Department for Education

Continuing vocational training survey: CVTS 5

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Executive Summary

Introduction

1. Continuing Vocational Training (CVT) is recognised both by the European Union and European national governments as a key contribution to competitiveness and productivity, to adaptation of workforces to changing patterns of production and work organisation, and to social cohesion.

2. To monitor progress and change in the delivery of the CVT supplied by employers across Europe, the European Union commissions a regular survey of employers to assess their CVT practices.

3. This survey, the Continuing Vocational Training Survey (CVTS) takes place at 5-yearly intervals. The results of the fifth edition of the survey in the UK, 'CVTS5', are set out in this report. The international results will be published by Eurostat later this year.

4. It is based on telephone interviews with 3,315 UK employers with 10 or more employees. Survey fieldwork was undertaken between June 2016 and October 2016. It mainly concerns the vocational training undertaken by those employers in the 'reference year' of 2015 (previous reference years of earlier editions of the survey having been 1995, 1999, 2005, and 2010).

5. The survey used careful sampling and a data weighting process to ensure its results are representative of the wider population of UK employers with 10 or more employees from which the sample was drawn.

6. The UK survey encompassed a range of industry sectors but excluded agriculture and related sectors and those, in public administration, education, and health and social work, in which public sector organisations predominate (sectors A, O, P and Q in terms of their Standard Industrial Classifications).

7. On the whole, only statistically significant differences are reported. Where comment is made on differences that are not statistically significant, this will be explicit.

Continuing Vocational Training provision

8. Continuing Vocational Training (CVT) are training measures or activities which have, as their primary objectives, the acquisition of new competences or the development and improvement of existing ones and which must be financed at least partly by the enterprises for their persons employed who either have a

working contract or who benefit directly from their work for the enterprise such as unpaid family workers and casual workers. The training measures or activities must be planned in advance and must be organised or supported with the special goal of learning. Random learning and initial vocational training (IVT) are explicitly excluded. Persons receiving training on an apprenticeship or training contract are not considered as receiving CVT.

9. 86% of employers provided their staff with some form of CVT in 2015.

10. 67% of employers provided CVT *courses*, as opposed to less formal forms of CVT (such as workshops, job-rotation, on-the-job training, or self-directed learning).

11. The provision of all forms of CVT was more frequent in larger employer organisations, but the increase is particularly pronounced with regard to the provision of CVT *courses*.

12. 44% of employers provided CVT courses internally to their organisation. 57% provided CVT courses delivered by an external provider. The likelihood of having provided both increases with employer size. Smaller employers, particularly, were more likely to have provided external than internal courses and not to have provided both types.

13. Where external provision was used, private training companies were the main source (84%) and these were used significantly more often than publicly-funded colleges or universities (39%).

14. Of the less formal methods of CVT, guided on-the-job training was, by a wide margin, the most significant, being provided by 63% of all employers.

15. There was an increase in the provision of CVT between 2010 and 2015; from 80% to 86% of all 10+ employers providing some form of CVT. There has been particular growth in the propensity to report self-directed learning (26% in 2010 and 34% in 2015).

Participation in Continuing Vocational Training

16. Three in ten employees (30%) participated in CVT courses in 2015. This compares with 31% in 2010. Thus, there has been no significant change in this statistic over the last five years.

17. The average number of hours in total spent on CVT courses by organisation (across all employees) during 2015 was 1,100, which compares with 600 in 2010.

18. In relation to hours worked, hours on CVT courses accounted for less than 1%.

19. The average number of hours spent on CVT courses per employee was 9.2 hours, above the average of 7.7 hours in 2010.

20. The average number of hours spent on CVT courses per participant was 30, above the average of 26 in 2010. The conclusion is that slightly fewer employees participated in training but participants spent longer periods training in 2015 than in 2010.

21. 36% of all hours on CVT courses were devoted to mandatory training, such as that related to health and safety (26% in 2010).

22. 31% of all hours on CVT courses were on courses leading to a nationally-recognised qualification (30% in 2010).

23. Technical, practical and job-specific skills were the most important focus of CVT courses.

Costs of Continuing Vocational Training Courses

24. Employers' average total training expenditure on CVT courses in 2015 was around £31,300. This is higher than in 2010 (£17,300)[1].

25. Average course expenditure varies from £9,200 in organisations with between 10 and 49 employees to around £671,000 in organisations with 500 or more employees.

26. The average cost per participant relating to CVT courses was £1,320, which indicates an increase since 2010, when it was £765.

27. The average cost of CVT courses per hour was £44 but with significant variation between sectors. It was lowest, at £31, in the Accommodation and Food Services sector and highest at £70 in the Mining/Utilities sector. There has been an increase in this figure since 2010, when it was reported at £30.

28. The average cost of CVT courses per employee (that is, averaged across all employees in the organisation whether they participated or not) was £400. As with cost per participant, this was lower in larger organisations than in smaller ones. It compares with £235 per employee in 2010.

29. Indirect costs (which include trainee absence from their work station and for travel and subsistence) accounted for a substantial proportion (33%) of the

[1] It should be noted that inflation is not factored into comparisons between 2010 and 2015.

average cost of CVT courses. Direct costs in the form of fees and payments accounted for 30%, labour costs of internal training staff for 20%, and training facilities for 10%.

30. 17% of employers paid a training levy or contributed to collective or other funds for Vocational Training activities. Collective funds include funds or grants managed by a trade, industry or sector association that may have responsibility for arranging qualifications and training at a trade, industry or sectoral level. The average contribution was £10,600 (per contributing organisation).

31. 14% of employers received payments from collective funds. The average receipt was £8,000 (per receiving organisation). Government subsidies were the most frequent source of receipts, closely followed by receipts from training funds.

Training policies and management processes

32. Provision of CVT is generally associated with having supportive *infrastructure*, such as a training centre or a specific person or department with responsibility for staff training, and supportive *processes*, such as having formal planning of training and training budgets.

33. Employers most frequently identified team-working skills, job-specific skills, and customer handling skills as skills which would be important to the future development of their organisation.

34. 51% of employers reviewed skill needs regularly as part of their overall planning process; 41%, reviewed needs on an ‘as and when needed’ basis. 8% did not assess their skill needs. There has been a significant increase in the propensity to review skill needs since 2010. Five years ago, 43% reviewed skill needs regularly; 42% on an ’as and when needed’ basis, and 14% did not assess their skill needs. Overall, 92% of employers reviewed skill needs in 2015, compared with 86% in 2010.

35. The most vast majority of employers secured the skills they needed through a range of approaches, including training existing staff (93%); reallocating responsibilities to other staff (91%); recruiting new staff that already have the skills, competences and qualifications needed (85%) and recruiting staff who they then provide with specific training (83%).

36. 14% of employers reported that provision of CVT in their organisation was regulated by a written agreement involving government, local area or trade associations, and/or trade unions.

37. 26% of employers reported that staff representation was involved in the management of their CVT provision.

38. Planning of CVT leading to a written training plan or programme was more frequent in 2015 than in 2010 (47%, compared with 42%).

Quality assurance of Continuing Vocational Training

39. 66% of employers supplying CVT formally assessed CVT outcomes.

40. Of all employers that assessed training outcomes, 74% used certification after written or practical tests; 71% assessed participants' behaviour or performance in relation to training objectives; 66% assessed or measured the impact of training on performance within the organisation; and 57% undertook a satisfaction survey among participants

Barriers to provision of Continuing Vocational Training

41. Where employers did not supply CVT *at all*, the main barriers were that they saw no need for training – their staff were fully skilled – or they preferred to recruit to obtain the skills they needed. 'Supply-side' barriers, which concern the availability of suitable and affordable external training provision, were much less frequent though 19% said CVT courses were too expensive and the same proportion that suitable courses were not available.

42. When employers who supplied CVT were asked to identify barriers to providing *more* training, many (84%) said they had no need for more, fewer that they preferred to recruit (71%), and/or that staff workloads precluded more training (56%).

Initial Vocational Training

43. Initial Vocational Training (IVT) is training intended to prepare an individual for entry to an occupation via study or training towards to a formal qualification. To determine the extent of a particular form of IVT, organisations were asked to provide information on the number of people employed on a Government-recognised apprenticeship leading to a qualification during 2015.

44. 24% of employers employed apprentices in 2015. Most of these did so in order to secure their organisation's future skills base.

45. Just over two-fifths of organisations that employed any apprentices in 2015 (43%) paid fees to a training provider for the cost of training them. The

proportion was significantly higher within Production/Construction organisations than within those in Service sectors (51%, compared with 39%).

46. Organisations were most likely to have paid fees for apprentices aged 19-24 (74%), while least likely to have done so for 25+ year olds (19%). Around half paid fees for 16-18 year old apprentices (51%).

47. The average fee paid to training providers for each apprentice was highest with regard to those aged 16-18 years (£2,600), followed by those aged 19-24 years (£2,200), falling to £2,000 for each apprentice aged 25+ years.

48. Around half of all organisations (53%) reported that they plan to offer Apprenticeships in the future. This proportion increased with organisation size to more than four-fifths of organisations with 250 or more apprentices (82% of organisations with 250-499 employees; 87% of those with 500+ employees).

49. The proportion was higher among Production/Construction than Services organisations (65%, compared with 49%), particularly within Construction (71%) and Manufacturing (62%).

50. Organisations that provided any CVT to employees in 2015 were significantly more likely to expect to offer apprenticeships in the future (56%, compared with 34% of organisations that did not provide any) as were organisations that contributed to collective funds in 2015 (69%, compared with 49%).

51. The vast majority of those already offering apprenticeship (91%) plan to in the future. This compared with 41% of those not offering them in 2015 and 36% of those that have never done so.

52. The pattern of interest in apprenticeships reflects past employment of apprentices to a great extent but in all cases also exceeds it. It implies scope for growth in take up of apprenticeship initiatives, but chiefly within types of organisations already predisposed to offering them.

53. Where employers did not employ apprentices, this was most frequently because they did not see them as relevant to their organisation (43%); 16% said there were no vacancies/need for new staff; 12% said that apprenticeships were not available or suitable for their type of activity.

Characteristics of enterprises in the survey

54. As a result of weighting, the structure of the survey sample used in the analysis reflects the sector and size breakdown of the national base of employers with 10 or more employees.

55. 57% of the workforce of the weighted sample was male, 43% was female.

56. On average, surveyed organisations employed 80 people.

57. On average, employees in surveyed organisations worked for 37 hours per week.

58. The average labour cost per employee in surveyed organisations was £22,200 per year in 2015.

59. The average labour cost per hour for all employees in surveyed organisations was £12.82.

Overview

60. The survey identifies a number of positive trends in employer training activity which are encouraging for public policies which seek to stimulate increased levels of skills in the UK's workforce as a key driver of better productivity and competitiveness.

61. However, it was observed that there was a higher proportion of training related to health and safety in the latter year. This form of training is essential but does not necessarily increase a company's average output per worker. In addition, one of the positive indicators was an increase in average training expenditure per trainee, but some of increase was the result of increased training costs – not all of the increased investment per trainee represents added value in the training which was delivered.

62. In respect of organisation size, a number of survey findings reflect those which have been consistently found in many other surveys (such as the national Employer Skills Surveys) over many years. Generally, smaller firms were less likely than larger ones to provide most forms of CVT than larger ones and to systematically plan such training as they do provide; and they are substantially less likely to offer apprenticeship trainng.

63. However, in other respects the survey reveals that smaller and larger firms do not greatly differ. As above, lower proportions of smaller firms offered training to their employees. However, when they did train, they tended to train a higher proportion of their workforces – with the overall result that the overall likelihood of an employee in a small firm being trained was similar to that of an employee in a large one. In addition, the proporion of training time which was directed to mandatory training or towards nationally-recognised qualifications does not differ between smaller and larger firms; and smaller firms spent as much per trainee as did larger ones.

64. In respect of organisations’ sectors, the survey shows that firms in some sectors (including construction, ICT, and financial services) show, across a range of indicators, a high level of frequency of engagement in training activity; whilst firms in some other sectors (particularly wholesale and retail, transport, and hospitality) show relatively low frequency of engagement.

65. Broadly, such differences are likely to reflect a mix of the different characteristics of sectors, including the average size of firms in the sectors, the complexity of the functions and tasks which are performed by and within the sectors, and the associated average skill levels which are required. In addition, other factors, such as sectors’average rates of staff turnover (affecting the volume of induction training), the extent to which sectors are subject to statutorily-regulated training, and, in the construction sector case, have an industry-wide levy system in place, are also likely to be relevant.

66. In respect of barriers to employer engagement in training, the survey shows (again as other UK skills surveys have consistently shown) that much the most frequent barriers to engagement are ‘demand-side’ones (particularly the perception that training is not needed or that recruitment to meet skill needs is preferable to the alternative of up-skilling existing staff) rather than ‘supply-side’ ones such as the unavailibilty or inadequacy of training provision. It is suggested that the former type of barrier represents the principal challenge to public policy which seeks to encourage greater employer investment in skills development.

1 The CVTS Survey

Survey background

1. This report documents the result the fifth round of the EU Continuing Vocational Training Survey (CVTS5) undertaken in the UK between June 2016 and October 2016, and covering the reference period of the 2015 calendar year. The research was administered by BMG Research on behalf of the Department for Education (DfE).

2. This round (CVTS5) followed previous surveys carried out in 1995, 2000, 2005 and 2010, and formed part of a wider investigation spanning more than 30 European countries[2]. The survey has been carried out so that it conforms to the requirements of the European Union's Continuing Vocational Training Survey (CVTS5).

3. The Statistical Office of the European Commission (Eurostat) undertook co-ordination of the study and will publish results in late 2017, allowing a comparison of the UK against other European countries.

Objectives

4. The overarching aim of the research project was to conduct a survey of UK employers to explore the nature and extent of the vocational training that they provide.

5. Important research issues for which CVTS data were needed include:

   - The organisation and management of CVT in enterprises;
   - the role of social partners;
   - assessment of skill/training needs;
   - volume of CVT and possible interaction with IVT;
   - incentives for enterprises to provide CVT;
   - costs and financing of CVT in enterprises; obstacles for enterprises in providing CVT;
   - the costs and financing of CVT in enterprises;

[2] The full list of participating countries can be found in the Appendix.

- and the provision of IVT (Initial Vocational Training or Apprenticeships as it is better known).

Methodology

6. The survey was targeted at enterprises with at least 10 employees across particular industry sectors. The survey excluded agriculture and related sectors and those in which public sector organisations predominate (A, O, P and Q[3]).

7. The target population was defined by the European Community to fulfil the regulation and ensure comparability with the sample design and results in the other participating countries.

8. Industry sector was defined using NACE Rev. 2[4] definitions in order to ensure consistency with other participating EU and non-EU nations. NACE Rev. 2 and the UK Standard Industrial Classification 2007 (SIC 2007) exactly match[5]. The industry sectors included in the survey are summarised in the table below:

NACE	SIC 2007	NACE/SIC description[6]
B05-B09	5-9	Mining and quarrying and support activities
C10-C12	10-12	Manufacture of food products, beverages and tobacco
C13-C15	13-15	Manufacture of textiles and textile products Manufacture of leather and leather products
C17-C18	17-18	Manufacture of pulp, paper and paper products, Printing of newspapers
C19-C23	19-23	Manufacture of coke oven products Manufacture of flat glass
C24-C25	24-25	Manufacture of basic iron and steel and of ferro-alloys Manufacture of metal structures and parts of structures

[3]

A	01-03	Agriculture, forestry, fishing
O	84	Public administration
P	85	Education
Q	86-88	Human health and social work

[4] For full explanation of NACE Rev 2 please see Glossary and Definition of terms towards the end of this report

[5] Source: UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007): Structure and Explanatory Notes Office for National Statistics, December 2009

[6] “The UK SIC is based exactly on NACE but, where it was thought necessary or helpful, a fifth digit has been added to form subclasses of the NACE four digit classes.” UK Standard Industrial Classification of Economic Activities 2007 (SIC 2007): Structure and Explanatory Notes. Office for National Statistics, December 2009

NACE	SIC 2007	NACE/SIC description[6]
C26-C28 and C33	26-28, 33	Manufacture of electronic components, Repair of fabricated metal products Manufacture of engines and turbines, except aircraft, vehicle and cycle engines
C29-C30	29-30	Manufacture of motor vehicles, Building of ships and floating structures
C16+C31-C32	16, 31, 32	Sawmilling and planing of wood, Manufacture of office and shop furniture, Striking of coins
D-E	35-39	Electricity, gas, steam and air conditioning supply, Water supply; sewerage, waste management and remediation activities
F	41-43	Construction
G45	45	Sale of cars and light motor vehicles
G46	46	Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods
G47	47	Retail trade in non-specialised stores with food, beverages or tobacco predominating
H	49-53	Transportation and storage
I	55-56	Accommodation and food service activities
J	58-63	Information and communication
K64-K65	64-65	Financial and insurance activities, Life insurance
K66	66	Administration of financial markets
L + M + N + R + S	68-82, 90-96	Real estate, renting and business activities, Professional, scientific and technical activities, Administrative and support service activities, Arts, entertainment and recreation, Other service activities

9. The in scope NACE Rev. 2/SIC 2007 sectors account for approximately 82% of UK enterprises with 10 or more employees. Thus, one in six UK enterprises that are classified within NACE Rev. 2/SIC 2007 codes A, O, P and Q are excluded from the survey.

10. Throughout the report, NACE Rev. 2 sectors have been grouped to provide larger, more robust sample sizes and to enable clearer, more concise comparisons between similar sectors in tables and charts. These groupings are as follows:

- B05-B09, D-E: BDE Mining, Utilities

- C10-C33: C Manufacturing
- F41-F43: F Construction
- G45-G47: G Wholesale, Retail
- H49-H53: H Transport, Storage
- I55-I56: Accommodation, Food services
- J58-J63: Information, Communication
- K64-K66: Finance, Insurance
- LMNRS (68-82, 90-96): Business, Technical, Admin. Arts and Other Services

11. The European standard questionnaire was used as the basis for the survey with additional questions added in this UK survey. This was in order to maximise the opportunity to obtain key data on the total number of hours worked by employees and the total labour costs within an organisation and to ensure coverage of employer practice with regard to apprenticeships. Some questions were re-worded in order that they might be clearer and more relevant to UK employers. The questionnaire used in the survey is available separately.

Sample completed

12. In total, 3,315 interviews were conducted. The majority of interviews were completed using Computer-Assisted Telephone Interviewing (CATI). On average, interviews took 26 minutes to complete. However, the average interview length varied for training and non-training organisations, with interviews with non-training organisation taking considerably less time because of the substantial number of questions on training practices which were not relevant to these latter companies. A small number of online questionnaires were completed.

13. Interviews were conducted with the most senior person at the site in charge of training policy. This was further defined as the person who decides what training providers to use or who has the best knowledge of what vocational training is carried out across all sites within the organisation.

14. The sample structure was calculated to specifications designed by the Statistical Office of the European Community (Eurostat) to ensure consistency of approach across all participating countries. It was based on population data, as provided by IDBR (ONS).

15. The CVTS5 Manual, issued by Eurostat, provided detailed instructions for determining the sample structure and target numbers. This is included in the Technical Report which is available separately.

16. Based on the pre-determined number of contacts issued (as laid down by Eurostat's specifications), a response rate of 25% was achieved overall. Based only the 'contacted' sample, where someone in the respondent organisation was spoken to and a definitive call outcome was obtained, the response rate was 37%.

Non-response

17. The survey aimed at obtaining many numeric responses and was challenging in terms of the demands it made on respondents. Non-response to specific questions was anticipated in the design and in certain circumstances responses were imputed in order to ensure as comprehensive a dataset as possible. Full details of data imputations, both the rules governing imputing data and the extent to which data was imputed, are available in the technical report that is published separately. This process followed guidance given in the CVTS5 Manual.

18. The following variables were deemed to be key to the survey findings and were those in which imputation was permitted:

19. A3	20. Total number of persons employed at end of 2015
21. A4	22. Total number of hours worked in 2015 by persons employed
23. A5	24. Total labour costs (direct and indirect) of all persons employed in 2015
25. C1tot	26. Total CVT course participants
27. C3tot	28. Paid working time (in hours) spent on all CVT courses
29. C7sub	30. CVT costs sub-total
31. C7tot	32. Total costs CVT
33. PAC	34. Personal absence costs

35. In addition imputations were allowed and were carried out on the following variables (reference in questionnaire in Annex to this report):

A2m, A2f, A3tot, A4, A5, B2a, B2b, B2c, B2d, B2e, B5a, b5b, C1tot, C2m, C2f, C3tot, C3i, C3e, C4, C7a, C7b, C7c, C7d, C7sub, C7tot, PAC, F1tot

36. It should be noted that the process of imputation and the fact that some respondents could only estimate some characteristics of their training (such as its costs or the amount of time which employees spent in training) introduces a margin of error into the data (over and above normal sampling error). Some estimates in the survey should, therefore, not be read as having pinpoint accuracy but as general indications of employer behaviour.

37. There were varied response rates across sector and size categories. As a result some sector and size categories would be over-represented and some under-represented in the data. Particularly, since large organisations are fewer in number in the population, to obtain a statistically robust sub-sample of these organisations a higher proportion of the population was interviewed than of the vastly larger population of small organisations. By applying weighting factors to the data, the responses of larger organisations were scaled down in the calculation of whole-sample statistics so that these are not biased by over-representation of large-firm views. Thus, the employer population estimates from IDBR were used to both determine the sample structure and to weight the data to represent the poplation structure. Weighting factors are based on the business population and not on the distribution of employment. These factors are presented in the Technical Report which is available separately.

Statistical significance

38. Based on a reported statistic of 50%, the overall sample of 3,315 for this survey is subject to a standard sampling error of +/-1.7%. Thus, there is 95% confidence that the reported statistic would fall within a range of 48.3% to 51.7%.

39. A table which presents the level of standard error for a range of statistics, based on the total sample and key sub-samples, is included in the Technical Report which is available separately.

40. Unless otherwise stated, discussion of comparisons between sub-samples and between the results of CVTS5 and results from previous CVT surveys is confined to differences which are statistically significant at a 95% confidence level.

41. Significantly higher figures are indicated on tables and charts by bold font. When this is indicated, it highlights the fact that the statistic reported is statistically significantly higher than the average statistic minus the sub-sample tested. Thus, where a statistic is significantly higher than average amongst 500+ employers, the average referenced (which is not shown) has been recalculated on those employing between 10 and 499 employees.

Note on rounding

42. Throughout this report percentages have been rounded to the nearest whole integer. Further, average cost and cost per hour figures have been rounded to the nearest 10. The exceptions to rounding concern hourly costs and values for hours spent in training. These have been reported to two decimal points (in the case of figures that are based on £ sterling) and to one decimal point (in the case of figures that relate to parts of hours). This enables the reporting of small differences between sample groups.

Comparisons with previous surveys

43. Findings from CVTS5 and previous surveys are compared where possible and appropriate. Reliable comparisons between surveys have to be on a like-for-like basis. That is to say, the samples that are being compared are similarly structured and weighted and the question wording has to be substantially similar. For the purposes of comparisons with CVTS5, data from CVTS4 has been filtered so that only NACE/SIC codes included in CVTS5 have been included in CVTS4 data (see paragraph 57). As in CVTS4, CVTS3 data included additional sectors but since CVTS3 data was unavailable for re-analysis, like-for-like comparisons with this survey (and earlier surveys) was not possible.

Definitions

44. The definitions, below, of Continuing Vocational Training and Initial Vocational Training, should be noted before reading the remainder of this report. The definitions of other terms used in the survey questionnaire are included in the Appendix.

Definition of Continuing Vocational Training

45. Before being asked questions about training within the organisation, respondents were given the definition of Continuing Vocational Training as follows:

- Continuing Vocational Training (or simply, Vocational Training) is training that would have been arranged for employees in advance, it would have been organised with a specific goal of developing new or existing competences and skills, and it would have been fully or at least partly funded by your organisation. Funding would include the paid time at work employees were involved in the training. Vocational Training would normally be delivered by a trainer or a coach and if not, a piece of equipment, such as a computer, would be used for the training.

- Vocational Training does not include training for apprentices or new employees. Trainees, people working on a training contract and inductions are not included in Vocational Training.

Definition of Initial Vocational Training

46. Initial Vocational Training (IVT) can be defined as follows. It is:

- Training intended to prepare an individual for entry to an occupation via study or training towards to a formal qualification.
- Within CVTS5, coverage was limited to information regarding the employment of individuals on a Government recognised apprenticeship programme leading to a formal qualification.

2 Continuing Vocational Training Provision

1. This chapter discusses the provision of Continuing Vocational Training (CVT) by organisations with 10 or more employees in select industry sectors across the UK. CVT covers both courses and other, sometimes less formal, types of training of employees. To summarise the key characteristics of CVT:

- The training must be planned in advance.
- The training must be organised or supported with the specific goal of learning.
- The training must be financed fully or at least partly by the enterprise.

Key points

2. 86% of employers provided their staff with some form of Continuing Vocational Training (CVT) in 2015.

3. 67% of employers provided CVT *courses*, as opposed to less formal forms of CVT (such as workshops, job-rotation, on-the-job training, or self-directed learning).

4. The provision of all forms of CVT was more frequent in larger employers, but the increase is particularly pronounced with regard to the provision of CVT courses.

5. Employers within the sectors of finance/insurance and business/technical/ administrative/arts/other services were significantly more likely than average to provide both CVT courses and other forms of CVT, while those in construction were significantly more likely to have provided CVT courses to their employees in 2015 and those in wholesale/retail significant less likely to have done so.

6. 44% of employers provided CVT courses internally to their organisation. 57% provided CVT courses delivered by an external provider. The propensity to have provided both increases with employer size. Smaller employers, particularly, were more likely to have provided external than internal courses and not to have provided both types.

7. Where external provision was used, private training companies were the main source (84%) and were used significantly more often than publicly-funded colleges or universities (39%).

8. Of the less formal methods of CVT, guided on-the-job training was, by a wide margin, the most significant, being provided by 63% of all employers.

9. There was an increase in the provision of CVT between 2010 and 2015; from 80% to 86% of all 10+ employers providing some form of CVT. There has been particular growth in the propensity to report self-directed learning (26% in 2010 and 34% in 2015).

Overview of provision of Continuing Vocational Training

10. The majority of organisations (86%) participated in some form of Continuing Vocational Training (CVT), with two-thirds (67%) providing CVT courses. The propensity to do so increased with organisation size, as shown in Table 1.

