



CITB
CONSTRUCTION INDUSTRY
TRAINING BOARD NI



**ANNUAL
REPORT
2020-21**

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**CITB NI Annual Report and Accounts
For the year ended 31 August 2021**

Laid before the Northern Ireland Assembly pursuant to Article 21 (2) of the
Industrial Training (Northern Ireland) Order 1984

on

1st June 2022

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Non-Executive Director's Report

The general purpose of CITB NI is to encourage the training of those employed, or intending to be employed, in the construction industry in Northern Ireland has been more prevalent throughout this last year. The construction industry here has continued to share increasing challenges but also increasing opportunities. Northern Ireland construction industry activity had reduced quite dramatically with the recession brought on by the COVID pandemic. However, in the last year as we have adjusted further to the pandemic, there has been a bounce back of economic and industry growth, with an expectancy for a measure of further growth over the next number of years, albeit within a still volatile market. CITB NI's support for training continues to remain paramount to serve our industry while it continues to recover and grow again.

During another challenging year CITB NI has managed to see its return to the industry on the legislative levy be maintained at close to 90% through direct and indirect services, with again around 70% direct, as we oversee necessary investment on training needs from the levy. Once more this has seen some further thousands of employees directly trained and again many hundreds of employers directly supported during this past year.

Throughout the pandemic, CITB NI has again adapted to offer yet more training and services online to our industry. We are still learning from our experience and making greater use of remote facilities to help and provide greater access to our industry going forward. Yet again, our purposely allocated shorter term training grant allowance section has helped our ability to adapt during this continued challenging time, still accounting for around one third of the CITB NI direct training grants to employers. Flexibility and adaptability are vital as real time training needs and as priorities and urgencies change. CITB NI has again offered COVID training for our industry in providing guidance on safe working during this time. Additionally, as the importance of mental health training has been increasingly accepted in recent years, CITB NI has once more continued to address this ever-greater need during this difficult time, including with partners and through remote facilities.

The Board continues to take a strategic overview on CITB NI activity with the aim to ensure that the organisation best serves our industry. Research and engagement with industry informs us to determine where we can maximise impact from our support. Our experience and research continue to highlight the necessity to address an increasing skills shortage and a deficit of new entrants for the industry. CITB NI believes that it has continued to make real headway in addressing the issues by continuing to follow its strategy road map developed in recent years, under our themes to benefit the industry, Training Hub, Quality Standards, Partnership Work, Commercial Opportunities and Embracing Innovation. As a governmental Arm's Length Body, in recent years CITB NI has also continued to work on contributing to NI government strategies, including having developed our strategy further to map it too into NI's Draft Programme for Government outcomes and Industrial Strategy.

Opportunities continue as government champions growth in the green economy, including commitments agreed internationally towards decarbonisation. We can help to support and train our industry to lead on energy efficient construction, as well as making performance of buildings more energy efficient going forward. Embracing and encouraging digital skills through training can also aid this. In the last year, CITB NI's sponsor body, the Department for the Economy, has launched its economic vision for the next 10 years, "10x Economy - an economic vision for a decade of innovation". With the launch, the Minister referred also to developing a positive attitude in stating, "a '10x ambition' is about creating a step change in how we think about our economy and committing to everyone feeling they are part of this transformation". Digital skills too are a main theme within the DfE vision of a 10x Economy, and the Department's now emerging Skills Strategy.

Through informed research and engagement with industry, as well as the ongoing context of government developments, during this last year the Board instigated a task and finish working group to investigate the skills challenges that the sector is encountering currently and towards the medium term, and beyond. The group sought presentations from external sources to help further inform their discussions.

The group identified the key issues driving changes to the skills needs and development as being:

1. New requirements and Government policy to reduce carbon emissions and how these will impact the Built Environment and Construction sectors.
2. Increasing the digital competency of the sector.
3. Developing personal skills to increase flexibility and performance of the workforce.

It was agreed that CITB NI should develop strategies and interventions to:

- Continue to develop high quality occupational competence within the construction workforce at all levels.
- Work with industry partners to develop upskilling interventions to meet the Net Zero carbon agenda.
- Work with industry partners to improve the digital performance of the construction workforce.
- Work with industry and education partners to develop the personal skills required within individuals to ensure the future workforce have the flexible skills required to react to the changing demands the industry may face in the future.

CITB NI is currently working on how these strategies can be implemented, including:

- Develop medium and long-term interventions within its Training in Partnership initiatives to prepare the construction sector for the demands of Government and Commercial clients.
- Create effective partnerships to develop robust and flexible skills and attitudes within the future workforce.

In Northern Ireland in current years, Brexit and more recently the outworking of the NI Protocol have added further context for the NI construction industry to consider among the challenges of a pandemic and global challenges on the supply of materials and their costs, as well as an acute struggle for skills and labour including from the impact of financial incentives for workers to ply their trades in GB or RoI. CITB NI has worked hard and successfully in recent years on its support programme for apprentices and on upskilling the existing workforce. Now, we are developing our supported training further for general construction operatives by providing a simulated construction site in the grounds of our headquarters, for a range of training from laying products outside to carpentry inside, in the expectation that this training can help on immediately urgent and longer-term skills and labour needs for our local industry.

I would express gratitude to our partners for all their help in what we continue to do, and more particularly that help led by our industry who we always seek to support and serve. CITB NI looks forward to working with you on addressing the challenges and the opportunities in the future. We have shown our commitment to support the industry as best we can by yet again maintaining a reduced levy rate this past year of 0.55%, down 15% from just over a few years ago and shared more evenly across our industry. I would repeat my personal gratitude to my fellow Board members for their fine constructive challenge to the organisation for the benefit of the industry and to all CITB NI staff members for continued hard work, headed by Chief Executive Barry Neilson and his senior executive team, still

impressively maintained throughout the pandemic by embracing of appropriately adapted practices.

A handwritten signature in black ink, appearing to read "Maurice Johnston", written in a cursive style.

Maurice Johnston
Chairman
18 May 2022

Chief Executive's Foreword

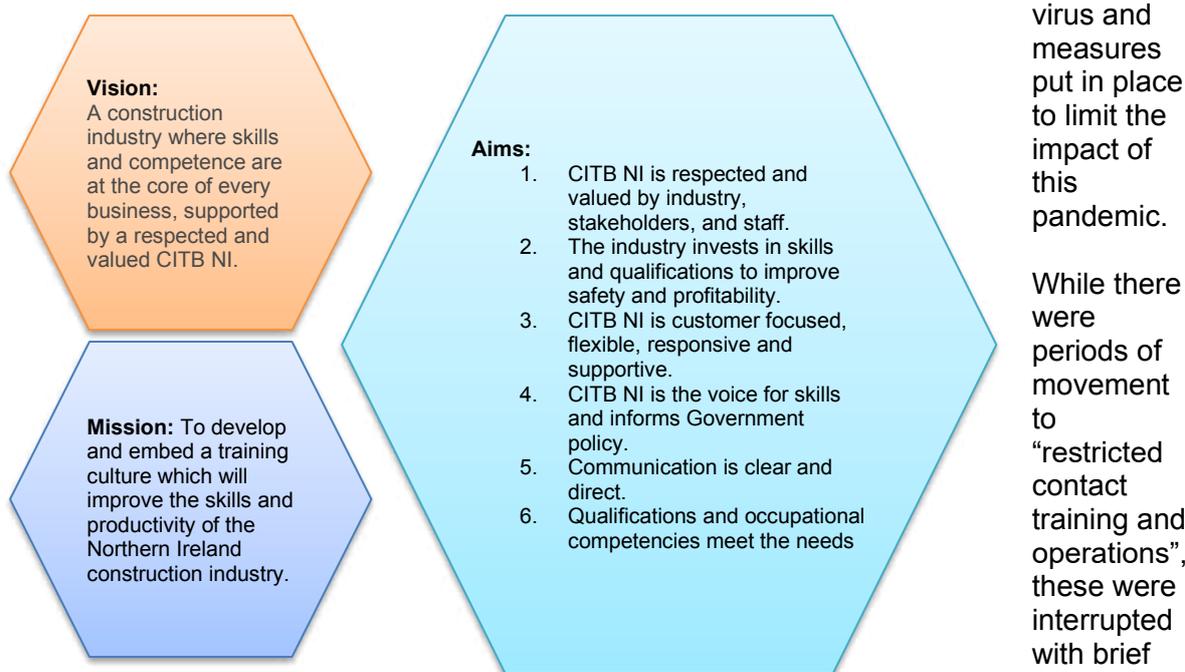
CITB NI presents its annual report for the year ended 31 August 2021. CITB NI was formally established as an Industrial Training Board (ITB) under the Industrial Training Act (Northern Ireland) 1964 and subsequently repealed by the 1984 Industrial Training Order and the financial statements have been prepared under the Industrial Training (Northern Ireland) Order 1984 in a form directed by the Department for the Economy (DfE) with the approval of the Department of Finance (DoF).

The purpose of CITB NI is to encourage the adequate training of those employed or intending to be employed in the construction industry in Northern Ireland.

The legislation enables the raising of a statutory levy for the purposes of encouraging employers to participate in training and to fund the Board's activities. Relevant employer bodies are consulted annually in respect of the levy rate, which is recommended by the Board and approved by the sponsoring department.

Performance Overview

Before reviewing CITB NI's performance over the last year it is important to reflect on the exceptional operating circumstances that impacted the global economy. This report covers the period from September 2020 to August 2021, which was heavily impacted by the COVID



total lockdown due to increased infection rates. This impacted on the ability to develop progressive plans to return to office-based operations. However, working constructively with staff and stakeholders a system of flexible working has been achieved that provides a balance between safe social distancing and operational delivery. Discussions indicate that this form of flexible working may remain in place as a permanent option for staff. It is to the credit of CITB NI staff that they approached this challenge, and continue to do so, with a focus on meeting the organisational aims and our values framework. Some processes and requirements needed to be “relaxed” to ensure employers were not unduly disadvantaged by the measures imposed to combat the pandemic and we are grateful for the patience and understanding of constructing employers and stakeholders as we balanced our legal requirements with industry sensitive relaxations.

I would also like to thank the CITB NI Board for adapting to the situation. No Board or Committee meeting was missed and their contribution to the oversight and decision-making process continued uninterrupted.

CITB NI is Respected and Valued by Industry, Stakeholders and Staff

We aim to behave in a manner that is fair and reasonable in supporting the industry. Our organisational values, developed in partnership with staff, guided our actions, activities and relationships. We took decisions in line with these to try and support the industry in these difficult times. We were flexible with industry Levy in terms of how and when it is paid. We suspended many of our processes to ensure employers did not miss out on Grant support as a result of organisational shut down. Where possible we moved the direct training we normally deliver, online and delivered it free to industry. We also developed new initiatives to provide support to organisations and industry. These will be detailed in the following pages.



Integrity – we are honest and consistent



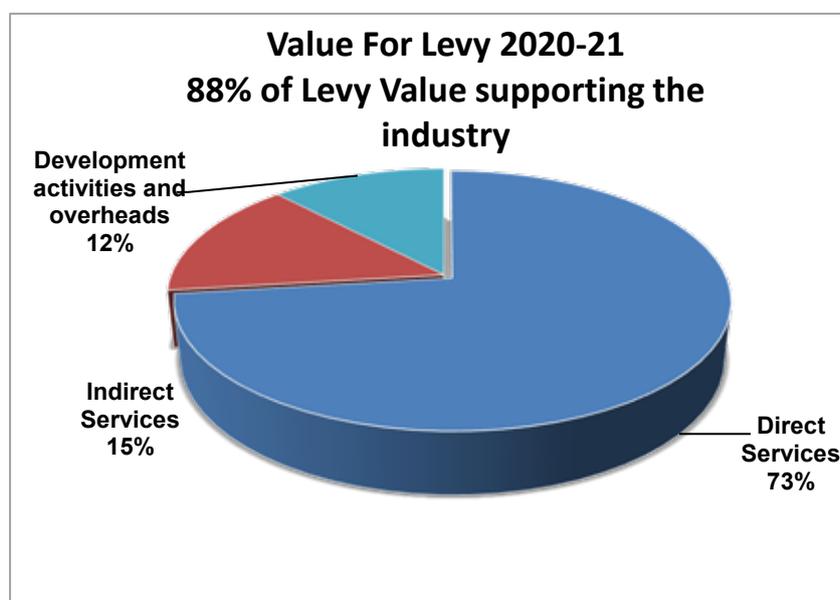
Professionalism – we strive to deliver the highest quality service



Learning – We learn, improve and support others to do the same



Teamwork – we work together as one team



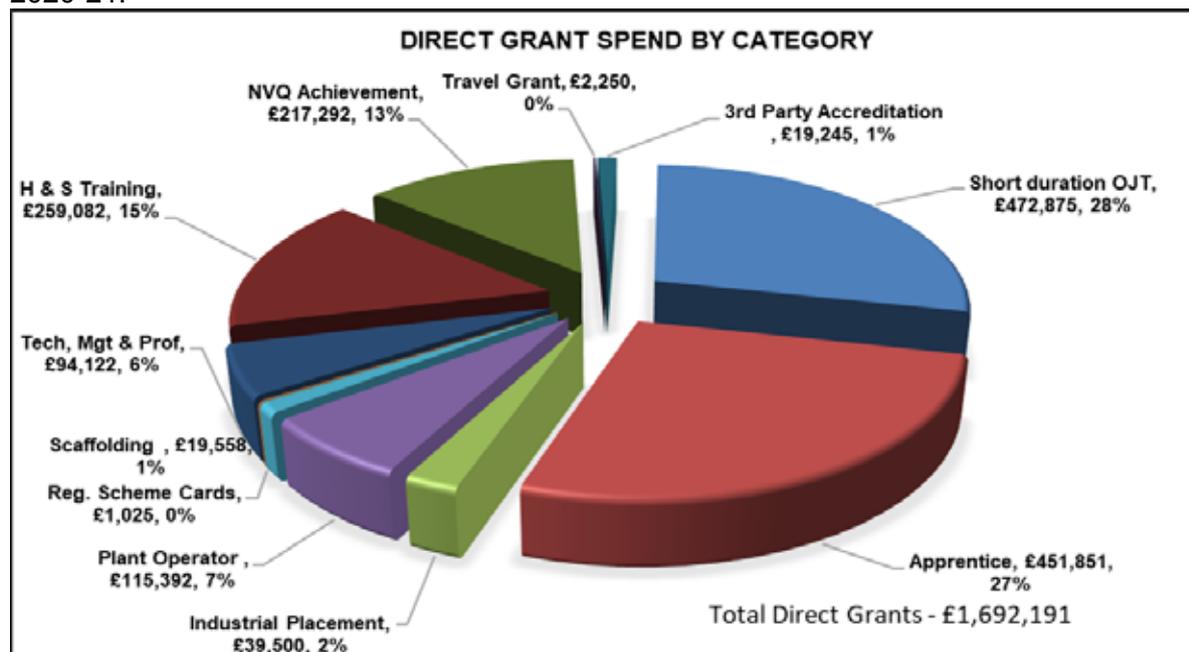
In terms of supporting the industry and providing value, CITB NI continue to focus on maximising the return of Levy to industry in terms of training and support and minimising operational overheads. In the 2020-21 year, 88% of Levy income was used for direct or indirect services to the sector.

The Industry Invests in Skills and Qualifications to Improve Safety and Profitability

CITB NI continued to develop a mix of support for industry training. Direct Grant has remained the bedrock of our support for industry investment in skills. This has become focussed on industry priorities and the drive for a qualified, as well as competent, workforce.

The potential for industry to restrict training while reorganising to continue operations while adhering to COVID measures was a factor in forecasting. However, the industry has recovered well and levels of activity in terms of production and training are much stronger than anticipated. In some cases, the nature of the training in focus has changed and this is reflected in the categories of grant claimed.

The pie-chart below details the allocation of direct grant spend into the various categories for 2020-21.



The improvements in Grant rates introduced in the previous year continue to be welcomed by industry, particularly in support of apprenticeships. As is reported in more detail later in the Report, Grant spending has exceeded the proposed budget and is an indication of the industries response to the changes made by CITB NI and the resilience of the industry itself to continue to deliver its underpinning support for the NI economy.

In addition to the Direct Grant, CITB NI has continued to develop its drive to facilitate “Training in Partnership” interventions with industry bodies. These focus on skills and training that the industry identifies as hard to acquire, not available or strategically important or combinations thereof. CITB NI delivers training in partnership with a wide selection of industry bodies to address their own needs and requirements, using the combined industry resources to support critical skills and interventions that would not otherwise be available. While the progress of these interventions was interrupted, all were delivered and funded within the financial year. Over the 2020-21 year many Training in Partnership interventions were suspended due to social distancing restrictions. This included CITB NI’s training within the Mobile Training Unit and the industry business improvement events. Where possible these were remodelled for delivery digitally either in the form of webinars or recorded presentations. This proved to be popular with industry and will likely be an ongoing feature of CITB NI’s service to the sector.

CITB NI is Customer Focused, Flexible, Responsive and Supportive

To develop interventions that support industry, CITB NI engages with industry through a series of business improvement and engagement events. These were not possible in the era of social distancing restrictions, and they were delivered as online using webinars (live and recorded) to maintain both support for, and feedback from, industry.

In addition to direct communication with industry, CITB NI undertook survey work to provide industry and our stakeholders with significant data, and to inform the initiatives we embark upon.

The research understandably identified short term needs relating to the current measures in place, however over the longer period the priorities for the sector remain;

1. Promoting and incentivising Apprenticeships and new entrants.

2. Supporting actions and strategies that promote and improve quality control, supervision and management of the construction process.
3. Supporting industry / employer strategies to promote and improve Health, Mental Health, Safety and Welfare of the workforce.
4. Developing strategies to improve the skills of new entrants.
5. Develop strategy to support and promote Digital Construction (including BIM).

