

**EC
ITB***

**Engineering Construction Industry
Training Board
Business Plan 2019**



About the ECITB

1. The Engineering Construction Industry Training Board (ECITB) is the statutory skills body for the Engineering Construction Industry (ECI) in Great Britain. A non-departmental public body (NDPB) sponsored by the Department for Education (DfE), the ECITB works with employers and governments to attract, develop and qualify the engineering construction workforce in a wide range of craft, technical and professional disciplines. Employer-led, we fund training to enhance skills across the engineering construction industry. Last year, the ECITB invested approximately £26 million in training and skill programmes on behalf of the industry. This includes providing technical, management and professional training and supporting apprenticeships and careers programmes.
2. The ECITB is accountable to Parliament and funded by a levy that it is required to collect from the industry. The levy is used to support employers train and upskill their workforce to industry standards. We also develop qualifications and courses that meet employer needs and regulate a network of approved training providers to deliver training. The ECITB is a registered charity in England and is accredited as an Awarding Organisation by the Office of the Qualifications and Examinations Regulation (Ofqual), Qualifications Wales and the Scottish Qualifications Authority (SQA).

*Our **mission** is to lead the industry in training and developing a highly skilled workforce*

*Our **vision** is to be the industry authority on engineering construction skills, working in partnership with business and government to deliver a diverse and highly skilled workforce, offering value by enabling industry to compete globally*

Our Core Values:

Knowledgeable

We are confident because we have a depth of understanding that makes us authoritative

Collaborative

We work as a team, listen to all stakeholders and work together to achieve the best effect

Responsive

We seek out opportunities to address our customers' needs and respond positively and swiftly to enquiries

Introduction

1. The ECITB's strategy, published in 2017¹, sets out our plans through to 2020. This business plan outlines how we will work with industry and governments to address the skills challenges the industry faces in 2019. It sets ambitious objectives based on feedback from consultation with industry and government.
2. In 2019 we will also hold a consultation with industry on the industrial training levy rates for the next levy period (2021-2023). For the first time we will do this by aligning our new strategy with the levy proposal. We will publish our new strategy for consultation in spring 2019. The levy consultation will take place in the autumn.

The Operating Environment in 2019

3. After a prolonged period of contraction, the economic outlook for the engineering construction industry at the start of 2019 is one of cautious optimism. A recent survey commissioned by the ECITB found that 62 per cent of ECI employers are either quite confident or very confident about the future², reflecting an upturn in work for many and a sign that the worst of the downturn is over. Within the oil and gas sector, 11 new projects were announced in 2018 demonstrating the ongoing attractiveness of the UK Continental Shelf, while offshore decommissioning activity is also set to grow³. However, contractor margins still remain fine after several years of cost cutting.
4. In nuclear, the deployment of engineering construction contractors on Hinkley Point C will commence in 2019 which together with other nuclear projects is estimated to require 7,000 new workers each year until 2021. Concerns remain however over the future of the new build programme following Toshiba's decision to withdraw from the Moorside project and Horizon's recent announcement on the Wylfa Newydd project. The size of the offshore wind market continues to grow: the UK now has more installed offshore wind capacity than any other country, while 65 current and planned projects with a combined generating capacity of 35 gigawatts (GW) are in the pipeline between now and 2032⁴. The next contracts for difference (CfD) auctions will take place in May 2019.
5. The Government's industrial strategy continues to be a key area of focus for the ECI. Following publication of the nuclear sector deal in June 2018, the offshore wind sector deal will be launched in 2019. In the area of skills policy, the ongoing implementation of the apprenticeship reforms and the development of T-levels continue to be key priorities for Government. Despite the initial fall in the number of apprenticeship starts following the introduction of the Apprenticeship levy, numbers are now increasing although the lack of training provision in some parts of the country remain a concern. In Scotland, the Government has committed to expanding Graduate Apprenticeships to provide new higher level technical skills and will publish a new careers strategy in 2019⁵, while in Wales, plans to introduce a Tertiary Education Commission to oversee skills delivery will be developed further.

¹ ECITB 2017 Strategy, published May 2017.

