



## CITB failings mean time has come for state intervention

28 September, 2016 **By Ian Anfield**

In 1962, a government white paper found there were skills shortages because of a market failure in training. The solution appeared to be a levy system to fund industrial training boards (ITBs).

The CITB is one of only three left today. It has survived because the CITB assures the secretary of state who signs off on it that there is a majority industry consensus in support of the levy.

According to the CITB's own data, however, only 15 per cent of the 70,000 levy-payers are actually members of the consensus federations that underpin this claim. That's why I feel the CITB's strategy is out of step with industry demands.

After 60 years, you'd have thought the CITB levy would have solved the problem of skills shortages in the construction industry.

But as we all know, the skills shortages in levyable activities such as bricklaying and plastering are worse than in exempt trades such as plumbing and electrical contracting, somewhat ironically.

### **Misguided mindset**

Many would say that when the CITB provides training, it does a great job. The problem is that it believes its function is to raise the levy and distribute grants, rather than to do what it is great at and what the industry desperately needs.

The levy and grant scheme is actually separate to the most important activity the CITB provides and that everyone values: training. They bring in fees and make a healthy profit.

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For example, the CITB's 2015 accounts show a profit of £14m made from functions such as the administration of the CSCS card scheme, the provision of training courses, and work as an awarding organisation. These are all things that are welcome to the construction industry, and none of them depend one whit on the levy.

So if the CITB was to concentrate on making money from training, it would be growing in a direction everyone would want to see. Unfortunately, this is the opposite of the organisation's current strategy.

After 60 years of failing to have an impact on the skills shortage the CITB was established to tackle, maybe government intervention is required again – this time to relieve the CITB of the burden of levy-collection so it can focus on providing the training and services the construction industry values and needs.

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*Note: Hudson Contract Services named the CITB as an 'interested party' [in a case brought against BIS](#) challenging the legality of changes to the CITB's levy system.*