



Engineering Construction Industry Training Board



ANNUAL REPORT & ACCOUNTS 2010

**ENGINEERING CONSTRUCTION
INDUSTRY TRAINING BOARD**

**REPORT OF THE TRUSTEES AND ACCOUNTS
FOR THE YEAR-ENDED 31 DECEMBER 2010**

Annual Report and Accounts presented to Parliament pursuant to Section 8(4)
of the Industrial Training Act 1982

Ordered by the House of Commons to be printed on 14 July 2011

© Engineering Construction Industry Training Board Copyright 2011

The text in this document may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Engineering Construction Industry Training Board copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

For any other use of this material please contact the Engineering Construction Industry Training Board, Blue Court, 1 Church lane, Kings Langley, Hertfordshire, WD4 8JP.

ISBN: 9780102971262

Printed in the UK for The Stationery Office Limited

on behalf of the Controller of Her Majesty's Stationery Office

ID: 2421130

07/10

Printed on paper containing 75% recycled fibre content minimum

CONTENTS

1 Chairman's Statement

3 Chief Executive's Review

6 The Industry and Economic Environment

8 Activities and Mission

- The ECITB's charitable activities
- The ECITB's mission

10 Objectives, Achievements and Challenges in 2010

14 Plans for the Future

20 Structure, Governance and Management

- ECITB's statutory basis and charitable status
- How decisions are made
- Environmental policy and social responsibilities

28 Remuneration Report

31 Financial Report

- Statement of the ECITB's and the Accounting Officer's responsibilities
- Results for the year
- Commentary on the results
- Reserves policy
- Investment policy and performance
- Employer registrations
- Grant payment policy
- Material cash support payments
- Charitable donations
- Payment policy and performance
- Auditors
- Statement as to disclosure of Information to the Auditors
- Statement on Internal Control
- The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

45 Financial Accounts for year-ended 31 December 2010

- Statement of Financial Activities for year-ended 31 December 2010
- Balance Sheet as at 31 December 2010
- Cash Flow Statement for year-ended 31 December 2010
- Notes forming part of the Accounts for year-ended 31 December 2010

CONTENTS

Appendices

70 Appendix A

Principal Office and Other Offices, Charity Registration details and General Information

71 Appendix B

Trustees

73 Appendix C

Register of Interests of Trustees

75 Appendix D

Membership of Board and Committees

77 Appendix E

Chief Executive Officer and Senior Staff

78 Appendix F

Employer, Employee, Industry, Educational and Governmental Organisations

83 Appendix G

Other Relevant Organisations and Persons

CHAIRMAN'S STATEMENT



I am very pleased to report that the ECITB's output performance rose yet again and supported the delivery of training to over 24,000 people compared to a target of 11,000.

This outstanding result is remarkable for both its scale and the fact that industry activity has reduced generally, with new engineering projects suffering delays because of the economic climate and other uncertainties in capital investment. It is also a positive indicator of employers retaining their staff and using the opportunity to raise their capabilities through training, and is further evidence of the value of our regional operating model.

At the turn of the year into 2011 there were increasingly positive signs about future growth with orders beginning to come through. Whilst this is very positive, further significant demand growth is forecast from 2014 which means the rate of apprentice and graduate entrant recruitment and training will need to double to meet the strategic skills demand.

Employers across the industry understand these issues very well but there is a fundamental blockage in that there are too few suitable work placements to complete the training and work based assessment to the high standards necessary. This is true for apprentices and graduates alike. For apprentices, we are exploring innovations to improve the training processes and increase efficiency of apprentice completion, overcoming the bottleneck. For graduates we are improving the training offer and increasing the support budget to employers.

2011 will be the ECITB's 20th year of operating and coincides with the Board's completion of a strategic and suitability review to test what the organisation does and set the future direction and improvement goals. The review's overall conclusion is that the organisation, its mission and purpose and the value of its contribution has never been more important to securing engineering construction skills, now and for the future.

The organisation's shape, governance and success levels have all been transformed and consolidated over the last six years culminating in a strong, employer led skills platform for the extremely important engineering construction industry. It is not an overstatement that greening of the country's energy and industrial infrastructure depends on a strong engineering construction industry to design, build, maintain and decommission it, all to exacting engineering and safety standards.

Research shows that the industry needs to attract, develop and qualify 50-60,000 new people by 2020. This could be 20,000 engineering apprentices, 20,000 people re-trained from other industries and 20,000 engineering and technical graduates. Achieving this will need both a step change and early investment in new people, coupled with highly efficient and rapid re-training programmes that can be put in place very quickly as demand for people rises.

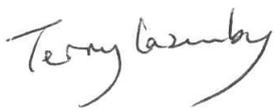
The foundations are in place with new competence based qualifications and overhauled apprenticeships, recognised in both the Scottish Credit and Qualifications Framework (SCQF) and the Qualifications and Credit Framework for England and Wales (QCF). These are designed by the industry for the industry and are the best fit to our industry's exacting standards. Our commitment is to make sure that the industry has the best and most suitable training solutions, built from agreed occupational standards, high-quality training resources, assured providers and quality maintained by robust measurement of competence.

I believe that the engineering construction industry is well positioned to respond well in the recovery. The commitment to and engagement in all aspects of the ECITB's work has been tremendous.

I am indebted to all of my colleagues on the Board for their support in increasing output again, and for their influence in the industry. The Chairs of the Regional Forums have invested considerable effort to help us and I am grateful for their personal and their companies' commitment.

ECITB staff have again performed well. They have continued to show dedication and enthusiasm in delivering our exciting vision for the future of skills and training in the engineering construction industry. My thanks to them for a tremendous year.

We kept our promise to keep accelerating and we commit to this again in 2011.

A handwritten signature in black ink, appearing to read 'T M Lazenby'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

T M Lazenby MBE FREng
Chairman

CHIEF EXECUTIVE'S REVIEW



The Chairman has indicated in his statement that the engineering construction industry and the ECITB put in an excellent response to turbulent market conditions resulting in more people than ever before participating in ECITB sponsored training in a single year.

This is an excellent lead-in to 2011 which is the 20th year of ECITB's operations and in which we expect to see our 1,000,000th learner.

These achievements are a direct result of the strong bond that has been created between the employers that lead, guide and support the ECITB nationally and regionally and the staff of the ECITB at all levels.

It is important to recognise that employers contribute the training levy of course, which gives the financial resources to do what we do. Equally important is the contribution of time, energy and expertise to ensure our products are fit for purpose and remain so, now and in the future.

A great deal of change, new product development and the launch of completely new qualifications were all dealt with successfully, giving a strong platform for the future.

We continue to provide programmes in the categories below and the details of our 2010 results in these areas are shown in the rest of this report.

Management and Professional

Support and recognition for supervisors to advance project managers in engineering construction. Excellent supervision and project management are essential for productivity and delivering projects on-time, to budget and quality.

New programmes to create a progression ladder for supervisors have been developed and will be launched in 2011 as part of ECITB's contribution to the Engineering Construction Forum's work on skills and productivity.

Apprenticeships

Apprenticeships are the cornerstone of our service and account for around half of our total annual expenditure, including our engagement, careers and promotional work. New statutory regulations for apprenticeships come into force in 2011 in England and Wales and we will ensure that our frameworks are compliant.

The government continues to promote the importance of apprenticeships and their value to employers and individuals alike, citing significant net present value (NPV) to learners of the higher earnings for skilled people. Independent research by the University of Sheffield for the ECITB showed our advanced/modern apprenticeships to have a NPV of £300,000 per person, significantly above the national average.

Our Design and Draughting framework now has the largest number of enrolments reflecting increasing work and the prospects of more engineering and design work coming through the pipeline.

Skills and Technical

Our modular skills and technical suite continues to expand and evolve and is particularly valuable for re-training and up-skilling in bite sized elements. It is primarily in the craft and technician skills areas and now has a suite of technical tests to allow employers and learners to assess skills and progress more objectively. This is particularly valuable when people are working in high hazard environments such as oil and gas, refining and nuclear.

For example, our employers who work in oil and gas sector have successfully used our programmes to re-skill personnel from the military services to meet the exacting industry standards. The benefit is that people can have their competence assured very quickly.

These programmes are also being used to train unemployed and young offenders in five separate initiatives, two in Scotland and three in England.

Awards and Qualifications

Our awards and qualifications are the backbone of our skills and competence assurance services. The integrated approach, defining with the industry critical occupational standards, then designing training solutions to meet those standards and then rigorously assessing attainment and awarding nationally and internationally recognised qualifications, gives individuals and employers assurance of the skills and competence achieved.

In our industry, which encompasses all industrial processing facilities from energy and food production to water and nuclear material processing, the need to focus on skills, safety and competence is paramount. The ability of personnel to transfer between projects and types of facility is a key strength of the engineering construction industry and gives our employers a strong, flexible, safe service to their customers.

The need for effective skills and competence assurance will rise as significant new investment is made, particularly in renewable energy, nuclear power and, further ahead, carbon capture and storage.

Our governance of awards and qualifications has been strengthened with a dedicated committee, reporting to the Board, and it has overseen and guided the project to overhaul and introduce all new qualifications in the Qualification and Credit Framework (QCF) in England and Wales, and the Scottish Credit and Qualifications Framework (SCQF).

Development and the future

During 2010, the Board of the ECITB completed a Strategic and Suitability Review and submitted the report to the Department for Business, Innovation and Skills (BIS).

This was a comprehensive review of the strategy and an appraisal of the ECITB's governance, structure, performance and focus. The review approach and terms of reference were agreed with BIS to meet their requirements for periodic review of Non-Departmental Public Bodies (NDPBs) which had previously been known as the Quinquennial Review.

The backdrop to the review was the changing political landscape of a General Election, changing skills and training priorities, pressure on public expenditure and the new government's review of all public bodies in the second half of 2010.

All of this scrutiny and appraisal concluded that the ECITB is valued, required and fit for purpose and subsequently, confirmation was received from BIS of the continued statutory basis for the ECITB.

This now gives a solid platform to build further and the focus for the next few years is to drive harder on five core processes:-

Employer engagement

To strengthen the forums, increase dialogue and increase responsiveness.

Identification of skills needs and priorities

To ensure we continue to keep pace with changing skill requirements and allocate resources to the greatest needs.

Stakeholder and provider engagement

To build a larger, more focused provider network, delivering quality assured programmes at all levels. To work with new and existing partners and funding agencies to build common solutions and simplify the skills delivery system.

Delivery of services

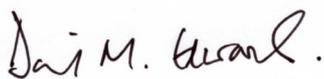
To ensure that we and our network deliver what is required, when it is required, to the right (high) standards and to drive growth in apprenticeships and all programmes.

Evaluation and improvement

To ensure that we innovate to reduce costs, simplify and drive efficiency.

Our research shows that 50-60,000 people will be needed to meet the strategic skills demand by 2020. To meet this demand, a bigger pool of talented people is needed from apprentices (20,000) to graduates (20,000) and other skilled workers (20,000) and our programmes and processes are ready to deliver.

Sustained and focused effort will be needed in all of these areas to support our vital industry to secure engineering construction skills now and for the future.



David M Edwards
Chief Executive

THE INDUSTRY AND ECONOMIC ENVIRONMENT

The engineering construction industry is strategically important to the UK economy.

The industry is essential in the delivery of the vital upgrades required to the country's infrastructure, necessary for the UK to thrive. The engineering construction industry is also central to transforming the energy infrastructure of the country and delivering a low carbon future. It provides the engineering, construction and project management skills to support all processing industries throughout the whole plant lifecycle, from initial concept, through engineering design, construction and maintenance to end of life decommissioning and dismantling. The industry employs around 80,000 people annually in the UK and around 500,000 internationally.

In 2010, the ECITB undertook a review of the industry's manpower needs and the findings indicate that the sector is at a turning point.

The suitably qualified personnel that are needed for the industry to be successful are in short supply and manpower needs are significantly higher than previously understood. The study, undertaken between July and September 2010 among 100 industry experts, showed that:-

- With an ageing workforce causing significant retirements, natural wastage and expansion demands, 50-60,000 new people are needed by 2020. This means that 15-20,000 apprentices, 15-20,000 mature workers, and 20,000 graduates are required to be trained or re-skilled to do the engineering, construction and project delivery.
- The greatest demand for skills is in power generation, as the ageing power station infrastructure needs replacing with new coal/gas, nuclear and renewable energy plant. By 2020, power generation will account for 32-37% of all engineering construction projects and manpower requirements.

The following tables show the anticipated numbers required at 2020 and how many individuals need to be recruited annually to meet the growing demand.

Sector	Required manpower forecast	Number to recruit
Coal/Gas Power Generation	10,800	5,700
Upstream Offshore (Oil & Gas)	24,800	14,700
Downstream (Oil & Gas)	11,900	6,000
Chemical and Pharmaceuticals	9,100	5,000
Steel and Metal Smelting	3,200	1,700
Nuclear Power Generation	16,600	14,000
Renewable Power Generation	2,900	2,500
Other	12,200	6,500
Total workforce	91,500	56,100

Year	Manpower Forecast	Number to recruit
2012	75,200	16,800
2014	76,600	25,000
2016	78,900	33,300
2018	83,500	43,200
2020	91,500	56,000

The following are some of the projects in which engineering construction employers were involved in 2010:-

- In the renewable energy sector, new wind farms were being built both offshore and in Scotland, and an ethanol production facility was being built in Hull.
- In the downstream oil and gas sector, projects to build gas storage facilities began in Cheshire and the East Irish Sea, and a major maintenance project began at an oil refinery in Pembroke.
- In the power sector, a major carbon capture project began at Kingsnorth power station and major maintenance projects were started at all Centrica HRSG power stations.
- In the nuclear sector, the first phase of a new waste storage facility began at Sellafield and a contract was awarded for the delivery of fuel element debris dissolution at Bradwell nuclear power station.
- In the upstream oil and gas sector, there were a significant number of construction, repair and maintenance and project management projects covering storage facilities, process operations and general maintenance.
- In other sectors a new sewage works and steelworks began construction.

ACTIVITIES AND MISSION

The ECITB's charitable activities

The ECITB's charitable activities are in the four main areas set out below. Together these activities form an integrated approach that enables the ECITB to assist individuals and employers to develop their skills and capabilities.

Pathways to enter the industry are provided for school leavers, the unemployed and graduates. Ongoing support is then available to assist in re-skilling, skill enhancement and professional development.

At virtually every step, achievement of skills is marked by the award of qualifications that are recognised and portable.

Apprentices and Careers	<p>This activity is geared towards encouraging people to seek, and helping them gain, access to worthwhile careers in engineering construction. The main activity in attracting young and new people revolves around the ECITB's apprenticeship programme which recruits individuals to apprenticeship programmes with industry employers and accredited training providers.</p> <p>Evidence shows that young people in particular are showing much more interest in apprenticeships than before. The ECITB's aim is to ensure that school students are made aware of the opportunities in the industry. To achieve this and to ensure sufficient quality applicants for apprenticeships, the ECITB supports an annual programme of careers events and marketing to schools and colleges.</p>
Skills and Technical programmes	<p>The ECITB provides a range of flexible training programmes, designed to develop or "up-skill" existing workers from a wide spectrum, but normally with some existing technical competence.</p>
Management and Professional programmes	<p>The ECITB offers a comprehensive range of training programmes and courses within technical, supervisory and managerial disciplines, which are principally designed to up-skill professional engineers, supervisors and the like.</p>
Awards and Qualifications	<p>In this area, the ECITB's principal activities are:-</p> <ul style="list-style-type: none">• Awarding Body - assessing, verifying and awarding National and Scottish VQs.• Accrediting and quality assuring training and assessment providers.• Assuring Competence in Engineering Construction (ACE).• Client Contractor National Safety Group (CCNSG) Safety Passport Scheme.• Engineering Construction Industry (ECI) Skills Database Scheme (new registrations ceased to be taken in 2008).• Development of training products and services, including National Occupational Standards, which contribute to the competence of individuals.

The ECITB's mission

The ECITB's Mission can be stated very simply as being the delivery and enabling of training to ensure that employers' skills and competence needs are met.

The ECITB's focus is to support the core technical and engineering skills necessary for the industry to prosper. The strategy is to put in place programmes to **ATTRACT** people to the industry, **DEVELOP** them through a network of accredited training providers and **QUALIFY** them to industry standard.

In order to do this the ECITB works in close partnership with employers and provides significant skills development support to them financially, giving expert advice and brokering access to training and assessment services.

OBJECTIVES, ACHIEVEMENTS AND CHALLENGES IN 2010

In 2010, the ECITB significantly increased overall training levels across the engineering construction industry. Shorter term training programmes proved very popular, and the introduction of support for Chartered Engineer schemes and post graduate qualifications was a catalyst for a significant increase in the number of learners in these areas.

The industry was affected by the economic climate in 2010. Projects continued to be deferred and cancelled. The most seriously affected regions continued to be the North East of England and South Wales. Both of these regions are heavily reliant upon the steel industry which continued to be adversely affected by the economic situation. The North East was also affected by the decline in the bulk chemical industry.

Having said this, the level of training within the North East has started to pick up again. There is a strong engineering construction base in the region which has a history of competent people able and willing to meet the needs of the industry, wherever it may be located.

South Wales has seen new work arriving through gas and power projects in Pembrokeshire which have increased the amount of training taking place. However, the construction of the new power station in Newport led to little training and was a disappointing project from this perspective.

In 2010, a settlement agreement was reached with Sellafield Ltd relating to its levy appeals. It was agreed that the company's Nuclear Decommissioning and Major Projects Group were within the scope of the ECITB. The inclusion of this large employer meant that the training of its 1,905 learners was supported by the ECITB.

ECITB's goal in 2010 was to maintain the levels of training that took place in 2009. This goal was exceeded with significant increases in learner numbers similar to those achieved in 2008. More apprenticeships, skills and technical and management and professional training and more competence based assessment were undertaken in 2010 than planned.

At the end of 2010, the ECITB was supporting over 2,500 apprentices across all programmes and year groups. This is the highest number of apprentices supported by the ECITB at any time in its history.

In 2010, the ECITB achieved the following levels of training activity.

Programme	Planned	Achieved
Apprenticeships – apprentices recruited	679	711
Skills and Technical programmes – TECSkills registrations	925	1,895
Management and Professional programmes – undertaken	4,866	5,552
Awards and Qualifications – ACE registrations	1,230	1,423
Regional Discretionary Grants – learners supported	2,845	19,704
Total	10,545	29,285

The ECITB supported approximately 29,300 learners in 2010 (15,100 in 2009) across all programmes. In addition, 41,627 ECITB Safety Passports were issued (over 45,000 in 2009). During the year, the ECITB's careers activities recruited 103,000 potential entrants to the industry, largely young people.

Given this breakdown, overall the ECITB exceeded its targets for 2010 by almost 180%, with a 95% increase in learner numbers compared with 2009.

