International Labour Organization
SKILLS Branch

The SKILLS Bridge Masterclass series

Making skills systems demand driven: The role of Sector Skills Bodies

Sector Skills Councils in the UK

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29 August 2023

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Sector Skills Councils in the UK

Independent, UK-wide, industry-led bodies, with Boards drawn from employers (& trade unions) in the sector with goals to:

- ❑ Improve productivity, business and public service performance
- ❑ Improve learning supply including apprenticeships, higher education and National Occupational Standards
- ❑ Reduce skills gaps and shortages
- ❑ Increase opportunities to boost the skills and contribution of everyone in the sector's workforce

Sector Skills Councils in the UK

An evolutionary development process

1960s	1970s	1980s	1990s	2000s	2010-23

1965-1981

29 levy-based Industrial Training Boards – covering only 50% of workforce, and unpopular in most sectors before abolition in 1981

1983-1993

170+ voluntary Industry Training Organisations – weak, operating on 'shoe-string', with poor support from employers, despite attempts to strengthen

1991-2002

70+ voluntary National Training Organisations, with national trade association, formed from smaller ITOs – improved but still too small for effectiveness

2002-2010

Network of 25 Sector Skills Councils – stronger and funded from UK government, covering 90+% of occupations across principal UK sectors

2010 - 2023

Relicensing by UKCES. Move to project based funding from 2011-15 including Employer Ownership of Skills. Withdrawal of Government funding in 2016. Current network of 17 commercially funded Sector Skills Bodies

Sector Skills Councils in outline

- Initially 25 licensed Councils, covering private, public and voluntary employment, and 90% of UK workforce occupations.
- Initially, annual core & project budgets from Government totalling over £80 million per annum
- Relicensing in 2011 by UK Commission for Employment and Skills UKCES
- Moved to industry project funding from 2012. Reduction to 21 SSCs
- Funding withdrawn in 2016. 18 commercial Sector Skills Bodies continue

The initial 25 SSCs

Manufacturing
- SEMTA
- Cogent
- Improve
- Skillfast
- Proskills

Creative and Media
- Creative and Cultural Skills
- Skillset

Energy
- Energy and Utility Skills

Transport
- GO Skills
- Skills for Logistics

Business services
- e-skills UK

Financial Services

Public sector
- Government Skills
- Skills for Justice
- Skills for Health
- Skills for Care and Development
- Lifelong Learning UK

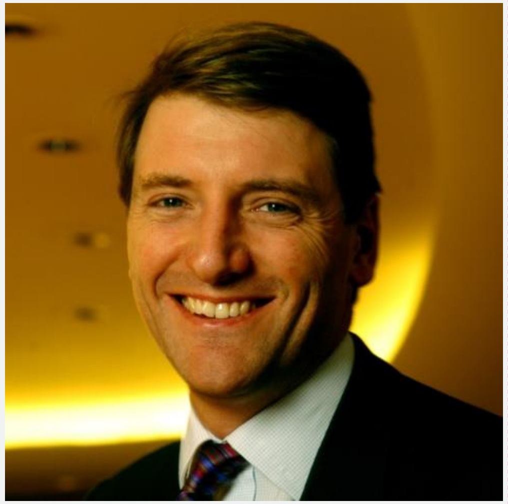
Hospitality, Leisure, Retail
- People 1st
- Skillsmart Retail
- SkillsActive
- IMI / Retail Automotive

Construction
- Construction Skills
- Asset Skills
- Summit Skills

Rural and Environment
- LANTRA

The UK Commission for Employment and Skills (UKCES) managed change in SSCs from 2010- 2016

- The UKCES was an employer led agency of Government that provided strategic leadership on skills and employment issues in the four nations of the UK.
- It provided oversight of the SSCs, including re-licensing in 2011 and the move from core to project based funding.



"The skills and capabilities of our people are ultimately the basis for our long-term competitiveness."
Charlie Mayfield, Chairman UKCES

Strategic priorities of the UKCES and the SSCs

Intelligence

Provide Labour Market intelligence, occupational standards and research so that businesses and people make best choices for them

Helping labour markets work more effectively through forward looking labour market intelligence

Investment

Working with businesses to develop best market solutions which leverage greater investment in skills

Increased employer investment in skills, so rebalancing investment between businesses, individuals and the state

Impact

Provide strategic leadership on impact: what works, what doesn't and what is to be done to secure an internationally competitive skills base

Maximising the impact of employment and skills policies to support productivity and growth

Aims of SSC Relicensing in 2011:

- ❑ Ensure authoritative labour market information for their sectors
- ❑ Develop National Occupational Standards (NOS) & ensuring qualifications meet employer needs
- ❑ Raise employer engagement, demand and investment in skills

