moved from very successful discovery phases in 2023 to full implementation in 2024 and 25 with budget allocated for significant development. In addition budget continues to be allocated to the successful 'Regional Skills Hub' grant scheme.



# 2024 Governance Statement

## 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 ECITB's purposes, strategic objectives and policies, while safeguarding the funds and assets for which I have responsibility in accordance with Managing Public Money. This means that the ECITB's funds and assets are properly accounted for and are used efficiently and effectively.

## The purpose of the Governance Statement

The Governance Statement supplements the financial information in the accounts by explaining how the ECITB's governance and control 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 ("the Act"). The Industrial Training (Engineering Construction Board) Order 1991 (Statutory Instrument 1991 No. 1305) defines the activities of the ECITB 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 (NDPB), and reports to its government sponsor body, the Department for Education (DfE).

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 an ITB 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 largely 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.

Following a formal consultation with levy-paying employers in 2019 relating to future industrial training levy arrangements, the Industrial Training Levy (Engineering Construction Board) Order 2020 -Statutory Instrument No. 972 (the 'Levy Order') was passed by Parliament on 10th September 2020. Levy income during the financial years 2021 to 2023 inclusive was collected under the terms of the 2020 Order. This was the first time that the ECITB conducted a consultation based on a rise in the levy.

During 2022, a formal consultation with levy-paying employers occurred relating to proposals for future industrial training levy arrangements. The proposals for 2023-25, to maintain levy rates at 1.2% of gross labour emoluments for site workers and 0.33% for the offsite/other workers, were accepted by the levy payers. In a resoundingly positive response, 85% of levy-paying employers, representing 97% of the industrial training levy paid, voted in favour.



The Industrial Training Levy (Engineering Construction Board) Order 2023 - Statutory Instrument No. 847 (the 'Levy Order') was affirmed by both Houses of Parliament, without opposition. The Statutory Instrument came into force on 21st July 2023. The Order maintains the levy rates of 0.33% of the earnings paid by employers to off-site employees and 1.2% of the earnings paid by employers to on-site employees for businesses liable to pay the levy. The rates will be applied to levies raised in 2023-25 and will be payable in 2024, 2025 and 2026 respectively.

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, the principal AO (Permanent Secretary of DfE) and Parliament.

## **The Board**

Records of the members of the ECITB's Board of Trustees during 2024 and at February 2024, together with changes in membership since 1<sup>st</sup> January 2024 and meeting attendance records meeting attendance records are shown in Appendix A. Corresponding information relating to the Board's sub-committees are shown in Appendix B.

The Board is responsible for shaping ECITB's future direction and strategy and is accountable for corporate governance. It provides leadership, advice, and challenge in the management performance of the organisation. It has identified strategic matters, over which only it can approve key decisions, and has delegated responsibilities for operational and other matters to committees (see below) and the CEO. The Board oversees the implementation of business and financial plans and has approved the strategic report within this document.

In addition to serving on the Board, some trustees also participate in policymaking as members of the committees. With the exception of the Board members, the other committees include other volunteers from the industry.

The members of the Board are appointed by the Secretary of State, and the Board's composition reflects the main stakeholders in the engineering construction industry. In view of the charitable nature of the organisation, Board members are trustees and have an overriding 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.

In 2024, two Board members stepped down, and one member completed their term. In 2024, the average attendance at Board meetings over the year was 88% (2023 – 82%).

## **The Council**

The Council consists of up to 25 members representing the Board and various interests of the industry.

The Council is an integral part of the ECITB governance and acts as the voice of the engineering construction industry. The Council possesses and will provide a wide, representative perspective and expert understanding of the industry.

Its broad purpose and role is to provide advice to and consult with the Board on matters of strategic interest. Through its engagement with the Board the Council will help the Board to set priorities for the industry and will play a crucial advisory role.

## **The Audit & Risk Committee**

The Trustees maintain an overview of internal control and risk management issues through the Audit & Risk Committee. The Committee's 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 governance systems to ensure their effectiveness and integrity of operation. The Board appoints members of the Committee. Its Chair is a trustee of the Board.

The Accounting Officer, Director of Finance & Business Services and the Board Secretary attend meetings of the Audit & Risk 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. Representatives of the internal and external auditors (the Government Internal Audit Agency (GIAA) and the National Audit Office respectively) attend all meetings. These representatives have free and confidential access to the Chair of the Committee.

The Committee regularly reviews the ECITB's risk register. The information received during the year enabled the Committee to provide a recommendation to the Accounting Officer and the Board to approve and sign the Report of the trustees and accounts.

## **The Remuneration & Nomination Committee**

The Committee reports to the Board and is responsible for formulating and recommending the policy relating to the remuneration for the ECITB staff.

The Committee is also responsible for identifying candidates to the Secretary of State to fill Board vacancies as and when they arise.

## **The Q&A Committee**

The Committee oversees the governance of the ECITB's qualifications and awards, including the ECITB's compliance with regulatory conditions and principles set by Ofqual, the Scottish Qualifications Authority and Qualifications Wales.

## **The CCNSG Committee**

The CCNSG is responsible for the management of the CCNSG's nationally accredited safety passport scheme. The ECITB manages the operation of the scheme, and the CCNSG retains responsibility for the strategic direction of the Scheme, including the Scheme's content, the standards for approval of training providers, the future development of the Scheme and its integrity assurance.

## **The Operations & Grants Committee**

The Committee is responsible for overseeing and delegating authority and responsibility for the day-to-day management of activities in accordance with appropriate management and control systems.

The Committee reports to the Board to review and formulate the ECITB's training grant policy and schemes.

The remit also includes the ECITB's grant systems and decision-making processes to ensure that all aspects relating to grants are clearly defined and fall within the ECITB's statutory remit and discretion.

The committee comprises of the Executive; the Chief Executive, the Board Secretary and directors, as appointed by the Chief Executive following consultation with the Board.

## 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. During 2024 there were 14 regional forums and 1 national forum. Each forum comprises industry employers, and either represents a geographical area, or a significant industry sector. Each forum normally meets three times a year under the chairmanship of a Regional Chair, who has been elected by the members of the forum.

The Regional Chairs are Members of the Council and support the achievement of the Board's strategic goals by contributing to the development of the ECITB's regional strategies and operating plans. The chairs of the regional fora meet periodically to discuss matters of common interest concerning training and skills development, and to exchange best practices in these areas.

The ECITB also works closely with other key regional stakeholders, such as industry clients, skills development or local enterprise partnerships, local authorities and funding bodies, training providers, and trade unions.

## ECITB management and staff

The Board have delegated responsibility for the implementation of the ECITB's strategic plans, and the management of the organisation to the Chief Executive.

For the majority of 2024, the organisation's senior leadership team (SLT) was comprised of the Chief Executive, the Chief Operating Officer, the Board Secretary, the Director of Finance & Business Services, the Director of Operations, the Director of Strategy & Policy, and the Deputy Director of Strategy & Policy. In September, we appointed a Director of Operations and a Director of Learning & Assurance. At the end of the year, the Chief Operating Officer and the Deputy Director of Strategy & Policy retired.

The members of the SLT are responsible for ensuring that the activities of their departments achieve the ECITB's strategic and operational objectives efficiently, to the highest quality standards, and in compliance with the law. Meetings of the SLT occur weekly, and the members report concerning their areas of responsibility, including measurement of performance against key performance indicators.

## Overview of corporate governance, board effectiveness and performance

To be effective, the Board must be fully informed of the work of the ECITB across its areas of activity.

As Chief Executive, I and senior staff provide reports, information and discussion papers to the Board, covering progress against objectives, KPIs, the management of risks and financial control. Additionally, reports relating to matters considered by the Board's committees are submitted to the Board.

At each Board meeting, the Board receives verbal updates on the performance of each Committee, including the Audit and Risk Committee and the Remuneration and Nominations Committee.

Specifically, in 2024 the Chair of the Audit and Risk Committee reported regularly on matters relating to risk management, internal controls and audit-related issues, cyber security, IT projects, project governance and ECITB's alignment with the Government Functional Standards.

The Chair of the Remuneration and Nominations Committee reported on the Annual Pay Review of ECITB staff and notably, in 2024 it reported on the recruitment of new SLT members.

The senior staff and Committee reports, the information and discussion papers and the KPIs reviewed by the Board include financial and non-financial data, obtained by reliable sources with a proven track record of providing reliable and high-quality data. The data is diligently collected to ensure that the information presented to the Board is accurate, complete and reliable, enabling the Board to make informed decisions.

These measures enable the Board to monitor, advise on, challenge, and lead the performance of the organisation against its strategic goals and objectives. They have also enabled the Board to balance strategic priorities with support for employers' immediate skills and competence needs.

The governance arrangements and decision-making processes described above also support a culture of openness and transparency, which in turn ensures that the Board is able to make decisions with a high degree of clarity and consensus.

A review of all actions coming out of 2024 Board meetings was conducted at the end of the year and the Board confirmed that all actions had been completed or were progressing as planned.

## **Conflicts of interest**

As a public body, ECITB abides by principles of regularity and propriety and ensures that its work is not adversely impacted by a conflict of interest. Board members and executive staff are required to complete a declaration of any interests. The Register of Trustees' Interests has been maintained by the Board Secretary. No significant company directorships or other interests were held by Board members or staff that conflicted with their role and responsibilities.

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 appropriately manage potential conflicts of interest.

