



**CITB**  
CONSTRUCTION INDUSTRY  
TRAINING BOARD NI



**ANNUAL  
REPORT  
2019-20**

**© CITB NI Copyright 2022**

The text of this document (this excludes, where present, the Royal Arms and all departmental or agency logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context.

**CITB NI Annual Report and Accounts  
For the year ended 31 August 2020**

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

on

1st June 2022

| <b>CONTENTS</b>   | <b>PAGE</b> |
|---|-------------|
| <br>  |             |
| <b>PERFORMANCE REPORT</b>   |             |
| Non-Executive Director's Report   | 2-4         |
| Chief Executive's Foreword  | 5           |
| Overview  | 5-8         |
| Key Issues and Risks  | 9           |
| Position at Year End  | 9           |
| Reserves  | 9           |
| Going Concern   | 10          |
| Balanced Scorecard  | 10          |
| Performance Analysis  | 11          |
| Measuring Performance   | 11          |
| Training Hub for NI construction sector   | 11-18       |
| Acts commercially with actions and activities to enhance return to the industry | 18-20       |
| Development of constructive strategic partners                                  | 20-22       |
| Deliver services to a high standard   | 22-24       |
| Cutting edge of training needs within the NI industry                           | 24-27       |
| Sustainability Report   | 27-28       |
| <b>ACCOUNTABILITY REPORT</b>  |             |
| <b>Corporate Governance Report</b>  |             |
| Directors' Report   | 29          |
| Organisational structure  | 30          |
| Statement of Board Members and Chief Executive's Responsibilities               | 33          |
| Governance Statement  | 34-39       |
| <b>Remuneration and Staff Report</b>  | 40-47       |
| <b>Assembly Accountability and Audit Report</b>                                 | 48-49       |
| Certificate and Report of the Comptroller and Auditor General                   | 50-52       |
| <b>FINANCIAL STATEMENTS</b>   |             |
| Statement of Comprehensive Net Expenditure                                      | 54          |
| Statement of Financial Position   | 55          |
| Statement of Cash Flows   | 56          |
| Statement of Changes in Taxpayers' Equity                                       | 57          |
| Notes to the Financial Statements   | 58-76       |
| <b>APPENDICES</b>   |             |
| <b>Appendix 1 – Balanced Scorecard</b>  |             |
| <b>Appendix 2 – Board Membership and Attendance at Meetings</b>                 |             |

## **Non-Executive Director's Report**

The Northern Ireland Construction Industry continues to share current challenges across the country, and indeed with the rest of the world, in experiencing the COVID-19 global pandemic from midway through the year. CITB NI stands in support of the Industry and with wider society at this ongoing challenging time, empathising with all sadly impacted over this last while. Perhaps, the most difficult of times too for CITB NI since its formation over 50 years ago, including having experienced a number of recessions since its 1964 formation, and now dealing with a further economic recession resulting from the current pandemic. However, with challenges can come opportunities. Through hard work, some innovation and government support, both our Industry in general and CITB NI have managed to adapt and pull through recessions in the past.

Interesting also, that two years ago when initially preparing the Non-Executive Director's Report, we were faced with the challenges over the uncertainties of no NI Assembly sitting and no Brexit destination determined, but within weeks the Assembly was restored and separately an agreement reached between the UK and EU over Brexit, albeit much work still to do there. The successful delivery of a COVID-19 vaccine has been an important factor in the recovery of both society and the economy.

Northern Ireland Construction Industry activity has reduced quite dramatically with the recession brought on by the COVID-19 pandemic. However, as we emerge from the pandemic, economic and Industry growth is expected to take place over the next number of years. CITB NI's support for training will continue to remain paramount over the upcoming years in order to serve our Industry while it recovers and grows again. During this past challenging year CITB NI has managed to see its return to the Industry on the legislative levy rise to around 90% through direct and indirect services, with approximately 70% direct, as we serve the necessary investment on training needs from the levy. This has seen some further thousands of employees directly trained and many hundreds of employers directly supported during this past year.

Throughout the pandemic, CITB NI has adapted to offer yet more training and services online to our Industry. We are all now learning that this is also an opportunity to realise the benefit of making greater use of remote facilities to help and provide greater access to more in our Industry going forward. Also, our purposely allocated shorter term training grant has aided our ability to adapt during this current challenging time, accounting for around one third of the CITB NI direct training grants to employers. Flexibility and adaptability remain vital during real time training needs and as priorities and urgencies may change. CITB NI has offered COVID-19 training for our industry during this time, such as from social distancing working arrangements and carefully managing numbers of trades on site, to provision of adequate PPE for workers and visitors on site, and on to track and trace recording. Furthermore, while the importance of mental health training has been increasingly recognised in recent years, CITB NI has continued to address this ever-greater need during this difficult time.

Pre pandemic, research continued to highlight the necessity to address an increasing skills shortage and a deficit of new entrants for the Industry following on from recent challenging years in an already fragile aftermath of a prior deeply damaging recession. 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. We have developed our strategy further in the past year to further align with the NI Programme for Government and the Industrial Strategy. The Board continues to take an increasingly strategic overview on all CITB NI activity but still with the aim to ensure that the organisation best serves our Industry. Research and engagement with our Industry informs us to determine where we can maximise impact from our support, including on our increasingly strategic approach to our direct grant funding to employers. Continuing our recent years' initiative of further promoting employment and increasing financial support for apprentices, we have seen the numbers of our supported apprentices rise three-fold over the last few years into some hundreds, now accounting for around one third of our direct training grant to employers. Interestingly, early indications show little or no drop off in employment of apprentices despite the pandemic and recession. Our "Training in Partnership" support helps to drive forward strategic grant funding in partnership for Industry needs, has seen successful initiatives repeated over the past year to support and retrain entrants at a lower level to the Industry.

Once more NI construction companies have continued to enjoy success and respect beyond NI, especially in GB, where the Construction Industry remained more active, generating great economic benefit to NI. In challenging economic times, NI companies will increasingly have to look at markets beyond the Province. These export companies still need to benefit from training, often serviced from here initially, which we have learned during these pandemic times can now be less of an obstacle through our increasing use of remote learning and with improved flexibility. Current legislation continues to limit CITB NI support for training to serve only the construction workforce within NI, and legislative changes to provide extended assistance have remained difficult during the current pandemic. The reinstatement of an NI Assembly, as well as emerging certainty around Brexit impact, will hopefully allow this legislation to be reviewed.

I have outlined a theme of challenges ahead but that there are also opportunities, such as from government both here and in GB championing growth in the green economy, including national and international commitments towards decarbonisation. This is a key area where we believe that CITB NI can help to support and train our Industry to lead on, with more energy efficient construction, related to both new and existing buildings, making the performance of both more energy efficient. Embracing and encouraging digital skills through training can also aid this, especially now that many of us are better prepared in having developed more of these digital skills by remote work and training throughout the current pandemic. In the past year CITB NI has completed an innovative two-year project on Building Information Modelling, BIMcert, with our partners here and across Europe. Benefitting from €100K's of EU funding in extremely tight European competition to help identify benefits to extend BIM throughout the Industry right up to site operatives reading BIM details on mobile phones and tablets for proposed works. Currently, we are developing this to further implementation through BIM-EPA, an Alliance of projects in this field.

In closing, I would yet again express our gratitude to our partners for all their help in what we do, and once more particularly that help led by our Industry, who we will always seek to support and serve. Hopefully, further demonstrated by maintaining a reduced levy rate this past year of 0.55%, a reduction of 15% over the recent past and shared more evenly across our Industry. I would again express personal gratitude to my fellow Board members for repeated constructive challenge to the organisation for the benefit of the Industry and to

each CITB NI staff member for continued hard work, led by Chief Executive Barry Neilson and his executive team, all impressively maintained throughout the pandemic by the embracing of appropriately adapted practices.

A handwritten signature in black ink, appearing to read 'Maurice Johnston', with a stylized flourish at the end.

**Maurice Johnston**

**Chairman**

**18 May 2022**

## Chief Executive's Foreword

CITB NI presents its annual report for the year ended 31 August 2020. 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.

CITB NI combines the roles of an ITB and Sector Skills Council (in partnership with CITB GB) and is working with the Department for the Economy in reviewing and energising the Northern Ireland Qualifications Framework.

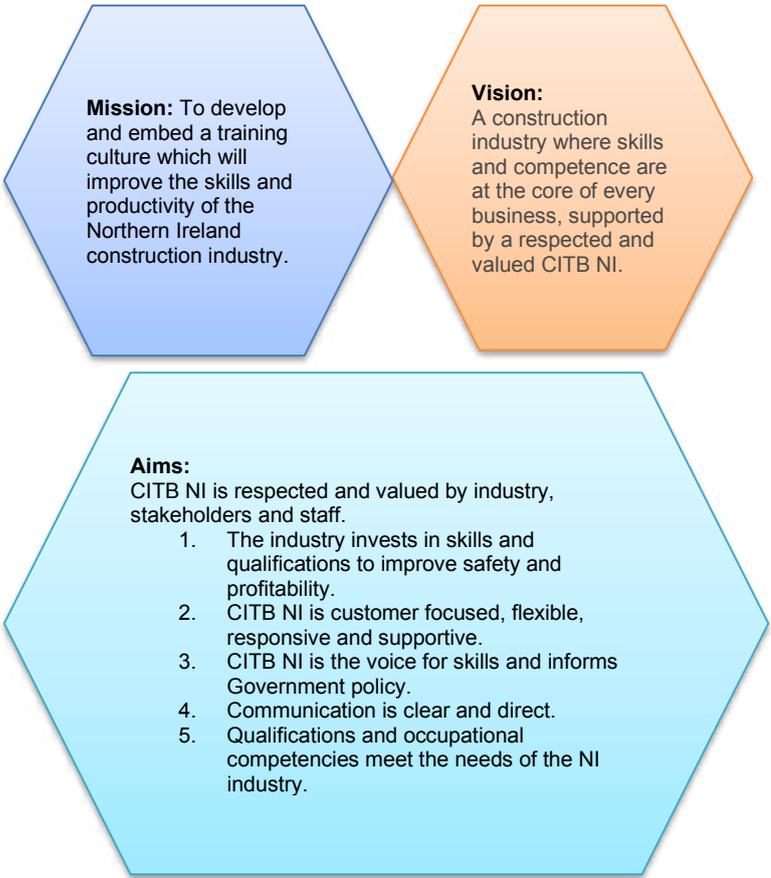
### Overview

Before reviewing CITB NI's performance over the last year it is important to reflect on the exceptional operating circumstances that impacted the entire global economy. This report covers the period from September 2019 to August 2020. This means that it was definitely a

"year of two halves". In March 2020, the measures put in place to combat the COVID-19 virus had a significant impact on most of the construction sector with the exception of those delivering vital infrastructure works.

The crisis meant that CITB NI, like most other organisations, had to reorganise our operating practices and how we support the industry.

Before moving on to review our activities, I would like to take a moment to thank the CITB NI staff for their patience and understanding as we reorganised and moved from office-based operations to working remotely. 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.



**Mission:** To develop and embed a training culture which will improve the skills and productivity of the Northern Ireland construction industry.

**Vision:**  
A construction industry where skills and competence are at the core of every business, supported by a respected and valued CITB NI.

**Aims:**

CITB NI is respected and valued by industry, stakeholders and staff.

1. The industry invests in skills and qualifications to improve safety and profitability.
2. CITB NI is customer focused, flexible, responsive and supportive.
3. CITB NI is the voice for skills and informs Government policy.
4. Communication is clear and direct.
5. Qualifications and occupational competencies meet the needs of the NI industry.

CITB NI's Mission & Vision along with its Aims were set in 2016 and continue to remain the long-term goals. Aligned to these are four "Themes" which the organisational activities actions undertaken should aim to deliver;

## 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. We considered our organisational values, developed in partnership with staff, to consider the behaviours and attitudes that should guide our actions, activities and relationships. And we took decisions in line with these. To assist 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



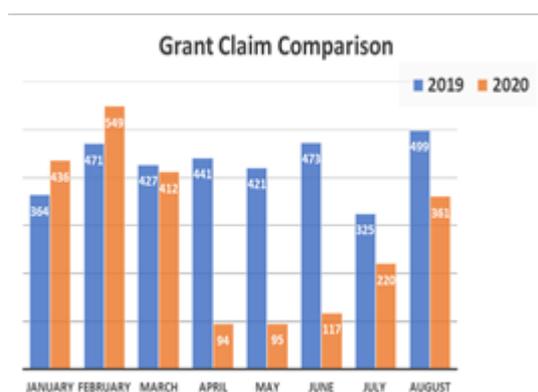
**Learning** – We learn, improve and support others to do the same



**Teamwork** – we work together as one team

## The industry invests in skills and qualifications to improve safety and profitability

The work of CITB NI over the last 5 to 7 years has been 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.



This year we saw significant improvement in Grant aid to industry over the period leading up to the COVID-19 crisis. This understandably dipped over the industry lockdown. However, both CITB NI and industry adapted and as we close the year, overall, Grant spend and investment in training by the industry has met our budget targets.

In addition to the Direct Grant, CITB NI has continued to develop its drive to facilitate “Training in Partnership” with industry bodies. This focusses on skills and training that the industry identifies as hard to acquire, not available or strategically important or combinations thereof. CITB NI deliver 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.

In addition, resources were diverted to enhance CITB NI support in relation to Mental Health. Online courses and webinars were provided free to the sector with enhanced access to a free phone-line support service.