The Offshore region is the biggest and most active region within the ECITB. In 2010, the number of learners in this region alone exceeded the total number of learners supported across all the ECITB regions less than three years ago. Of the 19,704 learners supported through a Regional Discretionary Grant, 12,238 were from the Offshore region, and approximately 9,500 of these learners attended a Minimum Industry Safety Training (MIST) programme.

Apprenticeships and Careers

Apprenticeship recruitment exceeded the target set for 2010 by approximately 8%, despite the economic conditions. A significant number of the additional apprentices were in the nuclear industry (approximately 120).

The Offshore region took more apprentices than in previous years, including more apprentices in traditional craft disciplines. This initiative was designed to address the skills gap that is fast approaching in the basic craft disciplines. Design and Draughting continued to be another popular apprenticeship in the region.

During the year a number of apprentices were made redundant. Given the economic climate in the North East of England, the level of redundancies amongst apprentices in the region has been significant. In addition, apprentices taken on by the ECITB in the North East in 2009 were unable to gain employment in 2010 following the completion of their off the job period in a training school.

This issue was difficult to manage. However, through the regional structures and the support of employers most of these apprentices were placed with employers and were able to complete their apprenticeships. Nevertheless, this is an ongoing issue. Currently, the number of apprentices awaiting employment placement is approximately 20.

These issues have been tackled head on in the North East with an initiative to establish a Skill Enhancement Centre (SEC), designed to allow part-completed apprentices to finish their apprenticeship in a simulated environment. This is designed to make apprentices more attractive to prospective employers. The main barrier to increasing the number of ECITB apprentices, assuming that sufficient government funding is available, is the number of work placement opportunities with employers. If the SEC can assist in overcoming this bottleneck, then it could have enormous potential in assisting the ECITB to address the skills shortages for the industry.

Skills and Technical programmes

In 2010, the Skills and Technical learner registrations were well above expectations in all areas except that associated with the long term up-skilling of adults to N/SVQ Level 3 qualifications. It should be noted that most other Skills and Technical courses are effectively short term training programmes.

Following discussions with employers and training providers it appeared that the low number of learners working towards a N/SVQ Level 3 qualification was caused by two factors:-

- The poor economic climate whereby employers and learners are not prepared to commit to long term training programmes; and
- The complex nature of the existing training programmes offered by the ECITB.

With this in mind the ECITB has put in place a thorough review of these longer term programmes to effectively turn them into a series of short term units that can be aggregated to produce the longer term training and associated qualification.

Management and Professional programmes

The numbers of learners pursuing training in this area exceeded target by approximately 15%. It transpires that during the economic downturn, many employers undertook training of their staff. The ECITB's Management and Professional programmes are predominately short, off the job type courses.

In 2010, the ECITB exceeded the target for learners undertaking supervisory programmes by approximately 25%. The new licensing arrangements adopted in 2010 have been a major contributory factor with more training providers offering better options to employers wishing to train their supervisors.

In 2010, the number of post graduate learners supported by the ECITB exceeded planned targets by approximately 300% compared with 2009. Clearly, employers are investing in their senior staff and are pleased that the ECITB has now adopted a flexible approach to support this trend.

The only area within Management and Professional programmes that has experienced a downturn has been associated with project management. Given the undoubted requirement for more training in this area from ALL sectors of our industry, this was a surprise. Following discussions with employers and training providers, the ECITB will review its approach to training in this area and look to adopt a more flexible approach to the licensing of its project management suite of programmes which will encourage more training in this area.

Awards and Qualifications

Work in 2010 was once again dominated by the Vocational Qualifications Reform Programme (VQRP).

The ECITB completed the necessary work to revise all of its National Vocational Qualifications to create new vocational qualifications for the Qualifications and Credit Framework (QCF). In all, 28 qualifications were accredited including six brand new qualifications at Level 2, one new qualification at Level 3, and a new suite of Project Control qualifications at Level 3. Development of a new suite of Project Control qualifications at Level 5 was completed and accreditation of these is pending.

Eight further development workshops were held with the industry in 2010, bringing the total to 21. These workshops were attended by 59 different industry experts from 13 different providers and 21 different employers. In total, they developed 305 new Units of Assessment, which form the framework for the new qualifications.

In 2010, work commenced on developing new Competence Based Qualifications (CBQ's) that will replace the Scottish Vocational Qualifications in Scotland in 2011. Subject to accreditation by the Scottish Qualifications Authority (SQA), there will be an equivalent CBQ for every QCF qualification. These new CBQ's are based on the 305 Units of Assessment developed for the QCF, so there will be equivalency and consistency across national borders. They have been credited and levelled for the Scottish Credit and Qualifications Framework (SCQF). The new CBQ's will be available by June 2011.

As part of the VQRP work, a brand new Career Progression Route Map was developed. This is a web-based, highly interactive tool enabling school leavers, graduates and individuals already working in the industry (or allied industries) to consider what occupations and career paths are available. It also provides details of training and qualification requirements, and contains 17 case studies from individuals currently enjoying successful careers in the industry.

The National Occupational Standards for Instrument Pipefitting and Project Management were also reviewed in 2010, and new qualifications in these areas will emerge in 2011. The bulk of the development work for a new training programme and qualification in Expediting was also undertaken, and also will be available in 2011.

In addition to the development work, the ECITB's Awarding Body continued to award the existing NVQ's and SVQ's. Monitoring the performance of the approved centres continued throughout the year, and registrations and certifications continued at a steady pace. In fact all targets were exceeded.

In 2010 there were:-

ACE registrations	Non-ACE registrations	ACE certifications	Non-ACE certifications
1,405	1,306	1,181	1,004

All of this work was overseen by the Qualifications and Awards Committee, which met four times during the year.

Other development work in 2010 included:-

- The specification for the development of an Advanced Supervisor Development Programme was completed, including the appointment of a Steering Group and Project Development Team.
- The pilot programme for the MSc in Professional Engineering continued with the Engineering Council UK. This is a work-based programme and the first successful candidates are due to complete in early 2011.
- Training programmes were completed for estimating, plant layout and design, project management and project control. These were all developed to meet identified industry needs.
- Discipline specific technical tests were also developed to meet pre-employment and competence needs.

The Provider Accreditation and Monitoring team worked throughout the year in ensuring that ECITB's framework of accredited and licensed training providers continued to offer consistent and high quality delivery of the ECITB's training programmes and qualifications.

PLANS FOR THE FUTURE

Within its core training areas, overall the ECITB is seeking to:-

- Increase learner registration numbers in line with the Gibson report recommendations.
- Implement the qualification changes that occurred in 2010 and 2011.
- Develop a series of income streams to enable the ECITB to provide higher levels of financial resources for training in the UK engineering construction industry.

With this in mind we have set specific targets within each of the following key areas:-

Programme	Planned
Apprenticeships – apprentices recruited	840
Skills and Technical – registrations and programmes undertaken	1,900
Management and Professional – programmes undertaken	6,840
Awards and Qualifications – ACE registrations	3,730
Regional Discretionary Grants – learners supported	5,450
Total	18,760

The main objectives in each area of charitable activity in 2011 are shown below.

Apprenticeships and Careers

The ECITB plans to recruit 840 apprentices in 2011

Government funding changes may have an effect on how the ECITB manages some of its apprentices in 2011. However, the preferred apprenticeship approach will continue to be the employed from the outset of the programme.

The Skill Enhancement Centre (SEC) approach will continue with the trial that has been established within the North East and, if successful, this approach will enable the industry to provide a means of significantly increasing the number of apprentices provided that government matched funding can be made available.

The ECITB will retain a flexible approach to apprenticeship programmes to satisfy employer's requirements for high quality apprentices at a reasonable cost and in a timely fashion, whilst still being able to work within a changing government landscape in England, Scotland and Wales.

Skills and Technical programmes

The ECITB plans to register 1,900 Skills and Technical learners in 2011

The Skills and Technical programmes will continue to grow within the ECITB portfolio.

If the skills gap is to be addressed then adult up-skilling will become an important factor in bridging this gap.

The breakdown of learner targets indicates that there will be fewer learners working towards a Level 3 Vocational Qualification in 2011 than in 2010 or 2009 or 2008. To address this problem, the ECITB will implement an improved training scheme based upon a series of certificated short units of training that can be aggregated into a broader development programme. Some of the testing and development work associated with this initiative will take place in 2011. However, full implementation will not occur until 2012.

In 2010, the ECITB developed a suite of technical tests. These tests were perceived to have commercial value for employer's recruitment purposes, and for the assessment of ongoing competency. However, it has become obvious that the tests will form an integral part of the training validation process offered within Skills and Technical programmes for the up-skilling of adults.

At present, the technical tests are being used by a few employers and training providers on a trial basis to test the infrastructure that has been created to support the tests.

The ECITB is working in the Offshore region to develop a suite of industry specified courses and tests for bolted joints for the purposes of improved health and safety, environmental and productivity considerations. It is expected that these courses will be introduced in 2011.

Publically funded support for training in this area under the Train to Gain initiative will continue until August 2011.

The ECITB will be targeting young offenders and the unemployed for specific training aimed at assisting them to gain employment opportunities within the engineering construction industry.

Management and Professional programmes

The ECITB plans to register 6,840 Management and Professional learners in 2011

The encouraging results achieved in 2010 have enabled us to set even bigger targets for this area in 2011.

The way that Project Management programmes are delivered will be reviewed to achieve a more flexible, focused approach that will benefit both industry employers and training providers.

Competence Assurance and Safety Passport schemes

The ECITB plans to issue 3,730 ACE cards in 2011

Changes to the ACE scheme were introduced at the beginning of 2011 which mean that:-

- All ACE cards are affiliated with CSCS (Construction Skills Competency Scheme).
- All ECITB VQs lead to eligibility for an ACE card.
- All ACE cards associated with ECITB VQs are issued free of charge when the qualification is achieved.
- There are different ACE cards for different qualifications.

In addition, all new QCF (Qualifications Credit Framework) qualifications will be introduced to the ACE scheme in 2011, and an affiliation with TICA (Thermal Insulation Contractors Association) is highly likely. These developments will stretch the ECITB in terms of the management of the scheme where participants could quadruple in 2011. However, the ACE scheme will become more useful, relevant and sustainable from an industry perspective.

The ECITB plans to issue 45,000 Safety Passports in 2011

The CCNSG (Client Contractor National Safety Group) Safety Passport Scheme is a well respected scheme operated in the UK which has issued over 500,000 cards since its inception. All studies undertaken to assess the effectiveness of the scheme have shown a real improvement in safety statistics for site-based workers following the introduction of the scheme.

There are two cards, a CCNSG Safety Passport card and a CCNSG Supervisor Card. Each card has a three year renewal process. Improvements to the two day training course and the renewal course occurred in 2010 and will be implemented in 2011.

The ECITB plans to issue 12,000 ECITB IHSP passports in the Middle East in 2011

In 2010, the ECITB introduced an International Health and Safety Passport (ECITB IHSP) based on the CCNSG Safety Passport Scheme for the international market, principally in the Middle East. There are three passports:-

- ECITB IHSP Foundation Passport for candidates who have attended the 1 day training course and successfully passed the associated exams.
- ECITB IHSP Advanced Passport for candidates who have attended the 2 day training course and successfully passed the associated exams.
- ECITB IHSP Supervisor Passport for candidates who possess an ECITB IHSP Advanced Passport and have attended the 1 day training course and successfully passed the associated exams.

To date, the ECITB has one provider delivering this training programme in Dubai with potential clients in Bahrain and Qatar. Later in 2011, the ECITB expects to develop the market in Kuwait and Saudi Arabia.

Awards and Qualifications

Vocational Qualifications Reform Programme (VQRP)

As with 2009 and 2010, work in 2011 will be dominated by the VQRP. However, this will be mainly about the implementation of the new QCF and SCQF qualifications, following the successful development work of the previous two years.

The main activities in 2011 will be:-

- Implementation and monitoring of the new qualifications.
- Communication programme to employers and approved centres.
- Finalise development of outstanding qualifications.

The main driver of these activities will be the Awarding Body, who successfully obtained recognition to operate in the new QCF, but they will be supported by other functions. Research and Development, Marketing and Communications, Provider Accreditation and Monitoring, and the Information department will all support the activities and implementation.

There will be no specific VQRP plan or budget for 2011. The activities have been incorporated into Research and Development, Marketing and Communications and the Awarding Body. The purpose of this is to 'mainstream' the activities as the new qualifications begin to replace the existing ones. The VQRP activities become normal, routine work.

Research and Development

Following the intense development work on the VQRP 2009 and 2010, Research and Development's focus will move to the current training provision and how it underpins productivity in the industry.

Of particular focus will be supervisory management training, TECSkills and technical tests. In addition, the team will need to be able to respond to any demands arising from the ECITB's commercial ventures.

The training provision audit work will be completed early in 2011 and this may also identify gaps in the market for which development will be needed.

The other major area of work in 2011 will be a comprehensive review of all the ECITB's National Occupational Standards. This follows the VQRP development work which indicated that some of the Standards needed updating and revising in light of industry and technical changes.

The following activities will also be undertaken in 2011:-

- 2011 Maintenance Plan.
- Supervisory Projects.
- Technical Tests Phase 2.
- TECSkills Review.
- Apprenticeship Framework.
- Project Management.
- Small Bore Tubing Qualifications.
- Expeditor Training and Qualifications.
- Revise Awarding Body A1 and V1 programmes.

Awarding Body

The main focus for the Awarding Body in 2011 will be the implementation of the new QCF and SCQF qualifications. The External Verifiers will work closely with the Approved Centres to ensure they fully understand the requirements and can interpret the new structures and formats correctly.

The following activities will also be undertaken in 2011:-

- Approved Centre monitoring.
- Revise and re-issue Quality Assurance Procedures Manual.
- SQA audit.
- Approved Centre Risk Assessment.
- 2010 Customer Survey.
- EV and Centre Standardisation.
- Re-print of Qualification Information and Assessment Guidance Books.
- QCF and SCQF Implementation.
- Launch of qualifications in Small Bore Tubing, Expediting, and SVQ in Management.
- Revise EV and IV COPs.
- Approved Centre MIS training.
- Build Steel Erection Rig.

Training Provider Accreditation and Monitoring

2011 will be the first full year of auditing all ECITB training providers with the new in-house capacity. In addition, the auditors will take responsibility for working with the providers on improvements and action plans to address any non-conformances and observations.

The following activities will be undertaken in 2011:-

- CCNSG audits.
- PM audits.
- SMTD audits.
- Skills and Technical audits.
- Apprenticeship audits.
- ISO audits.
- Accreditation visits.
- PAM evaluation meetings.
- Review and revise processes and forms.
- Staff development training events.

Marketing and Communications

There will be a number of important projects for Marketing and Communications in 2011, not least to continue the good public relations work started in 2010. Getting access to opinion formers and ensuring that the ECITB voice was heard was a major achievement in 2010 and this now needs to be built upon in 2011.

The following activities will also be undertaken in 2011:-

- Guide to Programmes and Grants 2011.
- Annual Report.
- Newsletters.
- Corporate PR.
- Corporate advertising.
- Intranet - development and maintenance.
- Website maintenance.
- Internal communications.
- Product marketing and communication.
- Apprenticeship recruitment.
- Business Benefit Apprenticeship Campaign.
- Increasing customer engagement.

Research and Information

Following the recruitment of greater in-house capacity and capability in 2010, further modelling tools will be developed to support the provision of management information for the ECITB's Chief Executive and other Directors.

The following activities will be undertaken in 2011:-

- Analysis of industry activity and employment trends.
- Customer Survey.
- Industry Reports.
- Forecasting Model.
- Levy Simulation Model.

STRUCTURE, GOVERNANCE AND MANAGEMENT

ECITB's statutory basis and charitable status

The Engineering Construction Industry Training Board ("ECITB") is a statutory body 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 engineering construction industry in Schedule 1 thereto. Full details on the powers and responsibilities of the ECITB, as well as the restrictions placed on it, can be found in the Act. The ECITB is a Non-Departmental Public Body (NDPB), and its government sponsor body is the Department for Business, Innovation and Skills (BIS). The Secretary of State for BIS appoints Board members.

The ECITB has responsibilities to Parliament and to its industry. It was formed in recognition of the engineering construction industry's vital role in the UK economy and the requirements for a statutory body to undertake the responsibilities of delivering the special training needs of an industry where the labour force is highly mobile and where there is less opportunity for individual employers to train.

The ECITB is a registered charity in England and Wales and also undertakes charitable activities in Scotland.

The charitable activities of the ECITB 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 to ensure greater equity across employers in the industry in the provision of training. The most recent Levy Order is the Industrial Training Levy (Engineering Construction Board) Order 2009 (2009 No. 548), which was enacted on 3 March 2009 and came into force on 4 March 2009.

How decisions are made

Board and Committees

The Board of Trustees

The Board of Trustees (the Main Board) is responsible for ensuring that the ECITB performs within its remit and all applicable legislation. It is also responsible for setting the strategy and overseeing the exercise of these powers. The Board members are also the trustees of the ECITB as a registered charity. As such they will need to take account of any guidance issued by The Charity Commission from time to time.

The following are the main issues that require the support and/or action of the Secretaries of State (England and Wales and Scotland). These all require endorsement and recommendation from the Main Board.

- Recommending to Parliament the raising of a levy.
- Laying the Annual Report and Accounts before Parliament.
- Endorsement of the Strategic Plan.
- Approval of grant schemes.
- Approval of information to be collected from employers.
- The delegation of functions to a Committee and approval of any allowances to Committee members for loss of remunerative time.

In addition to approving recommendations to the Secretaries of State as set out above, the Main Board has the following responsibilities:-

- Appointing the Management Board, agreeing Codes of Practice and recommending any remuneration for the non-executive members.
- Recommending the Terms of Reference of and powers delegated to the Management Board and to other Committees.
- Setting and endorsing the Strategic Plan and agreeing the annual Business Plan and Budget, together with appropriate performance measures to be used to monitor progress.
- Receiving reports from the Management Board on progress against the Business Plan.
- Approving the Annual Report and Accounts.
- Setting the Risk Management strategy and reviewing its operation.
- Appointing the Audit Committee Chair and Members, and the Internal Auditors.
- Considering the Annual Report from the Audit Committee supported by reports from the external and internal auditors.
- Appointing the Qualifications & Awards Committee Chair and Members.

The Management Board

The Main Board has delegated powers to the Management Board which are set out in sections 5, 10 and 14(5) of The Industrial Training Act 1982. The Management Board's responsibilities are to:-

- Direct the operations of the ECITB.
- Ensure that the ECITB operates within the approved budget with power to agree virement between heads of expenditure.
- Propose to the Board the rates of levy to be applied.
- Monitor performance using agreed key performance indicators.
- Act as the Remuneration Committee of the ECITB, setting overall policies and levels and approving the remuneration of the Directors.
- Agree the products and services to be offered to meet the needs of the industry and any charging policies (as defined in Section 5 of The Industrial Training Act 1982 and the appeal function defined in Section 14(5) of the Act).
- Appoint Investment Managers and monitor their performance within the guidelines set by the Secretaries of State and The Charity Commission.
- Report to the Board at agreed intervals on performance.
- Propose to the Board the annual Budget and Business Plan.
- Appoint bankers and agree appropriate mandates.
- Agree the powers delegated to staff.

