



Engineering Construction Industry Training Board

STRATEGY May 2017

ECITB STRATEGY

Introduction

1. The ECITB is a statutory body (an Industrial Training Board (ITB)) governed by the Industrial Training Act 1982 (as amended) (“the Act”). The Industrial Training (Engineering Construction Board) Order 1991 (Statutory Instrument 1991 No. 1305) defines the activities of the Board and the engineering construction industry. Details of the powers and responsibilities of the ECITB, as well as the restrictions placed on it, are described in the Act. The ECITB is a Non-Departmental Public Body, and reports to its government sponsor body, the Department for Education (DfE). It has additional obligations to Scottish and Welsh ministers for matters affecting Scotland and Wales.
2. The ECITB was formed in recognition of the engineering construction industry’s vital role in the UK economy, and the requirement for a statutory body to undertake the responsibilities of meeting the special training needs of an industry where the labour force is highly mobile and where there are few incentives for individual employers to train.
3. Engineering construction is a highly skilled industry focused on processing industries, and particularly the plant, apparatus and machinery within them. The scope of the industry’s work covers activities throughout the entire life cycle of such plants, including concept and engineering design, procurement, project management, construction, installation, commissioning, testing, alterations, maintenance and dismantling activities.
4. The ECITB is established for exclusively charitable purposes, and its activities are partly funded by the statutory levy established by the Act and confirmed by Levy Orders passed by both Houses of Parliament. The levy applies to all in-scope establishments (approximately 370) operated by industry employers to ensure equity across employers in the industry in the provision of training. Smaller employers are exempted from paying the levy. In 2016 the ECITB collected £32m in levy to support employers’ needs.
5. Acting on behalf of the industry, ECITB achieves its mission by working in close partnership with employers, government, regulators, training providers and other stakeholders to attract, develop and qualify engineering construction personnel across a range of skills and

disciplines. It provides the industry with the means to train engineers to the highest standards, via its regionally-based network of almost 200 specialist ECITB-accredited course providers. By boosting training levels through the collecting and redistributing of a levy, ECITB directly address the market failure¹ for skills that is inherent in what is a largely short-term, project driven industry.



¹For the purpose of this strategy, market failure is defined as: The labour market fails to efficiently allocate skilled labour. This leads to poaching and free-riding, which further exacerbates the skills deficit.

Background

6. The ECITB has a strong track record of providing industry-focused skills qualifications and awards. Over the last 25 years in a constantly changing skills landscape it has been a beacon of stability. However, that does not mean that the organisation has stood still, it has constantly evolved to maximise its value to the industry. The recent organisational restructuring reduced the headcount, streamlined processes and saved money. It has also added new capabilities including a policy team and an enhanced labour market intelligence function which will enable the ECITB to become a more valued partner with government and industry. The outcomes that these new capabilities will deliver are explored in the section on strategic themes.
7. The ongoing review of the governance of the ECITB forms an important part of how the strategy will be delivered. It will provide a more strategic focus to the work of the Board and make the ECITB more agile in responding to drivers for change.
8. The recently published digitalisation strategy is also an enabler of this strategy; it supports the delivery of business as usual more efficiently, but also provides a platform to deliver innovation and growth.

The drivers for change

9. The supply of and demand for skills within the engineering construction industry will be shaped by a number of external drivers over the coming years. This requires the ECITB to change, so that we are effectively placed to respond to emerging trends and the changing needs of the industry.
10. At a UK policy level, recent government initiatives amount to a significant reshaping of the skills system. This includes the Post-16 Skills Plan, which is designed to significantly improve the quality of technical education in England and will create a new, dual education system at age 16. In addition, reforms to apprenticeship funding and the Apprenticeship Levy will come into effect in April 2017. In Scotland, the government is introducing a new STEM strategy and will continue to invest in modern and graduate apprenticeships, while the Welsh Government continues to roll out its own apprenticeship programme. These changes and developments directly impact ECITB and will require a different approach to how ECITB delivers skills support to the industry.
11. Amid a challenging operating climate, the industry will also be affected by new and emerging economic

developments, most notably the impact of the UK's vote to leave the European Union. While it is too soon to predict the terms of our relationship following the triggering of Article 50, it is likely to include certain restrictions to free movement of labour. While the ECI has historically been less reliant on EU labour other industries such as construction, nevertheless we are likely to see greater political focus on the need to grow and develop home-grown talent, a task that ECITB is well-positioned to support.