CITB NI is the Voice for Skills and Informs Government Policy

CITB NI has participated and contributed to a multitude of Government policy workshops and projects. CITB NI is a key conduit for Government to solicit intelligence from the construction sector. CITB NI's research has informed and been incorporated into wider Government projects relating to skills and workforce development.

Communication is Clear and Direct

CITB NI has strived to be a source of information on the COVID measures proposed by Government and the support mechanisms put in place by Government.

Both the CITB NI web site and social media have been used to provide information on the activities and measures undertaken by CITB NI along with providing a hub to direct enquiries to Government, and other agencies, who provide advice and support to tackle the COVID measures.

While telephone communications with CITB NI were restricted as most staff worked from home, the process of email and call-back worked well, and all enquiries were dealt with. Over peak times such as the Annual Levy Return deadline, phone lines were re-opened to provide direct support to the industry.

Qualifications and Occupational Competencies meet the Needs of the NI Industry

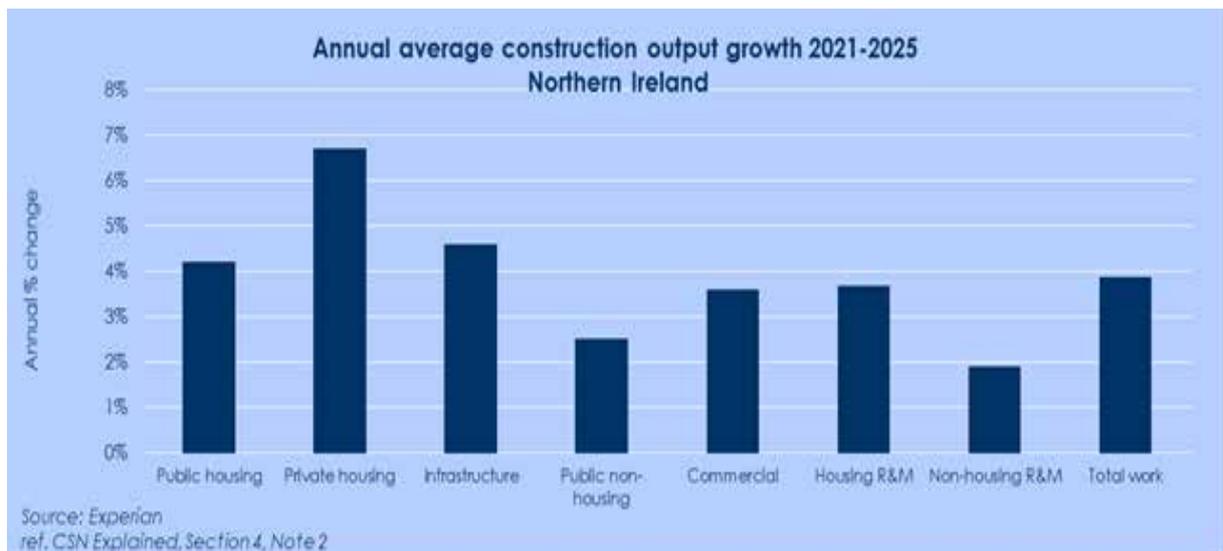
CITB NI uses all of the activities identified above to develop our services and contribute to ensuring that qualifications are relevant to industry needs. Over this year we continued a review of apprentice frameworks on behalf of DfE and the industry.

Our involvement with DfE initiatives to review the structure and delivery of qualifications through bodies such as the Strategic Advisory Forum on Apprenticeships and Youth Training, contributing to DfE's development of a new Skills Strategy and facilitation of the Built Environment Sectoral Partnership has continued uninterrupted.

In terms of the future outlook, CITB NI's initial draft of our forecast document "Industry Insights" forecasts an annual average output growth of 3.9% between 2021 and 2025, down from the forecast of 5.2% pre-pandemic).

It anticipates the strongest sectors as being:

- Private housing (6.7%)
- Infrastructure (4.6%)
- Public housing (4.2%)



These figures depend greatly on the continued support of both Devolved and Central Governments to drive recovery within the NI economy. Other future challenges will emerge from the commitment to the Net Zero agenda and the upskilling that will require within the construction workforce.

CITB NI is focused on skills and training needed for the future and will continue to work with Government, industry, and professional and trade bodies to support recruitment, training and skills development for the overall benefit of the industry.

However, one thing must be emphasised, CITB NI cannot do this alone. The partnership with employers is critical, because it is, them who employ and identify the development that individuals need. We will not build the next generation of skills, or develop those already in the industry, without the support of industry employers and the workforce, at all levels.

PERFORMANCE ANALYSIS

Key Issues and Risks

It is inevitable that this section of the annual report will focus on the effects of Brexit and COVID and how they have impacted CITB NI's finances and the ability to deliver core services.

During 2020-21, CITB NI continued to embed its normal risk management strategy by identifying those risks which could pose a threat to successful performance. As COVID measures continued to have an impact over the 2020-21 year the Executive Management Team adjusted the risks on a regular basis. The decisions log, introduced in the 2019-20 year to track decisions in response to COVID, helped to ensure that the risks associated with COVID were managed and responded to on a timely basis.

CITB NI continued to respond quickly and positively to the pandemic.

In accordance with Public Health Guidelines, CITB NI implemented a number of measures to ensure the safety of its staff and customers. Since March 2020 the majority of CITB NI staff have been working from home with a skeleton of core staff working in the office on a rota basis. From the spring of 2021 some limited training resumed in the building, particularly scaffolding with rigorous measures in place to ensure the safety of those attending and staff involved. This included regular checking of temperatures, use of face masks and additional bathroom facilities. It had been possible to reduce the risk in relation to COVID from the highest risk category.

The budget for 2020-21 had been set amongst much uncertainty and CITB NI had estimated a potential reduction in income as a result of the pandemic. However, levy income was cautiously monitored throughout the year by the Executive Management Team and the CITB NI Board with income remaining steady over the year.

Going Concern

CITB NI has sufficient working capital at 31 August 2021 to meet its current obligations. On this basis the Board considers CITB NI's financial position at the year-end to be satisfactory.

Position at year-end

CITB NI's Statement of Financial Position is sufficiently liquid to meet its current financial obligations. During the year ended 31 August 2021, net current assets have decreased slightly from £2.86 million to £2.76 million. Cash at bank and in hand has increased from £3.1 million to £3.6 million and was invested in term deposit accounts during the year. The increase in cash is attributable to the recovery of debt in 2020-21 relating to the 2019-20 financial year.

Reserves

The Statement of Comprehensive Net Expenditure (SoCNE) reserve at the year-end has increased from a negative reserve of £0.4 million to a positive reserve of £0.9 million.

There has been a significant movement of £1.4 million in the NILGOSC pension liability this year resulting in an adjustment of £1.8 million in respect of actuarial gains which have been credited to the SoCNE reserve.

The annual pension report, which is provided by an appointed independent actuary, has showed a movement from an International Accounting Standard (IAS) 19 calculated deficit of £5.5 million to a deficit of £4 million. The actuary explained that this movement is generally due to changes to the key assumptions used to calculate the present value of the liabilities, and changes to the notional value of assets due to positive or negative returns on the Fund's assets over the accounting period.

The actuary also explained that there is considerable volatility in the IAS 19 surplus/deficit that would be disclosed at any given date due to current market conditions and therefore it is not possible to confidently predict what the IAS19 position will be at the end of the next financial year, hence the current year's adjustment to reserves does not mean that the same position will exist next year. Further information on pensions can be found in note 10 to the accounts.

Balanced Score Card

A Balanced Scorecard (BSC) was introduced in September 2007 as a management performance tool to manage, monitor and evaluate Key Performance Indicators (KPI).

The results of the Balanced Scorecard are used to inform future strategies and improve performance. KPI targets within the Balanced Scorecard are reviewed annually. Performance against these is reviewed regularly by the Executive Management Team and progress reported to the Board three times within the year. These progress reports are shared with all staff and the Balanced Scorecard is a standing item on Divisional meeting agendas.

The CITB NI Risk Registers (both operational and "Top Risks" – reported to the Audit & Risk Committee) record all risks identified and the category they relate to within the Balanced Scorecard. Through this a clear link is made between the risks and uncertainties faced by the organisation and which "Risk Category" they relate to within the Balanced Scorecard. The "Top Risks" are discussed at each meeting of the Audit & Risk Committee and organisational risks are reviewed at regular staff meetings.

A copy of the Balanced Scorecard is provided in Appendix 1 and shows overall performance against the Critical Success Factors for 2020-21.

Performance Analysis

From the aims CITB NI has developed 5 "operational themes". These are:

- CITB NI is the Training Hub for the NI construction sector.
- CITB NI acts commercially in its actions and activities to enhance its return to the industry.
- CITB NI will seek to develop constructive strategic partnerships.
- CITB NI will aim to achieve, promote, and deliver services to high standards.
- CITB NI should be at the cutting edge of training needs within the NI industry.

The following is an extensive, but not exclusive account of activities undertaken by CITB NI in support of these themes. Many of the activities contribute to more than one theme but are reported in only one area.

Measuring Performance

Training Hub for the NI Construction Sector

Training Grant Support to Industry

The grant scheme has three separate elements which encompasses, direct training facilitated by CITB NI, training delivered in partnership with other organisations and the demand-led grant scheme.

The CITB NI demand-led grant scheme has proven to be very popular with employers in 2020-21 as it offers a high degree of flexibility for employers to undertake training relevant to their own organisational requirements.

This is the second year of the enhanced grant scheme which was launched in 2019-20. The enhanced grant scheme aims to incentivise the recruitment and retention of apprentices and to support the increased cost of training through an enhanced daily rate for short-duration training.

Despite the challenges faced as a result of COVID and other economic conditions, our registered employers have continued their commitment to training and qualifying their staff.

This has resulted, yet again in a further increase in the support CITB NI was able to make available in 2020-21.

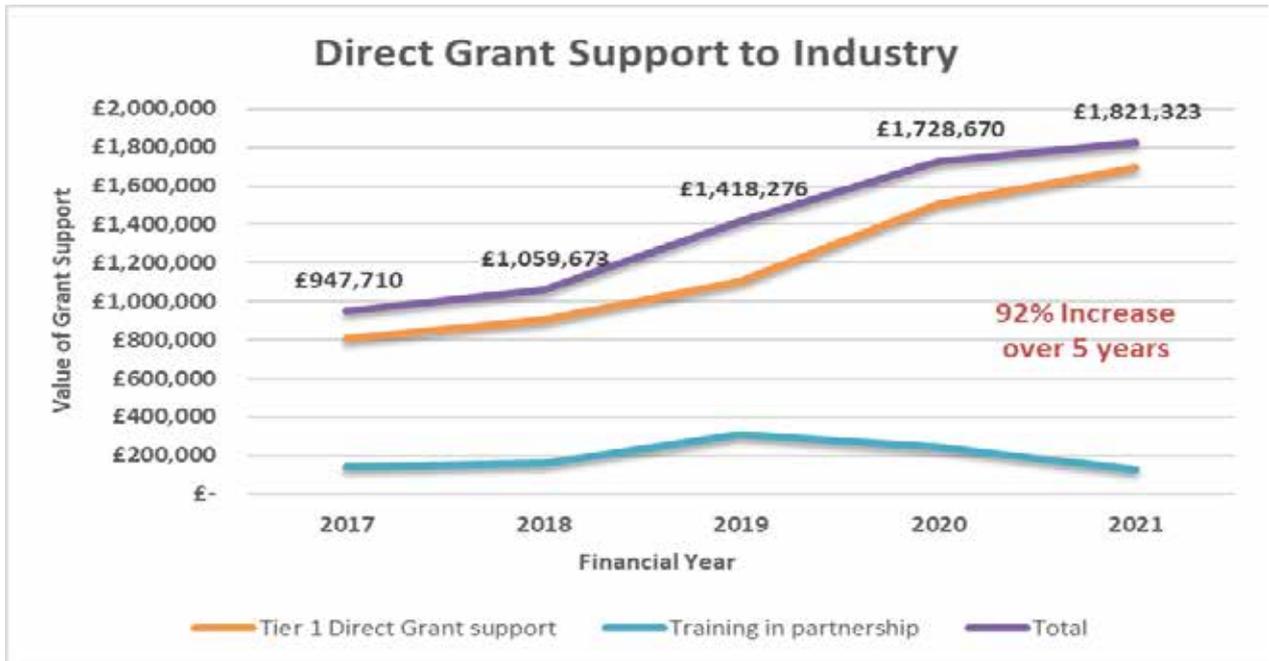
The benefit to industry in terms of direct support for 2020-21 was £1.82 million and is split as follows:

	£
Direct grant funding (Grants paid to employers)	1,692,191
Training in partnership & direct training *	129,132
Total Direct Support	1,821,323

*Excludes scaffolding

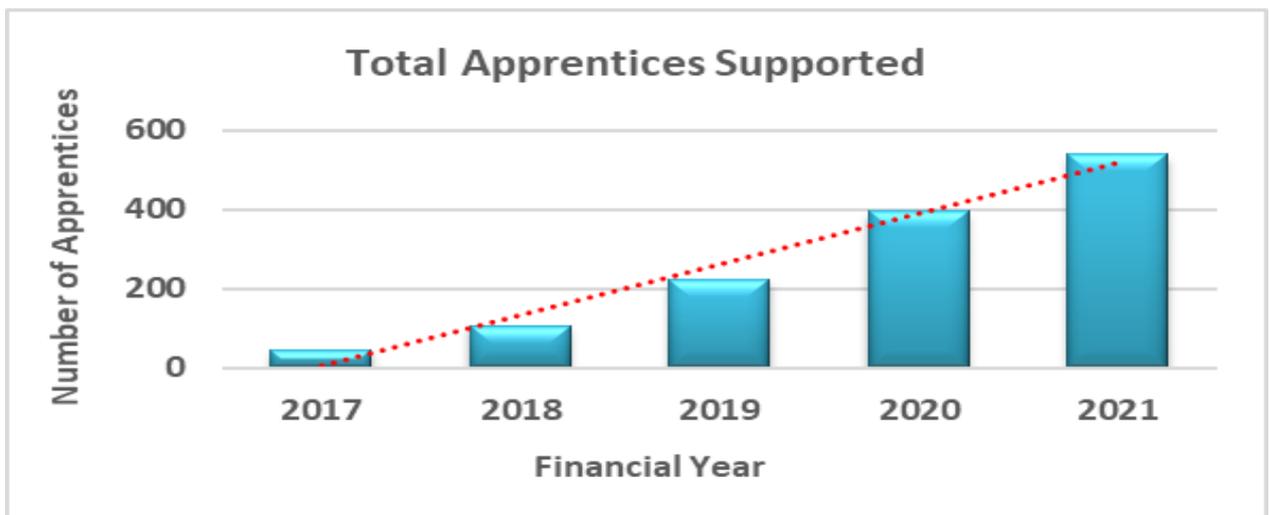
The figures include grants paid and accrued in addition to adjustments in respect of prior-period accruals. CITB NI has paid and accrued £70k more in direct support to the industry than in the previous year (2019-20: £1,751k). The expenditure on grants was over budget by £172k in-year however this was offset by additional income of £126k and savings in operational business areas.

Over the last five years CITB NI has been able to increase the support made available for training. This is in parallel with a reduction in the levy rate to 0.55%. The chart below outlines the support provided split between direct grant to employers and other direct training provided in partnership or directly procured by CITB NI.



In total, there has been a 93% increase in grant support since 2017. This has been made possible through various initiatives to maximise levy income, careful spending in other areas and the use of accumulated reserves. Whilst a similar level of expenditure is forecast for 2021-22, CITB NI recognise that a strategic review of the grant funding scheme is required to ensure that it remains relevant, targeted to areas where it is needed most, is efficient, and affordable going forward for the next three years. This review will commence in 2021-22 and construction industry employers will be consulted on any significant changes proposed.

In 2017, CITB NI introduced an initiative to increase the number of apprentices employed and supported in the sector. We are pleased to report the continuing success of this initiative with a further increase this year on the number of apprentices supported. We have exceeded all expectations in this area of the grant scheme since we first launched our campaign to support 100 apprentices. At the end of 2020-21 we supported 540 apprentices, and we are seeing this continuing to rise in the early part of 2021-22. The table below illustrates the numbers supported each year with a rise from just 47 apprentices in 2016-17 to 540 at the end of 2021-22.



During 2020-21, 690 employers claimed a grant (2019-20: 686), with a total of 5,819 (2019-20: 4,817) grant applications.

Over the year, 601 levy paying employers claimed Tier 1 grant and 89 employers who are below the levy threshold and do not pay levy claimed a Tier 1 grant. This is an indication of the support provided to smaller companies, however many micro-companies benefit indirectly from grant through receipt of training carried out by larger companies, so this is only an indication.

Employers are actively encouraged to provide suggestions on changes to the Grant Scheme and areas for support through the Training in Partnership funding stream.

Training in Partnership

CITB NI supports training that the industry has identified as important to development, innovation and productivity. These interventions continue to target areas identified by the industry representative bodies or through employer engagement as critical in dealing with the current economic climate and for the future growth of the industry.

Direct training interventions allows essential training and knowledge to be delivered to the industry where it does not exist or is not readily available in Northern Ireland. It also supports training of strategic importance to the industry which may not be undertaken without CITB NI intervention. CITB NI believe it is important to help the industry remain competitive and provide a good service to its clients.

