

Maritime Sector Footprint Study

Final Report to the Steering Group

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The Mackinnon Partnership

Research House, Fraser Road, Perivale, Middlesex, UB6 7AQ
Tel: 020 8537 3240 Fax: 020 8537 3201
e-mail: iain@themackinnonpartnership.co.uk
www.themackinnonpartnership.co.uk

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1. Introduction

- 1.1 In July 2003 The Mackinnon Partnership was commissioned by the Merchant Navy Training Board (MNTB), Port Skills and Safety Limited (PSS) and the Sea Fish Industry Authority (SFIA) to undertake a study described as defining the 'footprint' of the Merchant Navy, ports and harbours and the catching side of the sea fish industry and their relationship to the 'Skills for Business' network. More plainly put, this study is about what alternative arrangements maritime organisations adopt to address skills issues in the absence of a Maritime Sector Skills Council. *(For simplicity, we refer to these three organisations as "the core partners", we use "maritime", for the moment, as the shorthand for their shared area of interest, and we use 'Maritime Skills Alliance' to refer to a body which might result, though it would not necessarily use that title).*
- 1.2 The core partners have informal guidance from SSDA (Sector Skills Development Agency) that an application from them to be a Sector Skills Council (SSC) in their own right would be most unlikely to succeed, and they are consequently considering an alternative of creating a "Maritime Skills Alliance", outside the Skills for Business network and not holding SSC status, but still recognised by SSDA in some form.
- 1.3 This is our final report to the Steering Group for the project, following consultation with employers on proposals previously agreed with the group.
- 1.4 Our research has involved interviews with those aspirant SSCs which have some relationship with the maritime sector in order to identify what role they see themselves playing in the maritime field and to understand whether, and if so how, they see a place for a separate maritime skills grouping alongside SSCs.
- 1.5 We have also met with SSDA to understand current thinking on those sectors which are not likely to be covered by SSCs, at least in the short to medium term, and to identify how the SSDA might work with, and what it expects from, bodies such as the prospective Maritime Skills Alliance.

The 'Maritime Skills Alliance' concept

- 1.6 Following SSDA's steer on prospects for a Maritime SSC, the core members began with the presumption that all existing and planned SSCs had interests which were so different that they would not, in reality, be able to give sufficient expert attention to the unique skill needs of the maritime sector.
- 1.7 They therefore developed the possibility of a Maritime Skills Alliance which they saw as having the following potential benefits:
 - the ability to identify and deal with common skills issues;
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- more effective representation for each of the constituent parties than they could achieve on their own or as part of different SSCs;
 - a higher profile for the maritime sector, linking in with 'Sea Vision' as appropriate (*Sea Vision UK is the national campaign supported by some 60 organisations to raise awareness of the maritime sector in order to ensure that everyone in the UK realises how important it is to the economy and to generate interest in the varied range of maritime careers*);
 - a demonstration to Government and its agencies that maritime interests were co-operating on skills issues of mutual interest.
- 1.8 Members also took the view that a Maritime Alliance could help to ensure that "the absence of a sectoral SSC does not result in the maritime sector being seen by Government (including sponsoring departments such as the DfT as well as DfES) as being in a lower league than those that do", and hence avoid the risk that the sector was marginalised.
- 1.9 Members' first thoughts on the Alliance's role and activities were as follows:
1. develop and maintain 'maritime' national occupational standards of relevance to the ports, shipping and sea fishing industries;
 2. develop common training and qualification frameworks across the maritime;
 3. undertake assessments of the labour market and skill needs;
 4. influence the supply of relevant education and training;
 5. encourage the creation of a network of 'maritime' Centres of Vocational Excellence (CoVEs) based on the existing provider network;
 6. help raise the profile of the maritime sector, industry awareness, and careers promotion in conjunction with the Sea Vision UK campaign, a major initiative across the entire maritime sector;
 7. develop National Training Standards, agreed by the industry, delivered by accredited training provision;
 8. identify underpinning knowledge for relevant programmes and support materials, in partnership with FE/HE establishments and the industry, as appropriate;
 9. meet national and international regulatory requirements.
- 1.10 The original proposition was that membership of a Maritime Skills Alliance would be:
- Merchant Navy Training Board;
 - Ports Skills and Safety Ltd;
 - the catching side of the Sea Fish Industry Authority – recognising that SFIA is party to the bid to establish an SSC for the Food and Drink sector;

- leaving the door open to other appropriate maritime activities, as guided by this research.
- 1.11 SSSA agreed to support a study by the core partners to test the realism and appropriateness of this proposition, taking particular account of the views of employers in the maritime sector.

2. The Position of Core Partners

2.1 In this section we report our understanding of the position of each of the three core partners, which we derive from both interviews with their lead executives and meetings with their boards. Together they cover the following sectors:

the control, management and operation of harbours, ports and vessels associated with:

- *transport by sea of passengers, freight and petrochemicals in bulk (coastal, intra-European (short sea) and worldwide);*
- *leisure cruises at sea;*
- *cargo and passenger handling;*
- *catching and landing fish;*
- *supporting offshore exploration and production, surveying and other sub-sea activities.*

2.2 The **Merchant Navy Training Board** was recognised by the Government as a National Training Organisation and before that an Industry Training Organisation. MNTB in fact has a very long history as an autonomous arm of the Chamber of Shipping, and derives significant financial and other support from the Chamber which gives the Board some scope to explore alternative options in working with SSDA: it is by no means dependent on Government income.

2.3 We presented our findings to date to the Board of MNTB on 8 October 2003. The Board endorsed the emerging consensus that it should be party to a relatively informal alliance whose core members would be MNTB, PSS and SFIA, with initially ad hoc relationships with other maritime-related bodies. The Board was concerned to keep options open for the long-term and preserve the freedom of manoeuvre which MNTB has enjoyed, whilst still establishing a fruitful working relationship with SSDA. It therefore liked the concept of an "alliance", preferring it to anything more elaborate, at least in its initial stages.