## CITB NI is customer focused, flexible, responsive and supportive

CITB NI supports the industry in many ways other than Grant or Direct support. We normally engage with industry through a series of business improvement and engagement events. These were not possible in the era of social distancing and lockdown. The training normally delivered was moved online using webinars (live and recorded) maintaining support to industry in a way that could be delivered direct to individuals as they went into isolation.

Our formal survey work provides CITB NI, industry and our stakeholders with significant data to inform the initiatives we embark upon. Some of this continued as normal and some research work was aimed at identifying and responding to the impact of both COVID-19 and Brexit.

Understandably much of the research 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**

The current measures have led to an enhanced focus on communications via CITB NI's web site and social media. Both 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-19 measures.

These are used in parallel with direct communications to industry by mail. 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**

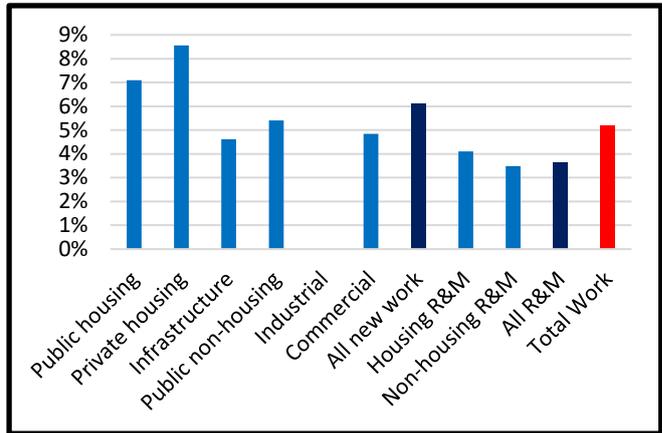
CITB NI uses all of the activities identified above to contribute to ensuring that qualifications are relevant to industry needs. Over this year we continued a review of apprentice frameworks and completed 15 reviews.

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 and facilitation of the Built Environment Sectoral Partnership has continued uninterrupted.

In terms of the perceived future outlook at the time of initially writing this foreword, CITB NI's forecasting document, "Industry Insights, expected construction activity to fall by around 20% with all sectors experiencing some impact. Fortunately, this proved not to be the case.

It is forecast that work will recover at an annual average growth rate of 5.2% per year (as per graph), with the strongest sectors being:

- Private housing (8.6%)
- Public housing (7.1%)
- Public non-housing (5.4%)



The forecast is for work to recover to pre COVID-19 levels during 2024.

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

However, one thing has to be emphasised, CITB NI cannot do this alone. The partnership with employers is critical, because it is, they 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.

*Barry Neilson*

**Barry Neilson**  
**Chief Executive**  
**18 May 2022**

## **Key Issues and Risks**

It is inevitable that this section of the annual report will focus on the effects of COVID-19 and how this has impacted CITB NI's finances and the ability to deliver core services.

During 2019-20, CITB NI continued to embed its normal risk management strategy by identifying those risks which could pose a threat to successful performance. As COVID-19 emerged in March 2020 the Executive Management Team adjusted the risks on a regular basis and implemented a new decisions log. The purpose of this log was to ensure that the risks associated with COVID-19 were managed and responded to on a timely basis.

CITB NI responded 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. From March 2020 the majority of CITB NI staff were working from home with a skeleton of core staff working in the office on a rota basis.

As businesses throughout the province were closed and staff placed on furlough leave CITB NI temporarily suspended the collection of outstanding levies. This has resulted in debt recovery at the year-end of 85% against a target of 95%. The recovery of the outstanding debt will prove to be a challenge as many businesses will experience the economic impact in the months and years ahead.

The budget for 2020-21 was set amongst much uncertainty and CITB NI estimated a potential reduction in income as a result of the pandemic. However, this proved not to be the case and levy recovery over the year achieved near expected levels.

## **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 2020, net current assets have increased slightly from £2.67 million to £2.86 million. Cash at bank and in hand has decreased from £3.5 million to £3.1 million and was invested in term deposit accounts during the year. The reduction in cash is attributable to capital investment in a new roof for the office building and the purchase of a new mobile training unit.

Although the Statement of Financial Position shows CITB NI to have a net liability position, the Board do not consider this to be a substantial risk. The net liability is due solely to the NILGOSC pension liability which is a multi-employer pension scheme. The amount of liability recorded in the Statement of Financial position is an actuarial assessed estimate of CITB NI's proportion of the overall NILGOSC scheme. It is not likely that this liability will crystallise and as market conditions can be very volatile this liability can change significantly from year to year.

## **Reserves**

The Statement of Comprehensive Net Expenditure (SoCNE) reserve at the year-end has decreased from £2.3 million to a net liability position of £0.4 million. There has been a significant movement of £2.9 million in the NILGOSC pension liability this year resulting in an adjustment of £2.6 million in respect of actuarial losses which have been debited 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 £2.6 million to a deficit of £5.5 million. The actuary explained that this movement is mainly due to the COVID-19 pandemic which has caused the following:

- reduced yields on corporate bonds, upon which the discount rate is determined, and increased inflation expectations (increasing liabilities by 10% to 15% on average), and
- volatile investment returns, meaning that some Funds' returns will have been negative over the year, but others will have been positive. The return will depend on the Fund's investment strategy and relative performance.

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.

### **Going Concern**

Although the Statement of Financial Position shows CITB NI to have a net liability position, the Board do not consider there is a risk of CITB NI not being a going concern. The net liability is due solely to the NILGOSC pension liability which is a multi-employer pension scheme. The amount of liability recorded in the Statement of Financial position is an actuarial assessed estimate of CITB NI's proportion of the overall NILGOSC scheme. It is not likely that this liability will crystallise and as market conditions are currently very volatile this liability could change significantly on a daily basis.

CITB NI has sufficient working capital at 31 August 2020 to meet its current obligations. On this basis the Board considers CITB NI's financial position at the year-end to be satisfactory.

### **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 2019-20.

## Performance Analysis

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

Each year, CITB NI invests a significant proportion of its income to provide a grant scheme to employers. The grant scheme has two separate elements which facilitates a high degree of flexibility for employers to undertake training relevant to their organisational requirements.

A new enhanced grant scheme was launched for 2019-20 which included increases in apprentice grant rates and daily rates for short duration training.

CITB NI responded to the COVID-19 pandemic with the following assistance;

- Paying apprentice grants earlier than normal to help employers with cash flow and to encourage the retention of apprentices within businesses.
- As a number of employers had placed their staff on furlough leave CITB NI considered that it was also necessary to allow additional time for employers to submit grant claims. This has proven to be successful and feedback from employers is very positive.

Despite COVID-19, CITB NI is delighted to report the results of the grant support provided in the subsequent paragraphs. This level of support has been possible by the continuing commitment of registered employers to training and qualifying their staff and also to CITB NI staff for promoting the grant scheme and efficiently paying employers during what has been an exceptional year.

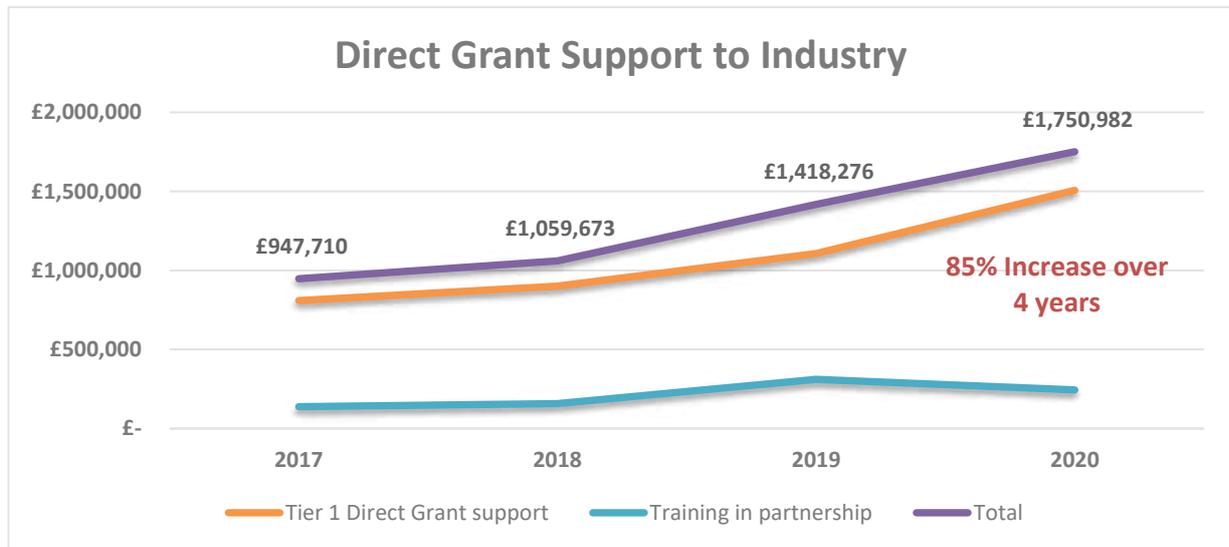
The benefit to the industry in terms of direct support for 2019-20 was £1.75 million and is split as follows:

|   |                  |
|---|------------------|
|   | £                |
| • Direct Grant Funding (Grants paid to employers) | 1,506,576        |
| • Training in partnership & Direct Training*      | 244,406          |
| <b>Total Direct Support</b>                       | <b>1,750,982</b> |

*\*excludes scaffolding direct costs*

The figures include grants paid and accrued in addition to adjustments in respect of prior-period accruals. CITB NI has paid and accrued £332k more in direct support to the industry than in the previous year (2018-19: £1,418k), which represents a 23% increase in the direct support to employers.

Over the last four years CITB NI has been able to substantially increase the financial support for employers. The chart below outlines the support provided split between direct grant support paid to employers and other direct training provided in partnership or directly procured by CITB NI.

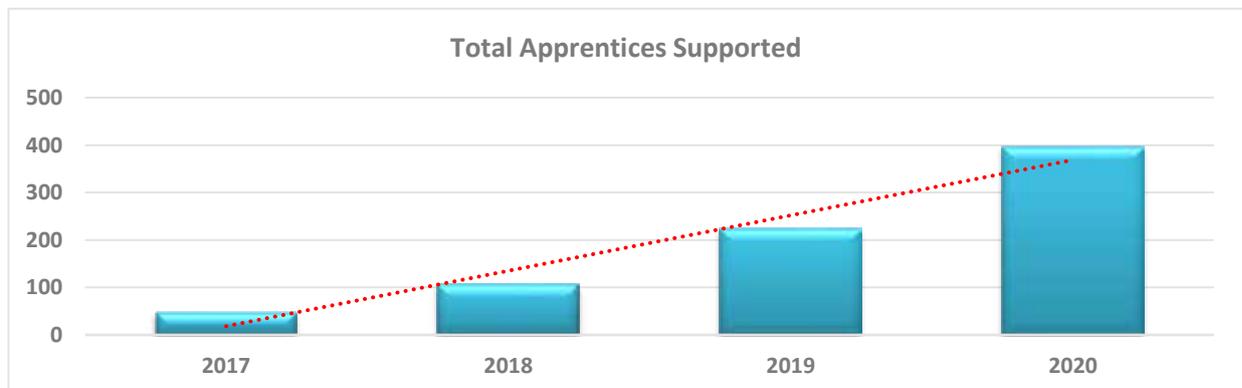


In total, there has been an 85% increase in the grant support since 2017 and this has been made possible through various initiatives undertaken to maximise levy income and provide an enhanced grants scheme.

It is hoped that CITB NI will be able to maintain this level of support over the next few years however, much will depend on the economic impact that COVID-19 will have on the construction industry in Northern Ireland.

The main areas of Direct Grant funding are apprentice grants, short-duration training, NVQ achievement (non-apprenticeship), H&S training and Technical Management and professional.

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 2019-20 we supported almost 400 apprentices, and we are seeing this continuing to rise in the early part of 2020-21. The table below illustrates the numbers supported each year with a rise from just 47 apprentices in 2016-17 to 397 at the end of 2019-20.



During 2019-20, 686 employers claimed a grant (2018-19: 566), with a total of 4,817 (2018-19: 5,997) grant applications.

Over the year, 564 levy paying employers claimed Tier 1 grant and 122 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 wellbeing 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 not meet its intended outcome with 15 of 19 interventions completed before the COVID-19 lockdown. The CITB NI Board recognised the detrimental effect that lockdown could have on all those who had been furloughed or forced to stop work due to the pandemic and requested that online mental Health & Wellbeing training was provided. The resulting programmes were well received by the industry with 60 participants from 20 businesses taking part.

Training Interventions provided directly by CITB NI span a wide range of needs but fall within three specific areas; health and safety training, delivered on-site by the Mobile Training Unit (MTU), training for the existing workforce: scaffolding training, and training for new entrants into the industry: Undergraduate Development Programme (UDP). A total of 497 training days were delivered to the industry via these three training and competence measures.

