



Department
for Education

2023 Industry Training Board (ITB) review

**Department for Education's response to
the recommendations of the review**

January 2025

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Introduction

Since the Industrial Training Act came into force in 1964, 27 Industry Training Boards (ITBs) were created in legislation across a range of employment sectors. Some 50 years on and only two ITBs, the Construction Industry Training Board (CITB) and the Engineering Construction Industry Training Board (ECITB) remain. ITB reviews carried out in 2015 and 2017 both concluded that there was an ongoing need for the retention of the CITB and ECITB because of the particular characteristics of these industries.

This review of the ITBs was undertaken within a framework of wider Public Bodies Reviews Programme required by the Cabinet Office, in line with the [Declaration on Government Reform](#). The aim of this ALB review was to ensure that ITBs are set up to deliver efficiently, using taxpayers' money (in this instance industry levy payer's money) effectively.

The Public Bodies Reviews Programme is underpinned by a set of quadrants which outline the expectations for departments and their arm's length bodies (ALBs):

1. Efficacy - to ensure the arm's length bodies meet the conditions to be an ALB, with a clear purpose, in the correct delivery model and the expectations that the ALB performs effectively and delivers services that meet the needs of citizens;
2. Efficiency – the expectations for financial management processes in line with current guidance, and the expectations for the identification of cashable efficiency gains made through change in practices, for example, digitisation and the workforce;
3. Governance - the expectations of governance for ALBs' boards, chairs, and board members; and
4. Accountability – the relationships between departments and ITBs, and the support and challenge offered to ITBs via the critical 'sponsoring' relationship departments have with them.

In addition, the previous Minister for Skills, Apprenticeships and Higher Education directed the 2023 ITB Review to explore:

- the quantifiable additionality of the ITBs in terms of developing and improving the skills of the workforce within their respective industries
- whether the statutory levy is the most appropriate model for the ITBs to meet their objectives
- whether there is scope for reform, or merger, of the two remaining ITBs

Full details of the review scope can be found in the ITB Review terms of reference and letter of commencement which are annexed to the final report.

The independent lead reviewer was Mark Farmer, founding director of Cast Consultancy. He previously authored the independent 2016 review of the UK construction labour model, '[Modernise or die](#)'.

To note, throughout the report the term 'construction' is used in its broad sense and includes activities in scope of the Engineering Construction sector as well as those of the Construction sector.

Department for Education response to each recommendation

The review sets out 63 recommendations across 17 key findings. The Secretary of State has accepted 35 without amendment, partially accepted or accepted in principle 25 recommendations subject to further scoping and chosen a different approach for the remaining 3 recommendations.

Table 1: Industry Training Board (ITB) review recommendations and Department for Education response

Summary finding	Summary recommendations	Department for Education response
<p>1. Intervention is still needed in both sectors due to ongoing market failure.</p>	<p>1.1 The ITB model should be retained in terms of its basic statutory mandate but its strategic priorities, core capabilities and activity require wholesale transformation. This all needs to be ruthlessly focused on addressing the fundamental workforce resilience challenges facing the construction and engineering construction industries.</p>	<p>Accept.</p> <p>Meeting the skills needs of the next decade is central to delivering the government's missions across all regions and nations. This government is committed to ensuring we have the highly trained and more productive workforce needed to deliver the national, regional and local skills needs of the next decade, aligned with the new Industrial Strategy and government infrastructure and built environment commitments.</p> <p>In this context, we agree that there is still a case to maintain the Industry Training Boards (ITB) in their basic form. The construction and engineering construction sectors recognise both ITBs service and that training levels would be negatively affected without the ITB model and are broadly convinced of each organisation's value.</p>

Summary finding	Summary recommendations	Department for Education response
1. Intervention is still needed in both sectors due to ongoing market failure.	1.2 Progress in implementing this change should be overseen by a cross-UK government and Devolved Administrations steering group convened and chaired by DfE.	<p>Accept.</p> <p>As part of the implementation plan focussing on driving up standards, we will seek to work with ITBs and Other Government Departments (OGDs) to agree who should form part of the steering group. The Scottish and Welsh Governments, Mayoral Combined Authorities (MCAs) and unions must be involved in implementation and assessment of progress.</p>
1. Intervention is still needed in both sectors due to ongoing market failure.	1.3 Proposals to implement the recommendations set out below should be developed quickly with agreed milestones to be monitored by DfE. If DfE is unsatisfied with progress it should reconsider the viability of the ITB model.	<p>Accept.</p> <p>Department for Education (DfE) officials will update ministers on progress as part of the implementation plan, with a view to commenting on the ongoing viability of the ITB model.</p> <p>This assessment of progress will be undertaken in conjunction with wider reform of the skills landscape, focussing on the introduction of Skills England and the Growth and Skills Levy (in England).</p>

Summary finding	Summary recommendations	Department for Education response
<p>2. Retain and repurpose the levy-grant system.</p>	<p>2.1 The statutory levy-grant system should be retained but modernised and refocused to ruthlessly drive measurable outcomes linked to the new priority industry challenges identified in recommendation 3 below. SMART KPIs should be developed aimed at maximising outcomes from levy spend with more balanced accountability between industry and government.</p>	<p>Accept - ITBs should include this as part of their 3-year strategy.</p> <p>We agree that ITBs should continue with the levy-grant system for their respective sectors to ensure that day to day revenues is met i.e. no change to business as usual as structural change options are scoped.</p> <p>Measurable outcomes and SMART KPIs must be included as part of the ITB 3-year strategy.</p>