Table 1: C1-C10 Provision of Continuing Vocational Training (CVT), including CVT courses and other forms of CVT, in 2015 overall and by organisation size and broad industry sector (all organisations)

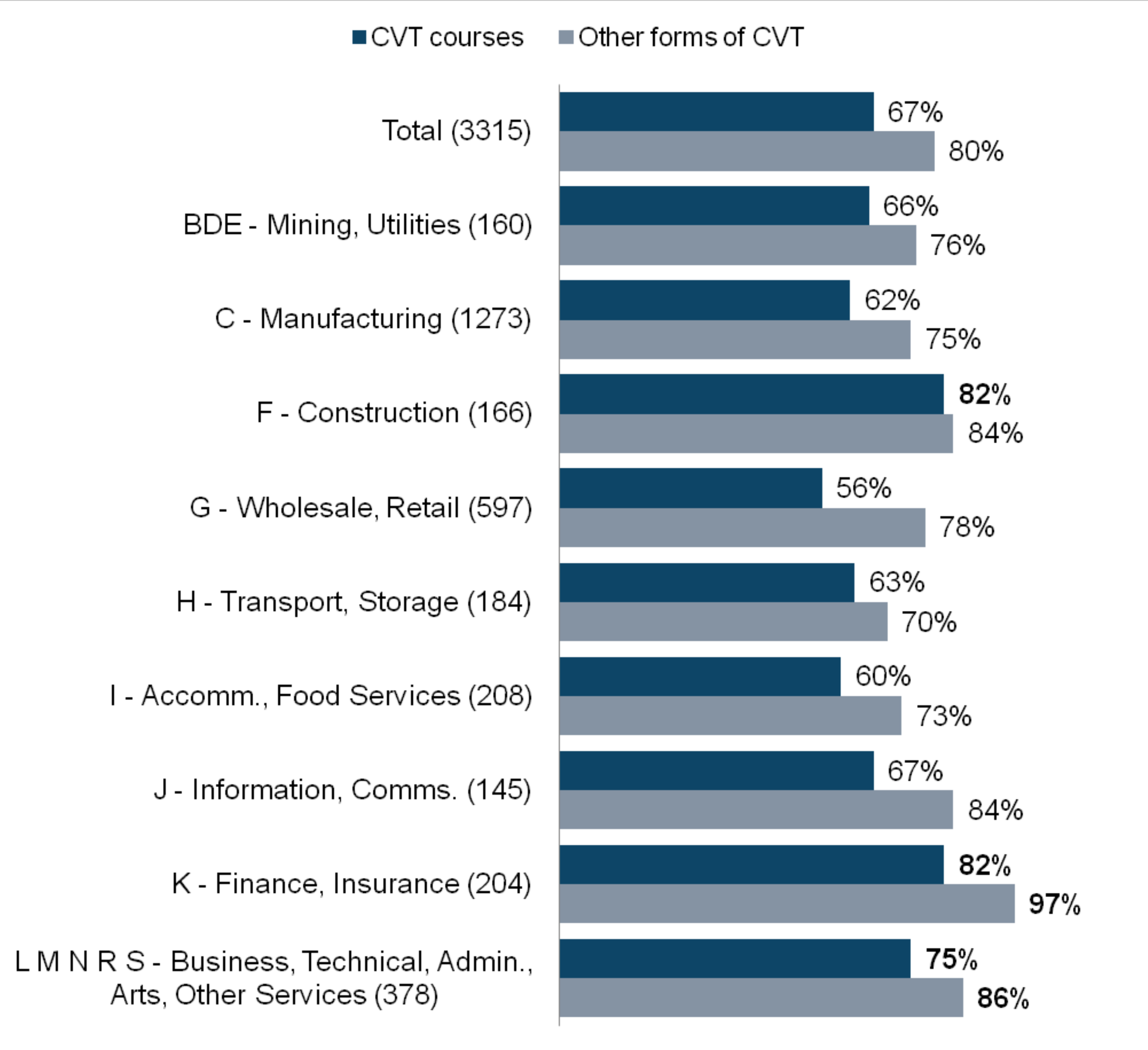
	Total	10-49 employees	50-249 employees	250-499 employees	500+ employees	Production (B-F)	Services (G-N,RS)
Any form of CVT	86%	84%	**94%**	**96%**	**98%**	85%	86%
CVT courses	67%	64%	**82%**	**86%**	**89%**	69%	66%
Other forms of CVT	80%	78%	**92%**	**93%**	**97%**	79%	81%
Both	62%	58%	**80%**	**83%**	**88%**	63%	61%
Neither	14%	**16%**	6%	4%	2%	15%	14%
Unweighted sample bases	*3,315*	*1,970*	*727*	*308*	*310*	*1,599*	*1,716*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

11. By sector, while there was no significant difference in the propensity to provide CVT (courses and other forms) between the broad sector groups of Production/Construction and Services, provision of any CVT was significantly higher within the sectors of Finance/Insurance (82% provided CVT courses, 97% provided other forms of CVT) and Business/Technical/Administrative/Arts/Other Services (75% provided CVT courses, 86% provided other forms of CVT), while Construction businesses were significantly more likely to have provided CVT courses to their employees in 2015 (82%).

12. Wholesale/retail employers were significantly less likely than average to have provided CVT courses in 2015 (56%).

Figure 1: C1-C10 Provision of Continuing Vocational Training (CVT) courses and other forms of CVT in 2015 by industry sector (all organisations) ***Unweighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

13. Within organisations that had lower than average working hours per employee[7], there was less likely to be CVT, particularly in the form of CVT courses (79% any forms; 58% CVT courses). There is no significant difference in the propensity to provide CVT between organisations with working hours around the average or higher.

[7] Defined as greater than 20% lower than average

14. Organisations that reported workforce growth in the preceding 12 month period were significantly more likely than average to have provided CVT, again, particularly in the form of courses (91% any forms; 75% CVT courses). Those that reported a decrease were also more likely than average to have provided CVT but this difference was not statistically significant. The fact that organisations remaining the same size were less likely than average to have provided CVT would seem more significant. Their lack of need (in general terms) may be behind that.

15. CVT courses which organisations provided were more likely to have been provided externally than internally. However, as organisation size increases, provision of internal CVT courses increased until, in the largest organisation, internal provision overtakes provision of external CVT courses in frequency of occurrence.

16. A third of organisations (34%) provided *both* internal and external CVT courses in 2015. This increased to three-quarters (75%) of organisations with 500 or more employees (see Table 2).

Table 2: C1 Whether organisations provided internal or external CVT courses in 2015, overall and by organisation size and broad industry sector (all organisations)

	Total	10-49 employees	50-249 employees	250-499 employees	500+ employees	Production (B-F)	Services (G-N,RS)
Internal only	10%	11%	7%	5%	7%	8%	11%
External only	23%	24%	20%	12%	8%	**25%**	23%
Both	34%	29%	**55%**	**69%**	**75%**	**37%**	33%
Either	67%	64%	**82%**	**86%**	**89%**	**69%**	66%
Neither	33%	**36%**	18%	14%	11%	31%	34%
Unweighted sample bases	*3,315*	*1,970*	*727*	*308*	*310*	*1,599*	*1,716*

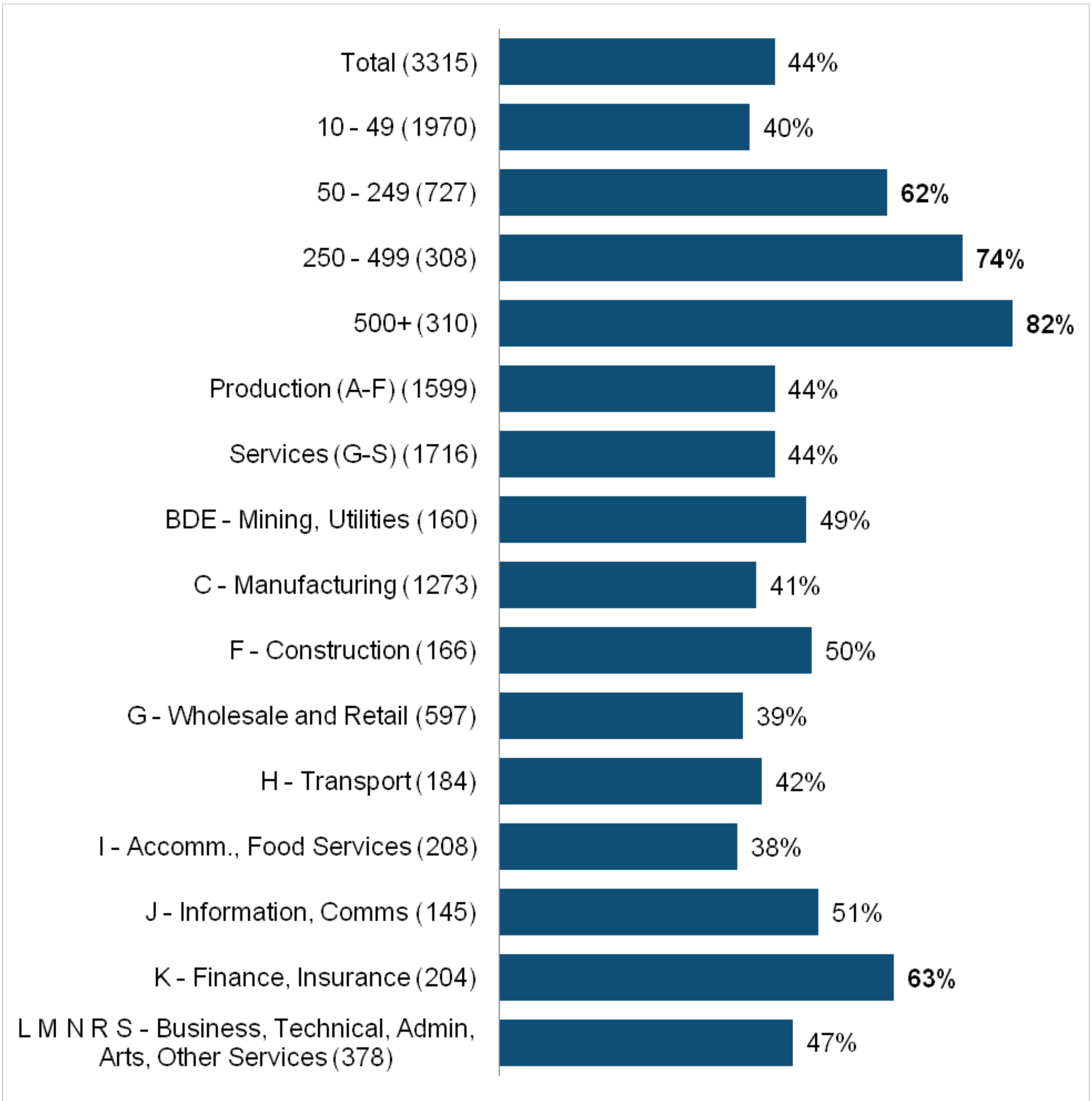
Figures in bold are statistically significantly higher than average based on a 95% confidence level

Internal Continuing Vocational Training courses

17. Just over two-fifths of organisations (44%) provided internal CVT courses for their staff during the calendar year 2015. This proportion increases with organisation size to 82% of 500+ employee organisations.

18. While there was little difference between the two broad sector groups of Production/Construction and Services, in more detail, the proportion of organisations that provided internal CVT courses is significantly higher than average within the Finance/Insurance sector (63%) (see Figure 2).

Figure 2: C1a Provision of internal Continuing Vocational Training courses in 2015 by organisation size and industry sector (all organisations) ***Unweighted sample bases in parentheses***



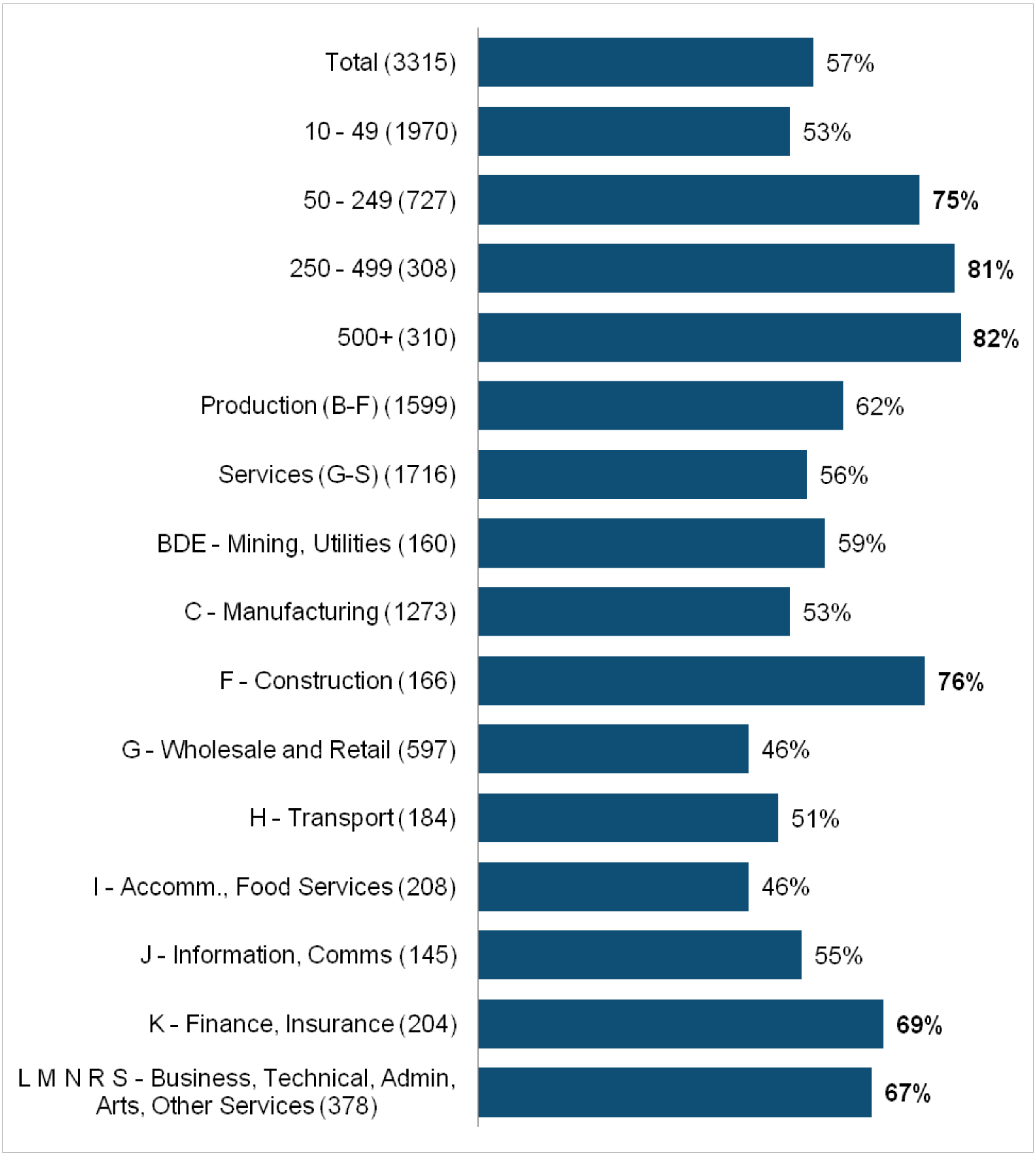
Figures in bold are statistically significantly higher than average based on a 95% confidence level

External Continuing Vocational Training courses

19. More than half of organisations (57%) provided external CVT courses for their staff in the calendar year 2015. Again, this increases with organisation size, but the gap between the smallest and largest organisations in this respect was narrower than observed for internal CVT courses.

20. Overall, organisations in Production and Construction sectors were significantly more likely than those in Service sectors to have provided external CVT courses (62%, compared with 56%). Particularly, the provision of external CVT courses was significantly higher than average in the Production and Construction sectors of Construction (76%) and Mining (76%) but, within the Service sectors, was also higher in Finance/Insurance (69%) and Business, Technical, Administration, Arts and Other Services (67%) (see Figure 3).

Figure 3: C1b Provision of external Continuing Vocational Training courses in 2015 by organisation size and industry sector (all organisations) ***Unweighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

Use of external Vocational Training providers

21. Organisations that provided external Vocational Training courses were asked which three training providers had been most important to the organisation in terms of the largest number of training hours delivered by these providers.

22. Private training companies were mentioned by 84% of organisations, increasing to 93% in organisations with 500 or more employees.

23. Fewer organisations used schools, colleges, universities and other higher education institutions and public training institutions, but these training providers were significantly more important to larger organisations than to smaller ones.

Table 3: D12 Most important training providers in terms of the number of hours of training with regard to external Vocational Training courses, by organisation size and broad industry sector (where employees participated in external CVT courses) - ***prompted, multiple response up to 3 *denotes less than 0.5%***

	CVTS5 Total	10-49 employees	50-249 employees	250-499 employees	500+ employees	Production (B-F)	Services (G-N,RS)
Private training companies	84%	82%	**89%**	**91%**	**93%**	85%	83%
Schools, colleges, universities and other higher education institutions	39%	35%	**54%**	**63%**	**61%**	**43%**	38%
Public training institutions (financed or guided by the government; e.g. adult education centres)	33%	31%	**38%**	**45%**	**41%**	34%	32%
Private companies whose main activity is not training (e.g. equipment suppliers, parent/ associate companies)	23%	24%	20%	21%	23%	22%	24%
Employers' associations, chambers of commerce, sector bodies	17%	17%	17%	12%	14%	15%	17%
Trade unions	1%	1%	*%	3%	5%	*%	1%
Other Training Providers	13%	14%	10%	10%	11%	14%	12%
None	1%	1%	1%	1%	1%	1%	1%
Unweighted sample bases	*2,038*	*1,001*	*534*	*248*	*255*	*937*	*1,101*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

Other forms of Continuing Vocational Training (i.e. other than CVT courses)

24. Four-fifths of organisations (80%) participated in some other form of CVT during the calendar year, 2015. This proportion increased from 78% amongst 10-49 employee organisations to 92% or more of those with 50 or more staff.

Table 4: C2-C10 Provision of other specified forms of Continuing Vocational Training in 2015, by organisation size and broad industry sector (all organisations)

	Total	10-49 employees	50-249 employees	250-499 employees	500+ employees	Production (B-F)	Services (G-N,RS)
Guided on-the-job training	63%	60%	**75%**	**78%**	**86%**	61%	63%
Attendance at conferences, workshops, trade fairs and lectures etc	53%	49%	**68%**	**79%**	**78%**	46%	**55%**
Self-directed learning (e.g. self directed e-learning)	34%	30%	**48%**	**60%**	**76%**	27%	**36%**
Job rotation, exchanges, secondments or study visits	18%	15%	**32%**	**47%**	**58%**	17%	18%
Participation in learning and quality circles	16%	14%	**25%**	**27%**	**33%**	14%	17%
Any	80%	78%	**92%**	**93%**	**97%**	79%	81%
None of these	20%	**22%**	8%	7%	3%	21%	19%
Unweighted sample bases	*3,315*	*1,970*	*727*	*308*	*310*	*1,599*	*1,716*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

25. Organisations in Service sectors were significantly more likely than those in Production and Construction sectors to have provided opportunities for staff to

attend conferences or the like and to encourage participation in self-directed learning.

26. More detail of the characteristics of provision of the different forms of ‘other’ Continuing Vocational Training is set out in brief sections following.

On-the-job training

27. Nearly two-thirds of organisations (63%) involved their employees in guided on-the-job training during 2015. This increased to 86% of 500+ employee organisations, reflecting the general pattern of increasing propensity to provide training as organisation size increases.

28. The proportion was similar in both Production and Construction and Service sectors (61% and 63% respectively). However, the incidence of on-the-job training was particularly high in Finance/Insurance (76%) and Business/Technical/Administration/Arts/ Other services (68%).

Attendance at conferences, workshops, trade fairs and lectures

29. Around half of organisations (53%) involved their employees in planned training through attendance at conferences, workshops, trade fairs and lectures in 2015. The proportion gradually increases from 49% of organisations with between 10 and 49 staff to 79% of those with 250+ staff.

30. The propensity to attend conferences, workshops, trade fairs and lectures was significantly higher in Service sectors than in Production and Construction sectors (55%, compared with 46%). It was particularly high in Finance/Insurance (84%), Business/Technical/Administration/Arts/ Other services (67%) and Information/communication (65%). Organisations in Transport/Storage (34%), Accommodation/Food services (38%), Manufacturing (43%), and Wholesale/Retail (47%) sectors were less likely than average to provide Continuing Vocational Training in this way.

Self-directed learning

31. One in three organisations (34%) reported that employees took part in planned training by self-directed learning in 2015. Once again, this proportion increased with organisation size from 30% of organisations with between 10 and 49 employees to 76% of those with 500+ staff.

32. Organisations in Service sectors were more likely to report self-directed learning than those in Production and Construction sectors (36%, compared with 27%). In more detail, self-directed learning was most frequent in the sectors of Finance/Insurance (72%), Accommodation/Food services (51%) and Business/Technical/Administration/Arts/ Other services (43%) sectors. Levels of self-directed learning were low in Transport/Storage (22%), Manufacturing (25%), Wholesale/Retail (27%) and Accommodation/Food services (27%) sectors.

Job-rotation, exchanges, secondments or study visits

33. One in six organisations (18%) reported that their staff had been involved in planned training through job-rotation, exchanges, secondments or study visits in 2015. This increased to around three-fifths (58%) of 500+ employee organisations.

34. The proportion was similar in the broad Production and Construction and Service sectors (17% and 18% respectively) but, in more detailed sector breakdowns, was higher than average in Finance/Insurance (29%), Business/Technical/Administration/Arts/ Other services (22%) and Manufacturing (20%) sectors.

35. Very few organisations in Transport/Storage (10%) and Accommodation/Food services (13%) sectors took this approach to training their staff in 2015.

Learning and quality circles

36. Where required, respondents were provided with an explanation of what was meant by learning and quality circles. This was as follows:

- Learning circles are groups of persons employed who come together on a regular basis with the primary aim of learning more about the requirements of the work organisation, work procedures and work places.
- Quality circles are working groups with the objective of solving production and work place problems through discussion

37. One in six organisations (16%) provided planned training through participation in learning or quality circles during 2015. The proportion increased to 33% of organisations with 500+ staff.

38. Participation in learning or quality circles was more prevalent in Service sectors (17%) than in Production and Construction sectors (14%). Use of this approach to planned training was significantly higher in Business/Technical/Administration/Arts/ Other services (22%). It was less likely

than average to have been used by organisations within the sectors of Transport/Storage (10%), Accommodation/Food services (11%), Wholesale/Retail (13%) and Construction (13%).

Comparisons with CVTS4

39. The overall trend in Continuing Vocational Training is also observed. The basic pattern is one in which the proportion of organisations supplying Continuing Vocational Training in all formats increased from 2010 to 2015 (see Table 5).

Table 5: Provision of Continual Vocational Training (all organisations)

percentages	Unweighted sample bases	All forms of CVT	Courses (internal and external)	Training in work situation/on-the-job	Conferences, workshops and seminars	Job rotation etc	Self-directed learning	Learning groups and quality circles
2010 – CVTS4	*3,568*	80%	60%	59%	46%	16%	26%	14%
2015 – CVTS5	*3,315*	86%	67%	63%	53%	18%	34%	16%

40. Note: There are no comparisons made with CVT surveys earlier than 2010. This is due to the fact that the 2015 survey did not include certain sectors which had previously been included and, though comparison with the 2010 survey is possible, technical factors prevent meaningful comparison with 1999 and 2005 surveys.

3 Participation in Continuing Vocational Training

1. This chapter discusses the level of participation in Continuing Vocational Training (CVT) courses, as well as in other forms of CVT, by employees within organisations that provided CVT in 2015. It summarises the amount of time spent on CVT courses, the extent to which participants have worked towards nationally-recognised qualifications or been involved in mandatory training and the broad skills developed on CVT courses.

Key points

2. Three in ten employees (30%) participated in CVT courses in 2015. This compares with a similar proportion in 2010 (31%).

3. The average number of hours by organisation spent on CVT courses across all employees during 2015 was 1,100, which compares with 600 in 2010.

4. As a proportion of all hours worked, hours on CVT courses accounted for less than 1%.

5. The average number of hours spent on CVT courses per *employee* was 9.2 hours, above the average of 7.7 hours in 2010.

6. The average number of hours spent on CVT per *participant* was 30 (above the average of 26 in 2010).

7. The conclusion is that slightly fewer employees participated in training but participated for longer periods in 2015 than in 2010.

8. 36% of all hours on CVT courses were devoted to mandatory training, such as that related to health and safety (26% in 2010).

9. 31% of all hours on CVT courses were on courses leading to a nationally-recognised qualification (30% in 2010).

10. In terms of their share of hours spent on CVT courses, technical, practical and job-specific skills were the most significant.

11. In terms of participation in other forms of CVT, employees were most likely to have have received guided on-the-job training (39% of trainees); while three in ten trainees had participated in self-directed learning in 2015.

Overview of participation in Continuing Vocational Training

Proportion of the workforce participating in Continuing Vocational Training courses

12. Three in ten employees (30%) participated in either internal or external CVT courses during 2015. Participation in CVT courses varied little with organisation size but the proportion was slightly higher than average within organisations with between 50 and 499 staff (32%) (see Figure 3).

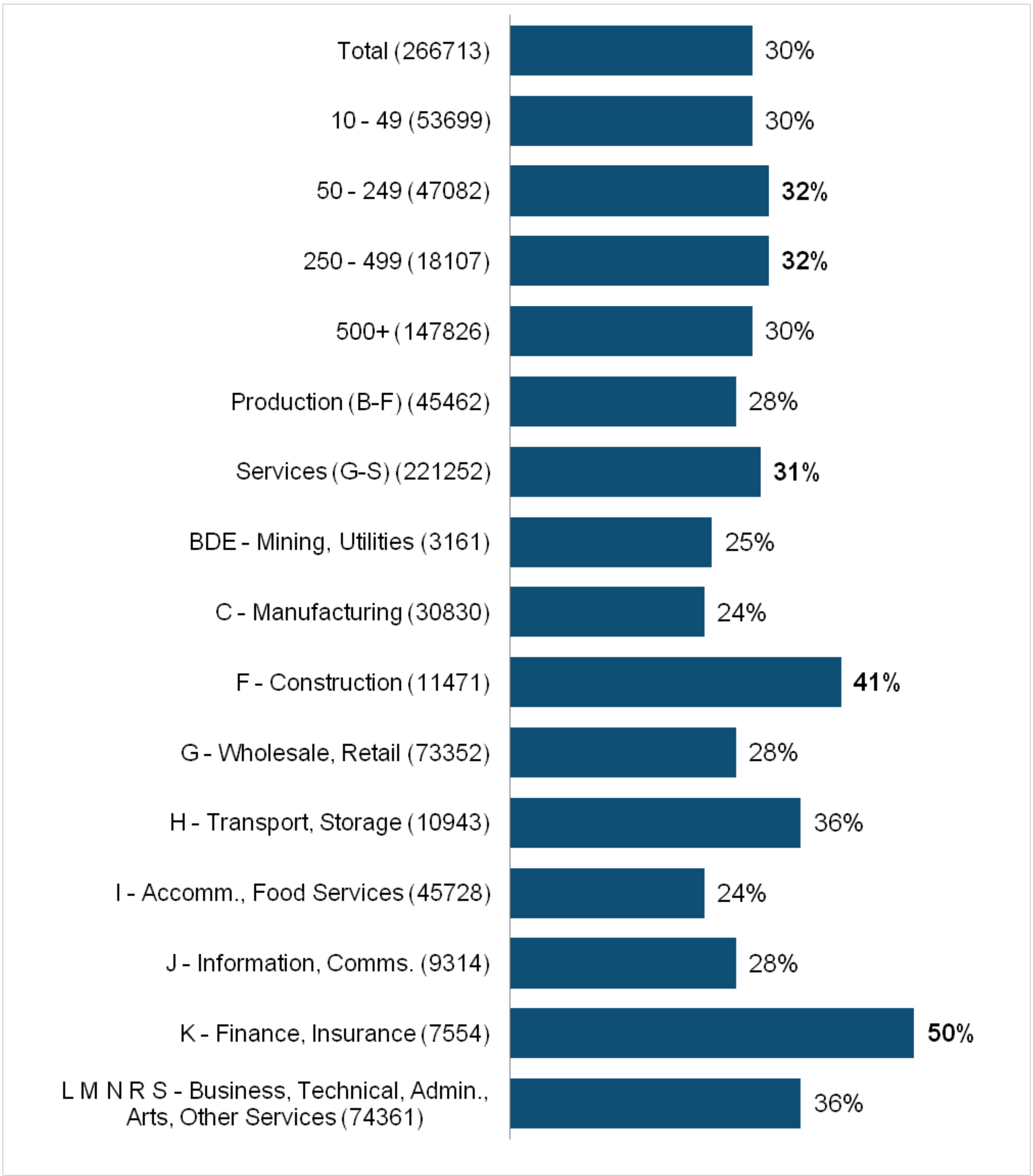
13. The proportion was lower in broad Production and Construction sectors than in Service sectors (28%, compared with 31%), but was higher than average in Construction (41%). Half of employees (50%) within the Finance/Insurance sector have participated in CVT courses.

14. Participation as a proportion of the workforce was higher than average within organisations that reported a decrease in workforce size in the preceding 12 months (33%). This compared with 30% within organisations that reported an increase and 29% within those that reported no change.

15. Within organisations where employees each worked (on average) fewer[8] than average hours, the proportion of the workforce participating in CVT was higher than average (37%). This compared with 31% within organisations in which employees each worked (on average) higher[9] than average hours.

[8] Defined as fewer than 20% more than the overall working hours per employee.
[9] Defined as greater than 20% more than the overall average working hours per employee.

Figure 4: D1 Proportion of the total workforce that participated in Continuing Vocational Training courses in 2015 (all employees) ***Weighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

Time spent on Continuing Vocational Training courses

16. Organisations whose employees participated in CVT courses in 2015 were asked about the number of hours which their employees spent in CVT. The average number of paid working hours spent on CVT courses in 2015 (based on employees who took part) was 1,104.

17. One in six organisations (16%) reported that their employees (totalled for all employees in the organisation) spent between 1 and 30 hours on CVT courses, whilst just 5% reported that their employees (in total) spent 3,000 or more hours on courses in 2015.

18. Since the number of employees participating in CVT courses increases with organisation size, the total number of hours on CVT courses increases similarly. The average by organisation ranged from 412 hours in organisations with between 10 and 49 employees to 1,629 hours in organisations with 50 and 249 employees to 4,084 in organisations with 250 to 499 employees, to just over 20,000 hours in the largest organisations (500 or more employees).