Training in Partnership that was either organised and delivered in partnership with external bodies or procured and facilitated by CITB NI directly, included;

- NVQ Level 2 Roof Slating and Tiling Apprenticeship Scheme
- Mental Health Wellbeing
- NVQ Level 4 programmes in Construction Site Supervision
- Not Just for the Boys – Women’s Tec
- Training for Housebuilders – NHBC Programme
- Concrete Society – Student & Industry Accreditation
- Building Bridges to Learning – Unite
- Invasive Weed ‘Contaminated Land’ Awareness Training
- Programme of Training for Demolition Sector
- Glass & Glazing – Fire Resistant Glazed Systems Training
- Asbestos Training – UKATA Non-Licensed Work
- NIACRO – Working Well Construction Training
- Reverse Charge VAT Training



The above training, some of which is part of programmes that will continue beyond the period of this report, **has delivered training and awareness rising to 1265 individuals** from various levels across the industry.

### Mobile Training Unit (MTU)



Procurement of a new, smaller, more flexible Mobile Training Unit was completed in December 2019.

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. Despite the introduction of COVID-19 lockdown measures, a total of 1538 individuals attended training by means of the MTU or via an on-site venue.

## **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 three of four planned 'Category B' Non-Licensed work with Asbestos courses being ran before lockdown happened.

## **Scaffolding Training**

The scaffolding training programme was suspended for a period due to COVID-19 measures, however training recommenced with enhanced safety measures. This allowed assessment for 119 individuals through the Construction Industry Scaffolders Record Scheme (CISRS) COTS, Part 1, Part 2 and Advanced Scaffolding. Eleven 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 1<sup>st</sup> year students to introduce them to the core construction activities. This is followed up with Health & Safety training and CSR certification in advance of their year out within industry. In November 2019, 28 1<sup>st</sup> year students undertook the induction training.

## **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 sixth Construction Site Supervisors Programme commenced during this training year with 15 candidates participating. To date 88 individuals have successfully completed their NVQ level 4 in Construction Site Supervision using the blended approach of workshops and VET360.

## **Industry and Stakeholder Engagement**

Twelve employer engagement events 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, Tendering, BIM and Emerging Technologies. CITB NI worked in partnership with InterTradelreland to deliver the Tendering workshops which were aimed at employers tendering in the public sector construction market. A total of 160 employers attended the events

which were held across Northern Ireland during the training year. Due to the restrictions of COVID-19, three events were held online as Webinars. 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. An online presentation of CITB NI's products and services was also developed and promoted on the CITB NI website for employers to access to get an overview of the benefits of being registered.

CITB NI participated in several other employer engagement events facilitated by other industry stakeholders and organisations engaging with a wide range of employers providing information on training, grants and industry forecasts including a CPD Supplier event, a 'Meet the Buyer' event and Northern Ireland Water Supplier event.

As a result of the findings from the Industry Engagement Strategy visits to the flooring sector, development has been ongoing to provide a Floor Covering Training programme suitable for apprentices and upskilling the current workforce.

CITB NI participates on the both the Traditional Building Skills Working Group and Core Skills Group with other industry stakeholders and the Department for Communities Historic Environment Division tackling skills issues within built heritage.

### **Roofing Apprentice 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 second cohort of Roofing Apprentices commenced in April 2019 and, while interrupted by a period of suspension as a result of COVID-19, trainees have now completed their qualifications.

### **Recruitment & Careers**

Working with our group of industry ambassadors CITB NI attended 23 careers events and engaged with around 12,000 students, teachers and career changers to promote Construction as a career choice. CITB NI also attended a Careers Teachers event and engaged with 300 careers teachers to advise them of the career opportunities within the construction sector and met with Careers Advisors from local Jobs and Benefits Offices across Northern Ireland.

A section of the CITB NI website is dedicated to careers and this was updated with the latest apprenticeship information and links to other careers organisations.

CITB NI hosted a 'Get Skilled' stand at the Skills NI event in Belfast in November 2019, attended by over 6,000 school children, teachers and career changers. The CITB NI stand provided an opportunity for visitors to build a mini roofing structure, participate in online construction themed activities and access a range of CITB NI Careers information. Several construction companies and Construction Ambassadors also provided get skilled activities which made for an all-round enhanced experience of careers in construction for visitors to the stand.

Continuing our support for the GCSE in Construction CITB NI awarded prizes to the school with the top three students for the qualification and distributed over 1000 free copies of the GCSE textbook to schools delivering the qualification in June. Currently 47 schools offer the qualification across Northern Ireland and over 7,500 have achieved the qualification to date.

To encourage more students to continue their education and progress a career in construction, as part of the career's strategy, CITB NI launched the Built Environment Student Bursary Award. Twelve students commencing a full-time 3<sup>rd</sup> level Built Environment related construction

qualification with a Northern Ireland training provider will, upon successful completion of their first year, be awarded £1,000 towards the cost of their training.

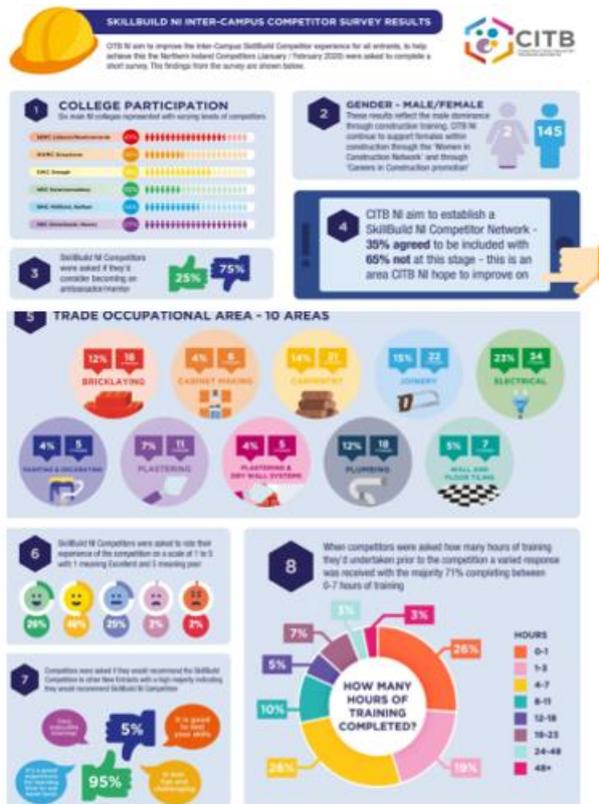
CITB NI was the lead for the Province-wide Northern Ireland Apprenticeship Week sub-group, working in partnership with other sectors to host and attend events to promote apprenticeships. The Mobile Training Unit was used to facilitate some of these activities to promote construction apprenticeships which were held across Northern Ireland including Belfast City Hall and Dunclug College, Ballymena.

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

## SkillBuild NI

Unfortunately, the SkillBuild NI National Finals 2020 did not occur due to the COVID-19 Pandemic. Much planning had taken place prior to lockdown and the SkillBuild NI Inter-Campus Competitions were held within the six main NI colleges covering ten trades areas, to identify the best local trade skills and talent pool to progress to the next stage.

This year CITB NI were keen to gauge the competitors' perspective via a survey in order to help plan more effectively and raise the profile of SkillBuild NI National Finals, competitors completed a short 5-10minute survey, with the findings captured in the infographic below.



Through greater awareness and support CITB NI hope to improve the participation from other colleges in the 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.

To support new entrants and potential competitors we asked those competing if they would be willing to become an ambassador/mentor, 25% agreed enabling CITB NI to help build upon the existing mechanisms in place and support to all lecturers. We hope to develop a SkillBuild NI Competitor Network who can support each other through the exchange ideas, hints and tips, finding out the latest news.

95% of competitors indicated they recommend the competition experience to new entrants, with 72% indicating they found the competition Excellent/Good.

When asked about preparing for the competition, 71% indicated they trained between 0 - 7 hours. These results help us to explore alternative support mechanisms for all competitors and their lecturers, particularly at regional inter-campus level before progressing onto the National, European, World Skills levels.

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 2020, the journey will continue with planning already underway to resume competition activity at next year's SkillBuild NI Final 2021 taking place on Tuesday 18 May 2021.

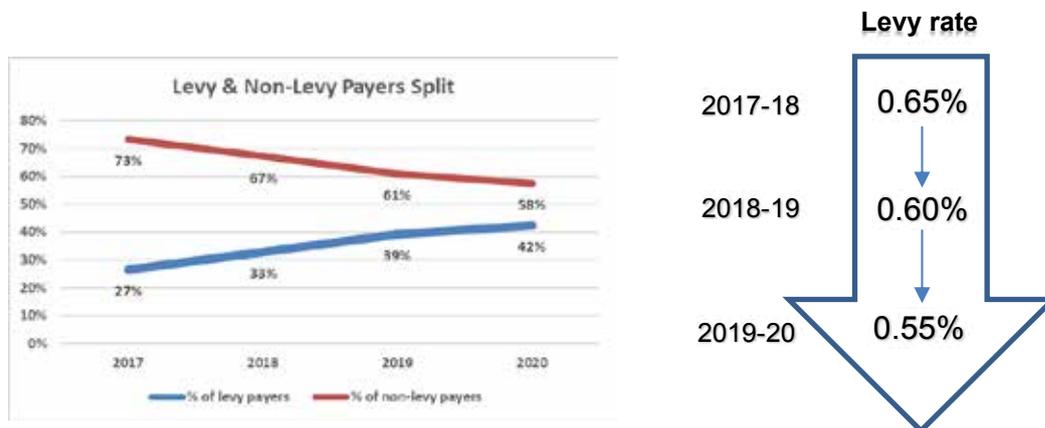
## ACTS COMMERCIALY TO ENHANCE RETURN TO THE INDUSTRY

### Levy

The levy rate for 2019-20 was reduced to 0.55% (2018-19: 0.60%) 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.

This is the third year in succession in which CITB NI has been able to reduce the levy rate and subsequently the cost to employers. This is a result of various initiatives undertaken over the last number of years to ensure that the costs and benefits are spread fairly across the industry.

The chart below demonstrates the gap between levy payers and non-levy payers is narrowing. In 2017 only 27% employers were paying a levy, and this has increased significantly to 42% at the end of 2019-20. This has resulted in CITB NI being able to lower the levy rate at the same time as increasing the support to employers who continue to train.



Levy Assessors carried out audits on a risk-assessed basis so that the correct amount of levy had been assessed for each registered in-scope employer. Whilst these audits took place as normal during the first six months of the year, the COVID-19 pandemic has had an impact. From March 2020 the levy assessors were unable to complete audits on employer's business premises. In addition, as a significant number of employers placed their staff on furlough it proved difficult to obtain the information electronically.

Despite the difficulties, a total of 506 audits (2018-19:476) were attempted during the year, a small increase on the number for the previous year. Of the 506 attempted, 335 (2018-19: 355) were completed (66%) with the remainder carried forward to be completed in 2020-21.

There are occasions when employers either do not provide the appropriate information at the time of the audit or cancel the scheduled appointment. This results in the audit not being able to be completed within the financial year. However, such cases are scheduled into the levy assessor's work to follow up until completion of the audit is achieved.

The above has resulted in additional levy of £48,968 (2018-19: £44,886) being invoiced. In addition, refunds to the value of £83,789 were issued in 2019-20 (2018-19: £130,798). Overall, this is a good result and demonstrates CITB NI's commitment to ensure that all levy payers are accurately reporting the details regarding their payroll and labour-only sub-contractor costs.

Approximately 85% of the invoiced levy was recovered during the year which is 10% lower than previous years. The main reason for this was the temporary suspension of debt collection in March 2020 as a result of the COVID-19 pandemic. The CITB NI Board agreed to suspend the collection of levy whilst employers had placed a number of their staff on furlough. At the time of writing this report debt collection has now resumed and the recovery now stands at 95%. The remainder will continue to be actively pursued.

Levy income for the year was £3,459,934 (2018-19: £3,507,381) which is a decrease on the previous year figure. The decrease is due primarily to the movement in the bad debt provision.

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".

There were 7 levy scope challenges heard by the Internal Scope Panel during the year which resulted in two employers remaining in scope and five taken out of scope.

There were no Industrial Tribunal appeals lodged in 2019-20.

### **CITB NI Facilities**

Several projects were undertaken to improve the internal and external appearance and utilisation of the premises and facilities. Much of the work undertaken was to make the premises as safe as reasonably practical for staff, trainees, our tenants and visitors and to keep in line with government recommendations on social distancing, sanitisation, and the use of face coverings.

To assist the segregation of tenants and their trainees from CITB NI staff and our trainees two external toilet blocks were refurbished (one completed and one underway at year end). A new smoking shelter and bus stop/collection point were also completed.

Other projects included the installation of new entrance gates to improve security and the aesthetics of the premises. The installation of window coverings, a roller shutter door and an electrical supply to the ground floor of the scaffolding training building so the ground floor could be used for practical training either by CITB NI or a tenant.

Other areas of the facilities were upgraded to ensure the facility is used by industry and other bodies:

- new classroom and meeting room chairs.
- installation of replacement double glazed units in the canteen area.
- installation of replacement high bay lights in the main training areas (exchanging old 400w bulbs with new LED fittings).
- reroofing an external practical training building.
- replacement of internal fire doors
- completing the replacement of the flat roof which covered the front section of the building.

### **Lease and hire of facilities**

The facilities at CITB NI continue to be utilised with regular hire of Meeting / Training rooms and the practical training areas (both internal and external) to support and drive industry training. Over the year, several industry bodies and external organisations used the premises to hold committee and ad-hoc meetings due to its central location and plentiful car parking. A total of 75 industry meetings and training events were held at the Centre during this period.

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 signed a two-year lease following an initial a six-month trial to provide in-house catering and services to course participants, CITB NI and room-hiring organisations.

