



# Statutory Levy Declaration Guidance Notes 2023/24

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# Introduction

## About the ECITB

The ECITB is a statutory body which acts on behalf of the engineering construction industry helping employers to attract, develop and qualify the people needed to meet work demands and create a sustainable and competitive workforce. In order to fund these objectives and activities, the ECITB has the statutory power and duty to assess and collect a training levy from all employers who operate engineering construction establishments.

To enable the ECITB to provide for the training needs of the engineering construction industry, under the Industrial Training Act, all 'establishments' operated by employers which are wholly or mainly engaged in engineering construction activities are registered with the ECITB and annually assessed for industrial training levy.

Employers who pay the training levy but choose not to become directly involved in training are still helping maintain the industry's training and recruitment levels, as well as ensuring a safe and competent workforce.

## Legislation

Three pieces of legislation underpin and govern the operations of the ECITB:

- The Industrial Training Act 1982 which sets out the purposes and powers of Industrial Training Boards [The Act].
- The Industrial Training (Engineering Construction Board) Order 1991 [the Board Order] which defines the activities of the engineering construction industry.
- The Industrial Training Levy (Engineering Construction Board) Order [the Levy Order]. This is passed periodically and defines the rates of training levy to be applied and provides the authority for the ECITB to raise levies.

This legislation may be viewed in the Levy section of the ECITB's website. The ECITB is empowered to collect information relating to each employer's workforce to enable it to calculate any levy due, to understand and address skills needs, and to meet other governmental requirements.

## What the training levy supports

The levy supports the engineering construction industry in a number of ways. It:

- Ensures that employers who train and qualify their people can be supported by grants.
- Shares the cost of training so that those who don't regularly train subsidise those who do, to drive up standards in the industry overall.
- Ensures that specialist trades get the training provision they need.
- Supports employers taking on new entrants across Great Britain.
- Supports high-profile campaigns to improve the image of the engineering construction industry.
- Ensures that investment in skills and training is maintained during the peaks and troughs of industry output to help minimise skills gaps and shortages.

## **ECITB services and grants**

All employers operating establishments on the ECITB's Register of Leviable Establishments can use ECITB services and are eligible to claim grants, even those who do not pay a levy. However, employers who have not submitted their annual Statutory Levy Declarations by the deadline date or whose levy payments are overdue may have services or grant payments withheld.

## **Statutory Levy Declaration**

Each year the ECITB requires employers to complete a Statutory Levy Declaration relating to its leviable establishment(s). The Secretary of State has approved the ECITB's right to obtain this information and, if necessary, to audit the supporting records. The information declared in the declaration enables the ECITB to assess whether or not Training Levy is payable.

From June, employers will receive a request to complete the levy declaration in respect of the base period that has just expired. The form must be completed and returned to the ECITB by 30<sup>th</sup> September. If the declaration is not received by this date, the ECITB may withhold services until the declaration is received.

Employers who are exempt from paying the training levy because their emoluments and labour-only payments fall below the exemption levels in place (see page 19) are still required to complete the declaration and can take advantage of the services that the ECITB provides.

It should be noted that failure to provide the requested information is a criminal offence. Any director, secretary, manager or other officer of a company who is responsible for the failure to submit the information may be personally liable in criminal proceedings.

All information declared in the Statutory Levy Declaration is kept confidential and will only be disclosed if there is a legal requirement to do so.

Guidance is set out in Appendix 1.

## **Why these guideline notes have been produced**

These notes have been produced to:

- Explain the main principles and concepts underpinning the legislation and the application of the levy.
- Assist employers with the completion of the Statutory Levy Declaration.
- Explain the ECITB's approach to reviewing an employer's activities.
- Provide employers with contact details for help and advice on the industrial training levy and whether or not an employer is liable to pay the levy.

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**These notes have been produced to explain the ECITB's approach to reviewing an employer's activities**

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# What is an establishment?

Where a company or business organisation operates as one unit, it is probably an 'establishment'.

Alternatively, where a company or business organisation is structured in such a way that it operates as different units, an 'establishment' could be any separate, identifiable part of the business (for example, division, subsidiary or associated company in a group, business stream, project group, etc).



A separate identifiable establishment could mean a part of the business that is geographically separate from other premises or has a separate management structure, or produces separate profit and loss accounts, etc.

It should be noted that:

- Employers are for the most part limited companies, but could be partnerships, sole traders or other entities.
- An employer can operate one or more separate establishments.

Often the entire organisation of an employer (as opposed to parts) constitutes an establishment. In such cases, the employer and the establishment are one and the same.

In determining these matters, the ECITB will have regard to the organisational structure of the employer under consideration.

If the establishment is wholly or mainly engaged in principal and related engineering construction activities, it is a 'leviable establishment'.

The ECITB maintains a Register of Leviable Establishments. This identifies employers which operate leviable establishments, and the establishments themselves.

If the establishment is wholly or mainly engaged in principal and related engineering construction activities, it is a 'leviable establishment'.

# Engineering construction activities

The following is a summary of the activities which are described as engineering construction activities.

