
EXPLANATORY NOTE

(This note is not part of the Order)

This Order gives effect to levy proposals of the Construction Industry Training Board (“the Board”) which were submitted to the Secretary of State for Education under section 11 of the Industrial Training Act 1982 (c.10) (“the Act”).

The levy proposals were for the imposition of a levy on employers engaged wholly or mainly in the construction industry for the purpose of raising money towards the Board’s expenses.

The Board must calculate the amount of levy due in respect of each construction establishment of an employer in accordance with article 7. This calculation is carried out with reference to the base periods in article 4. The total amount of levy payable by the employer is the aggregate amount of levy for all of the employer’s construction establishments. If in accordance with article 7 the aggregate amount of contract payments and emoluments is £80,000 or more but less than £400,000 in any relevant levy period then a 50 % reduction will apply (article 8). If the aggregate amount is less than £80,000 then the employer will be exempt from paying levy (article 9).

An employer assessed to levy will receive a written assessment notice from the Board setting out the amount of levy payable by that employer (article 10). Payment of the levy must usually be made within one month of service of the assessment notice by the Board (article 14). An assessment notice may be withdrawn by the Board and the Board may also serve amended assessment notices (articles 11 and 12).

Article 9 makes provision for employers employing a small number of employees to be exempt from the levy.

An employer assessed to levy may appeal against that assessment. An appeal must normally be made within one month of the date of service of the relevant assessment notice by the Board (article 15).

An impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Department for Education, Sanctuary Buildings, 20 Smith Street, Westminster, London SW1P 3BT and is annexed to the Explanatory Memorandum which is available alongside the instrument on the www.legislation.gov.uk website.