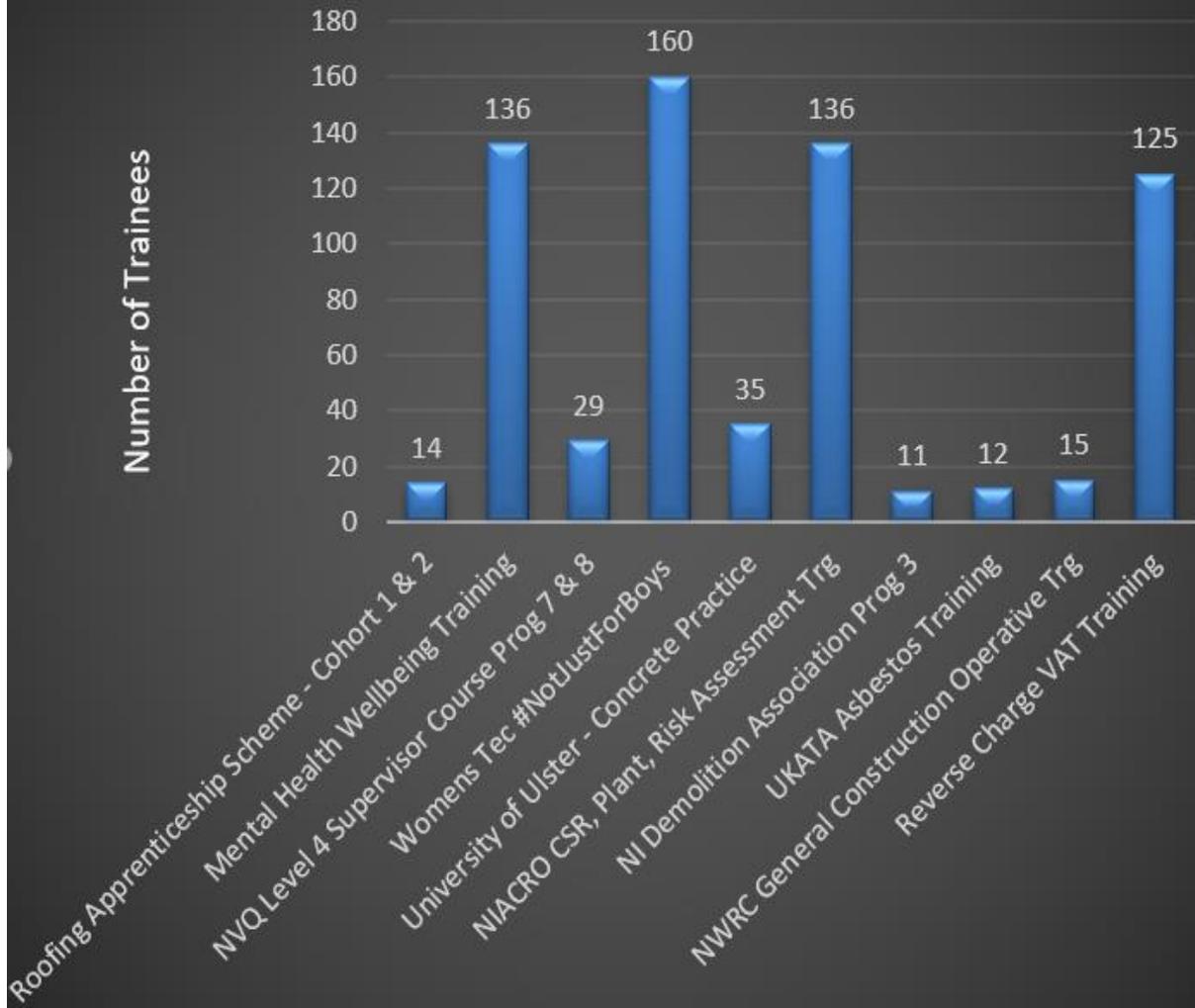
This year's programme of Training Interventions did meet its intended outcome with 10 out of 10 interventions completed, three of which will continue into the next training year. The CITB NI Board recognised the detrimental effect that lockdown could have and requested that online Mental Health Wellbeing training is continually offered to the industry, which has benefited 136 participants.

Training Interventions provided directly by CITB NI span a wide range of needs but fall within three specific areas: health and safety training, training for the existing workforce, and training for new entrants into the industry. Health and Safety training was delivered face-to-face via a mobile training unit prior to the pandemic, and this is currently being delivered via online training.

Training in Partnership that was either organised and delivered in partnership with external bodies or procured and facilitated by CITB NI directly, included the below in the latest financial year and the number of participants is illustrated in the preceding graph.

- NVQ Level 2 Roof Slating and Tiling Apprenticeship Scheme (Cohort 3)
- Mental Health Wellbeing Training
- NVQ Level 4 programmes in Construction Site Supervision (Programme 8)
- Women's Tec notjustforboys
- University of Ulster – Concrete Practice Accreditation
- NIACRO CSR, Plant & Risk Assessment Training
- Reverse Charge VAT Training

2020-21 Training in Partnership



The training detailed above, has delivered training and awareness to 673 individuals in financial year at varying levels across the industry, the first three of which will continue beyond this reporting period.

Mobile Training Unit (MTU)



The Mobile Training Unit provides a convenient way of meeting training requirements with minimum disruption to the site and production. It is a tried and tested way to train and develop experienced workers on site and has been recognised as a flexible and innovative approach to meeting employers' training needs. The MTU travels across the province delivering an extensive range of construction-related, health & safety and bespoke training to operatives, supervisors and managers. COVID lockdown measures have had a serious impact on the delivery of on-site training. To adapt to the pandemic restrictions in place, all MTU courses were converted to on-line training, a total of 408 individuals have attended this training.

Development of National Asbestos Training Centre

The continual need to raise awareness and provide industry recognised training on asbestos in the workplace prompted CITB NI to develop and launch the Northern Ireland National Asbestos Training Centre at its Nutts Corner facilities. A tendered partnership arrangement with a local approved United Kingdom Asbestos Training Association (UKATA) training organisation resulted in an additional course operating in the 2020-21 training year, this was originally postponed from the previous training year. Plans are now underway to offer a suite of asbestos training in the new training year.

Scaffolding Training

The scaffolding training programme was suspended for a period due to COVID measures, however training recommenced with enhanced safety measures in April 2021. This allowed assessment for 153 individuals through the construction industry Scaffolders Record Scheme (CISRS) COTS, Part 1, Part 2 and Advanced Scaffolding. Thirteen operatives achieved either NVQ Level 2 or NVQ Level 3 through the scheme, allowing them to acquire their industry-recognised scaffolder card. CITB NI remains the only facility in Northern Ireland able to provide the Construction Industry Scaffolders Record Scheme (CISRS).

Undergraduate Development Programme (UDP)

The Undergraduate Development Programme was developed to help the transition of undergraduates from education to industry. The programme required attendance to develop a practical knowledge of craft skills generally applied within the sector as well as Health & safety training. The major employers of undergraduates now have internal training programmes and this, aligned with their areas of operations being outside NI, means a course based within CITB NI's facilities has become an impediment to its success.

Current provision has changed to a practical induction day for 1st year students to introduce them to the core construction activities, however due to the pandemic this training was not available over the 2020-21 training year. The Health & Safety training and CSR certification in advance of their year

out within industry did take place in April 21, 16^{1st} year students undertook this training and received Trainee Supervisor/Manager cards.

NVQ Level 4 Diploma in Construction Site Supervision

The NVQ Level 4 in Construction Site Supervision was introduced to improve structured training of individuals operating at, or seeking to progress to, a supervisory position within the construction sector. It was introduced in response to industry feedback on the need to improve the quality and competency of individuals, and as a reaction to major failings reported in terms of construction quality.

The concept is to combine a formal qualification (NVQ Level 4) with an interactive approach to common supervisory activities that would be innovative and unique in its approach to competence and knowledge improvement.

The seventh Construction Site Supervisor Programme commenced during this training year with 15 candidates participating. To date 93 individuals have successfully completed their NVQ level 4 in Construction Site Supervision using the blended approach of workshops and VET360.

Furthermore, the eighth Site Supervisor Programme commenced in July 2021 with 14 candidates participating within the programme. This course has been tailored specifically to incorporate the Highways Maintenance and Repair Sector who seek to qualify their workforce at the recognised NVQ Level 4 supervisory standard.

Industry and Stakeholder Engagement

Sixteen employer engagement webinars were held during the year, and each included a business improvement workshop or session on topical areas such as Cyber Security, GDPR, Digital and Social Marketing, Building Information Modelling (BIM) and Legislative Changes.

A total of 184 employer representatives attended the webinars which were delivered in place of the usual face to face events due to the ongoing COVID restrictions. In addition, two online taster videos of two of the topics were produced and promoted on the CITB NI website to employers to encourage participation.

The online presentation of CITB NI's products and services was reviewed and updated regularly and promoted on the CITB NI website to provide employers with an overview of the benefits of being registered.

CITB NI began working with Digital Catapult to develop a suite of emerging technology demonstration videos to provide information on the latest industry developments. It is hoped that these videos will generate interest in the industry on new technology and identify training needs and resultant masterclasses as part of CITB NI's business improvement events.

Following consultation with the Flooring Sector, development has been ongoing to provide a Floor Covering Training pre-apprenticeship programme suitable for apprentices and upskilling the current workforce. Meetings have been held both online and at CITB NI with potential training providers.

Development began on a suite of specialist sector training information sheets to signpost employers to relevant training. These include links to appropriate employer bodies, apprenticeships frameworks, and careers and standards information. Once complete, these will be promoted on the CITB NI website.

CITB NI participates on both the NI Heritage Skills Reference Group and Core Skills Group with other industry stakeholders and the Department for Communities Historic Environment Division tackling heritage skills issues.

Consultations

During the year CITB NI responded to five external consultations:

- Dept for the Economy – Energy Strategy 2050 – March 2021
- Dept for Communities – Housing Strategy – May 2021
- Northern Ireland Executive – SEUPB – Peace Plus Consultation May 2021
- Northern Ireland Executive – Programme for Government – Jan 2021
- Dept for the Economy – Skills Strategy Aug 2021

Roofing Apprenticeship Training Scheme

For a period of ten years between 2007 and 2017 no formal training for the roofing sector was available in Northern Ireland. As a result of an approach by the NI Roof Training Group and the National Federation of Roofing Contractors (NFRC) CITB NI supported the establishment of an NVQ Level 2 in Roof Slating and Tiling by means of its Training in Partnership Grant Scheme. The third cohort of Roofing Apprentices commenced in June 2021, these participants are expected to complete their qualifications by the June 2022.

Recruitment & Careers

With funding from the Department for the Economy's Apprenticeship Challenge Fund, CITB NI developed and implemented an apprenticeship matching service for employers and potential craft apprentices. Twenty-five employers provided 45 opportunities across 9 occupations and in total 278 applications were received from 187 potential candidates.

Due to the restrictions with COVID throughout the training year and the impact this had on schools and colleges, our careers engagement reverted to online delivery. In February and June, CITB NI in collaboration with the School Employer Connections (SEC) and Speakers for Schools partnership worked with construction employers, CITB NI Ambassadors and other organisations to provide Construction NI Boot Camp Virtual Work experience programmes for Years 11, 12 13 & 14 students.

During the year the Careers section of the CITB NI website was completely redesigned and further developed to incorporate the latest apprenticeship information, support and guidance for employers, parents, influencers and students and links to other careers organisations and information.

A Careers information pack, incorporating CITB NI Apprenticeship Guides, Industry Factsheet, Skills Statement, Careers booklet, Women in Construction booklet, Student bursary and Construction training provision information was developed and distributed to over 750 schools, colleges, training providers, careers organisations and influencers, MLAs and stakeholders.

Continuing our support for the GCSE in Construction CITB NI provided over 1000 free copies of the GCSE textbook to schools delivering the qualification. Currently 52 schools offer the qualification across Northern Ireland and over 8,000 students have achieved the qualification to date. For the first time in Northern Ireland, an all-girls school, Girls Model, Belfast introduced the qualification.

Following the launch of the CITB NI Built Environment Student Bursary Award last year, twelve students who commenced and completed their first year of a full-time 3rd level Built Environment related construction qualification with a Northern Ireland training provider were awarded a £1,000 bursary. The bursary opened for applications for the 2021-22 training year in August 2020.

CITB NI was the lead for the province-wide Northern Ireland Apprenticeship Week sub-group, working in partnership with other sectors to host and attend events to promote apprenticeships. Activities included the launch of a series of apprentice case study videos, an event in partnership with Unite the Union and Mid & East Antrim Borough Council for students at St Patricks College Ballymena and a Women in Construction Careers event.

Twenty-five schools and sixteen employers signed up to participate in the CITB NI 'Adopt A School' scheme which will allow employers to identify schools in either their local or work areas to partner with and promote construction careers. CITB NI will provide information and promote the activities carried out to encourage other employers and schools to get involved.

A series of Case Study Careers Videos were produced and launched on social media channels to promote construction apprenticeships and careers.

SkillBuild NI

Due to the imposed COVID government restrictions, which varied in each UK home nation, the SkillBuild NI National Finals 2021 took place on a virtual basis led by CITB GB. Much planning and liaising with CITB GB and the six main NI colleges occurred to finalise arrangements. The SkillBuild NI Inter-Campus Competitions did not take place, due to the imposed lockdown however, the six main NI colleges covering ten trades areas, identified the best skilled competitors to progress to the next stage.

Through greater awareness and support CITB NI hope to improve the participation from other training providers within the training/college network with the aim of encouraging more females to join the Northern Ireland construction industry, especially to improve the gender imbalance and enhance representation at future competitions.

SkillBuild NI is a great opportunity to showcase and celebrate the high level of skills we possess and the impressive talent of our workforce. It reflects the high standards of training in our colleges and the commitment to excellence demonstrated by the competitors.

Despite the disruption to SkillBuild NI National Finals 2021, the journey will continue with planning already underway to resume direct competition activity at next year's SkillBuild NI Final 2022 taking place on Wednesday 4 May 2022, on a scaled down basis with focus specifically on competitors, due to the restrictions of COVID.

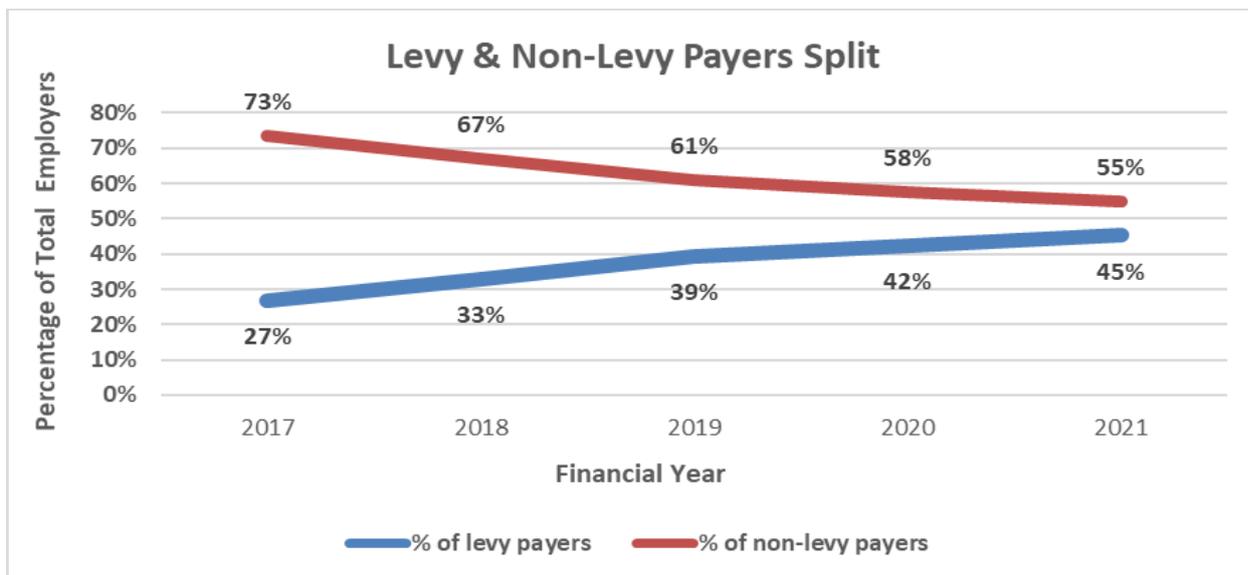
Acts Commercially to Enhance Return to the Industry

Levy

The levy rate for the year was set at 0.55% (2019-20: 0.55%) of employers' emoluments. For the purposes of calculating the levy, the definition of emoluments are gross wages paid in the relevant tax year to Pay as you Earn (PAYE) employees and labour-only subcontractors working in Northern Ireland.

The levy rate was maintained at the 2019-20 level to ensure that sufficient funds were available to meet the increased demand in the grant scheme. We have been able to maintain this lower levy rate for the last two years as more employers are now contributing to the levy pool and therefore we can now spread the costs and benefits more fairly across the industry.

Following on from 2019-20 we have seen the gap between levy payers and non-levy payers narrowing again. The table below demonstrates the trend:



This is a significant change from 2017 when then only 27% of those registered were contributing to the levy. We will continue to monitor this area and continually seek to ensure that the costs are spread fairly.

An employer is deemed to be in-scope (and should subsequently be registered) to CITB NI if their business activities fall within the definition of Schedule 1 of “The Industrial Training (Construction Board) Order (Northern Ireland) 1964”.

The levy team perform levy audits on a cyclical basis to ensure that the correct amount of levy has been assessed for each employer. The audits are normally completed on-site at employer’s premises. As a result of COVID, a decision was taken from March 2020 to halt on-site audits to protect both CITB NI staff and registered employers. Although CITB NI provided alternative options for audits e.g., electronic audits through secure email, many employers closed their business due to lockdown and many experienced staff shortages due to furlough.

A total of 763 audits (2019-20:506) were attempted during the year. Of the 763 attempted, 286 (2019-20: 335) were completed with the remainder to be carried forward to be completed in 2021-22. At the time of writing this report the Levy Assessors have returned to completing audits on site and some success is being reported.