People 1<sup>st</sup> 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 became CITB NI's fifth tenant.

### **Management of Third-Party Contracts**

Contracts and agreements with 3<sup>rd</sup> party providers are monitored for performance and regular renewal of services through procurement. IT, Legal, 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.

Following a request from the Network, CITB NI delivered the first WICN NI Summit which took place on 5 March 2020. Attended by 92 people and with 14 speakers from across the industry, it was a huge success. Twelve percent of those attending were male, roughly equivalent to the proportion of women working in the industry which provided a useful visual for the conference attendees.

The Women in Construction NI Summit was a full day of inspirational stories, business advice and career development for women currently working in the construction industry, those thinking of joining and for employers who support diversity or best practice in the industry. It also provided thought provoking tips on career management, helped identify role models and provided an opportunity to expand professional networks.

Hosted by Sarah Travers the conference featured leading industry professionals from local construction businesses such as Arup, Clanmil Housing, Farrans, Gilbert-Ash, GRAHAM, GRAHAM-BAM Healthcare Partnership, Henry Brothers, McAleer & Rushe, Nicola McCracken Safety Services, NIFRS, Scottish Water, Turner & Townsend, White Ink, and Women's TEC.

All the presentations from the event were recorded and are available to watch on the CITB NI YouTube channel which provides a useful resource for young women who might be interested in a career in construction and also for those already working in the industry.

### **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.

### **MPANI / Concrete Society**

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 28 individuals (studying Civil Engineering) undertook training and assessment for membership of the Concrete Society.

### **MPANI / Asphalt Society**

CITB NI commenced a project to develop and deliver supervisor training bespoke to the highways construction & maintenance sector. Completion was scheduled for the second quarter of 2021 but due to delays impacted by COVID-19, the training was not completed until the second quarter of 2022.

### **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.

### **Unite the Union**

CITB NI and UtU combined to develop a series of entry level skills development and upskilling to help individuals enter employment into the construction industry or gain qualifications that enhance their potential for retaining employment.

## **National House Building Council (NHBC) CPD Programme**

The National House Building Council (NHBC) arranged a week's continuous professional development (CPD) series of courses supported by CITB NI's Training in Partnership Grant Scheme. The courses are specifically aimed at improving the build quality and professional approach to house building in Northern Ireland. NHBC encourage both members and non-members to participate in the training as it is with all courses delivered under the financial support of a Training in Partnership Grant.

## **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 first steps in the process of upgrading/replacing the existing CIS system were completed i.e.

- Initial System Review
- Creation of a detailed Statement of Requirements (SOR) which will be an important component of any future tender document.
- Economic Appraisal
- Initial meetings with CPD

### **Replacement of CITB NI's existing personnel system**

CITB NI'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 government legislation, a complete review and upgrade of CITB NI's website was carried out in order to ensure that it was AA compliant.

### **CITB NI Staff Remote Working**

Numerous technical initiatives and changes were introduced in order to allow CITB NI staff to work remotely during the COVID-19 pandemic and subsequent lockdown.

### **Internet Based Phone System**

An investigation was completed into the possibility of upgrading CITB NI's existing telephone system to become internet based and so further enable remote working. An economic appraisal has been prepared and is currently being reviewed for approval.

### **CITB NI Internet Access**

A high speed leased line internet connection was installed, replacing the existing ISDN broadband service. 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**

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 when required.

## **Installation of Multi-Functional Devices (MFDs)**

To reduce running costs three new MFDs were installed on a lease basis. These replace all other printers, copiers and scanners which have been removed.

## **Training Promotions Project**

Undertaken by two seconded staff members for six months from June-November 2019.

Trialling the introduction of a Promotional Officer role was undertaken to monitor the impact this would have with CITB NI registered employers, to raise awareness of compliance, services, and products available for a trial period of six months.

The purpose of the project was to raise awareness of;

- Statutory Obligations
- The CITB NI grant scheme
- CITB NI services and product support

A target list of 975 Registered companies that had not been compliant in the past year/s were identified and geographically split between North & South areas.

The approach to the project was to undertake visits and link to Survey Monkey to collate outcomes. This included asking probing questions to determine customer needs, obtain much needed research, collate industry data to allow CITB NI to identify training needs and forecast trends for the future.

## **Marketing & Communications**

The Marketing Communications function continued to follow the Marketing Communications Strategy for 2019-20. For the first six months of the training year, CITB NI continued to produce informative and regular publications which included the Annual Skills Statement, the Annual Report Summary and the Strategic Plan. Additional careers publications were published to support the careers events and the Women in Construction Summit.

Digital publications included training flyers, business improvement events and research infographics and two Online Magazine publications were published throughout the year.

Advertising was placed during the year with trade press, including Specify, Modern Builder, Plant and Civil Engineer, Northern Ireland Yearbook and NI Builder. 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 CIOB Annual Lecture, the GCSE in Construction students and the Construction Excellence Awards.

The CITB NI website was regularly updated during the year and along with email and social media was used to engage with registered employers, industry, stakeholders and others. There was an average of 4588 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 1368 Facebook followers, 1397 Twitter followers and 1455 LinkedIn followers. We established an Instagram channel in 2020 and at the end of the training year have 125 followers.

As part of NI Apprenticeship Week, CITB NI developed four case study videos for use on our website and social media, these were very well received and have been utilised for careers promotion work.

The second six months of the training year were affected by COVID-19 and Marketing and Communications activities were focused on delivering CITB NI's Pandemic Communications Strategy. As part of this a COVID-19 Information Hub was developed on CITB NI's website which held all relevant information for support of registered employers and guidance from Government and Industry Bodies. This alongside regular emails and text messages to the industry formed the main method of crisis communications. CITB NI continued to support the industry through online training and a section of the website was dedicated to short videos to support key sectoral topics and the Business Improvement Seminars moved to a webinar format.

As part of the Marketing Strategy CITB NI employed the services of a PR company to help raise the profile of the organisation. A number of press releases were developed and sent to local and trade press which generated 134 press clippings with a total PR value of £61,523 which contributed to employer and industry awareness of CITB NI services. The Chief Executive Barry Neilson featured in two radio broadcast pieces and the Women in Construction Summit featured on NVTV.

## **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 have 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.

### **Horizon 2020 / BIMcert**

CITB NI in partnership with Belfast Metropolitan College and five other European project partners from Ireland, Portugal, Croatia and Macedonia secured a €1.25M (£1.11m) Horizon 2020 grant to develop BIMcert - a training model and toolkit to help all levels of the industry take their first, or next, step to working with Building Information Modelling (BIM).

BIM has become a key requirement in the built

environment, where all relevant information is created and managed through the lifecycle of a construction project and where digital and virtual reality technology can be used to provide information on every aspect of the project.

The project was to develop a suite of training tools and an electronic platform for any EU training provider to adopt and develop BIM/digital construction skills throughout the industry. The intention is to ensure that all within the industry have a training module that will help them access and use the Information and visual Modelling that BIM / Digital Construction provides.

### **Developing and adapting training for online delivery**

COVID-19 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-19 restrictions proved very popular with 636 visits to avail of this service.

This approach was also used to deliver several online courses including Stress and Anxiety, Bereavement and loss and Addiction support which were unable to be held in the normal way.

### **Research**

Throughout the year CITB NI completed or contributed to a number of 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 September 2019.

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. However initial uncertainty around the outcome of Brexit followed by the impact of the global pandemic, resulted in forecasts not being published for 2019.

The annual 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.

The Employer Attitudes and Motivations to Learning and Training research provides an open and regular programme of employer consultation. It provides a reality check for anecdotal reports and enabling employer reactions to be gained on 'hot topics' of the moment. The report for Wave

19 of the research included 108 responses and was published in November 2019. Topics covered included key business challenges, apprentices and new technologies.

Research into the training needs of companies involved in setting out, levelling and surveying was undertaken using an online survey tool. The survey indicated a demand for training, and this is being progressed.

Online surveys were completed to establish demand for apprenticeship frameworks in 13 occupations.

An online survey was conducted to establish the impact of COVID-19 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 is facilitating 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 to develop 11 apprenticeship pathways to final Gateway 4 stage. This work was completed in March 2020.

Individual surveys were carried out to determine the demand for different construction pathways and to identify employers to participate in the apprenticeship reviews. Five pathways received initial Gateway 1 approval and CITB NI made a tender application to Skills Development Scotland to develop five apprenticeship pathways to final Gateway 4 stage. This work is pending a successful tender outcome.

CITB NI continued to deliver a quality control programme in Northern Ireland on behalf of the CSR Construction Skills Register Plant Scheme (CSR). The programme required the monitoring of plant operator achievement tests to support and maintain the standard of plant operator test delivery.

CITB NI is developing a 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 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.

CITB NI is supporting 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, IOSH and the NI Mental Health Leadership Group. 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 workshops and training but once COVID-19 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-19 environment can bring.

## Sustainability and Efficiency Measures

A continuous drive to affect cost savings has contributed to the Board’s sustainability and efficiency measures. Due to the COVID-19 pandemic lockdown and a reduced number of staff and trainees occupying the building during this year the organisation produced six less skips full of general waste than last year and recycled 90 less bags of paper for shredding. A reduction in usage of electricity (2,619 units) and heating oil (1,541 litres) over last year’s figures resulted in an underspend of £6,725 on the electricity budget but an underspend of £9,794 expected to be spent on heating oil. Overall, the budget set for electricity consumption was 19% underspent and the allowance for heating oil was 39% under spent. The current tenants contributed to payments of £5,677 which amounts to 20% of total electricity units consumed.

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.

## Sustainability Report

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 CO<sub>2</sub>e for the year. The carbon footprint for the organisation during the 2019-20 year of 118.90 tonnes CO<sub>2</sub>e represents a 20% reduction over the 2018-19 figures. It also represents a 2/3 reduction on the organisation’s emissions since the base year in 2008-09.

This reduction in emissions is largely due to lower usage of electricity, heating oil and business travel during the COVID-19 restrictions. It is hoped that with the installation of new LED lighting throughout the practical training areas, a better insulated flat roof and minimal staff travel that CITB NI can keep our carbon footprint as low as possible.

### **Efficiency Measures**

The installation of LED lighting in the main training areas during the year and 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 is expected to improve energy consumption and improve the working/teaching environment.

### **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 over 93% of the total income in 2019-20. 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 and 2019-20 despite the reduction in levy rate.

The surpluses generated in 2017-18 and 2018-19 were transferred to reserves and will be used by CITB NI to fund the 2019-20 deficit and the potential decrease in income during 2020-21.

The majority of CITB NI's expenditure is on staff costs and supporting the grants scheme. It is not envisaged that these two main costs will change significantly over the next few years.

Early forecasts for levy income in 2020-21 suggested a potential decline as a result of COVID-19, however this decline did not materialise, and levy income has remained steady.



**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.

The purpose of this statement is to confirm the continuing effectiveness of the governance arrangements of CITB NI that support the achievement of CITB NI's policies, aims and objectives.

### **Directors' Report**

#### **Position of Chief Executive**

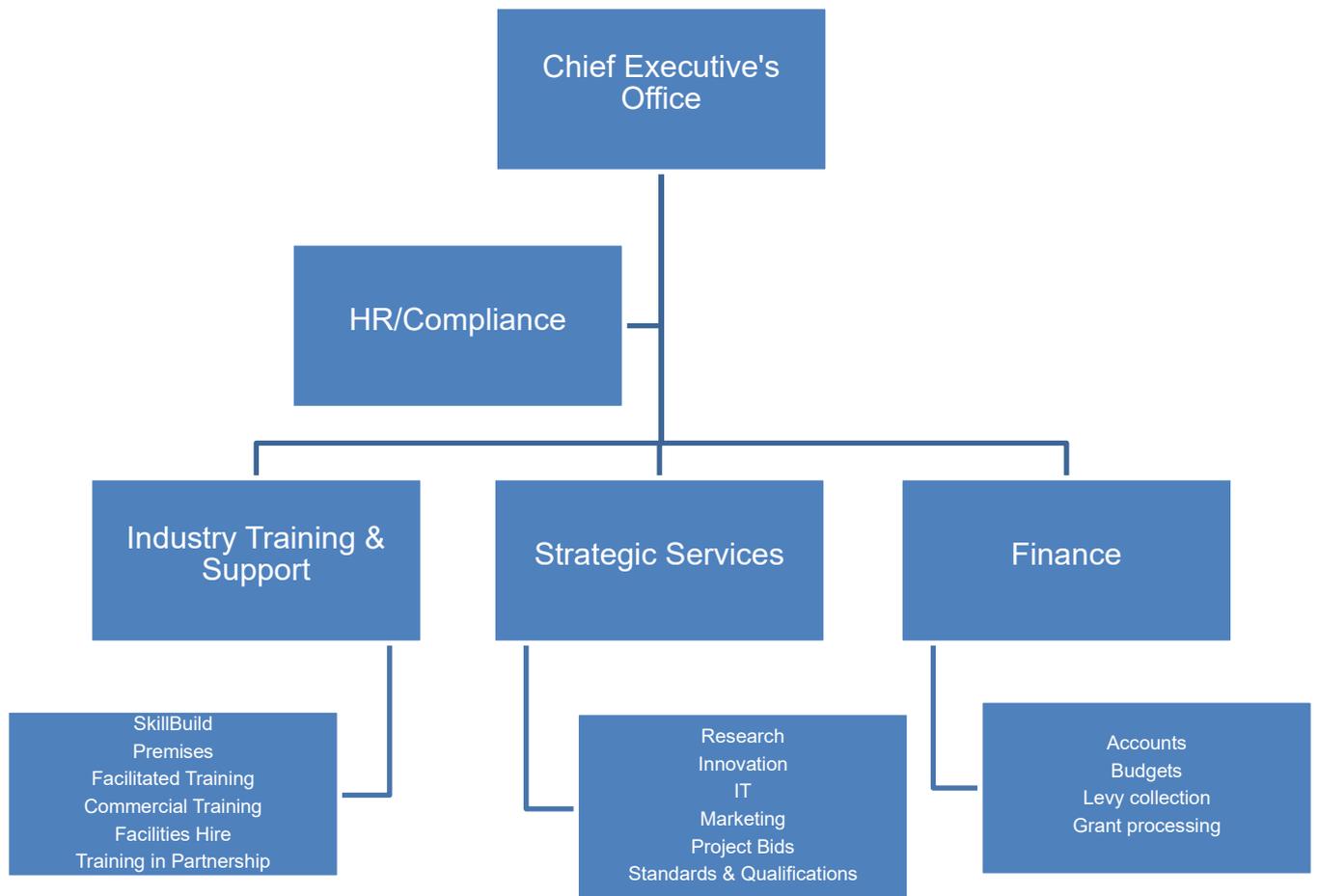
Mr Barry Neilson was Chief Executive and Accounting Officer from 1 September 2019 to 31 August 2020.