12. Brexit is likely to create other opportunities, as well as risks. The UK Government's desire to remain 'open to business' could lead to a renewed focus on greenlighting infrastructure projects, as demonstrated with the decision to proceed with Hinckley Point C which will create significant opportunities for the industry. On the other hand, a 'yes' vote in a second referendum on Scottish independence, which has been pledged by Nicola Sturgeon, would have significant implications for the ECITB, given the significant share of levy funding emanating from Scotland-based companies notably in the offshore sector.
13. New emerging and maturing technologies will also be an important driver of change within the industry. Innovations that have implications for ECI include the use of drones for installation, maintenance and repair work, additive printing, greater use of digital technologies in particular cloud based systems to support off-site work, and sector specific innovations, such as small modular reactors in the nuclear industry. ECITB will need to be responsive to new technological trends within the industry and ensure our products and services reflect changes in skills demand and industry occupations. **As part of this work we will aim to deliver skills for production strategies which require new technologies.**



Informing the strategy

14. This strategy is informed both by industry requirements and Government policy, recognising that ECITB operates on behalf of and is accountable to both constituencies. The analysis underpinning the strategy is also informed by a series of studies which are mentioned below.
15. As part of the industrial training levy consultation recently completed, ECITB held discussions with a wide range of employers, including SMEs on the future needs of the industry. These insights have been captured and will be taken into account in the strategic themes and objectives discussed in more detail below. The consultation also demonstrated the significant level of industry support for the ECITB, which was notably stronger than previous consultations. Furthermore the breadth of support was also significant, with levy-paying firms from the nuclear, subsea and renewables sectors supporting the proposals, in addition to the more traditional engineering construction industries.
16. The extent of this new mandate, and overwhelming support for the work we do, is a key foundation for our strategy over the coming years. It will entail ECITB to continue to provide the existing high-level service to industry, in addition to identifying new opportunities to grow the organisation and diversify income sources.
17. Several areas of government policy, in addition to the skills reforms described in the previous section, also directly influence and inform the strategy. The National Infrastructure Plan for Skills², a document issued from the previous Government, remains a key guide to skills planning across the industry with regards to major infrastructure projects. This will supplement other secondary and primary data used by ECITB for intelligence purposes to ensure our products and services and strategic skills interventions are effectively targeted.
18. In addition, the industrial strategies currently being developed by the Department for Business, Energy and Industrial Strategy (BEIS) are also likely to have important implications for our strategy. **The Government published a green paper in January, Building Our Industrial Strategy, which asks industry for a response**

by 17th April. This work is likely to supplement other sector policy priorities, such as the Maximising Economic Recovery (MER) strategy³ being delivered by the Oil and Gas Authority (OGA), the nuclear new build programme, as well as the next auction round of Contracts for Difference for renewable energy projects, which is due to open in April 2017. Each has implications for skills demand requirements across the ECI and by extension the work of the ECITB.



19. The Industry Training Board Review, currently underway, will also directly influence our strategy. The review, while largely focused on construction, will explore ways in which ECITB can maximize the value of its activities, remain responsive to industry over the long term and drive innovation and productivity across the industry. ECITB is directly involved in the review and represented on the Review Team and will ensure the recommendations meet the needs of the ECI.
20. In the past the ECITB has been largely reactive to government policy initiatives. This strategy seeks greater interaction and direction from government to enable it to maximise its full potential as a key strategic partner to central government. To this end, a key request of the ITB review for ECITB is to integrate our activities and performance far more closely with strategic government priorities. The recent Machinery of Government (MoG) changes, including ECITB's change of sponsoring department, provide an opportunity to address this. By reporting into and supporting the work of DfE, ECITB also provides a critical link to industry for a department that historically has had little engagement with business. Furthermore, in supporting an industry that is not only responsible for delivering critical national infrastructure but also provides significant high-skill

²HM Treasury, National Infrastructure Plan for Skills, September 2015, available at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464354/NIP_for_skills_final_web.pdf

³Oil and Gas Authority, The Maximising Economic Recovery Strategy for the UK, 2016

https://www.ogauthority.co.uk/media/1022/mer_uk_strategy.pdf

career opportunities, the ECITB is key to the successful delivery of major government policy priorities and must be seen as such across government.

21. We have also commissioned three studies, which directly inform the formulation and development of the strategy. The studies are available on the website:
- A study mapping the **economic footprint of the engineering construction industry** in the UK, conducted by the Centre for Economics and Business Research (CEBR).
 - A report into the **trends affecting skills within the ECI and the implications for ECITB**, by Brian Andreas, Loughborough University.
 - An analysis of **emerging technology drivers within the Engineering construction industry** and their impact on the industry, by BRE.

22. Labour Market Intelligence (LMI) appears to be a major challenge amongst ECI firms and more widely across engineering. A key finding from the Loughborough University work is the need for ECITB to obtain better LMI. We are already taking steps to address this: the newly formed policy department will establish and manage a system for generating, gathering and communicating industry LMI. This should provide valuable insights for both employers and policymakers regarding future skills and workforce profile of the industry. It will also be valuable for the identification of strategic grant investment opportunities and the development of ECITB's commercial offering.