The audits that were completed resulted in additional levy of £43,774 (2019-20: £48,968) being invoiced. In addition, refunds to the value of £99,458 (2019-20: £83,789). This result means that we have more accurate levy figures for the year and are educating employers on the importance of submitting accurate information by the required deadlines.

Approximately 89% of the invoiced levy was recovered during the year which is 4% higher than the previous year. The recovery target is set at 95% however as reported in the 2019-20 annual report, CITB NI relaxed credit control procedures during the disruption caused by COVID. At the time of writing, levy debt recovery for 2020-21 is now 96% of levy invoiced.

Levy income for the year was £3.5 million (2019-20: £3.5 million). It is reassuring that the levy income has been maintained at a steady state despite the disruptions caused by the pandemic.

The Internal Scope Panel did not hear any levy scope challenges during the year as none were submitted by employers.

There were no Industrial Tribunal appeals lodged in 2020-21.

CITB NI Facilities

As well as ongoing maintenance/ repair works and works to ensure statutory compliance obligations were met, additional specific projects were carried out to upgrade and enhance the building:

- New hard standing concrete and tarmacking works was completed around the building. These works replaced roadways and car parking areas which were in poor repair, as well as extending the hard standing at the rear of the building, enhancing the area for future training development.
- Work was commenced to refurbish an external building aimed at creating a new modern classroom to accommodate our scaffolding courses.
- Another derelict building was also refurbished into a modern office / storage accommodation with toilet and kitchen facilities. This building has now been long term leased to an existing tenant. The mobile building this tenant occupied is marked for demolition due to its poor condition.
- To further assist with our COVID safety measures, another external toilet block was constructed as well as a second new smoking shelter.

Lease and Hire of Facilities

The facilities at CITB NI continue to be utilised with hire of Meeting / Training rooms and the external practical training areas, to support and drive industry training. Over the year, bookings have been reduced and limited to external areas only due to the COVID pandemic.

South-Eastern Regional College (SERC) added to their lease of the Professional Skills Centre, which delivers mechanical & electrical technical courses, apprenticeship schemes and health & safety qualifications, with a large internal space to deliver Engineering Apprenticeships.

Cosaint Training and Consultancy Ltd continued their lease of training rooms and an office to enable their delivery of a wide range of health & safety, supervisor and management training.

Truly Scrumptious Catering when permitted, provided in-house catering and services to course participants, CITB NI and room-hiring organisations.

People 1st an independent private training provider with contracts to deliver government funded apprenticeship, traineeship and return to work schemes also became a tenant with the lease of internal practical training areas and classrooms.

Pulse AV a privately-owned business who provide services to industry using audio visual systems and equipment is CITB NI's fifth tenant.

Management of Third-Party Contracts

Contracts and agreements with 3rd party providers are monitored for performance and regular renewal of services through procurement. IT and PR support services were reviewed during the year to ensure their continued effectiveness and value for money.

External Funding

CITB NI actively investigates potential additional sources of income to support its work. Investigations were carried out into various funding sources, and this is an on-going activity to identify new sources of funding.

Development of Constructive Strategic Partnerships

CITB NI engaged with a wide range of industry bodies and organisations to support their identified training needs or workforce related projects. Some of the initiatives are completed within a relatively short time frame whereas others may span one, two or even a three-year period.

All the projects go through an application process and are evaluated against set criteria to ensure that the training is not currently available through the local network of training providers, is not economically viable for the network to provide and is of strategic importance or need.

The following is some, but not all, of the initiatives CITB NI supported to deliver training that will improve competence, gain qualifications, raise awareness, raise quality standards and industry professionalism.

Women in Construction Network

CITB NI continued to support women in the construction industry by maintaining the Women in Construction Network website which included events and news articles of interest. Due to COVID restrictions affecting site visits and meetings a LinkedIn group was set up during the year to help encourage engagement across the network. A monthly zoom meeting was set up in January 2021 to help the network communicate directly on relevant issues and ensure contact was being made. As COVID restrictions eased the monthly zoom meetings ended in June 2021.

Two Women in Construction video case studies highlighting women in construction were developed and produced, promoted on the website and social media.

A survey was completed across the network in July 2021 to gauge interest in what the members wanted and identified a list of topics to be delivered. The survey also indicated the demand for another Women in Construction Summit and planning for March 2022 is underway.

An outcome from the 2020 WIC Summit was to provide a mentoring programme for females in the sector. In September 2020 CITB NI became Corporate Members of Women in Business so that all female CITB NI staff and members of the Women in Construction Network were provided access to a mentoring programme during 2020. A total of five people completed the mentoring programme.

Belfast City Council / Translink

CITB NI has developed a partnership with BCC and Translink to develop a "Construction Skills Academy based on Translink's transport hub development. The partnership aims to provide entry level construction skills training to individuals within the Belfast area to enable access to employment within the sector.

Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO)

A partnership with NIACRO and Sentrial (virtual reality software developer) has been formed to develop a programme of site induction and H&S training based on a virtual site experience for those within the judicial system. The partnership has benefitted 136 people in the training year which has also included the CSR card attainment which will enable entry into construction sites and workplaces. The partnership also resulted in a Business in the Community Award for Responsible Digital Innovation which highlights the use of technology to educate and enhance skills.

Ulster University, Concrete Training linked to Concrete Society Membership

A partnership has been formed to develop bespoke training for employers producing and using concrete to increase competence of individuals and quality of construction. In the current training year 35 individuals (studying Civil Engineering) undertook training and assessment for membership of the Concrete Society.

MPANI / Asphalt Society

CITB NI has commenced a project to develop and deliver supervisor training bespoke to the highways construction & maintenance sector, with 14 participants taking part in the NVQ Level 4 Site Supervisory Course, delivered by People 1st.

Women's Tec

CITB NI partners and supports the "Not Just for Boys" initiative developed and delivered by Women's Tec. The initiative focusses on promoting and encouraging females into employment that may traditionally have been seen as male dominated.

VAT Reverse Charge

From 1 March 2021 the domestic **VAT reverse charge** was introduced, to help construction employers understand the new requirements which must be used for most supplies of building and construction services. CITB NI held a series of training sessions delivered by a local Northern Ireland accountant, M B McGrady & Co Accountants with a total of 125 participants taking part.

Delivering Services to a High Standard

In support of the continuing commitment to use technology to improve the effectiveness and efficiency of both in-house and customer facing services, several IT projects were commissioned during the course of the last year.

Upgrade Customer Information System (CIS)

The process of upgrading/replacing the existing CIS system continued during the year, including

- Further System Review
- Creation of a detailed Statement of Requirements (SOR) which will be an important component of any future tender document
- Development and approval of an outline Economic Appraisal
- Operational meetings with CPD

Replacement of CITB NI's existing personnel system

CITBNI's existing personnel system is no longer supported, so an extensive review was undertaken to establish a viable and cost-effective replacement. It was decided to upgrade the existing Sage 200 accounting package to include HR, Timesheet, Expenses and Holiday modules.

Website Accessibility

To comply with new Public Sector Bodies (Websites & Mobile Applications No.2) Accessibility Regulations 2018 legislation (WACG), a complete review and upgrade of CITB NI's website was carried out to ensure that it achieved an AA (double A) rating.

CITB NI Staff Remote Working

Numerous technical initiatives and changes were introduced to allow CITB NI staff to work and collaborate remotely during the COVID pandemic and subsequent lockdown. These included:

- **Internet based phone system**
The existing internet infrastructure and telephone system were upgraded to make the telephone system internet based and be accessed remotely to enable remote working and collaboration and to continue to provide advice and support to the industry.

- **CITB NI internet access**
The existing ISDN broadband service was replaced with a high speed leased line internet connection. In addition to providing faster internet access, the leased line provides a means of backing up CITB NI's servers to the cloud i.e., data is backed up off-site. This combined with the existing on-site backup solution provides a more resilient disaster recovery solution.
- **Installation of Office 365**
Microsoft Office 365 Business Premium edition was installed for all CITB NI staff. This provides staff with the full range of Microsoft Office products to increase efficiency and provide the ability for staff to work remotely.
- **Continuing move to internet-based operations**
During the year a CITB NI dedicated Microsoft SharePoint site was developed and launched. Most files were transferred over from the existing on premises server to the new SharePoint site.

Marketing & Communications

The Marketing Communications function continued to follow the Marketing Communications Strategy for 2020-21. With lockdown affecting events, conferences, and visits CITB NI focused primarily on digital publications for distribution electronically and hosted on the website. These publications included training flyers, business improvement events, research infographics, industry E-Newsletters and two Online Magazine publications published throughout the year.

Advertising was placed during the year with trade press, including Specify, Modern Builder, NI Builder, Agenda NI & Agenda NI's Northern Ireland Yearbook. All publications supported CITB NI by publishing press releases throughout the year which helped promote coverage of ongoing training initiatives.

Sponsorship support was provided to the Construction Excellence Awards.

The CITB NI website was regularly updated during the year and along with email, SMS texting and social media was used to engage with registered employers, industry, stakeholders, and others. There was an average of 4,932 visitors to the CITB NI website every month.

CITB NI has a strong social media following and at the end of the training year there were 1648 Facebook followers, 1,500 Twitter followers, 1,715 LinkedIn followers and 220 Instagram followers.

Throughout the year CITB NI procured a video production company to produce nine videos to include careers case studies, a careers showcase, women in construction and CITB NI products and services. These were well received and will continue to be promoted in the forthcoming training year.

Further to the success of the support of an external PR service last year to help raise the profile of the organisation a procurement exercise was followed, and a PR company appointed for a 12-month contract. Several press releases were developed and sent to local and trade press which generated 59 press clippings to a total PR value of £60,507 which contributed to employer and industry awareness of CITB NI services.

As part of the PR work and to generate awareness of specific projects (Apprenticeship Connect NI & Annual Levy Return Form Awareness) CITB NI undertook two periods of radio advertising with Cool FM and U105 alongside support advertising with Belfast Live and social media advertising with Cool FM social channels. This helped us reach both the youth market (Cool FM 527,000 listeners with 60% 15-34yrs) and the older market which would include construction employers (U105 223,400 listeners with 74% 35years and over).

CITB NI also continued to provide COVID support information via the Information Hub established in April 2020 and hosted on the CITB NI website. This hub is regularly reviewed and updated considering any restrictions or information relevant to the construction industry.

Cutting Edge of Training Needs Within the Industry

Using Technology to Assist Training Delivery and Knowledge Retention

CITB NI use their virtual environment training facility (VET360) which allows participants to experience complex and hazardous sites or work locations in a completely safe setting. The viewer becomes immersed within a 360-degree real life environment allowing greater understanding, which helps to improve design, planning, induction, briefings and training. Simulated or CAD environments can also be created.



To date, the facility has been used to enhance the learning experience of participants on our NVQ Level 4 in Construction Site Supervision qualification. We have also developed a suite of training activities using VET360 aimed at Supervisors or Site Managers which includes Risk Assessment, Environmental Management in Construction, Asbestos Awareness, COSHH and Managing Health & Safety.

Various other uses of VET360 include working with employers to develop their own training packages, allowing students to experience virtual site visits without the associated risks and expense of doing so and Building Information Modelling (BIM) presentations by employers to their clients.

Digital Construction Skills

CITB NI has been actively engaged in promoting the use and adaption of Digital Construction by the industry, which is the use and application of digital tools to improve the process of delivering and operating the built environment. In general, terms that will translate into making the delivery, operation, and renewal of our built environment safer, more efficient, and more collaborative.

Developing and Adapting Training for Online Delivery

COVID measures had an impact on direct face to face training and was a major factor in CITB NI's move to adopting eight short duration courses normally delivered on our Mobile Training Unit (MTU) and placing them on our website for free access by the industry. The courses included Fire Prevention & Control, Asbestos Awareness, and Noise at Work. This method of making training available to the industry during COVID restrictions proved very popular with 999 visits to avail of this service.

This approach was also used to deliver several online courses including Mental Health First Aid Training, Stress and Anxiety, Bereavement & Loss, and Support with Addiction, Alcohol and Drugs, as these were unable to be held in the normal way.

Research

Throughout the year CITB NI completed or contributed to several research surveys to increase its understanding of the training needs of the NI construction industry and to ensure that an adequate supply of training was available for all sectors of the industry.

The CITB NI Annual Skills Statement which provides an overview of current and future skills needs as identified in CITB NI and other stakeholder research, was published in July 2021.

The Construction Skills Network (CSN) continued its work to produce accurate and up-to-date Labour Market Intelligence (LMI) for the Northern Ireland construction industry. Forecasts for 2021-2025 were published in June 2021.

The 2020 Employer Tracking Survey of 100 NI employers was completed and actions from the findings were addressed. The survey sought to determine customer perceptions and satisfaction levels with CITB NI.

An online survey was conducted to establish the impact of COVID on construction companies looking at areas such as redundancies / furloughed staff, apprentices, number of sites open and training needs.

Standards and Qualifications

The CITB NI Construction Standards and Qualifications Strategy (CSQS) supports the development of industry training and qualifications in Northern Ireland through the implementation and operation of 10 action strands which were all progressed during the year. The 10 strands are: Consultations, New Entrants, Supporting Specialist Sectors, Mutual Recognition, New Technologies, Development of Employer information guidance, Develop Qualifications and Standards, Maintain Standards, Training & Competence, and Funding.

CITB NI continued to facilitate the development of new Northern Ireland Apprenticeship Frameworks by Chairing the Built Environment Sector Partnership (BESP).

CITB NI is also a Development Partner responsible for developing a range of construction apprenticeship frameworks. This aligns with the implementation of the Department for the Economy Apprenticeship and Youth Training strategies.

CITB NI made a successful tender application to Skills Development Scotland and completed the development of five apprenticeship pathways to final Gateway 4 stage. A total of 22 frameworks (13 at Level 2 & 9 at Level 3) have been developed since 2019. No frameworks are planned for development during the incoming year.

CITB NI updated the current Apprenticeship frameworks for the Department for the Economy (DfE) this work involved liaising with Awarding Organisations to ensure qualifications included in the frameworks are current and approved by CCEA.

Development continued on the plant training standard for the construction industry in Northern Ireland. This initiative aims to set the standard for training Plant Operators, Plant Instructors and provide advice and guidance for the management of plant on site.

CITB NI is supported the review of national occupational standards (NOS) in conjunction with CITB GB for a number of occupations. The reviews are employer led to ensure that the NOS is current and fit for purpose.

Laying the Foundation for Mental Health in the NI Construction Industry

CITB NI has worked with BuildHealth, HSE NI, NI Safety Group, IOSH and the Workplace Health Leadership Group NI. The partnership aims to develop and embed a culture of better mental health within the construction sector and raise awareness and understanding within the industry.



Following on from the success of our “Laying the Foundations for Mental Health” initiative, the second phase “Building on the Foundations of Mental Health” was commissioned. The programme commenced with physical training workshops, but once COVID measures were introduced, a shift to online delivery was developed and delivered with our delivery partners Inspire. The aim was to move beyond training and awareness and provide active support to the industry via a helpline which was free to all individuals within the industry to help deal with the stresses that working within a COVID environment can bring.

Sustainability Report

A continuous drive to affect cost savings has contributed to the Board’s sustainability and efficiency measures. The organisation partially reopened in the 2020-21 training year to allow training to recommence for both CITB NI and the tenants who operating training and catering. Employees have continued to work within the building on a reduced capacity and business trips including company audits for levy have not returned to pre-pandemic levels. With the partial reopening of the premises to allow for training and core business functions, the number of people within the building and facilities have increased since 2019-20 but are still below pre-pandemic volumes.

Due to the opening of the building post-lockdown and refurbishment work undertaken throughout the facility, the number of waste skips increased by 12 in the 2020-21 year. Pre-COVID levels of skip waste was approximately 8. CITB NI also recycled 22 more bags of paper for shredding and although the facility is not fully open and operational as the pandemic measures continue, a focus on confidential waste (GDPR) and clearing archives is attributed to this increase. A second year of reduction in usage of 18,094 in electricity and 2,700 litres heating oil over last year’s figures resulted in an underspend of £5k on the electricity budget and an underspend of £3k on heating oil. The cash saving on electricity is also attributed to the change of electricity supplier in the 2020-21 financial year.

CITB NI desire to encourage sustainability and improve efficiency means the organisation is moving away from producing printed publications and using electronic documents that are emailed to employers and stakeholders and can also be easily accessed on our website. Digitisation of services and information will continue to be a focus for the organisation.

CITB NI constantly strive to make efficiencies that result in realistic and meaningful savings in terms of both environmental and sustainable resources.

A policy of control over energy and utility services, plus improved management, has resulted in a cumulative reduction of consumables over the past number of years. The organisation seeks to comply with best practice and procedures relating to sustainable development and the targets around carbon-reduction incentives. Therefore, the organisation has established baseline figures under its Waste Management Action Plan covering five specific areas of control. These include general waste, recycling, paper, electricity and heating oil.

In the base year of 2008-09, an exercise was undertaken to establish the organisation’s carbon footprint resulting from the emissions from fuel, electricity and business travel. The calculation estimated a carbon footprint of 342.69 tonnes CO₂e for the year.

The carbon footprint for the organisation during 2019-2021 was 118.90 tonnes CO₂e and in the 20-21 reporting year, this has further reduced to 83.2 tonnes CO₂e.

In comparison to other office-based organisations, CITB NI have an average of 2.8 tonnes of CO2e compared to an average of 3.5 tonnes per employee, however the aspiration is to reduce the organisation towards 2.0 tonnes per employee which would be at the lower end of the average scale. This continued reduction is a positive movement and the challenge to sustain this will be apparent as further COVID restrictions are lifted and tenants, employees and course delegates return to the building and employees travel more.

Efficiency Measures

The replacing of defective units with LED fittings is on-going with the expectation that considerable savings can be made over several years.