2.4 The Board also considered the possibility of a more direct linkage between this prospective Maritime Skills Alliance and the Education and Careers Committee of 'Sea Vision'. Whilst not ruling out a link in due course, it concluded that the focus of the two was sufficiently different that it would be better for the moment to keep them separate, though clearly they would be expected to keep the other informed about their work. (Both PSS and SFIA agree with this conclusion).

2.5 The Board was keen that MNTB and its partners should press ahead and saw advantage in early action to establish the Alliance.

2.6 **Ports Skills and Safety Ltd** is the successor body to the former British Ports Industry Training, which was recognised as a National Training Organisation, and the former Ports Safety Organisation. PSS is an employer-supported and funded organisation, established on a voluntary basis, but with a core income which frees it from the dependence on Government income which became a difficulty for the former BPIT.

2.7 The ports industry has national occupational standards and N/SVQs in place for:

- Stevedoring, Level 2
- Marine Operations, Level 2
- Passenger Operations, Level 2

and national occupational standards for:

- Pilots
- Harbour masters
- Vessel traffic services.

2.8 We presented our findings to date to the Board of PSS Ltd on 17 September 2003. Like the Board of MNTB, the Board of PSS Ltd endorsed the emerging proposition, without hesitation, as the most promising means of PSS developing a good relationship with SSSA and maintaining its existing relationship with MNTB.

2.9 The Board stressed the value of maintaining simplicity in the arrangements for the Maritime Skills Alliance. It also recognised the importance of the core partners pressing ahead to demonstrate their combined value to SSSA, rather than waiting for any clearer steer from SSSA on arrangements for bodies not recognised as SSCs.

2.10 The **Sea Fish Industry Authority** is a levy-funded statutory body with wide-ranging responsibility for the sea food industry: catching, processing, retail and food service (including frying). SFIA was recognised as a National Training Organisation in its own right. The Authority has a policy of keeping the whole industry together and has joined with others to support the bid for SSC status for the Food and Drink sector. The 'catching side' of the industry is interested in an additional relationship with a Maritime Skills Alliance (it is important to be clear that this is seen as additional: there is no suggestion that the catching side would pull away from SFIA's commitment to the Food and Drink SSC, "Involve"). The catching side of the industry sees a uniqueness in what it does, based on three key tasks: navigating the vessel; locating the fish and catching the fish.

- 2.11 Beyond a central interest in joint Standards development work, staff of the Authority are also interested in the possibility that a Maritime Skills Alliance will give SFIA greater influence both in national skills debates and in working at local level with the Learning and Skills Council, Regional Development Agencies, and others.
- 2.12 MNTB and SFIA have a well-established relationship through which they have jointly developed a Qualification Framework for seafarers in the merchant navy and sea fishing industry. The framework is based on national occupational standards developed to meet the needs of both industries as well as the statutory competence requirements administered by the Maritime and Coastguard Agency. It provides the following National and Scottish Vocational Qualifications (NVQs/SVQs):
- Marine Vessel Operations, Levels 2, 3 and 4
 - Marine Engineering Operations, Levels 2, 3 and 4.
- 2.13 We presented our findings to date to SFIA's Fishermen's Training Advisory Committee on 1 October 2003. The Committee decided to convene an additional meeting (on 14 November) solely for the purposes of discussing this report and reaching a conclusion on it. Members were sceptical that the prospective Food and Drink SSC would adequately look after the training and skills needs of the fish catching industry. They were therefore interested in the possibility presented by the Maritime Skills Alliance, recognising the value of past collaboration with MNTB over standards and qualifications despite some clear differences between the sectors (such as the much larger scale of vessels managed by the Merchant Navy and the greater formality of their approach).
- 2.14 Discussions continue, but the heart of the Committee's approach is this. Members would much prefer there to a Maritime SSC in its own right. They favour working in alliance with the MNTB and PSS and are keen to explore all possibilities, but see the prospective Maritime Skills Alliance as a second best to a full Maritime SSC.

3. Defining the Maritime 'Footprint'

3.1 In this section we relate the coverage of the three core partners within the Maritime Skills Alliance to the SIC and SOC classification systems (Standard Industrial Classification and Standard Occupational Classification).

3.2 As is commonly the case, neither classification fits the maritime world very neatly, so we have added a comment to help distinguish categories which are unique to the maritime world from others (eg loading and unloading goods) which are shared. (Some distinctions are minor: partners do not propose, for example, that the Alliance will cover inland waterways, but the SIC and SOC codes make no distinction).

SIC Code	Description	Unique to MSA?		Comment
		Yes	No	
61101	Passenger Sea and Coastal Water Transport	✓		These codes exclude inland waterways and are therefore unique to the proposed MSA
61102	Freight Sea and Coastal Transport	✓		
6311	Cargo Handling <ul style="list-style-type: none"> - Stevedoring - Loading and Unloading of goods or passengers' luggage irrespective of mode of transport used. 	✓	✓	This code contains the unique category of stevedoring, and general cargo handling within any transport mode, shared with the logistics and passenger transport SSCs.
6322	Other supporting Transport activities <ul style="list-style-type: none"> - Activities related to water transport of passengers, animals or freight: - The operation of terminal facilities such as harbours and piers - Operation of waterway locks - Navigation, Pilotage and berthing activities - Lighterage, salvage activities - Lighthouse activities 	✓	✓	This code contains several unique categories (eg navigation and pilotage) . Operation of locks is clearly unique to the marine sector, but not claimed as unique here because the Alliance does not propose to cover <i>inland</i> waterways and hence inland locks. (The engineering side of all locks is covered by SEMTA).
0501	Fishing	✓		This code excludes inland fisheries and hatcheries (which are covered by Lantra) and is therefore unique to the proposed MSA

3.3 The table below covers occupations through SOC codes.

SOC Codes	Description
3513	Ship and Hovercraft Officers
8217	Seafarers (Merchant Navy)
1135	Personnel, Training and IR staff (sea and shore staff)
1161	Transport and Distribution Managers (marine, engineering and catering superintendents)
9141	Stevedores, dockers and slingers
5119	Agricultural and Fishing Trades

3.4 Over the page is a pictorial representation of the Alliance, and its relationship with prospective SSCs.

3.5 In the next sections we first outline our understanding of SSDA's position, then report the results of our consultations with related SSCs and prospective SSCs.