Establishments which are wholly or mainly undertaking principal and/or related activities are leviable so long as the activities are carried out in Great Britain (England, Scotland and Wales) or its offshore waters.

A full definition of engineering construction activities is shown at Schedule 1, paragraph 1. of the 1991 Board Order. A copy of the Order is available in the Levy section of the ECITB's website.

Principal activities	
1	Assembly, construction, dismantling, erection, fabrication, fitting, inspection, installation, maintenance, repair, replacement or testing on site of any chemical, electrical or mechanical apparatus, machinery or plant of a chemical works, gas making or gas treatment works, nuclear or thermal power station, nuclear waste reprocessing site, hydro-electric station, oil refinery or oil terminal or of other apparatus, machinery or plant concerned with the exploration for or exploitation of oil or gas, metal smelter, steel mill, paper mill or brewery, the processing and production of human or animal food, pharmaceutical, cosmetic and petrochemical products, cement, concrete bricks, distilling alcohol or other products, glass, paper and sewerage and any other installation involving the processing of any product.
2	Planning, designing, commissioning or procuring by way of contract or otherwise of any apparatus, machinery or plant mentioned at 1 above carried on in association with any activity mentioned at 1 above or in association with any project for such an activity.
3	Supervision of the assembly, construction, dismantling, erection, fabrication, fitting, inspection, installation, maintenance, repair, replacement or testing of any apparatus, machinery or plant mentioned at 1 above when carried out on site.
4	The erection and/or dismantling of the main framework of a building or other structure that is made of steel or other metal where the building or structure is erected or dismantled on any site (not necessarily on a site where a product is processed). Types of structures erected or dismantled could include, for example, supermarkets, warehouses, stadiums, agricultural buildings, office blocks, etc.
5	The hiring out by an employer of individuals in his employment to employers who are engaged in any of the activities listed above where the individuals being hired out will be engaged in such activities.

## Related activities

The following activities are related activities provided they are incidental or ancillary to the principal activities of the engineering construction industry.

- Research, development, design or engineering construction drawing (either created by hand or by computer-related software) or dynamic simulation.
- Buying, selling, hiring out, testing (including NDT), advertising, packing, distribution, transport or any similar operations.
- Operations of a kind performed at office premises or laboratories, or at stores, warehouses or similar places.
- Cleaning, washing or garaging vehicles or carrying out running repairs or minor adjustments thereto.
- Training of employees or apprentices.

## Other activities

Provided an establishment is wholly or mainly engaged in the principal and related activities of the engineering construction industry, the following activities are also engineering construction activities.

- Any activities undertaken in the administration, control or direction of an establishment or establishments.
- Any activities of industry or commerce.

# Wholly or mainly engaged in engineering construction

When considering whether an establishment is wholly or mainly engaged in principal and related engineering construction activities, the ECITB will primarily give consideration to the balance of activities of the establishment's workers.

If 50% or more of the establishment's total workforce is engaged in principal and related engineering construction activities, then the establishment is mainly engaged in engineering construction activities and ALL workers in the establishment are required to be declared to the ECITB and may be subject to the levy.

## Full time equivalent

When looking at any workers who are engaged in more than one activity, the ECITB will calculate the Full Time Equivalent.

For example, if there are 10 workers each engaged for 60% of their time in welding pipework on a power station and 40% of their time fabricating in a workshop at the establishment's own premises, the full time equivalent will be that 6 workers are engaged in principal engineering construction activities and 4 workers are engaged in other activities of industry or commerce.

## Base period

The "base period" is the period commencing on 6<sup>th</sup> April and ending on 5<sup>th</sup> April.

The ECITB must assess the amount of levy to be paid in respect of each leviable establishment of an employer for each base period. For an employer to be assessed for levy, it needs to have operated an engineering construction establishment that traded for at least 27 weeks (not necessarily continuous weeks) during the base period or for at least half of the period between when the establishment commenced trading and the last day of the base period.

Where an establishment commences business during the base period, it will be a leviable establishment if its workers were wholly or mainly undertaking engineering construction activities for more than half of the period from the commencement of activities to the following 5<sup>th</sup> April.

In cases where an employer ceases trading during the base period, whether or not it is assessable for levy will depend on whether the establishment operated for more than 27 weeks during the base period.

If ownership of a leviable establishment changes, the person who is the owner or has responsibility for the establishment as at 31<sup>st</sup> December following the base period will be the person liable to pay any levy which is due in respect of the base period.





# Employees and labour-only contractors

Training levy is payable (subject to exemption levels shown on page 19) in respect of employees and labour-only contractors who worked at or from a leviable establishment during the relevant base period. This section provides further information concerning employees and labour-only contractors, and the payments which should be declared.

## Employees

Employers must declare the total number of ALL full and part-time employees who were employed by the establishment at any time during the year ending 5<sup>th</sup> April provided that they were working in Great Britain.

## Total gross emoluments

Employers must declare the total gross emoluments paid to employees who worked at or from the establishment during the year ending 5<sup>th</sup> April.