The Main Board has delegated responsibility to the Management Board to form the Remuneration Committee.

The Audit Committee

The Main Board, taking account of any Treasury guidance and good practice in respect of Audit and Control, appoints members of the Audit Committee. Its Terms of Reference are to promote the highest standards of propriety in the operation of the ECITB by maintaining an overview of its financial and other systems to ensure their effectiveness and integrity of operation. The Committee will receive reports from the Board's internal and external auditors as appropriate.

The Main Board appoints members of the Committee. The aim is to have between 5 and 7 members of whom 2 or 3 are not members of the Main Board. The Chair is a Main Board member who is not the Chair of the ECITB. Representatives of internal and external auditors are invited to attend all meetings. These representatives will have free and confidential access to the Chair of the Audit Committee if required at each meeting or during the year as appropriate. The Committee normally meets three times per year, although additional meetings may be arranged if necessary. Of these, one meeting will be before the year-end to review plans for the external audit and one will be after the year-end to review the accounts and reports and consider the internal audit programme for the year. Minutes are taken of the meetings which record actions to be taken, by whom and when and, where necessary, reporting lines for progress.

The specific duties of the Committee are to:-

- Review the ECITB's Risk Management Policy and recommend it to the Board for approval. To review and monitor its implementation.
- Review the ECITB's financial statements and reports to ensure that they reflect best practice.
- Review the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.
- Consider all relevant reports by the appointed external auditors, including reports on the ECITB's accounts, achievement of value for money and the response to any management letters.
- Ensure that the internal auditors monitor the effectiveness of the ECITB's internal control system established to ensure that the aims, objectives and key performance targets of the ECITB are achieved in the most economic and effective manner.
- Ensure that the ECITB's internal audit service meets, or exceeds, the standards specified in the Government Internal Audit Manual and complies in all other respects with these guidelines and meets agreed levels of service.
- Consider and advise the Board on the ECITB's annual and long-term audit programme.
- Consider any internal audit reports, including value for money reports and the arrangements for their implementation.
- Review the operation of the ECITB's Code of Practice for Board Members and Code of Conduct for staff.
- Consider any other matters where requested to do so by the Board.
- Report at least once a year to the Board on the discharge of the above duties.

The Qualifications and Awards Committee

The Main Board appoints members of the Qualifications and Awards Committee. The aim is to have 9 members. The Chair is a Main Board member who is not the Chair of the ECITB. The Committee normally meets four times per year, although additional meetings may be arranged if necessary. Minutes are taken of the meetings which record actions to be taken, by whom and when and, where necessary, reporting lines for progress.

The specific duties and terms of reference of the Committee are to:-

- Approve the development and implementation of all new ECITB qualifications and awards.
- Ensure that all qualifications and awards given or recognised by the ECITB are supported with appropriate approval and assessment processes.
- Advise on all aspects of the Vocational Qualifications Reform Programme, specifically the implementation of the Qualification Strategy Action Plan and the transfer of ECITB qualifications from the National Qualifications Framework to the new Qualifications and Credit Framework.
- Monitor progress towards the achievement of the ECITB's Awarding Body's strategic plans for OfQual or SQA, including making any recommendations for new awards.
- Review the operation of procedures for ensuring the independence and integrity of systems for awarding qualifications.
- Advise on procedures for assessment and verification, ensuring value for money in delivery.
- Review audit reports from the regulatory authorities and endorse any resulting action plans.
- Advise on any sanctions imposed upon approved centres and any appeals, which may result from such sanctions.
- Monitor and regulate ECITB provider approval and accreditation processes to ensure quality and rigour.
- Review the operation of the Board's procedures for ensuring the independence and integrity of its systems for awarding qualifications.

The Client Contractor National Safety Group (CCNSG)

The CCNSG is a sub-committee of the Board, and is responsible for the management of the CCNSG Nationally Accredited Safety Passport Scheme. The CCNSG reports to the ECITB's Management Board on its activities. The ECITB manages the operation the Scheme, and the CCNSG retains responsibility for the strategic direction of the Scheme, including determination of the Scheme's content, the standards for approval of training providers, the future development of the Scheme and its integrity assurance.

The CCNSG comprises:-

- Up to four members from client organisations (including at least one from a Capital Projects Client's Group member).
- Up to four members from engineering construction employers.
- Up to two members from Trades Unions.
- Two members from CCNSG training provider organisations (which are actively providing CCNSG training).
- A member representing the ECITB.

A representative from the Health and Safety Executive is invited to attend meetings of the CCNSG as an observer. The Group meets quarterly or more/less frequently as determined by its members, dependant on the volume or urgency of the business to be considered.

Regions

The ECITB operates a regional structure to ensure that delivery of training support and services is driven by the demands of industry on a regional basis. The ECITB has organised its regional structure into seven regional forums and two national forums, which ensure that the varying requirements of the industry across the UK are represented in the formulation of policy and the delivery of services. The regions either represent geographical areas, or specific and significant industry sectors, which have particular requirements.

Regional Forums	National Forums
Scotland	The Offshore Industry Forum
North East England	The Engineering, Design and Procurement Forum
North West England	
Yorkshire and Humberside	
Wales and South West England	
South East and East England	
The Midlands	

Each Forum comprises of industry employers and normally meets three times a year under the chairmanship of a Main Board member (the Regional Chair). Through this structure the ECITB concentrates on identifying and meeting regional skills requirements, and is able to address particular recruitment and training needs. The ECITB also works closely with other key regional stakeholders, such as industry clients, Regional Development Agencies, local government agencies, funding bodies, local authorities, training providers, trades unions and the workforce.

Under the ECITB's governance model, forums are empowered and operate as "business units" charged with supporting the achievement of the agreed strategic goals by the development and delivery of regional operating plans.

In broad terms, the Regional or National Forum Chair leads on behalf of the Main Board, ensuring effective governance and the creation of a regional operating plan (targets and outcomes) and budget (financial resources). He/she will also provide support and guidance to ECITB staff, who in turn will be accountable for the delivery of the agreed regional operating plan.

The regional plan will include training targets, the mix and methods required to meet its needs together with leveraged funding arrangements. Such targets and objectives may vary between regions. Furthermore, each regional plan will determine the training providers and partners engaged to deliver regional outcomes, subject to satisfying relevant procurement requirements.

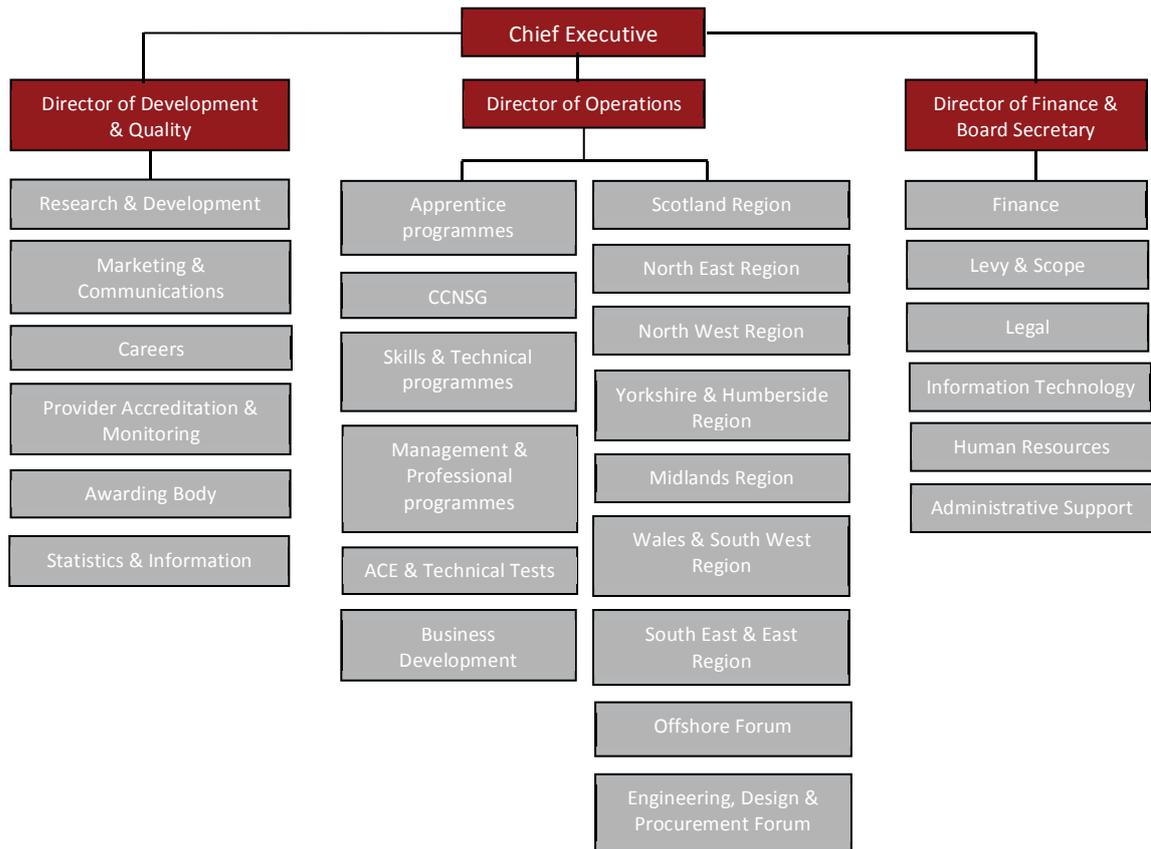
ECITB management and staff

The Main and Management Boards have delegated responsibility for the implementation of the ECITB's strategic plans, and the management of the organisation to the Chief Executive. The Chief Executive forms part of, and presides over, the organisation's executive management team (the Executive Team). This comprises the Chief Executive, the Director of Finance and Board Secretary, the Director of Operations and the Director of Development and Quality ("the Directors"). The ECITB's management and organisation structure has been divided into the following directorates:-

- Operations
- Finance and Administration
- Development and Quality

Each director is responsible for ensuring that the activities of each directorate are managed to ensure that the achievement of the ECITB's strategic and regional objectives are conducted efficiently, to the highest quality standards, and in compliance with the law.

The principal responsibilities for each directorate are shown below.



Environmental policy and social responsibility

Environmental policy

It is the ECITB's policy to carry out its core business of supporting the engineering construction industry in an as environmentally sound a manner as possible (within the bounds of practicability), which supports both local and national objectives in maintaining a sustainable environment. This policy is applicable to all of the ECITB's activities.

The ECITB's policy is to:-

- Effectively manage its environmental responsibilities so far as it is possible and practicable.
- Seek to recycle waste materials, through re-use within the organisation and where this is not possible, participate in local recycling/waste management programmes with the view to reducing the volume of waste to be disposed of by the organisation, and thereby lessen its environmental impact.
- Monitor its consumption of electricity, gas and water with a view to reducing the organisation's 'carbon footprint', and thereby its impact on the local and national environment.
- Manage the travel of its staff to minimise fuel consumption and environmental impact.
- Consider the 'carbon footprint' of its training activities to minimise their impact.

The ECITB's main activities are designed to develop skills and improve competency levels in the UK engineering construction industry. This will contribute to the ability of the industry not only to protect the environment from harm arising from its activities, but also to make significant steps towards meeting the government's low carbon strategy and objectives. Over the next decade or more, much of the nation's power generation infrastructure will be replaced or renewed. This will have to meet the requirements of the low carbon strategy, and will embrace a variety of alternative power generation approaches, including renewables and nuclear power as well as the more conventional carbon technologies. The ECITB's training programmes and frameworks are designed to ensure that the industry's workforce at all levels and across many disciplines are able to meet the challenging environmental demands which will arise.

Social responsibility

The achievement of the highest standards of health and safety at work is the paramount concern of engineering construction industry employers and workers alike. Ensuring the achievement of this objective is embedded in all the ECITB's training programmes. In particular, the ECITB's Safety Passport Scheme is recognised across the industry as a means of demonstrating health and safety competence, and is a requirement for entry at most major installations. The ECITB regards the maintenance of safe practice by the industry's workforce as being its most important social responsibility. It seeks to meet this by ensuring that its training programmes incorporate and promote current and highest standards of safety conduct and techniques.

The government published "Changing to Compete – Review of Productivity and Skills in UK Engineering Construction" ("the Gibson Review") at the end of 2009. This recognised the importance to society of an efficient and competitive engineering construction industry. In 2010, the ECITB has participated in and contributed to work of The Engineering Construction Forum (set up under the auspices of the Gibson Review), and in particular to the training sub-group. This group has identified some new training to better support progression, particularly from level 3 to level 4 and 5 for supervision. It also endorsed the creation and launch of a career progression route map to give individuals clear guidance on career opportunities and the training needed to develop and progress.

Work with young offenders

The ECITB has participated with three young offender units to establish training pathways for the engineering construction industry, including safety training. So far 20 people have been assisted and the unit at Reading has installed a new training facility, fitted out with new training equipment and has become an ECITB approved training centre.

The Wales & Ireland Sustainable Enterprise (WISE) project

The ECITB participates in the WISE project, which is funded by the European Regional Development Fund. Its aim is to provide support to a total of 40 beneficiary companies, 20 of which are in Pembrokeshire, South West Wales. The principle objectives of the project are to boost company sustainability, help companies to identify how they can grow, and provide the expertise and support to make this happen. In Wales, 20 companies have signed up to the project and feedback has been very positive.

REMUNERATION REPORT

Unaudited information

Staff appointments

Permanent employees of the ECITB are employed under open-ended contracts of employment, which may be terminated on one month's notice (subject to statutory increases in employees' entitlements to notice). The only exceptions to this apply to senior staff as described below.

There were no employees engaged under fixed term contracts of employment. As a general policy the ECITB does not employ temporary staff. However, this may occasionally occur to provide staff cover in cases of long term sickness absence, or in circumstances where additional human resources are required to fulfil specific projects.

The ECITB will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There were no disabled persons employed by the ECITB during the year.

The ECITB recognises Unite (a trade union) as representing employee interests and periodically meets with representatives of the union to discuss health, safety and welfare issues.

Staff sickness absence

The ECITB monitors levels of staff sickness absence. In 2010, the sickness absence rate was 2.5% (2009 - 1.7%), equivalent to 5.7 working days per head (2009 - 3.9 working days). This compares with a 2010 public sector average absence rate (as published by the ONS Labour Force Survey) of 2.8%, and a 2010 private sector average of 2.3%. The increase in the sickness absence rate in 2010 is largely attributable to the long-term sickness absence of two full-time employees.

Audited information

Senior staff costs and pensions

Decisions on remuneration are delegated to the Management Board, which determines general policy on remuneration and the individual remuneration packages for the Executive Team (comprising the Chief Executive, the Director of Finance and Board Secretary, the Director of Operations and the Director of Development & Quality).

The contracts of employment of the Executive Team are, in all material respects, in line with those of other staff of the ECITB. The only exception is a notice period of 3 months (6 months notice for the Chief Executive) rather than the normal 1 month. They are entitled to membership of the ITB pension fund, which is a contributory final salary scheme.

At its meetings held in 2010 the Management Board reviewed the salaries and performance of the Chief Executive and Executive team, drawing on its extensive knowledge of business affairs and taking account of comparable remuneration packages within the industry.

Details of the individual remuneration packages and benefits for the Executive Team are set out below.

The information comprising the remainder of the Remuneration Report has been audited.

Senior staff salaries and benefits

2010			2009			Date of appointment to position	Notice period (months)	Type of Contract	Unexpired Term at 31.12.10
Salary £'000	Benefits in kind (to nearest £100)	Performance Pay £'000	Salary £'000	Benefits in kind (to nearest £100)	Performance Pay £'000				
D M Edwards, Chief Executive									
105-110	6,500	0-5	110-115	6,700	0-5	01.07.99	6	Open ended	N/A
A M Featherstone, Director of Operations									
85-90	6,400	0-5	85-90	6,600	0-5	11.07.05	3	Open ended	N/A
P C Hill, Director of Finance & Board Secretary									
80-85	600	0-5	80-85	500	0-5	15.05.06	3	Open ended	N/A
N Spencer, Director of Development & Quality									
80-85	500	0-5	75-80	2,200	0-5	01.11.03	3	Open ended	N/A

Benefits in kind represent company car and private health insurance. Except for private health insurance and entitlement to notice, all other terms and conditions, including ITB Pension Fund membership, are in line with those of other staff members.

There have been no payments in respect of provision for compensation for early termination for senior managers serving in the year, and no significant awards in respect of early termination have been made to former managers.

Senior staff pension entitlements

Name	Real increase in pension at age 60 (£'000)	Total accrued pension at age 60 (£'000)	CETV at 31.12.09 (£'000)	CETV at 31.12.10 (£'000)	Employer funded real increase in CETV (£'000)
D M Edwards	0-2.5	20-25	289	312	9
A M Featherstone	0-2.5	5-10	66	79	9
P C Hill	0-2.5	5-10	43	54	7
N Spencer	0-2.5	10-15	122	135	7

CETV means the cash equivalent transfer value. This is the actuarially assessed capitalised value of the pension schemes benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details, include the value of any pension benefit in another pension scheme or arrangement that the individual has transferred to the ITB arrangements and for which the ITB fund has received a transfer payment commensurate to the additional pension liabilities being assumed. They include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service at their own cost. CETVs are calculated within guidelines and framework prescribed by the Institute of Actuaries.

Real increase in CETV reflects the increase in CETV funded by the employer. It takes account of the increase of the accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme arrangement) and uses common market valuation factors for the start and end of the period.

Trustees' costs

The Chairman of the Board, Mr T M Lazenby, in accordance with his appointment by the Secretary of State for Business, Innovation and Skills is entitled to remuneration as Chairman of the Board, and received £17,595 in 2010 (2009 - £17,595). Following the last governmental review of the ECITB, two independent trustee non-executive directors have been appointed. They have been paid in accordance with The Charity Commission's agreement. In 2010, Mr A Collinson received £12,000 directly, and Mr J Gammage received £12,000 directly.

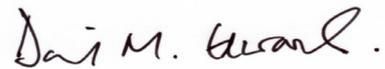
In 2010, 21 trustees (2009 – 25) incurred travel, accommodation, subsistence and telephone expenses, which were reimbursed by the ECITB. In 2010, these expenses amounted to £24,480 (2009 - £29,972).

The ECITB does not provide pension benefits for any of the trustees.

Appendix B of this report contains a list of current trustees and former trustees who held office in 2010.