The replacement of the flat roof over the front section of the building in 2019-20 is likely to have contributed to improved energy consumption reported in the 2020-21 financial year. The opportunities of hybrid working becoming the norm, can and will have significant impact on CO2e reductions. These reductions could be directly monitored by the organisation through heating and electricity usage reductions, plus the digital shift in attending virtual meetings rather than employees travelling to physical locations will result in lower business mileage and flights. The hybrid working arrangements will also have a significant impact on non-monitored emissions such as regular commutes undertaken by employees and there may be an additional opportunity to directly report on such environmental savings once an organisational policy is implemented.

CITB NI is committed to supporting a Net Zero future within Northern Ireland both in its work with the construction industry but also as an employer. In addition to reducing emissions, there is scope to review carbon offsetting and establish targets towards a net zero operation.

Long-Term Expenditure Trends

CITB NI is a non-departmental public body which has the statutory powers to raise a levy from construction employers in Northern Ireland. The levy is CITB NI's main source of income representing almost 94% of the total income in 2020-21. Employers who turned to competing for work outside Northern Ireland to keep their business operating during the economic downturn, continue to operate outside the province. The overall context of reductions to budgets across the public sector has impacted the sector, as construction employers may have fewer opportunities to compete for public-sector contracts in Northern Ireland.

However, CITB NI seen a significant increase in Levy income in 2017-18 and static figures for 2018-19, 2019-20 and 2020-21, despite the reduction in levy rate. The budget for 2021-22 has been set at a similar level of activity as 2020-21.

The surpluses generated in 2017-18 and 2018-19 were transferred to reserves and will be used by CITB NI to fund the 2020-21 deficit and the forecasted deficit for 2021-22.

The CITB NI Board held a workshop in November 2021 to review the future strategic direction of the organisation. A strategic plan will now be developed in conjunction with a financial strategy to ensure that CITB NI remains a financially stable organisation over the medium-term.



Mr W M Johnston – Chairman

Date: 18 May 2022



Mr B Neilson – Accounting Officer

Date: 18 May 2022

Accountability Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of CITB NI's governance structures and how they support the achievement of its objectives.

Directors' Report

Position of Chief Executive

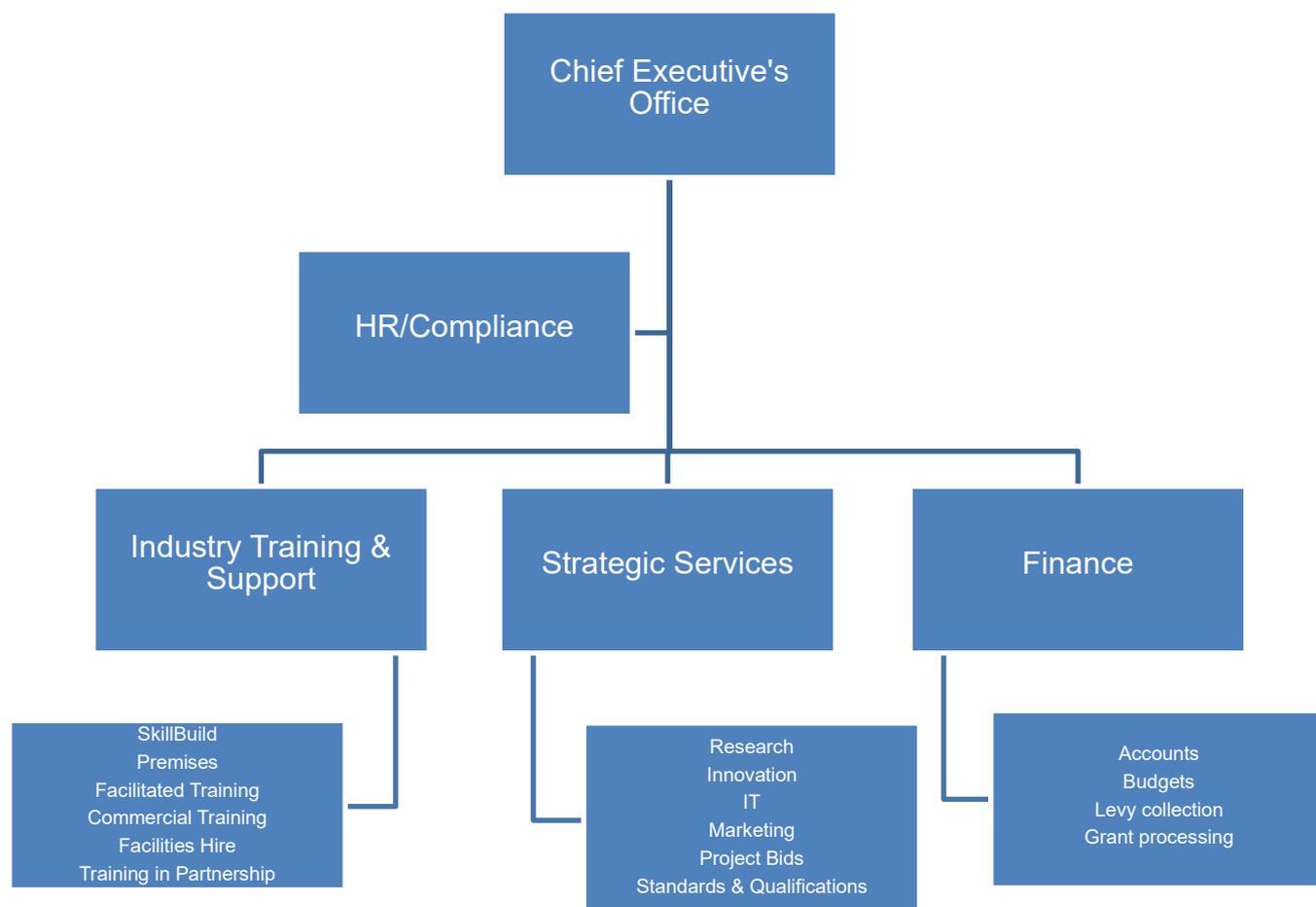
Mr Barry Neilson was Chief Executive and Accounting Officer from 1 September 2020 to 31 August 2021.

Board Members

The Board of CITB NI comprised ten members and the Chairman. Membership of the Board is determined by the Department for the Economy and through formal appointment by the Minister. Appointments to the Board follow the Office of the Commissioner for Public Appointments guidelines. The Department for the Economy extended the membership of five Board members for three years from 1 August 2019. The Chairman was also extended in post for three years.

A list of those who served as Board members during the year and their attendance is outlined in Appendix 2.

Organisational Structure 2020-21



The Executive Management Team comprised the Chief Executive, Director of Industry Training and Support, Director of Strategic Services and the Director of Finance.

The Director of Industry Training and Support stepped down in January 2021 and a new Director commenced in post in July 2021.

Personal Data Related Incidents

There have been no personal data related incidents during the year.

Charitable Donations

CITB NI did not make any charitable or political donations during the year.

Payment to Suppliers

CITB NI is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code. Unless otherwise stated on the contract, payment is due within 30 days of the receipt of the goods or services, on presentation of a valid invoice or similar demand, whichever is later.

For the year ended 31 August 2021, 99.8%, (2019-20: 99.6%) of payments to suppliers were paid within 30 working days. In addition to this, the Government has said that wherever possible public-sector bodies should seek to pay suppliers within 10 working days of receipt of the invoice. In 2020-21 we met this standard for 98% of invoices received (2019-20: 95%).

Pensions

CITB NI participates in a defined-benefit scheme the assets of which are held in a separate trustee-administered fund operated by NILGOSC. CITB NI takes no direct role in the administration of the fund and contributions to this scheme are as recommended by the actuary. Note 10 to the financial statements provides additional information on pensions.

Complaints Handling

CITB NI has in place a complaints procedure and the Board Administrator is the designated Complaints Officer. All written complaints are acknowledged, within 5 working days and a full investigation and resolution sought within 20 working days. Complainants will be advised of a delay beyond this period with the new expected response date advised.

Written responses to formal complaints are under the signature of the Chief Executive, who is kept informed at all stages of the procedure and the action being taken. Should a resolution not be possible at that stage, the complainant may refer the matter to the Northern Ireland Public Services Ombudsman for independent review.

Records of all complaints received, and the actions taken are maintained for monitoring purposes.

CITB NI did not receive any formal complaints during 2020-21. However, if formal complaints had been received CITB NI would have undertaken a review following the complaint to identify any trends emerging from complaints received and any potential amendment to CITB NI policies or procedures required.

Register of Interests

A Register of Interests is maintained by CITB NI and can be inspected at 17 Dundrod Road, Nutts Corner, Crumlin BT29 4SR. Material transactions with related parties and Board members are disclosed in the Related Party Transactions note of the Annual Accounts.

Statement on Disclosure of Relevant Audit Information

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Non-audit Work

During the year CITB NI purchased non-audit services from its auditor, the Northern Ireland Audit Office in relation to participation in the National Fraud Initiative. The value of this expenditure was £1,250 (2019-20: NIL).

Important Events Occurring after the Year End

No important events occurred after the year end which have had any financial impact on the results for the year ending 31 August 2021.

Statement of Board Members and Chief Executive's Responsibilities

Under the Industrial Training (Northern Ireland) Order 1984, the Department for the Economy has directed CITB NI to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CITB NI and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

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

- observe the accounts direction issued by the Department, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that CITB NI will continue in operation; and
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department for the Economy has appointed the Chief Executive as Accounting Officer of CITB NI. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding CITB NI's assets, are set out in *Managing Public Money Northern Ireland* published by the Department of Finance.

As Accounting Officer, I can confirm that there is no relevant audit information of which the auditors are unaware. I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are informed of it.

Governance Statement

This Governance Statement for CITB NI reflects the organisation's governance, risk and internal control arrangements as they have operated during the 2020-21 year.

As well as being an Industrial Training Board, CITB NI is an Executive NDPB. An Executive NDPB has the following characteristics:

- Operates under statutory provisions and is legally incorporated
- The Chief Executive is accountable to the Board
- The body is responsible for its own budget
- Appointments to the Board are made by the Minister

CITB NI's sponsoring Department is the Department for the Economy (DfE). The DfE Minister appoints the Board of CITB NI through the Public Appointments Unit.

Governance Framework

CITB NI is committed to the principles of good practice in Corporate Governance through the governance framework as evidenced by:

- CITB NI Board
- CITB NI Finance and General Purposes Committee
- CITB NI Audit and Risk Assurance Committee
- CITB NI Review Committee
- Executive Management Team
- Quarterly Accountability meetings with CITB NI sponsoring Department, The Department for the Economy (DfE)

Management Statement and Financial Memorandum (MSFM)

The MSFM between DfE and CITB NI had been reviewed and updated in 2019. The most significant amendment had been the increase of delegated authority from £10k to £30k. The Board's Standing Orders and Procurement procedures were also updated to reflect this and approved by the Board in August 2019.

The Board

The Board of CITB NI meets at least six times during the year. Meetings of the Board are scheduled to be held following meetings of the Audit and Risk Assurance Committee. A report of each meeting of the Audit and Risk Assurance Committee is presented to the Board by the Chairman of the Audit and Risk Assurance Committee and matters of significance are recorded on the Board minutes.

During the 2020-21 meetings were held remotely with physical meetings commencing again in August 2021. This allowed for excellent attendance by Board members while continuing to meet Government guidelines in relation to COVID.

The Annual Board Workshop would normally be held in November each year incorporating discussions around setting the strategic direction of the organisation and support for the industry. The Board Workshop was not held in 2020 but a meeting of the Board was held remotely.

During the 2020-21 year, issues considered by the Board included:

- Strategic direction
- Annual budget

- Management accounting
- Performance targets
- Committee reports
- Proposal of the CITB NI annual levy rate

The consultation on the annual levy rate was issued to industry on 25 March 2021.

A register of Board members interests is established and is updated regularly. Declaration of Interests is included on the agenda of Board and Committee meetings.

Finance and General Purposes Committee

The Board's appointed Finance and General Purposes Committee reviews in detail financial matters and human resources issues and makes recommendations to the Board. The Committee is Chaired by a Board member appointed by the Chairman. The Chairman attends as a member of the Committee.

During 2020-21 in response to the COVID situation meetings of the Finance and General Purposes Committee were held remotely in conjunction with Board meetings.

Audit and Risk Assurance Committee

CITB NI's Audit and Risk Assurance Committee meets four times a year. The Audit and Risk Assurance Committee comprises a chairman, and two members appointed by the Board. Representatives from the organisation's internal auditors, the Northern Ireland Audit Office and DfE are normally present.

The Audit and Risk Assurance Committee reviews on a regular basis, CITB NI's internal control procedures, outstanding audit recommendations, policies and procedures and corporate governance. Risk Register, Dear Accounting Officer and Dear Finance Director letters are also reviewed at each meeting. Fraud is also included on the agenda for each meeting.

The Audit and Risk Assurance Committee provides an annual report to the Board, which summarises the Committee's work for the year including details of agenda items of meetings, internal audit, external audit, risk management and policies and procedures.

The report will be made available to the Board in June 2022 once the Year End external audit has been completed.

Internal Audit

CITB NI's internal audit function is currently provided by KPMG who completed the second year of a three-year term contract. The programme of internal audits is regularly reviewed by the Audit and Risk Assurance Committee and management to ensure that the audit areas identified continue to be appropriate and of benefit to the organisation.

During the year ended 31 August 2021 KPMG completed the agreed programme of audits.

The table below provides a summary of assurance ratings received.

Audit Topic	Assurance Rating
Procurement	Satisfactory
Levy Collection	Satisfactory
Grant Payment	Satisfactory
GDPR	Limited
Core Financial	Satisfactory

One Internal Audit report with limited assurance was received in relation to GDPR.

A weakness was identified in relation to deletion of personal records due to the architecture of the current Customer Information System (CIS). CITB NI is undertaking a comprehensive procurement with Construction Procurement Delivery to replace CIS.

The overall audit opinion for CITB NI for the year was Satisfactory

Board Review Committee

The Board Review Committee comprises a chairman and two members appointed by the Board. The Board Review Committee considers the Board's policies in respect of assessment and collection of levy, reviews existing and new grants and makes recommendations to the Board. The Board Review Committee also considers challenges to the scope position and grant appeals by employers and reviews both existing and new programmes or projects being undertaken by CITB NI in accordance with the Rules of Delegation and make appropriate recommendations to the Board.

During 2020-21 The Committee dealt with a number of appeals arising from the difficulties being experienced by registered employers during COVID to provide key levy information within the required timescale.

The Committee also reviews CITB NI policies.

Executive Management Team

The Executive Management Team (EMT) meets formally on monthly basis and is chaired by the Chief Executive and includes the Directors of Strategic Services, Industry Training and Support and the Director of Finance. The EMT reviews risk management, current financial position, balanced scorecard and ongoing operational issues at each meeting.

Additional informal meetings of EMT were held remotely during 2020-21 to in relation to COVID and to maintain the internal control of the organisation. This included the use of a Decisions Log.

Quarterly Accountability Meeting with DfE

Accountability meetings with DfE are held on a quarterly basis. The agendas for these meetings include standing items, such as performance monitoring, budgetary and financial matters, risk management and corporate governance. A report of each meeting is provided for the Audit and Risk Assurance Committee. The DfE Permanent Secretary also meets annually with the Board Chairman.

Quality of Data

The Board its committees and staff rely on data from various sources including:

- Research carried out by CITB NI
- Meetings with industry employer bodies
- Meetings with industry and stakeholders
- Consultations with industry
- Interrogation of research undertaken by other bodies
- Stakeholder meetings; and
- Events with employers in the industry.

This information is consolidated with data from services provided by CITB NI to provide the Board with high quality data to rely on in the discussion making process.

Scope of Responsibility

The Chief Executive of CITB NI is the Accounting Officer and has responsibility for maintaining a sound system of internal control that supports the achievement of CITB NI's mission, vision and aims whilst safeguarding the public funds and Board assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned in Managing Public Money Northern Ireland.

The view of the overall system of internal control is informed by the following:

- Internal audit reports
- Regular review of the Strategic and Operational risk registers.
- Quarterly Accountability meetings with officials from DfE to consider both operational and strategic issues and matters relating to the system of internal control.
- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Executive Management Team and quarterly by the Board.
- Regular reviews by the Board of periodic and annual financial reports which indicate financial performance against the forecasts; and
- Setting targets to assess financial and operational performance.

Review of Effectiveness

The Accounting Officer has the responsibility for reviewing the effectiveness of the system of internal control.

The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within CITB NI who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

The implications of the result of the review of the effectiveness of the system of internal control is provided by the Board, the Audit and Risk Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of CITB NI's policies, aims and objectives. It is also there to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in CITB NI for the year ended 31 August 2021 and up to the date of approval of the annual report and accounts and accords with Department of Finance guidance.

Capacity to Handle Risk

CITB NI's risk management system has been formalised through:

- the development and communication of a risk management strategy
- the maintenance and continuous review of the strategic and operational risk registers
- the development of the Business Continuity Plan
- review of risks at Executive Management Team meetings and Audit and Risk Assurance Committee meetings; and
- Review of risks at staff team meetings

Staff are made aware of risk management through publication of the Risk Management strategy on the shared drive, through dissemination of information produced from the Executive Management Team and participation in internal Divisional meetings.

During 2020-21 the risk management strategy, strategic and operational risk registers were reviewed and updated in line with best practice.

The majority of risks are identified by the Executive Management Team and staff. However, over the 2020-21 year a number of risks were identified or amended by Audit and Risk Assurance Committee and Board members and incorporated into the Risk Registers.

The Risk and Control Framework

Risk management procedures have been in place throughout the year ended 31 August 2021 in addition to the existing regular review and reporting of internal control systems. The Executive Management Team reviewed on a regular basis the risk register and the principal risks were identified, classified and the management of those risks considered in detail on a monthly basis.