Summary finding	Summary recommendations	Department for Education response
<p>3. Construction and engineering construction sectors face common strategic workforce challenges.</p>	<p>3.1 The CITB and ECITB should be merged into a single rebranded body (the ‘new body’) tasked with improving workforce resiliency through a single combined strategy. It should take on the role of a workforce development agency, spanning training and improvement of both new and existing workers.</p>	<p>Partially accept - subject to scoping implementation of the new body.</p> <p>We recognise that there are significant benefits to greater alignment and collaboration across the two ITBs and now, importantly Skills England (in England). This will be essential with the development of an Industrial Strategy and ambitious targets around housebuilding and clean energy.</p> <p>How this alignment should be taken forward in the long term requires further scoping. Options to be considered range from voluntary collaboration to full legal merger of the ITBs.</p> <p>A starting point must be enhanced collaboration on specific areas such as infrastructure across Great Britain, increasing trainers, clean energy jobs and skills passporting.</p>

Summary finding	Summary recommendations	Department for Education response
<p>3. Construction and engineering construction sectors face common strategic workforce challenges.</p>	<p>3.2 The first step of this process should be to establish an interim body under government and industry oversight to manage the transitional state towards operational merger.</p>	<p>Partially accept - subject to scoping implementation of the new body.</p> <p>Both ITBs have set out how they can work collaboratively together on a voluntary basis. We would like this work to begin in earnest. ITBs must have business, training providers, unions and local government views at the heart of any future plans to ensure we have the highly skilled workforce needed to achieve government missions.</p>
<p>3. Construction and engineering construction sectors face common strategic workforce challenges.</p>	<p>3.3 This interim body should look to realise shared efficiencies through an agreed integration plan between the two ITBs but retain ring fenced levy funds in the short term whilst options for levy consolidation are explored.</p>	<p>Partially accept - subject to scoping implementation of the new body.</p> <p>The question of ring fencing will only become relevant if there is a full legal merger of the ITBs and this will be considered as part of the merger.</p> <p>In alignment with our focus on tough spending rules and long-term measures being introduced to restore public spending control, efficiencies must be realised as a result of further collaboration and bearing down on operational costs.</p>

Summary finding	Summary recommendations	Department for Education response
<p>3. Construction and engineering construction sectors face common strategic workforce challenges.</p>	<p>3.4 The new body should have specialist, sub-sector specific implementation teams spanning construction and engineering construction, responding to a common overarching strategy to drive high level thinking whilst avoid losing market context, employer alignment and intelligence.</p>	<p>Partially accept - subject to scoping implementation of the new body.</p> <p>Accept whilst recognising that this will require further scoping as part of any merger implementation.</p> <p>We would expect business, unions and local communities to be at the heart of this work.</p>
<p>3. Construction and engineering construction sectors face common strategic workforce challenges.</p>	<p>3.5 The new body is to be held accountable to both government and industry on a more balanced basis, measured on defined outcomes as set out in recommendation 2, all related to improving workforce resiliency. There should be clear consequences for inability to evidence improvements and a clear direction of travel within a reasonable time, including accelerated winding up before the expiry of the next ITB review cycle.</p>	<p>Partially accept - subject to scoping implementation of the new body.</p> <p>We see this as part of the work to improve ITB measurable outcomes and KPIs.</p> <p>We should ensure that as part of this work ITBs further evidence and communicate the impact of their activity.</p> <p>This assessment of progress will be undertaken in alignment with any potential wider reform of the skills landscape in England focussing on Skills England and the Growth and Skills Levy.</p>

Summary finding	Summary recommendations	Department for Education response
<p>3. Construction and engineering construction sectors face common strategic workforce challenges.</p>	<p>3.6 The new body should both reduce and stop as well as ramp up and start activities based on new strategic priorities and should ensure capability and leadership is in place to suit.</p>	<p>Partially accept - subject to scoping implementation of the new body.</p> <p>This would be seen as part of the wider approach to further evidence measurable impact and improve KPIs.</p> <p>Both organisations should work in close collaboration with Skills England, ensuring that they are agile in reducing activity when evidence suggests it not driving up standards or having a significant impact and does not demonstrate good value for money. Engagement should also be undertaken with Scottish and Welsh devolved administrations.</p>

Summary finding	Summary recommendations	Department for Education response
<p>4. Strategic focus is required on safeguarding industry capacity and capability.</p>	<p>4.1 Three new core strategic objectives are established which guide all priorities and a reset strategic plan. These are to:</p> <ul style="list-style-type: none"> - improve industry’s workforce competency & the ongoing maintenance of its currency. - improve industry’s project level productivity & quality assurance in conjunction with other parallel regulatory reforms. - improve industry’s strategic level workforce retention and utilisation. <p>These strategic objectives should be shared across both constituent ITB parts of the new body. It is recognised that although there will be differences in relative importance, the overarching needs are common so a fully integrated approach to arriving at a strategic plan must be adopted. The other recommendations in this review are tailored to assist in helping shape a new strategic plan and to set out likely activity.</p>	<p>Partially accept - subject to scoping implementation of new body.</p> <p>There is a general consensus across ITBs and OGDs that these are the correct strategic objectives and given the government’s high level of ambition across housing and infrastructure, the ITB’s third objective will need to look at all routes to increase the net supply of labour, including but not limited to improved retention, as well as recruitment and training for new entrants.</p> <p>They must demonstrate an impact in helping to boost skills in the sector, to support the government’s commitments to housing, growth, infrastructure and the built environment.</p>