T M Lazenby MBE FREng
Chairman of the Trustees
26 May 2011



D M Edwards
Chief Executive Officer
26 May 2011

FINANCIAL REPORT

Statement of the ECITB's and the Accounting Officer's responsibilities

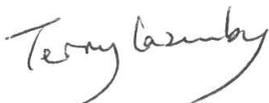
Under section 8 (1) of the Industrial Training Act 1982, the ECITB is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for Business, Innovation and Skills with the consent of the Treasury. The accounts are prepared on an accruals accounting basis and must show a true and fair view of the ECITB's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the ECITB is required to:-

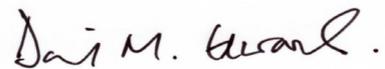
- Observe the accounts direction issued by the Secretary of State for Business, Innovation and Skills, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the body will continue in operation.

The Accounting Officer is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the ECITB and to enable it to ensure that the Financial Statements comply with the Industrial Training Act 1982. The Accounting Officer is also responsible for safeguarding the assets of the ECITB and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer for the Department for Business, Innovation and Skills has designated the Chief Executive of the ECITB as the Accounting Officer for the ECITB. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable, and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum, issued by the Treasury and published in *Managing Public Money* by The Stationery Office.



T M Lazenby MBE FREng
Chairman of the Trustees
26 May 2011



D M Edwards
Chief Executive Officer
26 May 2011

Results for the year

A Summary Statement of Financial Activities for the period 1 January 2010 to 31 December 2010 (with comparative information for 2009) is shown immediately below. This has been extracted from the audited financial statements which appear in full later in this report.

	2010 £'000	2009 £'000
Incoming Resources		
Levy	22,161	20,116
Non levy income	3,154	3,206
Total incoming resources	25,315	23,322

Expenditure		
Cost of generating funds	110	2,242
Charitable activities	20,514	17,579
Governance costs	108	96
Total outgoing resources before other gains and losses	20,732	19,917

Net incoming/(outgoing) resources before other gains and losses	4,583	3,405
Gain/(Loss) on revaluation of fixed assets	107	(58)
Gain/(Loss) on investment assets	(64)	(81)
Net Movement in Funds Surplus/(Deficit)	4,626	3,266

Reconciliation of Funds		
Total funds brought forward at 1 January	17,086	13,820
Total funds carried forward at 31 December	21,712	17,086

Balance Sheet		
Fixed assets		
Tangible assets	1,278	1,180
Investments	13,412	10,901
	14,690	12,081

Current assets	12,912	9,979
Creditors	(5,890)	(4,974)
Net current assets	7,022	5,005

Total assets less current liabilities	21,712	17,086
--	---------------	---------------

Fund		
Unrestricted Fund	21,712	17,086

Commentary on the results

Statement of financial activities for year-ended 31 December 2010

Incoming resources

Levy income accounted for in 2010 amounted to £22.16m (2009 - £20.12m). The levy income represents the gross levy assessed during the year together with adjustments in respect of previous levies raised. A provision for bad debts has been reported separately as a cost of generating funds.

Virtually all of the 2010 levy income related to and was calculated by reference to the payments made to industry workers during the base period 6 April 2008 to 5 April 2009 (£3,043m). For this purpose payments comprise PAYE wages paid to employees and labour-only payments made in respect of non-employed workers. Levy rates remained unchanged in 2010 at 1.5% on payments made in respect of site-based workers, and 0.18% on payments made in respect of all other workers. The levy exemption levels remained the same in 2010 as in 2009 for site-based and other workers. Employers were exempt from paying site levy if payments made in respect of site-based workers were less than £275,000 during the 2008/09 base period. Employers were exempt from paying a levy in respect of all other workers if payments made in respect of all other workers during the same period were less than £1.0m.

Gross levy income in 2010 was 10% higher (an increase of £2.045m) than in 2009. This is largely due to the following factors:-

- There was a significant increase in the annual levy payable by Sellafield Limited. The difference between the 2010 and 2009 levies (based on the assessments for the 2007/08 and 2008/09 base periods respectively) amounted to £485,000.
- Wage and labour costs for all workers declared by levy-paying employers grew during the 2008/09 base period by approximately 7% (site worker payments increased by 11%, and off-site worker payments increased by 4%). This partially reflects the fact that the overall number of declared workers engaged in the industry grew by 2.7% (declared site workers increased by 9.6%, but declared off-site workers decreased by 4%).

However, there was a significant downturn in activity across the industry in the second half of 2009 and during 2010. This will affect levy income in 2011, which will reflect declared labour payments made in 2009/10. It is likely that levy income in 2011 will be approximately 5% lower than in 2010.

Other incoming resources amounted to £3.154m (2009 – £3.206m), and comprised investment income (£722,000), income from Government and European Union sources (£474,000), income from sales and sponsorships (£1.212m), and other operating income (£746,000).

Investment income (from quoted investments and cash deposits) remained at the same level as in 2009 (2010 - £722,000, 2009 – £723,000). This reflected the relatively high level of investments, rather than investment performance, which was poor as a consequence of low interest rates and depressed conditions in the global economy. In the United Kingdom the economic recovery continued to lag behind other countries, and this affected the performance of the investment portfolio (see below).

The receipt of public funding (2010 - £474,000) fell significantly compared with 2009 (£1.431m). The most significant areas of reduction related to:-

- Grant income from The Skills Funding Agency (formerly the Learning and Skills Council) and Skills Development Scotland under the ECITB's managing agency contracts relating to apprentices fell by £556,000. This is because since 2007 new apprentice cohorts have not been subject to managing agency arrangements made between the ECITB and the funding bodies. Nevertheless, funding in respect of prior-year cohorts continued to be received in 2010. However, as the number of pre-2007 starters in training reduced, the amount of managing agency funding fell commensurately (2010 - £351,000, 2009 - £907,000). It is envisaged that these apprentices will complete their programmes in 2011.
- Funding received directly from governmental sources in connection with the Assuring Competence in Engineering (ACE) programme. This fell from £141,000 in 2009 to zero in 2010. However, government continued to provide funding directly to employers for the programme under the Train to Gain initiative.
- Funding under the ECITB's Train to Gain compact, which fell by £115,000 in 2010 when compared with 2009 (£152,000).
- Funding relating to the Vocational Qualifications and Reform Programme. There was no funding in 2010 (2009 - £59,000) as the project drew to a close.

Income from sales and sponsorships grew in 2010. The most notable increase in trading income related to the licensing of the ECITB's Supervisory Management and Training Development Programmes (SMTD), Project Management Short Courses (PMSC), and TECSkills training materials (2010 - £182,000, 2009 - £67,000). During the year there were higher numbers of training providers licensed to deliver SMTD and PMSC courses than in 2009; and the ECITB licensed the delivery of TECSkills training materials for the first time. In 2010, the ECITB provided consultancy services to overseas training providers relating to the delivery of ECITB training materials and courses, and entered into licences under the same model adopted in the UK. Income from overseas amounted to £23,000 (2009 - £0), and this area of activity is envisaged to grow in 2011.

In 2010, the ECITB received Other Operating Income amounting to £746,000 (2009 - £3,000). During the year the ECITB was involved in legal proceedings with Sellafield Limited and On Line Design and Engineering Limited, which had appealed against training levy assessments. The appeals involving Sellafield Limited were settled by way of a settlement agreement, and appeals involving On Line Design and Engineering Limited were determined by a Divisional Court Judgment. Under the terms of the agreement and the court judgment awards were made to cover the ECITB's legal costs incurred in the proceedings, together with interest. This amounted to £746,000.

Expenditure

The net levy collection costs and the bad debts provision in 2010 amounted to £59,000 (2009 - £2.20m). Levy collection costs amounted to £240,000 (2009 - £361,000) and were largely related to three appeals against levy assessments lodged by Sellafield Limited, On Line Design and Engineering Limited and Grimley Smith Associates Limited. However, the bad debt provision for the year comprised a credit balance of £181,000. This is largely due to the dismissal of appeals lodged by On Line Design and Engineering Limited and Grimley Smith Associates Limited against the levies assessed in respect of the base periods prior to 2009/10. These levies amounted to £323,834, and corresponding bad debt provisions were made in previous years' accounts. As a consequence of the court decisions, the bad debt provision was reversed in the 2010 accounts. In addition, in 2010 outstanding levy relating to base periods expiring prior to 2009/10 was received amounting to £124,000. In previous years' accounts this had been fully provided for as irrecoverable bad debts as the debtors had entered into insolvency proceedings. The combination of these events meant that there was a net reversal of the bad debt provision.

Expenditure on charitable activities was £2.935m higher in 2010 than in 2009. Expenditure was higher in each area of charitable activity. However, during the year a settlement agreement was completed between Sellafield Limited and the ECITB relating to Sellafield Limited's appeals against levy assessments. Under the agreement, the parties reviewed the training activities undertaken by Sellafield Limited during 2010, and agreed Sellafield Limited's eligibility for training grant payments. Training grants valued at £1,907,580 have been recorded in the accounts for the year. Given that charitable expenditure in previous years did not relate to Sellafield Limited's training activities, a more accurate comparison of charitable expenditure in 2009 and 2010 appears in the table below.

Charitable activities	2010 £'000	Sellafield grants £'000	2010 Before Sellafield grants £'000	2009 £'000
Apprentices and Careers	9,379	1,084	8,295	9,063
Skills & Technical Programmes	4,166	335	3,831	3,512
Management & Professional Programmes	4,674	321	4,353	3,227
Awards & Qualifications	2,295	168	2,127	1,777
	20,514	1,908	18,606	17,579

After allowing for the payment of grants to Sellafield Limited, overall expenditure on charitable activities was £1.027m higher in 2010 than in 2009. With the exception of Apprentices and Careers, charitable expenditure in all areas increased. A more detailed explanation of charitable expenditure is set out below.

Apprentices and Careers	<p>Apprenticeship grant expenditure in 2010 was £3.95m (2009 - £3.04m). The increased expenditure was due to a combination of factors. During the year most of the 2006 cohort and approximately one quarter of the 2007 apprentice cohort (i.e. the apprentices which commenced their programmes in 2006 and 2007) completed their apprenticeships. Virtually all such apprentices went into employment following the off the job stage of their training. Consequently, approximately £1.42m completion grants (generally £5,000 per capita) were payable to employers in 2010. Commencement and interim grants amounting to £1.76m were also paid to employers of apprentices from the 2008 to 2010 inclusive cohorts. The sizes of the cohorts recruited from 2007 have been significantly higher than in previous years, and the majority of each cohort was employed from the outset of their programmes. Thus, higher levels of grants were paid in 2010 than in previous years, and it is anticipated that similar levels of grant expenditure will arise in future years as apprentice recruitment since 2007 has remained at the level of approximately 700 per annum.</p> <p>However, direct apprenticeship programme costs (£3.247m) were lower in 2010 than in 2009 (£3.822m). This is due to a combination of factors. The difficult economic conditions in the industry has adversely affected the level of apprentice recruitment by employers, and this meant that lower training provider costs in respect of the 2010 cohort were incurred in the last half of the year. Furthermore, the age distribution of the 2009 and 2010 cohort learners has been largely lower than 19 years. Training providers are able to attract higher levels of public funding for such learners, which in turn has reduced the levels charged to the ECITB. As reported above, in 2010 the levels of pre-2007 learners fell as their programmes were completed. Thus, the costs of learner assessment have also fallen during the year. Finally, the ECITB continues to achieve lower training costs as a consequence of competitive tendering prior to the appointment of training providers in each region.</p>
--------------------------------	---

Skills and Technical programmes	<p>Skills and Technical expenditure largely comprises grants paid to employers. Overall, grants under this charitable activity amounted to £3.23m (2009 - £2.77m). The main reasons for the increased level of grant payments relate to the completion by learners of TECSkills programmes leading to NVQ qualifications at levels 2 and 3. Completion grants paid to employers were approximately £533,000 higher than in 2009. Furthermore, during the year the Board decided to increase the Regional Discretionary Grant budget. Such grants allocated to this head of charitable activity amounted to £1.60m (2009 - £1.93m). Train to Gain expenditure was marginally higher during the year (2010 - £102,000, 2009 - £87,000). However, funding from the Skills Funding Agency (formerly the Learning and Skills Council) ceased during the year, and consequently it is unlikely this head of expenditure will continue in 2011. WISE Project expenditure is classified as part of this charitable activity, and increased to £110,000 during the year (2009 - £65,000) as the level of project activities increased.</p>
Management and Professional Programmes	<p>Expenditure increased significantly during the year largely due to the higher levels of Supervisory Management and Training Development (SMTD) training, technical courses and post graduate level qualifications. SMTD training was delivered by a larger number of approved and licensed training providers than before. Expenditure on SMTD training rose from £806,000 in 2009 to £1.277m in 2010. Regional Discretionary Grants allocated to this head of charitable activity amounted to £794,000 (2009 - £0). Grants paid to employers relating to their learners who completed post graduate or equivalent qualifications rose from £27,000 in 2009 to £440,000 in 2010. However, expenditure relating to CAD, Prima Vera, Project Control (City and Guilds), and Single Day Workshop courses fell from £1.2m in 2009 to £933,000 in 2010. Generally speaking, there continues to be a growing demand from industry for training programmes and support in management and professional disciplines.</p>
Awards and Qualifications	<p>Expenditure in this area increased (2010 - £2.3m, 2009 - £1.78m). The increase is largely due to increases in support costs, which have been allocated to reflect the area of charitable activity in which the costs arose.</p>

The ECITB's freehold property at Blue Court, Kings Langley was last formally revalued in 2007. However, movements in published commercial property value indices indicate that in 2010 the value of commercial property in the south east of England increased by approximately 10%. Consequently, the value of freehold land and buildings has been increased by this factor. After adjustment for depreciation the net value has been increased by £107,902, and this appears as a recognised gain in the accounts.

Losses on investment assets amounting to -£64,000 (2009 -£81,000) were incurred in the year. This reflects the uncertainty and performance of the financial markets which continued to prevail in 2010.

Balance Sheet at 31 December 2010

Assets

Tangible Assets increased in value to £1.28m (2009 - £1.18m). This relates largely to the gain arising from the revaluation of freehold land and buildings (see above).

Fixed and current investments stood at £24.96m (2009 - £19.25m). The increase in investments is attributable to the factors described below (see Funds of the Charity). The combination of these factors has meant that the ECITB did not draw upon as high a level of investments as planned to fund activities, and in view of the scale of the additional income and cost reductions, fixed and current investments grew during the year. This is so despite the fact that in 2010 total resources expended was £815,000 higher than in 2009.

There has been a significant reduction in levy debtors. At the year-end levy debtors stood at £854,000, compared with £3.22m at the end of 2009. The reduction is largely attributable to the reduction in the levy debt owed by Sellafield Limited as a consequence of the settlement agreement mentioned above, and the payment of levies previously under appeal (see above). All levy debtors at the 2010 year-end have been fully provided for as bad debts in accordance with the ECITB's usual accounting policy. Overall, at the year-end debtors stood at £899,000, compared with £808,000 at 31 December 2009. This is mainly because at the end of 2010 there were no debts owed by central government funders (2009 - £154,000). Amounts owed by other bodies (2010 - £890,000, 2009 - £652,000), includes increased sales debtors, and unclaimed income in connection with the WISE project (£64,000).

Cash at bank and in hand were lower at the end of the year than at the start (opening balance £825,000, closing balance £462,000) as a consequence of the lower than planned requirement for cash to fund activities.

Creditors

Creditors rose to £5.890m (2009 - £4.974m). This is principally due to a high level of year-end grant creditors (2010 - £1.121m, 2009 - £337k) and grant accruals (2010 - £2.922m, 2009 - £2.583m). These largely relate to Management & Professional (largely SMTD), Skills & Technical (TECSkills) and Regional Discretionary grants payable at the year-end.

The funds of the charity

The year-end balance sheet shows total charity funds of £21.71m (2009 - £17.09m).

During 2010, the ECITB budgeted to achieve a deficit at the end of the year. However, overall net income and gains were approximately £3m higher than planned, largely due to unbudgeted levy, the reversal of the levy bad debt provision, investment and "other operating" income, and the revaluation of the freehold land and buildings.

Costs were approximately £4m lower than budget in two main respects. First, charitable expenditure was approximately £1m lower than planned principally in the Skills & Technical and Management & Professional areas. This was due to a different mix of activity than that planned, although the numbers of learners undergoing training exceeded expectations. Second, expenditure scheduled to occur in 2010 amounting to approximately £3m was deferred to the future. A review of the apprenticeship programmes indicated that learners were taking longer to complete their programmes than previously assumed. Consequently, grant payments budgeted to occur in 2010 (£2.65m) have been deferred to future years, and this has been reflected in the ECITB's financial commitments. Also, expenditure amounting to £320,000 relating to information technology improvements has been deferred to 2011, and has been included in the 2011 budget.

In 2011, the ECITB plans to incur a deficit for the year (-£1.98m), as part of its strategy to increase the level of training support and services to industry.

Reserves policy

The value of reserves (defined as the unrestricted fund) at 31 December 2010 was £21.7m.

The ECITB retains reserves required to cover run-out costs (i.e. the costs of completing training programmes and meeting staff redundancy costs in the event that the ECITB ceases to operate).

The Main Board and Audit Committee review the Reserves Policy principally to cater for the levels of financial commitments arising from Apprenticeships, Skills and Technical programmes (mainly TECSkills programmes leading to NVQ qualifications) and Management and Professional programmes (particularly degree and longer-term programmes). This is because such programmes carry forward significant financial commitments into future periods. It was concluded that a minimum of approximately £13m in reserves should be held for the purpose of covering run-out costs.

The Audit Committee also reviews the Reserves Policy to ensure that adequate reserves are held to meet the requirements of the organisation over the ensuing three-year period. Its conclusions and recommendations are reported to the Main and Management Boards, which confirm the Reserves Policy.

Investment policy and performance

The ECITB must invest money in accordance with guidelines approved by the Secretary of State (section 17(5) Industrial Training Act 1982). The latest guidelines appear in *Managing Public Money*, issued by HM Treasury. These broadly allow investment in a range of high quality interest bearing instruments. Investment in equities is not permitted. The management of investments is contracted to Schroder & Company, which is required to operate within the guidelines.

Performance is measured against a benchmark, namely the Citigroup UK Government Bond 1-5 Year Index. In the period from 14 September 2004 (when Schroder took over the portfolio) to 31 December 2010, the performance of the long-term portfolio after the deduction of management fees was 39.9% compared to the benchmark 36.9%, giving annual portfolio return of 3.6% (benchmark return 3.9%) for the year to 31 December 2010.

The Audit Committee periodically reviews the ECITB's investments, and the performance of the investment manager. This last occurred in November 2010, and the Committee undertakes this exercise twice a year. The ECITB's opinion remains that it is unnecessary to dispose of any part of the investment portfolio or change the current investment policy in view of the very low risk attached to the portfolio (all investments are effectively guaranteed by the government). It is considered that the investment mix is appropriate to the prevailing market conditions, and the portfolio is not directly exposed to US sub-prime related securities or embedded derivatives.

