

PRIVATE & CONFIDENTIAL

ENGINEERING CONSTRUCTION INDUSTRY TRAINING BOARD

Minutes of the 53rd meeting of the Board held at The Engineering Employers' Federation,
Broadway House, Tothill Street, London on Tuesday 29th November 2005.

Chairman

- * Mr Terry Lazenby

Employer members

- * Mr Colin Barnes
- * Mr Bruce Buchan
- * Mrs Louise Ferguson
- * Ms Christine Forbes
- Mr Phil Hobden
- * Mr Richard Leamon
- * Ms Terry McDougall
- * Mr Brian Rogan

Client member

- * Dr Alix Thom
- Mr Paul Gotts

Trade Union members

- Mr Keith Hazlewood
- * Mr Tom Hardacre

Employer Association members

- * Mr Mike Hockey
- * Mr Stephen Lee
- * Mr Bill Murray

Non-Executive Directors

- Mr Mike Beaumont
- * Mr Neil Davis

Regional Chairs

- * Mr George Beattie
- Mr John Collings
- * Mr John Hornby
- * Mr Mike Jex
- * Mr Peter Whitaker
- Mr Neil Winkley

Educationalist

- * Mr Mike Bretherick

Government Observer

- * Mr Roger Hart

* present

In Attendance

Mr D Edwards, Chief Executive
Mr P Johnston, Director of Finance/Board Secretary
Mr T Featherstone, Director – Customer Services
Mr N Spencer, Director Regional Support

OPENING REMARKS

1. The outgoing Chairman, **Mr Jim Rowland CBE** opened the meeting by introducing the new Chairman, **Mr Terry Lazenby** and stated that he wished to make a few remarks. He wanted to thank the Board members who had served with him over the years and the Non-Executive Directors for their significant support. A small presentation was made to Mr Rowland.
2. The **Chairman** then welcomed members to the 53rd meeting which was the first that he would chair. He noted that some members had advised they would need to leave early and he would hope to be able to accommodate them.

APOLOGIES FOR ABSENCE

- Minute 23/05
1. The **Secretary** reported that apologies had been received from Mr Beaumont, Mr J Collings, Mr P Gotts, Mr K Hazelwood, Mr P Hobden and Mr N Winkley.

ITEMS OF OTHER BUSINESS

Agenda Item 1

- Minute 24/05
1. The **Chairman** asked whether there were any items of other business that members wished to raise so that he could plan the agenda appropriately. There were no items to be raised.

Minute 25/05

MINUTES FROM THE 52ND MEETING HELD ON 5TH JULY 2005

Agenda Item 2 – ECI 411

1. The Minutes were agreed as a reasonable record and the Chairman signed them.

Minute 26/05

ACTIONS POINTS FROM THE 52ND MEETING

Agenda Item 3 – ECI 412

1. The **Chairman** drew attention to the expanded report on the Customer Satisfaction Survey which was attached – ECI 412A. He hoped that this answered the questions that had been raised.
2. **Mr Hockey** suggested that it would be helpful if further analysis could be done to track if it was the same people dissatisfied at the same levels all the way through the questionnaire. **Mr Edwards** advised that although the data was available, companies had been assured of confidentiality. It should be possible to do some more analysis but how this should be disseminated would need to be carefully considered.

Action ~ Will do further analysis on the Customer Satisfaction Survey.

3. The **Chairman** noted that there was still a need to identify an employer representative for the Pension Fund and asked members to consider if they could stand or identify any other candidates.

Action ~ All members to consider possible nominations.

4. All other actions have been completed or were on the Agenda.

Minute 27/05 **MANAGEMENT BOARD REPORT AND MINUTES**
Agenda Item 4 – ECI 413

1. The **Chairman** reported on the Management Board Meetings, one of which he had attended and the other of which he had chaired. There a number of points to which he wished to draw attention.
2. The first was concern at the low take-up of ACE and whether ECITB should continue to support it. The Management Board would be keeping it under review and considering it again in January. He noted that the initiative had been praised by the Minister at the ECIA Conference on 28th November 2005 and requested the Regional Chairs to consult with their forums on the attractiveness of the ECITB's continuing financial support.
3. It was noted that it had been costing over £100,000 a year and the issue was whether this was good value.
4. An information pack on the background and cost of support to ACE was requested so that the regions could be effectively consulted on the situation.

Action ~ Provide Regional Chairs with information on the background and cost of supporting ACE.

5. The second issue which the **Chairman** wished to raise was the cost of the Apprentice Scheme, the transfer to an Employed Status model, and the associated impact on reserves. This would be discussed under Item 9 on the Agenda.
6. The third issue was the election of Regional Chairs and he noted that this would be taken as Item 6 on the Agenda.
7. Finally the **Chairman** sought agreement giving him the authority to agree the client and trade union representatives to be appointed to the Management Board.
8. Members agreed this.

Action ~ The **Chairman** to identify client and union representatives for the Management Board.