Summary finding	Summary recommendations	Department for Education response
<p>5. Need to refocus on whole workforce skills and not just new entrants.</p>	<p>5.1 A refocused levy-grant system should have a revised strategic balance between individual employer apprenticeship grants and other non-apprenticeship support. It should deploy activity and funds more into programmatic activity and new pathway interventions with both new and existing workers that are scalable and impactful and span both the employed and self-employed workforce.</p>	<p>Partially accept.</p> <p>We agree that CITB and ECITB should continue to diversify activity to include skills intervention outside of grant funding.</p> <p>We see grant funding including for apprenticeship grant as an important and useful activity but would like to see greater focus on new programmatic interventions across the broader sector (particularly those that can be scaled up quickly).</p> <p>This will be particularly important to support implementation of the Industrial Strategy, delivery of housebuilding targets and crucially accelerate the transition to net zero. The programmatic activity must align with regional economic policy and local labour markets across Great Britain. We are encouraged by the interventions of ITBs in areas such as the ECITB scholarship and 'work ready' programmes as well as the Regional Skills Hubs programme (capacity building for training providers) alongside the CITB hubs focussing on housebuilding.</p>

Summary finding	Summary recommendations	Department for Education response
<p>5. Need to refocus on whole workforce skills and not just new entrants.</p>	<p>5.2 The new body should also move to a more directive approach to funded interventions, using consultation with government and industry to quickly agree and test concepts and decisively implement a course of action injected into the workforce and rolled out thematically at scale. This is a shift from inviting mostly small-scale grant applications and proposals from industry. This will also require a change to governance models regarding intelligent interpretation of government spend controls and procurement rules to ensure this change does not get derailed by governance whilst obviously continuing to evidence value for money.</p>	<p>Accept in principle subject to scoping implementation of new body.</p> <p>We agree with the CITB view that the work will need to be phased to avoid major disruption to ongoing activity.</p>

Summary finding	Summary recommendations	Department for Education response
5. Need to refocus on whole workforce skills and not just new entrants.	5.3 The new body should in turn help maximise industry recovery of apprenticeship levy and other DfE funding sources to ensure the current level of support for individual apprenticeships is maintained whilst more programmatic and structured activity is ramped up. The focus of all funding activity should align to improving average industry competency, productivity, utilisation and retention and prioritising this in line with current and projected future occupational 'pinch points'.	<p>Accept in principle subject to scoping implementation of new body and the development of the Growth and Skills Levy.</p> <p>ITBs should work to ensure they deliver high quality apprenticeship support which represents good value for money and is not duplicative of central government funding.</p> <p>The ITBs must demonstrate their commitment to programmatic activity to support ambitions around housebuilding, infrastructure and clean energy. They will also need to support work to provide more trainers to help deliver these programmes.</p>
5. Need to refocus on whole workforce skills and not just new entrants.	5.4 More strategic and in advance workforce investment in creation and retention needs to be supported for major projects where there is a critical workforce or skills gap which cannot be resolved during the project's currency and requires pre-planning.	<p>Accept in principle subject to scoping implementation of new body and data sharing opportunities.</p> <p>Agree, this government will relentlessly focus on workforce planning and future skills. The ITBs activity in this area must support wider plans to establish Skills England which will further coordinate business, training providers, unions, and central and local government to ensure a highly trained workforce.</p>

Summary finding	Summary recommendations	Department for Education response
<p>6. A need for more strategic workforce planning.</p>	<p>6.1 The ITBs and subsequently the new body should be tasked with owning and driving as a primary objective strategic workforce planning. This should have the aim of helping industry maximise employment continuity, average workforce utilisation and high-level industry productivity. This should also identify the need for supported advanced investment on major projects as described in recommendation 5 above.</p>	<p>Partially accept. Additional scoping required on data sharing agreements.</p> <p>As outlined above, the ITB activity in this area must support wider plans to establish Skills England which will further coordinate business, training providers, unions, central and local government to ensure a highly trained workforce. We do however agree that workforce planning is important and the ITBs should work with OGDs on workforce planning and analysis to achieve consistent modelling of data as well as considering how best to boost sector productivity. Further work is needed to understand how industry/non-governmental partners can share data effectively with ITBs.</p>

Summary finding	Summary recommendations	Department for Education response
6. A need for more strategic workforce planning.	6.2 As a key tool, the ITBs in their interim state and ahead of the creation of the new body should enable development, with external input as necessary, a fit for purpose, free to use, digitally enabled, dynamic real time strategic workforce planning and jobs brokerage platform, maximising free to use functionality and developing critical scale through a unified ecosystem of data sources.	<p>Accept in principle subject to further scoping.</p> <p>This is an important ambition. However, it will require significant digital investment and scoping. We would like to work with ITBs on potentially a sector-by-sector approach initially. The ITB activity in this area must align with (or be directed by) wider plans to establish Skills England which will lead on coordinating business, training providers, unions, and government to ensure a highly trained workforce. Consideration of this recommendation must recognise that ITB legislation extends to Scotland and Wales.</p>
6. A need for more strategic workforce planning.	6.3 This platform should link data driven future workforce demand modelling to the current workforce supply side picture via the digital competence register referenced in Recommendation 10 below.	<p>Accept in principle subject to further scoping.</p> <p>As above.</p>

Summary finding	Summary recommendations	Department for Education response
7. Overhaul work on attracting new entrants to the sectors.	7.1 The ITBs and subsequently the new body should, as part of a shift in focus, reduce its direct activity in new talent attraction and diversification whilst retaining its funding responsibility.	<p>Partially accept.</p> <p>This government is committed to improving careers advice in schools and colleges. We do however recognise that ITB attract activity is valued by industry so elements which represent good value for money should be retained and expanded to meet the government ambitions on infrastructure and the built environment. The ITBs must strike a careful balance between focus and spend on new entrants versus the existing workforce to be determined by improved workforce planning.</p>
7. Overhaul work on attracting new entrants to the sectors.	7.2 Retention is to remain a strategic objective as part of its priorities.	<p>Accept.</p> <p>Government analysis suggests that 80% of the 2030 workforce are in work today. It is right that training activity focus on those already in work and the system can deliver a more flexible approach to skills. This will be integral to increasing productivity and growth in the respective sectors.</p>

