

EXPLANATORY MEMORANDUM TO
THE INDUSTRIAL TRAINING (FILM INDUSTRY TRAINING BOARD FOR
ENGLAND AND WALES) (REVOCATION) ORDER 2021

2021 No. 318

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Department for Education (DfE) and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 This instrument revokes the Industrial Training (Film Industry Training Board for England and Wales) Order 2007 which established the Film Industry Training Board for England and Wales (“the FITB”). This formally winds up and closes down the FITB.
- 2.2 Since the FITB was formed, it has never exercised its power to raise a statutory levy on the film industry. The FITB is not needed because training and skills development for the screen industries is being provided by a separate organisation, ScreenSkills, the industry-led skills body.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is England and Wales.
- 4.2 The territorial application of this instrument is England and Wales.

5. European Convention on Human Rights

- 5.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

6. Legislative Context

- 6.1 The FITB was established by the Industrial Training (Film Industry Training Board for England and Wales) Order 2007 under the provisions of the Industrial Training Act 1982 (‘the Act’).
- 6.2 Section 1 of the Act makes provision for the Secretary of State to revoke an industrial training order establishing an industrial training board (ITB) (by revocation order).

Section 4 of the Act provides that a revocation order must provide for the winding up of the relevant ITB.

7. Policy background

What is being done and why?

- 7.1 ITBs have operated in the UK since 1964. They can be established under the Act for the purpose of making better provision for the training of persons over compulsory school age for employment with the aim of addressing skills shortages due to market failures within the industry. The Act enables an ITB to raise a levy on employers in the relevant industry to meet its expenses in carrying out its functions.
- 7.2 The FITB was established in 2007 to ensure that England and Wales had workers with the skills to meet the needs of the film industry. When the FITB was formed, there was an understanding in the industry that its status would enable a statutory levy to be introduced as provided for under the Act.
- 7.3 A voluntary levy on studios and production companies producing films in the UK (the Skills Investment Fund) had been collected since 1999 by Skillset, the employer-led Sector Skills Council for Audio Visual Industries and a precursor to ScreenSkills. However, compliance rates with the voluntary levy resulted in insufficient funds available to meet all of the training needs identified by Skillset and industry. The intention was for the FITB to introduce a statutory (mandatory) levy to replace the Skills Investment Fund which would deliver a significant increase in funds available to invest in training in the sector, thereby enabling skills gaps to be properly addressed. The FITB would work alongside Skillset to deliver its training and education strategy and address the skills gaps identified by industry.
- 7.4 This statutory levy has never been pursued as there has been no appetite in the film industry to do so. ScreenSkills, which is set up as a registered company and a charity, has continued to collect and manage the voluntary levy which it pools with National Lottery funding, contributions from the Public Sector Broadcasters and awards from funding partners. Working with employers, individuals, trade associations, unions, learning and training providers, government and public bodies ScreenSkills develops skills and talent for the UK's screen-based creative industries.
- 7.5 A 2015 government triennial review of the ITBs recommended that the FITB did not need to be classed as a non-departmental public body for its functions to be carried out effectively and was in effect 'dormant'. An internal DfE policy review in 2018 made stronger recommendations that the functions of the FITB be subsumed into ScreenSkills to improve efficiency by consolidating training and skills support for the film industry in one organisation.
- 7.6 The FITB has never received any income or made any expenditure since it was established in 2007. It has never raised a statutory levy on the film industry. The FITB has reported to the Department for Education that it does not have any assets, liabilities or expenses.
- 7.7 Since the FITB has no financial transactions to report, a closing annual report and accounts will not be produced and laid before Parliament on wind up. Instead, the most recent Chair of the FITB Board has provided a signed statement confirming the FITB's financial position on closure. A copy of this statement will be placed in the House of Parliament libraries.

- 7.8 This Order will revoke the Industrial Training (Film Industry Training Board for England and Wales) Order 2007 which established the FITB and thereby formally winds up (closes down) the ITB. The wind up process of the FITB is largely complete, so the interval between the Order coming into force and revocation date is short (7 days).
- 8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union**
- 8.1 This instrument does not relate to withdrawal from the European Union.
- 9. Consolidation**
- 9.1 None.
- 10. Consultation outcome**
- 10.1 As required by the Industrial Training Act 1982, the Department for Education invited the main organisations and associations representing employers and employees in the film sector, including several involved in the original consultation to set up the FITB, to respond to a consultation on the future of the FITB. The consultation ran for 12 weeks from January – April 2020. It considered the success of the FITB and whether it still served an essential purpose.
- 10.2 In total 15 responses were received which is representative of an industry with a small number of organisations reflecting the key interests. Representations were submitted from large, medium and small enterprises within the film industry and on behalf of the devolved administrations.
- 10.3 All consultees who responded were supportive of the option of winding up the FITB. None of the organisations felt there were any functions that only the FITB could deliver. All respondents considered ScreenSkills to now be better placed to provide training and skills development to the film sector and that there would be no reduction in the current level of support as a result of winding up the FITB.
- 11. Guidance**
- 11.1 Guidance is not required.
- 12. Impact**
- 12.1 There is no, or no significant, impact on business, charities or voluntary bodies.
- 12.2 There is no, or no significant, impact on the public sector.
- 12.3 An Impact Assessment has not been prepared for this instrument because no impact on business is foreseen. The FITB has been inactive for a number of years so winding it up is not forecast to have any impact on the current skills support to the film sector.
- 13. Regulating small business**
- 13.1 The legislation applies to activities that are undertaken by small businesses.
- 13.2 No specific action is proposed to minimise regulatory burdens on small businesses. ScreenSkills will continue to provide training and skills development to the screen industries so small businesses should not experience any change in the current level of support available.

14. Monitoring & review

- 14.1 The Order does not include a statutory review clause as it is revoking the Industrial Training (Film Industry Training Board for England and Wales) Order 2007 in order to formally wind up (close down) the FITB.

15. Contact

- 15.1 Alex Birtwistle/Larissa Cesar at the DfE, telephone: 07780 903484/07770 544937 or email: Jobshare.Birtwistle-Cesar@education.gov.uk can be contacted with any queries regarding the instrument.
- 15.2 Roger Cotes, Deputy Director of Further Education Improvement and Oversight, at the DfE can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Gillian Keegan, Parliamentary Under Secretary of State for Apprenticeships and Skills at the DfE can confirm that this Explanatory Memorandum meets the required standard.