Funding and financial

23. The positive outcome from the recent levy consultation has been achieved amid a major economic downturn for many sectors and the introduction of the Government's new levy on apprenticeships. The UK situation remains challenging and BREXIT is only likely to increase that challenge. Pressure on expenditure and providing value for money has never been more acute.

24. Over the last couple of years the financial background has been characterised by a steady increase in levy income and strong demand for training expenditure, largely through grant support. The growth in training expenditure can be correlated with the admission to scope of significant employers in the nuclear and oil & gas sectors. In 2016:

- Training expenditure as % of total levy = 88%
- Training expenditure as % of total income = 78%
- Operating costs as % of total income = 12.5%
- Overhead costs as % of total income = 9%.

25. In the recent past there have been annual surpluses and reserves have increased, giving the ECITB the headroom to fund industry wide initiatives or maintain training expenditure at a high level during a period of economic downturn. Currently funds are raised through a statutory levy and commercial activity in the UK and abroad. The planned changes in our levy rates that have been made to accommodate the Apprenticeship Levy will mean a reduction of industrial training levy income by 20% per annum between 2017 and 2019 (approximately £6m p.a.). However, since the training levy is collected retrospectively the funds available for spending in 2017 will remain broadly similar to 2016.

26. Beyond 2017 the ECITB will be in a different financial position. In the short to medium term it will be able to mitigate future reductions in training expenditure, from current levels by drawing-down up to £10m of reserves over the 2018 to 2020 period. Thereafter, the ideal will be to restore levy rates to their previous level; however, this will be subject to a consensus by the industry. If the market forces remain broadly similar to those being currently experienced, with industry being very cost driven, restoring the levy rates will be difficult. Therefore, alternative options need to be explored to ensure the ECITB remains in a position to promote and support employers' training activities, as well as taking strategic skills initiatives for the general benefit of the industry, at its current level or at an increased level.

27. On the current basis of operation, from 2018 financial year onwards the ECITB's main sources of funding and expenditure profile will be:

	Income from FY 2018 £M PA	Current expenditure £M PA
Levy income	25	
Commercial income	3	
Training and special projects expenditure		28
Operating costs (Regional, commercial & D&Q)		3
Overheads (Executive, Strategy, Communications F&L)		3
Predicted Operating Deficit arising from reduced levy	£6M PA	

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28. The ECITB must continue to make progress in delivering for the industry in difficult fiscal environment. Financially, this means the delivery of the best financial return and value for money for its stakeholders. However, this objective has to align with the ECITB's financial imperative to operate within the confines of a balanced budget and financially sustainable model. **To achieve these changes the ECITB will:**
- a. Review its grant award policy **annually** (including eligibility criteria and processes) to ensure a more focused use of grant for development of "engineering" skills, and the availability of funds for strategic initiatives at the "industry" level. Some will not be expensive, but others, such as graduate retention programmes, will be. These initiatives may require the "capping" of an employer's grant awards, possibly correlated to levies paid, whilst preserving fairness amongst employers.
 - b. Achieve more income from sources other than the levy through growth in commercial income from existing models and development of additional income streams, **with a primary focus on the domestic market.**
 - c. Explore whether in-scope employers should be charged for specified services, which may currently be provided as part of the service funded by the levy.
 - d. Prioritise the use of operational and financial resources to best effect and continue to operate more efficiently and cost effectively.
29. The development and implementation of the ECITB's strategy from a financial perspective can be considered in the short (3 year outlook) and longer terms (10 year outlook). The 3 year outlook and financial objectives are detailed below:
- a. Assuming that the ECITB's operational and overhead costs are approximately £5m to £6m per annum and we can achieve year on year commercial growth of 15%, these costs should be covered by 2021. This will enable all the money raised through the levy to be **spent on supporting in-scope employers**. It would also mitigate the risk associated with failure to secure support from either the government or employers to future levy arrangements beyond the expiry of the next Levy Order. Therefore, the objective for the next 3 years is to grow commercial surplus by 15% annually.
 - b. In the immediate future, growth in commercial income will be achieved through expansion of existing income streams within the UK (largely through price growth) and the development of additional product lines. **However, a more fundamental change in commercial approach should also be explored. In exploring these options the Executive and the Board will ensure that commercial activity does not detract from the overall focus of the ECITB.**
 - c. The growth of commercial income from international sources remains **necessary** to the achievement of the organisation's financial sustainability **in the short term**. The tried and tested UK model under which the use of ECITB's training products, such as training materials, tests and qualifications, is licensed to training providers and employers has already achieved a measure of success in the international arena with sales amounting to £300k p.a. This route to market is relatively risk-free in terms of costs, investment and credit exposure. Further growth will be achieved by taking advantage of the service providers appointed in 2016 in the Middle East, Far East and Caribbean regions **and by collaborating with organisations such as BRE Academy to offer distance learning.**
 - d. Training expenditure, including any special initiatives, will be affected by the 20% reduction in levy income from 2018. If up to £10m is drawn-down from reserves over the period, the annual reduction in training expenditure from current levels can be restricted to 10% (approximately £3m). **Commercial growth will further mitigate this reduction.**
 - e. Taking these factors into account, the following table gives an indicative profile of income and expenditure over the period 2017 to 2020, the period affected by the current and new levy arrangements. Levies have been based on latest data concerning the in-scope population and labour payments, and applied to the period 2017 to 2021 with no escalation factors applied. Commercial income has been inflated by 15% per annum with 2016 as the base period; income streams discontinued in 2016 have been excluded. **Training expenditure has been adjusted to reflect reduced levy income during the period 2018 to 2020, but has been maintained at levels approaching 2016 expenditure by drawing down from reserves.**