The management of risks was reported quarterly to the Audit and Risk Assurance Committee and included in the report to the Board.

Risk Registers

The risk registers and assignment of risk ownership are available to all staff.

The risk registers are updated on a regular basis to:

- Add new risks and remove out of date risks;
- Review risk ratings and rankings; and
- Report the top risks to ensure effective mitigation measures are implemented.

Risks to information are managed and controlled within this process and CITB NI has in place Freedom of Information and Data Protection Policies, which include the handling of information. Procedures are in place to ensure the adequate protection of data held on computers. Formal authorisation is required in advance of being given access to IT systems

via either the network or WIFI. Individual applications have authorisation signing on procedures for users.

Staff are aware of the importance of securely storing paper records and dedicated archive stores are provided and all staff are provided with IT and cyber security training. This has been undertaken in compliance with the General Data Protection Regulations introduced in May 2018. As staff were mostly working from home during 2020-21 additional training was provided in relation to data protection when working from home.

Reporting

Risk management is reported and reviewed at the Executive Management Team meetings on a monthly basis and formal reports were issued to the Audit and Risk Assurance Committee at each of its meetings throughout the year.

Significant Internal Control Issues

There were no significant internal control issues reported during the year ended 31 August 2021.

Assessment of Compliance with Corporate Governance Code

The Board is content that during 2020-21 it has complied with the Corporate Governance Code as outlined in Managing Public Money Northern Ireland (MPMNI).

Remuneration and Staff Report

The Remuneration and Staff Report sets out CITB NI's remuneration policy for Board members and the Chief Executive. It reports on how that policy has been implemented and sets out the amounts awarded to Board members and the Chief Executive.

Remuneration Policy

As an NDPB, members of staff within CITB NI are not civil servants. The CITB NI Board appoints members of the Board to the Finance and General Purposes Committee. The role of the Committee is to advise the Board on all financial matters, remuneration and employment policy specifically relating to the following matters:

- Staff matters including recruitment, selection, promotion, organisational structure, terms and conditions of service, and disciplinary and grievance matters;
- Board policies in relation to staffing matters;
- Remuneration for staff at all levels; and
- Such other issues as may be referred to it by the Board.

In determining pay and grading systems, and overall increases in pay bill, the board takes account of public-sector pay policy and any guidance issued by DoF, Treasury and the Cabinet Office.

All proposed pay remits are submitted to DfE/DoF for approval in the form of a business case to justify value for money, affordability and consistency with public-sector pay policy. The Department for the Economy work within the public-sector pay policy and guidance in determining the remuneration (including any salary and allowances) for Board members including the Chairman.

There are currently no plans to change the policy in relation to the remuneration of senior managers. Any such changes would be guided by public sector pay policy and any guidance issued by DoF, Treasury and the Cabinet Office.

Service Contracts

All appointments for services made by CITB NI are made based on merit, on the basis of fair and open competition.

Unless otherwise stated, the officials covered by this report hold appointments, which are for a fixed term period of three years. The Department for the Economy, which is required to strictly adhere to the public appointment's procedures, appoints CITB NI Board members. A Code of Conduct for Board Members is in place.

Unless otherwise stated, the officials covered by this report can be removed from office by the Minister without notice and without termination payments.

Mr Barry Neilson was appointed permanent Chief Executive with effect from 17 May 2010.

The conditions of service for the Chief Executive are those laid out within CITB NI's Employee Handbook. The Chief Executive is on an open-ended contract.

The current Chief Executive's notice period is three months.

Corporate Governance Report

Salary and Pension Entitlements (Audited)

The following sections provide details of the remuneration and pension interests of the senior officials of CITB NI.

The position of Chief Executive from 01 September 2020 to 31 August 2021 was held by Barry Neilson a direct employee of CITB NI. The remuneration payable to the Executive Management Team was as follows:

Name	2020-21				2019-20			
	Salary £'000	Benefit s in kind (nearest £100)	Pension Benefits* (to nearest £1,000)	Total £'000	Salary £'000	Benefit s in kind (nearest £100)	Pension Benefits (to nearest £1,000)	Total £'000
B Neilson Chief Executive	65-70	0	15	80-85	65-70	0	32	95-100
A McIlmurray (P/T) Director of Finance	40-45	0	12	50-55	40-45	0	14	55-60
R McKeeman (From 19/07/2021) Director of Industry Training	0-5 (45-50 full year equivalent)	0	0	0-5	-	-	-	-
W McMullan Director of Strategic Services	45-50	0	14	55-60	45-50	0	16	60-65

The remuneration payable to the Chairman and Board members was as follows:

Official	2020-21		2019-20	
	Salary	Benefits in kind (nearest £100)	Salary	Benefits in kind (nearest £100)
M W Johnston (Chairman)* Appointed 01/08/14	15-20	-	15-20	-
B Vaughan * Board member from 01/01/13	0-5	-	0-5	-
C Boyle Board member from 01/06/13	0-5	-	0-5	-
D Martin Board Member from 01/04/14	0-5	-	0-5	-
D Henry Board Member from 01/04/14	0-5	-	0-5	-
M Bradley * Board member from 01/06/13	0-5	-	0-5	-
C Brolly Board member from 01/01/13	0-5	-	0-5	-
S Hassard Board member from 01/04/14	0-5	-	0-5	-
J Pollock* Board member from 01/04/14	0-5	-	0-5	-
C Mahon* Board member from 01/06/13	0-5	-	0-5	-
C Corken Board member from 01/04/14	0-5	-	0-5	-

* *Member of Finance & General Purposes Committee*

The Chairman and Board Members are appointed by the Public Appointments Office. Therefore, CITB NI does not make any payments in respect of bonuses or pension benefits in respect of these individuals.

The Department for the Economy extended the term of office of the Chairman (M Johnston) and the following Board members to June 2022:

- B Vaughan, D Henry, and D Martin as employer representatives.
- C Brolly, S Hassard and J Pollock as employee representatives.
- C Corken as education representative

The Department for the Economy extended the term of office of the following Board members to May 2022:

- C Boyle as an employer representative.
- M Bradley as an employee representative.
- C Mahon as education representative.

Fair Pay Disclosures (Audited)

	2020-21	2019-20
	£'000	£'000
Band of Highest Paid Director's Total Remuneration	65-70	65-70
Median Total Remuneration	£25,678	£24,828
Ratio	2.65	2.68

Salary

'Salary' includes gross salary and Board member attendance allowance to the extent that it is subject to UK taxation. CITB NI makes no other payments to Board members or staff other than expenses, travel and subsistence.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue & Customs as a taxable emolument. There were no benefits in kind paid to any member of staff or to members of the Board of CITB NI.

Bonuses

CITB NI does not operate a performance-related pay system. Therefore, no bonuses were paid to staff during the 2020-21 year. (2019-20: NIL).

Pay Multiples (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in CITB NI in the financial year 2020-21 was £65k to £70k (2019-20: £65k - £70k). This was 2.65 times (2019-20: 2.68 times) the median remuneration of the workforce, which was £25,678 (2019-20: £24,828).

Total remuneration includes salary and does not include employer's pension contributions and the cash equivalent transfer value of pensions.

Pensions of Senior Officials (Audited) -

Board Members

No pension contributions are made by CITB NI in respect of board members.

Officials	Accrued pension at pension age as at 31/08/2021 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/08/21	CETV at 31/08/20	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
B Neilson Chief Executive	10-15 Plus, lump sum of 0-5	0-2.5 Plus, lump sum of 0-5	231	202	22
A McIlmurray Director of Finance	10-15 Plus, lump sum of 0-5	0-2.5 Plus, lump sum of 0-5	142	128	10
R McKeeman (From 19/07/2021) Director of Industry Training	0-5 Plus, lump sum of 0-5	0-2.5 Plus, lump sum of 0-5	1	-	0
W McMullan Director of Strategic Services	10-15 Plus, lump sum of 10-15	0-2.5 Plus, lump sum of 0-5	228	253	20

The above information was provided by NILGOSC and comprises benefits accrued at 31 August 2021.

Pension benefits are provided through the NILGOSC Scheme, which is described in the accounting policies note to the financial statements.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer. This reflects the increase in CETV effectively funded by the employer.

When calculating the real increase in CETV and the pension benefits accrued during the year 2020-21 for the single total figure of remuneration, NILGOSC takes account of inflation. The CPI increase for September 2021 was 0.5%. The in-service revaluation rate for the Career Average Revalued Earnings Scheme was also 0.5%.

In some cases, the real increase in CETV and the pension benefits accrued for the single total figure of remuneration can be negative – that is, there can be a real decrease. This is particularly likely to happen during periods of pay restraint and/or where inflation is higher than pay increases.

The final salary portion of the pension (built up before 1 April 2015) is calculated by reference to final salary pensionable pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. In addition, there is the post-31 March 2015 CARE element of pension. Where there is no pay rise, the increase in pension may not be sufficient to offset the inflation increase - that is, in real terms, the pension value can reduce.

The other main scenario where there can be negative results is where a member is over their normal pension age. The factors used to calculate the CETV are such that the value of pension that could have been taken at normal pension age decreases as the member gets older.

Staff Report

Staff Numbers and Related Costs (Audited)

	Permanently	Others	2020-21	2019-20
	£	£	£	£
Wages and Salaries	841,472	-	841,472	819,150
Social Security Costs	76,970	-	76,970	78,006
Other Pension Costs	433,000	-	433,000	399,000
Total	1,351,442	-	1,351,442	1,296,156

Average Number of Persons Employed (the following section is subject to audit)

The average number of whole-time equivalent persons employed during the year was as follows:

	2020-21	2019-20
Directly employed	30	28
Agency Staff	0	0

Staff Composition

CITB NI had 30 members of staff at 31 August 2021.

	Male	Female	Total
Directors	2	2	4
Employees	6	20	26

Staff Pension Scheme

CITB NI participates in the Local Government Pension Scheme for Northern Ireland which is administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) for most of its employees. The NILGOSC Scheme is a defined benefit scheme, which provides members with the benefits related to pay and services at rates that are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The Scheme is funded by employers participating in the NILGOSC Scheme who pay contributions at rates determined by an independent professionally qualified actuary based on regular valuations using the projected unit method.

Employees currently pay contributions between 5.5% and 10.5% of their pensionable earnings. The contribution rate payable is dependent on the rate of pay for their job. As an employer, CITB NI contributes 19.5% of pensionable pay for each employee who is a member of the NILGOSC scheme.

The total amount of employer contributions paid to NILGOSC during 2020-21 amounted to £158,702.

Sick Absence

Staff absence due to illness was on average 1.9 days per employee for the year ended 31 August 2021 (2019-20 3.4 days). The figure for the wider Northern Ireland Civil Service is

an average of 9.8 days in 2020-21. The significant drop in sickness absence could be partly attributed to the ability to work from home during COVID pandemic.

Staff Turnover

Staff turnover was 6.7% which represents 2 staff out of a total of 30 employed over the course of the year.

Staff Policies

In line with the statutory duties of Section 75 of the NI Act 1998, CITB NI promotes equality of opportunity and good relations irrespective of a person's religion, political beliefs, racial group, age, marital status, sexual orientation, gender, disability and dependents.

CITB NI is committed to the fulfilment of its Section 75 obligations in carrying out all its functions, powers and duties relating to Northern Ireland. The Board has put effective internal arrangements in place to ensure that the statutory duties are effectively complied with and that progress on policies is monitored and reviewed.

Objectives and targets relating to the statutory duties are included in the individual performance targets of specific staff with responsibilities in relation to the implementation of the Equality Scheme and monitored through line management review.

CITB NI will endeavour to use its position as an influencer, facilitator and provider of training services to advise and lead the construction industry in the improvement of equality of opportunity and the access to training and employment for all, irrespective of religious and political beliefs, racial group, age, marital status, sexual orientation, gender, disability and dependants.

Equality and Diversity

CITB NI's current workforce is reflective of the catchment areas in which it is based. Annual Monitoring reports are submitted to the Equality Commission each January. An Article 55 review was completed in early 2020 with no equality issues identified.

An Equality Scheme under Section 75 of the Northern Ireland Act has been developed with Annual Progress Reports submitted. A revised Disability Action Plan was developed for the period 2021–2025 and published.

Equality and Diversity issues are regularly monitored by reviewing the outcome of Employee Attitude Surveys and Exit Interviews. Equality issues are reviewed by the Board via the Finance and General Purposes Committee, and we are also proud that out of eleven current Board members, four are female.

Employee Consultation and Participation

Staff are involved in all matters which affect their work and regular performance reviews are conducted.

Health, Safety and Wellbeing

A Health and Safety at Work Policy has been developed which is reviewed annually. Risk Assessments have been undertaken and are reviewed when required. Health and safety responsibilities have been allocated and an internal Health and Safety Team meets on a quarterly basis to keep under review all aspects of Health, Safety and Wellbeing. Additionally, quarterly Health and Safety Audits are undertaken by a member of the Executive Team to identify any further issues. Staff with responsibilities, have received specific training.

Trade Union Relationships

CITB NI recognises NIPSA trade union. Quarterly Joint Union Management Meetings take place to discuss and progress areas of mutual benefit or concern and internal workplace and Health and Safety representatives are regularly engaged regarding such matters.

Learning and Development

CITB NI identifies learning and development requirements jointly with staff to ensure that the correct skills, knowledge and behaviours exist to achieve the Strategic Plan. These interventions also equip staff for future career development, introduction of new technologies or legislative developments.

Off-Payroll Engagements (greater than £58,200)

There were no off-payroll engagements during 2020-21. (2019-20: NIL)

Consultancy and Temporary Staff

During the year to 31 August 2021, CITB NI did not incur any expenditure on external consultancy (2019-20: NIL). Expenditure incurred in relation to temporary staff for the year ended 31 August 2021: NIL (2019-20: NIL).

Ill-Health Retirement

No staff members retired due to ill-health during 2020-21.

Reporting of Civil Service and Other Compensation Schemes- Exit Packages

(This section is subject to audit)

CITB NI did not participate in compensation schemes and no exit packages were paid during 2020-21 or 2019-20.

Assembly Accountability and Audit Report

The Assembly Accountability and Audit Report brings together the key Assembly accountability documents with the annual report and accounts.

Regularity of Expenditure

(This section is subject to audit)

There was no irregular expenditure in 2020-21.

Losses and Special Payments

(This section is subject to audit)

Losses Statement	2020-21	2019-20
Total Number of Losses	48	39
Total Value of Losses	£17,538	£53,838

There were no special payments made in 2020-21.

Fees and Charges

(This section is subject to audit)

CITB NI charges fees for several training courses provided. The financial objective for the provision of scaffolding courses is full-cost recovery. The results for 2020-21 were as follows:

	2020-21	2019-20
	£	£
Scaffolding Income	67,095	44,945
Staff costs	(57,099)	(55,005)
Direct Expenses	(13,998)	(12,900)
Total	(4,002)	(22,960)

The Scaffolding courses have not met the full-cost recovery objective as a net deficit of £4,002 has been reported for the year. As a result of the COVID pandemic, to maintain social distancing as required by Government, less trainees could attend resulting in a reduction in course fees.

Scaffolding is the only CITB NI course which has the financial objective of full-cost recovery. The reason for this is that all other courses provided by CITB NI are either delivered at no cost to the employer or a small booking fee only applies. The main reason for charging is for a candidate to secure a place on a training course. There is no specific financial objective for these courses as most of the expenditure is funded by CITB NI grant. The nominal fees range from £25 and are recorded as other income within the Statement of Comprehensive Net Expenditure.

Remote Contingent Liabilities

(This section is subject to audit)

In addition to contingent liabilities reported within the meaning of IAS37, CITB NI also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. There were no such remote contingent liabilities to report for the 2020-21 year, (none for 2019-20).



Barry Neilson
Chief Executive
18 May 2022

Construction Industry Training Board Northern Ireland

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Construction Industry Training Board Northern Ireland, for the year ended 31 August 2021 under the under the Industrial Training (Northern Ireland) Order 1984. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and interpreted by the Government Financial Reporting Manual. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Construction Industry Training Board Northern Ireland's affairs as at 31 August 2021 and of the Construction Industry Training Board Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Industrial Training (Northern Ireland) Order 1984 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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

Basis of opinions

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

My staff and I are independent of Construction Industry Training Board Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Construction Industry Training Board Northern Ireland'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 Construction Industry Training Board Northern Ireland'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.

The going concern basis of accounting for Construction Industry Training Board Northern Ireland is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. The Board and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and information and except to the extent otherwise explicitly stated in my report 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, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Department for the Economy directions made under the Industrial Training (Northern Ireland) Order 1984; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In light of the knowledge and understanding of the Construction Industry Training Board Northern Ireland and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Board Members and Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Construction Industry Training Board Northern Ireland'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 Accounting Officer anticipates that the services provided by Construction Industry Training Board Northern Ireland will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Industrial Training (Northern Ireland) Order 1984.

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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Construction Industry Training Board Northern Ireland through

discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Health and Safety legislation, the Industrial Training (Northern Ireland) Order 1984, the Fair Employment (Northern Ireland) Act 1989 and relevant tax laws;

- making enquires of management and those charged with governance on Construction Industry Training Board Northern Ireland's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Construction Industry Training Board Northern Ireland's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and unreasonable management estimates;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to

the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink, reading "K J Donnelly", enclosed in a thin black rectangular border. The signature is written in a cursive style with a long, sweeping tail on the letter 'y'.