## **Whistle blowing**

The ECITB is committed to achieving and maintaining high standards of behaviour at work, service to the public and in all our working practices. The ECITB's whistle blowing policy is designed to enable and encourage ECITB staff to express concern or disclose information at an appropriate level if it is believed there is evidence of malpractice. The ECITB seeks to maintain a culture where people are encouraged to speak out, with confidence that they can do so without adverse consequences, and that appropriate action will be taken. In 2024 no allegations were raised under the ECITB's whistle blowing policy.

## Risk management

The ECITB's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is designed to identify and prioritise risks to the achievement of the ECITB's policies, aims and objectives. It is designed to evaluate the likelihood of risks and their impact, and to manage them efficiently and effectively.

The ECITB's system of internal control has been in place throughout the year-ended 31st December 2024 and accords with HM Treasury guidance. A number of specific sources contribute to this annual governance review, including:

- reports and recommendations from the Audit & Risk Committee;
- the GIAA's Internal Audit annual report;
- the report and recommendations from the National Audit Office;
- reports from members of the Executive and senior managers, outlining the governance, risk and control arrangements in their business areas;
- external reports relating to the ECITB;
- legislative and regulatory guidelines, including those relating to charitable status, and the use of public money.

## The Risk Management Framework

The ECITB has an established risk management policy, which is reviewed annually by the Audit & Risk Committee. The Audit & Risk Committee and the Board regularly review the ECITB's strategic risk register and I report to these committees on strategic risks several times per year.

The Board is responsible for assessing the organisation's risk appetite and tolerance towards risk – this is regularly reviewed as part of an annual standing agenda.

During 2023, GIAA completed an audit on ECITB's Risk Management. As a result of the audit's recommendations, the Board reviewed and agreed ECITB's risk appetite statement which sets out the extent to which ECITB is able to take risk. Following the audit ECITB reviewed and updated the risk management policy in accordance with the revised risk appetite statement.

## Risk overview

The most significant risks faced by ECITB during 2024, which could impact on the delivery of its strategic objectives are shown below:

- Cyber Failure - Data Loss from online systems causing breach of personal and/or sensitive data resulting in potential losses/damage to data subjects/owners and risks of non-compliance (regulatory and governmental).
- Infrastructure Renewal - Infrastructure Renewal project does not meet anticipated deliverables, due to time, cost, quality, security, and engagement
- Connected Competence - Failure to deliver Connected Competence project to the employers and clients involved.
- Governance & Compliance - A two-fold risk of 1) failure to comply with statutory duties or other legal responsibilities 2) compliance burden introducing delays, costs and uncertainty to operations and projects.

- Organisational Capacity – Risk of ECITB not having the organisational capacity (quality, quantity and composition of personnel and business systems and processes) to effectively deliver all BAU activity, elements of the business plan or other commitments made to stakeholders.
- Major IT supplier failure - Failure of a key IT supplier on commercial basis or through breaches of service levels that could result in major disruption of operations due to loss of support and/or service.
- Government policy changes - A change in government policy towards the ITBs, or an indirect policy change (such as an increase in business taxation), could lead to the possibility of closure, merger (with the CITB) or a significant reduction in levy income.
- Governance of projects & programmes - Risk that the governance of The ECITB's projects and programmes does not meet the Government Functional Standard GovS 002: Project Delivery.
- Training Provision Availability - The current availability of training providers and tutors leads to a limited capacity to train and test the number of workers required in industry over the next 5 – 10 years which limits the delivery of the ECITB 2023 – 2025 strategy which results in a loss of reputation for ECITB and could impact 2025 consensus.

## **The ECITB's approach to data security and information risk**

The ECITB's management information systems enable and support business processes and organisational performance. The ECITB's 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 Chief Information Officer has operational responsibility for this. During 2024 no disclosures or reports were submitted to the Information Commissioner's Office (ICO).

To achieve its aims the ECITB collects and makes use of personal information about individuals, such as employers, their learners (including apprentices), employees, applicants for posts and suppliers. The ECITB is committed to protecting the rights and freedoms of individuals relating to the processing of their personal data and complies with its obligations and responsibilities under current Data Protection legislation.

During 2021, ECITB implemented measures to ensure IT and data security and compliance with data protection regulations through the formation of a Technical Security Board (TSB), consisting of but not limited, to the Finance Director, the Board Secretary & DPO, the Head of IT and the IT Manager. One of the TSB's main purposes is IT and Data Security governance to ensure:

- Security – The protection of devices, systems, networks and data from criminal, fraudulent and other unauthorised access and exploitation.
- Confidentiality — Ensuring that information is accessible only to authorised users.
- Integrity — Safeguarding the accuracy and completeness of data.
- Compliance – with government and legal standards.

ECITB has policies and procedures including a Data Protection Policy, an Information Security Policy and Data Retention & Disposal Policy for handling data securely against data protection requirements and the relevant guidelines issued by the ICO. These are regularly reviewed by the TSB.

During 2024 ECITB received assurance for complying with the requirements of the Cyber Essentials Scheme.



## **Project governance**

In 2023 the ECITB developed a Project Governance & Life-cycle Handbook. The handbook is the key guidance document for all staff involved in the delivery of projects and programmes. The handbook sets out the requirements for governance, control and risk management at each stage of the product life cycle. The contents of the handbook align with the project management functional standard (GovS 002: Project Delivery).

In 2024, following the successful implementation of the project governance framework across the organisation, the strategic risk of "Governance of Projects and Programmes" was removed from the strategic risk register.

## **Internal audit**

The GIAA has responsibility for the ECITB's internal audit and 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 systems. Reports are submitted to the Audit & Risk Committee concerning audits undertaken and the implementation of recommendations. The GIAA has a direct reporting line to the Audit & Risk Committee to ensure independence.

I have concluded from the GIAA's reports 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.

## **Conclusion**

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 members of the Executive and senior managers within the organisation (who have responsibility for the development and maintenance of the internal control framework), the work of the GIAA, comments made by the National Audit Office in its management letter and other reports.

I am also advised on the effectiveness of the system of internal control by the Board and the Audit & Risk Committee. When weaknesses are identified, plans to address them, and ensure continuous improvement of the system are put in place.

This Governance Statement represents the conclusions of my review of the effectiveness of the ECITB's governance framework, risk management and internal controls in 2024.

I am satisfied that the governance arrangements and the risk and control framework used in 2024 were sufficient to continue managing risks effectively and ensure that the operating and financial risks were fully understood by the Board. I have concluded that the ECITB's system of governance, risk management and internal control supports the achievement of the ECITB's aims and objectives.

## Financial report

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

Under section 8 (1) of the Industrial Training Act 1982, the Board of Trustees of the ECITB is required to prepare a statement of accounts for each financial year in the form, and on the basis within, the Accounts Direction issued by the Secretary of State with responsibility for the ECITB, 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, balance sheet and cash flows for the financial year.

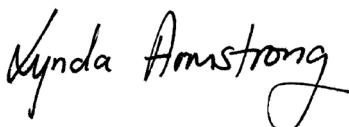
In preparing the accounts the Trustees and Accounting Officer are to have regard to the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the accounts direction issued by the Secretary of State, 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 the accounts comply with the accounting principles and disclosure requirements of the Charities SORP and have regard to the requirements of the edition of the Government Financial Reporting Manual (the "FReM") which is in force for the year to the extent that they clarify or build on the requirements of the Charities SORP;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to do so.

The Accounting Officer and Board of Trustees confirm:

- The Report of the trustees and accounts give a true and fair view of the state of affairs, are balanced and understandable;
- They take personal responsibility for the Report of the trustees and accounts and the judgements required for determining that they are fair, balanced and understandable;
- There is no relevant information of which the auditor is unaware; and
- They have taken all the steps they ought to ensure the auditor is aware of all relevant audit information.

The Chief Executive of the ECITB has been designated by the Secretary of State as the Accounting Officer for the ECITB. His relevant responsibilities as Accounting Officer, include responsibility for the propriety and regularity of the public finances for which he is answerable, for the keeping of proper records and for safeguarding the ECITB's assets as set out in Managing Public Money published by HM Treasury.



Lynda Armstrong OBE  
Chair  
[27 June 2025]



Andrew Hockey  
Chief Executive and Accounting Officer  
[27 June 2025]



## Results for the year

A summary statement of financial activities for the period 1 January 2024 to 31 December 2024 (with comparative information for 2023) is shown immediately below. This has been extracted from the audited financial statements which appear in full later in this report.

### Statement of financial activities for the year ended 31 December 2024

	<b>2024 £'000</b>	<b>2023 £'000</b>
<b>Income</b>		
Levy	34,793	29,725
Investment income	1,440	1,161
Non levy income	2,535	2,207
Total Income	38,768	33,093
<b>Expenditure</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Investment management costs, bad debt provision, levy collection costs and provision against appealed levies	2,110	337
Charitable activities	38,949	32,906
Total expenditure before other gains and losses	41,059	33,243
Net income / (expenditure) before other gains and losses	(2,291)	(150)
Gains / (losses) on revaluation of fixed assets	-	-
Gains / (losses) on investment assets	-	13
Net movement in funds surplus / (deficit)	(2,291)	(137)
<b>Reconciliation of funds</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Total funds brought forward at 1 January	11,747	11,884
Total funds carried forward at 31 December	9,456	11,747
<b>Balance sheet</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Fixed assets		
Tangible assets	129	183
Investments maturing in more than one year	-	-
Total fixed assets	129	183
Current Assets	15,694	15,860
Creditors: amounts falling due within one year	(6,367)	(4,296)
Net current assets	9,327	11,564
Net assets less liabilities	9,456	11,747
<b>Fund</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Unrestricted fund	9,456	11,747

## **Incoming resources**

Levy income in 2024 amounted to £34.8m (2023: £29.7m). This represents the gross levy assessed during the year, together with any adjustments for levies assessed in earlier years. Levy rates on costs of on-site workers remained at 1.2% and, on costs of all other workers increased from remained at 0.33% in 2024.