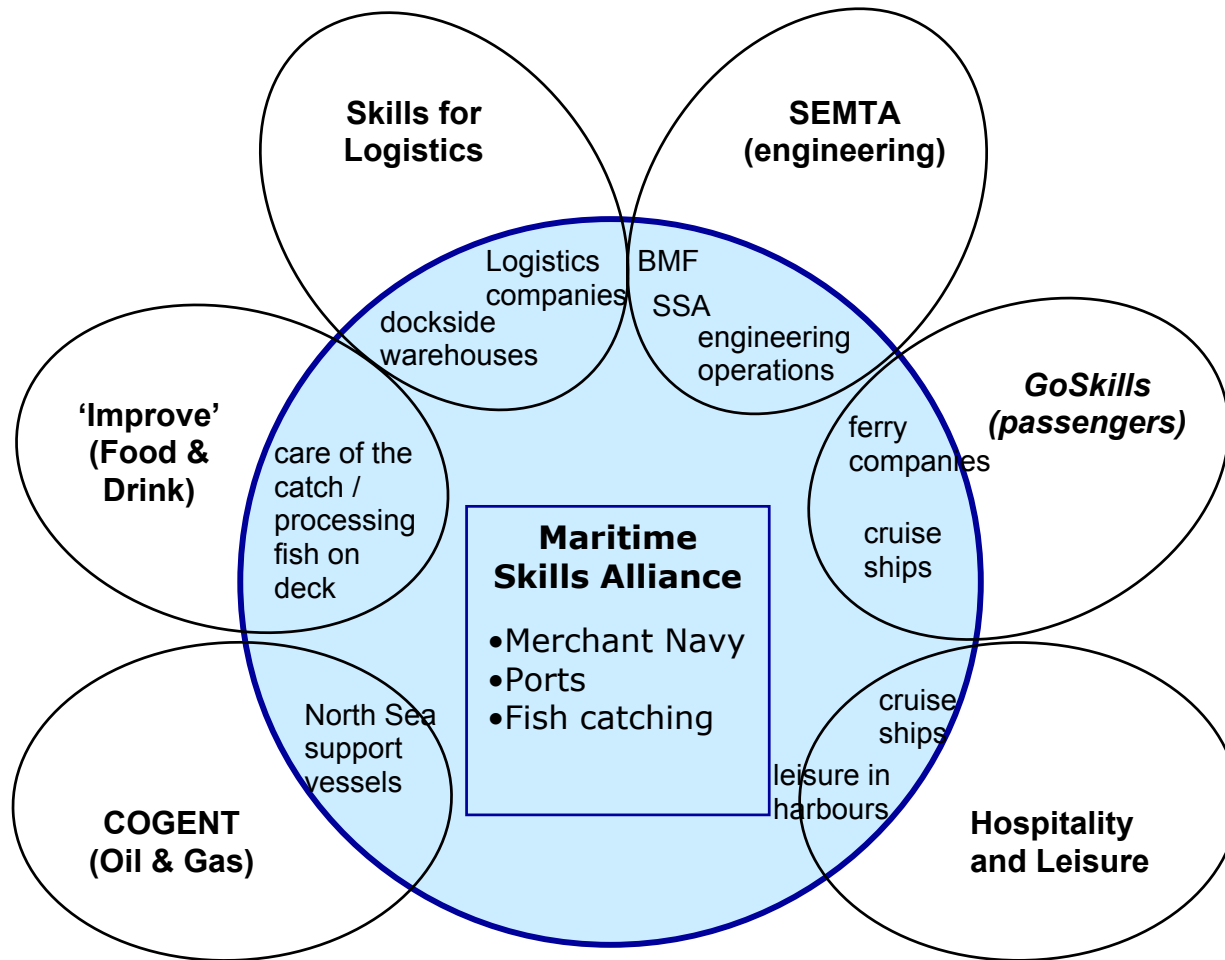


Figure 3.1: Relationship of the Maritime Skills Alliance with existing and prospective SSCs

4. Our understanding of SSDA's position

- 4.1 SSDA would prefer all sectors to link in with a recognised Sector Skills Council, and has an ambition that 90% of the workforce will be covered by SSCs. It recognises, consequently, that there may well be sectors for which coverage by an SSC is unrealistic.
- 4.2 SSDA is currently working with a number of aspirant SSCs and the expectation on all sides is that the final number of SSCs will be around 25. On current plans, this group of 25 or so SSCs will be 'the Skills for Business Network', which SSDA expects to have complete by summer 2004.
- 4.3 However, the Government has also made it clear in its recent Skills White Paper, that SSDA also has a responsibility to promote objectives similar to those of full SSCs in sectors which are not going to be covered by SSCs:

"In setting up the network, the SSDA is seeking to incorporate a role for those groups which do not themselves meet the criteria to form a separate SSC, but nonetheless have an important part to play in defining skill needs for particular areas of employment".