² Pye Tait Consulting, ECI Labour market and business intelligence outlook, January 2019 forthcoming

³ Oil and Gas UK <https://oilandgasuk.co.uk/commitment-to-maintaining-fiscal-conditions-welcomed-by-industry/>

⁴ Aura Energy and EU Skills, Skills and labour requirements of the offshore wind industry, October 2018.

⁵ <https://www.gov.scot/publications/delivering-today-investing-tomorrow-governments-programme-scotland-2018-19/pages/8/>

6. 2019 marks the year when the UK is scheduled to formally leave the European Union. Allied to the ongoing political uncertainty regarding the nature of the UK's withdrawal, the impact of Brexit on the engineering construction industry remains unclear. It is however highly likely that any restrictions on freedom of movement will create significant pressure on the limited supply of skilled engineers available to employers, particularly as demand for talent from other engineering and construction sectors grows.

Objectives and Priorities

7. 2019 is a levy consultation year and achieving consensus on the levy rates will be the main focus. To enable this we will continue to deliver high quality, relevant and timely training support to industry and deliver against our strategic themes; intelligence led, policy leading, productivity through skills, transferability, collaborative approach and value.
8. We will also further develop our collaborative partnerships with stakeholders to maximise the impact of the ECITB. This will include playing our part in shaping the skills elements of the sector deals and working to support delivery of the industrial strategy. The four priorities for the ECITB set out by the Minister for Skills⁶ in her letter to the ECITB Chair underpin this plan.
9. In 2018 we had an equally ambitious plan. We achieved our objectives to raise our profile with government and publish LMI reports on the industry to help shape policy making. We undertook a grant consultation in which employers scored us highly both for the relevance of our products and services and in the way we delivered them. We set a goal of achieving an increase in apprenticeships by 20%; the actual increase was 80%. We focussed on SMEs and met our objective to ensure they received 20% more in grants than they paid in levy.
10. We also delivered a number of strategic initiatives, including Connected Competence, the Project Collaboration Toolkit and Project Mentoring, which have been embedded in the offshore oil and gas sector and are being scoped for other sectors, such as nuclear. In England, we were approved by the Institute for Apprenticeships and Technical Education to become an External Quality Assurance provider for End Point Assessment. We also revised our governance to make it more transparent and accountable, appointed a new smaller and strategic board and revised key policies. Finally, we continued to deliver value for money, driving down costs and improving output, through initiatives such as digitalisation of grants.
11. **The ECITB's priorities for 2019** are to:
 - a. Conduct a successful levy consultation with industry.

⁶ Annual Priorities Letter to the ECITB 2018/19 dated 12 Sep 18.

- b. Build the evidence base on which we can deliver our strategy for 2020 – 2022.
- c. Work collaboratively with industry and other stakeholders to support an increase in new entrants and improve diversity.
- d. Make high quality training accessible for all employers.
- e. Continue to offer value for money to industry by: focussing our efforts on those activities that deliver most value to employers, keeping our costs to a minimum whilst growing our commercial income and ensuring that those who should pay the levy do so.

12. **Our principal objectives for 2019** are set out in detail in the table below.