Employer registrations

The number of employers' establishments registered as being in-scope to the ECITB at 31 December 2010 was 380 (381 at 31 December 2009), of which 238 were due to pay a levy in 2011.

Grant payment policy

Employers operating leviable establishments (i.e. "in-scope" employers) are eligible to receive grants for training activities. Details of the grant schemes and criteria for award are approved by the Secretary of State and are set out in the ECITB's Guide to Grants for Products and Services, which is published annually.

Material cash support payments

The names of the recipients and the aggregate amounts of material grant and support payments are disclosed in Note 7 to the Financial Statements.

Charitable donations

No charitable donations were made during the year.

Payment policy and performance

The ECITB observes the principles of the government's Better Payment Practice Code. In doing so, payment terms are agreed at the outset of relationships with suppliers and, wherever possible, amounts due are settled promptly within these terms, except in cases of dispute. In 2010, 97% of invoices were settled within 30 days of receipt of goods and services, or the presentation of a valid invoice, whichever is the later. The average time for the payment of invoices not subject to query was 9 days. For the purposes of these calculations, it has been assumed that invoices that are outstanding for more than 40 days are the subject of disputes or other queries with the suppliers concerned.

Auditors

The ECITB's external auditor is the Comptroller and Auditor General who is appointed under Section 2 of the Industrial Training Act 1982 as amended by the Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2003. The cost of the statutory external audit for 2010 was £35,000.

Statement as to disclosure of information to the Auditors

The Accounting Officer who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditors are unaware. The Accounting Officer has confirmed that he has taken all the steps that he ought to have taken as Accounting Officer in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditors.

Statement on Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the ECITB's policies, aims and objectives, whilst safeguarding the funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to him in *Managing Public Money*.

The Board is responsible for establishing and monitoring appropriate policies to fulfil the objectives of the ECITB as a statutory Industrial Training Board (ITB). The Accounting Officer is responsible for managing the implementation of agreed policies and is accountable to the Board. As a statutory ITB and Non-Departmental Public Body, the ECITB reports to the Department for Business, Innovation and Skills. The ECITB is established for exclusively charitable purposes and is therefore registered as a charity. The charitable activities of the ECITB are partly funded by a statutory levy, which is confirmed by a Levy Order passed by both Houses of Parliament.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the ECITB's policies, aims and objectives. It is also designed to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the ECITB for the year-ended 31 December 2010 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

Capacity to handle risk

The management of strategic and operational risk is embedded in business processes. The Executive Team (comprising the Chief Executive, the Director of Finance and Board Secretary, the Director of Operations, and the Director of Development and Quality) and senior managers provide high level leadership to the risk management process. This group of staff has a good understanding of the key risks facing the ECITB. Selection and performance review procedures ensure that personnel are trained to manage risk in a way appropriate to their authority and duties. The directors and senior managers understand the importance of their roles in the risk management process.

The risk and control framework

The ECITB aims to adopt best practice in the identification, evaluation and cost-effective management of risks, as an integral part of operational activity. The directors are accountable for risk management in their respective areas of activity and regularly, report to me in my capacity as Accounting Officer and Chief Executive. Risk is assessed in these reporting processes and, more importantly, within the established business and financial planning process. Implicit in this approach is encouragement and support to the achievement of business objectives, anticipating and responding to changing social, environmental and legislative requirements, optimisation of control to achieve operational efficiencies and ensuring legal compliance as a minimum standard. A Risk Register is maintained for each directorate. Each risk has a designated senior manager responsible for reporting the status of each identified risk. New risks which are identified during the year are added to the risk register.

As Accounting Officer and Chief Executive, I report to the Management Board the Audit Committee formally on these matters several times per year. The ECITB's corporate risk register is reviewed at every meeting of the Management Board and Audit Committee. On each occasion the whole register is reviewed, and this includes consideration of changes since the last review. The Management Board and the Audit Committee reported to me that they are content that appropriate consideration is being given to risk management.

Policy and responsibility

A risk management policy has been established and communicated to all relevant parties. Responsibility for risk management is assigned to the directors and their respective managers, to reflect actual responsibilities.

All directors are responsible for evaluating risk and taking measures to mitigate or minimise identified risk within their respective areas of operations and responsibility. The results of this exercise are reported to the Accounting Officer at least twice in the year.

Risk management is embedded within normal operations, such as system development risk analysis and progress reports for major projects.

Internal audit

Deloitte & Touche Public Sector Internal Audit Ltd served as the ECITB's internal auditor throughout 2010. The internal auditor operates to standards defined by HM Treasury, which include the submission of an independent opinion on the adequacy and effectiveness of the system of internal control.

Reports are submitted to the Audit Committee concerning audits undertaken, implementation of recommendations, post capital expenditure reviews and other ad hoc reports, as required.

The internal auditor has a direct reporting line to the Audit Committee to ensure independence.

Audit Committee

The Trustees maintain an overview of internal control issues through the Audit Committee. The Committee is formally constituted and operates in accordance with best commercial practice and HM Treasury guidelines. This Committee plays a pivotal role in ensuring a sound control environment. Its members ensure that a wide range of experience and expertise is available to the ECITB by attending meetings and offering advice when required.

The Chairman of the Audit Committee makes formal reports to the Board concerning risk management and the status of internal control within the ECITB.

The Accounting Officer joins the Audit Committee to review the ECITB's management of risk and ensures that advice from members concerning the identification, assessment and management of risk is taken into account. The Committee has approved a Risk Management Policy and reviews the Risk Register regularly.

Review of effectiveness

The processes described above in "The risk and control framework" contribute to ensuring that the systems of internal control are continually reviewed and improved. As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the directors and senior managers within the organisation (who have responsibility for the development and maintenance of the internal control framework), the work of the internal auditors, and comments made by the external auditors in their management letter and other reports. I am also advised on the effectiveness of the system of internal control by the Management Board and the Audit Committee. When weaknesses are identified, plans to address them and ensure continuous improvement of the system are put in place.

The internal auditor's opinion on the control environment is that the ECITB has adequate and effective systems over risk, control and governance which provide reasonable assurance regarding effective and efficient achievement of the ECITB's objectives.

Information risk

The ECITB routinely reviews its systems and processes for handling data securely. Following Cabinet Office guidance in relation to Information Risk, the Board Secretary has been appointed as the Senior Information Risk Owner (SIRO). In order to ensure that the ECITB meets latest best practice, a thorough review of systems access and information security processes and has been undertaken. The project to review the organisation's information technology systems and requirements commenced in 2009. This identified the need to comprehensively upgrade existing and implement new systems. In 2010, the first phase of the project was completed with the introduction of systems to meet the immediate requirements of the Awarding Body and the ability to record learners on the new Qualifications and Curriculum Framework vocational qualification courses.

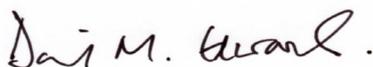
The upgrading of the organisation's accounting system was fully specified in 2010 and will be implemented in 2011, together with the integration of the accounts and customer relationship management systems enabling more seamless transaction and grant/liability processing. The project is overseen by the Audit Committee and managed in accordance with guidelines and standards specified by the internal auditor. Key elements in the project remain to ensure full compliance with the information aspects of the Security Policy Framework, and to ensure that all staff receive training on handling data. In addressing the applicable minimum security requirements the ECITB will ensure that there is clear reporting to the SIRO and the Audit Committee. In 2010 there was one minor data security breach that did not result in any loss of information, this was reported to BIS in accordance with standard protocols.

Internal control issues and conclusion

The issues identified in 2009 relating to the ECITB's Documents and Records Management systems are being addressed in the review of the organisation's information technology systems and requirements mentioned above. Progress has been made to implement the auditor's recommendations as part of the upgrading of the ECITB's information technology systems, although significant progress will not occur in this area until 2011.

My review of the effectiveness of the internal control system shows that in 2010 the ECITB has adequate and effective risk management, control and governance processes to manage the achievement of its objectives.

No significant internal control issues arose during 2010 and none are known to exist at the year-end.



D M Edwards
Chief Executive and Accounting Officer
26 May 2011

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Engineering Construction Industry Training Board for the year-ended 31 December 2010 under the Industrial Training Act 1982. These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Board and Accounting Officer's Responsibilities, the Board and Chief Executive as Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training Act 1982. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Engineering Construction Industry Training Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Regularity

In my opinion, in all material respects, the incoming and outgoing resources have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Engineering Construction Industry Training Board's affairs as at 31 December 2010 and of the incoming resources and application of resources for the year then ended;
- the financial statements have been properly prepared in accordance with the Industrial Training Act 1982 and directions issued thereunder by the Secretary of State.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Industrial Training Act 1982 and directions issued thereunder by the Secretary of State; and
- the information, which comprises the section on "Structure, Governance and Management", the Financial Report, Appendix B: Trustees, and Appendix E: Chief Executive Officer and Senior Staff, included in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date: 17 June 2011

FINANCIAL ACCOUNTS FOR THE YEAR-ENDED 31 DECEMBER 2010

Statement of financial activities for the year-ended 31 December 2010

INCOMING RESOURCES		2010 £'000	2009 £'000
Incoming resources from generated funds			
Investment income	<i>Note 4</i>	722	723
Incoming resources from charitable activities			
Non-levy income - Apprentices and Careers		351	961
- Skills & Technical Programmes		132	240
- Management & Professional Programmes		131	115
- Awards & Qualifications		1,072	1,164
Total non-levy income	<i>Note 3</i>	1,686	2,480
Levy		22,161	20,116
Other incoming resources	<i>Note 5</i>	746	3
Total incoming resources		25,315	23,322

RESOURCES EXPENDED

Cost of generating funds			
Investment management costs		51	38
Levy collection costs and bad debt provision	<i>Note 9</i>	59	2,204
Charitable activities			
Apprentices and Careers		9,379	9,063
Skills & Technical Programmes		4,166	3,512
Management & Professional Programmes		4,674	3,227
Awards & Qualifications		2,295	1,777
Total costs of charitable activities	<i>Note 6, 7, 8, 10, 11, 14</i>	20,514	17,579
Governance costs		108	96
Total resources expended		20,732	19,917

Net incoming/(outgoing) resources for year before charging notional cost of capital	4,583	3,405
(less) Notional cost of capital	(1,078)	(879)
Net incoming/(outgoing) resources for year after charging notional cost of capital	3,505	2,526
Notional cost of capital added back	1,078	879

Net incoming/(outgoing) resources for the year before other recognised gains and losses	4,583	3,405
Other recognised gains and losses		
Gains/(Losses) on revaluation of fixed assets for own use	107	(58)
Gains/(Losses) on investment assets	(64)	(81)
Net movement in funds	4,626	3,266

RECONCILIATION OF FUNDS

Total funds brought forward at 1 January	17,086	13,820
Total funds carried forward at 31 December	<i>Note 23</i> 21,712	17,086

The statement of financial activities reflects all gains and losses during the year to 31 December 2010. All activities are continuing. All funds are unrestricted. The notional cost of capital has been calculated in accordance with HM Treasury's Financial Reporting Manual.

The notes on pages 49 to 69 form part of these financial statements.

Balance Sheet as at 31 December 2010

		2010 £'000	2010 £'000	2009 £'000	2009 £'000
Fixed assets					
Tangible assets	<i>Note 15</i>		1,278		1,180
Investments	<i>Note 17</i>		13,412		10,901
Total Fixed Assets			14,690		12,081

Current assets					
Debtors	<i>Note 18</i>	899		808	
Investments	<i>Note 17</i>	11,551		8,346	
Cash at bank and in hand	<i>Note 25 & 26</i>	462		825	
Total Current Assets		12,912		9,979	

Creditors					
Amounts falling due within one year	<i>Note 19</i>	(5,890)		(4,974)	

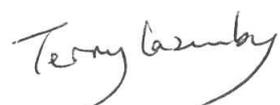
Net current assets (liabilities)			7,022		5,005
---	--	--	--------------	--	--------------

Total assets less current liabilities			21,712		17,086
--	--	--	---------------	--	---------------

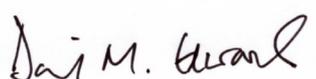
The Funds of the Charity					
Unrestricted fund	<i>Note 23</i>		21,712		17,086

Total Charity Funds			21,712		17,086
----------------------------	--	--	---------------	--	---------------

The accounts were approved by the Board on 27 April 2011.



T M Lazenby MBE FREng
Chairman of the Trustees
26 May 2011



D M Edwards
Chief Executive Officer
26 May 2011

The notes on pages 49 to 69 form part of these financial statements.

Cash flow statement for the year-ended 31 December 2010

		2010 £'000	2009 £'000
Net cash inflow (outflow) from operating activities	<i>Note 24</i>	5,018	3,181
Returns on investments and servicing of finance			
Investment income		575	706
Gains/(Losses) on investment assets		(77)	(161)
Capital expenditure			
Purchase of tangible fixed assets	<i>Note 15</i>	(214)	(212)
Proceeds from disposal of tangible fixed assets		39	32
Management of Liquid Resources			
Purchase of investments	<i>Note 17</i>	(5,833)	(2,404)
Disposal of investments		3,334	1,156
Cash invested		(3,205)	(3,363)
Increase/(Decrease) in cash	<i>Note 25 & 26</i>	(363)	(1,065)

The notes on pages 49 to 69 form part of these financial statements.

Notes forming part of the Accounts for the year-ended 31 December 2010

1 Accounting policies

Going concern

These accounts are prepared on a going concern basis.

Accounting convention

These accounts have been prepared in accordance with the Industrial Training Act 1982 and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005) ("the SORP"). An accounts direction issued by the Secretary of State requires that the ECITB prepares accounts in accordance with Treasury guidance. Consequently, these accounts follow the principles in the 2009/10 Government Reporting Manual (FReM) where it goes beyond the requirements of the SORP.

The accounts are prepared under the historical cost convention as modified by the revaluation of Land and Buildings and Investments.

Grants receivable

The ECITB receives grants from Government and European Union sources in respect of the following charitable activities:-

- Apprentices & Careers (grants for apprenticeship programmes).
- Skills & Technical Programmes (grants in respect of the Train to Gain initiative and the WISE Project in Wales).
- Management & Professional Programmes (grants relating to Construction Skills Action Plan).
- Awards & Qualifications (grants relating to the Construction in the Built Environment Diploma and other development projects).

Grants are recognised when the SORP 2005 criteria of entitlement, certainty and measurement have been satisfied. Such grants are repayable in the event that the activities to which the grant relates do not occur.

This grant income is not an agreed annual cash allowance to meet the ECITB's financial cash outgoings for the year. It does not represent grant in aid. Consequently it is treated in the accounts as income.

Levy income

Levy income is recognised on an annual cycle in the year in which it is raised together with adjustments in respect of previous levies raised. The levy receivable relating to the base period ended 5 April 2009 was raised in January 2010 and recognised as income in that year.

Other categories of income

All other categories of income (e.g. sales, sponsorship and investment income) are recognised on a receivable basis.

Investment management costs

Investment management costs are recognised on an accruals basis.

Charitable expenditure

Charitable expenditure includes all expenditure incurred on the charitable activities described below in pursuance of the ECITB's objectives.

- Apprentices and Careers.
- Skills & Technical programmes.
- Management & Professional programmes.
- Awards & Qualifications.
- Levy collection costs.

Grants payable

Grants are recognised as liabilities when the relevant training milestones and or grant conditions have been achieved or met. Such liabilities are treated as grant accruals until payment is made.

All grants are paid to employers when evidence of the relevant training milestones and or grant conditions has been received. Such milestones and conditions are agreed with the employer prior to the commencement of the relevant training activity. Most grants are paid without the requirement for the employer to submit a claim. However, as a condition of payment the ECITB requires employers to submit claims for Regional Discretionary Grants, grants relating to post graduate (or equivalent) training, and grants relating to Assessor Verifier training courses.

Support costs

Support costs include central functions which have been allocated to activity cost categories on a basis consistent with the use of the resources. Staff costs have been allocated on the basis of staff time devoted to each activity cost category. Other support costs have been allocated to the activity cost categories to directly reflect the activity in which the cost arose.

Governance costs

Governance costs include those incurred in the governance of the ECITB and its assets and are primarily associated with constitutional and statutory requirements.

Notional cost of capital

In accordance with the FReM Guidance, the accounts include a notional charge representing the cost of capital, which is based on the average capital employed (equivalent to net assets) at a rate prescribed by HM Treasury of 3.5% (2009 - 3.5%). The charge has been included after the heading "total resources expended". As the charge is notional, it is removed from the Statement of Financial Activities before identifying net outgoing resources for the year.

Land and buildings

FRS 15 requires fixed assets which are carried at re-valued amounts to be shown at their current value at the balance sheet date. To achieve this, freehold land and buildings are subject to a full external valuation every 5 years. The last existing use valuation of the freehold land and buildings was undertaken at 31 December 2007 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Valuation Standards (6th edition). Following the last valuation, the existing use property value was recorded in the 2007 Balance Sheet. In the intervening years between full external valuations the last revalued existing use value is adjusted where material by reference to relevant published commercial property indices by financial and professional services firms specialising in real estate services and investment management.

Other assets

Apart from freehold property, fixed assets are stated at their historical cost, less accumulated depreciation. They are not re-valued as this is unlikely to reveal any material difference in values.

Capitalisation

Fixed assets costing below £500 are not capitalised.

Depreciation

Depreciation on fixed assets other than freehold land and buildings is provided on cost or valuation in equal annual instalments by class of asset over the estimated lives of each class, from the date on which the assets are brought into use. The rates of depreciation are as follows:-

Office furniture and equipment	10% per annum
Plant and machinery:-	
Training Rigs and Display Stands	20% per annum
Motor Vehicles	25% per annum
Tools and Equipment	33.3% per annum
Computer equipment and IT software	33.3% per annum

No depreciation is provided on freehold land.

Depreciation on freehold buildings is provided on the revalued amount at the time of the last revaluation over the remaining useful life of the asset. The annual depreciation provision is calculated by dividing the latest revalued amount by the number of years of remaining useful life.

Investments

Investments are carried at market value. Realised and unrealised gains and losses are reflected in the statement of financial activities.

Bad debts provision

Levy debtors are reported in the balance sheet net of a provision for bad debts. Full bad debt provisions are made in the following circumstances:-

- When a formal appeal against an assessment for industrial training levy is made by an employer, regardless of the likelihood of the ECITB's success in the appeal.
- When there is a strong possibility that a debt will not be recovered.
- When any debt is older than six months.

In the Statement of Financial Activities the bad debts provision is treated as an expense within Cost of Generating Funds.

Pensions

The ECITB is a participating employer in the ITB Pension Funds, which are constituted as multi-employer defined benefit schemes. Pension contributions are charged to the statement of financial activities as incurred.

Corporation Tax

As a registered charity in England and Wales, the ECITB is exempt from Corporation Tax on its primary purpose activities. As such there is no Corporation Tax to pay.