Levy exemption levels remained unchanged from 2018 for both site-based and other workers at £1m and £275k respectively. The increase in levy income is driven by an increase in employer emoluments and an increased size of the workforce during the base period of 2022/23 on which the levy was assessed.

Other incoming resources totalled £2.5m (2023: £2.2m) mainly comprised of income from sales and sponsorships and are broadly in line with 2023.

Investment income, from quoted investments and interest on cash deposits, amounted to £1.4m (2023: £1.2m). Investment performance has increased compared to 2023 due to increasing interest rates throughout 2024.

## **Expenditure**

Expenditure on charitable activity amounted to £38.9m which was £6m (18%) higher than in 2023. This was driven by an increased grant support and the associated support costs.

Total costs of delivery of the service, comprising direct and support costs, were £13.2m (2023: £11.6m).

Levy collection costs saw a slight increase to £338k (2023: £283k), £55k higher than 2023.

## **Net movement in funds**

The net decrease in resources for the year, after recognised gains and losses, amounted to £2.3m (2023: net decrease in resources was £137k). This was a conscious decision to use reserves and aligns with the three-year strategy.

## Balance sheet at 31 December 2024

### Assets

Fixed assets decreased by £54k (2023 - £40k decrease).

Current assets decreased by - £166k (2023 - £48k decrease).

At 31 December, investments and cash amounted to £14.6m (2023: £14.9m).

Year-end debtors amounted to £1.1m (2023: £946k) - a £158k increase. Debtors at the end of both 2024 and 2023 comprised levy and trade debtors, prepayments and accrued income.

### Creditors

Year-end creditors amounted to £6.4m (2023: £4.3m). The large increase is due to the volume of grant awards in December being extraordinarily high.

### The funds of the charity

The year-end balance sheet shows total charity funds of £9.5m (2023: £11.7m).

### Reserves policy

The Reserves policy at the end of 2024 remained the same as at 2023, however, it has been recalculated based on current commitments. The minimum level of reserves the Trustees consider necessary is £6.5m to accord with its policy of holding reserves to cover the full costs of winding up the ECITB, estimated to be around £3.5m, and a further fund to support the costs of apprentices taken on under ECITB funding arrangements, set at £3m.

The ECITB does not hold any restricted funds and all reserves are reported as unrestricted. £9.5m funds are held at the end of the reporting period, however around £14m are theoretically committed, primarily in agreements to issue grants for apprentices and graduates, resulting in a technical calculation of £4.5m more commitment than reserve funds available. It would be financially inefficient for ECITB to hold reserves for all future year commitments which will, instead, be covered by future levy receipts.

The ECITB's reserves policy relates to total unrestricted reserves, rather than the theoretical calculation of available reserves after the deduction of commitments. This is because the contracts that ECITB has entered into in respect of commitments to issue grants for apprentices and graduates are liabilities contingent on ECITB's decision to pay the grant. It is at ECITB's discretion if and how much grant to pay in respect of these commitments.

No material amounts have been designated or otherwise committed at the end of the reporting period.

### Investment policy and performance

The ECITB is required by section 17(5) of the Industrial Training Act 1982 to invest money in accordance with guidelines approved by the Secretary of State with responsibility for the ECITB.

The investment guidelines appear in the Financial Memorandum issued by the then Secretary of State for the Department for Business, Innovation and Skills, and in 'Managing Public Money' issued by HM Treasury. These permit investment in a range of high-quality interest-bearing instruments with investment in equities being precluded.

The management of investments is contracted to Cazenove Capital Management, which is required to operate within these guidelines.

## **Auditors**

The ECITB's external auditor is the Comptroller and Auditor General who is appointed under Section 8 of the Industrial Training Act 1982.

## **Remuneration report: 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.

Three employees were engaged under fixed-term contracts of employment.

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 meets periodically 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 2024, the sickness absence rate was 2.2% (2023 – 2.7%), equivalent to 5.0 working days per employee (2023 – 6 working days).

### **Off-payroll arrangements**

During the year, the ECITB had no 'off-payroll' engagements.

## **Remuneration report: audited information**

### **Senior staff costs and pensions**

Decisions on remuneration are delegated to the Remuneration and Nominations Committee, which determines general policy on remuneration and the individual remuneration package for the Chief Executive.

The contracts of employment of the directors are, in all material respects, in line with those of most other employees 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.

The directors are entitled to membership of the ITB Pension Funds, which is a contributory defined contribution scheme, on the same basis as other members of staff. Benefits mainly comprise employer pension contributions that are employee-matched plus 1% to a maximum of 9.5% employer contributions for all bandings. None of the directors are employed on a fixed-term contract.

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

Details of the individual remuneration packages and benefits for the directors are set out overleaf.

Benefits in kind represent private health insurance.

Year	Salary £'000	Pension benefit £'000	Benefits in kind (to nearest £100) £	Performance pay £'000	Total £'000	Date of appt/ (leave) to position
<b>A Hockey, Chief Executive</b>						
2024	170 - 175	5 - 10	3100	20 - 25	205 - 210	
2023	95 - 100 (165 - 170 FYE)	0 - 5	0	0	100 - 105	01/06/2023
<b>C J Claydon, Former Chief Executive</b>						
2024	0	0	0	0	0	0
2023	15 - 20 (155-160 FYE)	0- 5	200	15 - 20	30 - 35	(07/02/2023)
<b>A Brown, Chief Operating Officer (Interim CEO and Director of Operations)</b>						
2024	145 - 150	10 - 15	2,100	10 - 15	175 - 180	(01/01/2025)
2023	140 - 145	10 - 15	2,000	10 - 15	165 - 170	
<b>R Blyth, Director of Finance and Business Services</b>						
2024	120 - 125	10 - 15	1,000	15 - 20	150 - 155	
2023	115 - 120	10 - 15	1,000	10 - 15	135 - 140	
<b>D Nash, Director of Strategy and Policy</b>						
2024	110 - 115	5 - 10	1,300	5 - 10	130 -135	
2023	105 - 110	5 - 10	1,300	10 - 15	130 -135	
<b>M Oates, Director of Operations</b>						
2024	20 - 25 (105-110 FYE)	0 - 5	200	5 - 10	30 - 35	(23/02/2024)
2023	60 - 65 (105-110 FYE)	5 - 10	1500	0	65 - 70	01/06/2023
<b>M Knights, Director of Regional Operations</b>						
2024	20 - 25 (95 - 100 FYE)	0-5	200	0	25 - 30	01/10/2024
2023	0	0	0	0	0	
<b>C Mann, Director of Learning &amp; Assurance</b>						
2024	20 - 25 (95 - 100 FYE)	0-5	300	0	25 - 30	01/10/2024
<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>M Papadopolou, Director of Legal &amp; Governance</b>						
2024	20 - 25 (95 - 100 FYE)	0-5	100	0	25 - 30	01/10/2024
2023	0	0	0	0	0	

Andy Brown was the Interim Chief Executive from 7 February 2023 to 4 July 2023 and received an acting up allowance until July and then from July received his new salary as Chief Operating Officer. Andrew Hockey was appointed as Chief Executive on 1 June 2023. There was a handover period between 1 June and 4 July where both served concurrently and were paid according to their respective roles. However, Andrew Hockey did not become Accounting Officer until 5 July when Andy Brown stepped back from the Interim Chief Executive role.

When Matt Oates left his role as Director of Operations in 2024 A Brown assumed the role of Director of Operations in addition to his role as Chief Operating Officer until the role was split between M Knights and C Mann.

## Fair pay disclosures

Highest paid director ratios compared to the organisation's workforce:

Disclosure	2024			2023		
	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
	4.3 : 1	3.7 : 1	3.0 : 1	3.7 : 1	3.2 : 1	2.6 : 1

ECITB is required to disclose the relationship between the remuneration of its highest-paid director and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce. The total remuneration of the highest paid director in the ECITB (the chief executive), in the financial year 2024, was £195,000 (2023: £169,000). In 2024 no employees received remuneration in excess of the highest-paid director (2023 - none).

Percentage change in remuneration of highest paid director	Salary and allowances	Performance pay and bonuses
The percentage change from the previous financial year in respect of the highest paid director	2.99%	28.57%
The average percentage change from the previous financial year in respect of employees of the entity, taken as a whole	0.23%	2.42%

The average salary and allowance decrease for FTE employees, in respect of employees of the entity taken on as a whole, in 2024 was 0.23% due to an increased workforce and the employment of more administration and support roles. The highest paid director (Chief Executive) received a £5,000 increased bonus in 2024 compared to the former Chief Executive in 2023.

## Employees representing each quartile of pay.

Percentile	Total pay and benefits 2024 £'000	Total pay and benefits 2023 £'000	Salary 2024 £'000	Salary 2023 £'000
25th percentile	45	45	45	44
Median	52	52	51	51
75th percentile	64	65	62	63

Total pay and benefits year-on-year remained relatively flat with a 4% increase offset by an increased workforce including more administration and support staff.

Full-time equivalent remuneration ranged from £25,000 to £195,000 (2023 from £24,000 to £169,000). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind plus severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Staff numbers and costs are disclosed in notes 10 and 11 to the accounts.