19. Services sector organisations reported a higher average of total employee hours spent on CVT courses than those in Production and Construction sectors (1,150 hours, compared with 952 hours). The average was particularly high in Finance/Insurance (3,341) and lower than average within Accommodation/Food services (624) and Construction (819). The relatively low average in terms of hours spent on CVT courses in Construction, in the context of a higher than average proportion of the workforce in this sector, might suggest that training is more thinly spread across a larger number of employees compared with other sectors.

20. In relation to the total number of hours *worked* during the calendar year 2015 in organisations that provided Continuing Vocational Training, the average number of hours spent in v*ocational training* accounted for less than 1% (0.6%).

21. There was little difference by organisation size and sector in this respect, although the proportion declined as organisation size increased; 1.1% within organisations with 10-49 employees, to 0.9% of those with 50-249 employees, to 0.7% of those with 250-499 employees, to 0.4% of those with 500+ employees.

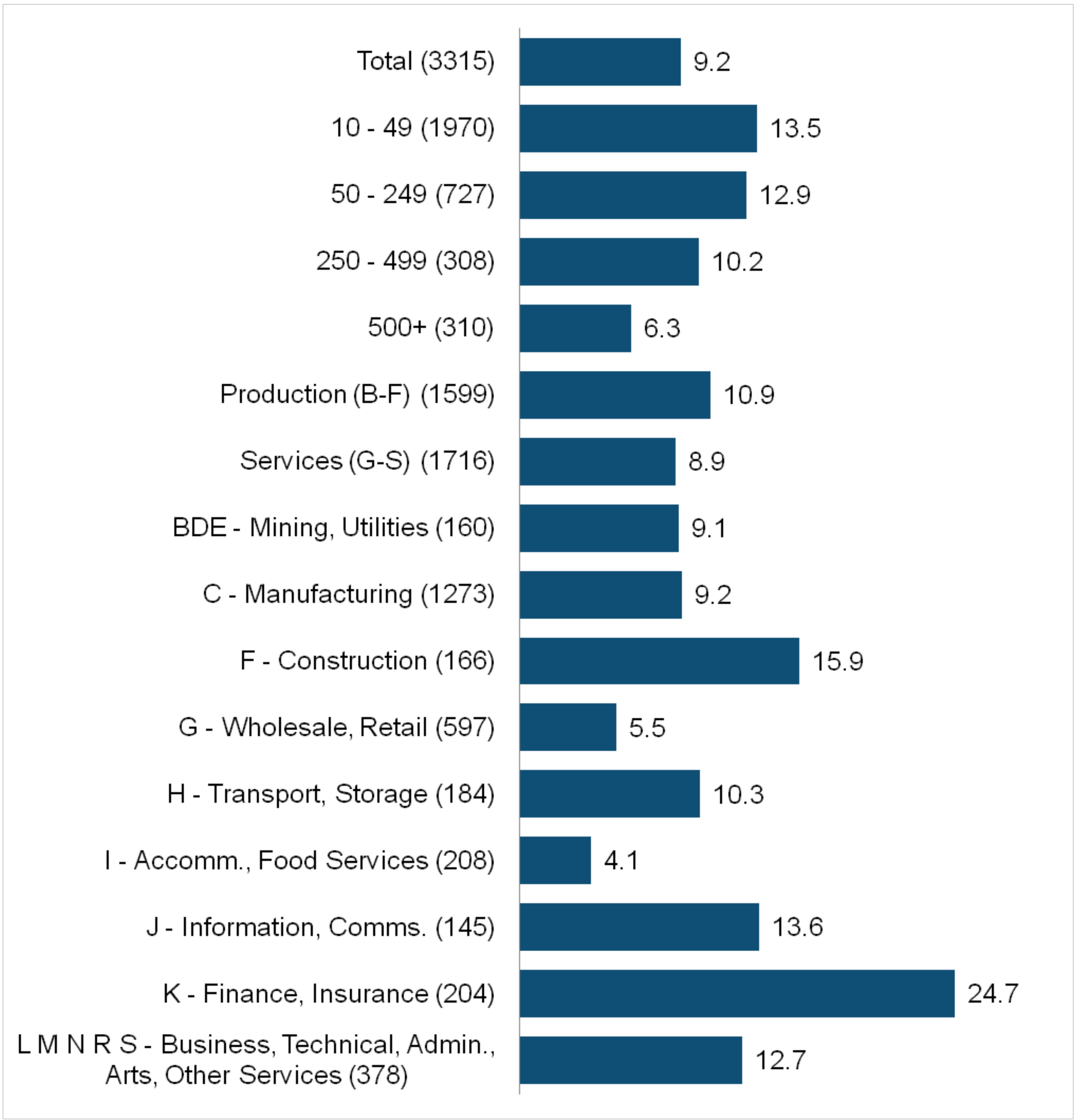
22. By sector, the highest proportion of working hours spent on CVT courses was reported within Finance/Insurance (1.7%), while it was also slightly higher than average in Information/Comms (1.0%) and Construction (1.0%) sectors. The figure for Construction reflects the smaller than average organisation size in this sector, a factor which is also implicated in the lower than average number of hours spent on CVT courses.

23. In terms of the number of hours spent on CVT courses per employee in organisations that provided course-based vocational training, the average was 9.2 hours. (Note: This average is calculated on a base of all employees in the organisation not just those employees who undertook CVT courses) (see Figure 5).

24. The average number of hours spent on CVT courses per employee decreased as organisation size increases from 13.5 hours in organisations employing between 10 and 49 employees to 6.3 hours in organisations employing 500 or more people.

25. The average figure was similar in both Production and Construction (10.9) and Services (8.9) sectors but, in more detail, was notably higher in the Finance/Insurance (24.7) and Construction (15.9) sectors and considerably lower in Accommodation/Food Services (4.1) and Wholesale/Retail (5.5) sectors.

Figure 5: D4 Average number of hours spent on CVT courses per employee, by organisation size and industry sector (All organisations) ***Maximum unweighted sample bases in parentheses***



Statistically significant differences are not highlighted in this table because statistics are derived from responses to two different questions

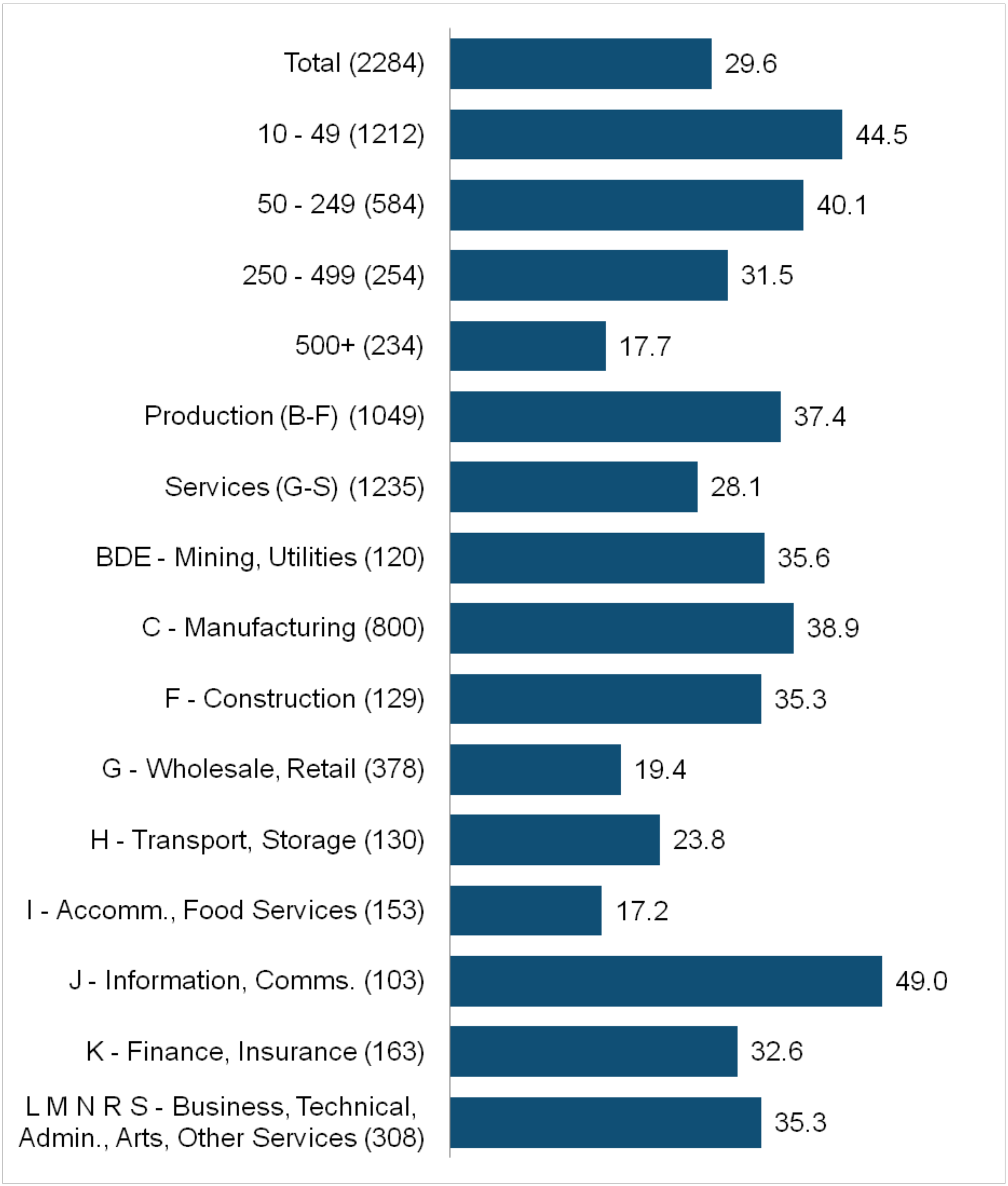
26. The average number of hours spent on CVT courses *per participant in CVT courses* in 2015 was 29.6 hours (see Figure 6).

27. Once again, the average number of hours per participant decreased as organisation size increases from 44.5 hours in organisations employing between 10 and 49 employees to 17.7 hours in organisations employing 500 or more people.

28. The average was lower in Service sectors (28.1 hours) than in Production and Construction organisations (37.4 hours). However, it was higher than average in the Service sectors of Information/Comms (49.0), Business/Technical/Admin./ Arts/Other services (35.3) and Finance/Insurance (32.6) sectors. The Service sector overall average was reduced by relatively low number of hours in training per participant within Wholesale/Retail (19.4) and Accommodation/Food Services (17.2).

29. Focusing on where there has been workforce growth or shrinkage, organisations that reported a reduction of their workforce between 2014 and 2015 reported a higher number of hours in training per participant (42.8), while those that reported an increase also reported a higher than average number of hours but considerably below that of those that had lost staff (33.1). Those that reported no change reported fewest (28.7).

Figure 6: D4 Average number of hours spent on CVT courses per participant, by organisation size and industry sector (Organisations that provided CVT courses) ***Maximum unweighted sample bases in parentheses***



Statistically significant differences are not highlighted in this table because statistics are derived from responses to two different questions

30. In summary, larger organisations, simply by virtue of their size, are likely to supply more total training hours but provide fewer hours in training as a proportion of hours worked, provide fewer hours in CVT per worker, and provide fewer hours per trainee.

Breakdown of time spent on internal and external Continuing Vocational Training courses

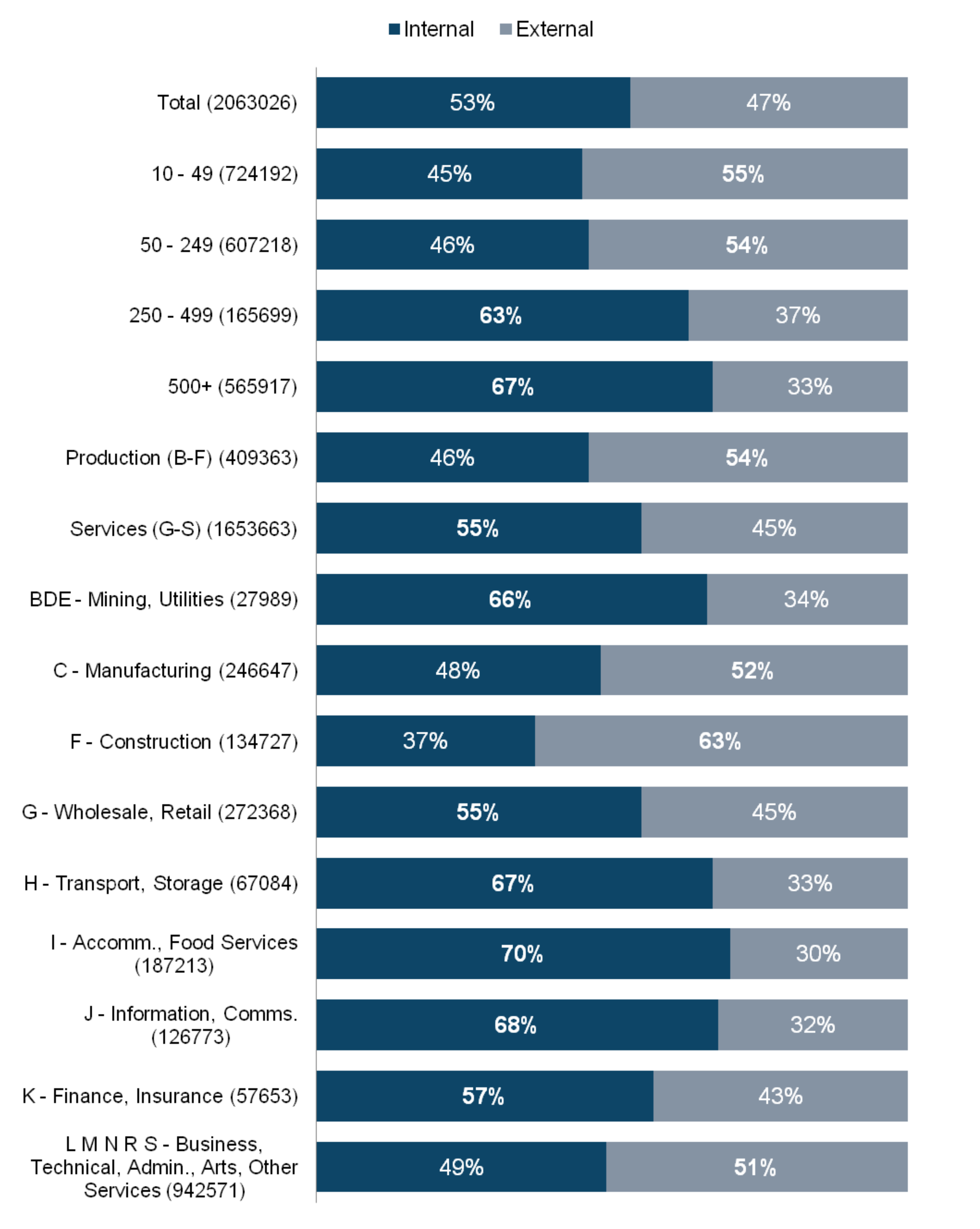
31. An analysis of the number of hours spent on internal or external CVT courses allows an approximation of the balance between the two in terms of the time spent on each. Overall, 53% of hours spent on CVT courses involve internal courses, with the remaining 47% involving external courses.

32. As organisation size increases, the balance shifts from external to internal courses, reflecting the extent to which larger organisations are more likely to have facilities for internal training.

33. Internal CVT courses accounted for a significantly larger than average majority of hours spent on CVT courses overall in three Services sector groups: Accommodation/Food Services (70% of training hours on internal CVT courses); Information/Comms. (68%); and Transport/Storage (67%). External CVT courses account for the majority of hours spent on CVT courses in the Construction sector (63%) (see Figure 7).

34. Organisations that reported a decrease in the size of the workforce between 2014 and 2015 were signficiantly more likely to report a breakdown between internal and external CVT courses in favour of external courses (40%; 60% respectively).

Figure 7: D5/D6 Proportion of training hours spent on internal and external training courses in 2015 by organisation size and industry sector (Organisations that provided CVT courses) ***Weighted bases – total training hours - in parentheses***



Time spent on mandatory Vocational Training courses

35. Organisations whose employees undertook CVT courses in 2015 were asked to provide an estimate of training hours that were spent on mandatory courses, such as those relating to occupational health and safety.

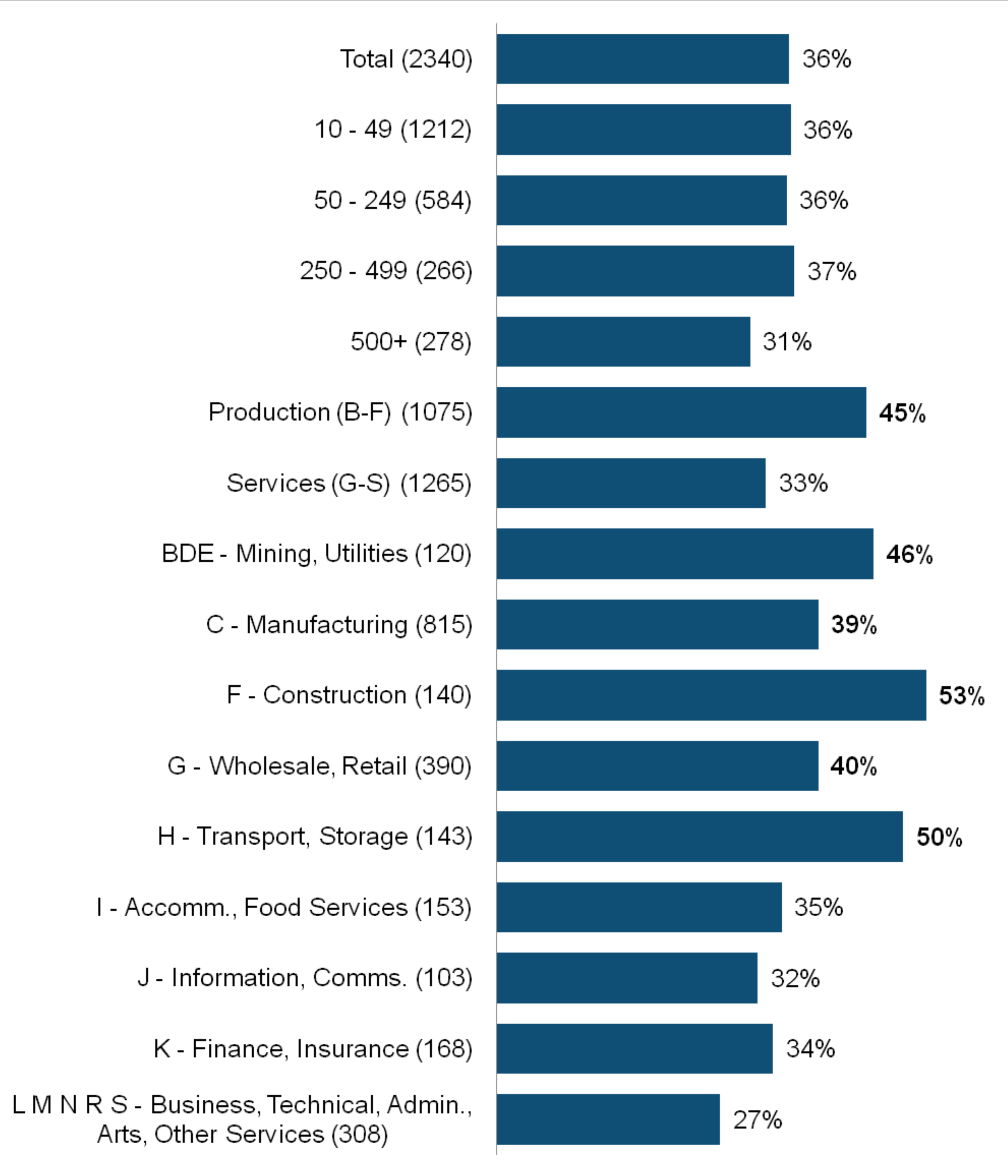
36. On average, 36% of all training hours were spent on these courses. This proportion varied little with organisation size, but was lower in organisations employing 500 or more staff (31%) (see Figure 8).

37. The average share of training hours spent on mandatory courses was significantly higher in Production and Construction organisations than in those in the Service sectors (45%, compared with 33%).

38. In more detail, it was higher than average in the Construction (53%), Transport/Storage (50%) and Utilities (46%) sectors. It was lowest in Business/Technical/Admin./Arts/Other Services (27%).

39. The proportion was higher than average within organisations reporting workforce growth between 2014 and 2015 (39%), perhaps reflecting the training needs of new staff. It compared with 27% within organisatons reporting a reduction in their workforce during the same period.

Figure 8: D9 Proportion of training hours spent on mandatory occupational health and safety courses by organisation size and industry sector (Organisations that provided CVT courses)
Maximum unweighted sample bases in parentheses



Figures in bold are statistically significantly higher than average based on a 95% confidence level

Time spent on courses leading to a nationally-recognised qualification

41. Organisations whose employees undertook CVT courses in 2015 were also asked to provide an estimate of training hours that were spent on courses leading towards a nationally-recognised qualification.

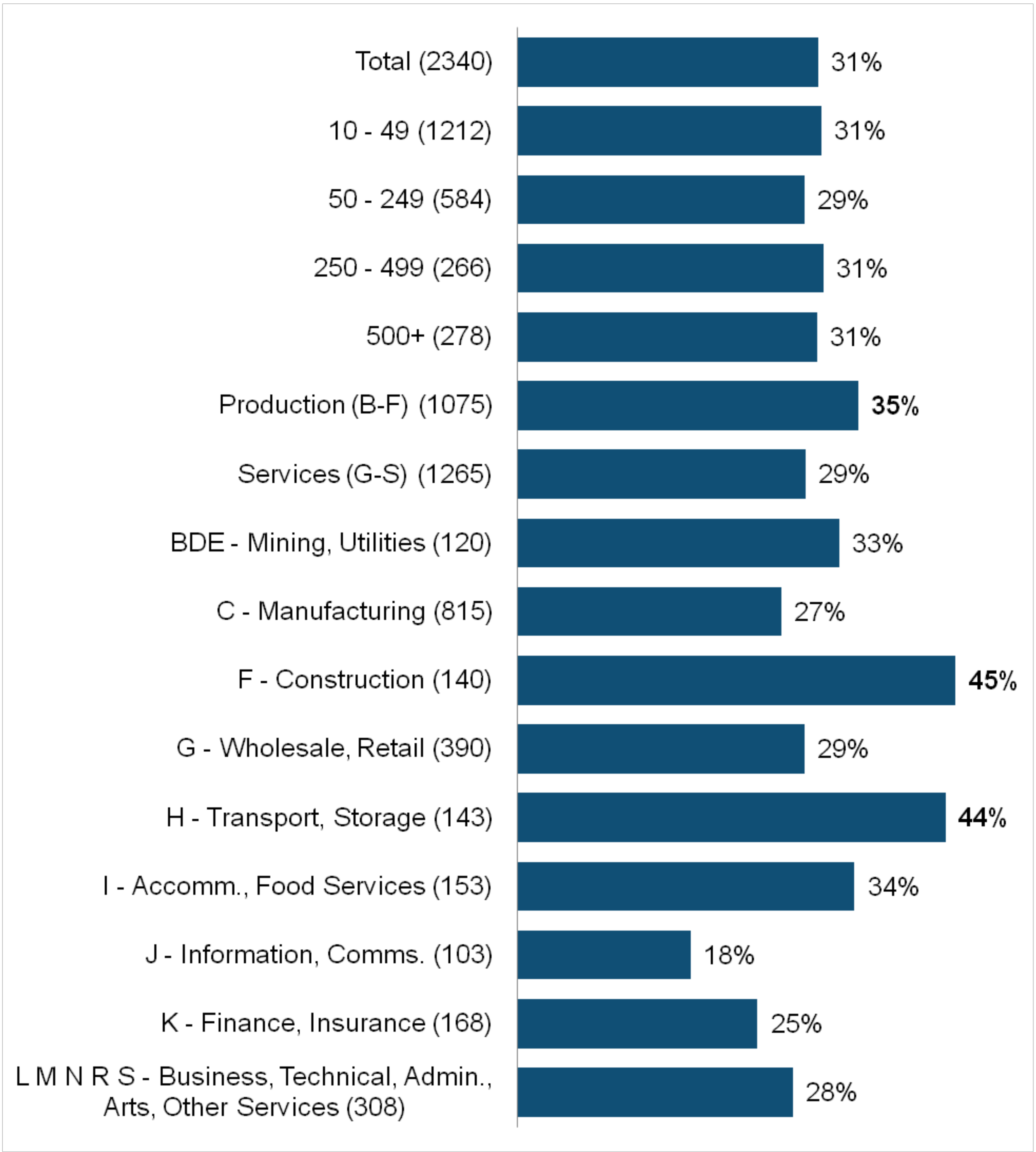
42. On average, 31% of all training hours were spent on these types of courses. Again, the proportion varied little by organisation size (see Figure 9).

43. There was also little difference between organisations in broad Production/ Construction and Service sectors (35% and 29% respectively).

44. The proportion was higher than average in the Construction (45%) and Transport/ Storage (44%) sectors, reflecting a stronger regulatory requirement for staff in these sectors to undertake mandatory courses. It was lowest in the Information/Comms sector (18%).

45. Unlike the pattern observed for mandatory training, there was no greater propensity for training towards nationally-recognised qualifications within organisations reported workforce growth or shrinkage.

Figure 9: D9 Proportion of training hours spent on courses leading towards a nationally-recognised qualification, by organisation size and industry sector (Organisations that provided CVT courses) ***Maximum unweighted sample bases in parentheses***

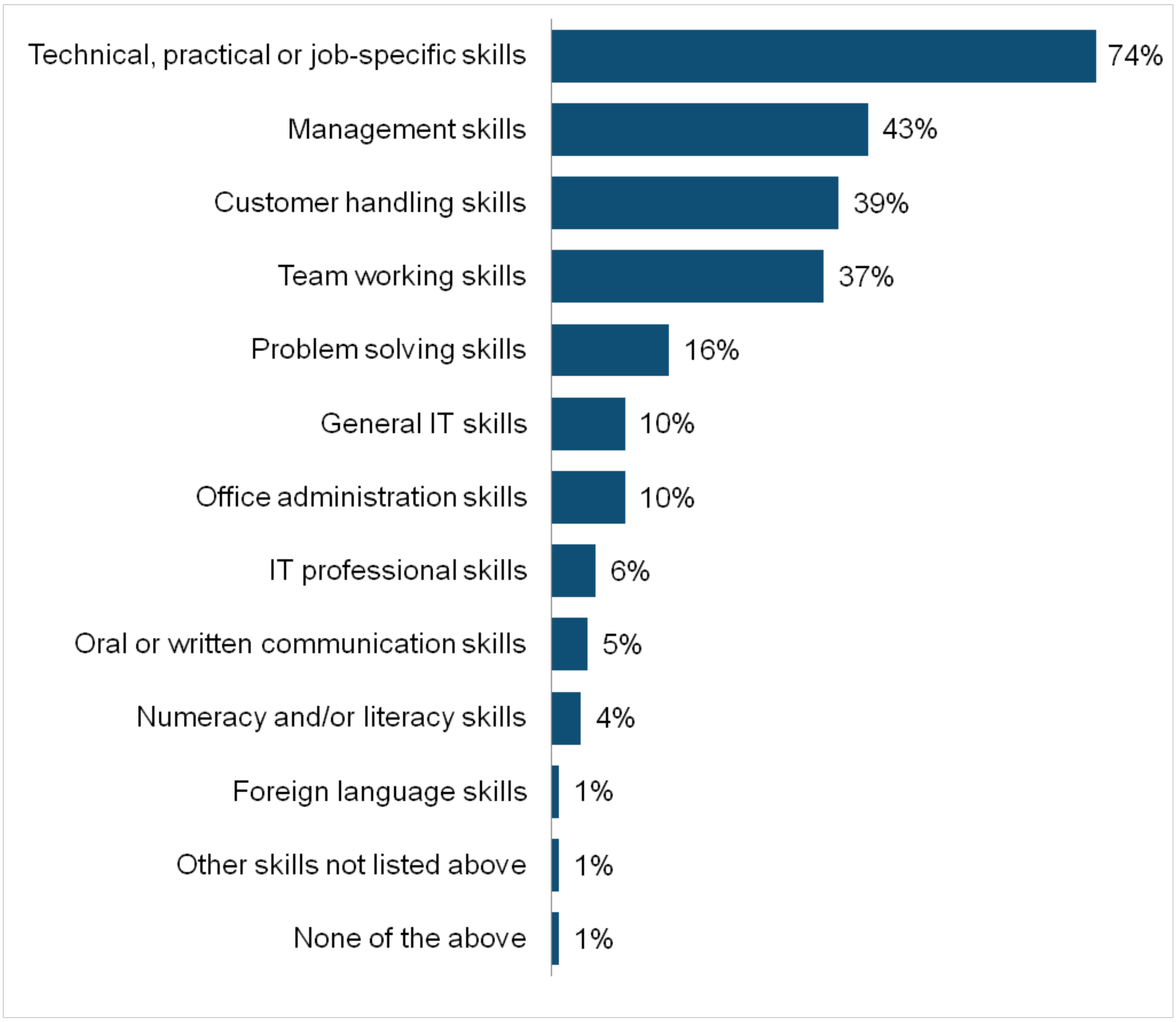


Figures in bold are statistically significantly higher than average based on a 95% confidence level

Skills/competences developed

46. Respondents were asked which three skills or competences had been the most important to the organisation in terms of the number of all training hours devoted to relevant CVT courses within paid working time. The most frequently mentioned (from a list of prompted responses) were technical, practical or job-specific skills (74%) (see Figure 10). Although, many of the other skills/competences were mentioned significantly more often by larger organisations, technical, practical or job-specific skills were of similar importance across all size bands.

