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Dear Iain

The Construction Industry Levy Proposals 2022 - 2025

I am writing to let you know about the result of the industry consultation on CITB Levy Proposals that we have recently concluded, and to update you on next steps.

Firstly, may I say thank you to you, your boards, councils, and your members for working together with CITB over the last few months. Your support to present and debate the Levy Proposals is crucial to effective consultation and your assistance, active participation and feedback is very much appreciated.

We are now pleased to confirm that the formal consultation, or 'Consensus' as it is commonly known, has been concluded. The results show that we have industry support for how CITB will generate levy over the next 3 years to develop construction skills and training across Great Britain.

Result

In summary, 66.5% of levy payers were supportive of the proposals. This represents the views of Levy paying employers that are both represented by a Prescribed Organisation (PO) and those that are not.

Results are measured both by the number of Levy paying employers ('volume') and the revenue that they represent ('value'), and we are pleased to advise that Consensus has been achieved on both measures.

By value, 63.2% of Levy payable is paid by employers that were supportive of the Levy Proposals.

11 of the 14 PO's formally expressed their support for the Levy Proposals. More details can be found in the attached results overview and press release. Please feel free share these with your boards and your members.

What that means

From Spring 2022 Levy will continue at the 2018 – 2020 Levy rates of 0.35% for PAYE and 1.25% for Net paid (Taxable) CIS Sub-contractors for the next three years.



Our Small Business Levy Exemption threshold, that was increased this year, and the Levy Reduction threshold, remain unchanged and mean, based on current Levy returns, that:

- 43% (approx. 40,000 employers) with a wage bill below £120,000 will continue to pay no levy
- 24% of employers with wage bills between £120,000 and £399,999 will be eligible for a 50% reduction in levy

Your feedback

We appreciate that your members were unable to support consensus this time. The views and perspective from your membership is very important to us and helps us to understand the challenges that we face and what matters most to the businesses that you represent. Whilst we have seen improved support from FIS members compared to last Consensus, we are committed to continuing our close relationship to gather even more support from FIS and its members over the coming years.

Next steps

We are keen to work quickly to build on the feedback that we have received and to that end will be in contact to agree the best way forward.

Communication and engagement are at the heart of ensuring that we understand and meet the needs of your members, and the sector as a whole, so thank you in advance for continuing to work closely with us as we develop our plans.

As an industry your resilience and adaptability during the pandemic was inspiring and we are very much looking forward to working together to help construction lead the UK's economic revival – with skills at the heart of that recovery.

Yours sincerely

Sarah Beale
Outgoing Chief Executive

Tim Balcon
New Chief Executive