Summary finding	Summary recommendations	Department for Education response
7. Overhaul work on attracting new entrants to the sectors.	7.3 It should pass over control of all related careers and outreach collateral to industry for it to fully own, develop and drive in a way that it decides upon, most probably through a combination of external actors and employers. For construction, it is expected that CLC will provide leadership here whilst the new body provides funding as required.	<p>Reject.</p> <p>We agree that the CLC has an important role to play in this activity. However, ITBs must retain their role to ensure accountability to both government and their trustees.</p>
7. Overhaul work on attracting new entrants to the sectors.	7.4 In guiding any industry activity and indeed funding provided from the new body, attraction, diversity, and inclusion initiatives need to be better coordinated with much more of a single voice approach. Selected ambassadors should have an entirely new toolkit to help convey a compelling message to a more diversified audience creating a higher impact means of outreach. (Note: training for improved inclusivity and mental health within the existing workforce is deemed to be part of the broader competency led 'behaviour' requirement to be retained by the new body).	<p>Accept.</p> <p>Breaking down barriers to opportunity and making sure that there is no ceiling on the ambitions of young people in Britain must form part of the ITBs new SMART KPIs, to be developed with the OGD / ITB steering group. It is important that activity is impactful and measurable.</p>

Summary finding	Summary recommendations	Department for Education response
7. Overhaul work on attracting new entrants to the sectors.	7.5 It is expected that the separately recommended overhaul to career pathways should inform the evolution of tools such as Go Construct to make the industry's 'shop window' much more user friendly, identifying common pathways and specialisation options. This should be reflective of a more flexible spectrum of career opportunities all sitting within an overall coordinated structure.	<p>Accept.</p> <p>ITBs should continue to engage with IfATE (and in future, with Skills England) on the development of pathways, using their position to help coordinate the national picture, noting ITB legislation extends to Scotland and Wales.</p>
7. Overhaul work on attracting new entrants to the sectors.	7.6 Industry leaders need to continue to recognise the role their organisations and role models can play in assisting with this effort as part of their social impact and the wider futureproofing of their own industry.	<p>Accept.</p> <p>DfE and ITBs to continue to engage with industry through consensus, the Construction Leadership Council (CLC) and the Construction Skills Delivery Group (CSDG). ITBs must continue to engage businesses, trade unions, and local government to provide young people with better job opportunities and deliver the highly trained workforce that local economies need.</p>

Summary finding	Summary recommendations	Department for Education response
<p>7. Overhaul work on attracting new entrants to the sectors.</p>	<p>7.7 The need for specialist external media and communications sector support and its levy funding should be identified by industry. Activity in this area is not expected to be a variation on an existing theme if it is to be successful.</p>	<p>Accept.</p> <p>Specialist communications form an important part of the attract activity. Both ITBs should consider how they coordinate messaging with Skills England, DfE communications and Scottish and Welsh Governments, for instance through work with the Careers and Enterprise Service and Careers Wales.</p>

Summary finding	Summary recommendations	Department for Education response
<p>8. The entry pathways into both industries are dominated by a legacy of trade specialist and professional discipline silos with very linear and protracted qualification and progression routes that do not necessarily equate to true competency or reflect maintenance of competency on a whole career basis. There are also some job roles that don't seem to have adequate progression pathway alternatives and end up being career dead ends. This review has found that there is a question as to whether the current career pathway architecture is effective in maximising both the supply and retention of appropriately trained workers into the industry whilst optimising their utilisation and agility against a backdrop of often volatile demand fluctuations and changing technical requirements</p>	<p>8.1 The ITBs and subsequently the new body should in conjunction with government and industry, urgently redefine its role in leading and/or supporting a refresh of existing construction and engineering construction occupational and qualification standards and associated pathways.</p>	<p>Accept.</p> <p>Work on pathways is underway and ongoing. This work must help us to deliver a modern curriculum with high quality apprenticeships and other training routes, incorporating the competency requirements introduced by the Building Safety Act for those delivering the built environment.</p>

Summary finding	Summary recommendations	Department for Education response
As per summary finding 8 above.	8.2 A new pathway landscape should build off existing progress and potentially become more modular, unitised and matrix like with common elements and specialisation options. It should be the basis of a revised funding and grant offer from the new body to industry and redefine its relationship with providers.	<p>Accept.</p> <p>Work on modularisation is ongoing. Both ITBs appear to be aligned that work here should be taken forward to modernise the curriculum in order to reflect changes to working practice within the industry.</p>
As per summary finding 8 above.	8.3 The matrix should span the entire career journey from worker entry to exit, including better means of validating experience equivalence to formal qualifications and introducing micro-credentialed re-skilling & up-skilling requirements. This should all be linked to competency demonstration and maintenance.	<p>Accept.</p> <p>This is consistent with the recommendations above on modularisation and pathways.</p>

Summary finding	Summary recommendations	Department for Education response
As per summary finding 8 above.	8.4 This process needs progressive implementation in conjunction with DfE, Institute for Apprenticeships and Technical Education (IfATE), Ofqual and devolved administrations. It should aim to better align Occupational Standards, National Occupational Standards and allow improved additionality of funding between Apprenticeship Levy and ITB levy. It should result in much greater harmonisation between IfATE and the ITBs and seek the alignment of industry specific views on the true need for additional or conflicting roles and standards relative to IfATE's current occupational mapping.	<p>Accept.</p> <p>ITBs begin work shortly to work through occupational standards. The work should be strategically linked to competency requirements, skills passporting and wider aims to modernise the curriculum in line with business need. Engagement should also be undertaken with Scotland and Wales.</p>
As per summary finding 8 above.	8.5 The ITBs and subsequently the new body should also act as lead coordinator to maximise the use of Bootcamps, Local Skills Improvement Partnerships and other DfE funded programmes to assist meeting the new strategic objectives.	<p>Accept.</p> <p>Agree, this is consistent with the argument for greater diversification of provision. As above, this work must be undertaken in partnership with wider work to deliver Skills England.</p>