"21st Century Skills", July 2003

- 4.4 Current SSDA thinking is that organisations which are not SSCs but with which SSDA is working - ie the status which a Maritime Skills Alliance would hold - will not be "part of the Skills for Business network". SSDA has made no decision yet on how such organisations would be able to signal their recognition by SSDA, if at all.
- 4.5 SSDA, with strong Ministerial backing repeated in "21st Century Skills", has also made it clear that it will not compromise on the high standards which it requires of SSCs – and that leaves it with something of a dilemma.
- 4.6 If it makes the criteria for non-SSC membership of the Skills for Business network too un-demanding, it might win high penetration of UK business but at the price of threatening the integrity of the high standards set for SSCs - to say nothing of annoying organisations working hard to meet those standards which would ask why others could get some of the benefits of a relationship with SSDA with so much less effort. If, however, SSDA sets criteria for non-SSC members which are too demanding, it will threaten its market penetration ambitions.
- 4.7 Consequently, previous talk of recognising "expert bodies" has been dropped, and whilst SSDA has a generalised ambition to be inclusive, it appears not to have any more detailed plans for how it will recognise organisations as part of the Skills for Business network, but which are not, and do not plan to be, SSCs.

- 4.8 In practice, SSDA is working through these issues by pushing first to see how far sectors can be accommodated within the emerging network of recognised SSCs. Hence, for this study, SSDA is keen to know whether employers in the maritime sector are content to have their interests covered by prospective SSCs, or whether they identify a distinctiveness about their needs which requires some other arrangement – such as a Maritime Skills Alliance.
- 4.9 SSDA policy is evolving, however. It may be that other proposals currently before the SSDA Board will provoke some re-evaluation which has implications for the maritime group. It may also be that policy towards non-SSC members of the network does not substantially clarify for some time, in which case the core maritime partners will need to make decisions about their plans against a backdrop of some ambiguity and uncertainty.
- 4.10 If the latter is the case, our understanding of SSDA's position is that it will, in practice, work with organisations which support its aims and are otherwise useful to it in meeting its wider obligations, even if they are not formally working towards SSC status. In other words, whilst SSDA may be unable for some time to offer formal recognition, or define criteria for formal recognition, in reality the maritime partners can expect SSDA support, including financial support, for the right projects.

A Way Forward

- 4.11 In discussing the practical implications of this, SSDA indicated that it would be able to have a working relationship with organisations such as a Maritime Skills Alliance if the following applied:
- if the organisation is competent to undertake the project(s) for which it is seeking support
 - if it is financially sound
 - if employers are demonstrably engaged.
- 4.12 Partners to a possible Maritime Skills Alliance could expect nothing less: there is nothing in these requirements to which they should, or could, take exception.
- 4.13 Beyond these basic requirements, we understand that SSDA will not, at least on present plans, seek to impose further criteria on organisations wishing to work with it. It would not, for example, require a Maritime Skills Alliance contracting with it to be a legal entity, which opens the scope for simple arrangements such as that under which the current contract has been arranged, whereby one organisation holds the contract on behalf of the group.

- 4.14 Similarly, we understand that SSDA has in mind no quality assurance criteria as a basis for contracting with non-SSCs, and no set views on the breadth of the partnership which supports individual project proposals, *so long as employers are actively involved*. In other words, the core partners would be free to bid to SSDA without any pressure to draw in other partners for the sake of making a greater impact.

Particular comment on SFIA's position

- 4.15 One other comment is worth making at this stage about SSDA's position. We picked up some surprise that the catching side of the Sea Fish Industry Authority (SFIA) might consider detaching itself from the current commitment by SFIA to the SSC bid by the Food and Drink sector. The view was that whilst SFIA had committed to this bid as a whole entity, it might be thought to weaken the bid if part of the Authority had second thoughts and was seeking an alternative, during SSDA's consideration of the Food and Drink bid.
- 4.16 There is a misapprehension here. Whilst the catching side of SFIA is considering its options and interested to know what a Maritime Skills Alliance can do for it, there is no intention on the part of SFIA to weaken in any way its commitment to the prospective Food and Drink SSC. There is instead, a clear recognition that the best way to meet the unique needs of the catching industry might well be some *additional* relationship with a Maritime Skills Alliance. Testing the realism and practicability of that option is part of the purpose of the current study.

5. Related Sector Skills Councils

- 5.1 Given SSDA's interest in testing whether existing and likely SSC arrangements would be able to meet the needs and wishes of the maritime sector – in other words, testing whether there is a problem to solve – we asked aspirant SSCs with a likely relationship with the maritime sector for their views.
- 5.2 There are several SSCs which closely border or overlap with the ground covered by the core partners. These include COGENT (oil and gas sectors), 'Improve' (Food and Drink), SEMTA (science and engineering sectors), Lantra, Skills for Logistics, *GoSkills* (passenger transport) and Hospitality, Leisure, Travel and Tourism.
- 5.3 Sea Fishing is currently included in the footprint for the prospective **Food and Drink** SSC, 'Improve'. SFIA has kept 'Improve' informed about its discussions with other maritime partners and 'Improve' has no problem with the catching side of SFIA joining a maritime grouping, presuming that both the SSC and any maritime grouping worked closely together. In a similar vein, 'Improve' would expect the catching side to work with it and partners as appropriate in the broader Food Chain alliance which it is establishing with Lantra, the land-based aspirant SSC, to address common issues around primary production.
- 5.4 There is an even smaller potential overlap between SFIA and **Lantra**, where the latter has responsibility for aquaculture (for which it has been developing Modern Apprenticeships) and SFIA provides their safety training. The industry sector manager responsible for aquaculture thought the prospect of a Maritime Skills Alliance "particularly helpful" and promised Lantra's support.
- 5.5 **SEMTA**, the (already recognised) SSC for Science, Engineering and Manufacturing Technology, considers 'maritime' to be one of its sub-sectors. By that SEMTA means to include shipbuilding, boat-building and repair. The two key organisations which this definition covers from a maritime perspective are the Shipbuilding and Ship-repairers Association (SSA) and the British Marine Federation (BMF), which covers the leisure side of the sector. Both SSA and BMF were 'in scope to' EMTA when it was recognised as a National Training Organisation, and the core NVQs used by both are (S)EMTA qualifications. Both SSA and BMF were also party to the earlier study into a possible Maritime SSC, and we report below their current views now that they have made a commitment to SEMTA.
- 5.6 SEMTA's definition of 'maritime' does not, however, extend to the core interests of the MNTB, PSS or catching side of SFIA, and the SSC sees little overlap between its interests and sea-based activities. SEMTA is, however, a member of Sea Vision UK – the organisation set up to promote the importance of the maritime sector to the UK economy – and keen to maintain relationships in this field.