2019 Business Plan objectives

	Objective	
1.	Create a level playing field with the levy	<ul style="list-style-type: none"> ○ Expand the levy team to provide an additional levy manager at FOC and a researcher by end Q2 to improve capacity of the team ○ Develop a plan to increase the number of establishment reviews c/w 2018 and map out the route to bringing new areas into scope by end Q1 ○ Increase income from the levy by £675k by end of Q4 ○ Identify options to further increase the capacity of the levy team to double the number of ERRs from 2021 based on the 2019 baseline by end of Q4
2.	Raise the profile of the ECITB and showcase our work, value and successes	<ul style="list-style-type: none"> ○ Launch new brand and website by end of Jan 19 ○ Produce strategy materials and deliver effective PR campaigns to support strategy consultation ○ Deliver ECITB events and participate in industry events, including the Awards Dinner 2019, SNS 2019, Topsides UK conference, O&GUK skills event, Prairie Dog seminar, NW Hydrogen Economy event and ECITB Project Management Conference
3.	Build closer links within Government and ensure ECITB is influencing skills policy	<ul style="list-style-type: none"> ○ Enhance ECITB's contribution to policy development in the following policy areas: <ul style="list-style-type: none"> - Apprenticeships / AL post 2020 - T-levels incl. industry placements - Sector deals ○ Enhance our engagement with parliamentarians in Westminster
4.	Develop a strong evidence base to enhance understanding of the industry's skills and training needs and provide analysis and advice to government stakeholders, in order to inform policy making	<ul style="list-style-type: none"> ○ Produce LMI research reports (target is 3 major and 3 minor reports by the end of the year) ○ Commence work on new research projects including on the following: transferability of skills, impact of apprenticeship reforms, careers motivations and diversity.
5.	Develop and deliver ECITB's careers strategy	<ul style="list-style-type: none"> ○ Implement the delivery plan for 2019, including: <ul style="list-style-type: none"> - Renew careers/stem Materials by end Q3 - Deliver a minimum of 3 collaborative projects/ventures by year end - Produce guidance for the regional teams when undertaking careers activities - Devise the attraction offer for the new strategy by the end of the year
6.	Promote the recruitment of a more diverse workforce	<ul style="list-style-type: none"> ○ Diversity and Inclusivity research

	Objective	
		<ul style="list-style-type: none"> - Identify opportunities to research D&I effectiveness in industry by year end. o Collaborative projects - work with specialist organisations and employers on delivering D&I related training. o Develop grant offer to encourage D&I training by year end
7.	Increase employer support for the ECITB	<ul style="list-style-type: none"> o Account management to ensure employer needs are understood through effective training planning by end Q1. o Forums and feedback sessions o Responsive to employer needs o Conduct employer satisfaction survey by year-end. <ul style="list-style-type: none"> - Employer engagement objectives - > 95% of regions employers engaged with the ECITB - > 75% of regions employers receive ECITB P&S - Grant is provided for >85% of regions SMEs
8.	Support the industry to increase the inflow of new entrants	<ul style="list-style-type: none"> o Develop and deliver a graduate development scheme o Apprenticeship support <ul style="list-style-type: none"> - 700 Apprentice starts - Support employers to access new apprenticeship standards o Scope out and deliver support for industry transfer schemes: <ul style="list-style-type: none"> - Coal-fired to nuclear - Employment gap returners - Scope out opportunities to support the inflow of unemployed people into industry o Assess and define the need for ITECs across the regions and recruit to revised requirements.
9.	Competence assurance	<ul style="list-style-type: none"> o ECITB training and assessment/testing used to measure workforce competence in Upstream O&G, Nuclear New Build and to upskill workers across 2 major process facility sites by year end o Working with the ECIA and the ACE ISG, develop a new ACE Card technical renewal process and a new 'entry' to the scheme process incorporating non-ECITB VQs by year end.
10.	Provide support for the industry to improve supervisory and leadership capability.	<ul style="list-style-type: none"> o Increase the use of the Project Collaboration Toolkit across two major process sites, including Nuclear sector by year end o Support the development of industry standardised leadership programmes o Support supervisors through supervisory coaching and mentoring across at least one site by year end
11.	Ensure there is high quality training provision accessible for all ECITB registered employers for ECITB products and services and apprenticeships	<ul style="list-style-type: none"> o Tender and award contracts for OGTA, ITEC 2019, Apprentice Phase Tests o Work with providers to ensure there is accessible approved training provision for employers <ul style="list-style-type: none"> - Review how the ECITB can work at a partnering level with key providers - Report on merits of this approach by Q2 2020 o Investigate how new technology can provide flexible modes of delivery.

