

**Minutes of the CITB Board meeting held at 9am on 18 September 2025 at voco St David's
Cardiff and remotely via Microsoft Teams**

FOI Notice

Where asterisks (*) appear, these sections have been excluded from the minutes before placing on the website as the subject under discussion falls within one or more of the exemptions contained in Part II of the Freedom of Information Act 2000 and can be reasonably withheld.

PRESENT

Peter Lauener	Board Chair
Rachael Cunningham	Board Trustee
Michael Green	Board Trustee
Owain Jones	Board Trustee
Herman Kok	Board Trustee
Kevin McLoughlin	Board Trustee
Nikki Davis	Board Trustee – <i>remote – items 1-11</i>
Stephen Gray	Board Trustee – <i>remote</i>
Julia Heap	Board Trustee – <i>remote – items 5-15</i>
Sophie Seddon	Board Trustee – <i>remote</i>

STAFF INVITEES

Tim Balcon	CEO
Adrian Beckingham	Executive Director, Strategy & Policy
Kirsty Evans	Executive Principal for NCC & CITB Apprenticeships Scotland
Martina Doyle-Turner	Executive People Director
Deborah Madden	Executive Director, Nations Engagement
Nick Payne	Chief Financial Officer
Nadine Pemberton Jn Baptiste	Executive Director, Legal, Governance & Compliance – <i>items 1-9</i>
Angela Alabi	Head of Corporate Governance and Board Secretary
Hannah Stroud	Corporate Governance Manager

IN ATTENDANCE

Angela Forbes	Scotland Nation Council Chair
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GOVERNMENT OBSERVERS

Kevin Dixon	Department of Education (DfE) – <i>remote</i>
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STAFF INVITEES FOR SPECIFIC AGENDA ITEMS

Rachael Baker	Head of Business Planning & Performance – <i>remote – items 5 & 6</i>
Gillian Brewin	Head of Strategic Planning – <i>remote – items 5 & 6</i>
Paul Foreman	Head of Audit & Risk – <i>remote – items 5 & 10</i>
Daniel Durrant	Head of Financial Planning & Analysis – <i>remote – item 5</i>
Colin Chaplin	Head of Levy Strategy, Review & Consensus – <i>remote – item 8</i>

APOLOGIES

Holly Price	Board Trustee
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ITEM 1: WELCOME AND APOLOGIES

1.1 Peter Lauener (PL) welcomed all to the meeting. It was explained that discussions would be recorded to aid minute-taking only, and the recording would be deleted once these minutes had been approved. All attendees were comfortable with this arrangement.

1.2 Apologies were received and accepted from Holly Price (HP).

ITEM 2: DECLARATIONS OF INTEREST

2.1 There were no declarations of interest made in addition to those already recorded on the Board's Register of Interests.

ITEM 3: MINUTES FROM PREVIOUS MEETINGS, ACTIONS AND MATTERS ARISING

3.1 The minutes of the Board meeting held on 5 June 2025 were reviewed and approved as an accurate record of the meeting.

3.2 The minutes of the Extraordinary Board meeting held on 10 July 2025 were reviewed and approved as an accurate record of the meeting.

3.3 It was highlighted that confidential aspects of the Board minutes included in red italics in the minutes would be redacted before being published on the CITB website. It was agreed that going forward the names of staff invitees for specific agenda items would be included with their permission.

3.4 Trustees reviewed the Summary of Board Actions. It was noted that actions 8.7 and 8.8 from the meeting held on 5 June 2025 had been completed and actions 9.9 and 13.5 were on track. Action 8.5 from the meeting held on 27 February 2025 was on hold.

ITEM 4: KEY AIMS OF THE MEETING

4.1 PL provided a verbal update on the Cyfle Building Skills celebration held the previous afternoon, where the charity, for which Owain Jones (OJ) was the Chair of the board of trustees, had celebrated its shared Apprenticeship Scheme reaching over 1000 apprentices.