- 5.7 Shipping, ports and the sea fish catching sector also have a clear interest in marine engineering construction, operations, maintenance and repair, on which SEMTA leads. SEMTA will need to work closely with the Maritime Skills Alliance and its members to ensure that its competence Standards and qualifications meet the needs of the 'client' sectors which it serves.
- 5.8 SEMTA concludes that it would be happy to be involved with a Maritime grouping where it was appropriate and would see no problem with shipbuilding and marine employers getting involved in addition to their relationship with SEMTA. SEMTA suggests a relationship similar to the one which it has with the prospective Automotive SSC where they work together on supply chain issues.
- 5.9 For their part, both the SSA and BMF comment that SEMTA is taking its responsibilities to them seriously. They are therefore content with their relationship with this SSC, and also keen to develop an *additional* relationship with a Maritime Skills Alliance on matters of common interest. We explained the emerging model of an informal alliance with MNTB, PSS and SFIA as core, working ad hoc with others, and both organisations said that they are comfortable with this approach.
- 5.10 **Skills for Logistics** was established with a clear view that the logistics industry now transcends individual modes of transport - and consequently might be thought to cover both the Merchant Navy and ports. Indeed, Skills for Logistics had ports in its original 'footprint' (definition of coverage), though they have subsequently been removed.
- 5.11 Discussion over the last year has resulted in a working understanding that as the core interests in Skills for Logistics are land-based, the aspirant SSC would not seek to cover either the Merchant Navy or the 'wet' side of ports. That last distinction means that both Skills for Logistics and PSS Ltd see a difference between warehouse operations on a dock side, which both agree are no different in nature from warehouse operations anywhere else, and what happens on the water – ie the work of harbour management (including harbourmasters), tugs, stevedores working on board ships to unload them, and so on – which is very different from land-based work.
- 5.12 Many logistics companies are major employers in ports, and keen to manage the entire supply chain without unhelpful distinctions between transport modes, so where such a firm wants Skills for Logistics support on a 'maritime' issue, Skills for Logistics would want to be able to help. That said, Skills for Logistics would be happy to work with a Maritime Skills Alliance on common concerns and would also be happy for a maritime alliance to have an independent role: Skills for Logistics is not looking for a leadership role in the maritime field.

- 5.13 **GoSkills**, the aspirant passenger transport SSC, is seeking a broad base which covers all passenger transport, going well beyond the core of buses, coaches, taxis and private hire cars which was the business of the predecessor National Training Organisation, TRANSfED. It potentially therefore has a very clear interest in waterborne passengers, both sea-going and those using coastal ferries.
- 5.14 That said, GoSkills wrote to MNTB in July 2003 recognising that the Chamber of Shipping [and by extension, MNTB, which operates from within the Chamber] “is clearly an expert body so far as seafarers and their skills is concerned”, adding: “we do not seek a role in this area, but would expect to work closely with you on skills issues arising on the ‘landward’ side, if you leading employers were amenable and wished to be associated with GoSkills”. PSS Ltd has had a similar letter.
- 5.15 So, as with Skills for Logistics, the core of GoSkills’ current interests lies elsewhere and the aspirant SSC is content for there to be a Maritime Skills Alliance covering areas of expertise which it does not have, so long as the two bodies work closely together.
- 5.16 **COGENT** is the prospective SSC for the Oil and Gas sector. COGENT has a formal Memorandum of Understanding on training standards with the MNTB (and MCA), signed in July 2002, and has a shared interest in sea-going skills associated with the North Sea oil exploration and extraction sector, especially standards of safety training. These interests include the services provided by offshore supply vessels and emergency response and safety vessels, which are subject to the same regulatory regime administered by the Maritime and Coastguard Agency (MCA), including competency standards, as other types of merchant vessel.
- 5.17 Both MNTB and COGENT are keen that this existing relationship should be maintained – and see no reason why it should not be if a Maritime Skills Alliance is created.
- 5.18 COGENT told us that they do not regard themselves as a ‘maritime organisation’, and included no maritime occupations or employment areas in their bid to become an SSC. Beyond their enthusiasm to maintain the existing relationship with MNTB and MCA, COGENT sees no difficulty in the creation of a Maritime Skills Alliance. It would wish to be kept informed of developments and would participate as required.
- 5.19 The prospective **Hospitality** SSC would cover the hospitality, leisure, travel and tourism sectors, and overlap with maritime interest through passenger ferries, cruise ships and the leisure side of ports and harbours. This prospective SSC is working with some cruise companies in so far as they are, effectively, ‘tour operators’ – but sees no difficulty in the creation of a possible Maritime Skills Alliance.

5.20 In practice they, too, take a pragmatic view. The maritime sector “sits at the edge of the agreed footprint” for the hospitality and leisure SSC, as they put it. They would expect companies such as cruise companies to work with them on standards and qualifications for the leisure and hospitality side of their business – and with the Maritime Skills Alliance for the maritime aspects.

Comment

5.21 From the perspective of core partners interested in establishing a Maritime grouping of some sort, this looks very positive. SSCs with some overlap with a maritime interest are broadly positive about the prospect, so long as (a) there is continued discussion and joint working where that is the best way to proceed, and (b) the legitimate interests on SSCs are recognised and taken into account. Each does appear to recognise, however, that there is a core of a maritime interest which is clearly distinct and indeed beyond its core competence.

5.22 None of these prospective SSCs is attempting to woo the maritime sector or include them within their own ‘footprints’.

5.23 Our only qualification would be that some of the comments made to us were prefaced by a comment such as “at least until the network is established” – recognising that new options may emerge once the full ‘Skills for Business’ network is established, and once SSSA has clarified its position on working with organisations which are not full SSCs. That timescale gives a Maritime Skills Alliance at least a year to establish itself.