Minute 28/05 **AUDIT COMMITTEE REPORT AND MINUTES**
Agenda Item 5 – ECI 414

1. The **Chairman** noted that Mr Beaumont was unable to attend and asked Mr Edwards to report on the Committee.
2. **Mr Edwards** reminded members that it was the responsibility of them as the Board to be satisfied on the overall controls in place of the ECITB. The Audit Committee's purpose was to support them in that and give them confidence that they could sign off the relevant statements in the Annual Accounts. He summarised the proceedings at the meetings, and noted the Chairman's concern for the potential for over-audit. There were no major issues arising from the internal audit process.

Appointment of Mr T Lazenby to Committee

3. He sought support for the appointment of Mr Lazenby to the Audit Committee. This was agreed.

Terms of Reference of Audit Committee

4. **Mr Johnston** explained the background to the change in Terms of Reference highlighted in paper ECI 414 Appendix C. He explained that these arose from a self-assessment by the Audit Committee and aimed to give more clarity in membership and proceedings.
5. The changes to the Terms of Reference of the Audit Committee were approved.

Minute 29/05 **REGIONAL FORUM REPORTS**
Agenda Item 6 – ECI 415

1. **Mr Featherstone** presented the reports noting that all seven Forums had met since the last Board meeting and there had been an average of 20 attending at each. He summarised the key issues raised. He asked the Regional Chairs for any input they wished to make.
2. The **Chairman** then drew attention to the proposal to create a new Midlands Region and this was endorsed by the Board.
3. There was discussion on progress with union representation at the forums.
4. References to Foundation Apprenticeships were noted. At a recent meeting of the Association of Training Providers in Birmingham, not a single college had flexibility to move in this direction. The influence of large SSC's was so great that funds for 2006/7 were effectively already committed. If the ECITB wishes to succeed in this, then it will need good communication to get into the colleges' strategic planning.
5. **Mr Edwards** explained that 39 colleges had already been approved to deliver the Foundation Apprenticeship but were not necessarily taking this up. He will be looking for dialogue in the next two months and certainly wished to strengthen the supply chain.

Regional Chair Elections

6. **Mr Edwards** explained the proposals from the Management Board and developments in communication with the DfES since the papers had been presented. The DfES was now proceeding to get all current Regional Chairs reappointed to the end of 2006 which will guarantee continuity through the election period. However, it had been made clear by the Regulator that no extension beyond 2006 would be possible. Therefore the current plan is to have elections in three Regions soon and these would be extended to a 3-year term. A further batch could take place in mid-2006 and a final batch at the end of 2006, thus setting up the planned 3-year cycle for rotation.
7. The **Chairman** noted that the Management Board had decided that elections for the Offshore, Yorkshire and Humberside, and Wales and South West regions, should be the first three. The current Chairs had all agreed to this.
8. The proposals for the timing of the elections were agreed.

Action ~ Final timetable, and process and rules of elections to be defined and implemented.

Minute 30/05 **CHIEF EXECUTIVE'S REPORT**
Agenda Item 7 – ECI 416

1. **Mr Edwards** introduced the paper noting savings on the Apprentice Scheme of £500,000 partly due to savings achieved from reduced travel and accommodation costs through the process of recruit and train locally. He asked for questions.
2. **Mr Bretherick** asked about the Herts LSC funding and **Mr Edwards** stated that they had been very helpful and he hoped to get the cap lifted this year so that we would receive most of the funding which we had expected. However, this was certainly not guaranteed for next year.

Action ~ The Report was noted.

Minute 31/05 **THE GUIDE 2006**
Agenda Item 8 – ECI 417

1. **Mr Featherstone** introduced the paper drawing attention to four points. Firstly, the change in approach which is aimed to be more customer focused. Secondly, the detail on off-site products and services and the impact of abatement. Thirdly, options for NASEC and finally, the new TECSkills programme. He asked **Nigel Spencer** to explain the policy change on grants.
2. **Mr Spencer** explained the revised grant structure for TECSkills noting that a small completion grant had been retained to encourage VQ completion.
3. **Mr Edwards** reminded members that this was the outcome of the Working Group which involved employers. The former NSDS Scheme had been fully revised with content updated as well as the grant scheme. Pilot schemes had been underway and were going well.
4. It was noted that the proposals allowed the continuation of registrations under the old NSDS schemes to 31st August 2006 and allowed a further two years from this point for completion of VQ's under the old grant scheme. Registrations for TECSkills would start from 1st April 2006.
5. **Mr Spencer** advised that the company would pay for the peripatetic coaches if they did not have their own coaches. However, the ECITB would be providing a free training programme for coaches.
6. **Mr Featherstone** drew attention to the proposal to audit up to 10% of S1M Returns from companies.
7. **Ms McDougall** raised an issue on levy particularly the levying of contract staff. **Mr Leamon** explained that this was particularly important as under the IR35 scheme these people are not allowed to accept training funded by their employer. This raised the question as to why should they be levied?
8. **Ms McDougall** explained that this was a concern from the BCECA HR Managers Forum and that we should be seen to be acting rather than allowing a long time-span to elapse before any change could be made. She believed that the proposal should be to raise the same amount of levy but focus it entirely on employed staff.
9. **Mr Johnston** explained that time delays were inevitable because the levy proposals for collection in 2007 had been approved by all parties and were now with the Minister for submission to Parliament. However, the issue should be looked at in considering proposals for levy for next year.
10. **Mr Featherstone** explained that the object was to have the Guide published at the beginning of January but **Mr Johnston** reminded members that it would first of all need approval by the Minister.
11. **The Chairman** sought approval of the Guide and authority for minor changes to be delegated to himself and the Chief Executive. This was agreed.