Note: Due to effectively 3 different CEOs during the 2023 comparatives were reworked having the following impact. The highest paid salary mid-point changed to £167,500 for both the salary allowances and the amount excluding pensions (previously reported £157,500 and £172,500 respectively). The reworkings had a marginal impact on the percentile workings, all changes, less than £2,500 and the 25-percentile percentage reduced by 0.1%. The remuneration ranges for 2023 also changed, now reported £24,000 to £169,000 previously reported £24,000 to £171,000.

## Senior staff pensions entitlements

### Defined benefit pension

On 5th April 2016, the accrual of pension benefits in the Defined Benefits Section of ITB Pension Funds (ITB) ceased for all senior staff and other employees. From 6th April 2016, pension benefits accrued in the Defined Contribution Section of ITB. There is, therefore, no defined benefit increase to be reported in 2024 (2023 - Nil).

### Defined contribution pension

Employer contributions paid into the Defined Contribution Pension Scheme on behalf of the Executive Team were as follows:

<b>Name</b>	<b>Normal contribution 2024 £'000</b>	<b>Normal contribution 2023 £'000</b>
C J Claydon	0	1
A Brown	13	12
R Blyth	11	10
David Nash	10	9
A Hockey	9	3
M Oates (2 months)	2	5
M Knights (3 Months)	1	0
C Mann (3 Months)	1	0
M Papadopoulou (3 Months)	1	0

### Trustees' costs

In accordance with her appointment by the Secretary of State, the Chair of the Board is entitled to remuneration. During the year, the Chair, Ms L Armstrong, had a contracted salary of £30,000 (2023 - £30,000). No other trustees received compensation for the performance of their duties in the year (2023: £0).



In 2024, 14 trustees (2023 – 16) incurred travel and subsistence expenses, which were reimbursed by the ECITB. In 2024, these expenses amounted to £7,259 (2023 - £6,290).

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 during 2024.

## Trade union time – unaudited information

The ECITB is required to disclose the number of employees engaged in, and the amount of time spent on, union activities. These figures are disclosed below – these are not subject to audit.

### Relevant union officials

Name	Full time equivalent number
Number of employees who were relevant union officials during the relevant period	1

### Percentage of time spend on facility time

Percentage of time	Number of employees
0%	-
1-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	
Total cost of facility time £'000	1
Total pay bill £'000	7,361
Percentage of total pay bill spent on facility time	0

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours:	-



Lynda Armstrong OBE  
Chair  
[27 June 2025]



Andrew Hockey  
Chief Executive and Accounting Officer  
[27 June 2025]

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

## Opinion on financial statements

I certify that I have audited the financial statements of the Engineering Construction Industry Training Board for the year ended 31 December 2024 under the Industrial Training Act 1982 and the Charities Act 2011.

The financial statements comprise the Engineering Construction Industry Training Board's:

- Balance Sheet as at 31 December 2024;
- Statement of Financial Activities and Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Engineering Construction Industry Training Board's affairs as at 31 December 2024 and its net expenditure for the year then ended;
- have been properly prepared in accordance with the Industrial Training Act 1982 and Secretary of State directions issued thereunder and in accordance with the Charities Act 2011.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure 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.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Engineering Construction Industry Training Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Engineering Construction Industry Training Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Engineering Construction Industry Training Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees and Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

## **Other information**

The other information comprises information included in the Report of the Trustees including the Appendices but does not include the financial statements and my auditor's certificate and report thereafter. The Trustees and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact

I have nothing to report in this regard.

## **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 issued under the Industrial Training Act 1982.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

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

In the light of the knowledge and understanding of the Engineering Construction Industry Training Board and its environment obtained in the course of the audit, I have not identified material misstatements in the Report of the Trustees.

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 by the Engineering Construction Industry Training Board or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Industrial Training Act 1982 and Secretary of State directions issued thereunder and the Charities Act 2011 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or

- the 2024 Governance Statement does not reflect compliance with HM Treasury's guidance.

## **Responsibilities of the Trustees and Accounting Officer for the financial statements**

As explained more fully in the Statement of the ECITB's and the Accounting Officer's Responsibilities, the Trustees and the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Engineering Construction Industry Training Board from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance the Industrial Training Act 1982 and Secretary of State directions issued thereunder and the Charities Act 2011;
- preparing the Report of the Trustees, which includes the Remuneration Report, with regard to HM Treasury's Government Financial Reporting Manual; and
- assessing the Engineering Construction Industry Training Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Accounting Officer either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982 and the Secretary of State directions issued thereunder and section 144 of the Charities Act 2011.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

## Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud I:

- considered the nature of the sector, control environment and operational performance including the design of the Engineering Construction Industry Training Board's accounting policies and key performance indicators.
- inquired of management, the Engineering Construction Industry Training Board's Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Engineering Construction Industry Training Board's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Engineering Construction Industry Training Board's controls relating to the Engineering Construction Industry Training Board's compliance with the Industrial Training Act 1982, Charities Act 2011, and Managing Public Money,
- inquired of management, Engineering Construction Industry Training Board Internal Auditors and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Engineering Construction Industry Training Board for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and within grant claims. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Engineering Construction Industry Training Board's framework of authority and other legal and regulatory frameworks in which the Engineering Construction Industry Training Board operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Engineering Construction Training Board. The key laws and regulations I considered in this context included the Industrial Training Act 1982, Charities Act 2011, Managing Public Money, employment law and tax legislation.

## Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Trustees and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the

judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

- I performed substantive testing covering the regularity assertion, including for grant expenditure.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### **Other auditor's responsibilities**

I am required to obtain sufficient appropriate audit evidence 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**

Comptroller and Auditor General

[1 July 2025]

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

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# Financial accounts for the year ended 31 December 2024

## Statement of financial activities for the year ended 31 December 2024

The statement of financial activities reflects all gains and losses during the year to 31 December 2024. All activities are continuing. All funds are unrestricted.

The notes on pages 43 to 63 form part of these financial statements.

Statements of financial activities	Notes	2024 £'000	2023 £'000
<b>Income</b>			
<b>Income from other trading activities</b>			
Income from investments	Note 4	1,440	1,161
<b>Income from charitable activities</b>			
Total non-levy income	Note 3	2,535	2,207
Levy	Note 2	34,793	29,725
<b>Total income</b>		<b>38,768</b>	<b>33,093</b>
<b>Expenditure</b>			
<b>Expenditure on raising funds</b>			
Investment management costs		15	24
Provisions for bad debts and against appealed levies	Note 5	1,757	30
Levy collection costs		338	283
<b>Total costs of raising funds</b>		<b>2,110</b>	<b>337</b>
<b>Expenditure on Charitable activities</b>			
<b>Total costs of charitable activities</b>	Note 6	38,949	32,906
<b>Total expenditure</b>		<b>41,059</b>	<b>33,243</b>
Net gains / (losses) on investments	Note 15	-	13
<b>Net income / (expenditure)</b>		<b>(2,291)</b>	<b>(137)</b>
<b>Other recognised gains / (losses)</b>			
Gains / (losses) on revaluation of fixed assets	Note 13	-	-
<b>Net movement in funds</b>	Note 21	<b>(2,291)</b>	<b>(137)</b>
<b>Reconciliation of funds</b>			
<b>Total funds brought forward at 1 January</b>		11,747	11,884
<b>Total funds carried forward at 31 December</b>	Note 21	<b>9,456</b>	<b>11,747</b>



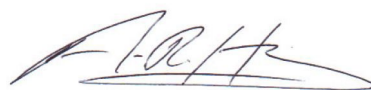
## Balance sheet as at 31 December 2024

Balance sheet	Notes	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Tangible assets	<i>Note 13</i>	129	183
Investments maturing in more than one year	<i>Note 15</i>	-	-
Total fixed assets		129	183
<b>Current assets</b>			
Debtors	<i>Note 16</i>	1,104	946
Investments maturing in less than one year	<i>Note 15</i>	-	-
Cash and cash equivalents and in hand	<i>Note 23</i>	14,590	14,914
Total current assets		15,694	15,860
<b>Creditors</b>			
Amounts falling due within one year	<i>Note 17</i>	(6,367)	(4,296)
<b>Net current assets</b>		9,327	11,564
<b>Total assets less liabilities</b>		9,456	11,747
<b>The funds of the charity</b>			
Unrestricted fund	<i>Note 21</i>	9,456	11,747
<b>Total charity funds</b>		<b>9,456</b>	<b>11,747</b>

The accounts were approved by the Board on 7 May 2025.



Lynda Armstrong OBE  
Chair  
[27 June 2025]



Andrew Hockey  
Chief Executive and Accounting Officer  
[27 June 2025]

The notes on pages 43 to 63 form part of these financial statements.

## Statement of cash flows for the year-ended 31 December 2024

There are no cash flows from financing activities.

Statement of cash flows	Notes	2024 £'000	2023 £'000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	<i>Note 22</i>	(1,713)	(1,354)
<b>Cash flows from investing activities</b>			
Investment income	<i>Note 4</i>	1,440	1,161
Purchase of property, plant and equipment		(53)	(84)
Proceeds from the sale of property, plant and equipment	<i>Note 13</i>	2	-
Proceeds from the sale of investments	<i>Note 15</i>	-	895
Purchase of investments	<i>Note 15</i>	-	-
<b>Net cash provided by investing activities</b>		<b>1,389</b>	<b>1,972</b>
Change in cash and cash equivalents in the reporting period	<i>Note 23</i>	(324)	618
<b>Reconciliation of changes in cash, cash equivalents and in hand</b>			
Balance at 1 January	<i>Note 23</i>	14,914	14,296
Change in cash and cash equivalents in the reporting period	<i>Note 23</i>	(324)	618
Balance at 31 December		14,590	14,914

The notes on pages 43 to 63 form part of these financial statements.