#### **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 2019-20



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

### **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 2020, 99.6%, (2018-19: 100%) 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 2019-20 we met this standard for 95% of invoices received (2018-19: 100%).

## **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 2019-20. 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.

## **Audit of Financial Statements**

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Industrial Training (Northern Ireland) Order 1984. The Comptroller and Auditor General is the head of the Northern Ireland Audit Office and he and his staff are wholly independent of CITB NI.

The audit of the financial statements for 2019-20 resulted in an audit fee of £10,500 which is included in other operating expenditure within the Statement of Comprehensive Net Expenditure.

## **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 did not purchase any non-audit services from its auditor, the Northern Ireland Audit Office. (2018-19: £1,156).

### **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 2020.

## 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 2019-20 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.

Board members took part in the Annual Board Workshop in November 2019 incorporating discussions around setting the strategic direction of the organisation and support for the industry.

During the 2019-20 year, issues considered by the Board included:

- Strategic direction
- Annual budget

- Management accounting
- Performance targets
- Annual review of risk management
- Proposal of the CITB NI annual levy rate

The consultation on the annual levy rate was issued to industry in 23 March 2020. However, due to the COVID-19 lockdown industry responses were not received. In accordance with CITB NI legislation the levy rate was set by CITB NI Sponsoring Department, Department for the Economy.

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.

### **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 was presented to the Board in January 2020.

### **Internal Audit**

CITB NI's internal audit function is currently provided by KPMG who completed the first 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 2020 KPMG completed the agreed programme of audits.

The table below provides a summary of assurance ratings received.

| <b>Audit Topic</b>              | <b>Assurance Rating</b> |
|---------------------------------|-------------------------|
| HR-recruitment, pay and grading | Satisfactory            |
| Levy Collection                 | Satisfactory            |
| Grant Payment                   | Satisfactory            |
| BCDR                            | Limited                 |
| Core Financial                  | Satisfactory            |

One Internal Audit report with limited assurance was received in relation to Business Continuity and Disaster Recovery. The Business Continuity Plan had been subject to update. Some weaknesses were identified in relation to approval and testing, which had not been completed at the time of the audit.

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.

The Committee also reviews CITB NI policies following recommendations from the Audit and Risk Assurance Committee.

### **Executive Management Team**

The Executive Management Team (EMT) meets 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.

### **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 2020 and up to the date of approval of the annual report and accounts and accords with Treasury 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 2019-20 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 2019-20 year a number of risks were identified 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 2020 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 an annual report on risk management was provided to the Board in January 2020.

## **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 security training. This has been undertaken in compliance with the General Data Protection Regulations introduced in May 2018.

## **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 2020.

## **Assessment of compliance with Corporate Governance Code**

The Board is content that during 2019-20 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.

### 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 2019 to 31 August 2020 was held by Barry Neilson a direct employee of CITB NI. The remuneration payable to the Executive Management Team was as follows:

| Name  | 2019-20         |  |   |                | 2018-19         |  |  |                |
|---|-----------------|--|---|----------------|-----------------|--|--|----------------|
|   | Salary<br>£'000 | Benefits<br>in kind<br>(nearest<br>£100) | Pension<br>Benefits*<br>(to<br>nearest<br>£1,000) | Total<br>£'000 | Salary<br>£'000 | Benefits<br>in kind<br>(nearest<br>£100) | Pension<br>Benefits<br>(to<br>nearest<br>£1,000) | Total<br>£'000 |
| B Neilson<br>Chief Executive                    | 65-70           | 0  | 32  | <b>95-100</b>  | 65-70           | 0  | 10   | <b>75-80</b>   |
| D Cooper<br>Director of Industry<br>Training    | 45-50           | 0  | 17  | <b>60-65</b>   | 45-50           | 0  | 11   | <b>55-60</b>   |
| A McIlmurray (P/T)<br>Director of Finance       | 40-45           | 0  | 14  | <b>55-60</b>   | 35-40           | 0  | 12   | <b>50-55</b>   |
| W McMullan<br>Director of Strategic<br>Services | 45-50           | 0  | 16  | <b>60-65</b>   | 45-50           | 0  | 13   | <b>55-60</b>   |

### Fair Pay Disclosures (Audited)

|  | 2019-20 | 2018-19 |
|--|---------|---------|
|  | £'000   | £'000   |
| Band of Highest Paid Director's Total Remuneration | 65-70   | 65-70   |
| Median Total Remuneration                          | £24,828 | £24,680 |
| Ratio  | 2.68    | 2.65    |

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

| Official                                       | 2019-20         |                                       | 2018-19         |                                       |
|--|-----------------|---------------------------------------|-----------------|---------------------------------------|
|  | Salary<br>£'000 | Benefits in<br>kind<br>(nearest £100) | Salary<br>£'000 | Benefits in<br>kind<br>(nearest £100) |
| M W Johnston (Chairman)*<br>Appointed 01/08/14 | 15-20           | -                                     | 15-20           | -                                     |
| B Vaughan *<br>Board member from 01/01/13      | 0-5             | -                                     | 0-5             | -                                     |
| C Boyle<br>Board member from 01/06/13          | 0-5             | -                                     | 0-5             | -                                     |
| D Martin<br>Board Member from 01/04/14         | 0-5             | -                                     | 0-5             | -                                     |

|   |     |   |     |   |
|---|-----|---|-----|---|
| D Henry<br>Board Member from 01/04/14     | 0-5 | - | 0-5 | - |
| M Bradley *<br>Board member from 01/06/13 | 0-5 | - | 0-5 | - |
| C Brolly<br>Board member from 01/01/13    | 0-5 | - | 0-5 | - |
| S Hassard<br>Board member from 01/04/14   | 0-5 | - | 0-5 | - |
| J Pollock*<br>Board member from 01/04/14  | 0-5 | - | 0-5 | - |
| C Mahon*<br>Board member from 01/06/13    | 0-5 | - | 0-5 | - |
| C Corken<br>Board member from 01/04/14    | 0-5 | - | 0-5 | - |

\* *Member of Finance & General Purposes Committee*

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.

### **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 2019-20 year. (2018-19: 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 2019-20 was £65k to £70k (2018-19: £65k - £70k). This was 2.68 times (2018-19: 2.65 times) the median remuneration of the workforce, which was £24,828 (2018-19: £24,680).

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 31/08/2020 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/08/20 | CETV at 31/08/19 | Real increase in CETV |
|--|--|--|------------------|------------------|-----------------------|
|  | £'000  | £'000  | £'000            | £'000            | £'000                 |
| B Neilson<br>Chief Executive                 | 10-15<br>Plus, lump sum of 0-5                                       | 0-2.5<br>Plus, lump sum of 0-5                               | 202              | 167              | 27                    |
| D Cooper<br>Director of Industry Training    | 20-25<br>Plus, lump sum of 35-40                                     | 0-2.5<br>Plus, lump sum of 0-5                               | 441              | 409              | 22                    |
| A McIlmurray<br>Director of Finance          | 10-15<br>Plus, lump sum of 0-5                                       | 0-2.5<br>Plus, lump sum of 0-5                               | 128              | 114              | 9                     |
| W McMullan<br>Director of Strategic Services | 10-15<br>Plus, lump sum of 10-15                                     | 0-2.5<br>Plus, lump sum of 0-5                               | 228              | 205              | 17                    |

The above information was provided by NILGOSC and comprises benefits accrued as at 31 August 2020.

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 2019-20 for the single total figure of remuneration, NILGOSC takes account of inflation. The CPI increase for September 2019 was 1.7%. The in-service revaluation rate for the Career Average Revalued Earnings Scheme was also 1.7%.

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 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)

|                       | <b>Permanently</b> | <b>Others</b> | <b>2019-20</b>   | <b>2018-19</b>   |
|-----------------------|--------------------|---------------|------------------|------------------|
|                       | <b>£</b>           | <b>£</b>      | <b>£</b>         | <b>£</b>         |
| Wages and Salaries    | 819,150            | -             | 819,150          | 783,405          |
| Social Security Costs | 78,006             | -             | 78,006           | 73,165           |
| Other Pension Costs   | 399,000            | -             | 399,000          | 387,000          |
| <b>Total</b>          | <b>1,296,156</b>   | <b>-</b>      | <b>1,296,156</b> | <b>1,243,570</b> |

### 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:

|                   | <b>2019-20</b> | <b>2018-19</b> |
|-------------------|----------------|----------------|
| Directly employed | <b>28</b>      | <b>28</b>      |
| Agency Staff      | <b>0</b>       | <b>1</b>       |

### Staff Composition

CITB NI had 30 members of staff at 31 August 2020.

|                  | <b>Male</b> | <b>Female</b> | <b>Total</b> |
|------------------|-------------|---------------|--------------|
| <b>Directors</b> | 3           | 1             | <b>4</b>     |
| <b>Employees</b> | 6           | 20            | <b>26</b>    |

### Staff Pension 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 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 20% of pensionable pay for each employee who is a member of the NILGOSC scheme.

The total amount of employer contributions paid to NILGOSC during 2019-20 amounted to £163,195.

### **Sick Absence**

Staff absence due to illness was on average 3.4 days per employee for the year ended 31 August 2020 (2018-19: 3 days). The figure for the wider Northern Ireland Civil Service is an average of 12.9 days in 2019-20.

### **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 Disability Action Plan has also been developed.

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. Performance Reviews are required, and an Employee Attitude Survey is undertaken every two years to gauge staff engagement, opinions and attitudes.

## **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 2019-20. (2018-19: NIL)

## **Consultancy and Temporary Staff**

During the year to 31 August 2020, CITB NI did not incur any expenditure on external consultancy (2018-19: NIL). Expenditure incurred in relation to temporary staff for the year ended 31 August 2020: NIL (2018-19: £23,654).

## **Ill-Health Retirement**

No staff members retired due to ill-health during 2019-20.

## **Reporting of Civil Service and other compensation schemes- exit packages**

(This section is subject to audit)

CITB NI did not participate in the Northern Ireland Voluntary Exit Scheme during 2019-20 or 2018-19.

## 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 2019-20.

### Losses and Special Payments

(This section is subject to audit)

|                        |                |                |
|------------------------|----------------|----------------|
| Losses Statement       | <b>2019-20</b> | <b>2018-19</b> |
| Total Number of Losses | 39             | 60             |
| Total Value of Losses  | £53,838        | £30,303        |

There were no special payments made in 2019-20.

### 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 2019-20 were as follows:

|                    | <b>2019-20</b>  | <b>2018-19</b> |
|--------------------|-----------------|----------------|
|                    | <b>£</b>        | <b>£</b>       |
| Scaffolding Income | 44,945          | 72,610         |
| Staff costs        | (55,005)        | (53,595)       |
| Direct Expenses    | (12,900)        | (15,541)       |
| <b>Total</b>       | <b>(22,960)</b> | <b>3,474</b>   |

The Scaffolding courses have not met the full-cost recovery objective as a net deficit of £22,960 has been reported for the year. Scaffolding income was significantly impacted by COVID-19 as courses were put on hold from March 2020 until July 2020. When courses resumed, in order to maintain social distancing as required by Government, less trainees could attend resulting in a reduction in course fee income.

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 2019-20 year, (none for 2018-19).



**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 2020 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. 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 2020 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**

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- Construction Industry Training Board Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- Construction Industry Training Board Northern Ireland has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Construction Industry Training Board Northern Ireland's ability to continue to adopt the going concern basis.

## **Other Information**

The Board and the Accounting Officer are responsible for the other information included in the annual report. 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. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, 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, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion:

- the 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.

## **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 and for being satisfied that they give a true and fair view.

## **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 evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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](http://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.

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

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; 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.

## **Report**

I have no observations to make on these financial statements.

A handwritten signature in black ink, appearing to read 'K J Donnelly', with a long, sweeping horizontal stroke extending to the right.