4.2 PL also shared that at the Board Dinner held the previous evening, the Trustees were joined by members of the Wales Nation Council. They had received a presentation from Cavendish Consulting on the government and politics in Wales ahead of the Senedd elections in May 2026, followed by a presentation from Adrain Beckingham (AB) on the work of the Construction Skills Mission Board in England. This led to discussions on what was needed to drive the necessary changes in Wales and ensure the commitment of stakeholders to deliver the impact employers need, considering the political landscape and the skills challenges in Wales.

4.3 PL highlighted that on 16 September there had been a Machinery of Government change with responsibility for apprenticeships, adult further education, skills, training and careers, and Skills England, moving from the Department for Education (DfE) to the Department for Work and Pensions (DWP). The Sponsorship Team for CITB and ECITB would move over to the DWP. Responsibility for higher education, and further education, skills, training and careers for those aged 19 years and under would remain with the DfE, and Baroness Smith of Malvern, the Minister for Skills, would serve jointly across the DWP and DfE. PL shared that he and Tim Balcon (TB) had met with colleagues at the DfE in relation to the implications of this change as well as any decisions arising from the current Cabinet Office review of all Arm's Length Bodies (ALBs). * It was agreed that a discussion on this Machinery of Government change would be included at the November Board meeting.

4.4 PL gave an overview of the key aims of the meeting's agenda items.

ITEM 5: CEO REPORT, PERFORMANCE & STRATEGIC RISKS Q1

5.1. Trustees noted the supporting reports.

CEO Report

5.2 In addition to the information contained in the supporting paper, TB gave a verbal update on the work of the Construction Skills Mission Board (CSMB) and highlighted its four strategic objectives of

1) Joint Skills Intelligence, 2) Demand-led Skills System, 3) Strategic and Local Coordination, and 4) Employer Investment and Delivery.

5.3 Trustees enquired if CITB's costs would increase with the transfer of SSCL staff over to CITB and also asked if levy collection was on track. Nick Payne (NP) responded that the transitioning over of services from SSCL would save CITB c.£5m per annum, and that levy collection was on track, although anecdotally the number of insolvent businesses was increasing.

5.4 ACTION: Nick Payne to provide for the November Board meeting, details on the number of construction firms on the levy register that have become insolvent over the past few years.

5.5 It was agreed that a discussion on whether CITB should increase its commercial income would take place at the Board Strategy Workshop on 14 October.

5.6 The Board requested data on CITB's expenditure against each of the Business Plan objectives.

5.7 ACTION: Nick Payne to provide for the November Board meeting, data on CITB's expenditure against each of the Business Plan objectives.

Rachael Baker (RB), Gillian Brewin (GB), Daniel Durrant (DD) and Paul Foreman (PF) joined the meeting.

Performance Report

5.8 NP shared a verbal update on the latest full year forecast position of a £14.8m deficit in August, which is an increase of £9m compared to the forecast deficit of £5.8m in June. This was driven by projected overspends in Apprenticeships and Qualifications, which are demand led, and the response by training providers to additional funding provided through the Employer Networks. There was also concern that both the 'Employers Supported' KPI and the 'Individuals Supported' KPI had moved from 'Good' in June, to 'Needs Improvement' in August, because of lower volumes and an increase in higher level (and the costs of) training. NP assured the Board that the internal Delivery Group was working on a plan to bring the Employer Networks back into budget, and that the Executive Team (Exec) would be reviewing spending in all areas with recommendations for reducing spend, and their implications for the Strategic Plan, to be presented at the Board Strategy Workshop on 14 October.

Julia Heap (JH) joined the meeting.

5.9 The Board emphasised that any changes to or removal of funding would need to be carefully explained to industry, especially for those businesses who argued for CITB to increase grants.

5.10 Trustees enquired if CITB was able to find out how much levy was not collected because of the use of Labour Suppliers by the industry. It was confirmed that information on Labour Suppliers would be collected on the next Levy Return form, but that any change to the Levy could not be implemented until 2029-30 following the raising of the next Levy Order.