Summary finding	Summary recommendations	Department for Education response
As per summary finding 8 above.	8.6 For construction, the ITBs and subsequently the new body's interface with the Construction Leadership Council (CLC) should ensure current initiatives regarding competence, pathways and productivity are combined not duplicated, with lead and support roles agreed between relevant bodies based on capability, industry reach and leadership and that important voluntary initiatives are able to access funded resources from the new body as an engine room of implementation.	<p>Accept.</p> <p>Greater collaboration with CLC is broadly welcomed.</p>
As per summary finding 8 above.	8.7 Activity should also ultimately respect the requirements of regulated competency via the various working groups feeding into the Industry Competency Steering Group (ICSG) and the Industry Competency Committee (ICC).	<p>Accept.</p> <p>This is consistent with the ambition to improve our understanding of skills and occupational pathways and aligns with wider work to deliver Skills England.</p>

Summary finding	Summary recommendations	Department for Education response
As per summary finding 8 above.	8.8 Aligned effort is also needed to span the wider industry beyond current ITB scope using CLC convening power with of out-of-scope trade bodies and the like.	<p>Accept.</p> <p>Recognise the ambition for CITB to work with the CLC and industry trade bodies which are out of scope of the Industrial Training Act 1982 to ensure alignment across the wider sector.</p>
<p>9. Quality of provision is variable.</p> <p>There is insufficient currency and capacity of teaching relative to modern workplace expectations and new methods / regulations.</p>	<p>9.1 The ITBs and subsequently new body should take a leading role in the crucial task of developing and policing a fit for purpose training provider ecosystem which responds to the more flexible and effective pathway system as per recommendation 8.</p>	<p>Accept in principle subject to further scoping.</p> <p>Additional work is required to understand the impact of disruption on the sector if minimum standards are enforced.</p> <p>This government will transform Further Education colleges into specialist Technical Excellence Colleges. These colleges will work with businesses, trade unions, and local government to provide young people with better job opportunities and the highly trained workforce that local economies need.</p>

Summary finding	Summary recommendations	Department for Education response
<p>9. Quality of provision is variable. There is insufficient currency and capacity of teaching relative to modern workplace expectations and new methods / regulations.</p>	<p>9.2 Competence and workforce development specialists and experts should be engaged, including from other sectors to ensure this new offer is truly different whilst training for maximum long-term employability.</p>	<p>Accept.</p> <p>Collaboration with industry and union experts is welcomed to develop a range of training that industry need and for future workforce requirements.</p>
<p>9. Quality of provision is variable. There is insufficient currency and capacity of teaching relative to modern workplace expectations and new methods / regulations.</p>	<p>9.3 This provision should be reflective of a more future facing industry, but one also rooted in current industry practice to enable future proofing with immediate employability. The primary linked guiding theme for course development should be accelerating industry wide competency and productivity improvement in a more incremental manner using modules and units within a new pathway matrix as a currency of provision.</p>	<p>Accept in principle subject to further scoping.</p> <p>The implementation of this recommendation is underpinned by forecasting capability (itself being scoped) and the need to better understand the perceived tension between future versus current sector needs. Action in this area must be in alignment with developments around Skills England and the Industrial Strategy.</p>

Summary finding	Summary recommendations	Department for Education response
<p>9. Quality of provision is variable. There is insufficient currency and capacity of teaching relative to modern workplace expectations and new methods / regulations.</p>	<p>9.4 It is expected that there will be an increased element of digital tools and online learning techniques employed, appropriately assured, and policed, to allow speed and scale of impact. Similarly, there is an opportunity in this refresh to explore more workplace learning as opposed to remote classroom-based learning provided competence attainment is safeguarded.</p>	<p>Accept.</p> <p>CITB are already developing a digital learning tool and ECITB have initiated packages of digital learning. This work should be further enhanced in discussion with Skills England / IfATE to understand the desirable policy balance.</p>
<p>9. Quality of provision is variable. There is insufficient currency and capacity of teaching relative to modern workplace expectations and new methods / regulations.</p>	<p>9.5 A priority activity should be to train the trainers and assessors, ensuring current and near future industry practice alignment and the ITBs and subsequently new body should work with government to identify means of incentivising, adequately funding and ultimately attracting competent industry actors to make a career change and help enable this.</p>	<p>Accept.</p> <p>This government will bring forward a comprehensive strategy for post-16 education and ensure that there are more teachers and trainers in the skills system. ITB support for training trainers and assessors is key to meeting these priorities. We would strongly encourage both ITBs to further focus on and provide funding and support for activity in this area particularly with regards to a dual professional model. Consideration will be undertaken to recognise that ITB legislation extends to Scotland and Wales whom have distinct education and skills systems.</p>

Summary finding	Summary recommendations	Department for Education response
<p>9. Quality of provision is variable.</p> <p>There is insufficient currency and capacity of teaching relative to modern workplace expectations and new methods / regulations.</p>	<p>9.6 Industry leaders also need to increasingly recognise the role their organisations can play in assisting with this training effort alongside providers as part of their social impact and their own direct workforce development responsibilities.</p>	<p>Accept.</p> <p>ITBs should work with employers and unions on staff release schemes to support training. Scoping work should be undertaken in relation to a dual professional model.</p>
<p>10. Health and Safety cards need to be strategically enabled through greater collaboration, platform interoperability and unification, all underpinned by industry recognised competency standards</p>	<p>10.1 The ITBs and subsequently new body should play a central role in helping facilitate with other agencies an industry wide digital skills passport system. This should span the whole workforce, with accreditations, experience, qualifications, and resultant proven competencies registered and capable of being policed. It should look to maximise interoperability of existing card schemes, seek validation/refresh of their existing competency requirements and build critical scale through a connected digital eco-system.</p>	<p>Accept.</p> <p>This aligns with work on sector competence. Both ITBs are involved in similar strands of work. We would encourage them to develop lessons learnt to deliver skills passports over this review period. This work should be coordinated with activity undertaken by Skills England.</p>