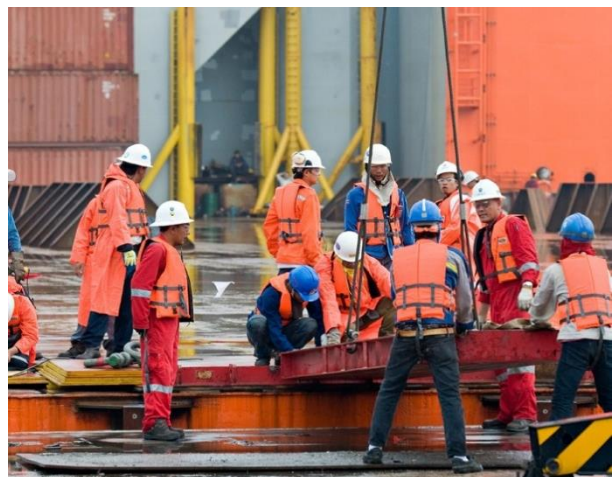
By “total gross emoluments” we mean the total payments made before deductions to all employees (including trainees). This includes:

- Salaries, wages or fees (including any overtime pay, pay during notice periods or payments in lieu of notice);
- any gratuity or other profit (including any bonus and incentive payments);
- statutory sick pay;
- statutory maternity, paternity, shared parental and adoption payments;
- allowances (such as travel and accommodation allowances) which are paid as part of salaries or wages; and
- any incidental benefits of any kind in the form of money or money’s worth obtained by an employee, other than employer’s pension contributions.

## Labour-only contractors

Employers must declare the total number of ALL full and part-time persons engaged under labour-only agreements or arrangements who worked at or from the establishment at any time during the year ending 5<sup>th</sup> April, provided that such individuals were mainly working in Great Britain.

The type of activity being performed under the agreement or arrangement is not relevant - the workers concerned have to be declared even if they are not undertaking principal or related engineering construction activities.



Legislation defines labour-only contractors as those who are provided under an agreement or arrangement where the purpose is wholly or mainly the provision of services (including any incidental use of tools) rendered by a person or persons.

Labour-only as a term can be slightly misleading, as it includes agreements or arrangements that are "mainly" labour as well as "wholly" labour. We take "wholly or mainly" to mean that labour is more than 50% of the cost of the agreement or arrangement.

Please note how broad the definition of labour-only is in the legislation. In addition to "agreements", a labour-only "arrangement" is referred to in the definition. This includes a separate part of a contract or a trade custom or practice.

Each case has to be considered on its own facts, and it is difficult to draw up definitive rules for working out exactly when something is and when something is not "labour-only". What follows below should be treated as guidance only. If you are unsure of any given case, please contact the ECITB's Levy Team.

Insofar as the ECITB is concerned, the two key features of a labour-only agreement or arrangement are that:

1. The contractor providing the services does so at your request. Cases which ordinarily would be labour-only include:
  - Staff provided by an agency, no matter how short the engagement.
  - Labour-only sub-contractors.
  - Self-employed individuals (i.e. those who choose to manage their taxation affairs as "Schedule D" or "IR35 contractors").
  - Individuals who provide their services through intermediary companies that may be owned by the same or associated individuals.

Project work, where it is left to the contractor to organise its own management and resources to ensure that project requirements are met, may not be labour-only, if you did not arrange how or when the project should be executed.

2. It should be wholly or mainly the provision of services. Accordingly, the provision of something other than services under a contract, for example, the provision of plant or materials, would not exclude the agreement or arrangement being labour-only provided that the services are the main element of the requirement under the agreement or arrangement. Thus, agreements are considered to be labour-only in nature where tools or incidental materials, plant and equipment are provided.

Given those principles, the following can be difficult cases:

Where, in addition to the provision of labour services, the contractor is required to provide substantial quantities of main materials; and/or where, in addition to the provision of labour services, the contractor also has to supply plant (rather than just tools) or specialist equipment to get the job done.

We give some examples on pages 12-15, but you should start by asking yourself the following questions:

**Did you manage or organise the workers directly or indirectly?**

If the contractor is supplying the necessary materials and equipment to get the job done, it may make it more likely that they are managing the workers in order to achieve completion of a project.

### **Was the cost wholly or mainly attributable to labour, i.e. over 50%?**

Are the materials so substantial and/or the equipment so substantial or specialist that they (either individually or taken together) are the main part of the cost of the contract rather than the labour? If so, there is no need to declare the workers in your Declaration.

Where the contract price is a fixed sum, is it impossible to identify or estimate the part of the cost attributable to the labour cost of the work? If it is not possible to conclude that labour is the main element (i.e. over 50% of the total cost), there is no need to declare the workers in your Declaration. You may have to use common sense to resolve that issue. There will be some cases where the answer is obvious even if there is no separate itemisation on the invoice.

The examples on pages 12-15 illustrate the principles outlined above and provide guidance on how to determine whether or not agreements or arrangements are labour-only in character.

Please note that the skill or activity within each example is not determinative of whether the item is labour-only or not – all the relevant circumstances have to be taken into account.

### **Total gross payments**

Employers must declare the total gross payments paid in respect of the services provided under labour-only agreements or arrangements during the year ending 5<sup>th</sup> April. VAT added to such payments should NOT be included.