5.24 In the final stage of the project we tested these responses with employers, whose reactions we report next.

6. Consultation Responses

6.1 In this section we report the views of those employers whom we contacted directly, rather than through the core partners. (Given that self-employment dominates the fish catching sector, we consulted through their training committee, and reported its views above). We also report the views of others whom we consulted: the two regulators (the Maritime and Coastguard Agency and the Health and Safety Executive), the South West Regional Development Agency, and others.

Employers

6.2 In summary, employers in all three sub-sectors approved the core propositions that that the three sectors should work together and that they had a unique need in the skills field which would be better served by a unique body than by any of the existing or planned SSCs.

6.3 Everyone agreed that SSDA's structure allows companies to work with several SSCs at the same time, and as they were not being forced to choose just one partner, the issue resolves itself into a question of whether there is something different about maritime skills which mean that they are not adequately covered by any other party. Everyone agreed that this is the case: maritime skills are unique.

6.4 Some of our consultees saw the matter tactically. One spoke of a Maritime Skills Alliance as the best way to "play the game" and others essentially took the view that they should follow the best judgement of MNTB, PSS and SFIA which were closer to these matters.

6.5 Several held views quite close to those of the fishermen, regretting that SSDA appears to have closed the door to there being a Maritime SSC in its own right. A couple showed interest in the Alliance partners opting for a 'silver status' alternative should SSDA create one alongside the 'gold status' of full SSC recognition.

6.6 The prevailing mood, however, was to "get on with it", conscious that decisions need to be made in "uncharted waters", as one shipping company put it, and that by making a success of the Alliance the partners might help to open up new options.

6.7 We report detailed comments under various headings, starting with the core question of whether or not the maritime sector could be 'looked after' by any existing or prospective SSC.

Linking with other SSCs

- 6.8 We deliberately interviewed employers with possible interests in the logistics, passenger transport, engineering, oil and gas, and hospitality and leisure SSCs. **None** of the employers we consulted felt that any of the existing or proposed SSCs would adequately cover their skills needs. Some were actively opposed to such a prospect.
- 6.9 A typical comment from a ports employer is that whilst it is possible to see a link with logistics, in reality "ports are completely different to something like road haulage". They have more in common with shipping companies than anything else. Another said: "The bulk of what we do is marine. ... I don't see any of my staff as logistics staff". (This particular port - which has no dockside warehouses and contracts out stevedoring, towage and most craneage - employs c130 people and the largest group have marine skills, with engineers the next largest).
- 6.10 One major port operator whom we consulted has joined the Freight Transport Association (which is a leading supporter of Skills for Logistics), to attempt to influence them that ports are a major part of the logistics chain, but they get little attention – which prompts this port to fear that if the sector joined a Logistics SSC, "we'd be a small goldfish in a large pond".
- 6.11 This was a common theme. One ports employer spoke of his fear that the sector would "get swamped by the needs of lorry drivers" and a shipping employer used similar words, saying that they would "get swallowed up by Logistics". The views were strongly held: one said it would be "a huge mistake" to get involved with the Logistics SSC.
- 6.12 Shipping companies with passenger and hospitality interests took the view that the relevant staff would no doubt work with the respective SSCs, but that none of the SSCs could reasonably be expected to look after maritime skills issues.
- 6.13 One major shipping line with very large scale interests also in road haulage saw no coherence between the two sectors, which come together in this particular group only at Chairman level. Apart from relatively insignificant training (such as lower level management courses like time management, where the two companies share resources to save costs) there is no shared approach to skills issues, and the company sees no value in such an approach.
- 6.14 The shipping representatives we consulted acknowledged that outsiders could see them as part of the logistics (or passenger transport) supply chains – but all argued that the maritime world, and maritime skills, are quite different.

- 6.15 We spoke to two Aberdeen-based companies providing services to the oil and gas industry in the North Sea, and both were very clear that they are part of the maritime sector, not oil and gas.
- 6.16 One commented that they see far more similarity between themselves and the fishermen than they do between themselves and the oil and gas industry. They also emphasised the “one off” nature of the certification structure which applies to the maritime sector, and the lack of interchangeability with certificates issued to those operating rigs. One of the firms employs just four people on-shore in head office, running three supply vessels, each of which has two crews of 11, all of whom need sea-going skills. Whilst their customers are in the oil and gas business, the companies are very clearly, in their judgement, maritime companies.
- 6.17 A further issue for one company is that the oil and gas industry “steals” some of its best people. In an environment of skills shortages, the last thing this employer wants is to get closer to companies which poach (for better pay) fully qualified Masters and other crew.
- 6.18 Our own comment here would be that no doubt the SSCs could offer various responses to some of these comments, which are clearly made in the absence of any ‘sales pitch’ by them – but the absence of such a pitch is, in itself, significant.

Why do it at all?

- 6.19 Everyone agreed that there is work to do in the skills field in the maritime sector (one board member of a core organisation added that whilst their agenda is a serious one, they do not need big sums of money).
- 6.20 Suggestions included development of occupational standards, labour market information, developing consistency (and economies of scale) in responding to the new need for security training (with a side comment that the logistics sector would be much less affected), a review of qualification and certification requirements which no longer meet the needs of offshore companies, increasing scope for fishermen and ex-Royal Navy personnel to transfer across to the Merchant Navy and development of career development approaches rather than simply relying on mandatory training.

Views on prospective partners (ie within the Alliance)

- 6.21 The common view was that the Alliance is a tactical response to the situation in which the core partners find themselves, so it is not surprising that all interviewees took an essentially pragmatic approach to who should form the Alliance.