	Objective	
12.	Support the improvement of industry understanding and adoption of new technologies	<ul style="list-style-type: none"> ○ Undertake research to identify the emergence of new technologies ○ Assess the likely impact on the industry of these technologies ○ Implement ECITB technology action plan to achieve the Industry 4.0 aspects of the new strategy
13.	Ensure that all ECITB vocational qualifications are finalised and together with all standards meet industry's requirements and are fit for purpose	<ul style="list-style-type: none"> ○ Review industry requirements for new vocational qualifications, by the year end. ○ Investigate feasibility for tailored company awards, where they are more appropriate by year end ○ Validate VQ skills and knowledge tests by year end ○ Review and align the relevant Training Standards to the requirements of the new RQF vocational qualifications by year end. ○ Carry out a full NOS review to ensure the standards continue to meet industry's needs by year end
14.	Ensure employers have access to ECITB products and services to support apprentices during their programme, including External Quality Assurance for End Point Assessment and Apprentice Phase Tests.	<ul style="list-style-type: none"> ○ Implement EQA for Pipefitting, Design and Draughting, and Rigging and Erecting apprenticeship end point assessment by end of year ○ Pilot the concept of the ECITB Skills Centres and implement the Foundation and Year One apprentice phase tests to measure progress of the apprentice against the appropriate standard and the validity of the training. Foundation month tests to be completed by end of Q1 and the Year One tests by end of Q3 ○ Procure OGTAP provision in time for employer recruitment campaign
15.	Ensure that the CCNSG programmes meet industry's needs and continues to be seen as the safety passport of choice.	<ul style="list-style-type: none"> ○ Introduce on-line test only arrangements for CCNSG Safety Passport renewal ○ Undertake a pilot programme to assess the suitability of the MIST course becoming eligible as a pre-requisite to the LaTS programme. To be completed by year end. ○ Undertake a comprehensive communication and marketing campaign to educate clients and contractors of the benefits of employees undertaking the CCNSG Safety Passport, with the aim of increasing take up in 2020 and beyond.
16.	Share best practice across the engineering construction industry sectors	<ul style="list-style-type: none"> ○ Support the Nuclear Decommissioning Authority/Oil and Gas Authority Cross Industry Insights Group ○ Establish a knowledge exchange area on our website ○ Work with sector organisations and associations to share the lessons from our strategic initiatives
17.	Ensure that we continue to offer value for money to industry by focussing our efforts on those activities that deliver most value	<ul style="list-style-type: none"> ○ Savings target of 3% of budgeted non-staff operating costs ○ Regularly and effectively evaluate our work

	Objective	
	to employers	
18.	Ensure that the ECITB has the right staff, working efficiently and effectively to deliver the Business Plan	<ul style="list-style-type: none"> ○ Recruit and retain staff to meet business needs. ○ Minimise the days lost through sickness and poor health. ○ Develop all staff members to help the ECITB achieve its objectives by end Q4 2019 ○ Develop plans to capture knowledge of key staff members by end Q2 2019 ○ Develop succession plans for each Department and for the Executive by end Q3 2019

People

13. The ECITB has excellent people. It is important that everyone in the ECITB has fulfilling and rewarding work, with the structures and processes in place to ensure they are properly supported. It is our policy to ensure that everyone within the organisation is valued and trained to carry out their role to the best of their abilities. To this end, we will ensure that everyone receives regular constructive feedback on their performance and is provided with the support they need to access any training which will help them either carry out their current role more effectively or enable them to progress within the organisation.
14. As an organisation dedicated to ensuring the provision of a highly skilled workforce, the ECITB is committed to ensuring that its staff receive the training and development they need in order to do their jobs to the best possible standard. Every individual within the organisation will have an annual Performance and Development Review (PDR) which will assist in identifying any training needs, either to better perform existing roles or to enable people to prepare for future roles.
15. It is recognised that a large amount of knowledge is held by certain individuals, a number of whom are planning to retire within the next couple of years. Consequently, we have a plan to “capture” that knowledge and ensure that it is not lost when those individuals leave the organisation.