Declared payments must be the gross value (i.e. before any deductions are made). It should be noted that it is the service element of the labour-only payment that should be declared.

Any part of the payment that relates to incidental materials, or the provision of plant and specialist equipment, or the reimbursement of travel and subsistence costs incurred by the contractor should be removed from the amount included as labour-only.

### **Labour-only receipts**

To ensure that levy is not paid twice in respect of the same workers - if any of the establishment's employees or labour-only contractors have been hired out to other employers to work in establishments which are wholly or mainly engaged in engineering construction activities in Great Britain, then the payments received in respect of these workers (labour-only receipts) will be taken into account when calculating the amount of levy due.

Employers wishing to declare any labour-only receipts should contact the ECITB's Levy Team in the first instance.

## Examples of what is a labour-only agreement or arrangement

Accounts clerk or administrator (self-employed)	Paid on invoice for two days work per week, undertaken at home. Duties include, updating accounts, running the payroll and completing monthly and annual HMRC documentation. The worker provides paper and return forms for the work.	The work is at your request and, even if the paper and forms are not separately costed in the invoice, it is obvious that labour is the main expense.
Apparatus, machinery or plant maintenance technician	Contracted to carry out general maintenance and monitoring of a heat exchanger at an oil refinery under your direct supervision. The oil refinery provides any materials required. The technician provides the tools to perform the work.	The work is at your request. Discounting tools, there is no element to the contract other than labour, so it plainly falls within the definition of labour-only.
Cleaning services	Sub-contractor supplying cleaners only who perform their duties under the control and direct supervision of your staff.	
Design engineers, draughtsmen, CAD operators	Providing you with professional services. Some of the hired-in workers report to other hired-in workers supplied under the same agreement, but all workers are under your ultimate management.	
Instrument and control technician	Contracted to install pressure sensors, thermometers and flow meters. The technician supplies the brackets and fixings. You supply the sensors and meters (main material).	
Labour / Employment agency	Provides 12 mechanical fitters and 6 catering assistants to an engineering construction establishment for a period of 6 weeks. The mechanical fitters arrive on site with their own hand tools and the catering assistants go to work in the staff canteen; both are under your management.	
Lagging sub-contractor	Contracted to insulate pipework and tanks at a pharmaceutical plant. The sub-contractor supplies all ties and incidental fixings. You supply the lagging (main material).	The contract does not require the substantial use of plant or specialist equipment or the provision of main materials by the sub-contractor.
Pipework fitter	Contracted to install a pipe spool. The fitter supplies all fixings. You supply the pipe spool (the main material).	The contract does not require the substantial use of plant or specialist equipment or the provision of main materials by the fitter.

## Examples of what is a labour-only agreement or arrangement

Maintenance contractor	Contracted to paint items of apparatus and plant in a protective coating. The contractor supplies the paint and the equipment required to carry out the work. The paint used is inexpensive and the equipment used is rudimentary.	It is self-evident that the main cost is labour and so the agreement is labour-only.
Plant strip out sub-contractor	Contracted to remove all apparatus and equipment from a power station prior to its demolition and removes the plant and machinery in accordance with your instructions. The sub-contractor provides all labour, tools and skips.	Labour is the main expense and so the agreement is labour-only.
Plater	Contracted to fabricate items on site. You supply the steel plate, pipes and fixings (the main materials).	Even though the plater's job is to make plant items, the main (and possibly only) element supplied under the agreement is labour. The agreement is therefore labour-only.
Steel erector	Contracted to carry out the erection of main frame structural steel and provides labour (75% of contract value) and some plant (25%). Materials are not supplied by the steel erector.	The contract is labour-intensive.
Welder	Hired to work at your request to undertake general welding tasks. No equipment is supplied by the welder.	The work is at your request and the cost is 100% labour.

## Examples of what is NOT a labour-only agreement or arrangement

Accountants, auditors or solicitors	External to your organisation providing professional services to the business.	Contractual services provided which are not under your control or direction.
Apparatus, machinery or plant repairs	Sub-contractor is hired to repair a pipeline in a chemical plant. The agreement includes the provision of previously fabricated pipework, materials to undertake the repair as well as the services of a fitter or technician to undertake the repair. The value of the materials required is substantial and is greater than the cost of the services provided by the fitter or technician.	The labour cost is less than 50% so the agreement is not "mainly" for labour.
Asbestos removal sub-contractor	Contracted to remove and dispose of asbestos and provides all labour, decontamination units (specialist equipment), protective clothing, and tools to dispose of the asbestos safely and legally.	Asbestos removal is usually so specialised that the workers will ordinarily be managed by the contractor. It is unlikely that labour would represent most of the cost of the service and/or that the cost attributable to the labour element of the contract could not be identified or estimated.
Cleaning services sub-contractor	Supplies its own cleaning materials and solutions including a cleaning team which works under the supervision of the sub-contractor.	The services are not provided under your management but managed by the subcontractor.
Crane operation contractor	Contracted to lift apparatus and machinery into place at a new build plant and supplies all labour, plant and specialist equipment. The worker is, however, under your management.	It is unlikely that the cost of the worker would be higher than the cost of hiring equipment of this nature, or it may be impossible to say one way or the other.
Demolition contractor (plant intensive)	Contracted to demolish an exhaust stack of a chemical plant and supplies all required labour, plant and specialist equipment. The contractor is responsible for the health and safety of the operation and is also responsible for the disposal of hazardous waste.	The responsibility for the execution and management of the contract is assumed by the sub-contractor. It is also likely that the labour element could not be identified or estimated, or, if it could be, that it would not account for more than 50% of the cost.
Design engineering contractor	Contracted to provide a full design package, including feasibility studies, front end engineering design and detailed design, for a modification to apparatus and plant on an oil refinery.	This is likely to be project work, where you set out the required objectives and the contractor uses its own management and resources to achieve those objectives.

