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## Employer Training Pilots

The Learning and Skills Council (LSC) is leading a £40 million pilot project to encourage a wide range of employers to give low-skilled workers paid time off work to take free education and training courses.

The LSC aims to support an estimated 2,500-3,000 employers and up to 25,000 staff who lack basic skills or vocational qualifications at level 2 – roughly equivalent to GCSE level – through the 'Employer Training Pilots' project.

The pilots will reimburse the wage costs of employers that agree to allow workers to attend courses during working hours.

Research suggests that a key barrier to employers training their low-skilled staff is the cost of giving them time off to study. Surveys also show that employees, especially those with low skills, blame lack of time due to work as a barrier to learning.

The pilots are designed to address both these issues. They will evaluate whether employers can be encouraged to train employees if they are subsidised for the cost of giving them paid time off work to study.

The project will also examine whether people are more likely to train if they can study during working hours.

The pilots are due to begin in September 2002 and run for a year in six local LSC areas:

- Birmingham and Solihull
- Derbyshire
- Essex
- Greater Manchester
- Tyne and Wear
- Wiltshire and Swindon.

Firms and other organisations from the private, public and voluntary sectors are being encouraged to join the scheme.

It will reimburse employers and provide extra financial support for small firms taking part.

It will also provide free or low cost assessment, training and accreditation for people who work towards recognised qualifications – including basic literacy, numeracy and English as a second other language (ESOL) – up to National Vocational Qualifications at level 2.

Free information, advice and guidance will be provided to employers and staff.

The pilots were announced in the April 2002 Budget following a commitment to consider using the tax system or other mechanisms to encourage increased workforce training, which is vital to the nation's economic performance.

### Acquiring new skills

They will gather evidence that may be used in any national roll-out of a scheme to encourage working people to acquire new skills and employers to raise their performance through workforce development.

The pilots are aimed at small employers with fewer than 50 staff, medium-sized employers with between 50-499 and large employers with workforces of over 500 staff.

A particular focus is to encourage participation by small employers not currently engaged in training their employees. They are more likely to have poorly-qualified employees and are considered 'hardest-to-reach' by conventional training programmes.

The pilots are likely to involve a higher proportion of mature workers, as young people generally have better access to training.

The six local LSCs will work with partners, including Business Links, colleges and other learning providers, to identify employers for the scheme and assess skills in their workforces in order to attract employees for training.

Local LSCs and their partners aim to devise dedicated and flexible training programmes best suited to employers' and employees' needs.

They will include tailor-made courses at colleges and other training providers. These may be in the workplace or on industrial estates or business parks where participating employers are based.

The aim is to develop innovative ways to facilitate training.

Three pilots will require participating employers to offer their low-skilled workers a minimum of 35 hours (five days) off work to train, in the year of the project.

In the remaining three pilots, the workers will be offered 70 hours (10 days) to study in the year.

### **Reimbursement**

Three different levels of reimbursement to employers are on offer:

- Small firms and organisations will be paid between 110% and 150% of the average wage costs of low skilled workers.
- Medium sized employers will receive financial support ranging between 75% and 120% of costs.
- Large employers will be expected to bear all or some of the costs, with no reimbursement offered in two LSC areas, 50% in two others and a ceiling of 75% in the remaining two.

Subsidies can be claimed by way of grants from local LSCs to meet the wage costs of staff taking time off and additional costs, such as the administrative expense of finding temporary staff.

The higher level of reimbursement available to small employers reflects the proportionately greater burden a company with a small workforce faces in giving staff paid time off. It is also designed to act as an extra incentive to encourage small firms to participate.

Some pilots will focus more on basic skills and others on level 2 qualifications, depending on the profile of local workforce skills and employers' requirements.

They will also focus on skills in different employment sectors. LSC Tyne and Wear, for example, will concentrate on health and care, call centres, marine and offshore industries, public administration and construction.

LSC Birmingham and Solihull will focus on health and care, manufacturing, including the automotive sector, print and textiles and the retail and hospitality market.

The LSC estimates that the pilots will enable about 18,500 employees to achieve either basic skills or level 2 qualifications. The target announced by the Government was for 16,000 employees to acquire new skills.

The Institute for Fiscal Studies and the Institute for Employment Studies will work with the parties to develop an evaluation process to assess the results of the pilots.

Benefits to both employers and employees will be examined. The project will assess whether employees' wages or career prospects improve and whether employers become more positive about training or raise their business performance as a result of participating in the project.

*The Learning and Skills Council was set up by the Government in April 2001 to take over the roles of the former Further Education Funding Council and Training and Enterprise Councils. It has a national office and 47 local LSCs.*

*Its creation was the biggest single investment in post-16 education and training the country has seen. It represents the first truly unified approach to the challenge of attracting people into learning, improving the quality of provision and raising the skills of young people and adults.*

*The LSC's total budget is £7.3 billion in 2002-03.*

**For further information about the Learning and Skills Council, visit our web site ([www.lsc.go.uk](http://www.lsc.go.uk)) or call our help line on 0845 019 4170.**