Value Added Tax

The ECITB is registered for VAT. However, the ECITB is not able to recover VAT on most supplies of goods and services which it receives. Thus, all costs are shown inclusive of VAT.

Fund

The ECITB's fund is available to the Trustees to apply for the general purposes of the Charity as governed by the Industrial Training Act 1982 (as amended) and related regulations. As such the fund is unrestricted because the Trustees are free to use it for any of the Charity's purposes. Income generated from assets held in the fund is unrestricted income.

2 Levy receivable

In 2010 Industrial Training Levy was assessed in respect of 245 establishments, which were wholly or mainly undertaking engineering construction activities. 135 establishments were exempted from paying a levy because the level of payments made in respect of personnel at these establishments did not exceed the statutory exemption levels.

3 Non-levy income	2010 £'000	2009 £'000
From Government and European Union sources	474	1,431
From sales and sponsorships	1,212	1,049
	1,686	2,480

The following streams of income were received from Government and the European Union:-

Income Stream	Government/European Sources	Charitable Activity	2010 Income £'000	2009 Income £'000
Apprentice training grants	Skills Funding Agency (formerly Learning & Skills Council)	Apprenticeship & Careers	175	659
	Skills Development Scotland		176	248
Assuring Competence in Engineering (ACE)	Department for Children Education Lifelong Learning & Skills (Wales)	Awards & Qualifications	0	106
	Skills Development Scotland		0	27
	Highland & Islands Enterprise		0	8
Train to Gain	Skills Funding Agency (formerly Learning & Skills Council)	Skills & Technical	37	152
Construction Skills Action Plan – ECITB Skills Programme	Skills Development Scotland	Skills & Technical	0	29
		Management & Professional	11	13
Wales & Ireland Sustainable Enterprise project (WISE)	European Social Fund	Skills & Technical	46	69
National Skills Audit	UK Commission for Employment & Skills	Awards & Qualifications	0	10
Construction in the Built Environment Diploma	UK Commission for Employment & Skills	Awards & Qualifications	13	27
VQRP			0	59
Other development projects			16	21
Regional Initiatives	Yorkshire & Humber East Life Long Learning Network	Skills & Technical	0	3
			474	1,431

There has been a significant reduction in the level of income from the Skills Funding Agency and Skills Development Scotland in support of apprenticeship training. This is because the ECITB's managing agency contracts with these bodies are drawing to a close. The level of receipts reflects the diminishing numbers of learners who were still in the process of completing their apprenticeship programmes. It is envisaged that these apprentices will complete their programmes in 2011.

In 2010 there was no Government funding received directly by the ECITB in connection with the Assuring Competence in Engineering (ACE) programme. However, government continued to provide funding directly to employers for the programme under the Train to Gain initiative.

The level of funding under the ECITB's Train to Gain compact was markedly reduced in 2010 when compared with 2009, as a result of Government's cost-cutting programme.

The following streams of income were received from sales and sponsorships:-

Income Stream	Sources of Sales and Sponsorship Income	Charitable Activity	2010 Income £'000	2009 Income £'000
ECITB Safety Passports	UK employers	Awards & Qualifications	887	803
Licensing of ECITB training materials for course and programme delivery	UK training providers	Skills & Technical	39	10
		Management & Professional	120	57
	Overseas training providers	Awards & Qualifications	12	0
		Skills & Technical	11	0
Certification Income	Out-of-scope employers	Awards & Qualifications	72	90
ACE cards	UK employers	Awards & Qualifications	71	66
Other		Apprenticeship & Careers	0	23
			1,212	1,049

The increase in the value of trading income derived from the licensing of the ECITB's training materials is largely attributable to:-

- Higher numbers of training providers licensed to deliver Supervisory Management and Training Development Programmes (SMTD) and Project Management Short Courses (PMSC); and
- The licensing of materials for the first time (especially in the area of TECSkills training materials).

The ECITB also trades with overseas training providers. The ECITB has provided consultancy services relating to the delivery of ECITB training materials and courses, and has entered into licences under the same model described above. The provision of consultancy services has been classified as Awards & Qualifications activity, whilst the delivery of training materials has been classified as Skills & Technical activity (in view of the fact that generally the learners receiving training are existing industry workers).

No grant-in-aid is receivable by the ECITB.

4 Investment income	2010 £'000	2009 £'000
Income from quoted investments	483	435
Income from cash deposits	239	288
	722	723

5 Other operating income	2010 £'000	2009 £'000
Other operating income	746	3

During the year the ECITB was involved in legal proceedings with three employers which had appealed against training levy assessments. Some of the appeals involving two employers were settled by way of a settlement agreement with one employer and a court judgement in respect of the other. Under the terms of the agreement and the court judgment awards were made to cover the ECITB's legal costs incurred in the proceedings, together with interest. In total this comprised approximately £746,000, and is included in Other Operating Income. The details are as follows:-

Employer	Type of Income	£'000
Sellafield Limited	Reimbursement of legal costs	700
On Line Design and Engineering Limited	Reimbursement of legal costs	27
On Line Design and Engineering Limited	Interest	19
		746

6 Charitable activities	Grant funding £'000	Direct Costs £'000	Support Costs £'000	Total 2010 £'000	Total 2009 £'000
Apprenticeships and Careers	3,949	3,247	2,183	9,379	9,063
Skills & Technical programmes	3,225	396	545	4,166	3,512
Management & Professional programmes	3,775	369	530	4,674	3,227
Awards & Qualifications	413	840	1,042	2,295	1,777
	11,362	4,852	4,300	20,514	17,579

7 Grant funding

Of the £11.362m of grants made to employers in 2010, grants amounting to £9.985m were awarded to the employers in the following list. The list is limited to the 50 largest employers in terms of grant values, and the value for each employer is the aggregate of total grants received.

Employer	£	Employer	£
Sellafield Ltd	1,907,580	Cameron Ltd	77,845
Doosan Power Systems Ltd	1,626,627 *	KBR	76,750
Wood Group Engineering (North Sea) Ltd	1,118,615 *	Boulting Group plc	71,696
AMEC Group Ltd	639,138	Pruce Newman Pipework Ltd	66,510
Alstom Power Ltd	501,751 *	Interserve Industrial Services Ltd	65,165
Production Services Network (UK) Ltd	422,389 *	Shaw Energy & Chemicals Ltd	65,130
Petrofac Facilities Management Ltd	240,407	Shepley Engineers Ltd	59,655
Siemens plc	212,026 *	CB&I UK Ltd	52,519
RBG Ltd	180,355	Foster Wheeler Energy Ltd	49,312 *
Jacobs LES Ltd	174,549 *	AT Group Ltd	48,905
Aker Offshore Partner Ltd	167,110	Jordan Nuclear Ltd	48,062
Granite Services Inc (UK)	154,730	Shaw Group UK Ltd	48,025
Aker Solutions E & C Ltd	150,938 *	PPS Electrical Ltd	47,711
Redhall Engineering Solutions Ltd	146,407	Siemens VAI Metals Techs Ltd	47,062
Fabricom Oil, Gas and Power Ltd	134,975	PTF Engineering Ltd	46,359
Laker Vent Engineering Ltd	127,047 *	BIS Industrial Services Ltd	46,224
BNS Nuclear Services Ltd	102,090	C & A Pumps Ltd	45,449
Peter J Douglas Engineering Ltd	101,610	WorleyParsons Europe Ltd	41,450
TEI Limited	101,533 *	Costain Oil, Gas & Process Ltd	41,396
Main Port Engineering (1990) Ltd	95,654	AMEC Nuclear UK Ltd	40,710
Babcock Nuclear Ltd	93,444	Cordell Group Ltd	33,651
M W Kellogg Ltd	89,274	Enterprise Eng. Services Ltd	32,495
SEC Electrical & Instrumentation Ltd	86,807 *	East Midland Instrument Co. Ltd	31,685
Weir Engineering Services Ltd	82,695	Applus RTD UK	30,515
AE&E MII Ltd	82,360	Rhyal Engineering Ltd	30,500
		Sub Total	9,984,892
		Other Grants	1,377,022
		Total	11,361,914

* A member of the Board of Trustees is employed by this employer or a member of an associated company.

Under a settlement agreement dated 10 May 2010 between Sellafield Limited and the ECITB, it was agreed that the parties would review the training activities undertaken by Sellafield Limited during 2010, and agree Sellafield Limited's eligibility for training grant payments. The agreement also provided that the value of grants payable to Sellafield Limited would not exceed the value of the levy assessed in respect of Sellafield Limited's liable establishments for the 2008/09 base period (£1,907,580). At the end of 2010, the ECITB concluded that the nature of the training undertaken by Sellafield Limited meant that the company was eligible for grant exceeding this figure. It should be noted that the agreement provided that this arrangement would only apply in 2010.

8 Direct costs

Direct costs have been recorded against activity cost categories on a basis consistent with the use of the resources. In the main, they comprise costs which have been directly incurred in fulfilling the relevant charitable activity. For example, most Training Provider costs have been incurred in consideration of services provided by training providers in the training and assessment of apprentices (recruiting and developing new entrants). Product development costs largely relate to consultancy costs incurred in the development of training products and materials used in the re-skilling and skill enhancement of existing industry workers. Other direct costs have been allocated to the cost categories to reflect the activity in which the cost arose.

Activity	Apprenticeships and Careers £'000	Skills & Technical programmes £'000	Management & Professional programmes £'000	Awards & Qualifications £'000	Total £'000
ACE				50	50
Depreciation		4		14	18
ECITB Active Cup			67		67
EDP courses			4		4
Engagement				22	22
Overseas consultancy and training provider costs		18		18	36
Product development costs	2	123	150	92	367
Project Management courses			79		79
Recruitment costs	302				302
Research costs	13	2	2	5	22
Safety Passports costs				72	72
SMTD courses			39		39
Technical managerial courses			28		28
TECSkills programme costs		41			41
Train to Gain		98			98
Trainee costs	1,578				1,578
Training Provider Accreditation and Monitoring				185	185
Training Provider costs	1,352				1,352
Vocational Qualifications				136	136
VQRP				246	246
WISE Project		110			110
	3,247	396	369	840	4,852

9 Debt collection costs and bad debt provision	2010 £'000	2009 £'000
Debt collection costs		
Legal fees incurred in levy appeals	231	357
Debt collection fees	9	4
Bad debt provision		
Levy Assessments under appeal	(115)	1,602
Irrecoverable debts	(66)	240
Debts older than 6 months	0	1
	59	2,204

In 2010, the ECITB was involved in appeals against levy assessments lodged by Sellafield Limited, On Line Design and Engineering Limited and Grimley Smith Associates Limited. The settlement agreement between the ECITB and Sellafield Limited and the Divisional Court's judgement in the On Line Design and Engineering Limited case (see Note 5) provided that a total of £746,079 by way of reimbursement of legal fees should be paid to the ECITB. The legal fees incurred in 2010 in the Sellafield and On Line appeals (£152,685) included within the £231,000 in the table above have not been offset against sum reimbursed.

The bad debt provision recorded in 2009 principally comprises the levy payable by Sellafield Limited in respect of the base period 2008/09, which was under appeal at the year-end. In 2010, the ECITB and Sellafield Limited reached a settlement agreement (which was reported as a Post Year-End Event in notes 19 and 30 to the 2009 accounts).

The bad debt provision at the 2010 year-end reveals a credit balance. This is due to the dismissal by the Divisional Court of On Line Design and Engineering Limited's appeal against the levies assessed in respect of the 2006/7 and 2007/8 base periods. These levies amounted to £314,602, and were fully provided for as bad debts in the 2008 and 2009 accounts.

Also, the Hull Employment Tribunal dismissed Grimley Smith Associates Limited's appeals against the levies assessed in respect of the 2007/8 and 2008/9 base periods. These levies amounted to £9,232. As a consequence of the court decisions, the bad debt provision was reversed by £317,783 in the 2010 accounts. In addition, during the year outstanding levy relating to base periods expiring prior to 2009/10 was received amounting to £124,401. In previous years this levy had been fully provided for as irrecoverable bad debts as the debtors had entered into insolvency proceedings. An analysis relating to these issues is set out below.

	Provision made during the year	Reversal of prior year provision	Year-end provision
Levy Assessments under appeal	203	(318)	(115)
Irrecoverable debts	58	(124)	(66)

10 Support costs	2010 £'000	2009 £'000
Staff costs	2,731	2,495
Staff travel	351	363
Interim management costs	0	30
Premises costs	109	109
Office expenses	292	318
Staff recruitment and training	135	141
Marketing	239	412
IT and telecommunications	169	55
Legal (non-levy collection matters)	4	15
Professional charges	98	22
Depreciation	200	190
(Profit)/loss on disposal of fixed assets	(28)	(20)
	4,300	4,130

Support costs have been allocated to activity cost categories on a basis consistent with the use of the resources. Staff costs have been allocated on the basis of staff time devoted to each activity cost category. Other support costs have been allocated to the activity cost categories to directly reflect the activity in which the cost arose. Where this is not possible (Premises costs, Office expenses and Depreciation) costs have been allocated on the same basis used in the allocation of staff time.

11 Staff costs	2010 £'000	2009 £'000
Wages and salaries	2,602	2,345
Social security costs	234	211
Pension costs	206	199
Agency costs	7	11
	3,049	2,766

Staff costs include Trustees' and Senior Staff Salaries and Pensions (see Remuneration Report).

Salary includes gross salary; performance related pay or bonuses; overtime; private or home office allowances and other allowances to the extent that they are subject to UK taxation. The ECITB operates a performance-related incentive scheme in which all employees are eligible to participate (after completing initial periods of employment in their roles). In 2010, the maximum achievable incentive award amounted to 1% of an employee's basic salary.

12 Staff numbers

The numbers of employees earning over £60,000 per annum including benefits in kind, excluding pension contributions were:-

	2010 Number	2009 Number
£60,001 - £75,000	0	0
£75,001 - £80,000	0	1
£80,001 - £85,000	2	1
£85,001 - £90,000	0	0
£90,001 - £95,000	1	1
£95,001 - £100,000	0	0
£100,001 - £105,000	0	0
£105,001 - £110,000	0	0
£110,001 - £115,000	0	0
£115,001 - £120,000	1	1

The average number of employees, by function, was:-

	2010 Number	2009 Number
Apprenticeships & Careers, Skills & Technical Programmes, Management & Professional Programmes	39	34
Awards & Qualifications	19	13
Senior Management and Corporate Services	20	20

The ECITB has considered the issue of allocating the numbers of staff engaged amongst each charitable activity. However, it is felt that with the exception of Awards & Qualifications (where members of staff are clearly and solely allocated to this activity), it is not possible to achieve an accurate allocation amongst the other heads of charitable activity. The table indicates that in both years approximately half of the ECITB's employees were engaged in the charitable activities of Apprenticeships & Careers, Skills & Technical Programmes, and Management & Professional Programmes. This largely reflects how all members of the organisation's regional staff are engaged in the delivery of services, which span all three areas of charitable activity. Furthermore, in providing service to some employers it is not unusual for such employers' learners to be undertaking training in more than one area of charitable activity. For these reasons, it is not possible to allocate with accuracy the numbers of staff that are allocated to each of these heads of charitable activity.

13 Industry Training Board Pension Funds

The ECITB is a participating employer in the ITB Pension Funds Scheme, a multi-employer defined benefit scheme. It is not possible to identify separately the proportion of assets and funding level attributable to the ECITB. Therefore, in accordance with the provisions of FRS 17 relating to multi-employer schemes, the Scheme has been accounted for as a defined contribution scheme.

The scheme comprises two funds:-

<p>The Open Fund</p>	<p>The Open Fund is valued triennially by an independent qualified actuary. The last valuation reported was at 31 March 2010, which showed the net asset value of the assets was £581.5 million and the actuarial value of those assets represented 87% of the benefits that had accrued to the members. The valuation indicated that the actuarial value of the total assets held by the Scheme showed a deficit of £90m over the total Scheme liabilities. The valuation was based on methodology and assumptions set out in a Statement of Funding Principles, which has been approved by all participating employers. For the purpose of the valuation the actuary assumed the nominal rate of return on the assets of 5.99% (and that future pensions in payment would increase by 3.3% per annum for Old Section members and effectively not more than 2.5% per annum for New Section and 2007 Section members), increases in total pensionable earnings would be 4.9% per annum.</p> <p>The latest asset values of the Open Fund are £620.20 million. The next formal valuation will be carried out as at 31 March 2013.</p> <p>The information appearing in the preceding two paragraphs has been provided on a provisional basis by ITB Pension Funds. The information reflects the results of the formal 2010 actuarial valuation, which at the time of the preparation of this report were in the process of being signed off by the Trustees of the Scheme.</p> <p>The assets of the scheme are held separately from those of the ECITB in an independently administered fund. During the period, employer's contributions at a rate of 10.1% for the New Section and 5.6% for the 2007 Section (as determined by the Trustees acting on the advice of the Funds' Actuaries) have been made in respect of all employees who are members of the Funds. The pension cost charge for 2010 of £205,957 (year to 31 December 2009 - £199,419) represents contributions payable by the ECITB to the scheme.</p>
<p>The Closed Fund</p>	<p>The Closed Fund is valued triennially by an independent qualified actuary. The last formal valuation was at 31 March 2009, which showed the market value of the assets was £196.7 million. For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 3.26% (and that future pensions in payment would increase by 2.6% per annum).</p> <p>An interim actuarial review of the Closed Fund was undertaken as at the 31 March 2010. This revealed the market value of the assets was £210.9 million. For the purposes of that valuation the actuary assumed the nominal rate of return on the assets of 3.92% (and that future pensions in payment would increase by 3.73% per annum).</p> <p>Participating employers in defined benefit occupational pension schemes may become liable for a statutory debt under section 75 of the Pensions Act 1995 in certain circumstances, such as if the scheme starts to wind up, or the employer ceases to participate. In the case of the ECITB's participation in the ITB Pension Funds Scheme, were the ECITB to withdraw from the Scheme, or were the Scheme to be wound up, the assessment of any amounts due from the ECITB to the scheme would take account of both ITB Pension Scheme members who were current and past employees of the ECITB, and also of pension scheme members who were employees of the Engineering Industry Training Board prior to 1991.</p>

14 Governance costs	2010 £'000	2009 £'000
Board and Committee costs	46	40
Internal audit	13	8
External audit	37	35
Other audit undertaken by External Auditor	1	2
Other	11	11
	108	96

The external audit costs shown above relates to the statutory audit of the ECITB's annual accounts. The cost of the statutory audit for 2010 was £35,000. There was a charge of £1,500 for additional work undertaken for the 2009 audit. Other audit work undertaken by the external auditor refers to a separate non-statutory engagement, for pension contribution assurance work.