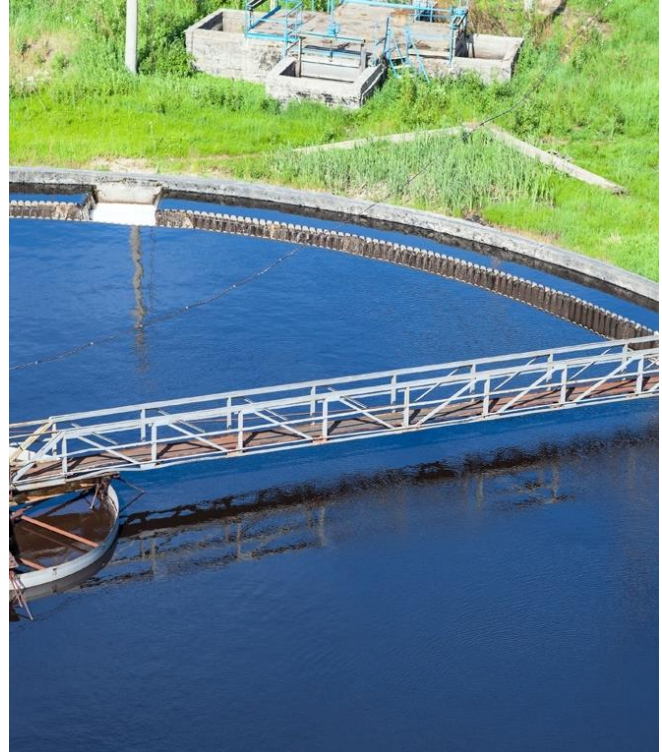
## Examples of what is NOT a labour-only agreement or arrangement

Drainage inspection company	Contracted to examine blocked drains on a site and compile a report with recommendations. They supply all labour and specialist camera equipment.	This is project work where the contractor is required to manage its resources to produce the end product, in this case, a report.
Engineering sub-contractor	Hired to install a steam turbine. The sub-contractor supplies the turbine, pumps, valves, heat exchangers, instrumentation and control items and pipework (the main materials) as well as ancillary fixing materials such as brackets and supports.	This is likely to be project work with the management of workers being exercised by the contractor. Further, it is unlikely that the labour cost would amount to more than 50% of the total expenditure in a project of this nature.
Mechanical engineering sub-contractor	Hired to install the pumps and valves in a pipe run and supplies all the pumps, valves and pipework as well as the ancillary brackets, supports and nuts and bolts. Although each of the individual items supplied are not large, together they amount to more than 50% of the value of the contract.	The contract is not wholly or mainly a contract for labour and so is not a labour-only agreement.
Plant-hire sub-contractor	Contracted to provide various pieces of plant with operators on a hire basis.	In many cases, these sorts of arrangements will not be labour-only, i.e. where the labour element is not more than 50% of the cost or where the labour element cannot readily be identified or estimated.
Radiation monitoring contractor	Contracted to measure, record and report radiation levels at a particular site using specialist equipment.	This is likely to be project work, where you only set out the required objective, and the contractor uses its own management and resources to achieve those objectives. Further, it may be impossible to identify the labour element within the total cost.
Specialist welding contractor	Hired to undertake high integrity pipework joints in a turbine, and provides the specialist welding set for such conditions. The equipment and materials are provided by the contractor and together the cost of materials and plant hire account for 60% of the contract price.	Labour costs amount to less than 50% of the total and so there is no labour-only agreement.

# Reviewing an establishment's activities

When reviewing the activities of an employer's establishment in order to confirm whether or not it should be added to or remain on the ECITB's Register of Leviale Establishments, the following four criteria will be considered:

1. Whether there is an establishment.
2. Whether the establishment undertakes engineering construction activities.
3. Whether the establishment is wholly or mainly engaged in engineering construction activities.
4. Whether the establishment was wholly or mainly engaged in engineering construction activities during the relevant Base Period.



Each criterion is considered separately.

If any of the criteria cannot be satisfied, then a leviale establishment cannot be identified and the establishment cannot be added to

## New establishments

Employers which may be operating engineering construction establishments, and which have not been identified before will be contacted by ECITB staff who will seek to arrange to meet the employer and obtain an understanding of and information on the business.

As part of the initial contact, the employer will be requested to complete a Business & Activity Return. This will provide information on matters such as the establishment, the activities of the business, numbers of workers, etc.