*K J Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Belfast
BT8 6RB*

25th May 2022

Financial Statements for the year ended 31 August 2021

CITB NI

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR THE YEAR ENDED 31 AUGUST 2021**

		2020-21	2019-20
	Note	£	£
Income from sale of goods and services	2	145,059	135,595
Other operating income	2	3,578,715	3,570,437
Total operating income		3,723,774	3,706,032
Staff Costs	3	(1,351,442)	(1,296,156)
Purchase of goods and services	3	(727,802)	(611,893)
Depreciation and impairment charges	4,5	(176,203)	(169,018)
Other operating expenditure	3	(1,854,930)	(1,760,632)
Total operating expenditure		(4,110,377)	(3,837,699)
Net operating (expenditure) / income		(386,603)	(131,667)
Finance income		4,895	12,848
Finance expense		(86,000)	(46,000)
Net (expenditure) / income for the year		(467,708)	(164,819)
Other Comprehensive Net Income			
		2020-21	2019-20
		£	£
Items which will not be reclassified to net operating costs	Note		
Net (loss)/gain on revaluation of property, plant & equipment	4	(30,892)	26,007
Net gain on revaluation of intangible assets	5	-	210
Actuarial (losses)/gains on pension scheme liabilities	10.14	1,798,000	(2,624,000)
Comprehensive net (expenditure) / income for the year		1,299,400	(2,762,602)

The notes on pages 59-77 form part of these accounts.

CITB NI

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021

	Note	2020-21 £	2019-20 £
Non-Current Assets:			
Property, Plant and Equipment	4	2,306,668	2,373,819
Intangible Assets	5	76,043	51,825
Total Non-Current Assets		2,382,711	2,425,644
Current Assets:			
Trade and Other Receivables	7	311,457	497,017
Cash and Cash Equivalents	8	3,588,129	3,127,695
Total Current Assets		3,899,586	3,624,712
Total Assets		6,282,297	6,050,356
Current Liabilities			
Trade and Other Payables	9	(1,144,237)	(765,695)
Total Current Liabilities		(1,144,237)	(765,695)
Total assets less current liabilities		5,138,060	5,284,661
Non-current liabilities			
Pension Liabilities	10.8	(4,049,402)	(5,495,403)
Total non-current liabilities		(4,049,402)	(5,495,403)
Total assets less total liabilities		1,088,658	(210,742)
Taxpayers' equity and other reserves			
SoCNE Reserve		881,533	(448,759)
Revaluation Reserve		207,125	238,017
		1,088,658	(210,742)

The notes on pages 59-77 form part of these accounts.

The financial statements on pages 55-77 were approved by the Board on 18 May 2022 and were signed on its behalf by:

Signed:  (Chairman)

Signed:  (Chief Executive)

Date: 18 May 2022

CITB NI

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

		2020-21	2019-20
		£	£
Cash Flows from Operating Activities	Note		
Net operating (expenditure) / income		(467,708)	(164,819)
Adjustments for non-cash transactions			
Depreciation & Amortisation	4, 5	176,203	169,018
(Increase)/Decrease in trade and other receivables	7	185,559	(341,230)
Increase/(Decrease) in trade payables <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	9	375,105	(216,100)
IAS 19 pension costs*	10	352,000	253,000
Gain/(loss) on disposal of asset		-	-
Net Cash Inflow/ (Outflow) from Operating Activities		621,159	(300,131)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	4	(114,932)	(79,000)
Purchase of intangible assets	5	(45,793)	(22,187)
Proceeds of disposal of property, plant & equipment		-	-
Net Cash Outflow from Investing Activities		(160,725)	(101,187)
Net Financing			
Net increase/(decrease) in cash and cash equivalents in the period	8	460,434	(401,318)
Cash and cash equivalents at the beginning of the period	8	3,127,695	3,529,013
Cash and Cash Equivalents at the end of the period	8	3,588,129	3,127,695

*This balance includes movements in the pension provision in addition to pension costs.

The notes on pages 59-77 form part of these accounts.

CITB NI**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021**

	SoCNE Reserve £	Revaluation Reserve £	Total Reserves £
Balance at 31 August 2019	<u>2,340,060</u>	<u>211,800</u>	<u>2,551,860</u>
Changes in Taxpayers' Equity 2019-2020			
Net (expenditure) / income for the year	(154,319)	-	(154,319)
Auditor's remuneration	(10,500)	-	(10,500)
Revaluation gains	-	26,217	26,217
Actuarial loss on NILGOSC pension scheme	(2,624,000)	-	(2,624,000)
Balance at 31 August 2020	<u>(448,759)</u>	<u>238,017</u>	<u>(210,742)</u>
Changes in Taxpayers' Equity 2020-2021			
Net (expenditure) / income for the year	(453,458)	-	(453,458)
Auditor's remuneration	(14,250)	-	(14,250)
Revaluation gains	-	(30,892)	(30,892)
Actuarial loss on NILGOSC pension scheme	1,798,000	-	1,798,000
Balance at 31 August 2021	<u>881,533</u>	<u>207,125</u>	<u>1,088,658</u>

The notes on pages 59-77 form part of these accounts.

Notes to the Financial Statements

For the Year End 31 August 2021

1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2020-21 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public-sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of CITB NI for the purpose of giving a true and fair view has been selected. The policies adopted by CITB NI for the year ended 31 August 2021 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

1.2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of CITB NI's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

1.2.1 Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying CITB NI's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.3 Income

The main source of income for CITB NI is a statutory levy. Levy is receivable from assessments based on the employment details returned by construction establishments. This may also include an estimate for construction establishments from which employment details have not been received. Other income is recognised in the period to which it relates.

Interest income is accrued on a time basis, by reference to the principal outstanding and interest rate applicable. Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

Other income, including the reimbursement of legal fees associated with pursuing unpaid levy income, is recognised in the period it is received.

1.4 Employee Benefits including Benefits

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave at the year end. The cost of untaken leave has been calculated on the basis of records held by the Human Resources Department and individual staff members.

1.5 Pensions

CITB NI participates in the Local Government Pension Scheme for Northern Ireland which is administered by the Northern Ireland Local Government Officer's Superannuation Committee (NILGOSC) for the majority of its employees. The Scheme is funded by employers participating in the NILGOSC Scheme who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the projected unit method.

1.5.1 NILGOSC Pension Scheme

For the NILGOSC defined benefit scheme, CITB NI has recognised its share of the pension fund assets and liabilities in its Statement of Financial Position as either a pension liability/pension asset, as well as recognising the full cost of providing for future retirement benefits in the Statement of Comprehensive Net Expenditure.

1.5.2 Measurement of the Scheme Assets

The pension fund asset is accounted for at fair value.

1.5.3 Measurement of the Scheme Liabilities

Pension liabilities are measured on an actuarial basis using the projected unit method. The scheme liabilities at the valuation date relate to:

- (i) the benefits for pensioners and deferred pensioners and their dependants, allowing where appropriate for future increases; and
- (ii) the accrued benefits for members in service on the valuation date.

1.5.4 Recognition of Net Pension Liability

CITB NI has recognised a liability in its Statement of Financial Position for the shortfall in value of its share of the pension fund assets and liabilities. This shortfall is recoverable wholly from increases in future contributions made by CITB NI to the pension fund.

1.6 Expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

Tier 1 Grant expenditure is recognised when a grant application form is received from an employer in so far that it complies with certain terms and conditions of grant. Expenditure in relation to Training in Partnership projects is recognised when the training activity has taken place.

1.7 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to CITB NI;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

The level of capitalisation as an individual item of property, plant and equipment has been applied for the current year at £500. If multiple items of the same equipment are purchased together, they can be grouped for the purposes of capitalisation.

Where a large asset, for example a building, includes several components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for CITB NI's service or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

Land and non-specialised buildings – market value for existing use.

For all other non-property assets (useful life less than five years) and low-value assets (less than £10,000) depreciated historic cost is considered to be a satisfactory reflection of fair value.

An increase arising on revaluation is credited to the revaluation reserve except when it reverses impairment for the same asset previously recognised in expenditure, in which case it is credited to the Statement of Comprehensive Net Expenditure.

Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.8 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the CITB NI's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to or service potential be provided to CITB NI and where the cost of the asset can be measured reliably.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

The level of capitalisation as an individual intangible asset has been applied for the current year at £500.

Measurement

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost, indexed for relevant price increases using the Consumer Price Index, as a proxy for fair value.

1.9 Depreciation, Amortisation and Impairments

Depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which CITB NI expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The basis by which depreciation and amortisation is calculated is as follows:

Property, Plant & Equipment

Premises – Buildings	10 years
Information Technology & Audio Visual	3 & 5 years
Plant & Machinery	4-5 years
Furniture & Fittings	5 years

Intangible Assets

Information Technology Software	3-9 years
Website	2 years
Software Licences	3-7 years

At each reporting period end, CITB NI checks whether there is any indication that any of its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.10 Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term.

1.11 Impending Application of Newly Issued Accounting Standards not yet Effective

CITB NI has not yet applied a new accounting standard IFRS 16 Leases, which has been issued, but will not be effective in the public sector until April 2022.

Under IFRS 16 Leases, a lessee will no longer make a distinction between finance leases and operating leases; all leases will be treated as finance leases with the exception of short term and low value leases.

CITB NI operates several leases with tenants who hire parts of the CITB NI building. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases and will account for them accordingly. Therefore the treatment of CITB NI's leases will remain unchanged.

1.12 Cash and Cash Equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Financial Instruments

Financial assets are recognised when CITB NI becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial liabilities are recognised on the Statement of Financial Position when CITB NI becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received.

(i) Trade Receivables

Trade receivables are recognised and carried at the lower of their original invoiced value or recoverable amount. Balances are written off when the probability of recovery is assessed as being remote.

(ii) Trade Payables

Trade payables are not interest bearing and are stated at their nominal value.

1.14 Taxation

No provision for taxation arises as the CITB NI has charitable status approved by HM Revenue & Customs.

1.15 Operating Segments

CITB NI's principle aim is to ensure the adequate training of those employed or intending to be employed in the Northern Ireland construction industry. CITB NI provides a range of services, however all of the services provided fulfil the principle aim of the organisation and as such is considered to have only one operating segment. All decisions are made by the Executive Management Team and the Board.

1.16 Provisions

Provisions are recognised in accordance with IAS37 and are valued using the best estimate of the expenditure required to settle the obligation.

2. Income

The other operating income included within the Statement of Comprehensive Net Expenditure is detailed below:

	2020-21	2019-20
	£	£
	<hr/>	<hr/>
<i>Sale of goods and services</i>		
Direct Training Course Income	73,870	54,280
Room hire/rental income	71,189	81,315
<i>Other Operating income</i>		
Statutory Levy Income	3,497,201	3,459,934
Activities funded by the Department for the Economy	51,284	73,166
Income from bodies external to NI Government	30,230	37,337
Total Operating Income	<hr/> 3,723,774 <hr/>	<hr/> 3,706,032 <hr/>

3. Expenditure

	2020-21	2019-20
	£	£
<i>Staff Costs¹</i>		
Wages and Salaries	841,472	819,151
Social Security Costs	76,970	78,005
Other Pension Costs	433,000	399,000
Total	1,351,442	1,296,156
<i>Purchase of Goods and Services</i>		
Running Costs	471,953	418,475
Other Training Services	174,951	138,999
Direct Training Provision	19,261	36,296
Legal Fees	46,108	7,738
Professional Fees	15,529	10,385
Total	727,802	611,893
Depreciation	176,203	169,018
<i>Other Operating Expenditure</i>		
Grants to Employers and Partner Bodies	1,821,323	1,728,670
Research and Development	11,836	13,586
Auditor's Remuneration and Expenses	14,250	10,500
Rentals under Operating Leases	599	1,499
Expenses of Boards & Committees	6,922	6,377
Total	1,854,930	1,760,632
Total Operating Expenditure	4,110,377	3,837,699

The auditor's remuneration and expenses include an external audit fee of £13,000 (2019-20: £10,000). During the year CITB NI purchased non-audit services from its auditor, the Northern Ireland Audit Office in relation to participation in the National Fraud Initiative (£1,250). (2019-20: NIL).

¹ A breakdown of the staff costs into permanent and temporary staff can be found in the Staff Report within the Accountability Report.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Information Technology	Plant & Machinery	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 01 Sept 2020	1,070,000	1,030,000	301,264	458,687	216,953	-	3,076,904
Additions	-	93,730	17,916	-	5,633	1,092	118,371
Reclassifications	-	-	(24,026)	-	-	-	(24,026)
Disposals	-	-	(293)	-	-	-	(293)
Revaluations	-	(93,730)	-	-	-	-	(93,730)
At 31 August 2021	1,070,000	1,030,000	294,861	458,687	222,586	1,092	3,077,226
Depreciation							
At 01 Sept 2020	-	-	260,503	286,931	155,653	-	703,087
Charged in year	-	62,838	17,959	42,806	14,227	-	137,830
Reclassifications	-	-	(7,228)	-	-	-	(7,228)
Disposals	-	-	(293)	-	-	-	(293)
Revaluations	-	(62,838)	-	-	-	-	(62,838)
At 31 August 2021	-	-	270,941	329,737	169,880	-	770,558
Carrying amount at 31 August 2021	1,070,000	1,030,000	23,920	128,950	52,706	1,092	2,306,668
Carrying amount at 31 August 2020	1,070,000	1,030,000	40,762	171,756	61,301	-	2,373,819
	Land	Buildings	Information Technology	Plant & Machinery	Furniture & Fittings	Payments on Account & Assets under Construction	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 01 Sept 2019	1,070,000	860,000	307,517	252,053	170,196	418,570	3,078,336
Additions	-	17,914	15,873	3,295	46,758	-	83,840
Transfers	-	215,230	-	203,340	-	(418,570)	-
Opening Balance Adj	-	(35,139)	-	-	-	-	(35,139)
Disposals	-	-	(22,125)	-	-	-	(22,125)
Revaluations	-	(28,005)	-	-	-	-	(28,005)
At 31 August 2020	1,070,000	1,030,000	301,265	458,688	216,954	-	3,076,907
Depreciation							
At 01 Sept 2019	-	-	245,306	245,913	147,876	-	639,095
Charged in year	-	54,012	37,322	41,019	7,777	-	140,130
Disposals	-	-	(22,125)	-	-	-	(22,125)
Revaluations	-	(54,012)	-	-	-	-	(54,012)
At 31 August 2020	-	-	260,503	286,932	155,653	-	703,088
Carrying amount at 31 August 2020	1,070,000	1,030,000	40,762	171,756	61,301	-	2,373,819
Carrying amount at 31 August 2019	1,070,000	860,000	62,211	6,140	22,320	418,570	2,439,241

Note 4.1 - Land and buildings have been included on the basis of professional valuations performed by Land & Property Services who have provided an updated valuation of the land and buildings as at 31 August 2021. The valuation was carried out by a qualified member of the Royal Institution of Chartered Surveyor.

5. INTANGIBLE ASSETS

	IT Software	Website	Software Licences	Payments on Account & Assets under Construction	Total
	£	£	£	£	£
Cost or valuation					
At 01 September 2020	368,828	113,429	31,757	-	514,014
Additions	18,029	5,775	18,286	3,703	45,793
Reclassifications	(2,450)	-	-	26,476	24,026
Revaluations	-	-	-	-	-
At 31 August 2021	384,407	119,204	50,043	30,179	583,833
Amortisation					
At 1 September 2020	336,753	103,436	22,000	-	462,189
Charged in year	16,991	13,114	8,268	-	38,373
Reclassifications	7,228	-	-	-	7,228
Revaluations	-	-	-	-	-
At 31 August 2021	360,972	116,550	30,268	-	507,790
Carrying amount at 31 August 2021	23,435	2,654	19,775	30,179	76,043
Carrying amount at 31 August 2020	32,075	9,993	9,757	-	51,825
	IT Software	Website	Software Licences	Payments on Account & Assets under Construction	Total
	£	£	£	£	£
Cost or valuation					
At 01 September 2019	350,335	112,908	26,465	-	489,708
Additions	16,895	-	5,292	-	22,187
Revaluations	1,598	521	-	-	2,119
At 31 August 2020	368,828	113,429	31,757	-	514,014
Amortisation					
At 1 September 2019	322,053	91,515	17,824	-	431,392
Charged in year	13,214	11,498	4,176	-	28,888
Disposals	-	-	-	-	-
Revaluations	1,486	423	-	-	1,909
At 31 August 2020	336,753	103,436	22,000	-	462,189
Carrying amount at 31 August 2020	32,075	9,993	9,757	-	51,825
Carrying amount at 31 August 2019	28,282	21,393	8,641	-	58,316

6. FINANCIAL INSTRUMENTS

IFRS 7, *Financial Instruments: Disclosures*, requires disclosure that enables evaluation of the significance of financial instruments for CITB NI's financial position and the nature and extent of risks arising from financial instruments to which the organisation is exposed during the period and at the reporting date, and how the organisation manages those risks.

Because of the largely non-trading nature of its activities, CITB NI is not exposed to the degree of financial risk faced by other business entities.

The majority of financial instruments relate to contracts to buy non-financial items in line with CITB NI purchase and usage requirements. CITB NI is therefore exposed to little credit, liquidity or market risk.

CITB NI has not identified any financial instruments which are complex or play a significant medium to long-term role in its financial risk profile.

7. TRADE AND OTHER RECEIVABLES

	2020-21 £	2019-20 £
Amounts falling due within one year:		
Levy receivables	237,217	372,130
Trade receivables	8,335	11,656
Prepayments and accrued income	65,905	113,231
Total	311,457	497,017

8. CASH AND CASH EQUIVALENTS

	Total £	
Balance at 01 September 2020	3,127,695	
Net change in cash and cash equivalents	460,434	
Balance at 31 August 2021	3,588,129	
	2020-21 £	2019-20 £
The following balances at 31 August were held at:		
Commercial banks and cash in hand	3,588,129	3,127,695
Total	3,588,129	3,127,695

9. TRADE AND OTHER PAYABLES

	2020-21 £	2019-20 £
Amounts falling due within one year:		
Accrued grants to employers	973,045	649,164
Accruals and deferred income	136,030	114,573
Other payables	35,162	1,958
Total	1,144,237	765,695

10. PENSION LIABILITY

10.1 Northern Ireland Local Government Officers' Superannuation Committee Scheme

CITB NI participates in the Local Government Pension Scheme for Northern Ireland which is administered by the Northern Ireland Local Government Officer's Superannuation Committee (NILGOSC) for the majority of its employees. The NILGOSC scheme is a "multi-employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at a rate determined by an independent, professionally qualified actuary on the basis of regular valuations.