Figure 10: D7 Skills/competences that were <u>most</u> important in relation to the number of all training hours spent on Vocational Training courses within paid working time in 2015 – prompted, multiple response up to three (Organisations that provided CVT courses) ***Unweighted sample base = 2,340***
****denotes less than 0.5%***



47. Areas of skills/competences that were particularly important to larger organisations, compared with those with fewer employees included:

- **Management skills** (e.g. leading and managing staff, planning the activities of others): 40% of 10-49 employers; 69% of 500+ employers
- **Team working skills** (e.g. dealing with colleagues, working together): 35% of 10-49 employers; 53% of 500+ employers
- **Customer handling skills** (e.g. dealing with customers, persuading or influencing others): 37% of 10-49 employers; 52% of 500+ employers

48. By sector, organisations within Service sectors (44%) were significantly more likely than those in Production and Construction sectors (21%) to devote training hours to customer handling skills (e.g. dealing with customers, persuading or influencing others).

49. In contrast, organisations in Production and Construction sectors (85%) were significantly more likely than those in Service sectors (71%) to devote training hours to technical, practical or job-specific skills.

Participant numbers in ‘other’ Continuing Vocational Training

50. In terms of *participant numbers* (rather than proportions of organisations), guided on-the-job training involved the highest proportion of trainees (39%) followed by self-directed learning (29%). While (as in Table 6) the incidence of most forms of Continuing Vocational Training increased with organisation size, personal learning from attendance at conferences and similar and participation in learning and quality circles were higher as shares of all ‘other’ Continuing Vocational Training provided in smaller organisations than of as shares that provided by larger ones.

Table 6: C3-C11 Proportion of trainees participating in other specified forms of Continuing Vocational Training, by organisation size and broad industry sector (all trainees)

	Total	10-49 employees	50-249 employees	250-499 employees	500+ employees	Production (B-F)	Services (G-N,RS)
Guided on-the job-training	39%	43%	43%	42%	35%	49%	37%
Job-rotation, exchanges, secondments or study visits	10%	7%	7%	6%	14%	8%	11%
Attendance at conferences, workshops, trade fairs and lectures	16%	22%	19%	17%	12%	16%	16%
Participation in learning or quality circles	6%	9%	7%	7%	4%	8%	6%
Self directed learning (e.g. self-directed e-learning	29%	18%	24%	28%	34%	20%	30%
Total trainees	*163,607*	*33,617*	*29,147*	*13,052*	*87,792*	*23,422*	*140,185*

Statistically significant differences are not highlighted in this table because statistics are derived from responses to two different questions

Comparisons with CVTS4

51. The average number of hours spent on CVT courses *per participant* has increased since 2010. There has been a significant increase in the proportion of training hours spent on mandatory, occupational health and safety courses but little change in the proportion of training hours spent on courses leading to a nationally-recognised qualification.

Table 7: Average number of hours spent on CVT courses (Organisations that provided CVT courses)

Hours	Hours per employee	Hours per participant	% of hours spent on mandatory training	% of hours spent on qualifications-based courses
2010 – CVTS4	7.7	25	26	30
2015 – CVTS5	9.2	30	**36**	31

Figures in bold are statistically significantly higher than average based on a 95% confidence level

4 Costs of Continuing Vocational Training Courses

1. This chapter examines the cost of Continuing Vocational Training (CVT) courses in 2015. The survey aimed at ascertaining both direct and indirect costs as well as contributions to and receipts from collective funds, which factor into overall training expenditure.

Key points

2. Employers' average total training expenditure on CVT courses in 2015 was around £31,300. This is higher than in 2010 (£17,300)[10].

3. Average total training expenditure varies from £9,200 in organisations with between 10 and 49 employees to around £671,000 in organisations with 500 or more employees.

4. The average cost per course participant was £1,320, which indicates an increase since 2010 (when it was £765). This cost is higher for smaller employers than for larger ones, presumably because of larger employers' use of internal training resources and/or because of economies of scale.

5. The average cost of CVT courses per hour was £44 but with significant variation between sectors, being lowest at £31 in the Accommodation and Food Services sector and highest at £70 in the Mining/Utilities sector. There has been an increase in this figure since 2010, when it was reported at £30.

6. The average cost of CVT courses per employee (that is, averaged across all employees in the organisation whether they participated or not) was £400. As with cost per participant, this was lower in larger organisations than in smaller ones. It compares with £235 per employee in 2010.

7. Indirect costs (of trainee absence from their work station and for travel and subsistence) accounted for a substantial proportion (33%) of the average cost of courses. Direct costs in the form of fees and payments accounted for 30%, labour costs of internal training staff for 20%, and training facilities for 10%.

8. 17% of employers paid a training levy or contributed to collective or other funds for vocational training in 2015. Collective funds was defined as funds or grants managed by a trade, industry or sector association that may have responsibility for arranging qualifications and training at a trade, industry or sectoral level. The average contribution was of £10,600.

[10] It should be noted that inflation is not factored into comparisons between 2010 and 2015.

9. 14% of employers received payments from collective funds or any other financial grants or subsidies for the provision of vocational training. The average receipt was of £8,000. Government subsidies were the most frequent source of receipts, closely followed by receipts from training funds.

10. To sum up, the average amount organisations spent on training increased between 2010 and 2015, from £17,300 to £31,300. This reflects increases in training costs per employee from £235 to £400 and per training hour from £30 to £44 over the period.

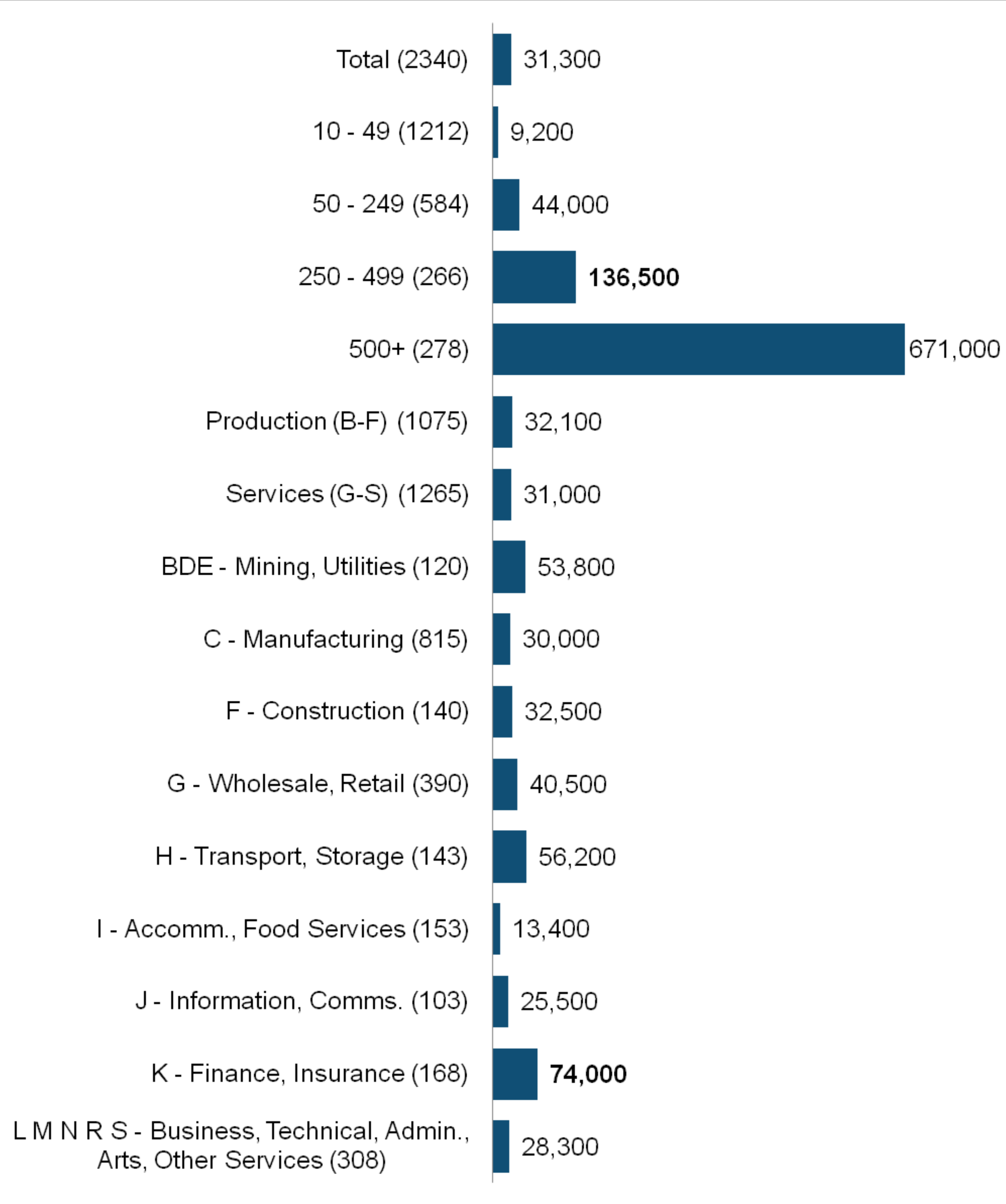
Total cost of Continuing Vocational Training courses in 2015

11. Organisations that provided CVT courses in 2015 were asked about the costs of doing so. They were asked to breakdown the costs into a number of areas, including: fees to external training organisations; travel and subsistence payments; and the cost of premises and equipment. They were also asked to identify any contributions made to, or received from, collective funding arrangements where these were in place for their sector. If they were not able to provide a breakdown they were asked to provide an estimate of total costs incurred. Data collected on labour costs was used to calculate the personal absence costs of employees involved in providing training or in receiving training so that the 'real' cost to the organisation could be estimated.

12. The average amount spent by organisations on CVT courses in 2015 was £31,307 (see Figure 11).

13. This average figure varies greatly between sectors. However, the main determinant is that of organisation size since, as would be expected,the greater the number of staff, the greater the number of prospective trainees and the higher the potential expenditure.

Figure 11: Total average cost (£s) of providing CVT courses per organisation, by organisation size and industry sector, 2015 (Organisations that provided CVT courses) ***Maximum unweighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

14. The average cost of CVT courses *per participant* in 2015 was £1,320. This decreases with organisation size from over £1,600 per participant in

organisations employing fewer than 250 employees to less than £1,100 per participant in larger organisations.

15. Presumably, this reflects economies of scale such that, as the number of participants increases, resources are shared and fixed overheads, such as the costs of training centres, equipment and internal training staff, are distributed over a larger number of trainees.

16. The average cost of CVT courses per hour in 2015 was £44. This was at its lowest level in the smallest organisations (£36 where between 10 and 49 employees were employed) and considerably higher in organisations with more than 500 employees (£50).

17. This pattern appears to contradict the trend, as above, such that the average total cost per participant declines by organisation size. However, the variable that impacts on this statistic is that of number of hours spent on CVT courses. While costs per participant decrease as organisation size increases, the average number of hours spent on CVT courses also decreases, and thus, costs per training hour actually increase.

18. There were differences between industry sectors. Average hourly costs of training were higher in Production and Construction sectors than in Service sectors (£56, compared with £41). When broken down in more detail, the figure was highest in Construction (£74) and Utilities (£70) and lowest in Accommodation and Food Services (£31).

19. The average cost of CVT courses across *per employee* (including those who didn't train) was £400. The average cost per employee was higher, at £490, in organisations with between 10 and 49 employees than the £320 average cost in organisations with 500 or more employees. Highest average cost per employee is to be found in the Construction sector (£1,180) and the lowest in Accommodation and Food Services (£125).

20. Average costs per CVT course participant, per hour spent on CVT courses and per employee are presented in Table 8.

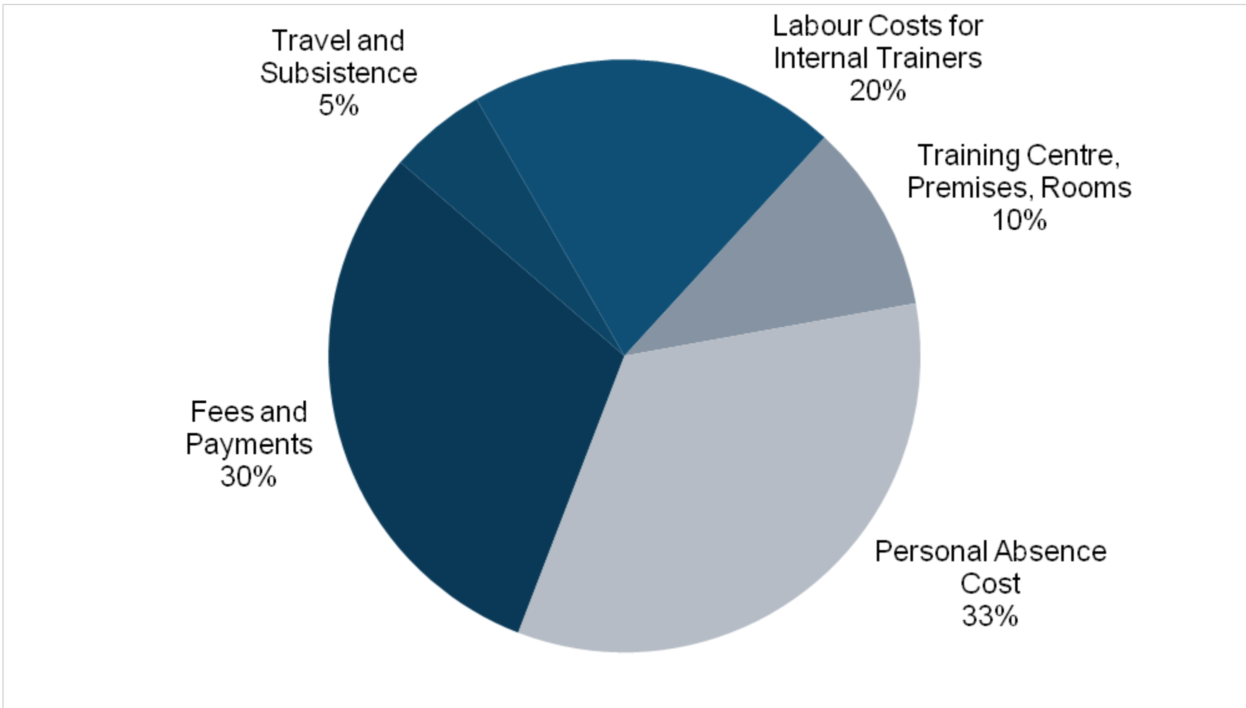
Table 8: D13-D16/D1 Average cost (£s) of Continuing Vocational Training in 2015 per participant, per hour and per employee (Organisations that provided CVT courses)

	Per CVT course participant £	Per CVT course hour £	Per employee £
TOTAL	1,320	44	400
10-49 employees	1,610	36	490
50-249 employees	1,640	41	530
250-499 employees	1,555	48	495
500+ employees	1,080	50	320
Production and Construction (B to F)	2,160	56	610
Services (G to S exc.OPQ)	1,170	41	360
BDE – Mining and Quarrying, Utilities	2,500	70	635
C - Manufacturing	1,670	43	390
F - Construction	2,850	74	1,180
G – Wholesale and Retail	990	50	275
H – Transport, Storage	1,660	58	590
I – Accommodation, Food Services	530	31	125
J – Information, Communications	2,110	43	590
K – Finance, Insurance	2,060	42	1,030
LMNRS – Business, Technical, Admin., Arts, Other Services	1,270	36	460

Cost breakdown

22. The following figure summarises the breakdown of total costs of Vocational Training courses in 2015. Labour costs of participants are also included in these total costs.

Figure 12: D14 2015 CVT course cost breakdown (Based on the total amount spent by organisations that provided CVT courses) ***Maximum unweighted sample base = 2,340; calculated based on weighted total costs base = £78,410,754***



23. Personal absence costs (i.e. the salaries of trainees for the time they have spent on CVT courses) accounted for a third (33%) of training costs.

24. In terms of other costs, fees and payments were the most significant (30% of training costs). The costs of training centres, premises and rooms, at an average of 10%, were much less significant because not all organisations incurred these. They increased to 13% of training costs in organisations with 250 or more employees. Ttravel and subsistence accounted for just 5% of all costs, these costs again not always being incurred. However, these last costs were significantly higher as a proportion of all training costs for organisations with fewer than 50 employees (9%), a finding which is likely to reflect the greater prevalence of off-site training in these smaller organisations. This was underlined by the fact that, on average, just 6% of training costs were accounted for by on-site training facilities within organisations with fewer than 50 employees, compared with 11% within organisations with between 50 and 249 employees; 14% within organisations with between 250 and 499 employees; and 13% within organisations with 500 or more employees.

Comparisons with CVTS4

26. A comparison of costs per trainee and per trainee hour with previous surveys suggests rising costs of training for organisations in the last five years (see Table 9).

Table 9: Cost (£) of providing Continuing Vocational Training, 2010[11] and 2015

	Training costs per trainee	Training costs per trainee hour
2010 – CVTS4	£765	£30
2015 – CVTS5	£1,320	£44

27. The increase in training expenditure between 2010 and 2015 was 73%. Inflation averaged 3% over this time period (compounding to a 16% economy-wide increase in prices between 2010 and 2015), and wages actually increased by less (by around 1.6%) on average. Economy-wide inflation is not a perfect proxy for increases in training delivery costs, but we can confidently say that the increase in training expenditure between 2010 and 2015 represents a real increase.

Funding of Vocational Training activities

Contribution to funds

28. Respondents were asked if their organisation paid a training levy or contributed to collective or other funds for Vocational Training activities in 2015. These were described as funds or grants managed by a trade, industry, or sector association that has responsibility for arranging qualifications and training at a trade, industry, or sector level. They have been taken into account within the training cost statistics reported so far.

29. One in six organisations (17%) paid a levy or contributed to such collective or other funds for Vocational Training activities. This compares with 13% in 2010.

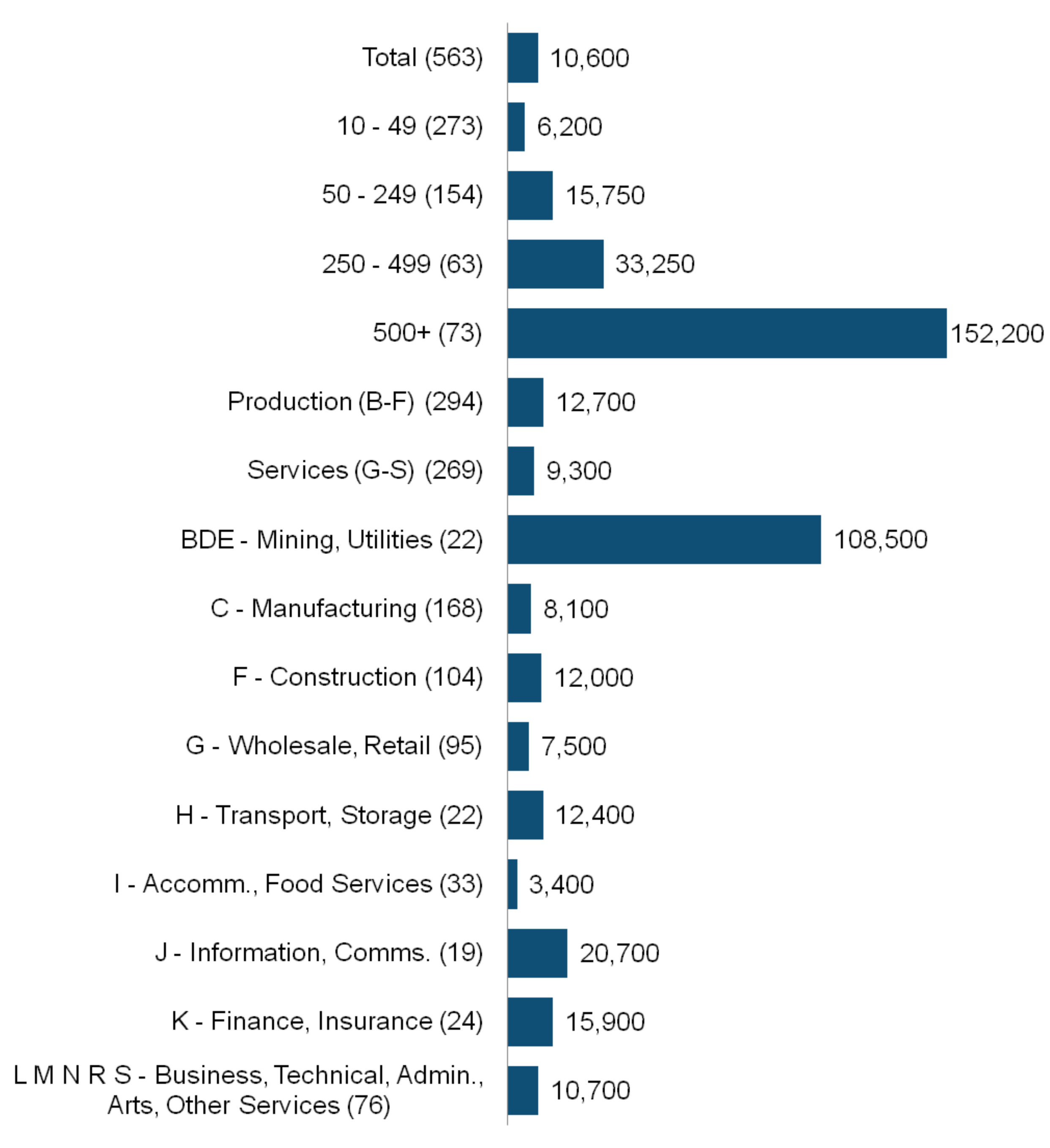
30. This proportion is higher in Production and Construction sectors than in Service sectors (29%, compared with 14%). It increases with organisation size from 17% in organisations with between 10 and 49 employees to 23% of organisations with 500 or more employees.

[11] It should be noted that inflation is not factored into comparisons between 2015 and 2010.

31. In the majority of organisations (77%) the amount contributed did not exceed £10,000. The average amount contributed was £10,600. This average contribution ranged from £6,200 in organisations with between 10 and 49 employees to around £152,200 in those with 500 or more employees (see Figure 13).

32. For organisations in the Production and Construction sectors, the average amount contributed was higher (but not significantly so) than for organisations in Service sectors (£12,700, compared with £9,300).

Figure 13: C15 Average amount (£s) contributed to collective or other funds for Vocational Training in 2015, by organisation size and industry sector (Organisations that contributed) ***Maximum unweighted sample bases in parentheses***



Receipt of funds

33. Respondents were asked if their organisation had received payments from collective or other funds or any other financial grants or subsidies for the provision of Vocational Training courses in 2015. Again, these receipts have been taken into account when calculating training costs for organisations.

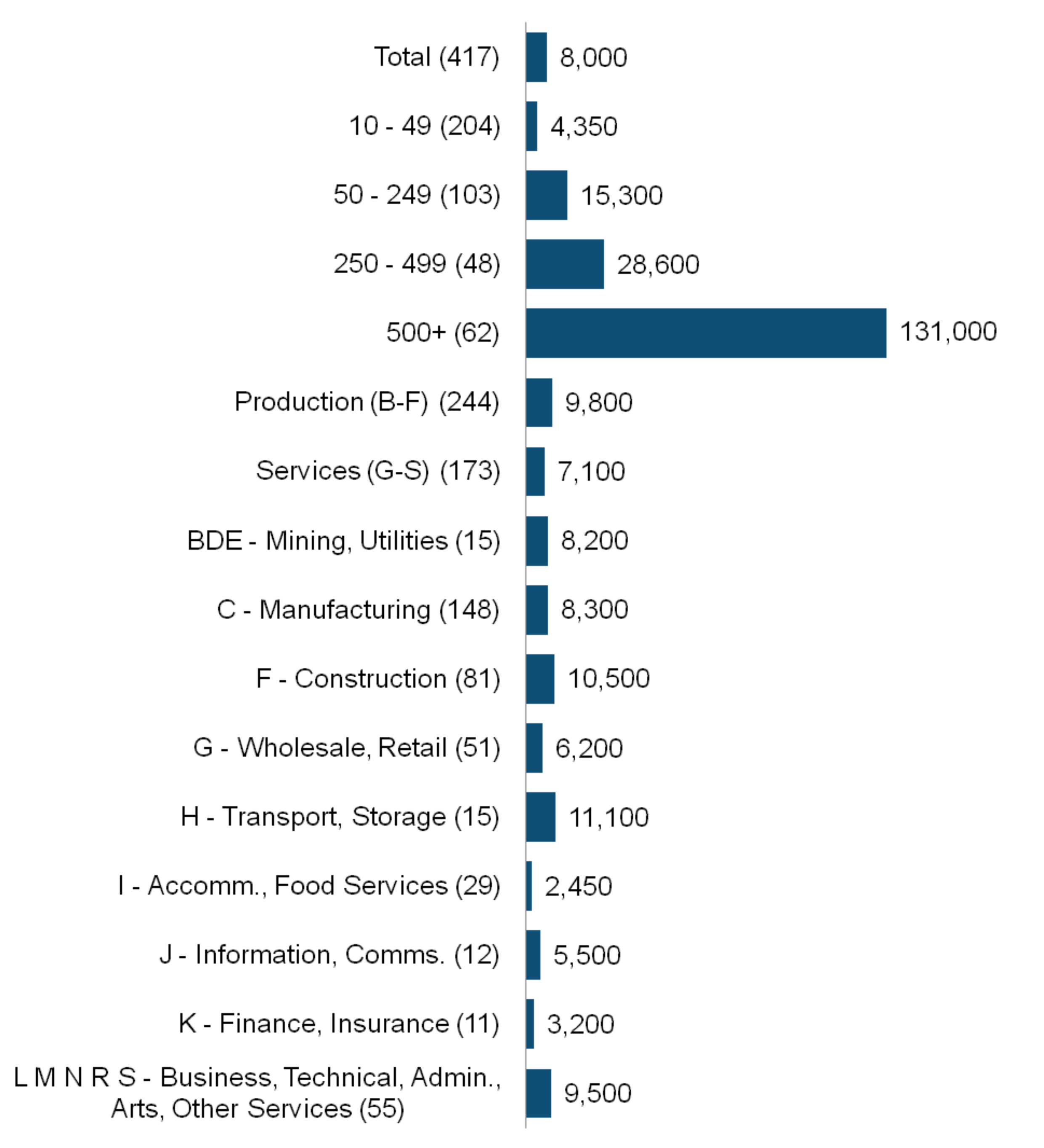
34. Around one in seven (14%) received such payments. This proportion varies little by business size: 14% of organisations with between 10 and 49 employees; 13% with between 50 and 249 employees; 15% with between 250 and 499 employees; and 17% with 500 or more employees.

35. It was significantly higher in Production and Construction sectors than in Service sectors (22%, compared with 12%) and particularly high in the Construction sector (41%).

36. The majority (86%) received payments of no more than £10,000. The average payment received was £8,000. This average ranged from £4,350 in organisations with between 10 and 49 employees to £131,000 in organisations with 500 or more employees (see Figure 14).

37. Average payments received did not differ significantly by broad industry sector, with organisations in Production and Construction sectors receiving, on average, £9,800 and those in Service sectors receiving, on average, £7,100.