Indicative Income and Expenditure Profile 2017 to 2020

	2016	2017	2018	2019	2020
Site Levy rate	1.50%	1.50%	1.20%	1.20%	1.20%
Off Site Levy rate	0.18%	0.18%	0.14%	0.14%	0.14%
Commercial income annual growth		15%	15%	15%	15%
Income	£'000	£'000	£'000	£'000	£'000
Levy income	32,256	28,187	24,880	24,880	24,880
Commercial and other income	3,568	3,518	3,702	4,197	4,765
Total income	35,824	31,705	28,582	29,076	29,645
Expenditure					
Training Expenditure	26,470	25,190	24,610	24,610	24,610
Operating Costs	4,161	3,478	3,149	3,149	3,149
Overheads	3,531	3,152	3,395	3,395	3,395
Total Expenditure	34,162	31,820	31,153	31,153	31,153
Total Operating Surplus/(Deficit)	1,662	-115	-2,572	-2,077	-1,508
Exceptional Items	225	0	0	0	0
Total Surplus/(Deficit)	1,887	-115	-2,572	-2,077	-1,508
Period during which draw down from Reserves					

Assumptions applying to proposed scenario:

Levy

Levy income calculated by reference to 2014/15 base period declarations
Proposed rates applied to 2014/15 data to produce levy income (excludes known levies under appeal) in 2017 to 2020 inclusive.

No adjustments made to levy income to allow for inflation or any other changes between 2017 and 2020.

Training Expenditure

2017 Training Expenditure equals 2016 Forecasted Expenditure.

2018 to 2020 Training Expenditure has been reduced to take into account reduced levy income offset by drawdown from Reserves (£3.3m pa)

Each area of Training Expenditure between 2018 to 2020 represents the same proportion of overall Training Expenditure in 2016 and 2017.

Commercial and other income and all operating and overhead expenditure

Commercial income and expenditure will fall from 2017 to reflect withdraw from international training delivery activities.
No adjustments made to commercial income from licensed training providers to allow for inflation or any other growth between 2017 and 2020.

The illustration takes into account changes arising from the 2016 reorganisation (affecting operating and overhead costs in all areas).

f. As the ECITB's digitalisation strategy is implemented, further economies might be achieved. However, the emphasis of the digitalisation strategy is to improve the levels of service to employers. Nevertheless, other cost efficiencies arising from improved IT communications should be achievable, such as lower travel and subsistence costs.

30. 10 year outlook and financial objectives:

- a. Beyond 2020, the financial outlook is less clear. The impact of BREXIT and the Government's industrial strategies as well as energy demand will be significant factors in determining industry's requirements. It is likely that the current system of levy and grants will still be required by industry to meet the ongoing risk of training market failure, and this fits within the government's skills strategy. In such circumstances, all the income derived from the levy should be available to support ongoing training and strategic skills initiatives. The profile of such expenditure will be matched against the income, not necessarily on an annual basis, but over the period allowing for accumulation of and draw-downs from reserves.
- b. Whatever the future levy arrangements, the development of the ECITB's commercial business is a fundamental tenet of the organisation's sustainability and existence. Commercial income will be sufficient to fund the ECITB's operating and overhead costs by 2021 or shortly thereafter based on the achievement of reasonable growth from the existing channels to market. However, a more robust and significant commercial contribution will require the identification and development of other product lines and market channels, such as remote learning, and partnering with other

bodies. The ECITB will develop and implement a commercial strategy. Widening the appeal of the ECITB's products and services within engineering in the UK more broadly will be an important objective of that strategy. The development of the project controls programme, subsequently adopted by other engineering sectors, is a good example of how this can be achieved. Undoubtedly, this will require the allocation of financial resource to fund the requisite business research, the development of future training products and business development management.