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

*25<sup>th</sup> May 2022*

**Financial Statements for the year ended 31 August 2020**

CITB NI

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
FOR THE YEAR ENDED 31 AUGUST 2020**

|  |       | 2019-20            | 2018-19            |
|--|-------|--------------------|--------------------|
|  | Note  | £                  | £                  |
| Income from sale of goods and services                       | 2     | 135,595            | 137,414            |
| Other operating Income                                       | 2     | 3,570,437          | 3,662,526          |
| <b>Total operating income</b>                                |       | <b>3,706,032</b>   | <b>3,799,940</b>   |
| Staff Costs  | 3     | (1,296,156)        | (1,243,570)        |
| Purchase of goods and services                               | 3     | (611,893)          | (651,773)          |
| Depreciation and impairment charges                          | 4,5   | (169,018)          | (111,280)          |
| Other operating expenditure                                  | 3     | (1,760,632)        | (1,404,019)        |
| <b>Total operating expenditure</b>                           |       | <b>(3,837,699)</b> | <b>(3,410,642)</b> |
| <b>Net operating (expenditure) / income</b>                  |       | <b>(131,667)</b>   | <b>389,298</b>     |
| Finance income   |       | 12,848             | 14,555             |
| Finance expense  |       | (46,000)           | (14,000)           |
| <b>Net (expenditure) / income for the year</b>               |       | <b>(164,819)</b>   | <b>389,853</b>     |
| <b>Other Comprehensive Net Income</b>                        |       |                    |                    |
|  | Note  | 2019-20<br>£       | 2018-19<br>£       |
| Items which will not be reclassified to net operating costs  |       |                    |                    |
| Net gain on revaluation of property, plant & equipment       | 4     | 26,007             | 46,137             |
| Net gain on revaluation of intangible assets                 | 5     | 210                | 47                 |
| Actuarial (losses)/gains on pension scheme liabilities       | 10.14 | (2,624,000)        | (1,807,000)        |
| <b>Comprehensive net (expenditure) / income for the year</b> |       | <b>(2,762,602)</b> | <b>(1,370,963)</b> |

The notes on pages 58-76 form part of these accounts.

**CITB NI**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 AUGUST 2020**

|  |      | 2019-20            | 2018-19            |
|--|------|--------------------|--------------------|
|  | Note | £                  | £                  |
| <b>Non-Current Assets:</b>                   |      |                    |                    |
| Property, Plant and Equipment                | 4    | 2,373,819          | 2,439,241          |
| Intangible Assets                            | 5    | 51,825             | 58,316             |
| <b>Total Non-Current Assets</b>              |      | <b>2,425,644</b>   | <b>2,497,557</b>   |
| <b>Current Assets:</b>                       |      |                    |                    |
| Trade and Other Receivables                  | 7    | 497,017            | 155,787            |
| Cash and Cash Equivalents                    | 8    | 3,127,695          | 3,529,013          |
| <b>Total Current Assets</b>                  |      | <b>3,624,712</b>   | <b>3,684,800</b>   |
| <b>Total Assets</b>                          |      | <b>6,050,356</b>   | <b>6,182,357</b>   |
| <b>Current Liabilities</b>                   |      |                    |                    |
| Trade and Other Payables                     | 9    | (765,695)          | (1,012,096)        |
| <b>Total Current Liabilities</b>             |      | <b>(765,695)</b>   | <b>(1,012,096)</b> |
| <b>Total assets less current liabilities</b> |      | <b>5,284,661</b>   | <b>5,170,261</b>   |
| <b>Non-current liabilities</b>               |      |                    |                    |
| Pension Liabilities                          | 10.8 | (5,495,403)        | (2,618,401)        |
| <b>Total non-current liabilities</b>         |      | <b>(5,495,403)</b> | <b>(2,618,401)</b> |
| <b>Total assets less total liabilities</b>   |      | <b>(210,742)</b>   | <b>2,551,860</b>   |
| <b>Taxpayers' equity and other reserves</b>  |      |                    |                    |
| SoCNE Reserve                                |      | (448,759)          | 2,340,060          |
| Revaluation Reserve                          |      | 238,017            | 211,800            |
|  |      | <b>(210,742)</b>   | <b>2,551,860</b>   |

The notes on pages 58-76 form part of these accounts.

The financial statements on pages 54-76 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 2020

|  |             | 2019-20          | 2018-19          |
|--|-------------|------------------|------------------|
|  |             | £                | £                |
| <b>Cash Flows from Operating Activities</b>  | <b>Note</b> |                  |                  |
| Net operating (expenditure) / income   |             | (164,819)        | 389,853          |
| Adjustments for non-cash transactions  |             |                  |                  |
| Depreciation & Amortisation  | <b>4, 5</b> | 169,018          | 111,280          |
| (Increase)/Decrease in trade and other receivables   | <b>7</b>    | (341,230)        | (10,898)         |
| Increase/(Decrease) in trade payables  | <b>9</b>    | (216,100)        | 116,582          |
| <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i> |             |                  |                  |
| IAS 19 pension costs*  | <b>10</b>   | 253,000          | 227,000          |
| Gain/(Loss) on disposal of asset   |             | -                | 16               |
| <b>Net Cash Inflow/ (Outflow) from Operating Activities</b>  |             | <b>(300,131)</b> | <b>833,833</b>   |
| <b>Cash Flows from Investing Activities</b>  |             |                  |                  |
| Purchase of property, plant and equipment  | <b>4</b>    | (79,000)         | (119,909)        |
| Purchase of intangible assets  | <b>5</b>    | (22,187)         | (56,520)         |
| Proceeds of disposal of property, plant & equipment  |             |                  | -                |
| <b>Net Cash Outflow from Investing Activities</b>  |             | <b>(101,187)</b> | <b>(176,429)</b> |
| <b>Net Financing</b>   |             |                  |                  |
| Net increase/(decrease) in cash and cash equivalents in the period   | <b>8</b>    | (401,318)        | 657,405          |
| Cash and cash equivalents at the beginning of the period   | <b>8</b>    | <b>3,529,013</b> | <b>2,871,608</b> |
| <b>Cash and Cash Equivalents at the end of the period</b>  | <b>8</b>    | <b>3,127,695</b> | <b>3,529,013</b> |

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

The notes on pages 58-76 form part of these accounts.

**CITB NI****STATEMENT OF CHANGES IN TAXPAYERS' EQUITY  
FOR THE YEAR ENDED 31 AUGUST 2020**

|   | <b>SoCNE<br/>Reserve<br/>£</b> | <b>Revaluation<br/>Reserve<br/>£</b> | <b>Total<br/>Reserves<br/>£</b> |
|---|--------------------------------|--------------------------------------|---------------------------------|
| <b>Balance at 31 August 2018</b>              | <b>3,757,207</b>               | <b>165,616</b>                       | <b>3,922,823</b>                |
| <b>Changes in Taxpayers' Equity 2018-2019</b> |                                |                                      |                                 |
| Net income for the year                       | 399,853                        | -                                    | <b>399,853</b>                  |
| Auditor's Remuneration                        | (10,000)                       | -                                    | <b>(10,000)</b>                 |
| Revaluation gains                             | -                              | 46,184                               | <b>46,184</b>                   |
| Actuarial gains on NILGOSC pension scheme     | (1,807,000)                    | -                                    | <b>(1,807,000)</b>              |
| <b>Balance at 31 August 2019</b>              | <b><u>2,340,060</u></b>        | <b><u>211,800</u></b>                | <b><u>2,551,860</u></b>         |
| <b>Changes in Taxpayers' Equity 2019-2020</b> |                                |                                      |                                 |
| Net (expenditure) / income for the year       | (154,319)                      | -                                    | <b>(154,319)</b>                |
| Auditor's remuneration                        | (10,500)                       | -                                    | <b>(10,500)</b>                 |
| Revaluation gains                             | -                              | 26,217                               | <b>26,217</b>                   |
| Actuarial loss on NILGOSC pension scheme      | (2,624,000)                    | -                                    | <b>(2,624,000)</b>              |
| <b>Balance at 31 August 2020</b>              | <b><u>(448,759)</u></b>        | <b><u>238,017</u></b>                | <b><u>(210,742)</u></b>         |

The notes on pages 58-76 form part of these accounts.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR END 31 AUGUST 2020**

#### **1 Statement of Accounting Policies**

These financial statements have been prepared in accordance with the 2019-20 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 2020 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 Going Concern**

The CITB NI financial statements have been prepared on a going concern basis.

Although the Statement of Financial Position shows CITB NI to have a net liability position, the Board do not consider there is a risk of CITB NI not being a going concern. The net liability is due solely to the NILGOSC pension liability which is a multi-employer pension scheme. The amount of liability recorded in the Statement of Financial position is an actuarial assessed estimate of CITB NI's proportion of the overall NILGOSC scheme. It is not likely that this liability will crystallise and as market conditions are currently very volatile this liability can change significantly on a daily basis.

Management have assessed both the income and expenditure streams of CITB NI and are content that the organisation will remain financially stable over the period assessed. The use of the going concern basis of accounting is appropriate for CITB NI as there are no material uncertainties relating to events or conditions that may cast significant doubt on the ability of CITB NI to continue as a going concern.

##### **1.3 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.

### **1.3.1 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.

## **1.4 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.

## **1.5 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.

## **1.6 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.

### **1.6.1 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.

### **1.6.2 Measurement of the Scheme Assets**

The pension fund asset is accounted for at fair value.

### **1.6.3 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.

#### **1.6.4 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.

### **1.7 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.

### **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 is £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.

**1.8 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:

|  |             |
|--|-------------|
| <u>Property, Plant &amp; Equipment</u> |             |
| 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.

## **1.9 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.

## **1.10 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.

## **1.11 Impending Application of Newly Issued Accounting Standards not yet Effective**

CITB NI has not yet applied a new accounting standard and known or reasonably estimable information relevant to assessing the possible impact that initial application of the new standard will have on CITB NI's financial statements.

## **1.12 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.

### 1.13 Taxation

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

### 1.14 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.

### 1.15 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:

|  | <b>2019-20</b>               | <b>2018-19</b>               |
|--|------------------------------|------------------------------|
|  | <b>£</b>                     | <b>£</b>                     |
|  | <hr/>                        | <hr/>                        |
| <i>Sale of goods and services</i>                      |                              |                              |
| Direct Training Course Income                          | 54,280                       | 72,855                       |
| Room hire/rental income                                | 81,315                       | 64,559                       |
| <i>Other Operating income</i>                          |                              |                              |
| Statutory Levy Income                                  | 3,459,934                    | 3,507,381                    |
| Activities funded by<br>the Department for the Economy | 73,166                       | 64,642                       |
| Income from bodies external to NI<br>Government        | 37,337                       | 90,503                       |
| <b>Total income</b>                                    | <hr/> <b>3,706,032</b> <hr/> | <hr/> <b>3,799,940</b> <hr/> |

### 3. Expenditure

|  | <b>2019-20</b>   | <b>2018-19</b>   |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| <i>Staff Costs<sup>1</sup></i>         |                  |                  |
| Wages and Salaries                     | 819,151          | 783,405          |
| Social Security Costs                  | 78,005           | 73,165           |
| Other Pension Costs                    | 399,000          | 387,000          |
| <b>Total</b>                           | <b>1,296,156</b> | <b>1,243,570</b> |
| <br>                                   |                  |                  |
| <i>Purchase of Goods and Services</i>  |                  |                  |
| Running Costs                          | 418,475          | 363,779          |
| Other Training Services                | 138,999          | 118,598          |
| Direct Training Provision              | 36,296           | 60,316           |
| Legal Fees                             | 7,738            | 94,586           |
| Professional Fees                      | 10,385           | 14,494           |
| <b>Total</b>                           | <b>611,893</b>   | <b>651,773</b>   |
| <br>                                   |                  |                  |
| Depreciation                           | <b>169,018</b>   | <b>111,280</b>   |
| <br>                                   |                  |                  |
| <i>Other Operating Expenditure</i>     |                  |                  |
| Grants to Employers and Partner Bodies | 1,728,670        | 1,375,343        |
| Research and Development               | 13,586           | 8,161            |
| Auditor's Remuneration and Expenses    | 10,500           | 11,156           |
| Rentals under Operating Leases         | 1,499            | 1,523            |
| Expenses of Boards & Committees        | 6,377            | 7,836            |
| <b>Total</b>                           | <b>1,760,632</b> | <b>1,404,019</b> |
| <br>                                   |                  |                  |
| <b>Total Operating Expenditure</b>     | <b>3,837,699</b> | <b>3,410,642</b> |

The auditor's remuneration and expenses include an external audit fee of £10,500 (2018-19: £10,000). During the year CITB NI did not purchase any non-audit services from its auditor, the Northern Ireland Audit Office. (2018-19: £1,156).