Figure 14: C17 Average amount (£s) received in financial grants or subsidies for Vocational Training in 2015, by organisation size and industry sector (Organisations in receipt of funding)
Maximum unweighted sample bases in parentheses



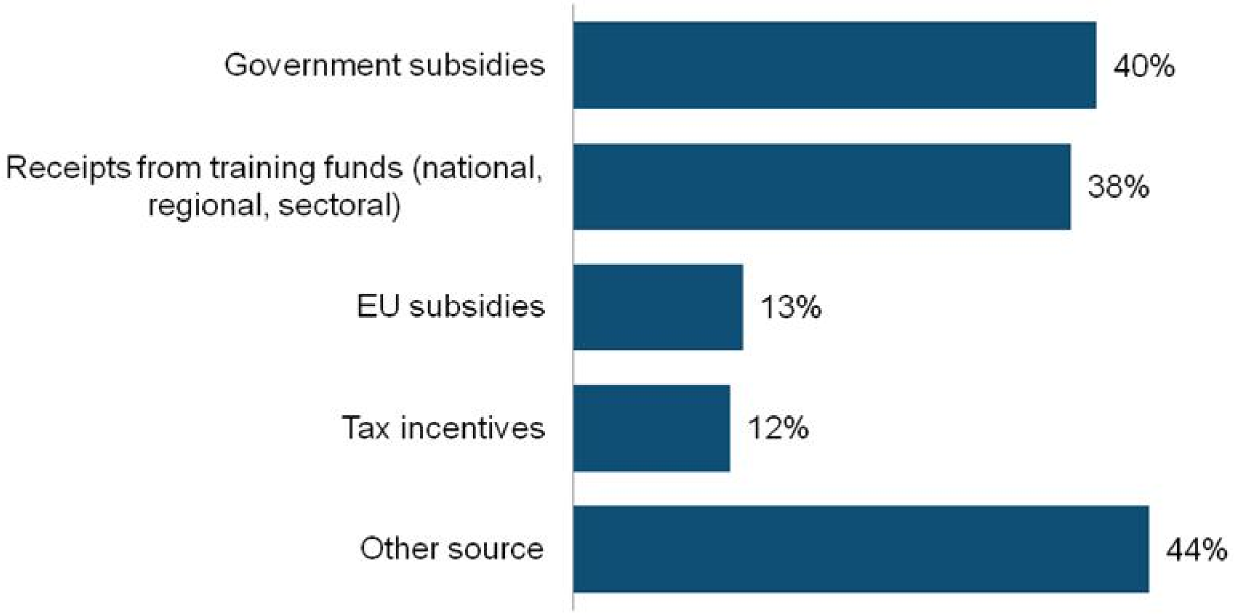
38. Respondents whose organisation received *financial grants or subsidies* for Vocational Training in 2015 were asked to identify the source of these grants or subsidies. Two-fifths (40%) cited government subsidies (see Figure 15). This proportion increased to more than 57% of organisations employing more than 500 employees.

39. Fewer (38%) received *training funds*. This proportion increased to more than 50% of organisations employing more than 50 employees (55% of organisations with between 50 and 249 employees; 49% of those with 500+ employees).

40. *EU subsidies* were received by one in eight organisations that received grants or subsidies (13%), with this source being particularly significant in Manufacturing (25%).

41. *Tax incentives* were also received by one in eight organisations (12%) of organisations receiving funds, increasing to around one in five organisations with 500 or more staff (20%).

Figure 15: C18 Which of the following does your organisation usually benefit from for providing Vocational Training (Organisations in receipt of funding) - prompted, multiple response
Unweighted sample base = 417



5 Training Policies, Management Processes and Assessment of Continuing Vocational Training Outcomes

1. This chapter summaries the training policies and management processes that exist within organisations and which underpin the provision of Continuing Vocational Training (CVT). It also discusses strategies employed by organisations for assessing outcomes of CVT.

Key points

2. Provision of CVT is generally associated with having supportive *infrastructure*, such as a training centre or a specific person or department with responsibility for staff training, and supportive *processes*, such as having formal planning of training and training budgets.

3. Employers most frequently identified team-working skills, job-specific skills, and customer handling skills as skills which would be important to the future development of their organisation.

4. 51% of employers reviewed skill needs regularly as part of their overall planning process; 41%, reviewed needs on an ‘as and when needed’ basis. 8% did not assess their skill needs.

5. 26% of employers reported that staff representation was involved in the management of their CVT provision.

6. Employers use a range of different approaches to ensure that they have a sufficiently skilled workforce. The vast majority of organisations reported training existing staff (93%); reallocating responsibilities to other staff (91%); recruiting staff that already have the skills, competences and qualifications needed (85%) and recruiting staff who they need to provide with specific training (83%).

7. 14% of employers reported that provision of CVT in their organisation was regulated by a written agreement involving government, local area or trade associations, and/or trade unions.

8. Planning of CVT leading to a written training plan or programme was more frequent in 2015 than in 2010 (47%, compared with 42%).

9. 66% of employers supplying CVT formally assessed CVT outcomes.

10. Of all employers that assessed training outcomes, 74% used certification after written or practical tests; 71% assessed participants’ behaviour or performance in

relation to training objectives; 66% assessed or measured the impact of training on performance within the organisation; and 57% undertook a satisfaction survey among participants.

Overview of strategies for the provision of Continuing Vocational Training

11. The propensity to have formal processes for reviewing the need for, budgeting for, and having management processes in place to facilitate, training goes hand in hand with the provision of Continuing Vocational Training (CVT) (see Table 10). Only a minority of all organisations, just 8%, do not assess the skills and competences their staff need – but those that did not provide staff training in 2015 are more likely to carry out these assessments on an irregular basis. Assessment of skills and competences as part of the *overall planning process* was significantly higher amongst those that train.

Table 10: Training processes, plans and policies by whether training is provided (B2/B3/B11/B12/B13/B14) (all organisations)

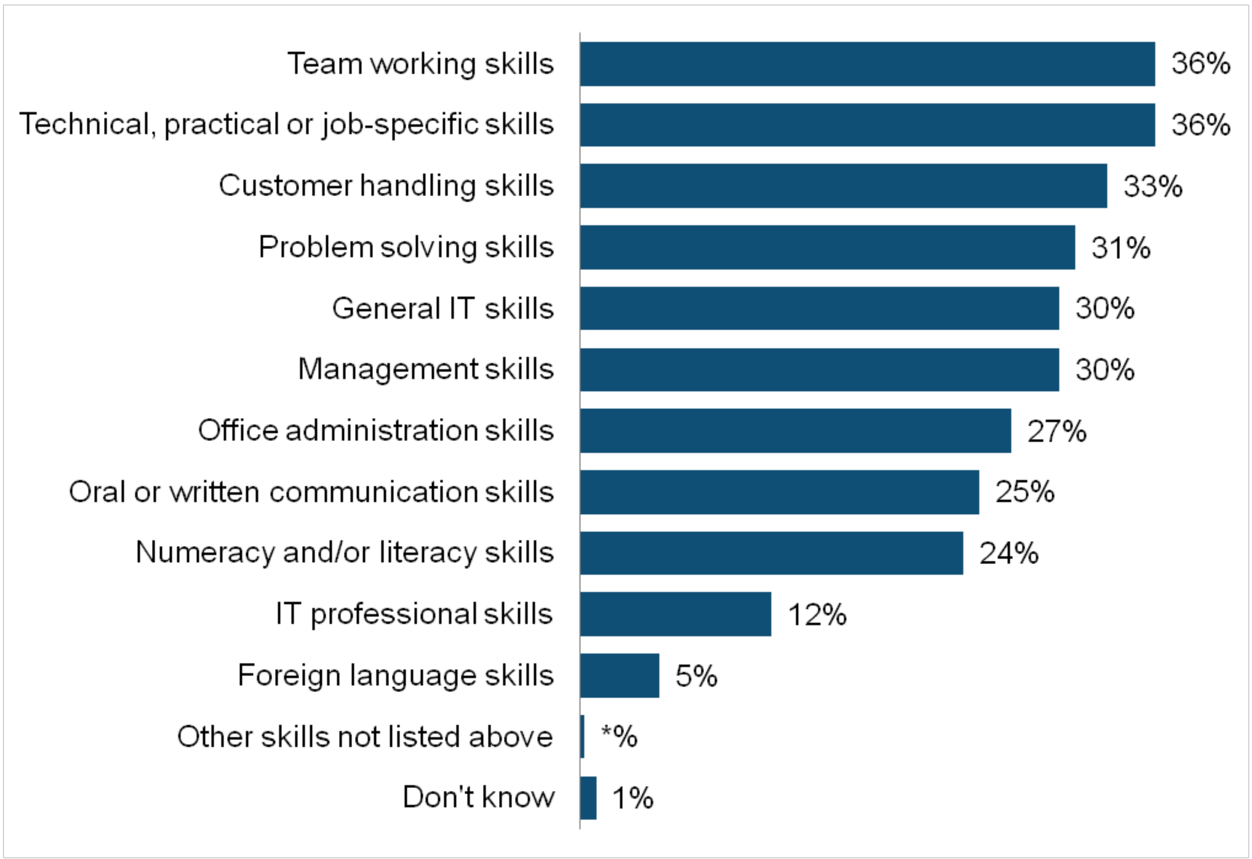
Row percentages	Total	Trained At All in 2015	Did not train
Has a specific person or department with responsibility for arranging Vocational Training	56%	**60%**	31%
Assesses skills and competences as part of the overall planning process in the organisation	51%	**57%**	18%
Planning of Vocational Training within organisation leads to written training plan or programme	47%	**52%**	18%
Assesses the skills and competences it needs, but not regularly (as and when required)	41%	38%	**57%**
Has annual training budget including provision for Vocational Training	32%	**36%**	9%
Staff representatives/committees usually involved in the Vocational Training management process	26%	**28%**	15%
Written agreements between Government, local area or trade associations or trade unions regulate provision of Vocational Training	14%	**16%**	5%
Assess the skills and competences their staff need at all	92%	**95%**	75%
Do not assess the skils and competences their staff need at all	8%	5%	**25%**
Unweighted sample bases	*3,315*	*2,910*	*405*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

Skills/competences which are important to business development

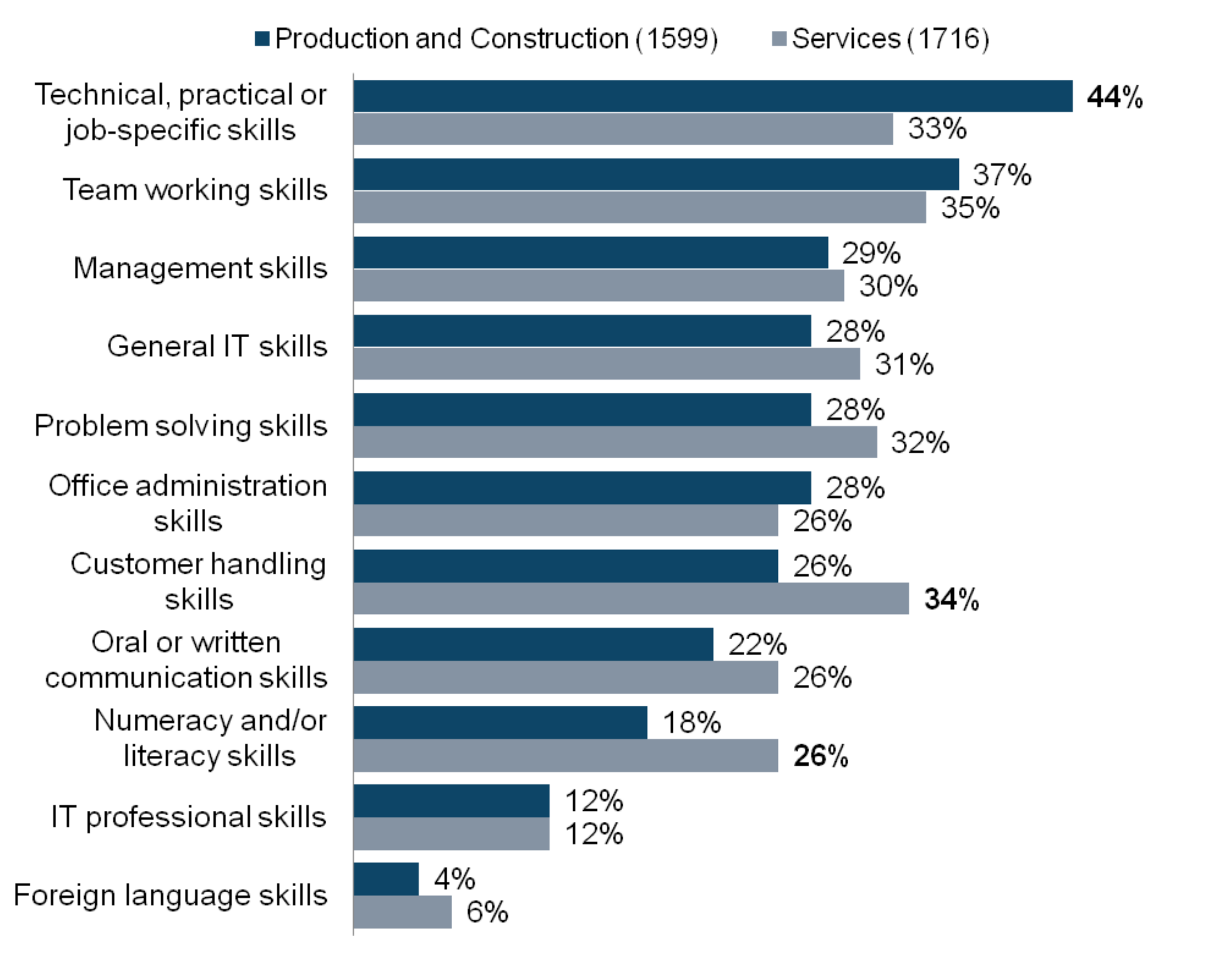
12. Respondents were asked to indicate the three skills and competences that are considered important for the development of their organisation in the next few years. These are summarised in Figure 16. The top two are team-working skills and technical, practical or job-specific skills, followed by customer handling skills.

Figure 16: B9 Three skills/competences generally considered as important for the development of the organisation in the next few years – prompted, multiple response up to three (all organisations)
Unweighted sample base = 3,315 *denotes less than 0.5%



13. Respondents in organisations in Service sectors were significantly more likely to identify customer handling and numeracy and/or literacy skills as important, while those in Production and Construction sector organisations were significantly more likely to identify technical, practical or job-specific skills (see Figure 17).

Figure 17: B9 Three skills/competences generally considered as important for the development of the organisation in the next few years – prompted, multiple response up to three, by broad industry sector (all organisations) ***Unweighted sample bases in parentheses *denotes less than 0.5%***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

14. A review of skills and competences considered important by sector highlights the relative significance of IT professional skills within the Information/ Communications sector (25%), customer handling skills within both Wholesale/Retail (43%) and Accommodation/Food Services (44%) sectors and technical, practical and job specific skills with Manufacturing (43%), Construction (45%) and Mining/Utilities (48%)[12]. This is summarised in Table 11.

[12] The latter two percentages are not significantly higher than average.

Table 11: B9 Three skills/competences generally considered as important for the development of the organisation in the next few years – prompted, multiple response up to three, by industry sector (all organisations) ***denotes less than 0.5%***

	Total	BDE - Mining, Utilities	C - Manufacturing	F - Construction	G - Wholesale, Retail	H - Transport, Storage	I - Accomm., Food Services	J - Information, Comms.	K - Finance, Insurance	L M N R S - Business, Technical, Admin., Arts, Other Services
General IT skills	30%	26%	31%	24%	27%	29%	20%	33%	29%	**38%**
IT professional skills	12%	13%	11%	13%	12%	10%	7%	**25%**	16%	12%
Management skills	30%	34%	28%	28%	27%	25%	32%	33%	32%	30%
Team working skills	36%	34%	36%	40%	32%	29%	41%	37%	36%	35%
Customer handling skills	33%	29%	23%	32%	**43%**	34%	**44%**	28%	29%	26%
Problem solving skills	31%	30%	30%	24%	32%	35%	**39%**	29%	26%	31%
Office administration skills	27%	20%	27%	31%	28%	29%	13%	23%	25%	31%
Foreign language skills	5%	3%	6%	3%	6%	4%	3%	7%	8%	7%
Technical, practical or job-specific skills	36%	48%	**43%**	45%	35%	36%	33%	37%	42%	31%
Oral or written communication skills	25%	24%	21%	25%	26%	25%	28%	27%	28%	26%
Numeracy and/or literacy skills	24%	15%	23%	11%	25%	20%	28%	20%	22%	27%
Other skills not listed above	*%	0%	*%	0%	*%	0%	0%	0%	0%	0%
Don't know	1%	1%	3%	*%	1%	4%	2%	0%	0%	0%
Unweighted sample bases	*3,315*	*160*	*1,273*	*166*	*597*	*184*	*208*	*145*	*204*	*378*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

Identification of skill and training needs

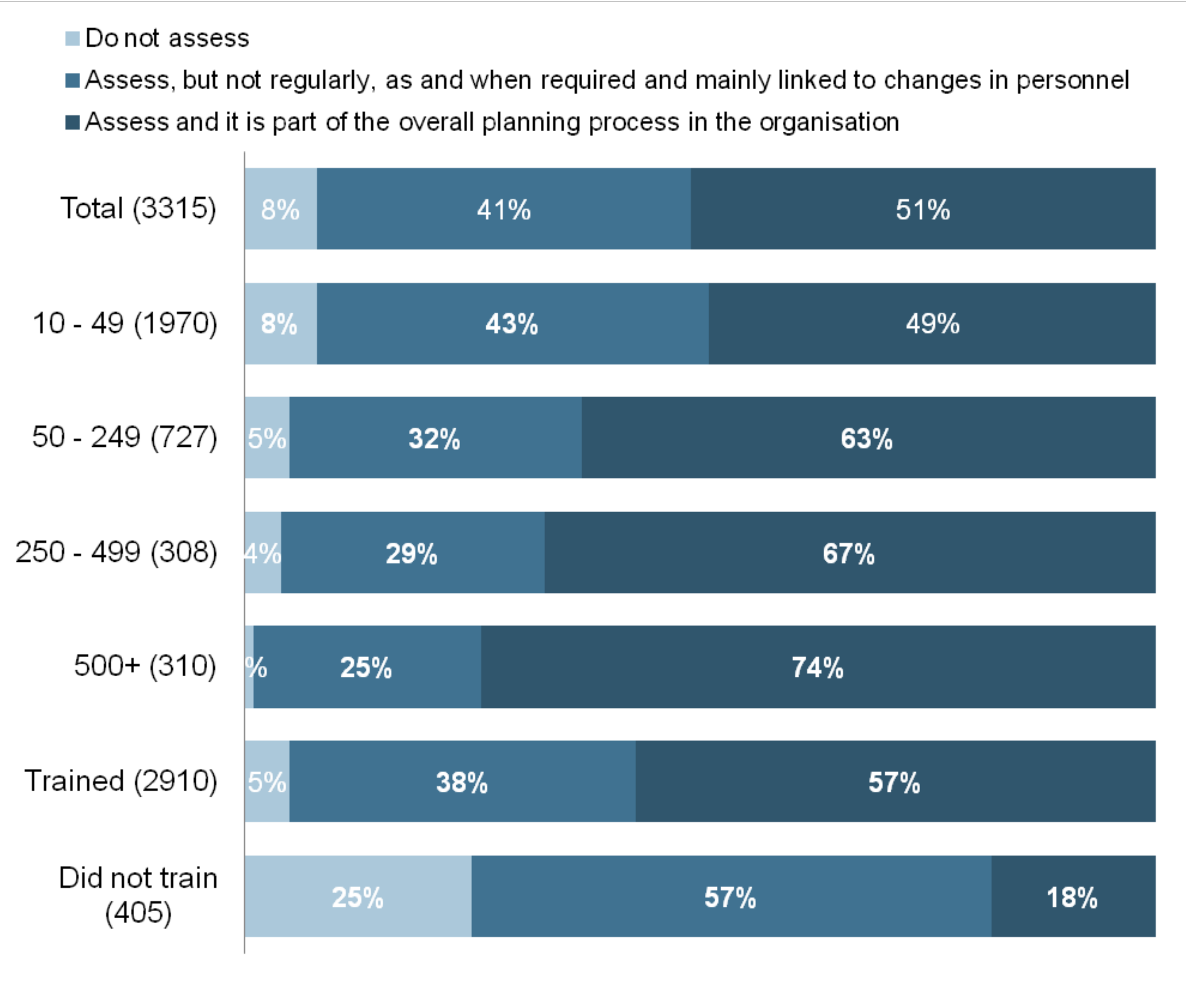
15. Respondents were asked whether their organisation regularly assessed the skills and competences it needs. For the larger proportion (51%), it is part of the overall planning process within the organisation. Two-fifths (41%) do so but not

on a regular basis; it is as and when required and mainly linked to changes in personnel (see Figure 18).

16. Five years ago, 43% reviewed skill needs regularly; 42% on an 'as and when needed' basis, and 14% did not assess their skill needs. Overall, 92% of employers reviewed skill needs in 2015, compared with 86% in 2010.

17. Regular assessment becomes more likely as organisation size increases; whilst in organisations that did not train in 2015, only a minority (18%) assess skills and competences as part of the planning process and a higher proportion than this (25%) do not assess skills and competences at all.

Figure 18: B3 Proportion of organisations that regularly assess the skills and competences they need (all organisations) ***Unweighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

18. Organisations used a range of strategies to ensure that they provide the skills and competences they will need in the future. Providing training to existing staff was most frequently mentioned (93%), whilst reassigning staff or responsibilities where necessary was next most commonly employed as a strategy (91%).

19. Training existing staff is a widely employed strategy and the majority of those that did not provide training in 2015 have used it at some point (72%), although not in the reference year.

20. More than four-fifths of organisations (85%) recruited new staff who already had the skills, competences, and qualifications that were needed, while a similar proportion (83%) recruited new staff who were provided with specific training.

21. Larger organisations were more likely to employ the full range of strategies while non-training organisations, which are also more likely to be smaller organisations, were less likely to cite *any* of the strategies (see Table 12).

Table 12: B4 Ways in which organisations usually ensure they provide the skills and competences they will need in the future, by organisation size and whether trained (all organisations) ***denotes less than 0.5%***

	Total	10-49 employees	50-249 employees	250-499 employees	500+ employees	Trained At All in 2015	Did Not Train
We provide training to our existing staff	93%	92%	**97%**	**97%**	**100%**	**97%**	72%
We recruit new staff that have the skills, competences and qualifications we need	85%	84%	**92%**	**95%**	**94%**	**86%**	78%
We recruit new staff who we provide with specific training	83%	82%	**87%**	**94%**	**94%**	**87%**	63%
We look at what skills and competences we have amongst our employees and reassign staff or responsibilities where necessary	91%	91%	**94%**	94%	**96%**	**92%**	86%
None	*%	*%	*%	0%	0%	*%	**2%**
Unweighted sample bases	*3,315*	*1,970*	*727*	*308*	*310*	*2,910*	*405*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

Responsibility for Vocational Training within the business

22. More than half the organisations (56%) had a specific person or department within their organisation with responsibility for arranging Vocational Training.

23. This proportion increases with organisation size from 53% of organisations with between 10 and 49 employees to 70% of those with between 50 and 249

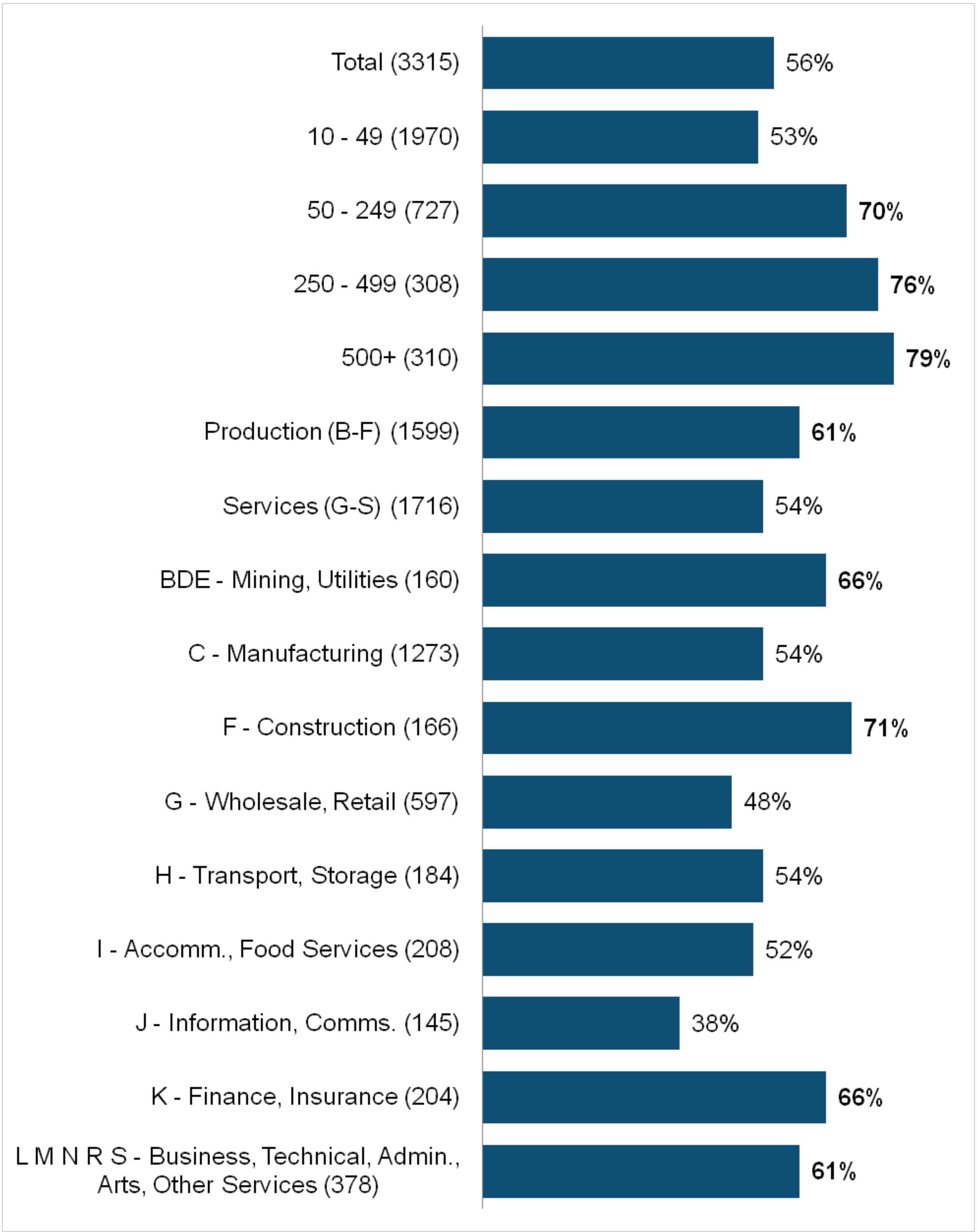
employees, to 76% of those with 250 and 499 employees, and to 79% of organisations with 500 employees or more.

24. The proportion of organisations with a specific person or department with responsibility for arranging Vocational Training was significantly higher in Production and Construction sectors than in Service sectors (61%, compared with 54%).

25. In more detail, the proportion was highest in Construction (71%) and Mining and Utilities (66%) sectors, and was also high in Finance/Insurance (66%).

26. A significantly higher proportion than average of organisations reporting workforce growth between 2014 and 2015 reported having a a specific person or department with responsibility for arranging Vocational Training (63%).