Financial statement

16. The 2019 operational plan and financial budget are based on the ECITB’s strategic priorities and objectives. The drop in levy income, following the reduction in levy rates, has resulted in a deficit in 2018. This meant we had to use reserves to fill the shortfall. A similar deficit situation is planned in 2019 and 2020.
17. The budget for 2019 is predicated on a deficit of £3m which will be funded through reserves. The rationale for this is that the Board intends to continue to fund training at a level in excess of that achievable with the levy income currently forecast. Consultation with employers is in progress to determine how to best use grants in 2019 and 2020 in order to support the ECI, by providing the training it deems most important and to all employers who qualify, regardless of size.
18. Whilst the budget anticipates a deficit of £3m, the final financial outcome for 2019 is subject to a number of factors which are not wholly within the control of the ECITB and which include the following:
 - The budget assumes the level of demand will remain the same as in 2018. Decisions as to the level of financial support provided will be based on the availability of funds and we are currently making some revisions to the way in which we make and manage grant commitments, to ensure that both employers priority training needs are met and the projected deficit is not exceeded.
 - The budget also excludes the financial effects of factors which may or may not arise, and which cannot be predicted with any certainty. For example, an employer may challenge their levy assessment or go into administration or liquidation having failed to pay their levy. This would result in levy income being less than budgeted.

19. Beyond 2019, we are anticipating that 2020 will result in a similar level of deficit to that predicted for 2019 and that we will continue to draw down on allocated reserves during this period. The reserves will no longer be available in 2021, the start of the next levy period.
20. The 2017 strategy set out an aspiration to spend up to £10m from the Reserves over 3 years. In 2018 we have spent £3.9m from the Reserves, which gives £3m for the 2019 Budget.

Measuring our performance

21. Annex 1 contains a dashboard of the ECITB's key performance indicators for 2019.
22. Work is underway to improve the ECITB's approach to measuring impact and in 2019, we will devise a new impact framework. The impact framework will identify the Key Evaluation Questions (KEQs) and associated indicators that will enable us to effectively measure and assess our performance.
23. This work has been conducted by an internal impact practice working group with the support of Sky Blue consulting, an evaluation research company with expertise in education and skills impact analysis. Following publication of the Impact Framework, we will commence work on a data evidence collection plan, which will identify baselines and evidence sources. We are also improving our programme evaluation and will develop new learner evaluation methods in 2019.

Reporting

24. The following key performance reports will be delivered in 2019.
 - a. **DfE Strategic Performance Reviews.** DfE and ECITB hold quarterly performance reviews to discuss progress on the business plan, ITB review recommendations and policy issues.
 - b. **Annual report and accounts.** This will set out the ECITB's achievements in 2018 and forthcoming plans. It will be laid in parliament in May 2019.
 - c. **Annual performance review with Minister for Skills.** The ECITB Chair and CEO/Public Accounting Officer will meet with the Minister for Skills in February 2019.
 - d. **Statements of compliance with the regulating authority.** The 2019 statements of compliance will be submitted by September 2019.

Key dates for 2019

25. ECITB Council and Board.

Council Meetings:	Board Meetings:
1/19 – 5 th March	1/19 - 29 th January
2/19 – 25 th June	2/19 - 19 th March
3/19 – 5 th November	3/19 - 21 st May
	4/19 - 23 rd July
	5/19 - 24 th September
	6/19 - 26 th November

