

# Local training grounds

*The Construction Industry Training Board was last week criticised for failing to co-operate with the Government's new Training and Enterprise Councils. But will the councils be able to meet the industry's skills needs? Penny Guest investigates.*

NEXT MONDAY, 10 top executives will meet employment secretary Michael Howard to discuss training. Next month, 104 private sector representatives will see Prime Minister John Major, and the same subject will be on the agenda.

They are the chairmen and women of the 104 Training and Enterprise Councils of Great Britain, the private companies now in charge of handing out £3bn of public funds to training providers such as the Construction Industry Training Board.

With such high level political backing, the Government obviously wants to make TECs succeed. It is now nearly three years since the Conservatives published their radical white paper, outlining proposals to take financial control for youth and employment training away from the civil servants and put it in the hands of local employers (see box right).

Now, around 1200 private sector directors from companies employing 8 million people – 30% of the workforce – sit on TEC boards nationwide. Only 47 of them are from the construction industry – none of them from the smaller builders.

While there is cross-party

support in Parliament for the TEC initiative, the main criticisms concern lack of funding. With 500 000 more people on the unemployment register now than there were last summer, the training councils are struggling to cope. Another worry is that budget-conscious businesspeople will not spend money on expensive special needs programmes such as those for disabled people.

But there is one more group which claims it has special needs – the construction industry – and the CITB has been one of the strongest critics of the TECs.

This emerged last Wednesday afternoon, in a meeting of the Commons employment select committee. Six MPs heard evidence from David Dickinson, chairman of developer Stanhope Trafalgar and head of the London East TEC.

"The CITB saw TECs as a threat, an invasion of its territory. The board must reshape to deal with the new world. Dealing with the CITB will be one of the main tasks for my council this year.

"The TEC movement, in my opinion, is so important to Britain that it cannot be allowed to fail."

Speaking afterwards, Dickinson continued: "Cliff Chetwood [CITB chairman] thought the TEC movement was so fragile it would die away, but it has to be taken seriously. TECs are flexible. There was a period of confrontation, there must now be collaboration.

The CITB, itself on a three-year probation to prove its worth to a sceptical Government, is still having teething troubles with the TECs.

First, the board is hoping to gain funding for 14 000 youth

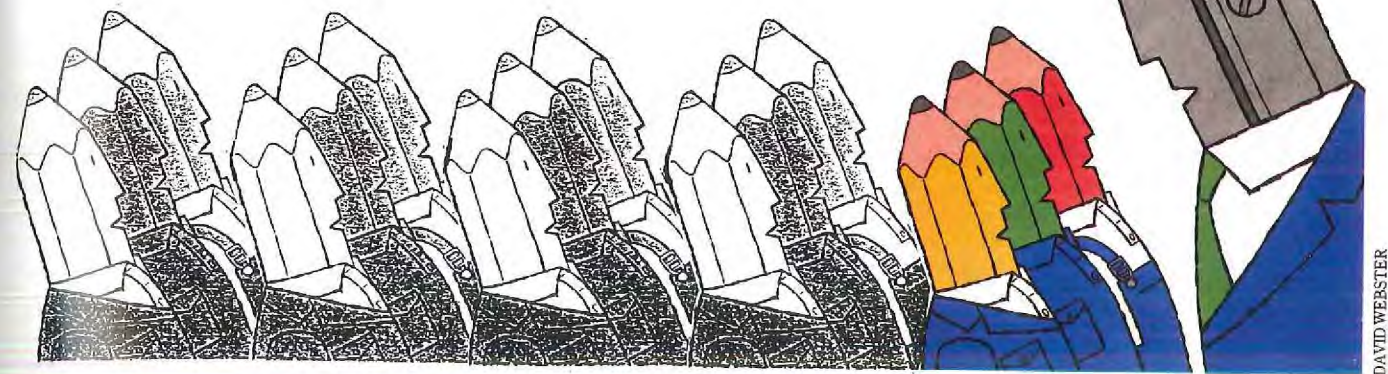
training trainees for 1991/92. Whereas formerly it would have signed a single contract with the Training Agency, now the board's 26 area managers have to negotiate 104 separate contracts with the individual TECs – competing with many other industries for the funds.

Second is the problem of payment. A trainee may live, go to college and have work experience in three different TEC districts, his employer may be based in a fourth. But the Government refuses to give a ruling on which TEC is responsible for paying the grant.