5.11 Initial suggestions from Trustees that could be included within the Strategy Workshop discussions were:

- a) Reducing cost of training within Employer Networks to 70% or less of the cost of training
- b) Review accuracy of forecasting and setting budgets
- c) Exploring how CITB could influence behaviours to retain individuals within the industry

5.12 PL requested that at the Strategy Workshop on 14 October, the Exec present options for bringing spending back within budget for the current financial year, proposals for future budgetary controls, and a communications strategy to address affordability challenges, all within the context of CITB's Strategic Plan refresh to maximise impact on skills.

Strategic and Key Operational Risks Update

5.13 In relation to the Strategic Risks assessed as above the tolerance levels set by the Board, PF highlighted that following discussions with the Audit & Risk Committee (ARC), the risk tolerance threshold of the Safeguarding risk was to be discussed with the NCC & Apprenticeships Committee (NCC&AC) in October, and a recommendation on risk appetite would be made to ARC and then the Board in November.

5.14 The Board noted that a review was underway for the replacement of Legacy IT, and that options would be presented to ARC at its November meeting.

5.15 The Board requested that PF consider whether the current Strategic Risks reflected the risks associated with overspending raised during today's Performance Report discussion. PF agreed to consider if any of the Strategic Risks should be updated, to recommend to the Exec and then the Board.

DD & PF left the meeting.

ITEM 6: STRATEGIC PLAN REFRESH

6.1 The Board noted the supporting reports.

6.2 GB introduced the paper, saying that the purpose of the upcoming Board Strategy Workshop on 14 October was to shape the direction of CITB's Strategic Plan, focusing on where funding would be best invested over the next three years, whilst at the same time resolving affordability.

6.3 Feedback from Trustees in addition to what had been shared within the Performance Report agenda item included:

- a) Communications to industry regarding the refreshed Strategic Plan and any changes to funding would need to be articulated carefully and meaningfully for industry
- b) Accurate market data should be used to make informed decisions and avoid encouraging 'famine and feast' in relation to the take-up of training

6.4 It was highlighted that if the Board agreed that CITB's cash should fall below its working capital levels, a clear justification for doing so would need to be formally recorded.

6.5 ACTION: The paper that was created for the DfE Sponsor Team in January 2025 detailing the differences between cash and reserves, and CITB's position over the last 10-years, to be circulated to Trustees for their information.

GB & RB left the meeting.

ITEM 7: CONSTRUCTION SKILLS MISSION BOARD UPDATE

7.1 It was noted that TB had already provided a verbal update on the CSMB within his CEO Report at agenda item 5.

Colin Chapman (CC) joined the meeting.

ITEM 8: CONSENSUS REVIEW

8.1 CC shared some slides with updated information from the Levy Strategy Committee (LSC)'s workshop on 4 September, and asked the Board to provide direction as to whether it would like the LSC's review of the purpose and process of undertaking Consensus to focus only on the process of consulting on the Levy Proposals, or if the scope of the review should be widened to consider the fundamental purpose of Consensus.

8.2 The Board supported widening the scope of the Consensus Review to consider the fundamental purpose of Consensus, as well as determining the best method to deliver the process of Consensus. Trustees recognised that the process of Consensus was expensive and could become more efficient, but Trustees agreed that the extent of engagement from industry in the recent Consensus process highlighted that the purpose and requirement for Consensus in its current format should be reviewed.

* Kevin Dixon (KD) agreed to raise the possible need for changes to CITB's primary and secondary legislation with the Minister for Skills.

8.3 The Board was supportive of Idea C, referenced in the supporting paper, that the requirement to consult with industry on the final Levy Proposals (Consensus) could be removed and the legal requirement of consulting with industry be moved to the consultation on the draft Levy Proposals before final Levy Proposals are recommended to the Board and submitted to Secretary of State.

8.4 DECISION: The Board **AGREED** that the Consensus Review's scope should be extended to consider the fundamental purpose of Consensus, as well as determining the best method to deliver the process of Consensus.