In April 2009, NILGOSC introduced a banding scheme for employee contribution rates, based on pensionable pay. These rates for 2020-21 are as follows:

Band	FTE Range (£)	Contribution Rate
1	0 – 15,000	5.5%
2	15,001 - 22,900	5.8%
3	22,901 – 38,300	6.5%
4	38,301 – 46,400	6.8%
5	46,401 – 91,900	8.5%
6	more than 91,900	10.5%

In 2020-21 the employer's contribution rate was 19.5%. (20% in 2019-20).

Contribution rates are due to remain similar in 2021-22 with only slight increases to the banding limits.

10.2 The McCloud Judgement

Claims of age discrimination were brought in relation to the terms of the transitional protection by groups of firefighters and members of the Judiciary in the McCloud /Sargeant legal case (referred herein as "McCloud") and the Court of Appeal handed down its judgement on this claim on 20 December 2018, ruling that the transitional protection arrangements were discriminatory on the basis of age. As a result, the cost control element of the 2016 scheme valuation was paused whilst the Government addressed the need to remedy this discrimination across all public service pension schemes.

In July 2020 HM Treasury consulted on changes to the transitional arrangements to the 2015 schemes as a result of this judgement and, at the same time, an update on the Cost Control Element of the 2016 valuations was published. In this update, the Government announced that the pause should be lifted and the cost control element of the 2016 valuations could be completed. This update also set out that the McCloud costs would fall into the "member cost" category of the control element of the valuations process. It is also noted that by considering the increased value as a result of the McCloud remedy, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

The reformed public service schemes in Northern Ireland incorporate similar age-based transitional protections. The Department of Finance ran a consultation from 19 August 2020 to 18 November 2020 consulting on proposals to I) remove discrimination in unfunded public service schemes made under the Public Service Pensions Act (Northern Ireland) 2014 for the future; and II) remedy the effect of any discrimination scheme members may have

incurred since April 2015. The Department of Finance issued its consultation response on 25 February 2021. It proposes to proceed with the deferred choice underpin. This approach means all eligible members will receive a choice at the point of retirement whether to take legacy or reformed scheme benefits for the period between 1 April 2015 and 31 March 2022, known as the remedy period.

All public servants who continue in service from 1 April 2022 onwards will do so as members of their respective reformed scheme (alpha pension scheme). These proposals have been developed at the Collective Consultation Working Group, which is the recognised forum for consultation on pension policy for devolved schemes and where both public service employers and employees are represented.

Work is progressing on the legislative steps required to implement the remedy and reformed scheme. The actuarial liability as at 31 August 2021 includes accrual for management's best estimate of the higher expected costs to implement the remedy and reformed scheme under the proposals. Should there be any changes to the proposals, the amounts recognised would need to be revised.

10.3 GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. All of the public service schemes, including the LGPS (NI) were contracted out.

On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs".

The Actuary's standard approach is to value full CPI inflation pension increases on GMPs of members whose State Pension Age (SPA) is on or after 6 April 2016. This is an approximate method of recognising the cost of the Government's commitment to compensate public service scheme members from the removal of the Additional Pension element of the State Pension from this date, and for the outcome of the Lloyds judgement which found GMPs to be illegally sex discriminatory. Government has consulted on its approach to compensating affected members and announced on 23 March 2021 that it would adopt a long-term policy of uprating GMPs in line with CPI inflation for members whose SPA is on or after 6 April 2016. The consultation response recognised that this solution will not address all inequalities for a minority of members. Further guidance is expected from MHCLG (to an undefined timetable) on how they propose to deal with this. It is expected that any remaining gender inequalities will be small and that the Actuary's approach, is in line with current government policy and is a reasonable estimate.

In October 2020 a second ruling in the Lloyds bank case clarified that compensation would be required to members who transferred benefits out since May 1990. At time of writing Government has not yet acknowledged a liability in public service schemes nor indicated an approach to rectifying this. There would be a significant time and cost involved in estimating a potential liability. The Actuary has not made any allowance for a potential liability resulting from this ruling

10.4 Cost Management in the LGPS

Legislation requires HM Treasury to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable.

The initial result of the cost cap process in NI was that changes to member benefits were needed which would increase employers' cost by 3.2% of pay.

As there is an expectation that any benefit improvements flowing from the cost management process will be backdated to 1 April 2019, and the Public and Commercial Services Union (PCS) and the Fire Brigades Union (FBU) are seeking agreement to launch a judicial review of the Government's decision to pause the cost management process, the Actuary has retained the same approach adopted last year, which is for an allowance to be made for cost cap, broadly consistent with the approach agreed for the 2019 funding valuation, such that the allowance made for the future service element of the estimated cost of benefit changes following the McCloud judgement and the cost cap process will be the minimum of 3.2% of pay.

It is possible that this could potentially overstate the allowance for McCloud / Cost cap in aggregate as the potential benefit changes as a result of Cost cap may be revisited once the remedy for McCloud is known. However, the Actuary has not attempted to recalculate the initial result of the cost cap process in NI that was calculated by the Government Actuary Department (GAD). If this figure was calculated on IAS 19 assumptions, then the cost may be higher than the 3.2% of pay that was calculated by GAD.

Therefore, overall, the Actuary believes that the approach set out above is reasonable for accounting purposes, particularly given the current uncertainties of the benefit changes as a result of the cost cap process.

10.5 ECONOMIC ASSUMPTIONS

The latest actuarial valuation of CITB NI's liabilities took place at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the roll-forward method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes at 31 August 2021 were:

	2021	2020
Discount Rate	1.7%	1.6%
CPI Inflation	2.7%	2.4%
Pension Increases	2.7%	2.4%
Pension accounts revaluation rate	2.7%	2.4%
Salary Increases	4.2%	3.9%

MORTALITY ASSUMPTIONS

These assumptions have been based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Assumed life expectancy	31 August 2021	31 August 2020
Males		
Member aged 65 at accounting date	21.9	21.8
Member aged 45 at accounting date	23.3	23.2
Females		
Member aged 65 at accounting date	25.1	25.0
Member aged 45 at accounting date	26.5	26.4

10.6 Reconciliation of Funded Status to Statement of Financial Position

	2021	2020
	£000's	£000's
Fair value of assets	15,316	12,988
Present value of funded defined benefit obligation	(19,266)	(18,331)
Funded Status	(3,950)	(5,343)
Closing funded defined benefit obligation	(3,950)	(5,343)

10.7 Reconciliation of Unfunded Status to Statement of Financial Position

	2021	2020
	£000's	£000's
Present value of unfunded defined benefit obligation	(99)	(152)
Closing unfunded defined benefit obligation	(99)	(152)

10.8 Reconciliation of Total Status to Statement of Financial Position

	2021	2020
	£000's	£000's
Fair value of assets	15,316	12,988
Present value of funded defined benefit obligation	(19,365)	(18,483)
Funded & Unfunded Status	(4,049)	(5,495)
Closing total defined benefit obligation	(4,049)	(5,495)

10.9 Changes to the Present Value of Defined Benefit Obligation are as Follows:

	2021	2020
	£000's	£000's
Opening defined benefit obligation	18,483	17,198
Current Service Cost	433	399
Interest Expense	293	307
Contributions by members	53	54
Actuarial (gains)/ losses – Financial Assumptions	744	1,775
Actuarial (gains)/losses – Demographic Assumptions	0	(482)
Actuarial (gains)/losses due to liability experience	(272)	(402)
Net benefits paid out	(369)	(366)
Past service cost (inc, curtailments)	0	0
Closing defined benefit obligation	19,365	18,483

10.10 Changes to the Fair Value of Assets are as Follows:

	2021	2020
	£000's	£000's
Opening fair value of assets	12,988	14,580
Interest income on assets	207	261
Remeasurement gains/(losses) on assets	2,270	(1,733)
Contributions by the employer	167	192
Contributions by employees	53	54
Net benefits paid out	(369)	(366)
Closing fair value of assets	15,316	12,988

10.11 The Actual Return on Assets is as Follows:

	2021 £000's	2020 £000's
Interest income on assets	207	261
Remeasurement (loss) / gain on assets	2,270	(1,733)
Actual return on assets	2,477	(1,472)

10.12 Asset Allocation

The approximate split of assets for the Fund as a whole is shown in the table below. The Fund is large and largely liquid and as a consequence there will be no significant restriction on realising assets if a large payment is required to be paid.

	2021 Quoted	2021 Unquoted	2021 Total	2020 Total
Equities	43.1%	0.1%	43.2%	42.7%
Property	0.0%	8.9%	8.9%	9.3%
Government Bonds	27.1%	0.0%	27.1%	24.4%
Corporate Bonds	12.9%	0.0%	12.9%	14.3%
Cash	4.8%	0.0%	4.8%	5.2%
Other	0.2%	2.9%	3.1%	4.1%
Total	88.1%	11.9%	100%	100%

10.13 Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2021 and the projected service cost for the year ending 31 August 2022 is set out below. We have not included sensitivity of unfunded benefits on materiality grounds.

Funded LGPS benefits			
Discount rate assumption			
Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	18,919	19,266	19,613
% change in present value of total obligation	-1.8%	-	1.8%
Projected service cost (£000's)	0.464	0.477	0.490
Approximate % change in projected service cost	-2.7%	-	2.8%
Rate of general increase in salaries			
Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	19,324	19,266	19,208
% change in present value of total obligation	0.3%	-	-0.3%
Projected service cost (£000's)	0.477	0.477	0.477
Approximate % change in projected service cost	0.0%	-	0.0%
Rate of increases to pensions in payment, deferred pension and revaluation of pension accounts assumptions			
Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	19,555	19,266	18,977
% change in present value of total obligation	1.5%	-	-1.5%
Projected service cost (£000's)	0.490	0.477	0.464
Approximate % change in projected service cost	2.8%	-	-2.7%

12. RELATED PARTY TRANSACTIONS

CITB NI is a Non-Departmental Public Body (NDPB) sponsored by the Department for the Economy (DfE). DfE is regarded as a related party with which CITB NI has had various material transactions during the year.

In addition, a number of Board Members are associated with organisations who have undertaken material transactions with CITB NI during the year.

CITB NI received the following funding from DfE.

	2020-21	2019-20
	£	£
Project Income	51,284	14,694
	51,284	14,694

CITB NI received levy from the following levy payers associated with board members.

	2020-21	2019-20
	£	£
Henry Brothers Ltd	27,127	26,286
Gilbert- Ash Limited	5,842	3,809
McCormack Site Services (Ire) Ltd	3,882	3,937
Vaughan Developments Limited	1,977	1,840
	38,828	35,872

The Board members associated with the levy received from the organisations above are as follows:

Henry Brothers Ltd – D Henry
Gilbert- Ash Limited – M Bradley
McCormack Site Services (Ire) Ltd – S Hassard
Vaughan Developments Limited – B Vaughan

CITB NI received Skillbuild Sponsorship income from the following organisations associated with board members.

	2020-21	2019-20
	£	£
Gilbert-Ash Limited	0	1,000
Construction Employers Federation	0	1,000
	0	2,000

Amounts owed at 31 August 2021 from the above parties amounted to £NIL (2020: £NIL).

12. RELATED PARTY TRANSACTIONS (continued)

Funding received and accrued in relation to European funding partnerships:	2020-21 £	2019-20 £
Horizon 20/20 (C.Corken – Belfast Metropolitan College)	0	18,076
	0	18,076

CITB NI paid & accrued grants to the following levy payers & organisations associated with board members.	2020-21 £	2019-20 £
Northern Ireland Demolition Association	920	24,453
Unite the Union	10,254	93,460
University of Ulster	6,196	-
Henry Brothers Ltd	28,961	31,917
Gilbert-Ash Limited	10,928	14,813
McCormack Site Services (Ire) Ltd	1,326	935
Vaughan Developments Limited	1,000	-
	59,585	165,578

The Board members associated with grants paid and accrued to the organisations above are as follows:

Construction Employers Federation– D Henry & B Vaughan
Northern Ireland Demolition Association – S Hassard
Unite the Union – Ciaran Brolly & Jackie Pollock
University of Ulster – Clare Mahon
Henry Brothers Ltd – D Henry
Gilbert- Ash Limited –M Bradley
McCormack Site Services (Ire) Ltd – S Hassard
Vaughan Developments Limited – B Vaughan

To ensure that grant payments are not influenced unduly by Board members, CITB NI has the following arrangements in place:

1. Register of Board members Interests updated regularly.
2. Declaration of Interests stated at every Board Meeting.
3. Clear Terms and Conditions of Tier 1 Grant Payment and segregation of duties in place.
4. Grant payments audited annually by Internal Audit.
5. Board member will be excluded from specific agenda items at Board meetings if a decision on grant payments is required, that affects the related organisation.
6. Grant decisions on training in partnership grants, within delegated limits are made by the Executive Management Team excluding Board members.

13. EVENTS AFTER THE REPORTING PERIOD

There were no events between the end of the reporting period and the date the financial statements were authorised for issue which would impact on these accounts.

Date of Authorisation for Issue

The Accounting Officer authorised these financial statements for issue on 25 May 2022.

APPENDIX 1

CITB NI Balanced Scorecard (Sept 2020 - Aug 2021)												
CSF No.	Reported by	Strategy Link	Critical Success Factors	Performance Indicators	12 mth target	Performance (Cumulative)					Performance	
						3 mth Sept - Nov	6 mth Dec - Feb	9 mth - May	Mar	12 mth June - Aug		YTD
			Stakeholders and Customers									Comment @ 12 months Internal audit report to Audit Comm Oct 2021, External audit report to Audit Comm May 2022
1	KP	1,5	Compliance with Government requirements for NDPB's	Internal and external audit compliance awarded satisfactory assurance	Satisfactory Assurance							
2	KH	1,2,5	Contribution to DE skills strategy	Contribute to five themes (Demand, Quality & Relevance, Productivity, Barriers & Engagement)	5						5	
3	KH	1,2,5	Increased employer awareness of services	Employer Tracking Survey - Awareness of services	68%						83%	
4	KH	All	Employers see our services adding value by improving their performance	Employer Tracking Survey - importance of CITB NI services. Mean score out of 5 (Very important)	> or = 3.5 out of 5						4.6	
5	Wm	All	Delivery of organisational objectives	Business Delivery Plan - 50% of 39 actions progressing or complete	20						28	Red (11), Amber (7), Green (21) = Total 39 Red = No or limited progress Amber = Significant & ongoing progress Green = Complete
			Financial									
6	LL	4	Collection of levy payments due	95% of total Levy recoverable is collected	95%						89%	Budgeted levy income £3,500,000. Levy recoverable £3,705,651. Levy collected at 31 Aug £3,307,674
7	AMcL	1,4	Maximise levy income returned in benefits to industry	80% of budgeted levy income (£3,087,000) is returned in benefits	£2,469,600						£3,029,921	98% of target achieved to date
8	AMcL	All	Maintaining grant spend within budget	Management accounts	£1,650,000						£1,821,323	110% Additional income of £125k and reserves used to fund overspend of £171k
9	AMcL	4	Reduction in working capital reserves	Management accounts - Reduce reserves to an appropriate level	£1,600,000						£2,648,151	Divisional expenditure significantly reduced due to delay in implementing capital projects as a result of covid 19 E.g. training sheds Reduction in Levy income as projected in budget did not materialise
			Processes									
10	KH	1,2,3,5	Identify training needs of the industry	Completion of training needs research projects	3						4	Stakeholder, CSN, ETS, Small employers
11	IS	1,2,3,5	Setting occupational training standards	Progress the strands relevant to NI, in the Construction Skills Strategy (CSS)	10						10	
12	IM/GW	1,2,3,5	Small employers use services available to them	Percentage of employers who have less than 10 employees and who have benefited from Tier 1 grant or Tier 2/3 training interventions	15%						11.1%	T1 = 315 T2 = 1 T3 = 30 Total = 346
			People/Competence (Learning and Growth)									
13	ED	All	Organisational knowledge and competence	Leadership competence matrix	70%						73%	
14	KP	1,4	Board member participation	Maximum score of 2 (Good) in each of the five areas in Board member appraisal (Teamwork, Communications, Constructive Challenge, Strategic Thinking, Analytical & Effective decision making) (Max Score 2 X 5 X 10 Board members)	100						55	10 appraisals completed to date

APPENDIX 2

BOARD MEMBERSHIP AND ATTENDANCE AT MEETINGS

September 2020 - August 2021

Membership of the Board is determined by the Department for the Economy and through formal appointment by the Minister.

Board Chairman:

M Johnston	7 out of 7
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Employer Representatives:

C Boyle, Synergy Innovations	6 out of 7
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B Vaughan, Vaughan Developments Ltd	7 out of 7
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D Martin	6 out of 7
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D Henry, Henry Brothers Ltd	6 out of 7
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Employee Representatives:

S Hassard, McCormack Site Services	1 out of 7
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M Bradley, Gilbert-Ash NI	7 out of 7
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C Brolly, Unite the Union	7 out of 7
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J Pollock, Unite the Union	6 out of 7
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Education Representatives:

C Mahon, UUJ	5 out of 7
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C Corken, Belfast Metropolitan College	3 out of 7
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Observer:

DfE Representative	5 out of 7
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Department of Education	3 out of 7
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