The journey from grant aid to competitive investment funding

UKCES said in 2011:

"Over the last 12 months we have changed from an Agency giving grants to Sector Skills Councils to a ***skills investment organisation*** *providing public support alongside employer funding to incentivise employers collectively to take ownership of the skills problems they face and then work with Colleges and training providers to find the best solutions."*

Investment strategy

Core Services Funding

To support SSC Standards and LMI work

Employer Investment Fund EIF

To support **SSCs** with projects to enhance skills in their industry

Growth and Innovation Fund GIF

To support **SSC, other industry body** e.g. trade associations **and Regional** projects,

Employer Ownership Pilots

Funding to **employers** in specific industries for industry wide programmes in e.g. aerospace, vehicle manufacture and the film and TV sector. Cash matched by employers

What happened to the initial 25 SSCs?

Remain:

Manufacturing
- SEMTA
- Cogent

Creative and Media
- Creative and Cultural Skills
- Skillset- Screen Skills

Energy
- Energy and Utility Skills

Transport

Business services
- e-skills UK- TechUK

Remain

Public sector
- Skills for Health/ Workforce Development Trust
- Skills for Care and Development

Hospitality, Leisure, Retail
- IMI / Retail Automotive
- SkillsActive

Construction
- Construction Skills

Rural and Environment
- LANTRA

Closed/Lost their Licence

- Skillfast.................
- GO Skills- Transport...
- Financial Services......
- Improve.................

- Skills for Justice.........
- People 1st ....

- Proskills
- Skills for Logistics
- Skillsmart Retail
- Asset Skills
- Summit Skills
- Lifelong Learning UK
- Government Skills

Additions / Replacements

- UK Fashion and Textiles
- NSA Rail
- Financial Services Commission
- NSA Food and Drink

- Joined Workforce Development Trust

- ECITB
- Skills for Security

The 18 Sector Skills Bodies in 2023

Manufacturing
- Enginuity- engineering
- Cogent- pharma/chemicals

Creative and Media
- Creative and Cultural Skills
- Screen Skills

Energy
- Energy and Utility Skills

Business services
- Tech UK- IT
- Skills for Security
- Financial Services

Transport
- NSA Rail

Public sector, Hospitality, Retail
- Workforce Development Trust including:
  - Skills for Health,
  - Skills for Justice and
  - People 1st
- Skills for Care Solutions
- IMI
- NSA Food and Drink
- UK Fashion and Textile Association
- Skills Active – Sport

Construction
- Construction Skills CITB
- Engineering Construction Skills ECITB

Rural and Environment
- LANTRA

Sector Skills Bodies: Services to industry that support SSB sustainability: 2023

Services	Workforce planning	Apprenticeships, Standards and Qualifications	Sector specific skills solutions	Other
Examples of services to industry	▪ LMI and data services ▪ Workforce Planning tools ▪ Supply chain collaboration ▪ Regional skills priorities ▪ Brokering transfer of skills across the sector ▪ Working with Gov't on specific skills challenges e.g. low carbon	▪ Standards/NOS development ▪ Apprenticeship certification and quality assurance ▪ Optimising levy use ▪ Degree Level Apprenticeships ▪ Qualifications in safety critical industries ▪ Digital badging and skills passports ▪ Licences to practice	▪ Brokering skills solutions with providers ▪ Kitemarking provision ▪ Registration and membership offers ▪ Supporting freelancers and small companies ▪ Professional Standards/ pathway development beyond apprenticeship ▪ Modular competence-based programmes. ▪ Software and programme licensing	▪ Policy advice to government ▪ International consultancy ▪ Encouraging greater parity of esteem ▪ Careers information and online content ▪ Addressing equality diversity and inclusion issues ▪ Influencing the school curricula

Factors in SSC success: Lessons learned from history & relicensing (1/3)

- Number of sectors – no right number! Pilot in one or two sectors and then grow
- Scale and boundaries,
  - UK SSCs defined by SIC codes and each employed more than 2% of workforce
- Essential to have strong, committed employer boards
  - With real authority to shape and drive performance. Good to build on existing industry body if has real credibility

Factors in SSC success:
Lessons learned from history & relicensing (2/3)

- Effective industry leadership – Chair + Chief Executive and technical expertise, biggest single factor in success or failure. Arms length from Government
- Industry co-financing should be a requirement
  - Who values what they don't pay for?

Factors in SSC success:
Lessons learned from history & relicensing (3/3)

- ❑ Build in strong focus on, and encouragement for, innovation
  - ➢ If you keep doing what you've always done …Industry solutions not just Standards and LMI
- ❑ Define success clearly, and give them time and space to work. Get early wins by tackling a real industry skills problem.

SSCs in the UK

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