Summary finding	Summary recommendations	Department for Education response
<p>10. Health and Safety cards need to be strategically enabled through greater collaboration, platform interoperability and unification, all underpinned by industry recognised competency standards</p>	<p>10.2 This platform should in turn link to the strategic workforce planning and brokerage tool identified in recommendation 6 above.</p>	<p>Accept in principle subject to further scoping.</p> <p>The ITB activity in this area must support wider plans to establish Skills England which will further coordinate business, training providers, unions, and government to ensure a highly trained workforce. We agree that workforce planning is important, and we will work with OGDs to explore how data can be shared appropriately to support this.</p>
<p>10. Health and Safety cards need to be strategically enabled through greater collaboration, platform interoperability and unification, all underpinned by industry recognised competency standards</p>	<p>10.3 This digital skills passport should be used to prove regulatory requirements and to assist what is hoped will be increased instances of client, funder or insurer led procurement and enforcement of requirements for minimum workforce wide competency.</p>	<p>Accept.</p> <p>Digital passports could drive improved skills consistency and baselining through behavioural change.</p>

Summary finding	Summary recommendations	Department for Education response
<p>11. There is currently a missed opportunity presented by both client procurement and the planning system to drive improved skills and training outcomes and to catalyse the changes set out in this review.</p>	<p>11.1 Public sector procurement should progressively support a move, in line with the wider construction skills transformation set out in this review, towards a whole of workforce competency mandate. This would require evidencing of minimum worker competency as a condition of individuals being able to work on publicly funded construction projects or be contingent on an upskill plan being implemented during a project to attain this.</p>	<p>Partially accept – subject to scoping and cost/benefit analysis. The Procurement Act is a legal framework, and it will be up to individual organisations to modify their social value practices. This is not in the ITB’s remit.</p> <p>The Procurement Act itself will not require contracting authorities to do any of this; it’s a legal framework and the social value policies that individual organisations put in place will help to deliver on this. Any changes to procurement conditions would need to be subject to further analysis of the costs and benefits, as it could potentially significantly increase the costs of all public sector infrastructure projects. Where these projects are delivered by local authorities, this would require a new burdens assessment.</p>

Summary finding	Summary recommendations	Department for Education response
<p>11. There is currently a missed opportunity presented by both client procurement and the planning system to drive improved skills and training outcomes and to catalyse the changes set out in this review.</p>	<p>11.2 Parallel to this, it is hoped that responsible private clients, investors, and end asset owners would emulate this move through discretionary procurement led mandating. The development of the national competence register set out above in recommendation 10 would be a key enabler of this transition.</p>	<p>Partially accept – subject to scoping cost/benefit analysis. The Procurement Act is a legal framework, and it will be up to individual organisations to modify their social value practices. This is not in the ITB’s remit.</p> <p>As above</p>
<p>11. There is currently a missed opportunity presented by both client procurement and the planning system to drive improved skills and training outcomes and to catalyse the changes set out in this review.</p>	<p>11.3 In addition, government’s Transforming Public Procurement programme and the application of the impending Procurement Act should recognise the wider benefits to the UK’s society and economy of workforce wide skills development, training and sustainable, higher quality, more productive employment. Contracting authorities can play a key role in driving the right human capital outcomes from publicly funded construction projects.</p>	<p>Partially accept – subject to scoping cost/benefit analysis. The Procurement Act is a legal framework, and it will be up to individual organisations to modify their social value practices. This is not in the ITB’s remit.</p> <p>As above</p>

Summary finding	Summary recommendations	Department for Education response
<p>11. There is currently a missed opportunity presented by both client procurement and the planning system to drive improved skills and training outcomes and to catalyse the changes set out in this review.</p>	<p>11.4 In relation to enabling better, more strategic workforce demand planning, government’s National Infrastructure Planning portal, hosted by The Planning Inspectorate needs to be integrated with a live version of the National Infrastructure and Construction Pipeline, sharing in one place a consolidated inventory of major projects and central, regional, and local government funded programmes. This all needs to have improved levels of detail and confidence level sensitivity updated in real time to show project status and funding commitment to assist industry in investing in people. This could then be reflected as a major component of the strategic workforce planning tool suggested in recommendation 6 above.</p>	<p>Accept.</p> <p>Government has committed to delivering better transparency and monitoring of the Nationally Significant Infrastructure Projects (NSIP) Regime. In scope is further exploration around the feasibility of integrating different data sources to effectively support industry resource planning.</p>
<p>11. There is currently a missed opportunity presented by both client procurement and the planning system to drive improved skills and training outcomes and to catalyse the changes set out in this review.</p>	<p>11.5 Overhauled model clauses for planning conditions should also be developed in conjunction with the recently updated National Policy Planning Framework (NPPF) to provide local planning authorities with fit for purpose and deliverable guidance on how more sustainable workforce outcomes can be created both locally and regionally which assist the construction industry and the economy.</p>	<p>Reject.</p> <p>This is out of scope of the ITB review.</p>

Summary finding	Summary recommendations	Department for Education response
<p>11. There is currently a missed opportunity presented by both client procurement and the planning system to drive improved skills and training outcomes and to catalyse the changes set out in this review.</p>	<p>11.6 In both instances above, the key need is to view workforce related social value outcomes in relation to improving the characteristics whole workforce not just mandating minimum numbers of new apprentices, minimum SME participation, local spend or the like.</p>	<p>Reject.</p> <p>This is out of scope of the ITB review.</p>
<p>11. There is currently a missed opportunity presented by both client procurement and the planning system to drive improved skills and training outcomes and to catalyse the changes set out in this review.</p>	<p>11.7 End client entities, not just employers from both engineering construction and construction should also form a much stronger part of the leadership and governance of the new body.</p>	<p>Accept in principle subject to scoping outcomes for recommendation 3.</p> <p>Recognise the value of ensuring that industry views are built into the governance of the ITBs and any new body.</p>