# Notes forming part of the accounts for the year ended 31 December 2024

## 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.

ECITB is established by statute and has a legal right and obligation to collect levy from qualifying employers. Consultation with employers confirmed their support for ECITB's mandate in this regard to be renewed up to and including 2026, which will give ECITB funds for continuing operation until the beginning of 2027. The passing of secondary legislation to enshrine this mandate was passed during 2023.

In terms of liquidity, ECITB holds £9.5m of reserves at the end of 2024 and levy income in the year has been assessed on what represents approximately 17% growth in underlying emoluments in the industry year on year. ECITB's going concern assumption would be threatened if more than half of the billed 2025 levy income were not collected in-year. However, if this were to be the case, training expenditure would be reduced as it is unlikely to be paid to employers who do not pay their 2025 levy demand. This scenario is extremely unlikely and is not deemed a strategic risk. However, the ECITB would mitigate it by adapting its charitable activities to match its financial resources such that it did not affect the going concern assumption.

In terms of ECITB's strategy and business plan, these were reviewed during 2022 and industry was consulted on them. With levy income higher in 2025 than in 2024 and the long-term requirements of engineering construction industry training expected to accelerate with the UK's energy transition, the review exercise reconfirmed much of the strategy and plan and that ECITB has the resources to meet both.

A review into the work and structure of the Industrial Training Boards (ECITB and CITB) was published in early 2025 and recommended, amongst other things, a merger of the bodies. The Department for Education are leading on establishing a working group to look into this recommendation. If this were to be approved and work initiated, no material change to ECITB as a standalone going concern would be expected to take place before the end of 2026 at the earliest. No other recommendation in the review would cast doubt of ECITB's ability to continue as a going concern to the end of 2026 at the earliest. As such, the ITB Review does not suggest that ECITB would have any risk of continuing as a going concern for at least a year after publication of this annual report and accounts.

### Accounting convention

These accounts have been prepared in compliance with the accounting principles and disclosure and in addition to compliance with the Charities SORP, ECITB shall also have regard to the requirements of the edition of the Government Financial Reporting Manual (the "FRoM") which is in force for the year to the extent that they clarify or build on the requirements of the Charities SORP.

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

The ECITB is a public benefit entity.

## **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 2023 was raised in January 2024 and recognised as income in 2024.

## **Other categories of income**

All income including sales, sponsorship and investment income is recognised on an accruals basis at the point it meets the SORP recognition criteria. Non-levy income is reported against sub-activities within ECITB's overall training charitable activity (see Note 3).

## **Investment management costs**

Investment management costs are recognised on an accruals basis.

## **Charitable expenditure**

Charitable expenditure includes all expenditure attributable to the charitable activity.

## **Grants payable**

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

Grants are recognised when all the evidence required has been submitted, at which point, such grants are recognised as grant creditors.

All grants are paid to employers when evidence of relevant training milestones and or grant conditions have been received. Such milestones and conditions are agreed with the employer prior to the commencement of the relevant training activity. Some 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).

The ECITB only records accrued grants in respect of interim and commencement apprenticeships and graduate grants, when there is a high likelihood that the evidential requirements, confirming these grants should be paid, will be satisfied. Accruals are only made for other courses where evidence has been provided after the balance sheet date for training which took place prior to the balance sheet date and it has been agreed that the claim will be paid.

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

## **Direct and support costs**

Direct costs (Note 8) are all costs, including staff costs that are directly related and attributable to the pursuance of the organisation's charitable activity.

Support costs (Note 9) largely relate to the organisation's central functions. Included within support costs are governance costs.

## **Other assets**

Apart from freehold property, fixed assets are stated at their historical cost, less accumulated depreciation.

## Capitalisation

Fixed assets costing below £500 are not capitalised.

## Depreciation

Depreciation on fixed assets 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
Computer equipment and IT software	4 years

## Investments

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

## Cash and cash equivalents

Cash balances represent amounts held in banks. Cash equivalents represent amounts held by the investment portfolio manager. Cash equivalents are readily convertible to cash.

## Debtors

Short-term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

## Debt provision

Debts are provided for on an individual basis when the ECITB considers that a debt may not be recoverable in full, or in part, in accordance with the terms of the relevant transaction. Full doubtful debt provisions are made in the following circumstances:

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

When a formal appeal against an assessment for industrial training levy is made by an employer a full provision in respect of the appealed levy is made in the accounts. This is because, in the ECITB's experience:

- Once litigation has commenced, neither the outcome of the appeal nor the probability of success can be predicted with certainty
- The legal process leading to a decision by the court invariably takes longer than six months, and a decision is not made until the ensuing financial period or even later.

The provision in respect of the appealed levy remains in place until such time as the litigation discontinues, either through the withdrawal of the relevant levy assessment(s) or appeal(s), a decision of the court or a settlement between the parties.

In the statement of financial activities the doubtful debts charge and provisions against appealed levies are treated as expenses within cost of generating funds.

## Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

## Pensions

The ECITB is a participating employer in the ITB Pension Funds, which is constituted a multi-employer defined benefit and contribution scheme. The Fund became a Master Trust during 2019. The Defined Benefit scheme comprises an Open Fund and Closed Fund.

It is 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 102 relating to multi-employer schemes, the Open Fund and Closed Fund have been accounted for as a defined contribution scheme. In accordance with FRS 102, the ECITB recognises any liabilities in respect of its obligation to pay any deficit contributions to the ITB Pension Funds relating to members' accrued benefits in the Defined Benefit scheme. In the year, there were no deficit funding contributions.

Active ECITB members accrue pension benefits in the ITB Pension Fund's Defined Contribution Section. Pension contributions are charged to the statement of financial activities as incurred. Pension deficit contributions are recognised when the ECITB enters the obligation.

## Corporation Tax

As a registered charity in England and Wales, the ECITB is exempt from Corporation Tax on its primary purpose activities. As a result, 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 in full on most supplies of goods and services which it receives. Thus, all costs are shown inclusive of the irrecoverable element 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

<b>Establishments</b>	<b>2024</b>	<b>2023</b>
Number of establishments wholly or mainly engaged in engineering construction activities (leviable establishments)	297	298
Number of employers operating leviable establishments	274	276
Number of leviable establishments subject to payment of levy	242	235
Number of employers operating leviable establishments subject to payment of levy (levy-paying in-scope employers)	218	214
Number of leviable establishments exempt from payment of levy	55	63
Number of employers operating leviable establishments exempt from payment of levy (non-levy paying in-scope employers)	55	62
<b>Levy receivable</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Levy receivable	34,793	29,725

In 2024 no employers formally appealed levy assessments raised in the year (2023 - no employers).

## 3. Non levy income

<b>Non levy income</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
From sales	2,535	2,207

<b>Sources of sales income</b>	<b>Income stream</b>	<b>2024 income £'000</b>	<b>2023 income £'000</b>
UK employers	ECITB Project Management Conference	-	5
	VQ registration and certification - Awards Qualifications & Technical	159	128
UK training providers	ECI Training & Development Awards event	57	51
	Apprentice certification	1	1
	Technical training and test licence fees and course and test income	553	484
	Supervisory and PMSC licence fees and training course income	57	48
	CCNSG licence fees and safety passport income	962	814
Overseas training providers	Apprenticeship Learner Income	307	230
	Technical training and test licence fees and course and test income	429	437
	IHSP licence fees and safety passport income	10	9
Total		2,535	2,207

No grant in aid is receivable by the ECITB.

#### 4. Investment income

<b>Investment income</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Income from quoted investments	-	22
Income from cash deposits	1,440	1,139
Total	1,440	1,161

#### 5. Charge/ (credit) for provisions for bad debts and against appealed levies

<b>Charge/ (credit) for provisions for bad debts and against appealed levies</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Levy bad debts due to insolvency or non-payment	1,737	3
Levy assessments under appeal / Debtor Write off	47	57
Reversal of previous year's levy bad debt provision	-	-
Trade bad debts	(27)	(30)
Total	1,757	30

During 2024 a provision was made for Levy debt of £1,686k (2023 - £0) the debt remained outstanding at the balance sheet reporting date and is considered highly unlikely to be recoverable.

#### 6. Charitable activity

<b>Charitable activities</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Grant funding (note 7)	25,710	21,331
Direct costs (note 8)	8,890	7,753
Support costs (note 9)	4,349	3,822
Total	38,949	32,906

Notes 8 and 9 give the split of costs by category. Both direct costs and support costs above exclude any costs related to the collection of levy income.



## 7. Grant funding

Of the £25.7m of grants made to employers in 2024, grants amounting to £20.8m were paid to the employers in the following list. In many cases, grants have been awarded to more than one employer in the same group of companies. When this occurred, the grants paid to such employers have been aggregated in the following list, which identifies the 50 largest employers or employer groups in terms of grant values.