15 Tangible Assets	Freehold land & buildings £'000	Plant & machinery £'000	Computer equipment £'000	IT software £'000	Furniture & equipment £'000	Total £'000
Cost or valuation						
1 January 2010	780	708	783	6	70	2,347
Revaluation	80					80
Additions		136	33	21	24	214
Disposals		(167)	(51)	(1)	(19)	(238)
At 31 December 2010	860	677	765	26	75	2,403
Depreciation						
1 January 2010		348	750	4	65	1,167
Revaluation adjustment	(27)					(27)
Provided	27	156	21	9	5	218
Disposals		(162)	(51)	(1)	(19)	(233)
At 31 December 2010	0	342	720	12	51	1,125
Net book value						
At 1 January 2010	780	360	33	2	5	1,180
At 31 December 2010	860	335	45	14	24	1,278

Land and buildings

Land and buildings comprise a freehold property including land of £210,450 which will not be depreciated (2009 - £190,800).

The freehold land and buildings were last valued on the basis of existing use value at £1,125,000 on 31 December 2007 by Brown & Merry Commercial, a firm of Chartered Surveyors. The valuation was prepared in accordance with the Royal Institute of Chartered Surveyors Valuation Standards (6th edition).

The ECITB's usual practice between professional valuations is to adjust the value of the land and buildings by reference to the relevant commercial property index published by Jones Lang LaSalle (a financial and professional services firm specialising in real estate services and investment management). At the end of 2010 this indicated that office property values in the South East of England had increased in 2010 by approximately 10.3%. Consequently, the ECITB has positively adjusted the value of the property by this factor to £860,670. After adjustment for depreciation the value has been increased by £107,902, and this appears as a recognised gain in the accounts.

The property value is stated at this figure in the Balance Sheet. The historic cost of the land and buildings is £1,300,000.

The cost and accumulated depreciation at 31 December 2010 includes fully depreciated assets at historical cost of £795,377 (31 December 2009 - £857,694).

16 Capital commitments

Capital commitments at 31 December 2010 amounted to £40,796 (31 December 2009 - £16,910). These represent unfulfilled orders for two cars and computer equipment.

17 Investments	2010 £'000	2009 £'000
Listed investments		
Market value at 1 January	10,901	9,573
Purchases	5,833	2,404
Sales	(3,306)	(1,152)
Net Profit / (Loss)	(16)	76
Market value at 31 December	13,412	10,901
Cash investments	11,551	8,346
Total market value at 31.12.10 as confirmed by investment portfolio manager	24,963	19,247
Fixed asset investments	13,412	10,901
Current asset investments	11,551	8,346

The investment portfolio is managed by Schroder & Company as discharged by the Trustees. Details of material investments are as follows:-

	% value of portfolio
European Investment Bank Bonds 14.1.13 (4.5% Fixed Interest)	19.6%
Nationwide BS 21.11.08 (3.75% Fixed Interest)	3.9%
European Investment Bank Bonds 7.3.13 (2.875% Fixed Interest)	2.0%
Lloyds TSB Bank Plc 16.3.12 (2.75% Fixed Interest)	4.7%
Treasury Stock 22.1.15 (2.75% Fixed Interest)	8.2%
European Investment Bank Bonds 8.7.15 (4.375% Fixed Interest)	9.7%
Treasury Stock 22.1.15 (4.75% Fixed Interest)	5.5%
Bank and cash	46.4%

A proportion of the investment portfolio is used to finance the day to day running of the ECITB. Investments may be converted to cash within a very short period, typically 2 weeks.

18 Debtors	2010 £'000	2009 £'000
Levy debtors	854	3,220
Bad debt provision	(857)	(3,126)
Levy raised but uncollected	(3)	94
Prepayments and accrued income	547	494
Trade debtors	355	220
	899	808
Balances with intra Governmental bodies		
Central Government bodies	0	154
Local authorities	9	2
NHS bodies	0	0
Public corporations and trading funds	0	0
Balances with Other Bodies	890	652
	899	808

Levy raised but uncollected in 2009 represents the uncollected levy assessed in respect of the base period 2008/09 from employers which failed to make statutory declarations of labour payments made in the base period. The assessments were based on the ECITB's estimates of the labour payments made in respect of the workers in the relevant establishments. However, levy assessments based on the ECITB's estimates of the labour payments in respect of the base period 2009/10 were served in January 2011, and will be accounted for in the 2011 accounts in accordance with the accounting policy described in Note 1.

19 Creditors – amounts falling due within one year	2010 £'000	2009 £'000
Grants creditors	1,121	337
Grants accruals	2,922	2,583
Income Tax and social security	13	13
Trade creditors	280	593
Expense creditors	8	9
VAT	55	9
Accruals	1,126	1,087
Deferred income	365	343
	5,890	4,974

Balances with intra Government bodies		
Central Government bodies	141	21
Local authorities	2	0
NHS bodies	0	0
Public corporations and trading funds	0	0
Balances with other bodies	5,747	4,953
	5,890	4,974

In previous years accounts Grants creditors and Grants accruals were combined under the heading Grants payable. This change brings it into line with the treatment of Expense Creditors and Accruals. It has meant a restatement of the comparative figures for 2009. Previously some Grants accruals were included in Accruals, this amounted to £574,000.

20 Financial instruments

FRS 29 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks the ECITB faces in undertaking its activities.

Because of the largely non-trading nature of its activities and the requirements of the financial framework set by BIS, the ECITB is not exposed to the degree of risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial standard mainly applies. The ECITB has very limited powers to borrow or invest surplus funds, and financial assets and liabilities are generated by day-to-day operational activities and are not considered to change the risks the organisation faces in undertaking its activities.

The ECITB has undertaken a review of its financial assets and liabilities, and has concluded that they do not contain any material embedded derivatives, which require disclosure in these accounts.

Financial assets by category	2010 £'000
Investments <i>Note 17</i>	24,963
Debtors	899
Cash at bank <i>Note 25 & 26</i>	462
Financial liabilities by category	
Creditors	1,409

Investment risk

The ECITB's investment portfolio is invested in accordance with rules approved by the Secretary of State. These only permit investment in a range of high quality fixed interest-bearing instruments. Investment in equities is not permitted. The investment portfolio is managed by Schroders and Company, which adheres to these rules.

Interest rate risk

The ECITB has limited exposure to interest rate risk on its financial assets. Such risk is limited to interest rate fluctuations which affect its bank accounts.

Credit and liquidity risks

The ECITB does not hold any complex financial instruments. The only financial instruments included in the accounts are cash, short-term investments, receivables and payables (Notes 17, 18 and 19). Levy, governmental and trade receivables are recognised at fair value less a provision for impairment (bad debts). Bad and doubtful debts are provided for on an individual basis when the ECITB considers that a debt may not be collectable in full, or in part in accordance with the terms of the relevant transaction. Write-offs in the year for bad debts amounted to £3,942,457 (2009 - £17,000).

It should be noted that a full bad debt provision is made when a formal appeal against an assessment for industrial training levy is made by an employer, regardless of the likelihood of the ECITB's success in the appeal (see Note 1). The discrepancy between the level of write-offs in 2010 and 2009 is principally attributable to the settlement of the levy appeals lodged by Sellafield Limited in respect of the 2005/6 to 2007/8 base periods. Levies amounting to £3,731,305 had been fully provided for as bad debts in previous years' accounts. As a consequence of the settlement agreement, the income will not be recovered. In 2010, following the agreement, the debts were written off and a corresponding reduction was made to the bad debts provision in the balance sheet. However, there was no net effect on reported net assets. Other write-offs amounting to £211,152 were made in the year following confirmation from liquidators of the debtors concerned that there was no prospect of repayment.

The organisation has no borrowings and relies primarily on the industrial training levy for its cash requirements. ECITB's principal exposure to risk is primarily attributable to levy debtors. However, this risk is minimised because most major levy debtors are familiar to ECITB. The organisation holds reserves, which are sufficient to cover run-out costs (i.e. the costs of completing training programmes and meeting closure costs in the event that the ECITB ceases to operate). Consequently, the ECITB is not exposed to material liquidity risks.

Foreign currency rate risk

The ECITB operates a Euro bank account solely for the purpose of receiving and making payments in connection with a European Union funded project WISE (see Note 3). The approximate annual value of both income and expenditure is in the region of £70,000 to £100,000.

All other assets are held in sterling, and so there is no exchange risk.

Accordingly, it is not considered that the ECITB is exposed to a material foreign currency rate risk.

21 Financial commitments

Financial commitments at 31 December 2010 are estimated to amount to £10.41m (2009 - £10.78m). These comprise the value of outstanding payments which the ECITB has committed to pay to various parties involved in the training of apprentices. The parties to which such commitments have been made are training providers, industry employers and apprentices. These commitments are contracted for, but not provided in the accounts. The commitments have been categorised by the years in which the apprentice "cohorts" commenced their apprenticeships.

Apprentice cohort	2010 £'000	2009 £'000
2004 and earlier	13	18
2005	29	74
2006	321	940
2007	1,253	1,772
2008	2,505	3,323
2009	2,296	4,658
2010	3,990	0
	10,407	10,785

The commitments in respect of the 2004 and earlier, 2005 and 2006 cohorts have significantly reduced as a consequence of the completion of apprenticeships during the year. The year-end commitments in respect of these cohorts reflect the reduced numbers still in the process of completing their programmes. The commitments in respect of the 2007, 2008 and 2009 cohorts have fallen following the payment of interim and final grants to employers and programme costs during the year. The remaining commitments at the year-end largely reflect the outstanding grant payments which will be paid in 2011 and beyond. The commitments relating to the 2010 cohort were made upon the commencement of the relevant learners' programmes, and by the year-end grant and programme costs only in respect of the initial months of training had been discharged.

Other financial commitments arising from contracts made with other service providers are not material.

22 Operating leases and commitments

As at 31 December 2010 the ECITB had the following commitments under the terms of tenancy and licence agreements relating to its regional resource centres (offices). In 2009 the commitments were measured on the basis of the full contractual liability for the remainder of the periods of the agreements at the year-end. In 2010 the stated contractual periods of some of the agreements expired. However, the ECITB has remained in occupation under the same terms save that either party may determine such agreements upon service of notice. The value of the commitment at the year-ended 2010 reflects the liability to pay license fees during the notice periods.

	2010 £'000	2009 £'000
Within 1 year	8	49
Between 2 to 5 years	0	0
After 5 years	0	0
	8	49

23 Unrestricted fund	2010 General reserves £'000	2010 Revaluation reserve £'000	2010 Total reserves £'000	2009 General reserves £'000	2009 Revaluation reserve £'000	2009 Total reserves £'000
Balance at 1 January	16,897	189	17,086	13,573	247	13,820
Surplus/(Deficit) for the year	4,519	107	4,626	3,324	(58)	3,266
Balance at 31 December	21,416	296	21,712	16,897	189	17,086

24 Reconciliation of net outgoing resources to net cash inflow from operating activities		2010 £'000	2009 £'000
Net incoming/(outgoing) resources	SOFA	4,583	3,405
Depreciation	Note 15	218	208
Investment income	SOFA	(722)	(723)
(Profit) on disposal of fixed assets		(33)	(20)
Decrease/(increase) in debtors		56	(182)
Increase in creditors	Note 19	916	493
Net cash inflow/(outflow) from operating activities		5,018	3,181

25 Reconciliation of changes in cash to net fund	2010 £'000	2009 £'000
Balance at 1 January	825	1,890
Change in cash	(363)	(1,065)
Balance at 31 December	462	825

26 Analysis of changes in net fund	At 01/01/10 £'000	Cashflows £'000	At 31/12/10 £'000
Cash at bank	825	(363)	462
Bank overdraft	0	0	0
	825	(363)	462

All cash at bank is held in commercial banks.

27 Contingent liabilities

There are no contingent liabilities at the balance sheet date.

28 Related Party Transactions

Some members of the Board of Trustees also hold positions with and/or are employees of organisations with which the ECITB has transacted during the year. Details of such positions and employments are declared in the Register of Interests of Trustees, which appears in Appendix C of this report.

All of the transactions were under normal terms and carried out at arms' length.

These transactions by such organisations included the receipt of levy, and the sale of training services. The sale of services arises from licences to use ECITB training materials and include licence fees and the sale of CCNSG Safety Passports. The total sums involved were:-

Transactions with related employers under which funds were paid to ECITB	2010 £'000	2009 £'000
Levy paid to ECITB	4,788	10,862
Sale of training services by ECITB	35	20
	4,823	10,882

These transactions to such organisations included the payment of grants, the provision of training and assessment services, award of qualifications and the procurement of training. In 2010 there were no apprentices funded by the ECITB on work placement with the relevant organisations. The total sums involved were:-

Transactions with related employers under which payments or value flowed to the employers	2010 £'000	2009 £'000
Payment of grants	3,796	3,547
Provision of apprentices	0	168
Purchase of training services by ECITB	60	101
	3,856	3,816

Any significant changes between 2009 and 2010 in the tables above are a consequence of changes in membership of the Board of Trustees.

The ECITB is a Non-Departmental Public Body sponsored by the Department for Business, Innovation and Skills (BIS). During the year the ECITB has had a number of material transactions with the Department and other entities for which the Department is regarded as the parent Department, namely the Learning & Skills Council (now the Skills Funding Agency), the Sector Skills Development Agency and the Construction Industry Training Board.

In addition, the ECITB has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with The Scottish Executive and HM Revenue & Customs.

During the year, no key manager, employee or other related parties has undertaken any material transactions with ECITB.

29 Post year-end events

The financial statements were authorised for issue on 17th June 2011 by the Accounting Officer. No events have occurred since the balance sheet date that affect the reader's understanding of the financial statements.

Appendix A - Principal office and other offices, charity registration details and general information

Head office and principal address

Blue Court, Church Lane, Kings Langley, Herts, WD4 8JP.

Other regional offices

Midlands	ECITB Resource Centre, Warwickshire College, Rugby Centre, Lower Hillmorton Road, Rugby, Warks, CV21 3QS
Wales & South West	ECITB Resource Centre, 3-7 Columbus Walk, Brigatine Place, Cardiff, CF10 4SD
North East	ECITB Resource Centre, The Innovation Centre, Vienna Court, Kirkleatham Business Park, Redcar, Cleveland, TS10 5SH
North West	ECITB Resource Centre, Office Suite 25, Blackburn Enterprise Centre, Furthergate, Blackburn, Lancashire, BB1 3HQ
Yorkshire and Humberside	ECITB Resource Centre, Humberside Client/Contractor Training Association, Kiln Lane, Stallingborough, North East Lincs, DN41 8TH
Offshore	ECITB Resource Centre, Suite 11, Enterprise Business Centre, Admiral Court, Poynerook Road, Aberdeen, AB11 5QX
Scotland	ECITB Resource Centre, Unit 26, Evans Business Centre, Earls Road Industrial Estate, Grangemouth, FK3 8UU
South East and East and EDP Forum	ECITB's Head Office and Principal Office Address

Charity registration details

Registered as a charity in England and Wales with The Charity Commission N^o 264506.

ECITB's Equal Opportunities Policy

The ECITB are committed to being an equal opportunities employer and the aim is to develop all staff to enable them to make a full contribution to meeting the Board's objectives and to fulfil their own potential on merit. The ECITB will promote and support our policy to ensure that no job applicant, employee or customer receives less favourable treatment than any other on the grounds of sex, marital status, race, colour, nationality, ethnic or national origin, religion, age, disability or sexual orientation.

"Service First" and Open Government

The Board fully supports and applies the principles of the Government's new Charter programme "Service First", which has replaced the Citizen's Charter. The aims of the Charter are to raise the standards of public service and make them more responsive to the wishes of the users. The Board also complies with the Government's Code of Practice on Access to Government Information. The Code of Practice supports the Charter principle of extending access to official information and responding to reasonable requests for information.

The Board has developed and adopted its own Code of Best Practice for Board Members, based on a model produced by HM Treasury. The Code of Best Practice complies with the recommendations of the Nolan Committee on Standards in Public Life.

The ECITB is continuing to develop its website as a source of information about its activities.

Complaints

Any complaint concerning conduct of the ECITB should be addressed in the first instance to the Chief Executive.

Appendix B - Trustees

The names of those serving as charitable trustees of the ECITB on 26th May 2011 are shown below, together with the names of those who have stepped down since 1 January 2010.

As specified in Schedule 1 of the Industrial Training Act 1982, trustees are appointed by the Secretary of State for Business, Innovation and Skills, normally for three to five years, following a public appointment process. Nominations of candidates from the industry's employers are sought from employers which participate in the ECITB's Regional Forums, and from the principal trade associations. Nominations for employee representatives are made by the Trades Unions. Candidates from the education sector are appointed after consultation with the Ministers concerned with education in England, Scotland and Wales.

Policies and procedures relating to the induction and training of trustees

Following the appointment of a trustee, the ECITB provides each trustee with a comprehensive package of documents, which define the nature of:-

- The statutory constitution of the organisation.
- The ECITB's governance arrangements and decision-making processes.
- The ECITB's management and organisational structure.
- The work of the ECITB.
- The trustee's role and responsibilities.

This information provided by the ECITB reinforces and expands upon the information and guidance provided by The Department for Business, Innovation and Skills in the terms of the trustee's appointment. Shortly after a trustee's appointment, the ECITB's Chief Executive and Accounting Officer meets the new trustee in order to conduct an induction session which confirms the main points described above, explains the current issues, opportunities and risks affecting the ECITB, and addresses any questions raised by the trustee.

Trustees receive ongoing support from the Secretariat. As all members are required to have industrial or commercial experience, further training (whether formal or informal) is provided to support specific duties, such as participation in the Audit Committee.

The trustees are responsible for agreeing the ECITB's policies, business and financial plans and delegating operational decision-making to the Executive Team. In addition to serving on the Board, some will also take part in policy making as members of the Management Board and other sub-committees of the Board, as shown in Appendix D. The Audit Committee, the Qualifications and Awards Committee and the Client Contractor National Safety Group and are also supported by other volunteers from the industry.