This question becomes more acute for the 3000 specialist construction trainees, such as steeplejacks and roofers, for whom there are only a few



**Ian Macinnon, London East TEC chief executive... frustrated by Department of Employment bureaucracy**



**Dennis Maiden, Federation of Master Builders... local training failing to meet national needs**



training centres available around the country.

Third, TECs are performance-related. Some may only hand over the grant to the CITB after the trainee has reached a required skills level, maybe after two years. So who pays in the meantime? The board certainly doesn't want to.

Christopher Laing, a director of Laing Construction, and also a board member of the London East TEC, says that specialist training must be undertaken by the employers or the CITB.

"It is entirely appropriate that the private sector addresses its own training needs. We know what we want. We envisage that TECs offer themselves as the training expert in its own area – if employers have a need they should come to us first.

"However, I don't believe that our type of training programme can ever provide specialists, it

will always be geared towards the general needs of the area."

TEC supporters argue that construction is not a special case. Big banks, building societies and retailers, they say, also have a scattered workforce.

This does not convince Dennis Maiden, director general designate of the Federation of Master Builders and former chief executive of the CITB.

"I don't know many labour-only bankers, do you?" he says.

"There will always be special problems for construction. The root difficulty with the TECs is that they could well suit the needs

of static industries, which can get their senior people on to the boards, but not an industry with a plethora of small firms.

"I am extremely worried – I don't believe the aggregate of local training schemes will make up our national needs.

"The industry has always underestimated skills needs during the good years and in recession, it is the CITB which undertakes the training."

The CITB is now pushing hard to get the views of local contractors across to the TEC boards. Douglas Shaw, the CITB's director of training, says the TECs won't pose a threat to the operation of the CITB's new entrant training programmes, which is largely YT based.

"The new situation is more of an opportunity than a threat, an opportunity for us to prove to local industry how adept we are at negotiating satisfactory deals for local training."

While the Labour Party is supporting the establishment of TECs, it has called for much greater accountability in the way public money is spent. Labour's training spokesman, Fife MP

Henry McLeish, is also sceptical regarding the basis of the TEC initiative.

"The Government got the idea from the United States, where similar initiatives were launched as part of a training bill. However, they were set up to deal with disadvantaged youth – no one suggested they would take over the world. And they had difficulty in attracting the right calibre of businessmen on to the board after a while.

"I suspect that cash from government will eventually dry up. That is not necessarily a bad thing, but the question is how quickly the burden will be passed on to the market place. There may be a hidden agenda of continuing cutbacks in the hope that the private sector will come into play – but the Government runs the risk of the employers not taking up the shortfall."

McLeish has one more point to make: "Construction may be in a better position than other industries as it still has the CITB to look at national implications. But I have no doubt that, under another Tory government, it will become a non-statutory body."

## TEC transfer: from civil service to private practice

IN 1988, the Government outlined radical plans for the future of training in the UK. It proposed handing over £3bn of public money a year to local businesspeople to determine their own skills needs.

Three years on, the 82 Training and Enterprise Councils in England and Wales, with a further 22 Local Enterprise Councils in Scotland, will all be operational by the end of 1991. Many are now negotiating to give funding to training providers such as the Construction Industry Training Board.

Each TEC is an independent company, with two-thirds of the

board of directors, comprising private sector employers at executive or managing director level, giving their time voluntarily. Their remit covers: Youth Training for school leavers; Employment Training for unemployed young adults; workplace training; and also providing support for new and expanding businesses.

Ian Macinnon is the chief executive of the London East TEC (LETEC) one of the largest in the country, covering six London boroughs and a working population of 530 000.

He took over in October after a career spanning training in

both the public and private sectors. One of his first tasks was to gently wean his 80 ex-Training Agency staff off the Civil Service into the commercial sector.

"I've had the office painted and reorganised. It used to be full of filing cabinets, suggesting that paper was the most important commodity."

LETEC now has an 11-strong board with top-level representatives from Coopers & Lybrand Deloitte, Stanhope Properties, Laing Construction, engineering union the EETPU and Redbridge Borough Council. One of the largest employers in

the area, Ford, is not represented: at the moment, the Government rules that either the chief executive sits on the board, or no one at all.

They meet once a month to determine the best way of spending the £26.5m budget, though Macinnon says this funding is set to double. "We must remember this is taxpayers' money, we have to combine the dedication of the public sector with the speed of the private sector. It is difficult launching in a time of recession but I don't spot a lack of enthusiasm, just frustration at the bureaucracy at the Department of Employment."