- 6.22 No one objected to the proposition that it should begin with the three core partners: MNTB, PSS and SFIA, and no one made a case to include others at this stage. Everyone agreed that others should be invited in as appropriate for particular projects.
- 6.23 A couple of shipping employers said that they felt closer links with the fishermen than with ports. One port employer commented that SFIA is an important partner as they are a significant presence in ports.
- 6.24 Another port employer offered the view that the ports have a good deal in common with shipping companies as there are many people who work in ports who have a maritime qualification and maritime experience. Careers are often divided between early years at sea and later years in a port.
- 6.25 One shipping employer, commenting on the possibility that the Royal Navy might become a partner, said that whilst there are clear similarities, the culture and pressures are very different. For example, whilst the private sector fits training in round a job, the balance of time is the other way around with the Navy: they are usually training, in preparation for occasional bouts of action. He also wondered if there might be a complication in attracting funding if the Royal Navy was a core partner, because the Treasury might consider this double-funding.
- 6.26 Another shipping employer wondered if the City (ie "Maritime London") might be involved, but added that apart from Sea Vision it has proved very difficult to get Maritime London involved in MNTB and related activities.
- 6.27 Last, one other shipping employer, presuming that he is a "lone voice", wondered if there is any synergy with air transport (which is currently within scope to GoSkills, the passenger transport SSC). Air transport has some of the same problems (such as security), similar relationships (with Customs and Excise for example) and similar logistical aspects to the role.

Influence

- 6.28 We heard three different views. One, that a Maritime Skills Alliance should attempt to influence Government and others (eg Regional Development Agencies), with the implication that it would be able to do so. Second, a doubt whether the Alliance would have a strong enough voice to take on this influencing role. And third, that whilst influence is required, existing organisations – and not least the Chamber of Shipping – are well-placed to continue that role, so there is little to be gained by attempting influence through a new body.

Structure and operations

6.29 Everyone who commented agreed that the proposed approach seems sensible. It keeps costs down and allows flexibility to change tack as experience and circumstances dictate. One interviewee commented that “there needs to be someone looking for money”.

Regulators

6.30 We interviewed both MCA and HSE, in both cases seeking the views of well-informed individuals. What follows therefore includes some comments by those two individuals which they intended to be helpful to this enquiry, and which do not necessarily represent formal statements of each organisation’s position.

6.31 Roger Spence, acting director of MCA (Maritime and Coastguard Agency) responsible for health and safety nationally, offered his support for a Maritime Skills Alliance if it is the judgement of the core partners that such an Alliance represents the best opportunity available for them. In the absence of the option to become a full SSC, he judges this alternative to be the best available. He wondered however whether an informal Alliance would have a loud enough voice, and would be well enough placed to draw in funds for skills work. Presuming that an Alliance goes ahead, however, MCA offers its support, asks to be kept informed and to have the chance to input from an early stage.

6.32 MCA has a Memorandum of Understanding with HSE on how the two organisations work in maritime areas, based on health and safety requirements which are designed to “mirror” each other within their respective spheres of interest. The key distinction is that if a vessel puts down its own gangplank in a port, it is covered by the MCA, and if the port uses its gangplank, HSE has responsibility. Similarly, if the ship’s crew acts in a way covered by health and safety legislation, MCA is responsible, but where port employees work on board ship, HSE has responsibility. Although the two organisations keep the Memorandum of Understanding live and it is revised to take account of new circumstances, Roger Spence offered the view that this set of arrangements is unique and inevitably complex.

6.33 A further degree of complexity for the Merchant Navy, in Roger Spence’s view, is the need to be familiar with international law and to be aware of the different health and safety regimes in different ports (some of them more demanding than the UK’s).

6.34 Tim Galloway from HSE’s Docks and Air Transport Unit commented that his organisation could not be seen to be undermining the stance of a sister Government agency [SSDA], but if neither Skills for Logistics nor GoSkills are keen to look after maritime interests, and both the partner organisations and the employers they represent favour a Maritime Skills Alliance – then HSE would willingly support them and support the Alliance. Tim’s only anxiety was that the Alliance should not in any way weaken Ports Skills and Safety Ltd, of which HSE is very supportive.

Others

- 6.35 Three of the Regional Development Agencies in England – those covering the South West, South East and North West – have particularly strong interests in the maritime sector and met recently (late November) at the Chamber of Shipping. We followed up with Adam Corney, who runs 'Maritime South West'. He was positive about the prospect of a Maritime Skills Alliance and offered his support. His organisation defines its interests in such a way that the leisure sector (represented by BMF) is prominent and Adam would clearly welcome any move to involve BMF in the core group for an Alliance, though he did not press the case (and agreed with BMF's view that SEMTA has recently worked hard to ensure that it caters well for BMF's interests).
- 6.36 One side detail is worth recording. Maritime South West published a report in July 2003 commissioned from Plymouth University which shows that the marine sector in the South West region employs no fewer than 32,000 people. If similar work was done across the whole UK, perhaps the sector would not be so far away from the SSDA's target of 500,000 employees.

Comment

- 6.37 One comment – which we were asked not to attribute – was that a Maritime Skills Alliance risks repeating the weakness attributed to the former National Training Organisations, namely that it might be too small and too poorly resourced to make the difference it wants to make. This individual went on to wonder whether the partners might not be better off casting their lot in with an SSC, which would offer them a more appealing share of substantial resources and access to the SSC's larger and broader-based staff team. This comment was presented as a question, rather than pressed as a recommendation.
- 6.38 The same individual offered a further view that if SSDA was to create a new formal category below that of SSC - a First Division to complement the existing Premier League, in the metaphor used by the SSDA - then this option might well be the best way forward for the maritime partners.