- c. The need for the ECITB to generate additional income streams due to the reduced levy will reflect a shift over the next 10 years from the largely charitable nature and operations of an industrial training board. Whilst the ECITB continues to collect levies under the terms of the Industrial Training Act, the financial features of the levy/grant system will remain, although the proportion that this represents of the organisation's financial profile may diminish. Obviously, if during this period or later the ECITB should cease to collect levy, it is likely that the organisation could move out of the public sector. In such circumstances, the organisation might nevertheless retain its charitable status, if its stakeholders determined that it should become a not for profit or membership body.
- d. In whichever of the situations described above, it is imperative that over the 10 year period the ECITB has developed a financially sound commercial business that is geared totally to addressing the skills requirements of the ECI, and a broader engineering base.



DEFINING THE 'ENDS': THE ECITB'S MISSION AND VISION

31. The mission for the ECITB is:

Deliver engineering construction excellence through leadership on skills.

32. And the vision is:

To be the leading industry authority on engineering construction skills, working in partnership with business and government to deliver a highly skilled workforce, offering value by enabling industry to compete globally.

33. The strategy describes the high level approach to delivering the mission and vision. It will evolve continuously in response to strategic issues as they arise, therefore, this document can only be considered a snapshot in time. However, in forming a 3 year strategy, set in a 10 year horizon, the organisation will benefit from having a clear, long-term direction of travel that will enable it to continue to play a leading role in support of the engineering construction industry.



Strategic themes

34. The ECITB was created to address a market failure in skills in the engineering construction industry; therefore, provision of training support is the core role of the ECITB and underpins everything it does. This support is mainly delivered through training grants focused on industry-led standards and qualifications in areas that are directed by the industry. The levy system is fundamental to this activity and will remain so for the foreseeable future.

35. In order to articulate how the ECITB will achieve its vision, a number of strategic themes under which the activities will be structured have been identified. This approach will bring a clear focus to the mission and better understand its various aspects. The 6 strategic themes below capture the breadth of what the ECITB is seeking to achieve:

a. **Policy leading.** Ensure the industry's needs are

heard and addressed by policymakers. By working more closely with government at the national and regional levels, ECITB will actively engage with policy initiatives at the outset and will provide a cross-industry voice for our companies.

- b. **Intelligence led.** Inform the future skills needs of the industry. Actionable labour market intelligence will be the first priority and will provide early warning indicators on directional change in the labour market to enable appropriate prioritisation of resources. It will also identify emerging and maturing technologies which will affect the industry as well as looking for innovation in training.
 - c. **Skills as a driver of productivity.** Enable higher productivity performance across the industry through the development of skills. Improving leadership and project management in the industry will be a key component of this work. This theme also encompasses the core role of the ECITB in addressing the market failure element of ensuring sufficient training is conducted through influencing behaviours with the levy.
 - d. **Transferability of skills.** Support greater transferability of skills between and within sectors, thereby helping to match supply and demand for skills and eliminating unnecessary duplication and costs.
 - e. **Collaborative approach.** Seek out and engage in strategic partnerships that benefit the industry, including collaboration on policy initiatives and commercial ventures as well as with organisations involved in attracting talent to the industry. A second strand to this work is to promote collaborative behaviour in the industry to improve project delivery and reduce costs.
 - f. **Maximising the return on the levy.** To ensure that the ECITB is financially sustainable in the long term, the ECITB must continue to focus on driving down costs and maximising the value from the levy. It should also grow its commercial income to meet the overheads and operating costs of the ECITB. An examination of commercial opportunities both in the UK and abroad indicates that there is significant scope for ECITB to take advantage of market opportunities for its products.
36. The ITB review and development of industry strategies by BEIS may identify new strategic themes, which the strategy will need to take into account.

Strategic risks

37. There are a number of risks which could have a significant impact on the ability of the ECITB to achieve its mission and vision. The weighting and mitigation for these risks are covered in the strategic risk register and the approach to dealing with risk is articulated in the risk management and risk appetite policy. The principal strategic risks for the ECITB are:
- Poor Government understanding of the ECITB leads to policy changes towards ITBs, which could result in disbandment or merger of the ECITB with the CITB.
 - A vote for Scottish Independence following a second referendum, or a perception that the ECITB does not support Scottish business, leads to a loss of support for ECITB in Scotland, which results in loss of c.40% of ECITB income.
 - Inadequate understanding of industry needs leads to a failure to provide relevant services, which could result in losing industry support for the ECITB and the loss of the industrial training levy.
 - Inadequate system controls could lead to fraud, including improper delivery of ECITB licensed products and services by the provider network, which results in unsafe working practices for workers, financial loss and loss of confidence in, and reputation of, the ECITB.
 - Defective information system changes lead to employer data leakage, corruption or unavailability, which results in loss of employer confidence and Information Commissioner's office sanction and fine.