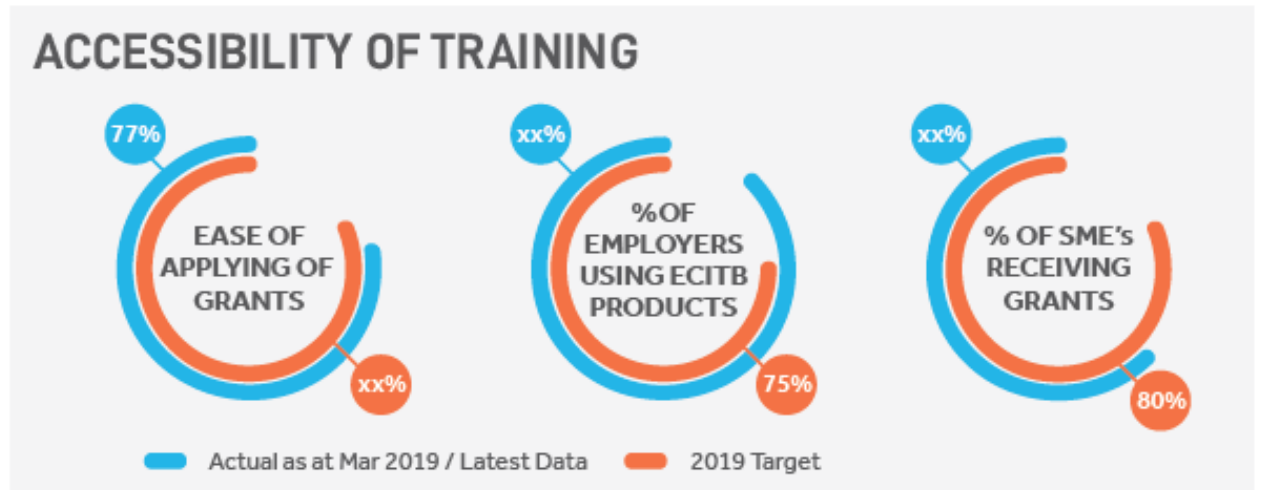
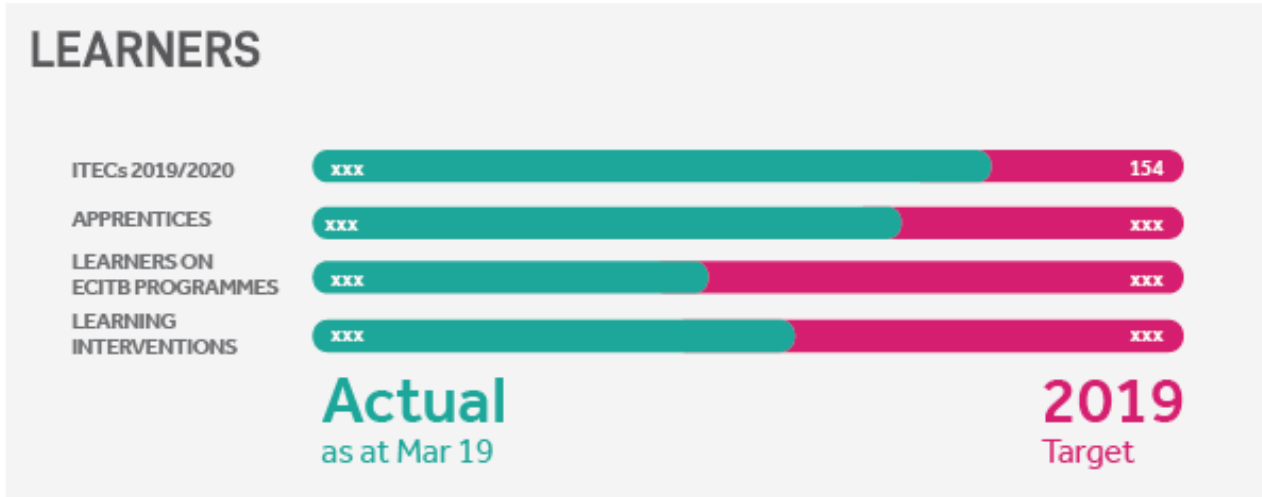
26. Regional Forums for 2019.

The Regional Fora planned for 2019 are set out in the table below:

Region	Spring	Summer	Autumn	Other
Scotland - South	27 Feb		25 th Sep	
Scotland - North	28 Feb		26 th Sep	
Y&H	19 Feb	18 June	3 Oct	
NW	20 Feb	19 June	9 Oct	
NE	21 Feb	20 June	10 Oct	
Wales	12 Feb	11 June	10 Sep	
Midlands	13 Feb	12 June	11 Sep	
East England	14 Feb	13 June	12 Sep	
EDP	6 Feb	3 July	16 Oct	Annual South/EDP Conference 01 May
South East	5 Feb	2 July	15 Oct	
South	7 Feb	4 July	17 Oct	
Nuclear	26 Jan	15 May	2 Oct	

Note – The autumn fora dates may change once the consensus deadline for votes is established.

Annex 1: 2019 Business Plan - Key performance Indicators (February 2019)



STAFF	ACTUAL AS AT MAR 19	2019 TARGET
% OF FEMALE STAFF	41%	50%
GENDER PAY GAP	9.9%	10%
STAFF TURNOVER	15%	<15%
SICKNESS ABSENCE RATE	1.2%	<2.6%
NO. OF ACCIDENTS	11	5