Figure 19: B2. Proportion that have a specific person or department within the organisation that has responsibility for arranging Vocational Training, by organisation size and industry sector (All organisations) ***Maximum unweighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

Training plans

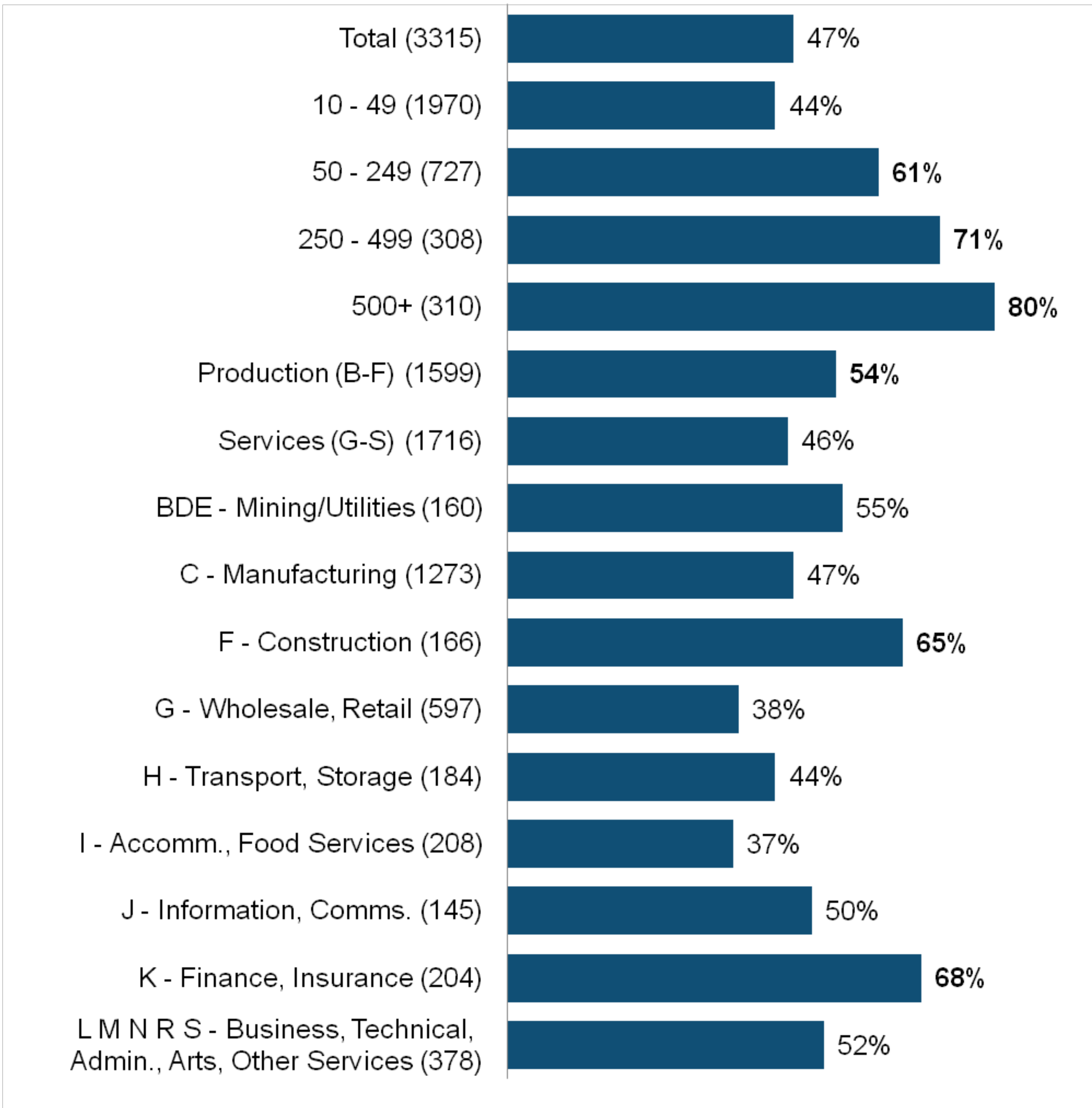
27. Nearly half of respondents (47%) reported that their planning of Vocational Training led to a written training plan or programme (see Figure 20).

28. Again, the likelihood of a written training plan or programme being in place increased with organisation size from 44% of organisations with between 10 and 49 employees to 61% of those with between 50 and 249 employees, to 71% of those with 250 and 499 employees, and to 80% of organisations with 500 employees or more.

29. The propensity to have a written training plan or programme of Vocational Training is higher in Production and Construction than in Service sectors (54%, compared with 46%) and is particularly high in Construction (65%) and Finance/Insurance (68%).

30. It was higher than average within organisations that reported workforce growth in the preceding 12 month period (56%), with fewer than average of those that reported workforce shrinkage reporting that planning Vocational Training led to a written training plan or programme (41%).

Figure 20: B11 Proportion of organisations for whom the planning of Vocational Training within your organisation leads to a written training plan or programme, by organisation size and industry sector (all organisations) ***Unweighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

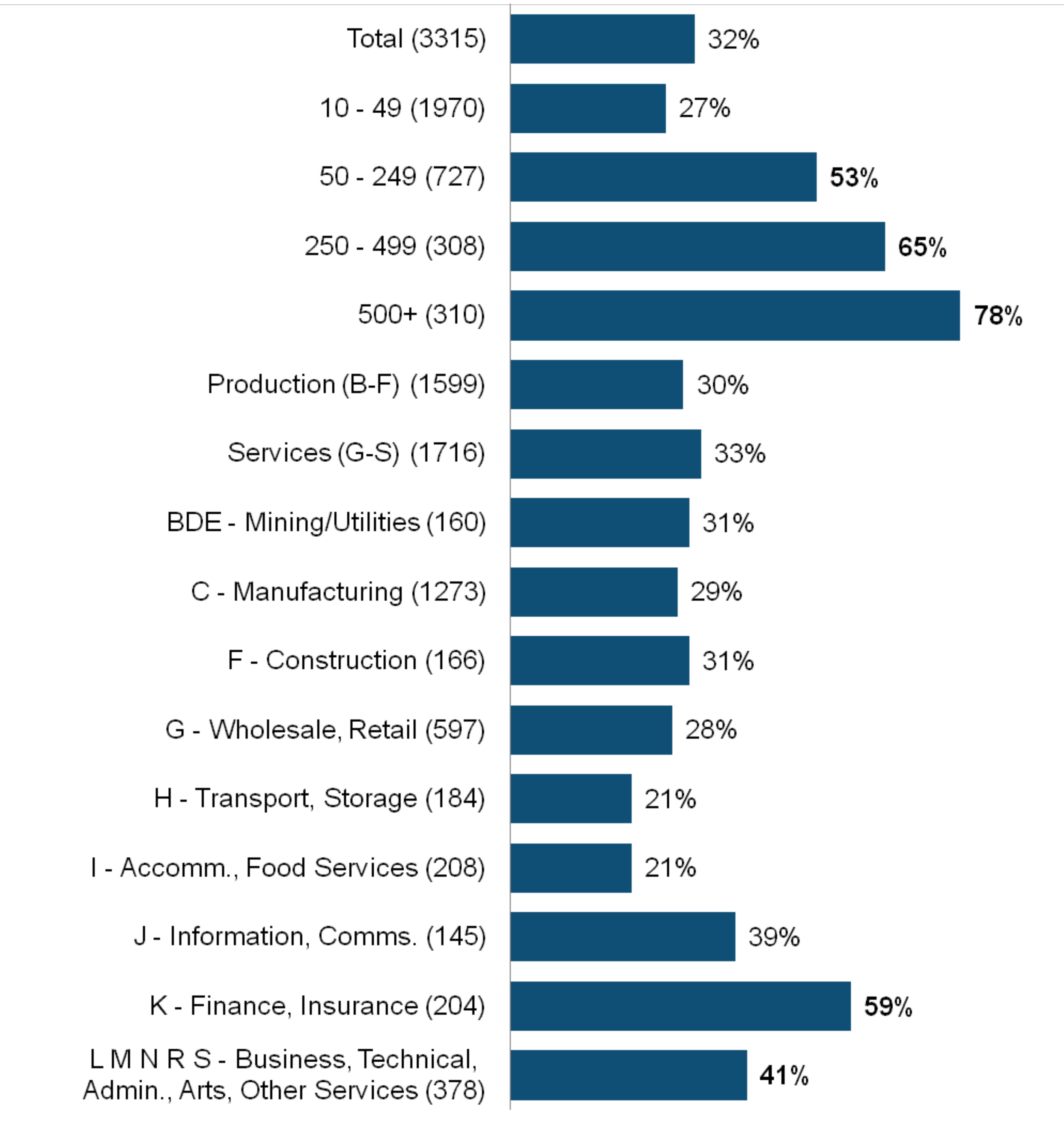
Training budgets

31. Around a third of organisations (32%) had an annual training budget (see Figure 21).

32. The propensity to plan for Vocational Training, and thus set aside a budget for it, increases with business size, from 27% of organisations with between 10 and 49 employees to 53% of those with between 50 and 249 employees, to 65% of those with 250 and 499 employees, and to 78% of organisations with 500 employees or more.

33. While there is little difference in the likelihood of organisations in the two broad sector groups of Production and Construction and Service having a training budget, two specific Service sectors , Finance/Insurance (59%) and Business/Technical/Admin./Arts/Other services (41%), are significantly more likely to have one.

Figure 21: B12 Proportion of organisations that have an annual training budget, which includes provision for Vocational Training, by organisation size and industry sector (all organisations)
Unweighted sample bases in parentheses



Figures in bold are statistically significantly higher than average based on a 95% confidence level

Regulation of Vocational Training provision

34. One in seven respondents (14%) reported that written agreements between Government, local area or trade associations, or trade unions regulated the provision of Vocational Training in their organisation.

35. The proportion increases to 24% in organisations with 500 or more employees. It is higher in organisations in Construction (24%) and Transport/Storage (24%).

Management processes

36. Around a quarter of respondents (26%) reported that staff representatives/committees were usually involved in the Vocational Training management process. This increased to 31% of organisations with between 50 and 249 staff, 30% of organisations with between 250 and 499 staff, and 37% of organisations with 500 or more staff (see Figure 22).

37. Again, the proportion was significantly higher in Construction (41%).

38. Of those organisations that involved staff representatives/committees in managing Vocational Training, more than four-fifths (85%) involved them in setting objectives for training and/or the form/type of training (85%). Significant proportions of organisations involved staff representatives/committees inthe evaluation/assessment of training outcomes (82%) and in determining the content of training (75%).

Figure 22: B15 Aspects of the Vocational Training management process that staff representatives/committees are usually involved in – prompted, multiple response (where staff representatives/committees involved) ***Unweighted sample base = 900 *% denotes less than 0.5%***

Comparisons with CVTS4

39. Comparisons with CVTS4 suggest an increase in the incidence of formal planning and facilities for training in organisations. This is based only on data relating to organisations that have provided CVT. There is a particularly significant increase in the propensity for organisations to have an annual training budget.

Table 13: Training processes, plans and policies by whether training is provided (all organisations)

	2015	2010
Planning of Vocational Training within organisation leads to written training plan or programme	**47%**	42%
Has annual training budget including provision for Vocational Training	32%	30%
Written agreements between Government, local area or trade associations or trade unions regulate provision of Vocational Training	**14%**	10%
Unweighted sample bases	*3,315*	*3,568*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

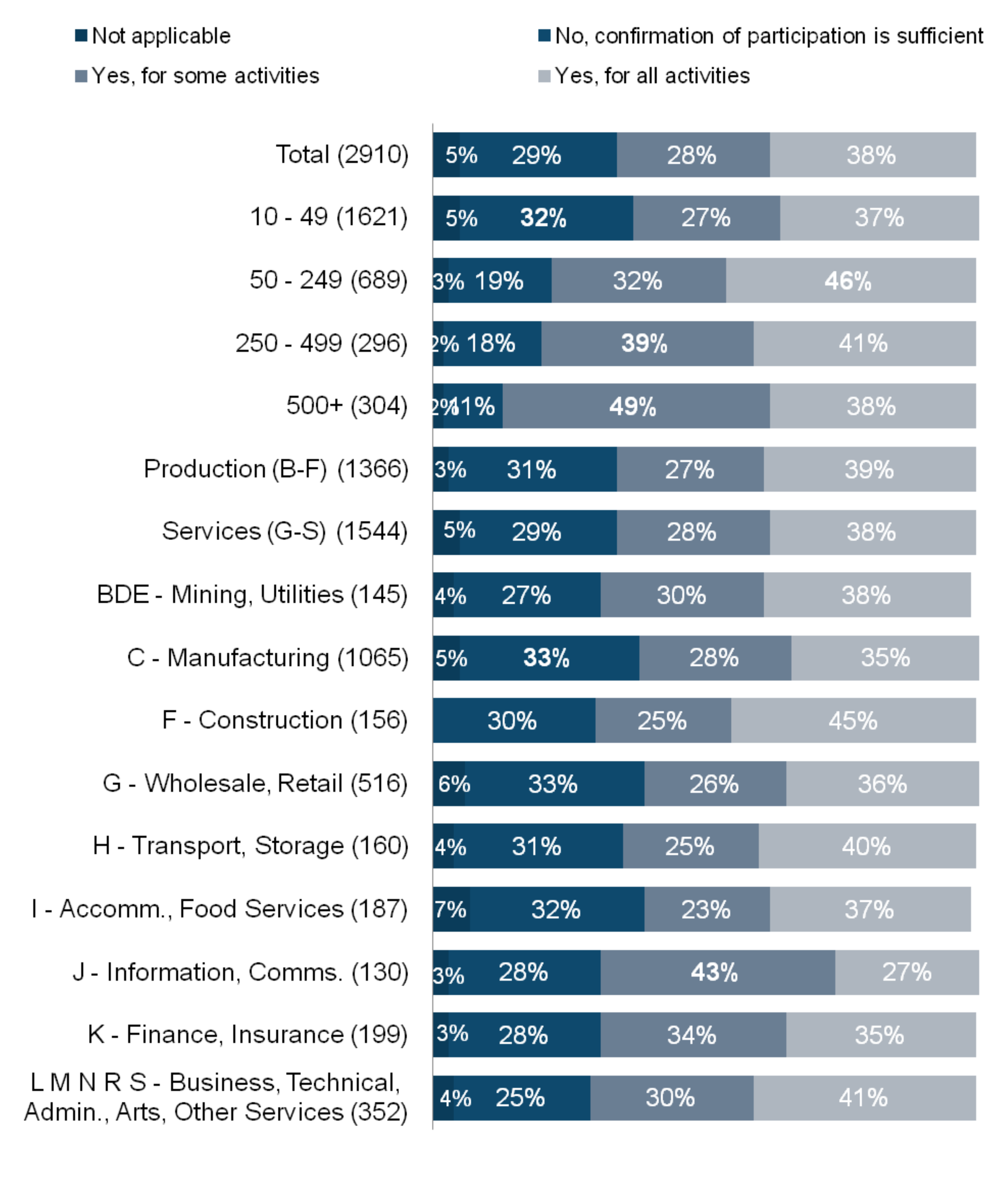
Assessment of Continuing Vocational Training Outcomes

41. Organisations that provided CVT courses or other forms of CVT in 2015 were asked about the extent to which they usually assess the outcomes of Vocational Training courses.

42. Two-thirds of organisations that provided any form of training in 2015 (66%) reported having assessed the outcomes of Vocational Training courses to some extent. It was more likely that they had done so for all activities (38%), rather than for just some (28%) (see Figure 23).

43. The propensity to assess outcomes *at least partially* increases with organisation size, but the proportion of organisations that usually assess outcomes for *all* activity remains at around two-fifths across all size bands, although it is slightly higher within organisations with between 50 and 249 staff (46%).

Figure 23: E2 Extent to which organisations usually assess the outcomes of Vocational Training courses, by organisation size and broad industry sector (where trained in 2015) ***Unweighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

44. Assessment of course outcomes was most likely to be undertaken in Business/Technical/Admin./Arts/Other service sectors (71%). It was least likely to be undertaken in Manufacturing (63%). However, overall there is little difference between broad Production/Construction and Services sectors in this respect.

45. Amongst organisations that assess the outcomes of Vocational Training courses, a range of methods are employed, with the most common being certification after a written or practical test (74%) and assessment of participants' behaviour or performance in relation to training objectives (71%). Slightly fewer assess the impact of training on the performance of relevant departments or the whole organisation (65%) and fewer still conduct satisfaction surveys amongst participants (57%).

46. As well as the propensity to assess outcomes, the use of a range of methods to do so also increases by organisation size (see Table 14).

Table 14: E3 Methods used to assess the outcomes – prompted, multiple response, by organisation size and broad industry sector (where assess outcomes)

	Total	**10-49 employees**	**50-249 employees**	**250-499 employees**	**500+ employees**	**Production (B-F)**	**Services (G-N,RS)**
Assessment of participants' behaviour or performance in relation to training objectives	71%	70%	**75%**	**79%**	**85%**	70%	72%
Certification after written or practical test	74%	72%	**82%**	**89%**	**86%**	**84%**	71%
Satisfaction survey amongst participants	57%	52%	**73%**	**81%**	**88%**	53%	59%
Assessment/measurement of the impact of training on performance of relevant departments or the whole organisation	66%	65%	**71%**	70%	**74%**	66%	66%
None	2%	3%	1%	0%	0%	2%	2%
Unweighted sample bases	*2,027*	*997*	*532*	*241*	*257*	*922*	*1,105*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

47. Written and practical tests were most likely to be used in Construction (93%), Mining and Utilities (85%) and Accommodation/Food services (82%). Organisations in the Wholesale/Retail sector (76%) and Manufacturing (74%) were most likely to assess participants' behaviour or performance in relation to training objectives. This method was least common in Construction (63%) while satisfaction surveys were also least common in this sector (47%).

6 Barriers to Provision of Continuing Vocational Training

1. This chapter summarises barriers to the provision of Continuing Vocational Training within organisations. These are evident among employers that do not usually provide training but also among those that do. The extent to which both internal and external factors limit staff training is explored.

Key points

2. Where employers did not supply CVT *at all*, the main barriers were that they saw no need for training – their staff were fully skilled – or they preferred to recruit to obtain the skills they needed. 'Supply-side' barriers, which relate to the availability and cost of external training provision, were much less frequent though 19% said CVT courses were too expensive and the same proportion that suitable courses were not available.

3. When employers who supplied CVT were asked to identify barriers to providing *more* training , many (84%) said they had no need for more, said (in 71% of cases) that they preferred to recruit, or said (56% of cases) that staff workloads precluded more training.

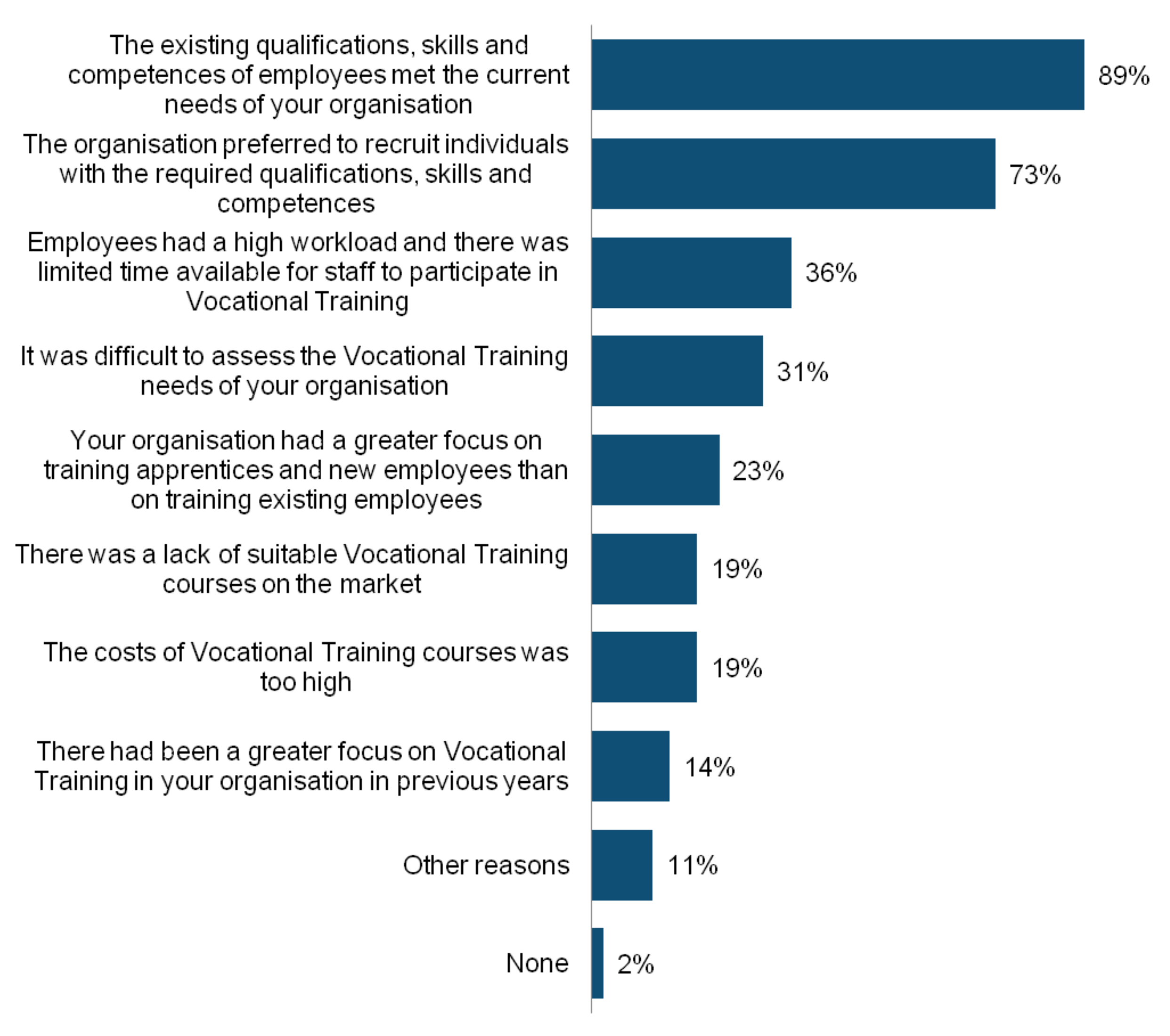
Barriers for organisations that *do not* provide Continuing Vocational Training

4. Lack of need and recruiting rather than training are the two main reasons given for not providing any Vocational Training (89% and 73% respectively of those who had not provided CVT) (see Figure 24).

5. Around a third of organisations that did not provide Vocational Training in 2015 report that their employees had limited time available to participate (36%) or that they found it difficult to assess their organisation's training needs (31%).

6. Organisations that had not provided Vocational Training in 2015 but had done so in 2014 were significantly more likely than those that had not provided training in 2014 to mention a greater focus on Vocational Training in their organisations in previous years (42%, compared with 9%). They were also significantly more likely than those that had not trained in 2014 to cite a lack of suitable courses on the market (29%, compared with 18%).

Figure 24: F1 Reasons why organisations did not provide any Vocational Training courses or any other forms of Vocational training for employees in 2015 – prompted, multiple response (where did not train in 2015) ***Unweighted sample base = 405***



7. A comparison of reasons for not providing CVT between organisations that reported workforce growth and those that reduced the size of their workforce between 2014 and 2015 highlights the different challenges facing each. Those that reported workforce growth were significantly more likely to cite difficulties in assessing their needs (44%) and focus on training apprentices and new employees (41%), while a third cited the lack of suitable Vocational Training courses on the market (31%). Those that reported a reduction in the size of their workforce were significantly more likely to cite the 'high cost' of courses (44%) and, particularly, the fact that employees had a high workload and limited time to participate (71%). It suggests that those growing were finding it difficult to accommodate training for existing employees, while those shrinking were hit by cost and time pressures.

Barriers for organisations that *already* provide Continuing Vocational Training

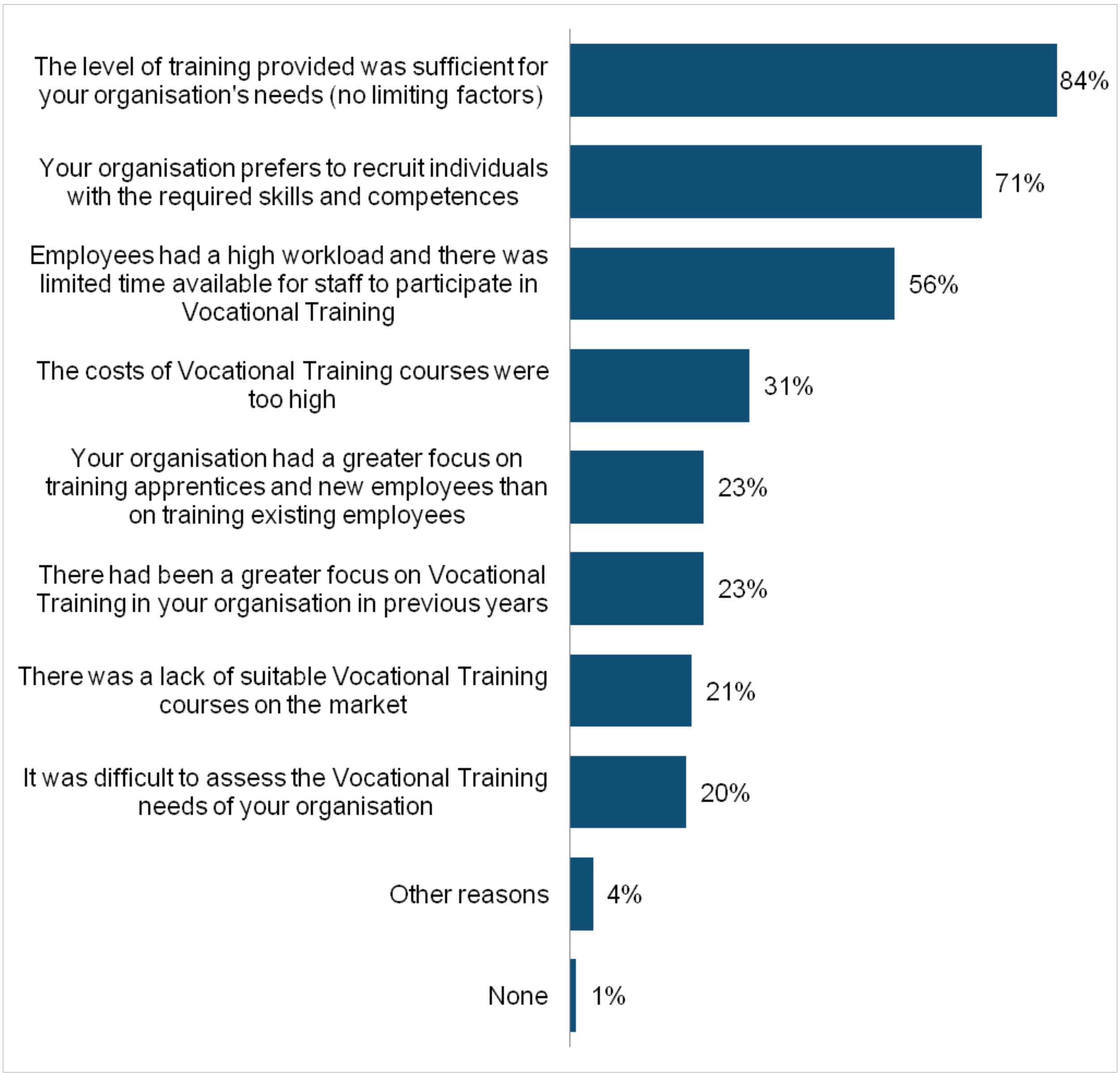
8. Lack of need was the most frequently given reason for not providing *more* training by organsations that had provided Vocational Training in 2015. More than four-fifths (84%) reported that the level of training provided was sufficient for their organisation's needs (see Figure 25).

9. Using recruitment rather than training to address skill and competence gaps within the workforce was the reason given for not providing more training by 71% of training organisations.

10. Employees having limited time to participate in Vocational Training as a result of a high workload was a reason given by more than half of organisations that provided training in 2015 (56%) for not providing more training. High costs of training was mentioned by one in three organisations (31%), while around one in four cited a greater focus on Apprenticeships (23%) or a greater focus on training in previous years (23%).

11. A comparison of reasons for not providing *more* CVT between organisations that reported workforce growth and those that reduced the size of their workforce between 2014 and 2015 reveals less marked differences than between those that have not provided any CVT in 2015. Again, those that reported workforce growth were significantly more likely to cite difficulties in assessing their needs (24%) and focus on training apprentices and new employees (28%), but the quarter that cited the lack of suitable Vocational Training courses on the market is matched by a similar proportion of organisations that reduced the size of their workforce (24% and 26% respectively). Costs and workload were no more likely to be cited by those that reported a reduction in the size of their workforce than those that reported growth, but they were more likely than average to acknowledge that there had been a greater focus on Vocational Training in previous years (29%) and to perceive the level of training they had done as sufficient for their needs (89%).

Figure 25: E4 Reasons why organisations did not provide more vocational training courses or other forms of vocational training in 2015 – prompted, multiple response (where trained in 2015)
Unweighted sample base = 2,910



12. For both organisations that train and those that do not, lack of need is a more significant limiting factor thansupply issues such as difficulties finding suitable training and the cost of it. Further, the need for training tends to fluctuate from year to year rather than remain at a constant. This was explicitedly mentioned by around one in four organisations but may also be inferred as applying to those citing lack of need for training or that there has been sufficient training within their organisation. Employee workload was more likely to have been a barrier to more training than to training at all.

7 Initial Vocational Training

Key points

1. Initial Vocational Training (IVT) is training intended to prepare an individual for entry to an occupation via study or training towards to a formal qualification. To determine the extent of a particular form of IVT, organisations were asked to provide information on the number of people employed on a Government-recognised apprenticeship leading to a qualification during 2015.