Employer	£	Employer	£
*Altrad Services Ltd	2,560,011	Trillium Flow Services UK Limited	173,645
Sellafield Ltd	1,698,770	Shepley Engineers Ltd	168,360
Bilfinger UK Ltd	1,649,450	Fluor Ltd	167,016
Wood Group UK Ltd	1,618,903	WSP UK Ltd	154,061
Nuclear Restoration Services Ltd	1,612,860	Wright Brothers Industrial Services Ltd	152,950
*Amentum Clean Energy Limited	1,045,110	Kent Energies UK Ltd	144,470
NNB Generation Company Ltd	760,040	Boskalis Subsea Services Ltd	143,845
*Stork Technical Services UK Ltd	673,275	EJ Musk Process Services Ltd	135,277
Cavendish Ltd	507,615	*EDF Energy Ltd	128,870
Oceaneering International Services Ltd	485,825	Xodus Group Ltd	118,492
Siemens Energy Ltd	473,989	IRISNDT Ltd	117,536
Rainham Industrial Services Ltd	455,458	Technip UK Ltd	115,090
MWH Treatment Ltd	453,024	FieldCore Service Solutions International LLC	110,615
Worley Group UK Ltd	382,557	Engenda Group Ltd	109,135
Sparrows Offshore Services Ltd	378,130	VWS Ltd	109,089
BGEN Ltd	363,045	MII Engineering Limited	108,110
Nexos Solutions Ltd	340,213	Blackrow Engineering CO. Ltd	105,420
Vestas-Celtic Wind Technology Ltd	320,520	East Midlands Instrument Company Ltd	104,806
Atkinsrealis UK Ltd	283,900	PJD Mechanical Engineering Ltd	103,604
Worley Services UK Limited	260,445	P.P.S Electrical Ltd	103,500
Applus UK Ltd	257,378	Ledwood Mechanical Engineering Ltd	102,142
Ponticelli UK Ltd	251,474	Intelect Ltd	99,067
Saipem Ltd	242,164	C. & P. Engineering Services Ltd	98,470
Aker Solutions Ltd	235,521	<b>Sub Total</b>	<b>20,810,039</b>
Subsea 7 Ltd	231,363	<b>Other Grants</b>	<b>4,899,568</b>
Nuvia Limited	198,608	<b>Total</b>	<b>25,709,607</b>
Semco Maritime Ltd	196,821		

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

For comparative purposes the top 50 largest employers or employer groups in terms of grant values for 2023 were:

Employer	£	Employer	£
* Altrad Services Ltd	1,681,162	FieldCore Service Solutions International LLC	141,682
Bilfinger UK Ltd	1,628,977	Subsea 7 Ltd	137,395
Magnox Ltd	1,575,895	VWS Ltd	135,697
Sellafield Ltd	1,470,754	WSP UK Ltd	133,370
Wood Group UK Ltd	1,223,379	Trillium Flow Services UK Limited	108,530
Petrofac Facilities Management Ltd	1,079,523	Kent Energies UK Ltd	104,000
Jacobs UK Ltd	983,672	Boskalis Subsea Services Ltd	99,313
Worley Group UK Ltd	686,819	EJ Musk Process Services Ltd	93,280
* Stork Technical Services UK Ltd	682,080	Intelect Ltd	92,790
NNB Generation Company Ltd	528,253	Genesis Oil & Gas Consultants Ltd	91,401
Oceaneering International Services Ltd	440,495	Engenda Group Ltd	90,245
Cavendish Ltd	427,780	Global Energy Ltd	90,230
Siemens Energy Ltd - Controls & Digital	425,924	Blackrow Engineering CO. Ltd	80,540
MWH Treatment Ltd	322,896	C. & P. Engineering Services Ltd	76,189
Rainham Industrial Services Ltd	304,499	PJD Mechanical Engineering Ltd	75,873
Atkinsrealis UK Ltd	270,300	On Line Design & Engineering Ltd	75,570
Semco Maritime Ltd	265,942	Technip UK Ltd	72,700
BGEN Ltd	244,858	T.EN E&C Limited	72,666
Aker Solutions Ltd	243,805	Techno Engineering Ltd	70,070
Sparrows Offshore Services Ltd	242,750	EFAB Industrial Solutions Ltd	68,675
Fluor Ltd	209,322	Grayton Ltd	65,188
Ponticelli UK Ltd	201,680	Costain Oil Gas & Process Ltd	63,720
Dounreay Site Restoration Ltd	198,369	P.P.S Electrical Ltd	63,000
Nuvia Limited	167,280	<b>Sub Total</b>	<b>18,096,851</b>
Shepley Engineers Ltd	166,580	<b>Other Grants</b>	<b>3,234,348</b>
Applus UK Ltd	166,460	<b>Total</b>	<b>21,331,199</b>
MII Engineering Limited	155,273		

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

## 8. Direct costs

Direct costs comprise costs which have been directly incurred in fulfilling the charitable activity of the organisation.

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

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

Activity	2024 total £'000	2023 total £'000
Apprentice allowances, travel and subsistence	388	431
Apprentice training and assessment costs	2,052	1,919
Apprenticeship recruitment costs	-	21
Awarding organisation administration	18	8
ECITB Active Cup	120	122
ECITB awarding body external verification	7	3
Professional, administrative and commission fees incurred in international commercial activities	206	206
Product development	61	48
(Profit) / loss on disposal of Fixed Assets	-	-
Regional costs	447	146
Safety Passport issue and administration	95	107
Staff costs (salary, NI and pensions) (Note 10)	4,537	3,930
Staff travel and subsistence	501	390
Blending learning strategy	415	289
Connected Competence	43	133
<b>Total</b>	<b>8,890</b>	<b>7,753</b>

<b>Charitable activity</b>	<b>2024 %</b>	<b>2023 %</b>
Proportion of direct costs allocated to charitable activities	99	99
Proportion of direct costs allocated to levy collection costs	1	1
<b>Total</b>	<b>100</b>	<b>100</b>

Levy collection costs comprise staff costs directly responsible for levy collection (including salaries and expenses) and also costs in relation to debt collection and appeals.

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

## 9. Support costs

Support costs largely comprise the costs of central functions and governance which cannot be allocated to the charitable activity with the same degree of certainty as direct costs.

<b>Activity</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Policy, marketing and communications	242	272
Depreciation categorised as a support cost	72	65
(Profit) / loss on disposal of fixed assets	-	11
Support staff costs (including salary, NI and pensions)	2,519	2,220
Support staff travel and subsistence	148	113
Agency costs	49	57
Other professional fees	149	110
Staff recruitment and training	54	16
Information Technology project costs	221	118
Information Technology and communications	620	611
Head office infrastructure (includes buildings and office consumables costs)	135	109
Governance	140	120
<b>Total</b>	<b>4,349</b>	<b>3,822</b>

Support costs are 14% higher than 2023, mainly driven by an increase in staff to support the charity's strategy.

The cost of the statutory audit for 2024 is included within governance costs. The quoted cost of the 2024 audit was £75k (2023 - £67k).

## 10. Staff costs

<b>Staff costs</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Salaries	6,314	5,368
Social security costs	656	584
Pension costs (standard contributions)	391	336
Agency costs	1	1
Other personnel costs	-	1
Termination Costs	-	14
<b>Total</b>	<b>7,362</b>	<b>6,304</b>

Staff costs include the salaries and other employment benefits received by senior staff and the Chair's salary (see remuneration report).

Salaries include gross salaries, performance-related pay or bonuses, overtime, and allowances (such as car and private or home office 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 2024, the total incentive award amounted to an average 4.4% of the total basic salary (2023 – 5%).

There were £nil redundancy costs in 2024 (2023 - £14k).

## 11. Staff numbers

During the period the average number (across the year) of staff directly and temporarily employed by the ECITB (expressed in full-time equivalents) was as follows:

Staff	Directly employed	Temporary	2024 number	2023 number
Total	101.8	0.8	102.6	90

Employees paid over £60,000 per annum including benefits in kind, excluding pension contributions	2024 number	2023 number
£60,001 - £70,000	9	11
£70,001 - £80,000	9	6
£80,001 - £90,000	3	-
£90,001 - £100,000	2	5
£100,001 - £110,000	1	2
£110,001 - £120,000	1	-
£120,001 - £130,000	1	2
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-
£170,001 - £180,000	-	-
£180,001 - £190,000	1	-
<b>Total</b>	<b>29</b>	<b>27</b>

The number of people of each gender who were employed by the ECITB as at 31 December was as follows:

Category	2024			2023		
	Female	Male	Total	Female	Male	Total
Directors	1	6	7	-	5	5
Other employees	48	48	96	47	45	92
<b>Total</b>	<b>49</b>	<b>54</b>	<b>103</b>	<b>47</b>	<b>50</b>	<b>97</b>

## 12. Industry training board pension funds

ECITB is a participating employer in the ITB Pension Fund Scheme, which has two sections. Firstly, a multi-employer defined benefit (DB) section (closed to future accrual 5 April 2016) and, secondly, a defined contribution (DC) section for all staff who joined after 1 April 2012.

Being a multi-employer scheme, FRS 102 states that the DB scheme must be accounted for as a DC scheme, as the proportion of assets and funding level attributable to ECITB cannot be separately identified.

THE TWO SECTIONS ARE:

1. The '2007 Section' was a defined benefits scheme for staff who joined before 5 April 2016. As at 5 April 2016, all current members of the DB scheme became deferred members of the Scheme and were transferred across to the 'DC Section' as at 6 April 2016, and the Scheme closed to future accrual. The most recent triennial valuation of the scheme was performed as at 31 March 2024.

The principal future assumptions used are as follows:

- Real rate of return (net of pension increases) would be 1.5% p.a.
  - Nominal rate of investment return on assets would be 3.8% p.a.
  - Rate of future pension increases for the 2007 section would be in line with Consumer Prices Index (CPI) changes (assumed to be 2.3% p.a.)
  - Rate of future pension increases for the new and 2007 sections would be in line with the Retail Prices Index (RPI) changes (assumed to be 2.9% p.a.)
2. The 'DC Section' is a defined contribution scheme for staff who joined on or after 1 April 2012. From 6 April 2016, employee and employer contribution rates changed as a result of the closure of the DB Section and staff now being part of the DC Section. The range for employee contributions is 4.5%–8.5%, and the employer contributions will match the employee contribution plus 1%, but are capped at 9.5% (2017/18 9%).