Where available, information in the public domain may also be reviewed, for example, the employer's website, promotional literature and published accounts.

Following the collection and consideration of all available information (including any from discussions with the employer), a report will be produced by a senior manager which addresses the four key areas detailed above. The report, known as an Establishment Review Report, will be reviewed by the ECITB's Board Secretary who will make the final decision as to whether or not an establishment should be added to or remain on the ECITB's Register of Leviale Establishments.

The employer will then be notified in writing of the ECITB's decision.



## Existing leviable establishments

It may be that an engineering construction establishment ceases to be a leviable establishment. This could occur for a variety of reasons. The most common are as follows:

- The establishment ceases to undertake engineering construction activities, or to be mainly engaged in such activities in a base period;
- The establishment does not wholly or mainly engage in engineering construction activities for the requisite period in the base period; and
- The establishment ceases to exist.

In such circumstances, the ECITB will undertake a review, and the criteria referred to above will be applied. It may be that any changes will not be apparent to the ECITB from information available. Thus, the employer may have to bring such information to the ECITB's attention to enable a review to be considered and/or concluded.

The ECITB will consult with employers on such issues to ensure that the correct conclusion is reached and will often require information (sometimes of a detailed nature) in order to confirm the position.

# The Training Levy

## Liability to the Training Levy

A leviable establishment is any establishment that is wholly or mainly engaged in the principal and related activities of the engineering construction industry during the relevant base period.

All full and part-time employees and labour-only contractors employed by such an establishment and working in Great Britain or its offshore waters are within scope of the legislation and are required to be declared to the ECITB and be assessed for training levy.

This includes all workers in the establishment, not just those actually engaged in principal or related activities.

Workers engaged in support and other activities must also be declared.

## How the Training Levy is calculated

Following consultation with employers, the ECITB recommends the rates of training levy to the Secretary of State and to Parliament for approval. A Levy Order is then passed which sets out the rates of levy to be applied and provides the ECITB with the authority to raise a levy.

All establishments on the ECITB's Register of Leviable Establishments are required by law to complete an annual Statutory Levy Declaration. The information provided in the declaration enables the ECITB to assess the amount of training levy payable (if any), and also provides information on employment levels in the industry. In particular, the declaration includes a declaration of payments made to employees and contractors during the base period 6<sup>th</sup> April to 5<sup>th</sup> April. The training levy is calculated on the basis of the declaration.

In each establishment, workers working mainly on site and all other workers are required to be declared separately.

Training levy will be assessed on the total gross emoluments paid to employees and the total gross payments made to labour-only contractors hired under labour-only agreements.



## **Training Levy rates and exemption levels**

For employees and labour-only contractors wholly or mainly working on site in Great Britain or its offshore waters, a training levy of 1.2% is payable on the total gross emoluments paid to employees and the total gross payments made in respect of labour-only contractors during the base period. If the total gross emoluments and total gross payments are less than £275,000 no training levy will be payable in respect of site-based workers.

For all other employees and labour-only contractors wholly or mainly working in Great Britain, a training levy of 0.33% is payable on the total gross emoluments paid to employees and the total gross payments made in respect of labour-only contractors during the base period. If the total gross emoluments and total gross payments are less than £1,000,000, no training levy will be payable in respect of all other workers.

Details of workers wholly or mainly working overseas should be declared, however no training levy will be payable in respect of these workers.

## **Paying the Training Levy**

Where an employer returns the Statutory Levy Declaration and is liable to pay a training levy, a Demand for Payment detailing the training levy due will be sent the following January. Provided an appeal against the assessed levy is not lodged, the training levy is required by law to be paid within one month of the date shown on the levy demand and in one instalment.

In cases where an employer does not return the Statutory Levy Declaration, the establishment's training levy liability is estimated (which may be more than the correct amount) and an Estimated Demand for Payment is sent detailing the estimated training levy due. Provided an appeal against the assessed levy is not lodged, the training levy is required by law to be paid within one month of the date shown on the levy demand and in one instalment.

ECITB grants and services may be withheld where payment of the levy is overdue.

# The annual Statutory Levy Declaration and timetable of events

Following the end of the Base Period (April) employers may complete the Statutory Levy Declaration in respect of the base period. The ECITB will send to employers an email request to complete the Statutory Declaration in respect of the base period. Employers will be advised the date by which such declaration must be completed.

The ECITB operates an online portal service, which enables employers to complete and submit their annual Statutory Levy Declarations. Portal accounts have been set up for all employers operating leviable establishments, and instructions relating to the online completion are issued separately. Any questions relating to the use of the online portal service (including any changes to the identity of an employer’s account contact), should be referred to the Levy Team (see Help and Guidance below). If an employer does not wish to use the online portal service, it is possible for employers to submit printed versions of their Statutory Levy Declarations. If this method is adopted, employers should contact the Levy Team for guidance on how to proceed.

It should be noted that where an employer fails to submit the Statutory Levy Declaration by the relevant date, the ECITB will estimate the emoluments and labour-only payments and calculate the training levy due based on the estimate. The ECITB may also withhold grants and services whilst the declaration remains outstanding.