2. 24% of employers employed apprentices in 2015.

3. Most of these did so in order to secure their organisation's future skills base.

4. Where employers did not do so, this was most frequently because they did not see them as relevant to their organisation; 12% said that apprenticeships were not available or suitable for their type of activity.

Employment of apprentices

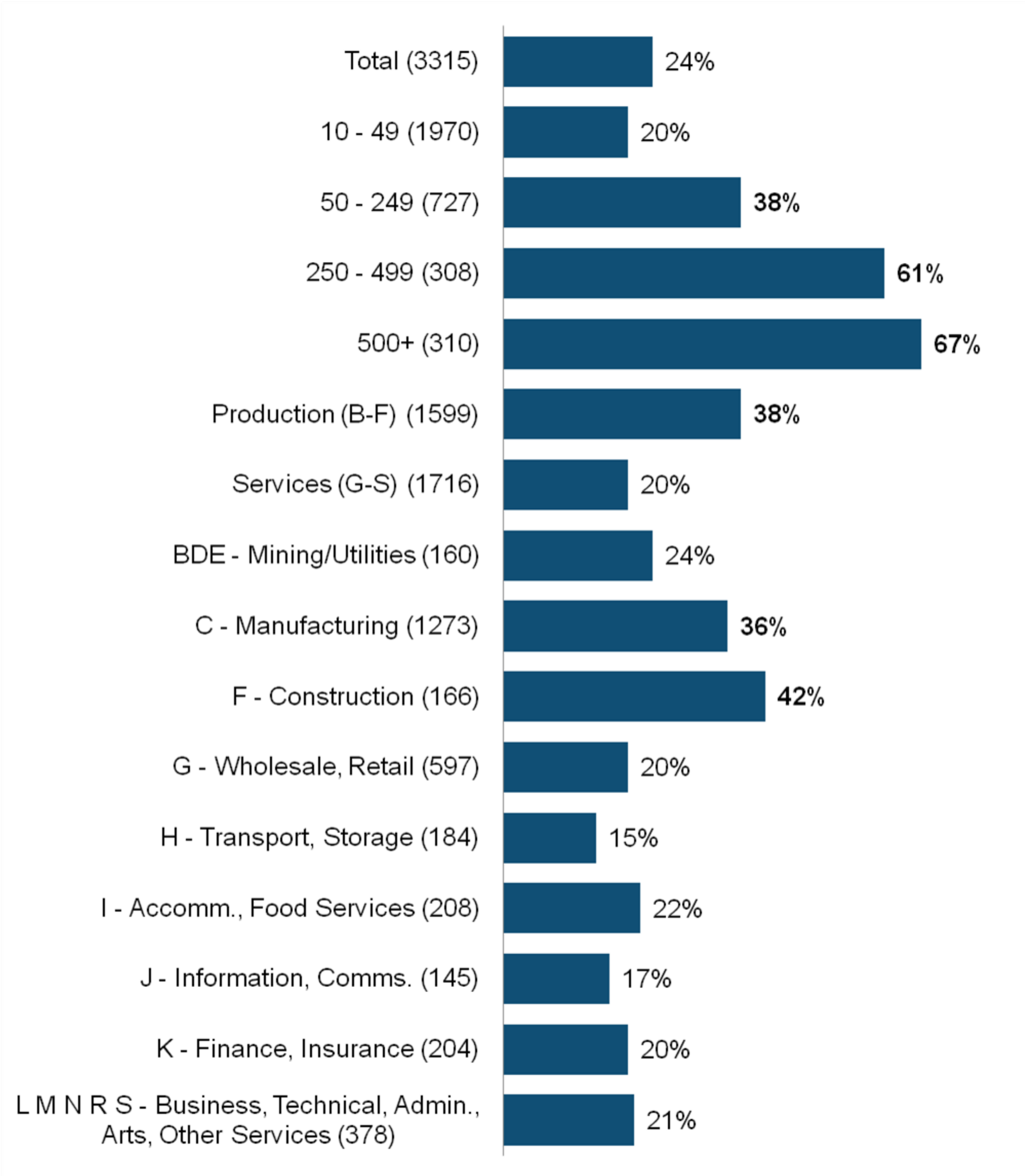
5. One in four organisations (24%) reported employing apprentices during 2015. This proportion increased from one in five organisations with between 10 and 49 staff (20%) to nearly two in five with 50 to 249 staff (38%), to more than three in five organisations with 250 or more employees (61% of 250-499 employers, and to 67% of employers with 500+ employees) (see Figure 26).

6. Organisations in Production and Construction sectors were significantly more likely than those in Service sectors to have employed apprentices in 2015 (38%, compared with 20%). The proportion was highest in Construction (42%), with those in Manufacturing also significantly more likely than average to have employed apprentices during 2015 (36%).

7. When asked if their organisation usually employs anyone on a Government-recognised apprenticeship leading to a formal qualification, 30% of organisations said they did so. Again, this increases with business size, from 27% of organisations with 10 to 49 staff to 45% of those with 50 to 249 staff, to 66% of those with 250 to 499 staff, and to 72% of those with 500+ employees.

8. More than two-fifths of organisations in Production and Construction sectors (44%) usually employ apprentices,compared with just over a quarter of those in Service sectors (27%). Manufacturing (44%) and Construction (46%) sectors were particularly likely to usually employ apprentices.

Figure 26: A6 Proportion of organisations that employed anyone on a Government recognised apprenticeship leading to a formal qualification in 2015, by organisation size and broad industry sector (all organisations) *Unweighted sample bases in parentheses*



Figures in bold are statistically significantly higher than average based on a 95% confidence level

10. On average, organisations that employed apprentices in 2015 employed 6.4 during that calendar year. This figure ranged from 3.2 in organisations employing between 10 and 49 employees to 60.2 in organisations employing more than 500 employees.

11. The majority of organisations employing apprentices employed just one during 2015 (79%). This proportion fell to below half amongst organisations employing 250 or more staff across all sites (33% of 250-499 employers and 15% of 500+ employers that had employed apprentices).

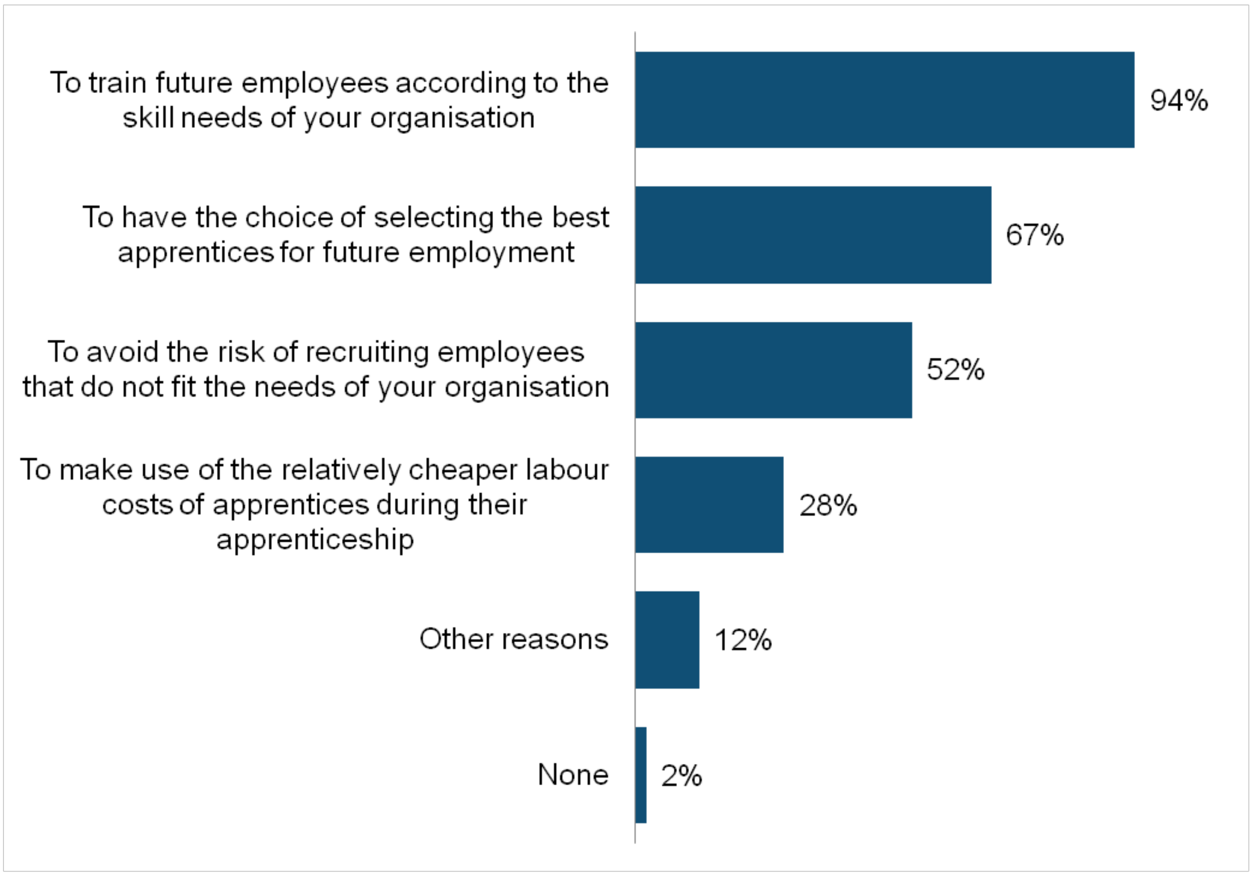
12. On average, the number of apprentices employed represented 2% of the total workforce. The figure rounds up or down to 2% across all organisation size bands. The proportion was slightly higher within Production and Construction sectors (3%).

13. When asked about the number of apprentices employed at the end of the calendar year, 2015, the average number overall was 1.5. This highlights the fact that most organisations employ one apprentice at a time. The average number employed at the end of 2015 increases to 7.5 in organisations with between 250 and 499 employees and 54 in organisations with 500 or more employees.

Reasons for employing apprentices

14. The most frequent reason for offering apprenticeships was to train future employees in line with the skill needs of the organisation (94% of those with apprentices giving this reason). The second most frequent reason was to have the choice of selecting the best apprentices for future employment (67%), while around half (52%) offer apprenticeships to avoid the risk of recruiting employees that do not fit the needs of their organisation (see Figure 27).

Figure 27: G4 Reasons for offering apprenticeships (organisations that usually employ apprentices) – prompted, multiple response ***Unweighted sample base = 1,376***



15. Differences in reasons for offering apprenticeships across sectors are highlighted in Table 15. Within the Manufacturing sector, ensuring an appropriately skilled workforce are key reasons for offering apprenticeships, while within Wholesale/Retail, Transport/Storage and Information/Communications. sectors, making use of apprentices as a source of cheap labour is relatively more important than in other sectors.

Table 15: G4 Reasons for offering apprenticeships (organisations that usually employ apprentices – prompted, multiple response, by industry sector

	Total	BDE - Mining, Utilities	C - Manufacturing	F - Construction	G - Wholesale, Retail	H - Transport, Storage	I - Accomm., Food Services	J - Information, Comms.	K - Finance, Insurance	L M N R S - Business, Technical, Admin., Arts, Other Services
To train future employees according to the skill needs of your organisation	94%	100%	**97%**	98%	95%	88%	90%	94%	97%	94%
To have the choice of selecting the best apprentices for future employment	67%	72%	67%	73%	67%	77%	67%	70%	67%	63%
To avoid the risk of recruiting employees that do not fit the needs of your organisation	52%	58%	**57%**	57%	57%	**69%**	51%	49%	55%	43%
To make use of the relatively cheaper labour costs of apprentices during their apprenticeship	28%	12%	23%	15%	**35%**	38%	29%	**51%**	26%	29%
Other reasons	12%	16%	11%	**19%**	16%	13%	11%	10%	**26%**	7%
None	2%	0%	1%	2%	2%	2%	3%	0%	1%	3%
Unweighted sample bases	*1,376*	53	580	106	226	68	88	36	57	162

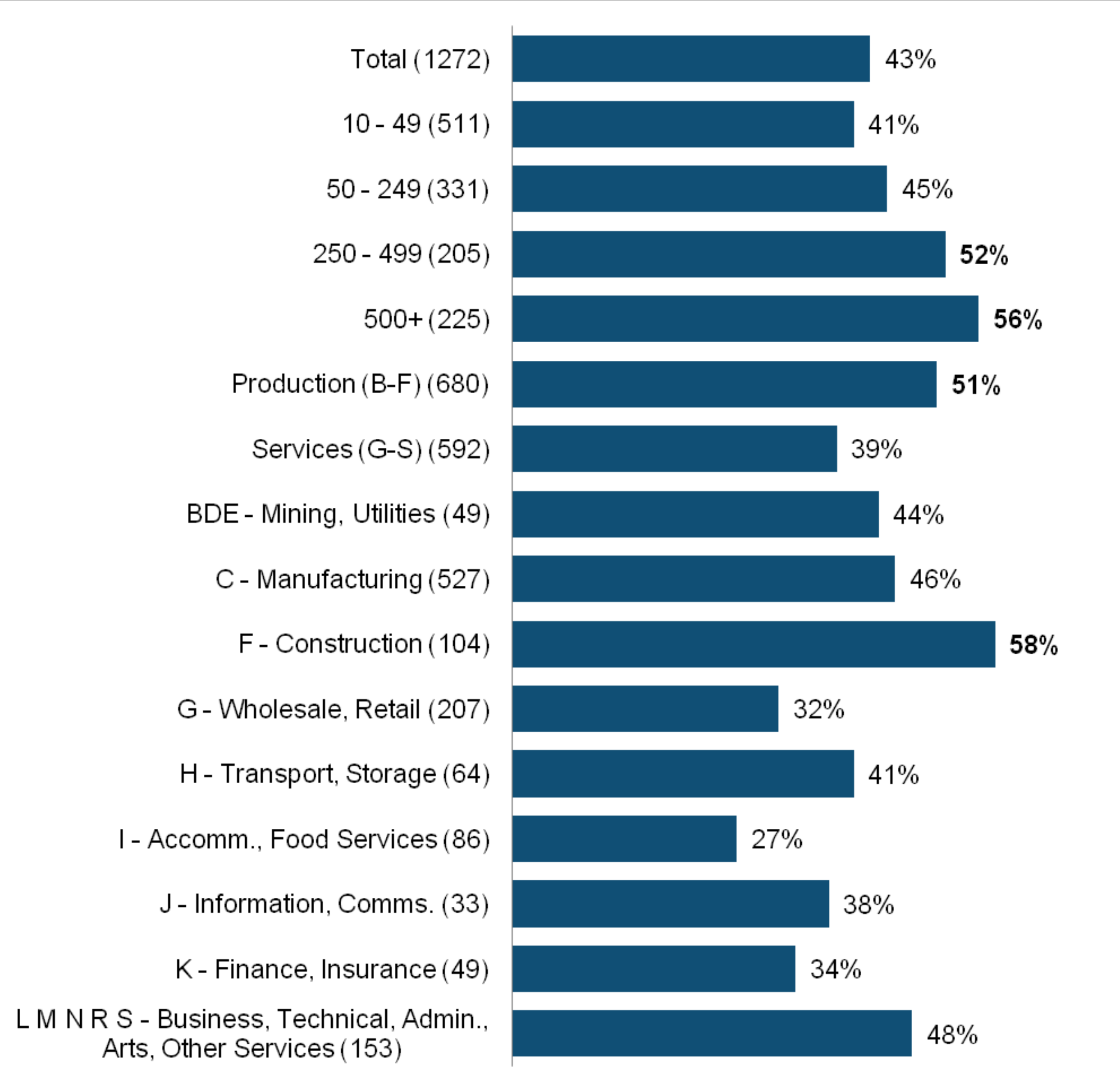
Figures in bold are statistically significantly higher than average based on a 95% confidence level

Fees paid for apprentices

16. Just over two-fifths of organisations that employed any apprentices in 2015 (43%) paid fees to a training provider for the cost of training them. This proportion increased to 56% of those with 500+ employees.

17. The proportion was significantly higher within Production/Construction organisations than within those in Service sectors (51%, compared with 39%) and was highest in Construction (58%) and lowest in Accommodation/Food Services (27%).

Figure 28: G1b Proportion of organisations that paid fees to a training provider for the cost of the training for the apprentices employed by their organisaton in 2015, by organisation size and broad industry sector (all organisations) ***Unweighted sample bases in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

18. Respondents were asked which age groups of apprentices their organisation had paid fees for. The highest proportion (74%) had paid fees for 19-24 year olds; around half for 16-18 year olds (51%), while a minority (19%) had done so for 25 year olds.

19. The proportion paying fees for the oldest apprentices increased with organisation size to 32% of 250-499 employers that paid fees; 29% of 500+ employers; to 38% of 1,000+ employers. Furthermore, nine in ten 1,000+ employers paid fees for 19-24 year olds (89%).

20. The average fee paid to training providers for each apprentice aged 16-18 years was £2,600. This was higher among Service sector organisations than among Production/Construction organisations (£2,900, compared with £2,300). Within manufacturing, a key sector in employing apprentices, the average fee was £2,300.

21. The average fee paid to training providers for each apprentice aged 19-24 years was £2,200. This was higher among Production/Construction organisations than among Services organisations (£2,500, compared with £2,000). Within manufacturing, a key sector in employing apprentices, the average fee was £2,600.

22. The average fee paid to training providers for each apprentice aged 25+ years was £2,000. Again, this was higher among Production/Construction organisations than among Services organisations (£2,400, compared with £1,800). Within manufacturing, a key sector in employing apprentices, the average fee was £2,400.

23. On average, young apprentices cost more, although that is not true within manufacturing based on respondent estimates.

Plans for the future

24. Around half of all organisations (53%) reported that they plan to offer Apprenticeships in the future. This proportion increased with organisation size to more than four-fifths of organisations with 250 or more apprentices (82% of those employing 250-499 staff; 87% of those employing 500+ staff).

25. The proportion was higher among Production/Construction than Services organisations (65%, compared with 49%). Specifically, it was highest within Construction (71%) and Manufacturing (62%).

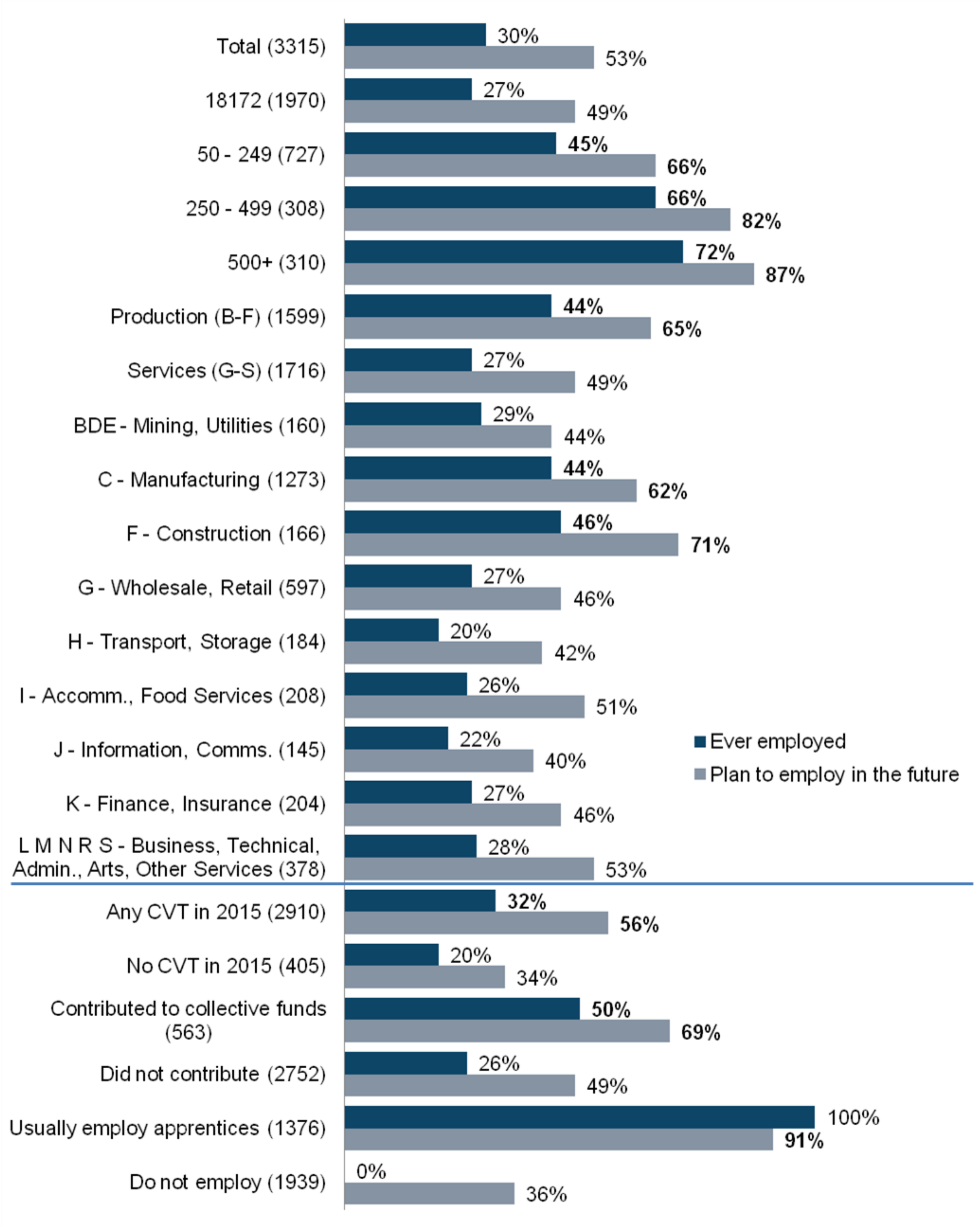
26. Organisations that provided any CVT to employees in 2015 were significantly more likely to expect to offer apprenticeships in the future (56%, compared with

34% of organisations that did not provide any). Furthermore, organisations that contributed to collective funds in 2015 were signficiantly more likely to support apprenticeships (69%, compared with 49%).

27. The vast majority of those already offering apprenticeship (91%) plan to in the future. This compared with 41% of those not offering them in 2015 and 36% of those that have never done so.

28. Figure 29 summarises past and potential employment of apprentices across organisations of different sizes, sectors and based on training behaviour. The pattern of interest in apprenticeships reflects past employment of apprentices to a great extent but in all cases also exceeds it. It implies scope for growth in take up of apprenticeship initiatives, but chiefly within types of organisations already predisposed to offering them.

Figure 29: G1/G5 Proportion of organisations that ever employ apprentices and that plan to in the future, by organisation size, industry sector and training factors (all organisations) ***Unweighted sample bases in parentheses***

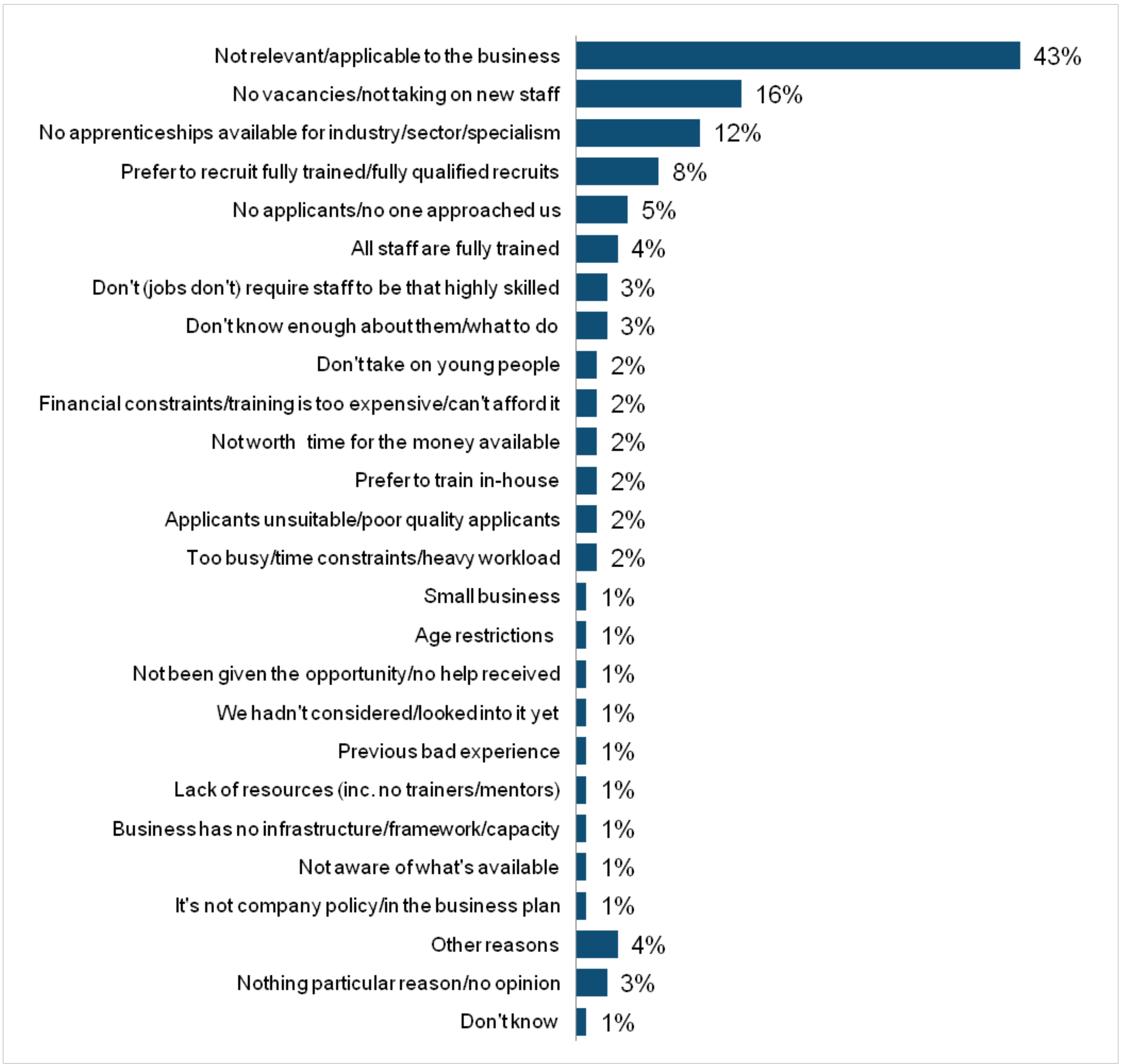


Figures in bold are statistically significantly higher than average based on a 95% confidence level

Barriers to employing apprentices

29. The most frequently mentioned reason for not offering apprenticeships in 2015 is that they are not relevant or applicable to the business (43% of those not offering them). There are a wide range of other reasons for not offering apprentices; most notably, having no vacancies (16%) and no apprenticeships available for their industry/sector or specialism (12%) (see Figure 30).

Figure 30: G2 Reasons why organisations did not employ anyone on a Government recognised apprenticeship in 2015 (organisations that did not offer apprenticeships in 2015) – unprompted, multiple response ***Unweighted sample base = 2,043***



8 Characteristics of enterprises

Key points

1. As a result of weighting, the structure of the survey sample used in the analysis reflects the sector and size breakdown of the national base of employers with 10 or more employees.

2. 57% of the workforce of the weighted sample was male, 43% was female.

3. On average, surveyed organisations employed 80 people.

4. On average, employees in surveyed organisations worked for 37 hours per week.

5. The average labour cost per employee in surveyed organisations was £22,200 per year in 2015.

6. The average labour cost per hour for all employees in surveyed organisations was £12.82.

Sector

7. Around three-quarters of organisations in the weighted sample (77%) operated in Service sectors with the remainder in Production and Construction sectors (23%). The sectors in which organisations mainly operated are summarised in Table 16. Differences by organisation size are highlighted. Agriculture, Public Administration, Education and Health sectors were excluded from the survey so the sector profile reflects both this and the fact that the population of enterprises includes only those with 10 or more employees across the UK.

8. Table 16 summarises the industry profile by organisation size. Overall, 31% of all organisations operate within Business/Technical/Admin./Arts/Other Services sectors, but this increases to 36% of organisations with 250 or more employees across all sites. Manufacturing organisations account for one in five that have between 50 and 499 employees (20%), compared with one in eight (13%) overall.