8.5 It was noted that recommendations from the Consensus Review would be presented to the Board in February 2026 for approval.

CC left the meeting.

ITEM 9: PROGRESS AGAINST ITB REVIEW RECOMMENDATIONS AND COLLABORATION WITH ECITB

9.1 AB highlighted that the DfE-led ITB Review Steering Group had not yet launched and had been put on hold pending outcomes from the Cabinet Office's ongoing review of all ALBs. However, the CITB-ECITB Action Plan Steering Group was making progress with the delivery of the joint action plan.

9.2 The Board noted the paper and endorsed the continued delivery of the joint action plan with ECITB.

NPJB left the meeting.

PF joined the meeting.

ITEM 10: POLICY APPROVAL

10.1 PF presented the changes to the Business Ethics & Counter Fraud Policy.

10.2 The Board reviewed the proposed amendments to the Business Ethics & Counter Fraud Policy, and noted that no changes were being proposed to the Travel & Expenses Policy for Board Trustees, Committee Members and Nation Council Members.

10.3 DECISION: The Board **APPROVED** the Business Ethics and Counter Fraud Policy.

10.4 DECISION: The Board **APPROVED** the Travel & Expenses Policy for Board Trustees, Committee Members and Nation Council Members.

PF left the meeting.

ITEM 11: NATION COUNCILS – UPDATE REPORTS AND BOARD CONSOLIDATED RESPONSES

11.1 Kevin McLoughlin (KM) provided an update on the recent England Nation Council meeting. The Board noted that Nation Council members had covered the following:

- CITB Engagement Strategy
- Strategic Plan review
- Construction Skills Mission Board
- Training Provider Network
- England Nation Plan performance report
- Productivity in the industry

11.2 Owain Jones (OJ) provided an update on the recent Wales Nation Council meeting. The Board noted that Nation Council members had covered the following:

- Strategic Plan review
- Apprenticeship challenges
- Training Provider Network
- Wales Nation Plan performance report
- Productivity

11.3 Angela Forbes (AF) provided an update on the recent Scotland Nation Council meeting. The Board noted that Nation Council members had covered the following:

- Strategic Plan review
- Training Provider Network
- A presentation from the Contract Flooring Association
- A presentation from an apprentice from Veitchi
- NCC Scotland Apprenticeships performance update
- Lessons learned from the Industry Impact Fund

11.4 The Board reviewed the proposed responses to the key feedback raised by the three Nation Councils from their July 2025 meetings. The accuracy of the funding commitment figures within the draft Scotland Nation Council response was queried, and Deb Madden (DM) agreed to check it before the response was shared with the Council.

11.5 ACTION: Deb Madden to check the accuracy of the funding commitment figures quoted within the draft Board response statement to the Scotland Nation Council.

11.6 DECISION: The Board **APPROVED** the proposed responses to the key feedback raised by the three Nation Councils from their July 2025 meetings, provided that the funding commitment figures quoted in the response to the Scotland Nation Council were updated if required.

ND left the meeting.

ITEM 12: COMMITTEE CHAIRS' REPORTS

12.1 Michael Green (MG) provided an update on the recent National Construction College and Apprenticeship Committee (NCC&AC) meeting. The Board noted that the meeting had covered the following areas:

- Review of the Alcohol, Drugs & Weapons Misuse Policy; with an updated policy to return to the Committee for approval
- Approval of the Learner Disciplinary Policy
- Health, Safety & Safeguarding update
- Performance update – 2024-25 apprenticeship starts below target in Scotland
- Quality update – awaiting re-inspection from Ofsted
- Finance update

- NCC Strategy – three pillars of Excellence, Growth, and Beacon Leadership
- NCC Business Plan 2025/26 – new milestone tracker introduced
- Business Development – concern that outdated digital systems were blocking online bookings; commercial courses to be discussed at Board Strategy Workshop
- Estates update
- Audit & Risk – Safeguarding Strategic Risk to be reviewed at next committee meeting

12.2 It was noted that all Trustees would undergo a DBS check, and Angela Alabi (AA) was already taking this action forward.