7. Conclusion and Recommendations

Conclusions

- 7.1 The central proposition of the core partners, MNTB, PSS and SFIA, that in the absence of a Maritime SSC, a Maritime Skills Alliance offers the next best alternative, is widely supported and has held up to widespread scrutiny. Where consultees doubt it, it is the founding assumption they challenge, namely that there is to be no Maritime SSC. Tactics vary. Some clearly accept SSDA's view and look for the next best alternative. Others wonder if SSDA's view can still be challenged, or whether there is not a 'silver status' option to be carved out alongside the 'gold status' of full SSC recognition which is the only option offered by SSDA so far.
- 7.2 The Steering Group and core partners' boards may want to consider tactics further, including the possibilities of pressing SSDA either with a full SSC bid, or for a new 'silver' status. With an eye on more immediate possibilities, this debate need not affect a decision to establish a Maritime Skills Alliance. The dominant view of those who commented on this aspect was that partners should get on and set up the Alliance now, as it would only strengthen their hand for the future and could not weaken it. Given the overwhelming support for the Alliance proposition, we endorse that view.
- 7.3 The argument for a Maritime Skills Alliance is this. No existing or prospective SSC has sought to embrace the maritime sector, and none of those whom we consulted, or the core organisations, believes that the unique nature of the maritime sector would be adequately covered by any of those SSCs. All agree that there are skills issues to be addressed and that there are opportunities to grasp which are better grasped in alliance than by any of the core partners acting in isolation. All agree that an informal alliance set up now opens up those opportunities without closing off any which might arise as circumstances develop. (On this last point, one of the fishermen's federations wanted to be sure that establishing an Alliance now would not weaken their position if partners were able to set up a full SSC later).
- 7.4 The only significant doubt expressed was that the Alliance might not be powerful enough or have a loud enough voice. We recommend the Steering Group to discuss this. Our view is that influence within or on behalf of each of the sectors will continue to be best done by MNTB, PSS and SFIA acting alone, and that it is credible that influence with other parties outside the maritime world can be at least as well done by a dedicated Maritime alliance as by any of the SSCs acting on behalf of the core partners, especially as none of the SSCs has sought the role.

- 7.5 In other words, to illustrate this distinction, if PSS wants to influence employers, or the Department of Transport, or the Scottish Executive, about matters relating only to ports skills, then it and its immediate allies are already well-placed to do so: the Maritime Skills Alliance will probably add little to the case. If, however, PSS wants to influence a body outside the ports world, such as a Regional Development Agency in England or the Welsh Development Agency, it might very help it to work through a higher profile Maritime Skills Alliance – and the specific focus on maritime matters would be at least as helpful as the rather louder voice of a less-focused SSC acting for ports.
- 7.6 In terms of organisational design, the core partners are agreed that any maritime skills alliance which results from this initiative should be streamlined, avoiding unnecessary bureaucracy and administration costs. "Keep it simple" was a central message to us in our interviews with core partners, repeated at the Steering Group meeting on 16 September 2003, and in individual partners' board meetings.
- 7.7 Each of the three core partners has re-stated its interest in joining a Maritime Skills Alliance consisting principally of the three: ie MNTB, PSS and SFIA. Drawing on our private conversations with each core organisation, we are confident that each has thought through very clearly the implications for itself of joining such an alliance – and that consequently the foundations for such an alliance would be strong.
- 7.8 The Fishermen's committee is working its way through its doubts about the approach, but those doubts are not about the value of alliance with the Merchant Navy or ports. If anything, the fishermen are arguing that the Alliance does not go far enough, not that it does something either wrong or unnecessary. We presume that SFIA would not feel able to join an Alliance until these doubts are resolved, and recommend MNTB and PSS to encourage them to do so sooner rather than later.

Recommendations

- 7.9 On the basis of the research we have done on your behalf, we recommend the core partners to set up a Maritime Skills Alliance.
- 7.10 We also recommend you to debate further whether you want to press SSSA on the prospects for becoming a full SSC, or to make the case for an additional 'silver' status below full recognition as an SSC.
- 7.11 We recommend the following structure and approach:
- a core membership comprising MNTB, PSS and SFIA;

- operating as an “unincorporated association”, ie not a legal entity, contracting with SSDA for project work through one of the partners. This need not be the same organisation every time, but it would be more efficient to manage business that way, and would minimise the risk of some administrative difficulty disrupting working relationships with SSDA;
- the Alliance should have its own identity, at least in the minimalist sense of its own notepaper and a correspondence address. We see no particular advantage in the Alliance setting-up its own website, or investing in any other infrastructure at this stage;
- experience elsewhere suggests, however, the value of the Alliance having a modest Secretariat, so that others can easily contact it and to ensure that work taken on is professionally and efficiently discharged. No partner wants this to grow into a bureaucracy, but a modest annual subscription (perhaps £5,000 each) would enable the creation of an effective part-time Secretariat;
- tactically, the three core members would not widen membership initially, seeking instead to build some momentum and establish a track record together (including with SSDA), after which it would be much easier to go to potential additional members with a fully worked-up proposition than it would be now. Simply put: start with three; succeed, take stock;
- at some stage in the future, other organisations could be invited to join the Alliance as core members. The clearest shared interest is with the Royal Navy – which uses sea-going skills similar to those of the Merchant Navy, though for different purposes – and the SSA (Shipbuilders and Ship-repairers Association) and BMF (British Marine Federation). Beyond them, the Maritime and Coastguard Agency is most commonly mentioned, primarily because of its role as a regulator, and its consequent ability to influence skills investment through defining mandatory training or competence requirements;
- the wider Maritime Skills Alliance could, however, remain tightly defined for the long term, with the same core of three members and a much wider group beyond it, as below. Through maintaining some relationship with a wider membership, the Maritime Skills Alliance would be better placed to create ad hoc alliances which would strengthen individual projects, and better placed to impress SSDA (and others, notably Regional Development Agencies) that it could legitimately ‘speak for’ the wider maritime community on skills issues – *so long as* the cost of maintaining the wider relationships could be kept small. (In practice, the Alliance could probably avoid duplicating effort on maintaining contact with this wider group by working closely with the Sea Vision team which already works with the core partners to this study, and which has an extensive contacts database);

- the Alliance should take the initial list of areas for possible joint action and create an initial programme of action for which it can seek funding from SSDA and others (eg QCA, Qualifications and Curriculum Authority).