<sup>1</sup> 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            |
|--|------------------|------------------|------------------------|-------------------|----------------------|---|------------------|
|  | £                | £                | £                      | £                 | £                    |   | £                |
| <b>Cost or valuation</b>                 |                  |                  |                        |                   |                      |   |                  |
| 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)         |
| <b>At 31 August 2020</b>                 | <b>1,070,000</b> | <b>1,030,000</b> | <b>301,265</b>         | <b>458,688</b>    | <b>216,954</b>       | <b>-</b>  | <b>3,076,907</b> |
| <b>Depreciation</b>                      |                  |                  |                        |                   |                      |   |                  |
| 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)         |
| <b>At 31 August 2020</b>                 | <b>-</b>         | <b>-</b>         | <b>260,503</b>         | <b>286,932</b>    | <b>155,653</b>       | <b>-</b>  | <b>703,088</b>   |
| <b>Carrying amount at 31 August 2020</b> | <b>1,070,000</b> | <b>1,030,000</b> | <b>40,762</b>          | <b>171,756</b>    | <b>61,301</b>        | <b>-</b>  | <b>2,373,819</b> |
| <b>Carrying amount at 31 August 2019</b> | <b>1,070,000</b> | <b>860,000</b>   | <b>62,211</b>          | <b>6,140</b>      | <b>22,320</b>        | <b>418,570</b>                                  | <b>2,439,241</b> |

|  | Land             | Buildings      | Information Technology | Plant & Machinery | Furniture & Fittings | Payments on Account & Assets under Construction | Total            |
|--|------------------|----------------|------------------------|-------------------|----------------------|---|------------------|
|  | £                | £              | £                      | £                 | £                    |   | £                |
| <b>Cost or valuation</b>                 |                  |                |                        |                   |                      |   |                  |
| At 01 Sept 2018                          | 1,070,000        | 860,000        | 287,957                | 252,053           | 155,461              | -   | 2,625,471        |
| Additions                                | -                | -              | 21,144                 | -                 | 14,735               | 418,570   | 454,449          |
| Disposals                                | -                | -              | (1,584)                | -                 | -                    | -   | (1,584)          |
| Revaluations                             | -                | -              | -                      | -                 | -                    | -   | -                |
| <b>At 31 August 2019</b>                 | <b>1,070,000</b> | <b>860,000</b> | <b>307,517</b>         | <b>252,053</b>    | <b>170,196</b>       | <b>418,570</b>                                  | <b>3,078,336</b> |
| <b>Depreciation</b>                      |                  |                |                        |                   |                      |   |                  |
| At 01 Sept 2018                          | -                | -              | 208,708                | 243,079           | 141,638              | -   | 593,425          |
| Charged in year                          | -                | 46,137         | 38,166                 | 2,834             | 6,238                | -   | 93,375           |
| Disposals                                | -                | -              | (1,568)                | -                 | -                    | -   | (1,568)          |
| Revaluations                             | -                | (46,137)       | -                      | -                 | -                    | -   | (46,137)         |
| <b>At 31 August 2019</b>                 | <b>-</b>         | <b>-</b>       | <b>245,306</b>         | <b>245,913</b>    | <b>147,876</b>       | <b>-</b>  | <b>639,095</b>   |
| <b>Carrying amount at 31 August 2019</b> | <b>1,070,000</b> | <b>860,000</b> | <b>62,211</b>          | <b>6,140</b>      | <b>22,320</b>        | <b>418,570</b>                                  | <b>2,439,241</b> |
| <b>Carrying amount at 31 August 2018</b> | <b>1,070,000</b> | <b>860,000</b> | <b>79,249</b>          | <b>8,974</b>      | <b>13,823</b>        | <b>-</b>  | <b>2,032,046</b> |

**Note 4.1 – Over Accrual Adjustment –** An adjustment of £35,139 has been made to the building's category of property, plant and equipment. This adjustment is required as a

decision was taken during the year not to progress specific building works. The expenditure relating to these works had been accrued within the 2018-19 financial statements.

**Note 4.2** - 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 2020. As a result of COVID-19, LPS considers that, as of 31 August 2020, it can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The valuations this year are therefore reported based on 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards.

Consequently, less certainty and a higher degree of caution should be attached to them than would normally be the case.

The valuation was carried out by a qualified member of the Royal Institution of Chartered Surveyors

## 5. INTANGIBLE ASSETS

|  | IT Software    | Website        | Software Licences | Total          |
|--|----------------|----------------|-------------------|----------------|
|  | £              | £              | £                 | £              |
| <b>Cost or valuation</b>                 |                |                |                   |                |
| 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          |
| <b>At 31 August 2020</b>                 | <b>368,828</b> | <b>113,429</b> | <b>31,757</b>     | <b>514,014</b> |
| <b>Amortisation</b>                      |                |                |                   |                |
| 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          |
| <b>At 31 August 2020</b>                 | <b>336,753</b> | <b>103,436</b> | <b>22,000</b>     | <b>462,189</b> |
| <b>Carrying amount at 31 August 2020</b> | <b>32,075</b>  | <b>9,993</b>   | <b>9,757</b>      | <b>51,825</b>  |
| <b>Carrying amount at 31 August 2019</b> | <b>28,282</b>  | <b>21,393</b>  | <b>8,641</b>      | <b>58,316</b>  |
|  | IT Software    | Website        | Software Licences | Total          |
|  | £              | £              | £                 | £              |
| <b>Cost or valuation</b>                 |                |                |                   |                |
| At 01 September 2018                     | 322,951        | 86,641         | 21,687            | 431,279        |
| Additions                                | 25,882         | 25,860         | 4,778             | 56,520         |
| Revaluations                             | 1,502          | 407            | -                 | 1,909          |
| <b>At 31 August 2019</b>                 | <b>350,335</b> | <b>112,908</b> | <b>26,465</b>     | <b>489,708</b> |
| <b>Amortisation</b>                      |                |                |                   |                |
| At 1 September 2018                      | 312,208        | 84,429         | 14,988            | 411,625        |
| Charged in year                          | 8,379          | 6,690          | 2,836             | 17,905         |
| Disposals                                | -              | -              | -                 | -              |
| Revaluations                             | 1,466          | 396            | -                 | 1,862          |
| <b>At 31 August 2019</b>                 | <b>322,053</b> | <b>91,515</b>  | <b>17,824</b>     | <b>431,392</b> |
| <b>Carrying amount at 31 August 2019</b> | <b>28,282</b>  | <b>21,393</b>  | <b>8,641</b>      | <b>58,316</b>  |
| <b>Carrying amount at 31 August 2018</b> | <b>10,743</b>  | <b>2,212</b>   | <b>6,699</b>      | <b>19,654</b>  |

## 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

|   | 2019-20<br>£   | 2018-19<br>£   |
|---|----------------|----------------|
| <b>Amounts falling due within one year:</b> |                |                |
| Levy receivables                            | 372,130        | 85,908         |
| Trade receivables                           | 11,656         | 10,799         |
| Prepayments and accrued income              | 113,231        | 59,080         |
| <b>Total</b>                                | <b>497,017</b> | <b>155,787</b> |

## 8. CASH AND CASH EQUIVALENTS

|   | Total<br>£       |
|---|------------------|
| Balance at 01 September 2019            | 3,529,013        |
| Net change in cash and cash equivalents | (401,318)        |
| Balance at 31 August 2019               | <b>3,127,695</b> |

|   | 2019-20<br>£     | 2018-19<br>£     |
|---|------------------|------------------|
| The following balances at 31 August were held at: |                  |                  |
| Commercial banks and cash in hand                 | 3,127,695        | 3,529,013        |
| <b>Total</b>                                      | <b>3,127,695</b> | <b>3,529,013</b> |

## 9. TRADE AND OTHER PAYABLES

|   | 2019-20<br>£   | 2018-19<br>£     |
|---|----------------|------------------|
| <b>Amounts falling due within one year:</b> |                |                  |
| Accrued grants to employers                 | 649,164        | 557,603          |
| Accruals and deferred income                | 114,573        | 446,931          |
| Other payables                              | 1,958          | 7,562            |
| <b>Total</b>                                | <b>765,695</b> | <b>1,012,096</b> |

## 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 2019-20 are as follows:

| <b>Band</b> | <b>FTE Range (£)</b> | <b>Contribution Rate</b> |
|-------------|----------------------|--------------------------|
| 1           | 0 – 14,800           | 5.5%                     |
| 2           | 14,801 - 22,600      | 5.8%                     |
| 3           | 22,601 - 37,700      | 6.5%                     |
| 4           | 37,701 – 45,700      | 6.8%                     |
| 5           | 45,701 – 90,400      | 8.5%                     |
| 6           | more than 90,400     | 10.5%                    |

In 2019-20 the employer's contribution rate was 20%. (19% in 2018-19).

Contribution rates are due to remain similar in 2020-21 with only slight increases to the banding limits.

### 10.2 The McCloud Judgement

In December 2018 the Court of Appeal ruled against the Government in the 'McCloud/Sargeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated.

The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the government's request on 27 June 2019.

The long-awaited McCloud consultation for the LGPS (in England and Wales) was published on 16 July 2020 by The Ministry of Housing, Communities and Local Government (MHCLG). This set out proposed changes aimed at removing the unlawful age discrimination. The Department for the Communities published the Northern Ireland consultation on 11 November 2020.

CITB NI accounted for the potential McCloud liabilities within the 2018-19 financial statements. The accounting figures produced by the actuary for 2019-20 include an updated valuation of the potential McCloud liabilities. The actuary has allowed for the key elements of the proposed remedy as set out in the MHCLG consultation. The impact of this update has been recognised through Other Comprehensive Income.

The assumptions used by the actuary are as follows:

1. Underpin will apply to all those in the Scheme on 01 April 2012.
2. Underpin will apply on withdrawal.
3. Underpin will apply to spouse's pensions.

The current service cost includes a prospective allowance for McCloud liabilities of 3.20% of pensionable pay over the accounting period.

### **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".

HM Treasury have, however, gone on record since the Lloyds judgement to say, "Public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgement."

HM Treasury's comment relates to Governments commitment to fully index GMPs in the future (or having an alternative approach which would have a similar cost). This year the actuary has allowed for full indexation of GMPs for members whose State Pension Age is on or after 6 April 2016. The impact of any change to the assumption compared to last year is recorded through Other Comprehensive Income.

### **10.4 Cost Management in the LGPS**

Legislation requires HM Treasury to undertake periodic valuations to monitor the cost of the LGPS (NI) to ensure it remains sustainable and affordable. This is referred to as the "Cost Management Process". The consultation process took place between June 2021 and August 2021 and the Government published its response to the consultation on 04 October 2021. A summary of the response, where relevant to the LGPS (NI), is below –

- It proposes moving to a 'reformed scheme only' design
- Widening the corridor from 2% to 3% of pensionable pay.
- Introducing an economic check.

The actuary has accounted for the potential cost of improving members' benefits by making an allowance which is broadly consistent with the approach agreed for the 2019 valuation. This means 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 3.2% of pay.

## 10.5 ECONOMIC ASSUMPTIONS

The latest actuarial valuation of CITB NI's liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes at 31 August 2020 were:

|                                   | 2020 | 2019 |
|-----------------------------------|------|------|
| Discount Rate                     | 1.6% | 1.8% |
| CPI Inflation                     | 2.4% | 2.1% |
| Pension Increases                 | 2.4% | 2.1% |
| Pension accounts revaluation rate | 2.4% | 2.1% |
| Salary Increases                  | 3.9% | 3.6% |

## 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 2020 | 31 August 2019 |
|-----------------------------------|----------------|----------------|
| <b>Males</b>                      |                |                |
| Member aged 65 at accounting date | 21.8           | 22.3           |
| Member aged 45 at accounting date | 23.2           | 24.0           |
| <b>Females</b>                    |                |                |
| Member aged 65 at accounting date | 25.0           | 24.6           |
| Member aged 45 at accounting date | 26.4           | 26.4           |

## 10.6 Reconciliation of Funded Status to Statement of Financial Position

|  | 2020<br>£000's | 2019<br>£000's |
|--|----------------|----------------|
| Fair value of assets                               | 12,988         | 14,580         |
| Present value of funded defined benefit obligation | (18,331)       | (17,040)       |
| <b>Funded Status</b>                               | <b>(5,343)</b> | <b>(2,460)</b> |
| <b>Closing funded defined benefit obligation</b>   | <b>(5,343)</b> | <b>(2,460)</b> |

## 10.7 Reconciliation of Unfunded Status to Statement of Financial Position

|  | 2020<br>£000's | 2019<br>£000's |
|--|----------------|----------------|
| Present value of unfunded defined benefit obligation | (152)          | 158            |
| <b>Closing unfunded defined benefit obligation</b>   | <b>(152)</b>   | <b>(158)</b>   |

## 10.8 Reconciliation of Total Status to Statement of Financial Position

|  | 2020<br>£000's | 2019<br>£000's |
|--|----------------|----------------|
| Fair value of assets                               | 12,988         | 14,580         |
| Present value of funded defined benefit obligation | (18,483)       | (17,198)       |
| <b>Funded &amp; Unfunded Status</b>                | <b>(5,495)</b> | <b>(2,618)</b> |
| <b>Closing total defined benefit obligation</b>    | <b>(5,495)</b> | <b>(2,618)</b> |

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

|  | 2020<br>£000's | 2019<br>£000's |
|--|----------------|----------------|
| Opening defined benefit obligation                   | 17,198         | 14,530         |
| Current Service Cost                                 | 399            | 269            |
| Interest Expense                                     | 307            | 402            |
| Contributions by members                             | 54             | 50             |
| Actuarial (gains)/ losses – Financial Assumptions    | 1,775          | 3,029          |
| Actuarial (gains)/losses – Demographic Assumptions   | (482)          | (836)          |
| Actuarial (gains)/losses due to liability experience | (402)          | 29             |
| Net benefits paid out                                | (366)          | (393)          |
| Past service cost (inc, curtailments)                | 0              | 118            |
| <b>Closing defined benefit obligation</b>            | <b>18,483</b>  | <b>17,198</b>  |