MG left the meeting.

12.3 JH provided an update on the recent Audit & Risk Committee (ARC) meeting. The Board noted that the meeting had covered the following areas:

- Committee Terms of Reference Review
- Review of Strategic and Significant Operational Risks
- Health, Safety & Wellbeing update
- Internal Audit update
- Approval of the Head of Audit & Risk's annual opinion with the draft Annual Report & Accounts (ARA)
- Agreed the approach and scope for CITB's Internal Audit External Quality Assessment
- Noted the progress of the NAO External Audit, and discussion over the fee
- Noted the progress against the 2023-24 Management Letter
- Noted the draft 2024-25 ARA
- Agreed to recommend the Ethics & Counter Fraud Policy to the Board for approval
- Noted the recent Dear Accounting Officer letters
- Received an annual report on Dealing with Complaints

12.4 DECISION: The Board **APPROVED** the revised Terms of Reference for the Audit & Risk Committee.

12.5 Stephen Gray (SG) provided an update on the recent Industry Funding Committee meeting in the absence of HP as the Committee Chair. The Board noted that the meeting had covered the following areas:

- Committee Terms of Reference Review
- Performance report – Employer Networks funding scope was still to be reviewed
- Apprenticeship Grants
- Foundation Apprenticeships – agreed that CITB should not fund these because they were already fully government funded
- Training Groups – to be discussed at the Board Strategy Workshop
- Strategic Plan Financials – CITB's role in productivity and retention to be discussed at Board Strategy Workshop

12.6 DECISION: The Board **APPROVED** the revised Terms of Reference for the Industry Funding Committee.

12.7 DECISION: The Board **APPROVED** the extension of Hannah O'Sullivan as an Independent Member of the Industry Funding Committee for a second term of four years (1 October 2025 – 30 September 2029).

12.8 Martina Doyle-Turner (MDT) provided an update on the recent Nomination, Appointments and Remuneration Committee (NARCO) meeting in the absence of ND as the Committee Chair. The Board noted that the meeting had covered the following areas:

- Finalisation of the revised CEO performance objectives for the 2025/26 year
- The annual Pension Report from ITB Pensions – a decision would be required from the Board in 2026 as to how a surplus from the winding up of the Open Fund DB Section should be used by CITB
- An overview of the People Plan Priorities, including the transition of the HR function away from SSCL, and TUPE considerations
- Executive Directors' performance objectives for 2025/26
- Pay Award timeline
- Total Reward Framework
- Succession planning

12.9 Rachael Cunningham (RC) provided an update on the recent Levy Strategy Committee meeting. The Board noted that the meeting had covered the following areas:

- Consensus Review
- Levy Avoidance
- Levy Strategy – to align with Strategic Plan ambitions
- 2026 Levy Return, with planned inclusion of new data field to capture labour supplier spend

ITEM 13. GOVERNANCE MATTERS

13.1 Trustees reviewed and noted the Forward Work Plan. It was agreed that conclusions from the Strategy Workshop to be held on 14 October, should be reviewed at the November Board meeting.

ITEM 14: MEETING EVALUATION

14.1 Trustees evaluated the success of the meeting and agreed that all the key aims of the meeting had been achieved.

14.2 ACTION The agenda for the Board Trustee Strategy Workshop to be updated to include a discussion on how changes to CITB Strategy should best be communicated to Industry. The final agenda to be circulated to Trustees ahead of 14 October.

ITEM 15: CHAIR'S ANY OTHER BUSINESS

15.1 It was confirmed that the Board Strategy Workshop would be held on Tuesday 14 October in London and via MS Teams.

15.2 It was confirmed that the next Board meeting would be held on Thursday 20 November in Milton Keynes, with a Board dinner the evening before as usual. It was noted that the time between the September and November Board meetings was shorter than usual, to coincide with the SkillBuild Finals, taking place in Milton Keynes on 19–20 November.

15.3 The meeting closed at 1.31pm.