The levy calculated in respect of the base period will be payable in the following January when employers are sent Levy Assessment Notices. Provided an appeal is not lodged, employers have one month to pay the levy which must, by law, be paid in full and in one instalment.

The levy collected will be used to fund services and the payment of training grants during the ECITB’s following financial year (January to December). Thus, in 2024 the timetable is as follows:

2024	Apr	2023/24 Base Period ends 5th April 2024	ECITB requests completion of Statutory Levy Declaration in respect of 2023/24 Base Period.  Employers must submit the 2023/24 Statutory Levy Declaration by 30 <sup>th</sup> September 2024.
	May		
	Jun	2024/25 Base Period starts 6th April 2024 and ends 5th April 2025	
	Jul		
	Aug		
	Sep		
	Oct		
	Nov		
	Dec		
2025	Jan	2024/25 Base Period starts 6th April 2025	January 2025 – ECITB sends out Demands for Payment in respect of the 2023/24 Base Period. The levy collected funds grants and services during 2025.
	Feb		
	Mar		
	Apr		ECITB requests completion of Statutory Levy Declaration in respect of 2024/25 Base Period

# Appealing against an assessed levy

An employer can lodge an appeal against an assessed levy to an Employment Tribunal on the following grounds:

- That the establishment being assessed was not wholly or mainly engaged in engineering construction activities during the relevant base period; or
- That the amount of levy assessed has not been correctly calculated.

An appeal must be lodged within one month from the date of the service of the Demand for Payment.

A formal appeal is not always necessary and the ECITB is prepared to review both the registration of an establishment, or the training levy assessed if there are grounds to do so, and provided the matter is brought to our attention before the training levy becomes due.



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Explanatory notes for employers on appeals to Employment Tribunals are available on the Levy page of the ECITB's website.

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## Help and advice

If you need any further information or advice on engineering construction activities or the training levy, please contact the Levy Team:

Name and position	Phone number	Email address
<b>Caroline Clifford</b> Head of Levy	Phone: 07812 036425	Caroline.Clifford@ecitb.org.uk
<b>Simon Bourne</b> Levy Manager	Phone: 07971 860107	Simon.Bourne@ecitb.org.uk
<b>David Lewis</b> Levy Manager	Phone: 07811 156416	David.Lewis@ecitb.org.uk
<b>Leala Crombie</b> Levy Researcher & Coordinator	Phone: 07302 001549	Leala.Crombie@ecitb.org.uk

Alternatively, you can contact your local ECITB Relationship Manager.

If you require support completing the levy declaration in the online portal, ECITB Connect, please see below for the relevant resources.

## Support for completing your declaration in ECITB Connect

### Training / how to videos:

- [Accessing ECITB Connect](#)
- [Resetting your password](#)
- [Populating your Levy Declaration](#)
- [Submitting your Levy Declaration](#)
- [Viewing "My Levy" summary information](#)
- [How to raise Freshdesk support tickets with ECITB](#)

### Freshdesk for reporting issues

All support for using ECITB Connect should be accessed via Freshdesk. In Freshdesk you can:

- Access training videos / supporting information.
- Ask questions about your levy declaration.
- Report an issue in using ECITB Connect
- Make suggestions for system improvement.

Access Freshdesk: <https://ecitb.freshdesk.com/support/tickets/new>

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Please note that the ECITB cannot give legal advice and therefore if employers are in any doubt as to their position, independent legal assistance should be sought.

# Appendix 1: Guide to completing the Statutory Levy Declaration

## Preparing to complete the declaration

It is suggested that employers adopt the following approach when preparing to complete the declaration.

- Decide whether the business operates as either one establishment or several separate, identifiable establishments. The definition of an 'establishment' is described on page 5
- Determine whether or not each establishment is wholly or mainly engaged in the principal and related activities of the engineering construction industry (principal and related activities are described on page 6). If the establishment is wholly or mainly engaged in such activities it is a leviable establishment, and ALL employees and labour-only contractors (regardless of their activities) should be declared in the Return.
- For each establishment, disregard employees and labour-only contractors who have spent more than 50% of their time during the relevant year working outside of Great Britain or its offshore waters.

## 1. Establishment being assessed

In most cases this section has already been completed showing the name, address and ECITB reference number of the establishment being assessed and, if different, details of the employer (in most cases these will be the same). These details are based on the information available to the ECITB. Please correct them if they are wrong or if any details are missing.

The Declaration is only required to be completed for the establishment shown provided that it was wholly or mainly engaged in engineering construction activities during the year ending 5 April. The ECITB should be informed if the establishment was not wholly or mainly engaged in engineering construction activities during the year, or if there are any other establishments engaged in engineering construction activities within the company or organisation.

Definitions of the terms 'establishment' and 'engineering construction activities' are shown on pages 5 and 6.

## 2. Activities of the establishment

Please give a brief description of the main activities carried out by the establishment during the base period (i.e. year-ending 5 April).

### 3. Site-based workers

#### **Employees**

Please declare the total number of ALL full and part-time employees who were wholly or mainly working on sites in Great Britain and who were employed by the establishment at any time during the year ending 5 April.

By 'mainly' we mean 50% or more.