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

|  | 2020<br>£000's | 2019<br>£000's |
|--|----------------|----------------|
| Opening fair value of assets           | 14,580         | 13,946         |
| Interest income on assets              | 261            | 388            |
| Remeasurement gains/(losses) on assets | (1,733)        | 415            |
| Contributions by the employer          | 192            | 174            |
| Contributions by employees             | 54             | 50             |
| Net benefits paid out                  | (366)          | (393)          |
| <b>Closing fair value of assets</b>    | <b>12,988</b>  | <b>14,580</b>  |

## 10.11 The Actual Return on Assets is as Follows:

|                                       | 2020<br>£000's | 2019<br>£000's |
|---------------------------------------|----------------|----------------|
| Interest income on assets             | 261            | 388            |
| Remeasurement (loss) / gain on assets | (1,733)        | 415            |
| <b>Actual return on assets</b>        | <b>(1,472)</b> | <b>803</b>     |

## 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.

|                  | 2020<br>Quoted | 2020<br>Unquoted | 2020<br>Total | 2019<br>Total |
|------------------|----------------|------------------|---------------|---------------|
| Equities         | 42.7%          | 0.0%             | 42.7%         | 40.2%         |
| Property         | 0.0%           | 9.3%             | 9.3%          | 10.8%         |
| Government Bonds | 24.4%          | 0.0%             | 24.4%         | 29.3%         |
| Corporate Bonds  | 14.3%          | 0.0%             | 14.3%         | 11.6%         |
| Cash             | 5.2%           | 0.0%             | 5.2%          | 4.7%          |
| Other            | 0.4%           | 3.7%             | 4.1%          | 3.4%          |
| <b>Total</b>     | <b>87.0%</b>   | <b>13.0%</b>     | <b>100%</b>   | <b>100.0%</b> |

## 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 2020 and the projected service cost for the year ending 31 August 2021 is set out below. We have not included sensitivity of unfunded benefits on materiality grounds.

|   |                   |                    |                   |
|---|-------------------|--------------------|-------------------|
| <b>Funded LGPS benefits</b>   |                   |                    |                   |
| <b>Discount rate assumption</b>   |                   |                    |                   |
| Adjustment to discount rate   | <b>+0.1% p.a.</b> | <b>Base figure</b> | <b>-0.1% p.a.</b> |
| Present value of total obligation (£000's)  | 18,001            | 18,331             | 18,661            |
| % change in present value of total obligation   | -1.8%             | -                  | 1.8%              |
| Projected service cost (£000's)   | 0.448             | 0.460              | 0.473             |
| Approximate % change in projected service cost  | -2.7%             | -                  | 2.8%              |
| <b>Rate of general increase in salaries</b>   |                   |                    |                   |
| Adjustment to salary increase rate  | <b>+0.1% p.a.</b> | <b>Base figure</b> | <b>-0.1% p.a.</b> |
| Present value of total obligation (£000's)  | 18,386            | 18,331             | 18,276            |
| % change in present value of total obligation   | 0.3%              | -                  | -0.3%             |
| Projected service cost (£000's)   | 0.460             | 0.460              | 0.460             |
| Approximate % change in projected service cost  | 0.0%              | -                  | 0.0%              |
| <b>Rate of increases to pensions in payment, deferred pension and revaluation of pension accounts assumptions</b> |                   |                    |                   |
| Adjustment to pension increase rate   | <b>+0.1% p.a.</b> | <b>Base figure</b> | <b>-0.1% p.a.</b> |
| Present value of total obligation (£000's)  | 18,606            | 18,331             | 18,056            |
| % change in present value of total obligation   | 1.5%              | -                  | -1.5%             |
| Projected service cost (£000's)   | 0.473             | 0.460              | 0.448             |
| Approximate % change in projected service cost  | 2.8%              | -                  | -2.7%             |
| <b>Post retirement mortality assumption</b>   |                   |                    |                   |
| Adjustment to mortality age rating assumption*  | <b>-1 year</b>    | <b>Base figure</b> | <b>+1year</b>     |
| Present value of total obligation (£000's)  | 19,009            | 18,331             | 17,653            |
| % change in present value of total obligation   | 3.7%              | -                  | -3.7%             |
| Projected service cost (£000's)   | 0.479             | 0.460              | 0.441             |
| Approximate % change in projected service cost  | 4.2%              | -                  | -4.1%             |

\*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

## 10.14 The Net Cost Recognised in the Statement of Comprehensive Net Expenditure:

|  | 2020<br>£000's | 2019<br>£000's |
|--|----------------|----------------|
| <b>Operating Cost</b>  |                |                |
| Current service cost*  | 399            | 269            |
| Past service cost (incl. curtailments)                                       | 0              | 118            |
| <b>Financing Cost</b>  |                |                |
| Interest on net defined benefit liability/(asset)                            | 46             | 14             |
| <b>Pension expense recognised in profit and loss</b>                         | <b>445</b>     | <b>401</b>     |
| <b>Remeasurements in other comprehensive expenditure</b>                     |                |                |
| Return on plan assets (in excess of)/below that recognised in net interest   | 1,733          | (415)          |
| Actuarial (gains) / losses due to change in financial assumptions            | 1,775          | 3,029          |
| Actuarial (gains) / losses due to changes in demographic assumptions         | (482)          | (836)          |
| Actuarial (gains) / losses due to liability experience                       | (402)          | 29             |
| <b>Total amount recognised in comprehensive net expenditure</b>              | <b>2,624</b>   | <b>1,807</b>   |
| <b>Total amount recognised in statement of comprehensive net expenditure</b> | <b>3,069</b>   | <b>2,208</b>   |

\* Allowance for administrative expenses included in current service cost (£000's) 4 3

## 11. COMMITMENTS UNDER LEASES

### OPERATING LEASES

At 31 August 2020 CITB NI had contracted with tenants for the following future minimum lease payments.

|  | 2019-20<br>£  | 2018-19<br>£  |
|--|---------------|---------------|
| Not later than one year                        | 41,952        | 49,915        |
| Later than one year and not later than 5 years | 15,600        | 4,950         |
| Later than 5 years                             | 0             | 0             |
| <b>Total</b>                                   | <b>57,552</b> | <b>54,865</b> |

## 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.

|                | <b>2019-20</b> | <b>2018-19</b> |
|----------------|----------------|----------------|
|                | <b>£</b>       | <b>£</b>       |
| Project Income | 14,694         | 64,642         |
|                | <b>14,694</b>  | <b>64,642</b>  |

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

|                                   | <b>2019-20</b> | <b>2018-19</b> |
|-----------------------------------|----------------|----------------|
|                                   | <b>£</b>       | <b>£</b>       |
| Henry Brothers Ltd                | 26,286         | 26,637         |
| Gilbert- Ash Limited              | 3,809          | 35,712         |
| McCormack Site Services (Ire) Ltd | 3,937          | 3,976          |
| Vaughan Developments Limited      | 1,840          | 2,192          |
|                                   | <b>35,872</b>  | <b>68,517</b>  |

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.

|                                   | <b>2019-20</b> | <b>2018-19</b> |
|-----------------------------------|----------------|----------------|
|                                   | <b>£</b>       | <b>£</b>       |
| Gilbert-Ash Limited               | 1,000          | 1,000          |
| Construction Employers Federation | 1,000          | 1,000          |
|                                   | <b>2,000</b>   | <b>2,000</b>   |

Amounts owed at 31 August 2020 from the above parties amounted to £NIL (2019: £NIL).

## 12. RELATED PARTY TRANSACTIONS (continued)

| Funding received relating to European funding partnerships: | <b>2019-20</b> | <b>2018-19</b> |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Horizon 20/20 (C.Corken – Belfast Metropolitan College)     | 18,076         | 32,982         |
|   | <b>18,076</b>  | <b>32,982</b>  |

| CITB NI paid & accrued grants to the following levy payers & organisations associated with board members. | <b>2019-20</b> | <b>2018-19</b> |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Construction Employers Federation   | -              | 6,000          |
| Northern Ireland Demolition Association   | 24,453         | 41,359         |
| Unite the Union   | 93,460         | 86,315         |
| University of Ulster  | -              | 2,998          |
| Henry Brothers Ltd  | 31,917         | 30,993         |
| Gilbert-Ash Limited   | 14,813         | 12,498         |
| McCormack Site Services (Ire) Ltd   | 935            | 1,955          |
| Vaughan Developments Limited  | -              | 130            |
|   | <b>165,578</b> | <b>182,248</b> |

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 Tiers 2 & 3 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 2019 - Aug 2020)   |               |  |   |                        | Performance   |
|---|---------------|--|---|------------------------|---|
| CSF No.   | Strategy Link | Critical Success Factors   | Performance Indicators  | 12 mth target          | YTD   |
| <b>Stakeholders and Customers</b>   |               |  |   |                        |   |
| 1   | 1,5           | Compliance with Government requirements for NDPB's                     | Internal and external audit compliance awarded satisfactory assurance   | Satisfactory Assurance | Satisfactory Assurance  |
| 2   | 1,2,5         | Contribution to DfE skills strategy                                    | Contribute to five themes (Demand, Quality & Relevance, Productivity, Barriers & Engagement)  | 5                      | 5   |
| 3   | 1,2,5         | Increased employer awareness of services                               | Employer Tracking Survey - Awareness of services  | 65%                    | 68%   |
| 4   | 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    | 3.8   |
| 5   | All           | Delivery of organisational objectives                                  | Business Delivery Plan - 50% of 36 actions progressing  | 18                     | 26  |
| <b>Financial</b>  |               |  |   |                        |   |
| 6   | 4             | Collection of levy payments due  | 95% of all invoiced levy income is collected  | 95%                    | 85%   |
| 7   | 1,4           | Maximise levy income returned in benefits to industry                  | 80% of budgeted levy income (£3,431,292) is returned in benefits  | £2,745,034             | £2,968,551  |
| 8   | All           | Maintaining grant spend within budget                                  | Management accounts   | £1,750,000             | £1,704,182  |
| 9   | 4             | Reduction in working capital reserves                                  | Management accounts - Reduce reserves to an appropriate level   | £2,100,000             | £2,822,081  |
| <b>Processes</b>  |               |  |   |                        |   |
| 10  | 1,2,3,5       | Identify training needs of the industry                                | Completion of training needs research projects  | 3                      | 3   |
| 11  | 1,2,3,5       | Setting occupational training standards                                | Progress the strands relevant to NI, in the Construction Skills Strategy (CSS)  | 10                     | 10  |
| 12  | 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%                    | 10.2%   |
| <b>People/Competence (Learning and Growth)</b>  |               |  |   |                        |   |
| 13  | All           | No. days training, people trained and qualifications achieved          | Management information reports - 3 of 3 targets achieved  | 3                      |   |
| 14  | All           | Organisational knowledge and competence                                | Leadership competence matrix  | 70%                    | 70%   |
| 15  | 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                    | 100   |
| <b>Strategic Plan Aims</b><br>1 CITB NI is seen as the <b>hub</b> for all training carried out by the construction sector<br>2 CITB NI should be at the <b>cutting edge</b> of training needs with the NI industry<br>3 CITB NI should deliver the <b>highest quality</b> in all our endeavours<br>4 CITB NI should be more <b>commercially minded</b> and identify ways to develop other income streams<br>5 CITB NI should build strong <b>strategic partnerships</b> to develop and enhance our activities |               |  |   |                        | <b>Traffic light</b><br> |

## APPENDIX 2

### BOARD MEMBERSHIP AND ATTENDANCE AT MEETINGS

#### September 2019 - August 2020

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 |
|------------|------------|

#### Employer Representatives:

|                              |            |
|------------------------------|------------|
| C Boyle, Synergy Innovations | 3 out of 7 |
|------------------------------|------------|

|                                     |            |
|-------------------------------------|------------|
| B Vaughan, Vaughan Developments Ltd | 6 out of 7 |
|-------------------------------------|------------|

|          |            |
|----------|------------|
| D Martin | 6 out of 7 |
|----------|------------|

|                             |            |
|-----------------------------|------------|
| D Henry, Henry Brothers Ltd | 7 out of 7 |
|-----------------------------|------------|

#### Employee Representatives:

|                                    |            |
|------------------------------------|------------|
| S Hassard, McCormack Site Services | 6 out of 7 |
|------------------------------------|------------|

|                           |            |
|---------------------------|------------|
| M Bradley, Gilbert-Ash NI | 7 out of 7 |
|---------------------------|------------|

|                           |            |
|---------------------------|------------|
| C Brolly, Unite the Union | 6 out of 7 |
|---------------------------|------------|

|                            |            |
|----------------------------|------------|
| J Pollock, Unite the Union | 3 out of 7 |
|----------------------------|------------|

#### Education Representatives:

|              |            |
|--------------|------------|
| C Mahon, UUJ | 7 out of 7 |
|--------------|------------|

|  |            |
|--|------------|
| C Corken, Belfast Metropolitan College | 3 out of 7 |
|--|------------|

#### Observer:

|                    |            |
|--------------------|------------|
| DfE Representative | 5 out of 7 |
|--------------------|------------|

|                         |            |
|-------------------------|------------|
| Department of Education | 3 out of 7 |
|-------------------------|------------|







**CITB NI**

Nutts Corner Training Centre  
17 Dundrod Road  
Crumlin BT29 4SR

**Tel:** 028 9082 5466

**Fax:** 028 9082 5693

**Email:** [info@citbni.org.uk](mailto:info@citbni.org.uk)

**[www.citbni.org.uk](http://www.citbni.org.uk)**