38. A number of the risks could result in the closure of the ECITB, so there is a need to develop contingency plans to deal with strategic shock induced by, for example, the government withdrawing support for ITBs or the impact of the apprenticeship levy rate being doubled. These contingencies will be based on analysis of the functions currently undertaken which would need to be fulfilled if the ECITB no longer existed. In a scenario where the levy is no longer collected addressing the risk of market failure will be the most difficult challenge to meet.

Strategic Objectives

39. Derived from the strategic themes outlined above and previous board discussions on strategy, the following strategic objectives for the 3 year (2017–2019) outcome are below:
- Secure the industrial training levy mandate for years 2020 to 2022 by the end of 2019.
 - Raise the profile of ECITB in Government policy circles, so that we are fully engaged in relevant policy initiatives at national and regional level, while also providing valued policy **insights** and support to industry, by 2019.
 - Provide robust and meaningful intelligence to employers and policymakers on the future **sustainable** skills needs for the engineering construction industry, covering the labour market, developments in technology and the skills implications, by 2019.
 - Support employers so they can maximise the benefits afforded by the apprenticeship levy, and the apprenticeship reforms **across the UK**. **The intention will be to help the industry maintain apprenticeship numbers in 2017 and increase by 20% in 2018 and a further 20% in 2019.**
 - Through effective **investment and use** of common craft, technician, management and professional standards, qualifications and assessment, ensure the cost effective **development of sustainable** skills across ECI industries by the end of 2019.
 - Cover the cost of ECITB overheads by 2019.**
40. A number of longer term strategic aims to meet the 10 year horizon are emerging:
- To be the leading skills body for engineering construction, integrated into government (national,



devolved and regional) decision making bodies for skills.

- b. The ECITB is able to more reliably predict the labour market and technology skills needs of the industry and ensure they are mainly met.
- c. The ECITB is a NDPB and a levy raising organisation.

Delivering ECITB's strategy: the ways and means

41. Each of the themes will have an owner who will be responsible for setting objectives, driving initiatives and coordinating with the other theme owners to ensure coherence. The supporting studies, enclosed, will help inform development of the themes and Annex A fleshes out the desired outcomes, implementation challenges and plans for the themes. Progress will be measured through KPIs and reviewed by the executive and board on a quarterly basis.

42. Underpinning delivery of the strategic themes will be those critical enabling activities that will provide a stable and effective implementation framework. A great deal of work has already been undertaken on the enabling activities, the purpose of this section is to give a brief overview of what the objectives are for these activities:

- a. **People.** The People Strategy Working Group will continue its work in advising the Executive on projects and initiatives designed to deliver the people strategy. The ECITB has five key areas that form the basis of the people strategy:
 - **Talent and resource management.** Ensuring we have clear succession plans, with talented and engaged people who contribute to future business objectives and participate in their own career development.
 - **Rewarding and recognising performance.** Continuing to work towards an effective culture and recognition programme that enables high-performance and complements the longer term business objectives.
 - **Organisational effectiveness.** Ensuring that our structures, people processes and policies meet both current and future business needs.
 - **Developing high performance.** Continuing to promote a learning culture where our people understand the part they play in the company's

success and the support available to help everyone succeed.

- **Leadership capability.** Encouraging outstanding leadership throughout the organisation.

- b. **Governance.** The current governance arrangements for the ECITB do not meet accepted best practice or government requirements. Following a governance review commissioned from external consultants by the board a process has begun in partnership with the Department for Education to modernise the ECITB's governance. The benefits of this work will be to deliver a more agile and pro-active organisation through a smaller, more strategic, board, while ensuring that the ECITB remains an industry-led organisation focused on the needs of the engineering construction industry by a council representing all sectors. It is anticipated that the revised governance arrangements will take 12 months to implement and will not be completed before January 2018. The implementation timeline is subject to engagement with the Department for Education.



c. **Digitalisation.** The ECITB has a digitalisation strategy with a mission to deliver accurate, efficient and secure support to the ECITB and those who use our services in order that we can provide the best possible service to our employers. There are a number of the ECITB's processes which have already benefited from being digitalised and we have seen increased efficiency as a result. The programme will continue throughout 2017 and beyond to exploit available technology both to further improve efficiency and offer new services to employers, such as the on-line testing programme. The main objectives are to:

- Provide up to date, 'clean', data that can be easily manipulated to generate accurate and insightful reporting.
- Increase the efficiency of the ECITB by improving the digital service for the employees and automating as many processes as possible.
- Make the employers and other customers life simpler by improving their experience with the ECITB.
- Grow the ECITB brand and market by making the products easier to find and use.
- Identify opportunities to grow the ECITB's commercial enterprise.