Summary finding	Summary recommendations	Department for Education response
<p>12. There is the potential for the new body to be sub-optimal in delivering against new strategic objectives due to its scope legacy.</p>	<p>12.1 DfE should, by exception, carefully explore and consult with industry on a modified legislative scope order, aimed at resolving the most obvious anomalies. These appear to be in new and emerging sectors in engineering construction and potentially in areas related to integrated mass building retrofit. This activity should focus on areas where out of scope sectors appear capable of improvement or realising synergies as opposed to interfering with fit for purpose out of scope skills systems.</p>	<p>Accept in principle subject to further scoping.</p> <p>This should form part of the scoping work alongside DfE, OGDs and industry. This work should be undertaken in co-ordination with wider reforms to deliver Skills England and the Growth and Skills Levy.</p>
<p>12. There is the potential for the new body to be sub-optimal in delivering against new strategic objectives due to its scope legacy.</p>	<p>12.2 Any consultations regarding scope augmentation should trade off potential wider catchment with levy rate reduction linked to a strategic funding and impact plan.</p>	<p>Accept in principle subject to further scoping.</p> <p>This should form part of the scoping work alongside DfE, OGDs and industry. This work should be undertaken in co-ordination with wider reforms to deliver Skills England and the Growth and Skills Levy.</p>

Summary finding	Summary recommendations	Department for Education response
<p>12. There is the potential for the new body to be sub-optimal in delivering against new strategic objectives due to its scope legacy.</p>	<p>12.3 There should also be consideration of a fairness adjustment on future levy liability for those employers who employ people both in and out of current scope but who are charged levy on their entire payroll.</p>	<p>Accept in principle subject to further scoping.</p> <p>This should form part of the scoping work alongside DfE, OGDs and industry. This work should be undertaken in co-ordination with wider reforms to deliver Skills England and the Growth and Skills Levy.</p>
<p>13. The ITBs are central government ALBs and required to comply with all financial control requirements. Crucial that compliance with spend controls is not impacted by unreasonable delay.</p>	<p>13.1 The ITBs and subsequently new body need to ensure and fully evidence that they meet all financial requirements of being ALBs of government. This includes an agreed Framework Document, Delegated Authority Letter, spend controls and functional standards.</p>	<p>Accept.</p> <p>Support this recommendation. Work is being undertaken with ITBs, Cabinet Office and HM Treasury to finalise relevant governance documents. This is in alignment with a wider commitment to focus on tough spending rules and long-term measures being introduced to restore public spending control.</p>

Summary finding	Summary recommendations	Department for Education response
<p>13. The ITBs are central government ALBs and required to comply with all financial control requirements. Crucial that compliance with spend controls is not impacted by unreasonable delay.</p>	<p>13.2 The issue regarding whether government has a role in approving the ITBs strategic/business plans should be resolved.</p>	<p>Accept.</p> <p>ITBs are accountable to the Minister who is accountable to Parliament. In line with the draft Framework Document, the Minister has a formal role in approving ITB strategic plans. While annual business plans are not subject to ministerial approval, ITBs have agreed to share these with DfE for the purposes of benchmarking annual spend. The Minister also approves levy proposals.</p>
<p>13. The ITBs are central government ALBs and required to comply with all financial control requirements. Crucial that compliance with spend controls is not impacted by unreasonable delay.</p>	<p>13.3 An SLA process should be implemented as part of the requirement for the spend controls to be implemented.</p>	<p>Accept.</p> <p>An SLA process should be established that minimises bureaucracy and reduces delays when seeking approvals for spend.</p>

Summary finding	Summary recommendations	Department for Education response
<p>14. There should be a clearer rationale for particular investment of ITB levy. This review would like to see further evidence of how evaluation and lessons learned are used more systematically in developing strategy and business planning. The latest CITB KPIs are mainly focused on transactions or outputs, rather than measuring the end impact or value added.</p>	<p>14.1 The review recommends that the ITBs and subsequently the new body do more to communicate to industry and government the rationale for investment in particular interventions. It should also set out what impact it expects an intervention to have, how this will be measured (incorporating into KPIs) and report on progress.</p>	<p>Accept.</p> <p>We welcome this recommendation and encourage the ITBs to engage with DfE as part of the next steps to ensure that they are adequately demonstrating Value for Money.</p>

Summary finding	Summary recommendations	Department for Education response
<p>14. There should be a clearer rationale for particular investment of ITB levy. This review would like to see further evidence of how evaluation and lessons learned are used more systematically in developing strategy and business planning. The latest CITB KPIs are mainly focused on transactions or outputs, rather than measuring the end impact or value added.</p>	<p>14.2 The ITBs and subsequently the new body should ensure their KPIs measure direct ITB induced cause and effect.</p>	<p>Accept. Noted above</p>

Summary finding	Summary recommendations	Department for Education response
<p>14. There should be a clearer rationale for particular investment of ITB levy. This review would like to see further evidence of how evaluation and lessons learned are used more systematically in developing strategy and business planning. The latest CITB KPIs are mainly focused on transactions or outputs, rather than measuring the end impact or value added.</p>	<p>14.3 The ITBs and subsequently the new body, should show more evidence of a systematic approach to using evaluation and lessons learned to refine future delivery to maximise value for money.</p>	<p>Accept.</p> <p>Work to refine activity to maximise value for money will be welcomed by both government and industry.</p>