The ITB pension fund, of which ECITB is a member, has a surplus value is £55.8m.

The pension cost charge for 2024 was £392k (2023 £336k).

The ITB pension fund is expected to close its operations with regard to the Open Defined Benefit Scheme in 2025.

At this point, as the scheme is currently in surplus, some funds may be owed to ECITB.

The exact amount and method of distribution are still being decided by the Government Actuarial Department (GAD) and the ITB Trustees and will be determined subsequent to the laying of the ECITB 2024 Annual Report and Accounts.

### 13. Tangible fixed assets

<b>2024 Fixed assets</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>				
At 1 January 2024	275	196	1	472
Additions	53	-	-	53
Disposals	(47)	(61)	-	(108)
At 31 December 2024	281	135	1	417
<b>Depreciation</b>				
At 1 January 2024	125	163	1	289
Charge for year	72	33	-	105
Disposals	(45)	(61)	-	(106)
At 31 December 2024	152	135	1	288
<b>Net book value</b>				
At 1 January 2024	150	33	-	183
At 31 December 2024	129	-	-	129

<b>2023 Fixed assets</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>				
At 1 January 2023	289	219	2	510
Additions	85	-	-	85
Disposals	(99)	(23)	(1)	(123)
At 31 December 2023	275	196	1	472
<b>Depreciation</b>				
At 1 January 2023	149	136	2	287
Charge for year	63	50	-	113
Disposals	(87)	(23)	(1)	(111)
At 31 December 2023	125	163	1	289
<b>Net book value</b>				
At 1 January 2023	140	83	-	223
At 31 December 2023	150	33	-	183

## 14. Capital commitments

At the end of 2024 there were no capital commitments (2023 - nil).

## 15. Investments

The full investment portfolio (listed and cash equivalent) is managed by Cazenove Capital Management, as delegated by the Trustees.

Investments		2024 £'000	2023 £'000
<b>Listed investments</b>			
Market value at 1 January		-	882
Purchases		-	-
Sales		-	(895)
Net gain / (Loss)		-	13
Market value at 31 December		-	-
<b>Cash and cash equivalents and in hand</b>			
Cash at bank and in hand	Barclays	994	666
Cash equivalents	ECITB CMS Support Account	236	27
	BlackRock ICS Institutional	3,102	5,208
	HSBC Sterling ESG Liquidity Fund	2,986	5,098
	JPMorgan Liquidity Funds	2,986	-
	TPA portfolio	602	415
	LBCM plc t as Lloyds Bk Intl IOM	3,684	3,500
<b>Total cash and cash equivalents and in hand</b>		<b>14,590</b>	<b>14,914</b>

Details of material investments are as follows:

Material investments	2024 % value of portfolio	2023 % value of portfolio
Cash equivalent held by the investment portfolio manager	100.0%	100.0%

The cash equivalent investments are short-term liquidity funds used to finance the day-to-day running of the ECITB.



## 16. Debtors

<b>Debtors</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Levy debtors	2,038	302
Provision for bad levy debts	(2,038)	(302)
Net levy debtors	-	-
Non-levy debtors	341	300
Non-levy bad debt provision	(28)	(55)
Total non-levy debtors	<b>313</b>	<b>245</b>
Prepayments and accrued income	781	701
Other debtors	10	-
Total debtors	<b>1,104</b>	<b>946</b>

<b>Balances with intra-governmental bodies</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Local authorities	-	-
Balances with non-government bodies	1,104	946
Total	1,104	946

<b>Debt provision</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Opening provision against appealed levies and for bad debts	359	386
Levy bad debts due to insolvency or non-payment	1,736	3
Other bad debts	(27)	(30)
Reversal of bad debt provision	-	-
Closing provisions for bad debts and against appealed levies	2,068	359

During 2024 a provision was made for Levy debt of £1,686k (2023 - £0) the debt remained outstanding at the balance sheet reporting date and is considered highly unlikely to be recoverable.

## 17. Creditors

There were no creditors with amounts falling due after more than one year as at 31 December 2024 (2023 - £nil).

<b>Creditors - amounts falling due within one year</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Creditors	5,765	3,996
Accruals	577	268
Taxation	25	30
Deferred income	-	2
Total creditors falling due within one year	6,367	4,296
<b>Creditors - amounts falling due after more than one year</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Balances due after more than one year	-	-
<b>Balances with intra-governmental bodies</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Government bodies	833	829
Local authorities	-	1
Balances with non-government bodies	5,534	3,466
<b>Total creditors</b>	<b>6,367</b>	<b>4,296</b>

The balance with central government bodies at the 2024 year-end includes the sum of £710k in training grants payable to Sellafield Limited and Magnox Limited (2023 - £565k).

Income has been deferred for international services that have been paid on account.

<b>Analysis of deferred income</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Deferred income released from prior years	-	2
Income deferred in the current year	-	-

## 18. Financial instruments

Due to the largely non-trading nature of its activities and the requirements of the financial framework set by government, the ECITB is not exposed to the same degree of risk faced by other 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 does not hold any embedded derivatives.

<b>Financial assets by category</b>	<b>Notes</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Investments	Note 15	-	-
Debtors	Note 16	1,104	946
Cash and Cash Equivalents	Note 23	14,590	14,914
<b>Financial liabilities by category</b>			
Creditors	Note 17	6,367	4,296

Cash and debtors are classified as loans and receivables. Creditors are classified as financial liabilities and investments are classified as fair value through the statement of financial activities.

### **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 Cazenove Capital Management, 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 equivalents, debtors and creditors (see Notes 15, 16 and 17). Levy, governmental and trade debtors 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 by the ECITB's relationships with most major levy debtors, which includes appropriate due diligence when raising levies and ongoing discussions around training needs, and therefore identifies credit risk issues early on.

The organisation holds reserves, which are sufficient to cover the cost of closing ECITB (ie office close down and redundancies and a fund for legal costs) plus a fund to pay a portion of the outstanding commitments on new entrant (apprenticeship and graduate) contracts. 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 transaction costs.

All assets are held in sterling, with the result that there is no exchange risk.

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

## 19. Financial commitments

Financial commitments at 31 December 2024 are estimated to amount to £14,134k (2023 - £13,046k). These comprise the value of outstanding payments which the ECITB has committed to pay to various parties involved in the training of apprentices and pre-apprentice qualifications. 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.

<b>Apprentice cohort</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
2016	-	3
2017	21	39
2018	29	84
2019	90	341
2020	136	554
2021	615	884
2022	1,235	3,893
2023	3,790	7,248
2024	8,218	-
<b>Total</b>	<b>14,134</b>	<b>13,046</b>

The commitments in respect of all the cohorts have reduced as a consequence of the progression or 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 2024 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.

## 20. Operating leases and commitments

<b>Operating leases and commitments</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Within 1 year	43	19
Between 2-5 years	31	6
After 5 years	-	-
<b>Total</b>	<b>74</b>	<b>25</b>

The above relates to the occupation of Office Suite Kings House, Kings House Business Centre, Station Road, Kings Langley, Hertfordshire, WD4 8LZ and Office 212A, Golden Cross House, 8 Duncannon Street, London, Greater London, WC2N 4JF.

The Kings House and Golden Cross offices are small, single rooms to which no alterations have been made. General upkeep is the responsibility of the building owners; therefore, no dilapidations provision is deemed necessary.

The Kings House lease will not be renewed once the current contract expires in early 2025.

## 21. Unrestricted fund

<b>Unrestricted fund</b>	<b>At 1 January 2024 £'000</b>	<b>Incoming resources £'000</b>	<b>Outgoing resources £'000</b>	<b>Other recognised gains/ losses</b>	<b>As at 31 December 2024</b>
Total unrestricted funds	11,747	38,768	(41,059)	-	9,456

<b>Unrestricted fund</b>	<b>At 1 January 2023 £'000</b>	<b>Incoming resources £'000</b>	<b>Outgoing resources £'000</b>	<b>Other recognised gains/ losses</b>	<b>As at 31 December 2023</b>
Total unrestricted funds	11,884	33,093	(33,243)	13	11,747

## 22. Reconciliation of net income / (expenditure) to net cash flow from operating

<b>Reconciliation of net income / (expenditure) to net cash flow from operating activities</b>	<b>Notes</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Net outgoing resources	<i>SOFA</i>	(2,291)	(137)
Depreciation	<i>Note 13</i>	105	113
Gains on investments	<i>Note 15</i>	-	(13)
Investment income	<i>Note 4</i>	(1,440)	(1,161)
Loss on disposal of fixed assets	<i>Notes 8 &amp; 9</i>	-	11
Increase in debtors	<i>Note 16</i>	(158)	(216)
Increase in creditors	<i>Note 17</i>	2,071	49
Net cash outflow from operating activities		(1,713)	(1,354)

## 23. Analysis of changes in cash equivalent

Analysis of changes in cash and cash equivalents	At 1 Jan 2024 £'000	Cashflows £'000	At 31 Dec 2024 £'000
Cash at bank and in hand	666	328	994
Cash held by investment portfolio manager	14,248	(652)	13,596
<b>Total</b>	<b>14,914</b>	<b>(324)</b>	<b>14,590</b>

All cash is held in commercial banks or financial institutions.

The net cash outflow of £652k for the cash held by the investment portfolio manager was the difference between in year withdrawals of £25,817k and deposits of £25,165k.