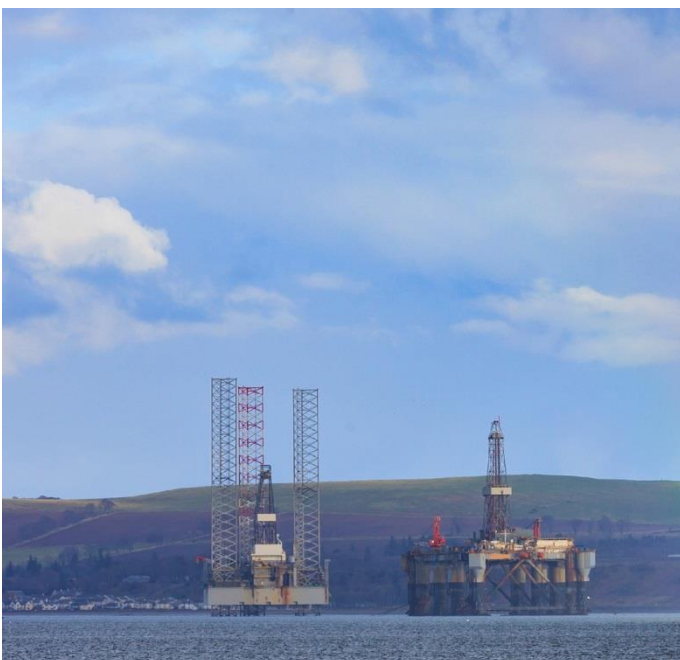
Build the governance, culture and processes to make the ECITB fit for a digital world.

d. **Communications and Stakeholder engagement.** Delivering the strategy will require an effective communications operation (both external and internal) and strategic and planned engagement with stakeholders at all levels in the organisation. Each ECITB department and region will develop and manage their own stakeholder engagement plan to ensure relevant stakeholders are mapped and engaged. At a national level, ECITB will engage various stakeholders including the following:

- DfE, BEIS, and other UK departments including HM Treasury and Cabinet Office.
- Devolved nation governments, on skills and FE policy and other relevant policy areas within their jurisdiction.
- Relevant arms-length bodies such as the Institute for Apprenticeships and the Infrastructure and Projects Authority, but also many others.
- In-scope employers operating at a national level, to provide grant support and ensure their mid to long-term skills needs are identified.
- Operators and Clients operating at a national level, to identify their investment plans and skills related risks.
- The media – to raise the profile of the ECITB and our work through various media channels.

In addition, the ECITB will deepen its engagement with the following types of organisations at a regional level:

- Local government, LEPs and regional funding agencies – to ensure policy is aligned with ECI needs and, to align funding to industry long-term skills investment needs.
- Clients and Operators at a local level, to present the ECITB as an organization that can deliver skills solutions for their assets and investment plans.
- In scope employers operating at a local level, including SMEs – to deliver grant support for skills requirements, support and guidance on policy reforms (e.g. Apprenticeship reforms).
- The media – to raise ECITB's profile at a regional and local level.



- e. **Providers.** Providers will be a critical enabler in a number of areas detailed. Developing a smaller but more strategically focused network will benefit the industry and the providers. It will be crucial to the transferability and collaborative themes.

Summary

- 43. The ECITB is a successful industry-led national training organisation which supports skills in the engineering construction industry. It has strong support from a broad cross-section of the industry because it does many things well; it meets the training needs of the industry, mitigates the impact of market failure and provides industry focused standards and qualifications. However, there are areas of the ECITB’s work which need to be further developed; labour market intelligence, awareness of technology, and engagement with government priorities are the most pressing.
- 44. This strategy sets out a pathway to grow the capability of the ECITB and better meet the skills priorities of the industry and governments. These priorities will inevitably change as national governments develop new policies and labour market intelligence identifies new trends. This strategy will ensure the ECITB is sufficiently dynamic and agile to meet those changing needs while delivering the strategic objectives over the next 3 years.
- 45. The ECITB will be closely engaged with the ITB review and development of industrial strategies to identify any developments that may affect the strategy. The Board will assessing progress quarterly and re-assess the strategy annually.