Current and former trustees (2010)

Mr T M Lazenby - Chairman	
Mr G Beattie	
Mr D Billington	
Mr B Buchan	
Mr A Collinson	
Mr R Dean	Appointed March 2011
Mr C Ennis	
Mrs L Ferguson	Resigned September 2010
Mr M Fletcher	
Miss C Forbes	
Mr J Gammage	
Mr P Gotts	

Mr I Greenbeck	
Mr T Hardacre	Retired January 2011
Mr K Hazlewood	
Mr M Hockey	
Mr J Hornby	
Mr S Hoskins	Appointed March 2011
Mr J Jones	Re-appointed September 2010
Mr D Latimer	Retired April 2010
Mr R Leamon	Resigned March 2010
Mrs T McDougall	Resigned April 2011
Mr J Mellon	
Mr T Millard	
Mr W Murray	
Mr A Smith	
Mr R Ventre	

Appendix C - Register of Interests of Trustees

Trustees are appointed by the Secretary of State because of their positions in the industry. The following Board members (who are serving as charitable trustees at 26th May 2011 or who have stepped down since 1 January 2010) have declared the following other interests:-

Mr G Beattie	Assignment Manager, Production Services Network Chairman of the Oil Chaplaincy Trust – a charity that assists oil related personnel in times of illness and hardship
Mr D Billington	Managing Director, TEI Limited Immediate Past President, ECIA
Mr B Buchan	Director of Operations Support, Doosan Power Systems Ltd (supply training services to the ECITB)
Mr A Collinson	Director, Alstom Power Service Ltd Director, Vintage Sports Car Club Ltd President, ECIA
Mr R Dean	Director, British Chemical Engineering Contractors Association (BCECA)
Mr C Ennis	Divisional Managing Director, Siemens Energy Services Chairman, North East Regional Leadership Team, Business in the Community Board Member, South Tyneside and Newcastle Groundwork
Ms L Ferguson	Head of Learning & Development, Petrofac Ltd (Contract for National Assessment Service held by Petrofac Training which is a division of Petrofac)
Mr M Fletcher	Chief Engineer - Welding, Doosan Power Systems Ltd The Welding Institute Professional Board Skillweld Committee
Miss C Forbes	Human Resources Director, JP Kenny (wholly owned by Wood Group)
Mr J Gammage	Divisional Director, Pyeroy Limited ECIA Management Board member Director, IMPRESS Director, CATCH
Mr P Gotts	Director, Levenholme Consultancy Ltd – engaged primarily with the North East Process Industries Cluster Consultant to the North East Process Industry Cluster (NEPIC) Chairman, Teesside Client & Contractor Group (TCCG) Member of the Steering Group of the North Engineering Manufacturers Alliance Member, Capital Projects Client's Group
Mr I Greenbeck	Director, Jacobs LES Limited Board Member, IMPRESS (HCCTA Ltd) – local non-profit making training organisation Board Member, Humber Chemical Focus – non-profit making regional development organisation managing the CATCH facility
Mr T Hardacre	National Officer, Unite the Union Member, Joint Industry Board for Electrical Contracting Member, NAECI Other Industry Pension Schemes (Trustee)
Mr K Hazlewood	National Secretary, GMB Trade Union
Mr M Hockey	Managing Director, ECIA Member, ACE Steering Group
Mr J Hornby	Director of Construction and Completion, Jacobs E&C (formerly Aker Solutions E&C) Global Construction Manager, Europe and Africa. Chairman, NETA Training Chairman, Sellafield Contractors Group (SCG)
Mr S Hoskins	Divisional Director, Project Management, Foster Wheeler Energy Ltd
Mr J Jones	Health & Safety Advisor, Siemens AG in the Netherlands at the Diemens 34 CCGT Project Director, Safety Services Swansea

Mr D Latimer	Director, British Chemical Engineering Contractors Association (BCECA) Director, Don Latimer Consulting
Mr T Lazenby	Chairman, Portsmouth Water Ltd Director, Seamab Consultancy Ltd Trustee of the Panasonic Trust Trustee of the ITB Pension Fund
Mr R Leamon	HSEQS Manager, Foster Wheeler Energy Ltd BCECA Council member
Mrs T McDougall	Senior HR Manager, International Operations, URS E&C UK Limited
Mr J Mellon	Industrial Relations Consultant, Interserve Industrial Services Ltd Manager, Grangemouth Contractors' NVQ Approved Centres Chairman, ACE Scottish Regional Group
Mr T Millard	General Manager, Southern Electrical Contracting Ltd Employer's' Chairman Joint Chairman, Fawley Mechanical Joint Council
Mr W Murray	Director & Company Secretary, Offshore Contractors Association Company Secretary, Offshore Contractors Association
Mr A Smith	Managing Director, Jex Engineering Ltd Managing Director, Jordan Manufacturing Ltd Director, CHB-Jordan Ltd
Mr R Ventre	Chief Executive, Laker Vent Engineering Ltd Member, ECIA General Council Member, Engineering Construction Industry Member, British Safety Council Member, The Welding Institute

Appendix D - Membership of Board and Committees as at 26 May 2011

MEMBER	* = Trustee		MAIN	MANAGEMENT	AUDIT	QUALIFICATIONS AND AWARDS	CCNSG
Mr T Lazenby		*	CHAIR	CHAIR	✓		
EMPLOYER REPRESENTATIVES							
Mr B Buchan		*	✓				
Miss C Forbes		*	✓				
Mr C Ennis		*	✓				
Mr D Billington		*	✓				
Mr A Smith		*	✓				
REGIONAL CHAIRS							
Mr G Beattie	Offshore Forum	*	✓	✓			
Mr J Hornby	North East region	*	✓				
Mr I Greenbeck	Yorkshire & Humberside region	*	✓				
Mr M Fletcher	Midlands region	*	✓			✓	
Mr J Mellon	Scotland region	*	✓				
Mr R Ventre	North West region	*	✓				
Mr T Millard	South East & East region	*	✓	✓			
Mr J Jones	Wales & South West region	*	✓				
Mr S Hoskins	Engineering, Design & Procurement Forum	*					
EMPLOYER ASSOCIATION REPRESENTATIVES							
Mr W Murray	Offshore Contractors Association	*	✓	✓	✓		
Mr M Hockey	Engineering Construction Industry Association	*	✓	✓	✓		
Mr R Dean	British Chemical Engineering Contractors Association	*	✓				
TRADE UNION REPRESENTATIVES							
Mr K Hazlewood							
CLIENT REPRESENTATIVES							
Mr P Gotts		*	✓	✓			
NON-EXECUTIVE DIRECTORS							
Mr A Collinson		*	✓	✓	CHAIR		
Mr J Gammage		*	✓	✓		CHAIR	
QUALIFICATIONS AND AWARDS COMMITTEE							
Mr P Turner						✓	
Ms L Thornton						✓	
Ms J Clark						✓	
Mr R Clarke						✓	
Ms H Saunders						✓	
Mr D Sherritt						✓	

CLIENT CONTRACTOR NATIONAL SAFETY GROUP							
Mr R Ash							CHAIR
Mr K Hall							✓
Mr R Miguel							✓
Mr A Przystupa							✓
Mr J Dennis							✓
Mr P Morgan							✓
Mr C Abbey							✓
Mr M May							✓
Mr I Graham							✓
Ms A Fricker							✓
Mr S Crump							✓
Ms D Boyle							✓

Appendix E - Chief Executive Officer and senior staff

The ECITB's executive team comprises:-

Chief Executive Officer	David Edwards	E-mail Direct Tel	DavidEdwards@ecitb.org.uk 01923 402121
Director of Finance and Board Secretary	Peter Hill	E-mail Direct Tel	PeterHill@ecitb.org.uk 01923 402124
Director of Operations	Tony Featherstone	E-mail Direct Tel	TonyFeatherstone@ecitb.org.uk 01923 402133
Director of Development and Quality	Nigel Spencer	E-mail Direct Tel	NigelSpencer@ecitb.org.uk 01923 402132

The executive team can be contacted by post at:-

Blue Court, 1 Church Lane, Kings Langley, Hertfordshire, WD4 8JP.

Appendix F - Employer, Employee, Industry, Educational and Governmental Organisations

ECITB maintains close contact with the following associations and bodies concerning skills and training issues.

Employer organisations

British Chemical Engineering Contractors Association (BCECA)
Engineering Construction Industry Association (ECIA)
Offshore Contractors Association (OCA)

Trades unions

GMB
Unite

Industry bodies and associations

Association of Cost Engineers
Association of Project Management
Capital Projects Client Group (CPCG)
European Construction Institute
National Joint Council for the Engineering Construction Industry (NJC)

North East Process Industries Chemical Cluster
Skillweld Industrial Leadership Team
Steering Committee of the Engineering Council UK
Tees Valley Engineering Partnership
Yorkshire Forward Chemical Alliance

Educational organisations and training providers

1st Milestone Ltd
20/20 Business Insight Ltd / Business Management
2VT

ABAX Consultancy
Aberdeen Computer Services
Acorn Learning & Development Solutions Ltd
Accounting for Safety Ltd
ACT Associates Ltd
Adept Knowledge Management Ltd
Advanced Industrial Solutions Ltd
Agility UK Ltd
AIM Academy Ltd
Aker Process Ltd
Aker Solutions
Al Futtain Carillion LLC
Alliance Learning Ltd

Banff and Buchan College
Barry College
Barry Training Services Ltd
Basingstoke College of Technology
Bentley Systems (UK) Ltd
BETA Training
Bill Rogerson Safety Services Ltd

C & G Services (Europe) Ltd
C & A Pumps Ltd
Cambridge University
Cape DBI
Cape plc
Carnegie College
Castle Keep HSE Ltd
CB&I (UK) Ltd
Central Training Services Ltd
City College Plymouth

Alstom Power Ltd
AMEC Group Ltd
Angus College
AP Training Ltd
Applus RTD UK Ltd
ARC Associates UK Ltd
Area North Training Safety Services Ltd
Ascenda (Kent) Ltd
ASET (Aberdeen Skills and Enterprise Training) Ltd /Aberdeen College
AVEVA Engineering IT Ltd
Aveva Solutions Ltd
Aztec Technical Services Ltd

The Bradley Group Ltd
Brinsworth Training Ltd
British Safety Services
Brunel & Gordano Training Group
BSSHSE Ltd, T/A British Safety Services Ltd
BTAL (UK) Ltd

Clydebank College
Coleg Glan Hafren
Coleg Gwent
College of NW London
Construction Learning World Ltd
Cordell Group Ltd
Costain Group Plc
Cranfield School of Management
Creativedge Training & Development Ltd

Derby College Direct Distance Learning	Doosan Power Systems Ltd Doosan Babcock Energy Ltd
E Harper (York) Ltd EAGIT Training Services Ltd East Midlands Instrument Company Ltd Eastern Training Services Ltd EC Harris LLP EDETA Ltd	Engineering Construction Training Ltd Engineering Council Engineering Management Partnership - University of Bath European Construction Institute (ECI) Evolve International Safety Training Ltd
Falck NUTEC Ltd First Intervention Training Ltd ForgeTrack Ltd	Forth Valley College Foster Wheeler Energy Ltd
GENII Engineering Technology Training Ltd Grimsby Institute of Further and Higher Education (GIFHE)	Grimsby International College Ltd GSS Training Ltd
Harpers Environmental Ltd, T/A TES Training Heselden Associates Ltd Hire Station Ltd, T/A ESS Safe Force Hire Torque Ltd Humberside Engineering Training Association Ltd (HETA) HCCTA (CATCH) HMPS - Camp Hill	HMPS - Lindholme HMYOI - Reading Humberside Engineering Training Association Ltd Hunter Safety & Training Hydratight Ltd Hydratight Operations Ltd
Integral Training Services Intergraph (UK) Ltd Interserve Industrial Services Ltd	Inverness College IPS International Ltd ITCA
Jacobs LES Ltd JGC Engineering & Technical Services Ltd, T/A T3UK JEP Safety Services	Keith Bassendine ITC Kirkdale Industrial Training Services Ltd KT Associates
Lattitude Safety Ltd Link Associates International Ltd	Lowestoft College Lowton Training Services Ltd
Maggie Braid Associates Ltd Mainport Training Ltd Maritime & Engineering College North West MC2 Technical Recruitment Ltd M & E Group Ltd MECsafe Ltd MetTECH UK Michael Carter Associates Ltd	Middlesbrough College Midland Group Training Services Ltd Mines Rescue Service Ltd MLJ Safety Health & Environmental Ltd Monitor Management Control Systems Ltd J Murphy & Sons Ltd Mustang Engineering Ltd
Neath Port Talbot College NES Aim Academy Ltd NETA Training Trust Network Training Services Ltd Newcastle-Under-Lyme College NLT Training Services Ltd	North Lindsey College Properties Ltd North Notts Create Ltd North West Kent College Northern Assessment Centre Ltd Northern Safety Ltd Northumberland College
Occupational Safety Training & Advisory Services Ltd (OSTAS) Oceaneering International Services Ltd Offshore Design Engineering Ltd	Oldham Engineering Group Training Association Ltd (OTC) On Site Safety Solutions Ltd Oracle United Kingdom
Paisley & Johnstone Training Group Ltd Peak Performance Pembrokeshire College Peta Ltd Phoenix Safety Services Ltd Phoenix Training Solutions Ltd Pipex Ltd	Pivotal Performance Ltd Premier Corporate Training Services Ltd Production Services Network (UK) Ltd Prospects Business Training Ltd Provek Ltd Providence Training (Safety Train) Ltd
QTS Ltd Qatar International Safety Centre (QISC) RBG Ltd Richmond Upon Thames College	Robert Gordon University R P S Risk Management RSS Training & Consultancy Ltd

S W Durham Training Ltd
 Safetech Training & Development Services Ltd
 Safety (Training) Services
 Safety Advisory & Training Services Ltd
 Safety Direct (Hull) Ltd
 Safety Training & Consultants Ltd
 Salford and Trafford Engineering Group Training Association Ltd (STEGTA)
 Sarens (UK) Ltd
 School for MACE
 Scottish External Verification Services
 Scottish Prison Services - HMP Glenochil
 Secas Training Association Ltd

SETA Training & Advisory Services Ltd
 Setter & Associates Ltd Shanahan Engineering
 Shields Training & Consultancy Services Ltd
 Sibbald Ltd
 Siemens Power Generation / (Siemens Energy ESSF)
 Siemens Transmission & Distribution Ltd
 Simian Risk Management Ltd
 Southampton Engineering Training Association (SETA)
 St Helens College
 STC Global
 Steelcraft Erection Services Ltd
 Stowan Safety Ltd
 Sutton Coldfield College

T3UK (a division of JGC Engineering & Technical Services Ltd)
 TDB Training Specialists Ltd
 TDR Training Ltd
 Teesside University
 The Grimsby Institute of Further & Higher Education (GIFHE)
 The Manchester College, c/o HMPS – Lindholme
 The TTE Technical Training Group
 Thermal Insulation Contractors Association
 TLS Training

Torque Tension Systems Ltd Total Safety Services Ltd, T/A Breathing Equipment Hire
 Training 2000 Ltd
 Training Management Systems Ltd
 Trainow Ltd
 Train to Safety Ltd
 Transafe Training
 TTE Training Ltd

UK Safety Services
 University of Aberdeen

Vital Resources Ltd

Warwickshire College
 Waterside Training Ltd
 Wiltshire College
 Wolviston Management Services Ltd

Wood Group Engineering (North Sea) Ltd
 Worley Parsons Europe Ltd
 Wright Brothers Industrial Services, T/A Trainright
 Yorkshire Training Services

ECITB approved centres

Aberdeen College
 Aberdeen Fluid Systems Technology Ltd
 Aker Kvaerner Offshore Partner
 Alliance Learning
 Alstom Power Services UK

AMEC Natural Resources
 Angus College
 Ascenda (Kent) Ltd
 Avon Vale Training

Banff and Buchan College
 Blackpool and Fylde College
 Bridgend College

City College Plymouth
 City College Southampton
 Coleg Glan Hafren
 College of North West London
 Clydebank College

Doosan Babcock Services Ltd

EAGIT
 Eastern Training Services
 Edutrain International
 Engineering Construction Training
 Envirotec Group Ltd

Forth Valley College
 Future Works

GENII Engineering Technology Training Ltd
 Grangemouth Contractors
 Grimsby Institute of Further and Higher Education

Hartlepool Training and Employment Services Ltd
 HETA

IPS International
 ITCA

Jacobs LES Engineering Ltd

KBR
 KT Associates

Leeds College of Building
 Logistic Employment Training Services
 Lowestoft College

Maggie Braid Associates
 Maritime & Engineering College North West
 M&E Global Resources
 MetTech Training
 Michael Carter Associates
 Middlesbrough College

Neath Port Talbot College
 NETA Training
 Newcastle College

Newcastle Under Lyme College
 Northern Assessment Centre Ltd

Paisley & Johnstone Training Group Pembrokeshire College Peterborough Regional College Petrofac Training	Phoenix Training Solutions PM Training and Assessing Ltd Production Services Network Providence Training
QTS	Richmond Upon Thames College
Salford & Trafford Engineering Group Training Association Siemens Power Generation South Tyneside College	South West Durham Training Ltd Southampton Engineering Training Association Stockport ETA
Teesside Rigging and Lifting The Assessment Services Centre The Manchester College – Lindholme Learning & Skills Acadamy The North Highland College	The TTE Technical Training Group TLS Training (Scotland) Ltd TMS Learning Centre TTE Training Ltd Tullos Training Ltd
Varis Training	
Warwickshire College Wood Group Engineering Wright Brothers Industrial Services	
Yorkshire Training Services	

Governmental bodies and agencies

Alliance of Sector Skills Councils
 Alliance of Sector Skills Councils - Scotland
 Careers Wales
 Council for Curriculum Examinations and Assessment - Northern Ireland
 Department for Business, Innovation and Skills (BIS)
 Department for Children, Education Lifelong Learning & Skills (DCELLS)
 Department for Energy, Climate and Change (DECC)
 European Social Funding (ESF)
 Highlands and Islands Enterprise (HIE)
 Learning and Skills Council (LSC)
 Office of the Qualifications and Examinations Regulator (OfQual)
 Scottish Enterprise
 Scottish Qualifications Authority (SQA)
 Sector Skills Council for Chemicals, Nuclear, Oil and Gas, Petroleum and Polymers (Cogent)
 Sector Skills Council for Construction (CSkills)
 Sector Skills Council for Energy & Utility (EUSkills)
 Sector Skills Council for Science, Engineering and Manufacturing Technologies (SEMTA)
 Sector Skills Council for the Building Services Engineering Sector (SummitSkills)
 Sector Skills Council for Facilities Management, Housing, Property, Planning, Cleaning and Parking (Asset Skills)
 Sector Skills Council for the Process and Manufacturing Sector (Proskills UK)
 Sector Skills Council for the Electricity, Gas, Waste Management and Water Industries (Energy & Utility Skills)
 Skills for Business Network (SfBN)
 Skills Development Scotland
 UK Commission for Employment and Skills (UKCES)

Appendix G - Other relevant organisations and persons

External auditors	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP
Internal auditors	Deloitte & Touche Public Sector Internal Audit Ltd 3 Victoria Square Victoria Street St Albans Hertfordshire AL1 3TF
Bankers	Barclays Bank Plc 32 Clarendon Road Watford Hertfordshire WD1 1LD
Investment managers	Schroder & Company 100 Wood Street London EC2V 7ER
Solicitors	Shoosmiths Witan Gate House 500-600 Witan Gate West Milton Keynes Buckinghamshire MK9 1SH SA Law 60 London Road St Albans Hertfordshire AL1 1NG Maxwell MacLaurin 100 West Regent Street Glasgow G2 2QB



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone Fax & E-Mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/ General enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other Accredited Agents

Customers can also order publications from

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

ISBN 978-0-10-297126-2



9 780102 971262