## 24. Losses and special payments

During the year, no special payments were made and there were no reportable losses over £300,000.

## 25. Contingent liabilities

Within the Levy bad debt provision, we have provided £1,686k for Petrofac Facilities Management Ltd. If this levy is subsequently received Petrofac will be paid £943k for grants relating to 2024 training. There are no other contingent liabilities. (2023 – 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, or also hold positions with and/or are employees of associated organisations. Details of such positions and employments are declared in the Register of Interests of Trustees, which appears in Appendix C of this report.

For the purposes of this note, such organisations are referred to as “related parties”.

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 related parties 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 parties under which funds were paid to the ECITB	2024 £'000	2023 £'000
Levy paid to ECITB	6,960	3,836
Sale of training services by ECITB	158	110
<b>Total</b>	<b>7,118</b>	<b>3,946</b>

The amount owed to ECITB by related parties at the balance sheet date is £31k (2023: £14k). The transactions in the following table comprise the payment of grants, the award of qualifications and the procurement of training and assessment services. The total sums involved were:

<b>Transactions with related parties under which payments or value flowed to the related parties</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Payment of grants	4,431	2,391
Purchase of training and assessment services by ECITB	303	52
<b>Total</b>	<b>4,734</b>	<b>2,443</b>

The amount owed by ECITB to related parties at the balance sheet date is £1,433k (2023 - £484k).

During 2024 Mark Riley was Chair of the CCNSG Committee and appointed as a Trustee of the ECITB. Mark and his employer, Phillips 66, worked in partnership with the CATCH training facility which was awarded a £300k grant by ECITB to expand its training provision during 2024. The grant was paid in full during 2024.

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 party 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 Comptroller & Auditor General.

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

## Organisational details

### The ECITB's Directors

Chief Executive Officer: Andrew Hockey  
Director of Finance and Business Services: Rory Blyth  
Director of Strategy and Policy: David Nash  
Director of Regional Operations: Matt Knights  
Director of Learning & Assurance: Chris Mann  
Director of Legal & Governance: Maria Papadopoulou

### Complaints

Any complaint concerning conduct of the ECITB should be addressed in the first instance to the Strategy and Policy team at [complaints@ecitb.org.uk](mailto:complaints@ecitb.org.uk)

### Head office and principal address

Kings House Business Centre  
Home Park Estate  
Station Road  
Kings Langley  
Hertfordshire  
WD4 8LZ

### Charity registration details

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

### Auditors

The Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace  
Victoria  
London  
SW1W 9SP

### Bankers

Barclays Bank Plc  
22-24 Upper Marlborough Road  
St Albans  
Herts  
AL1 3AL



## Appendices - unaudited

### Appendix A:

This Appendix shows:

- The members of the ECITB's Board of Trustees during 2024
- Changes in membership since 1st January 2024; and
- Meeting attendance records during 2024.

### Board

Name	Changes during 2024 and to date	2024 meeting attendance record
Ms L Armstrong		6 of 6
Mr S Hicks		5 of 6
Mr P Somers	Resigned January 2024	0 of 0
Ms H Hill	Resigned May 2024	2 of 3
Prof J Howe		6 of 6
Mr D Vineall	Resigned December 2024	3 of 6
Mr C Gilmour		4 of 6
Mr D Gear	Tenure Expired May 2024	2 of 2
Mr S Hunt		6 of 6
Mr M Fotheringham		6 of 6
Mr M Riley		6 of 6
Mr R Law		5 of 6
Mr P de Leeuw		6 of 6
Mr A Colquhoun		5 of 6
Ms H Higgs		6 of 6

## Appendix B

This Appendix shows:

- The members of the Board's committees during 2024
- Changes in membership since 1st January 2024; and
- Meeting attendance records during 2024.

### Council

Name	Changes during 2024 and to date	2024 meeting attendance record
Mr S Blackman	Resigned August 2024	1 of 2
Mr P Bunyan	Resigned May 2024	1 of 1
Mr A Mitchell		2 of 3
Ms T Shelley		2 of 3
Ms A Thom	Resigned May 2024	1 of 1
Mr P Ventre	Resigned June 2024	0 of 1
Mr M Arnold		2 of 3
Mr I Guy		2 of 3
Mr M Stanton		2 of 3
Ms C Childs		2 of 3
Mr J Poulter		2 of 3
Mr J Webster		1 of 3
Mr S Hunt		1 of 3
Mr S Hamilton		3 of 3
Mr G Mulvany	Resigned August 2024	1 of 2
Ms C Odili		1 of 3
Mr J Simpson		3 of 3
Mr J White		3 of 3
Mr S Maxwell	Appointed October 2024	1 of 1
Mr Sean McKirdy	Appointed October 2024	1 of 1

## Audit & Risk Committee

Name	Changes during 2024 and to date	2024 meeting attendance record
Ms H Hill	Resigned May 2024	2 of 4
Mr A Colquhoun	Appointed as Chair May 2024	4 of 4
Mr B Bhakri		2 of 4
Mr R Watkinson		4 of 4

## Qualifications and Awards Committee

Name	Changes during 2024 and to date	2024 meeting attendance record
Mr R Clarke		3 of 3
Mr R Davies		1 of 3
Mr T Stone		3 of 3
Mr D Whitehouse		1 of 3
Prof J Howe (Chair)		2 of 3

## Client Contractor National Safety Group (CCNSG)

Name	Changes during 2024 and to date	2024 meeting attendance record
Mr R Clarke		3 of 4
Mr R Miguel		1 of 4
Mr D White	Resigned May 2024	0 of 1
Mr R Davies		1 of 4
Mr M Ellis		3 of 4
Mr J Murray	Resigned May 2024	0 of 1
Ms E McMullen		3 of 4
Ms C Grainger	Resigned May 2024	0 of 1
Ms C Price		0 of 4
Mr M Poole		2 of 4
Mr K Robbins	Resigned May 2024	0 of 1
Mr D Boden-Hook (Chair)		4 of 4
Mr M Lowe		1 of 4
Ms T Baker	Appointed May 2024	4 of 4

## Appendix C

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 Board approval date or who have stepped down since 1 January 2024) have declared the following other interests:

Member	Declared Interest
Mrs L Armstrong	President Shell Pensioner's Association Trustee of Wells Almshouses Fellow Energy Institute Shell Alumni Network
Mr S Hicks	Evero Energy Group and its subsidiaries Purple Forge Ltd
Ms H Hill	Fellow I.MECH.E
Prof J Howe	University of Lincoln Amentum - Contractor Board Member – COGENT
Mr D Vineall	Group Chief People Office - Nuclear Decommissioning Authority
Mr P Somers	Altrad Services Ltd
Mr S Hunt	Regional Director – Stork UK
Mr C Gilmour	Employee of Crown House Technologies Fellow of the Institution of Mechanical Engineers (FIMechE) Crown House Technologies are part of the Laing O'Rourke group which is in Scope to the CITB
Mr D Gear	Founder and Director of Voar Energy Ltd Co-Founder of Equitable Energy Research Board Member of Lerwick Port Authority ExCom Member, Shetland Net Zero Energy Forum Advisor of Norn Alliance
Ms H Higgs	EDF NNB Resource Programme Director Chartered Fellow CIPD Chartered Fellow CIM (Chartered Institute of Marketing) Director OM Marketing (OMM) Ltd, unlisted small company facing husband's strategy consultancy activity (Will be closed down FY 24-25)
Mr A Colquhoun	Board Member Local Foodbank (Renfrewshire)
Mr M Fotheringham	Technical Director, Infinity Energy Engineering Limited 'Infinity' Trustee and Board Member, North East Scotland College (NESCol) Chartered Engineer Chartered Project Professional Fellow, Association for Project Management Member Institute of Measurement & Control

Member	Declared Interest
Mr M Riley	<p>Phillips 66 Limited</p> <p>Voluntary position as Governor on the Corporate Board of TEC PARTNERSHIP (FE/HE Colleges)</p> <p>Chair of North East Lincs Council Skills Board</p> <p>P66 is sponsoring the Humber Skills Plan and CATCH 2.0 Expansion Project and M Riley is the Industry Project Lead for the Project</p>
Mr P de Leeuw	<p>Robert Gordon University</p> <p>Industry and Government Task Forces</p> <p>Government &amp; Industry Advisor</p> <p>Media Commentator</p> <p>International School of Aberdeen Board Member</p> <p>Spouse – Chair of Scottish Water</p> <p>Member of OEUK, RUK &amp; Hydrogen Scotland</p> <p>Leeuw &amp; Co Ltd – Director</p> <p>Robert Gordon University is liable for the apprenticeship levy</p> <p>General Robert Gordon University activities</p> <p>Involvement with Graduate Apprenticeship programmes</p> <p>Offshore Energy workforce forecasting</p>
Mr R Law	<p>Current appointment – Director at Technica Limited – No financial interest.</p> <p>Current appointment – Director of Technica Measurement Limited – No financial interest.</p> <p>I also own a small start-up engineering consultancy, 'Ferndale Technical Solutions Limited' where Mr &amp; Mrs Law are equal shareholders.</p> <p>Statutory Director of Technica Limited</p> <p>Statutory Director of Technica Measurement Limited</p> <p>Statutory Director of Ferndale Technical Solutions Limited</p> <p>Chartered Member of the IET</p> <p>Technica Limited is 'in-scope' organisation and pays the industrial levy</p> <p>Technica Limited utilises funding towards employee training</p>



## **Engineering Construction Industry Training Board**

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ISBN: 978-1-5286-5484-5

E03306468

978-1-5286-5484-5