Summary finding	Summary recommendations	Department for Education response
<p>15. There should be more transparency of the funding spent directly on training compared to that spent on the costs of running the organisation.</p> <p>It is important that levy is converted to skills investment and industry outcomes at an optimal rate.</p> <p>CITB also appears to be overly reliant on external consultants at present.</p>	<p>15.1 Although some data is provided in ITB Annual Report and Accounts, the ITBs and subsequently the new body should seek to meet a 5% efficiency saving target, and the post-review changes should yield savings of at least 5% from operational expenditure, in line with Cabinet Office guidelines. This should include a rigorous examination of the functional need for current staffing levels and propose ways to make significant savings. The CITB and subsequently the new body should seek to reduce reliance on external consultants.</p>	<p>Accept.</p> <p>This is a requirement for ALB reviews.</p>

Summary finding	Summary recommendations	Department for Education response
<p>15. There should be more transparency of the funding spent directly on training compared to that spent on the costs of running the organisation.</p> <p>It is important that levy is converted to skills investment and industry outcomes at an optimal rate.</p> <p>CITB also appears to be overly reliant on external consultants at present.</p>	<p>15.2 The ITBs and subsequently the new body should consider publishing clearer evidence of levy spend to show the split between funding spent directly on training and the costs of running the organisation.</p> <p>The review recommends that:</p> <p>a) the CITB and subsequently the new body should benchmark elements of spend, such as issuing grants against grant issuing or subsidy organisations and a comparator with industry averages within 6 months;</p> <p>b) the ITBs and subsequently the new body should work together to benchmark common elements of spend; and</p> <p>c) government should support the ITBs with benchmarking, including advice on suitable comparators e.g. using Cabinet Office’s public body benchmarking, which has eight grant issuing or subsidy organisations, to benchmark the ITB’s corporate service costs.</p>	<p>Accept.</p> <p>We welcome this recommendation and encourage the ITBs to work with DfE and Cabinet Office to develop suitable benchmarks.</p>

Summary finding	Summary recommendations	Department for Education response
<p>15. There should be more transparency of the funding spent directly on training compared to that spent on the costs of running the organisation.</p> <p>It is important that levy is converted to skills investment and industry outcomes at an optimal rate.</p> <p>CITB also appears to be overly reliant on external consultants at present.</p>	<p>15.3 The ITBs and subsequently the new body should continue to work with the department to agree appropriate levels of reserves that meet the requirements of the Charities Commission and HMT. The ITBs should provide regular reports on actual reserves in comparison to minimal levels of reserves to the department.</p>	<p>Accept.</p> <p>We agree and note the work both ITBs have done so far to reduce these.</p>
<p>16. The time lag between the activity of CITB's levy payers and their levy payment should be reduced.</p>	<p>16.1 CITB and subsequently the new body should make proposals to DfE on reducing the levy time lag between levy returns and levy payment as much as the current legislative arrangements allow.</p>	<p>Accept.</p> <p>Work is already underway. The DfE ITB sponsorship Team has been working with the CITB on potential 'closing the gap' proposals. Consideration of this will form part of the CITBs future levy strategy.</p>

Summary finding	Summary recommendations	Department for Education response
<p>17. There is an opportunity for more strategic engagement with government and with the devolved administrations.</p>	<p>17.1 The department should involve the ITBs earlier in strategy and policy development.</p>	<p>Accept.</p> <p>We agree that there is work to do to better engage ITBs with government policy development and delivery. We expect join up will become especially important given the recent political pivot to growth, infrastructure and housebuilding. We will seek to improve the situation as part of the next stage/ implementation and scoping work.</p>

Next steps and conclusion

The Secretary of State and Permanent Secretary would like to thank Mark Farmer for the leadership he has provided in preparing his review of the ITBs. Mark has devoted considerable time to this role alongside his many other responsibilities and considered how best the industry's future workforce can be supported and protected against a historic backdrop of little change. He understood the inevitable delay to publication brought about by the 2024 General Election and the subsequent change of government. He recognised the need for the report to be considered by this new, mission-led government, within the wider context of growing the economy and breaking down the barriers to opportunity.

The DfE has partially accepted or accepted in principle a number of the review's recommendations. This is because they are complex, are likely to require additional scoping of form and function, and in some cases, consultation with industry. Over the next twelve months we will be working with the ITBs, other government departments and the Devolved Administrations through a cross departmental steering group to scope the different ways of implementing the more complex recommendations. All of this will need to be carried out before final policy decisions can be made on whether to fully accept and implement the recommendations.

Although some recommendations will take time to come to fruition, others are already being considered by the ITBs and can be scaled up in quicker time (such as the ECITB's Skills Passport, 'Connected Competence', or the CITB's development of Competence Frameworks and Pathways which take a modular approach to training. Most recently, is the collaboration between the CITB and the National House-Building Council (NHBC) announced in November 2024, dedicating £140m to establish new Homebuilding Skills Hubs. The hubs aim to fast-track homebuilding training and apprenticeships, focusing on areas of critical industry demand).

Where activity can be delivered quickly, we will work with the ITBs to monitor delivery and evaluate impact.

The government will then, in line with recommendation one, evaluate the progress towards wholesale transformation of ITB priorities, capabilities and activity with the aim of updating industry on any changes to form or function well in advance of any structural reform. Hence, we actively encourage industry to remain engaged with the ITB day-to-day delivery of skills provision and the upcoming consensus processes whilst the review recommendations are worked through in greater depth. Both the CITB and ECITB will commence periods of consultation with industry in 2025 regarding levy proposals ahead of their official consensus 'vote'. This review reinforces that intervention due to market failure in skills provision remains necessary and that the levy-grant system should be retained. The DfE calls on industry to feed into their relevant consultations and consensus to shape future levy arrangements.



Department
for Education

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