By 'sites' we mean any site where a product is processed or where the main framework of a building or other metal structure is erected or dismantled. It should be noted that if a worker works on such a site, he/she is a site worker regardless of the activity he/she actually undertakes there.

By 'Great Britain' we mean England, Scotland, Wales or its offshore waters.

#### **Total gross emoluments**

Please declare the total gross emoluments paid to these employees during the year ending 5 April. Further information on total gross emoluments can be found on page 9.

#### **Labour-only contractors**

Please declare the total number of ALL full and part-time labour-only contractors, self-employed workers and agency personnel who were hired by the establishment under a labour-only agreement or arrangement and who were wholly or mainly working on sites in Great Britain at any time during the year to 5 April.

Further information on labour-only contractors can be found on page 9.

#### **Total gross payments**

Please declare the total gross payments made in respect of these labour-only contractors during the year ending 5 April. Further information on total gross payments can be found on page 11.

#### **Labour-only receipts**

Information on labour-only receipts can be found on page 11.

### 4. Occupations of site-based workers

The ECITB is required by government to monitor employment trends in the industry. Therefore, please provide a breakdown of all site-based employees and labour-only contractors by their occupation.



## 5. Locations of site-based workers

Please provide a breakdown of all employees and labour-only contractors who were wholly or mainly working on site by listing the main sites on which they worked during the year ending 5 April. The options for type of work and type of site / project to complete this section are shown below.

### Type of work

Consultancy and feasibility studies  
Dismantling  
New construction  
Procurement and project management  
Repair, maintenance, testing, etc.  
Steel erecting

### Type of site/project

Alternative fuel (e.g. biomass, hydrogen, etc.)  
Brewery or distillery  
Cement and bricks  
Carbon capture and storage  
Chemical works  
Electrical  
Food and drink  
Hydro-electric power station  
LNG storage  
Nuclear decommissioning  
Nuclear power station  
Nuclear reprocessing plant  
Downstream oil and gas  
Upstream oil and gas  
Paper mill  
Pharmaceutical/cosmetics  
Sewerage/water treatment  
Steel mill metal smelter  
Thermal power station  
Wind farm – onshore  
Wind farm – offshore  
Water treatment  
Wave and tidal power  
Other project

## 6. All other workers (those not mainly working on-site)

### **Employees**

Other than those employees who were wholly or mainly working at clients' sites, you should declare the total number of ALL other full and part-time employees employed by the establishment and wholly or mainly working in Great Britain at any time during the year ending 5 April. Such employees will include, for example, those engaged in:

- design, project management, commissioning, procurement, engineering consultancy services which were not undertaken at clients' sites
- management, administrative and support activities
- fabrication carried out in a fabrication shop
- any other activities related or incidental to the principal activities of the establishment
- any other activities of industry or commerce

### **Total gross emoluments**

You should declare the total gross emoluments paid to these employees during the year ending 5 April. Further information on total gross emoluments can be found on page 9.

### **Labour-only contractors**

Other than those labour-only contractors who were wholly or mainly working at clients' sites, you should declare the total number of ALL other full and part-time contractors, self-employed workers and agency personnel who were hired by the establishment under a labour-only agreement or arrangement and working wholly or mainly in Great Britain at any time during the year ending 5 April. Such labour-only contractors will include, for example, those engaged in the activities shown in the box above.

Further information on labour-only contractors can be found on page 9.

### **Total gross payments**

You should declare the total gross payments made in respect of these labour-only contractors during the year ending 5 April. Further information on total gross payments can be found on page 11.

### **Labour-only receipts**

Information on labour-only receipts can be found on page 11.

## 7. Occupations of all other workers

The ECITB is required by government to monitor employment trends in the industry. Therefore, please provide a breakdown of all employees and labour-only contractors who are not based on site by their occupation.

## 8. Activities of all other workers

Please provide a breakdown of all other employees and labour-only contractors who were directly engaged in engineering construction projects by listing the main projects that these workers were involved in during the year ending 5 April. The options for type of work and type of site / project to complete this section are shown below.

### Type of work

- Consultancy and feasibility studies
- Dismantling
- New construction
- Procurement and project management
- Repair, maintenance, testing, etc.
- Steel Erecting

### Type of site/project

- Alternative fuel (e.g. biomass, hydrogen, etc.)
- Brewery or distillery
- Cement and bricks
- Carbon capture and storage
- Chemical works
- Electrical
- Food and drink
- Hydro-electric power station
- LNG storage
- Nuclear decommissioning
- Nuclear power station
- Nuclear reprocessing plant
- Downstream oil and gas
- Upstream oil and gas
- Paper mill
- Pharmaceutical/cosmetics
- Sewerage/water treatment
- Steel mill or metal smelter
- Thermal power station
- Wind farm onshore
- Wind farm offshore
- Water treatment
- Wave and tidal power
- Other project

## 9. Overseas Workers

Please provide the number of workers who mainly worked overseas during the relevant base period.

## 10. Declaration

Once the Declaration has been completed, the Declaration must be submitted to ECITB (see The annual Statutory Levy Declaration and Timetable of Events page). It must be authorised by a Director, Company Secretary or someone in a similar position of authority.



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