Actions ~ Submit the Guide for Ministerial approval. Review of the way in which levy is applied to be carried out.

Minute 32/05 **2006 BUSINESS PLAN**
Agenda Item 9 – ECI 418

Operating Plan and Budget – ECI 418A

1. **Mr Edwards** introduced the paper and explained that a key aspect is seeking approval for the allocation of funds for 2006 and endorsement of the Strategic Plan going forward. He tabled a recast of the regional budget to incorporate the new Midlands region.
2. There was a lengthy debate about the employed status or otherwise of apprentices.
3. **Mr Hockey** explained that ECIA membership has not yet reached a consensus on the proposals to take apprentices into employment. For this reason he would have difficulty supporting any such proposal. Other members expressed the view that the Board must decide these issues and should not allow the ECIA to block it.
4. **Mr Lee** stated that, speaking as President of the ECIA, he recognised the frustration of members but he and **Mr Hockey** did have to voice their membership's views.
5. **Mr Johnston** advised that he would be concerned for the finances if any agreement to take 250 in 2006 under the old model was taken. He did not believe that this was financially viable.
6. **Mr Hockey** recognised that all were committed to the process and all are concerned about the resources. However, he asked that his concerns be minuted and will welcome a vote to show commitment to this proposed change.
7. **Mr Davis** stated that he thought there were a number of key issues on which support should be reached. Firstly, that the process should set a budget which is affordable. Secondly, Mr Edwards and the staff should work with colleges to build up the Foundation Model. Thirdly, Mr Featherstone and staff should seek to buy-in from employees and all should go out hard to sell with the aim of getting sufficient momentum by April to give assurance that transfer to employee status was viable for the planned number of recruits.
8. The **Chairman** put the proposal that the Employed Status model be adopted to the vote and 12 supported with 3 abstentions.

Actions ~ Staff to work with colleges to build support for the Foundation model.
Develop a transition plan to cover the transfer and identify potential numbers.
Board members and staff to work hard to sell the concept over the next three months.

Note – during this debate, **Mr Hardacre** and **Mr Bretherick** had to leave the meeting for other commitments as advised earlier.

9. **Mr Edwards** then reviewed the other budget proposals noting a proposed price increase from 1st January on the Safety Passport. He was seeking overall agreement to allow more detail to be developed.
10. It was noted that there was a proposal to spend £275,000 on support for ACE.
11. **Mr Edwards** explained that the regional allocation was based on the known headcount in regions and all though this was approximate, it was the best guide that could be given.
12. The overall principles of the budget were agreed.
13. **Mr Edwards** then turned to the proposals for offsite.
14. The offsite proposals were agreed in principle.

Strategic Plan – ECI 418B

19. **Mr Edwards** briefly introduced the Strategic Plan and **Mr Jex** asked for some improvement on clarity that the number of 2,000 placements per year covered both Off-site and Site.
20. **Mr Edwards** undertook to address this. The plan was approved.

Minute 33/05 **ANY OTHER BUSINESS**
Agenda Item 10

1. There was no other business.

Minute 34/05 **ARRANGEMENTS FOR THE 54TH MEETING**
Agenda Item 11

1. The **Chairman** advised that the next meeting would be held on Tuesday 4th April 2006 in the Council Chamber at the EEF at 10.30 am.

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Chairman

Engineering Construction Industry Training Board
Blue Court,
Church Lane,
Kings Langley,
Herts WD4 8JP

December 2005

ENGINEERING CONSTRUCTION INDUSTRY TRAINING BOARD

ACTIONS FROM 53RD MEETING HELD ON 29.11.05

Minute	Para	Action	Date	By	Current Status
26/05	1	Further analysis on Customer Satisfaction Survey	31 Jan	NS	
26/05	3	All members to consider possible nominations as Employer Representative on the Pension Fund.	20 March	All	
27/05	6	Information on the background to and the cost of support to ACE to be prepared and given to the Regional Chairs	17 Jan	NS	
27/05	7	Agree Client and Union Rep on Management Board	31 Jan	TL	
29/05	16	Arrange elections in 3 Regions	31 Jan	DE	
29/05	18	Define and implement process and rules of elections	17 Jan	DE	
31/05	11	Submit the Guide for Ministerial Approval	ASAP	TF	Complete
31/05	11	Conduct review of the way levy is applied.	By next Board Meeting	DE	
32/05	10	Staff to work with Colleges to build support for the Foundation model.		TF	
32/05	10	Develop a transition plan to cover the transfer and identify potential numbers.		TF	
32/05	10	Board members and staff to work hard to sell the concept over the next three months.		All	
32/05	13	Inform Regional Chairs of progress on off-site course.	17 Jan	AF	