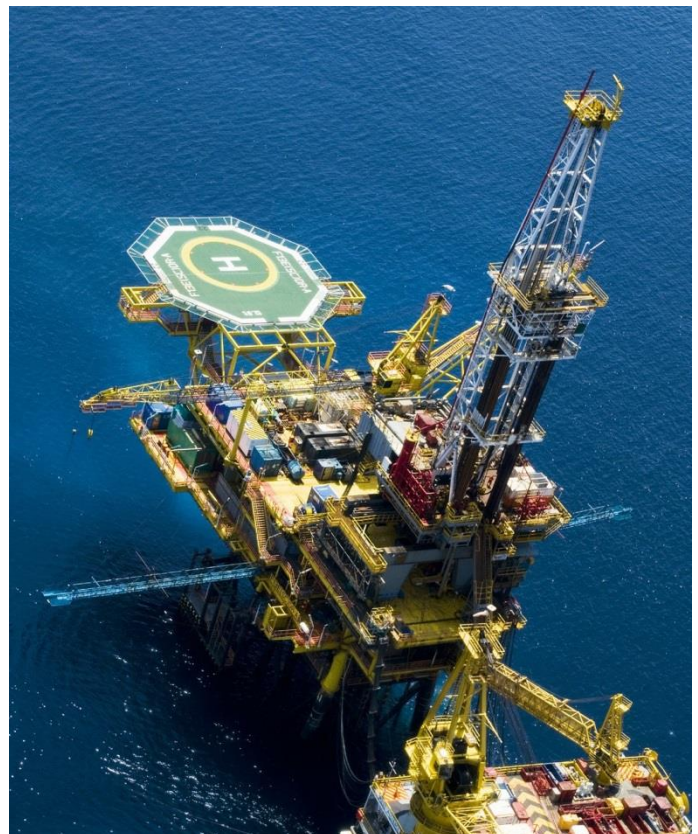


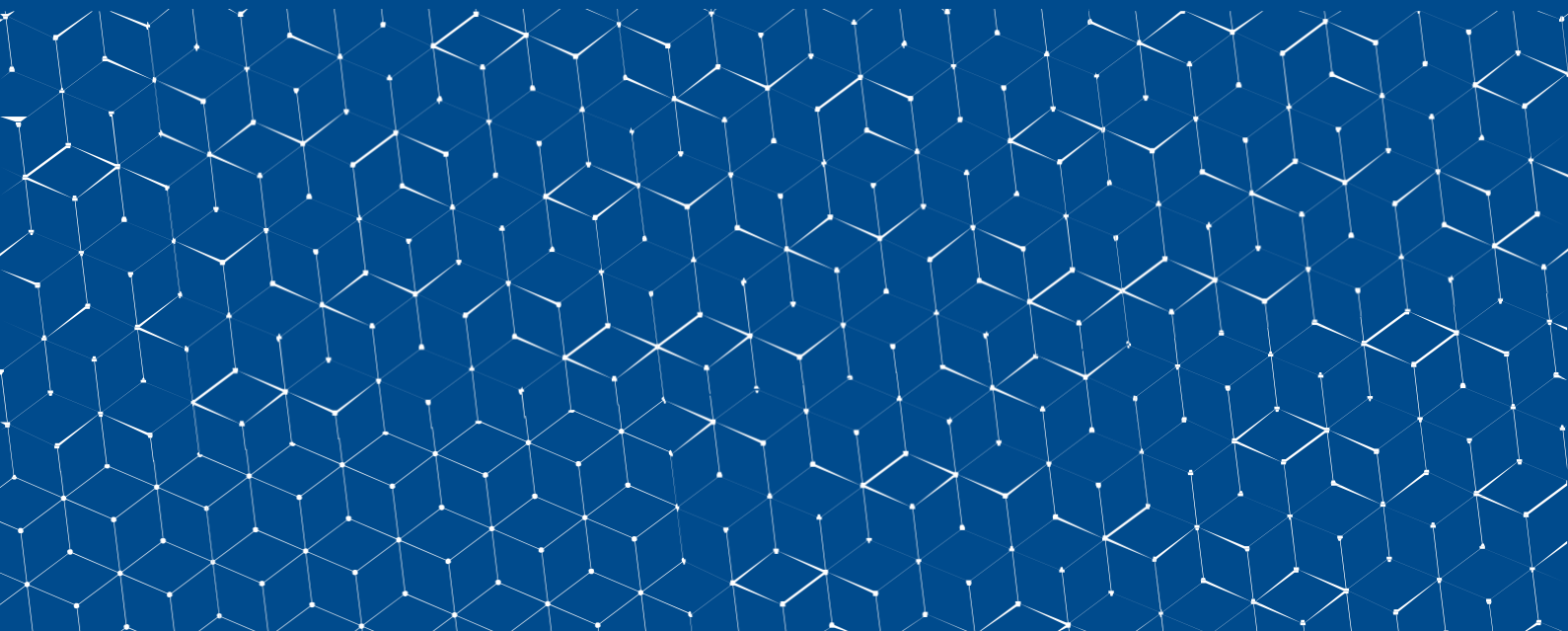
Chris Claydon
Chief Executive

May 2017

Annex:

- A. Strategic themes.





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