Table 16: Proportion of employers operating within each industry sector – overall and by company size (all organisations) ***denotes less than 0.5%***

	Total	10-49 employees	50-249 employees	250-499 employees	500+ employees
B: Mining and quarrying and support activities	*%	*%	*%	0%	*%
C: Manufacturing	13%	12%	**20%**	**20%**	16%
D-E: Utilities	1%	1%	1%	1%	1%
F: Construction	8%	9%	6%	5%	4%
G: Wholesale and retail	20%	20%	16%	14%	17%
H: Transportation and storage	4%	4%	5%	5%	6%
I: Accommodation and food service activities	15%	**16%**	10%	9%	8%
J: Information and communication	5%	5%	6%	5%	5%
K: Financial and insurance activities,	2%	2%	3%	4%	6%
L + M + N + R + S: Real estate, renting and business activities, Professional, scientific and technical activities, Administrative and support service activities, Arts, entertainment and recreation, Other service activities	31%	31%	33%	36%	**36%**
Unweighted sample bases	*3,315*	*1,970*	*727*	*308*	*310*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

Size of enterprises

10. The majority of organisations with 10 or more employees employed fewer than 50 (83%) and more than half of all organisations (55%) employed between 10 and 19 employees.

11. Again, as the data is weighted, this reflects the structure of the population of UK organisations with 10 or more staff across all their sites.

12. On average, organisations employed 80 staff. Among the majority of organisations (i.e. those with fewer than 50 employees), the average was 19 staff, but the impact on the overall average of the minority of organisations (2%) with 500 or more staff is apparent , as the average number of staff employed by

these organisations in 2015 was 2,875. There is a significant difference between Production/ Construction and Services organisations in this respect, with the average number employed in Production and Construction organisations being just 60, compared with 86 in Services organisations.

Table 17: Size of organisations (number of staff employed across all sites) – overall and by broad industry sector (all organisations)

	Total	Mean number in 2015	Production (B-F)	Services (G-N, RS)
10-19 employees	55%	19	50%	56%
20 – 49 employees	28%		30%	28%
50 – 249 employees	14%	104	**17%**	13%
250 – 499 employees	2%	343	2%	2%
500 – 999 employees	1%	2,875	1%	1%
1000+ employees	1%		1%	1%
Mean number of employees in 2015	80		60	**86**
Unweighted sample bases	*3,315*		*1,599*	*1,716*

Figures in bold are statistically significantly higher than average based on a 95% confidence level

13. Further analysis by industry sector is presented in Table 18. It highlights greater concentrations of smaller employers within Wholesale/Retail (59%), as well as Construction (62%) and Accommodation/Food Services (59%), although in these two sectors these are not statistically significantly higher proportions. The Manufacturing sector has a higher than average share of medium-sized, 20-249 employers (32% employ 20-49 employees; 21% employ 50-249 employees). There are no other significant differences in organisation size across sectors.

Table 18: Size of organisations (number of staff employed across all sites) –by industry sector (all organisations)

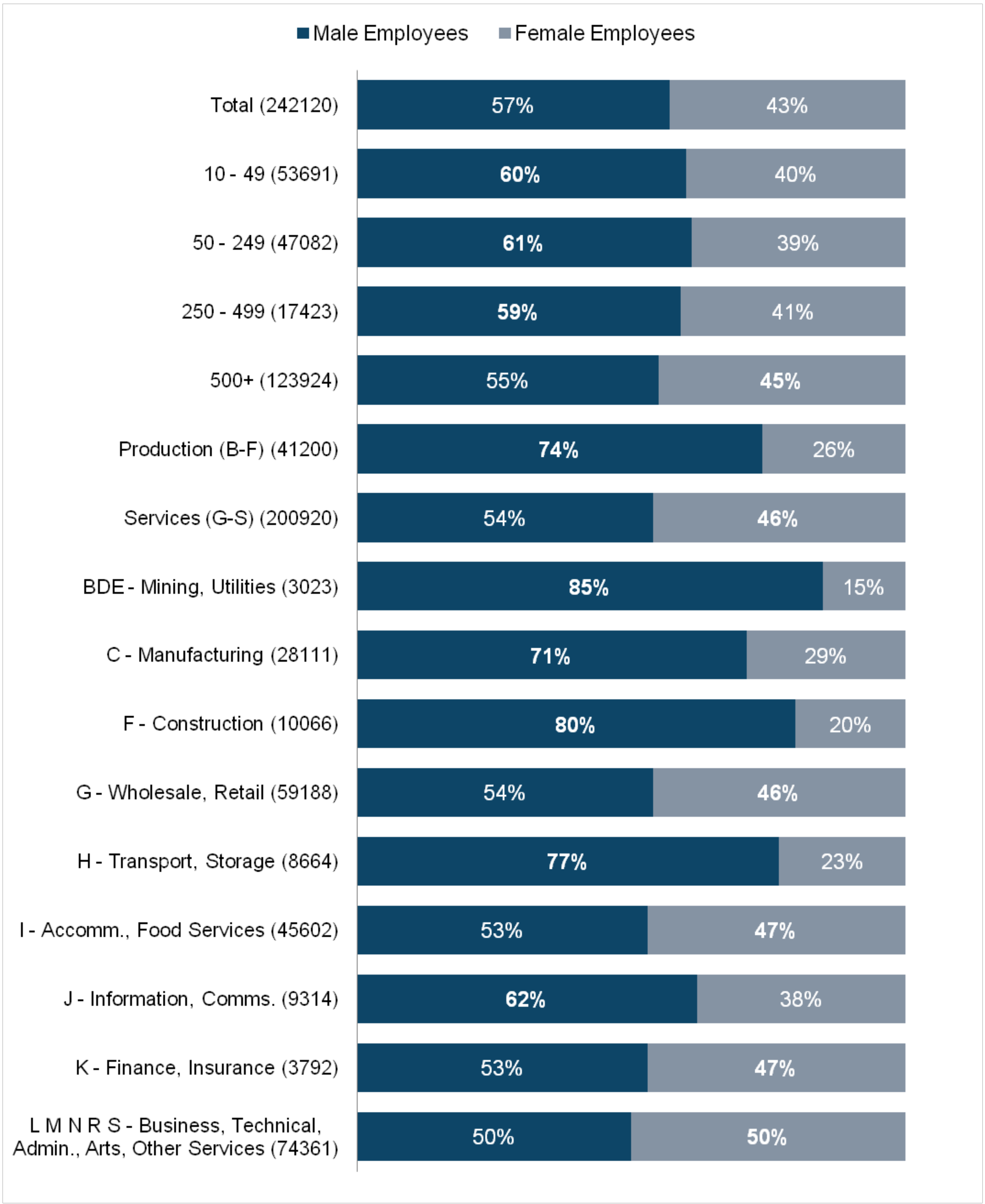
	Total	BDE - Mining, Utilities	C - Manufacturing	F - Construction	G - Wholesale, Retail	H - Transport, Storage	I - Accomm., Food Services	J - Information, Comms.	K - Finance, Insurance	L M N R S - Business, Technical, Admin., Arts, Other
10-19 employees	55%	51%	44%	62%	**59%**	49%	59%	51%	47%	56%
20 – 49 employees	28%	28%	**32%**	27%	27%	31%	30%	30%	26%	26%
50 – 249 employees	14%	16%	**21%**	10%	11%	16%	9%	15%	20%	14%
250 – 499 employees	2%	2%	2%	1%	1%	2%	1%	2%	3%	2%
500 – 999 employees	1%	1%	1%	*%	1%	1%	*%	1%	2%	1%
1000+ employees	1%	2%	1%	*%	1%	1%	*%	1%	3%	1%
Mean number of employees in 2015	80	90	69	42	113	79	91	56	111	71
Unweighted sample bases	*3,315*	160	1273	166	597	184	208	145	204	378

Figures in bold are statistically significantly higher than average based on a 95% confidence level

14. Just over half (57%) of the workforce is male. This proportion varied little by organisation size (see Figure 31). However, there were very significant imbalances between sectors. In Production and Construction organisations, the workforce profile was heavily biased towards male employees (74%:26%), compared with a more even distribution of male and female employees in Service sector organisations (54%; 46%).

15. The male bias in the Production and Construction sector was particularly pronounced in Mining/Utilities (85%; 15%), while within the Service sector, there was also a strong male bias in the workforce in the Transport and Storage sector workforce (77%:23%). A male bias was also apparent in the Information/Communications sector (62%; 38%), although less so than in other strongly male sectors.

Figure 31: A4/A5 How many of these people, employed at the end of the calendar year 2015 were male/female, by organisation size and broad industry sector (all organisations) ***Weighted number of employees on which data is based in parentheses***



Figures in bold are statistically significantly higher than average based on a 95% confidence level

16. 2015 figures show a lessening of a male bias in the overall workforce in organisations of 10 or more employees compared with five years previously. In 2010, 65% of the workforce was male, compared with 57% in 2010.

Size of enterprises in 2014

17. Respondents were asked to provide the number of employees across their organisations at the end of the calendar year 2014. This was to determine if there had been year on year workforce growth.

18. The average number of employees within organisations at the end of the calendar year 2014 was 76. This was slightly lower than the average for 2015 (80), suggesting some expansion of the average workforce. Thus, the summary of changes in workforce size in Table 19 suggests that there was more likely to have been workforce growth than shrinkage between 2014 and 2015.

Table 19: A7 Change in the size of organisations' workforces since 2014 – overall and by size and industry sector (all organisations) ***denotes less than 0.5%***

	Total	10-49 employees	50-249 employees	250-499 employees	500+ employees	Production (B-F)	Services (G-N,RS)
Didn't exist in 2014	*%	*%	0%	0%	1%	*%	*%
-26%+	2%	2%	2%	1%	1%	2%	2%
-10-25%	8%	8%	7%	3%	6%	8%	8%
-0-9%	6%	6%	9%	10%	10%	6%	6%
No change	47%	50%	33%	29%	36%	46%	48%
1-10%	11%	10%	20%	30%	18%	14%	11%
11-25%	14%	14%	16%	16%	14%	16%	14%
26-50%	6%	5%	8%	4%	6%	4%	6%
51-75%	2%	2%	3%	2%	1%	1%	2%
76-100%	1%	1%	1%	3%	1%	1%	1%
100%+	2%	2%	1%	2%	*%	2%	2%
Any decrease	16%	16%	18%	14%	17%	16%	16%
Any increase	36%	34%	49%	57%	40%	38%	36%
Mean number of employees in 2014	77	19	99	319	2965	58	2
Mean number of employees in 2015	80	19	104	343	2875	60	86
Unweighted bases	*3,315*	*1,970*	*727*	*308*	*310*	*1,599*	*1,716*

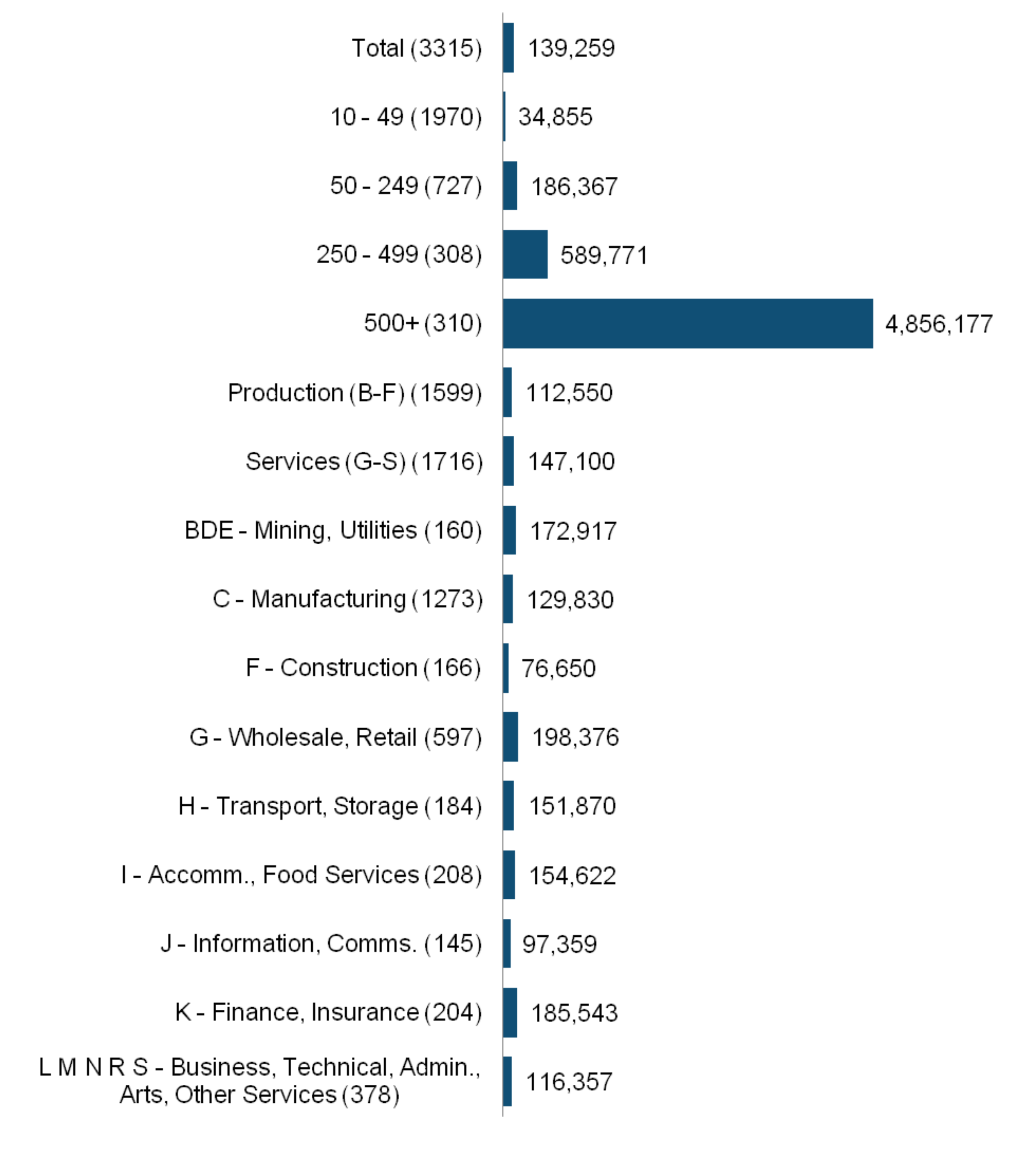
Hours worked

19. All organisations were asked to indicate the total number of paid hours worked by people employed by their organisation in the calendar year 2015. Respondents were asked to exclude apprentices and young people aged below 21 in their first job and involved in an initial training programme.

20. On average, around 140,000 paid hours were worked by employees in surveyed organisations in 2015. This equates to around 2,900 working hours per week (assuming a standard 4 weeks of holiday i.e. 48 working weeks in a year).

21. Figure 32 summarises the average number of paid working hours per organisation by organisation size and sector, organisation size being the predominant factor.

Figure 32: A8 Average number of paid working hours per organisation in 2015 ***Maximum unweighted sample bases in parentheses***

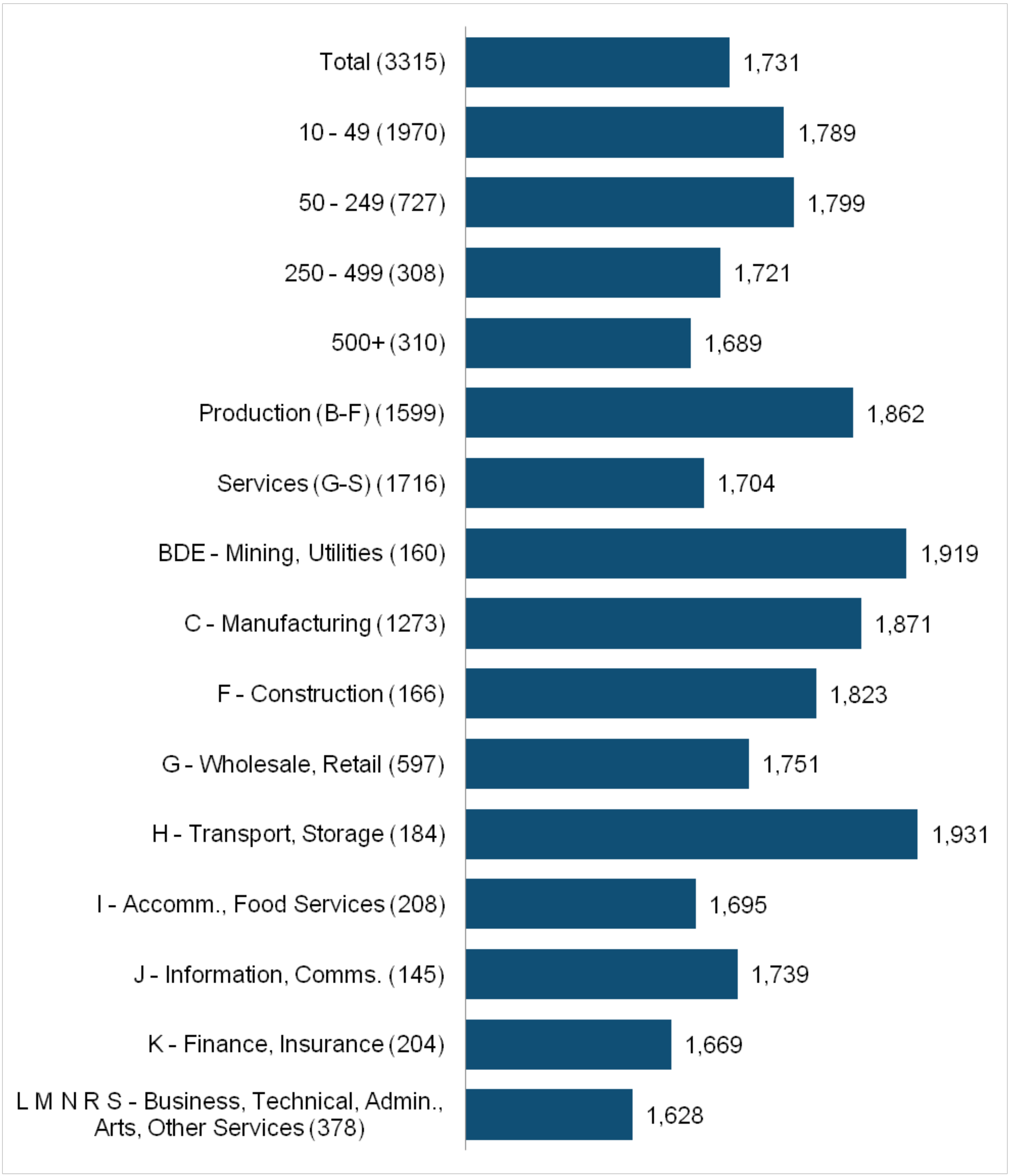


22. The average number of paid working hours per employee in 2015 was around 1,730. This compares with around 1,928 in 2010.

23. The 2015 figure equates to around 36 hours per employee per week on average (again, assuming a standard 4 weeks of holiday i.e. 48 working weeks in a year). This is lower than that reported in 2010 (40) and may reflect changing working patterns and increased levels of part-time and flexible working.

24. Average paid working hours per employee in 2015 were higher in Production and Construction sectors than in Service sectors (1,862, compared with 1,704). The annual average per employee was particularly high in Transport/Storage (1,930) and Mining/Utilities (1,919), and was also relatively high in Manufacturing (1,870).

Figure 33: A8 Average number of paid working hours per employee in 2015 ***Maximum unweighted sample bases in parentheses***



Labour costs

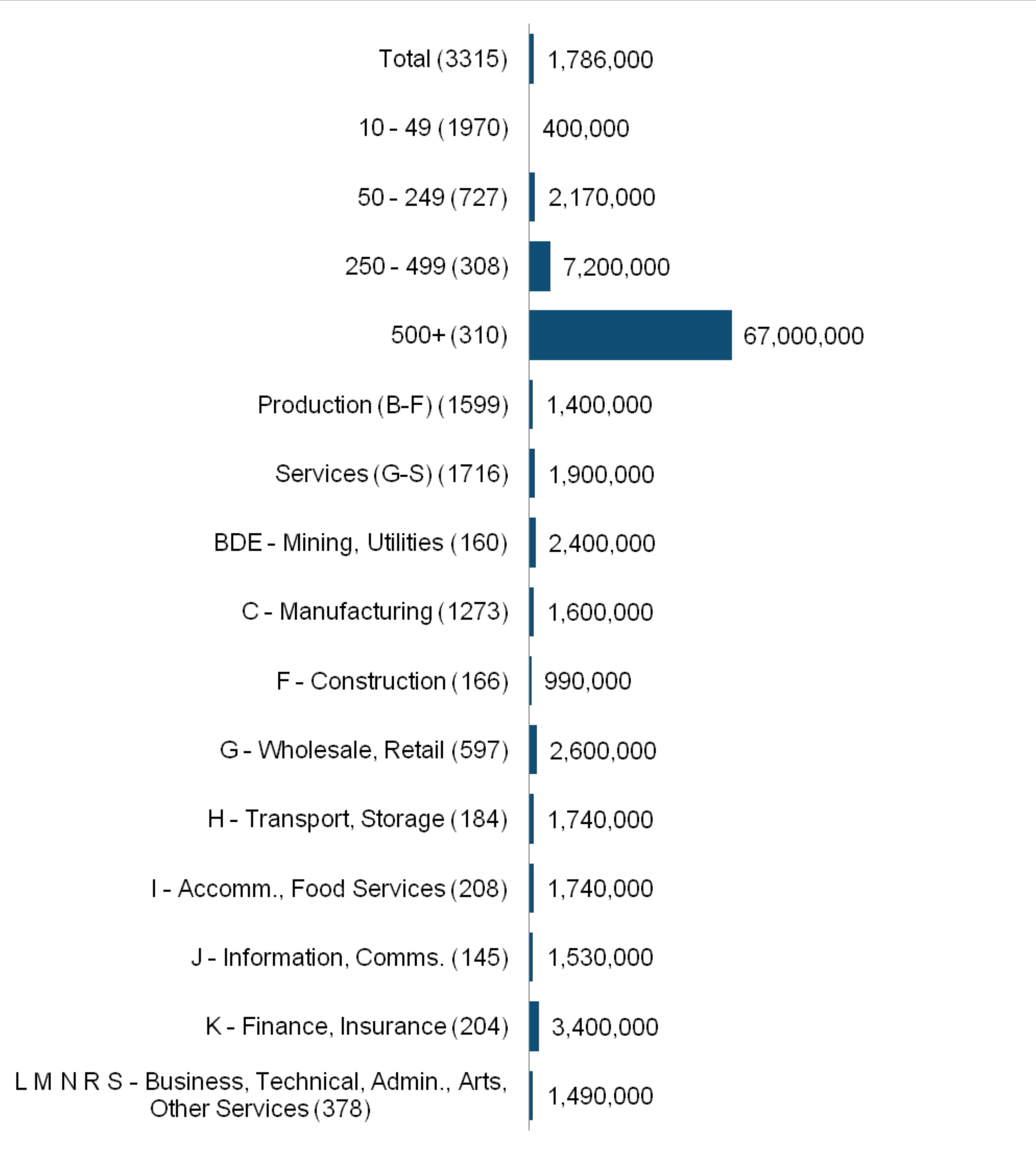
26. All organisations were asked to provide the total labour costs for all their employees for the calendar year 2015. These costs were to exclude apprentices and young people below the age of 21 in their first job and involved in an initial training programme. They were to include all direct and indirect costs and the cost of overtime and additional payments such as bonuses and commission.

27. The average total labour cost per organisation in 2015 was around £1,785,500 (see Figure 33).

28. Organisation size was, of course, the predominant factor in determining average total labour costs. The average ranged from around £399,000 in organisations with between 10 and 49 employees to £67 million in organisations with 500 or more employees.

29. Average labour costs were slightly higher in Service industries (£1,900,000) than in Production and Construction firms (£1,400,000). The average was particularly high in the Finance/Insurance (£3,400,000) and Wholesale/Retail (£2,600,000) sectors.

Figure 34: A14 Average labour costs (£) per organisation in 2015 Maximum unweighted sample bases in parentheses



31. These labour costs are best understood averaged by employee and by working hour (see Figure 34).

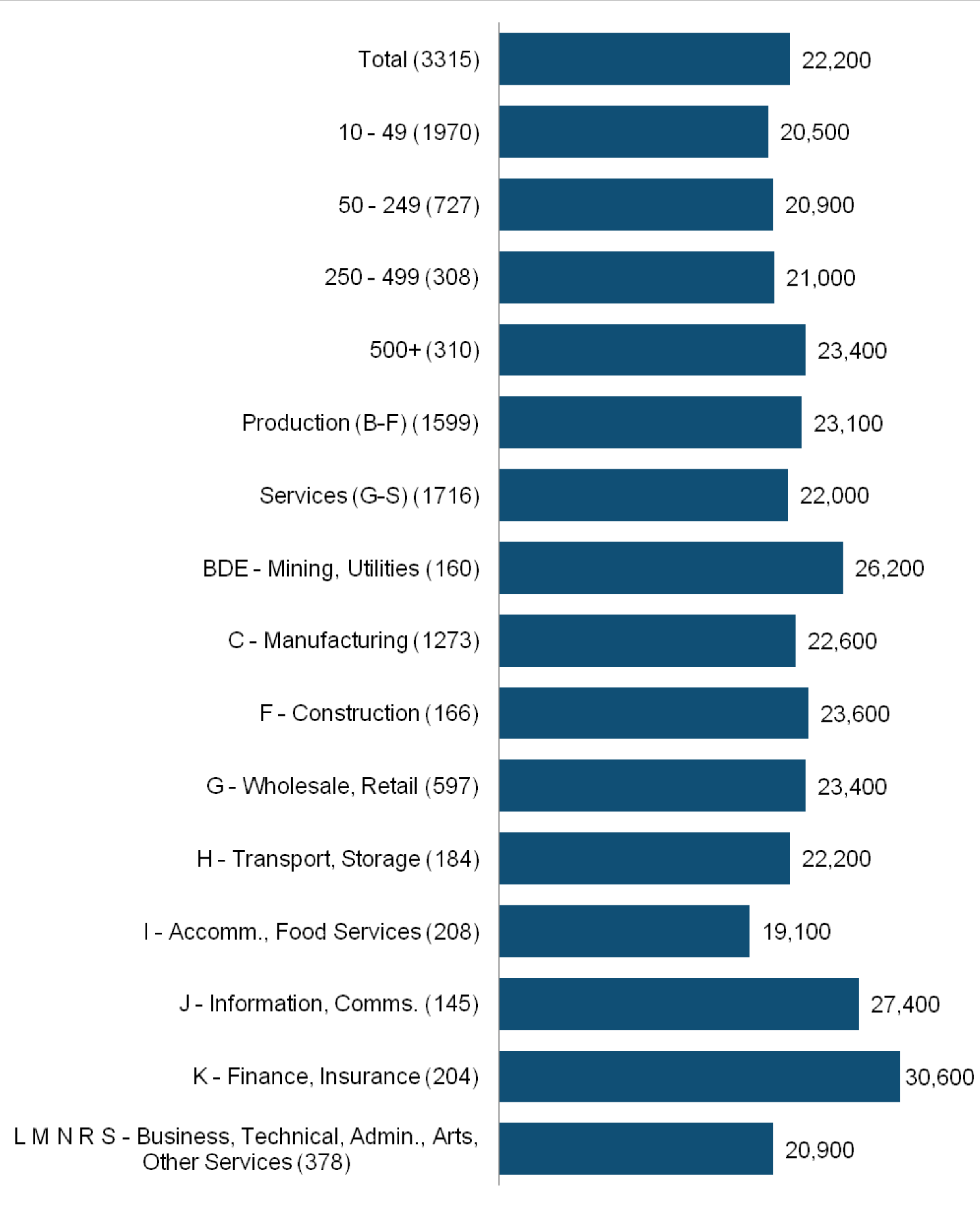
32. The average labour cost per employee for all organisations in 2015 was £22,200. This compares with £21,400 in 2010[13].

33. The average cost increases slightly with the size of the organisation from £20,500 in organisations employing between 10 and 49 employees up to £21,000 in organisations employing between 250 and 499 employees, and to £23,300 amongst those with 500+ employees.

34. Average labour costs per employee were higher in Production and Construction organisations than in Service sector organisations (£23,100, compared with £22,000). This was largely duet high average figures in Mining/Utilities (£26,200). Average labour costs were higher than average in the Service sectors of Finance/Insurance (£30,600) and Information/Comms. (£27,400) but the all-services average was reduced by the lower than average labour costs in the Accommodation/Food services sector (£19,100).

[13] It should be noted that inflation is not factored into comparisons between 2015 and 2010.

Figure 35: A14 Average labour costs (£) per employee in 2015 *Maximum unweighted sample bases in parentheses*

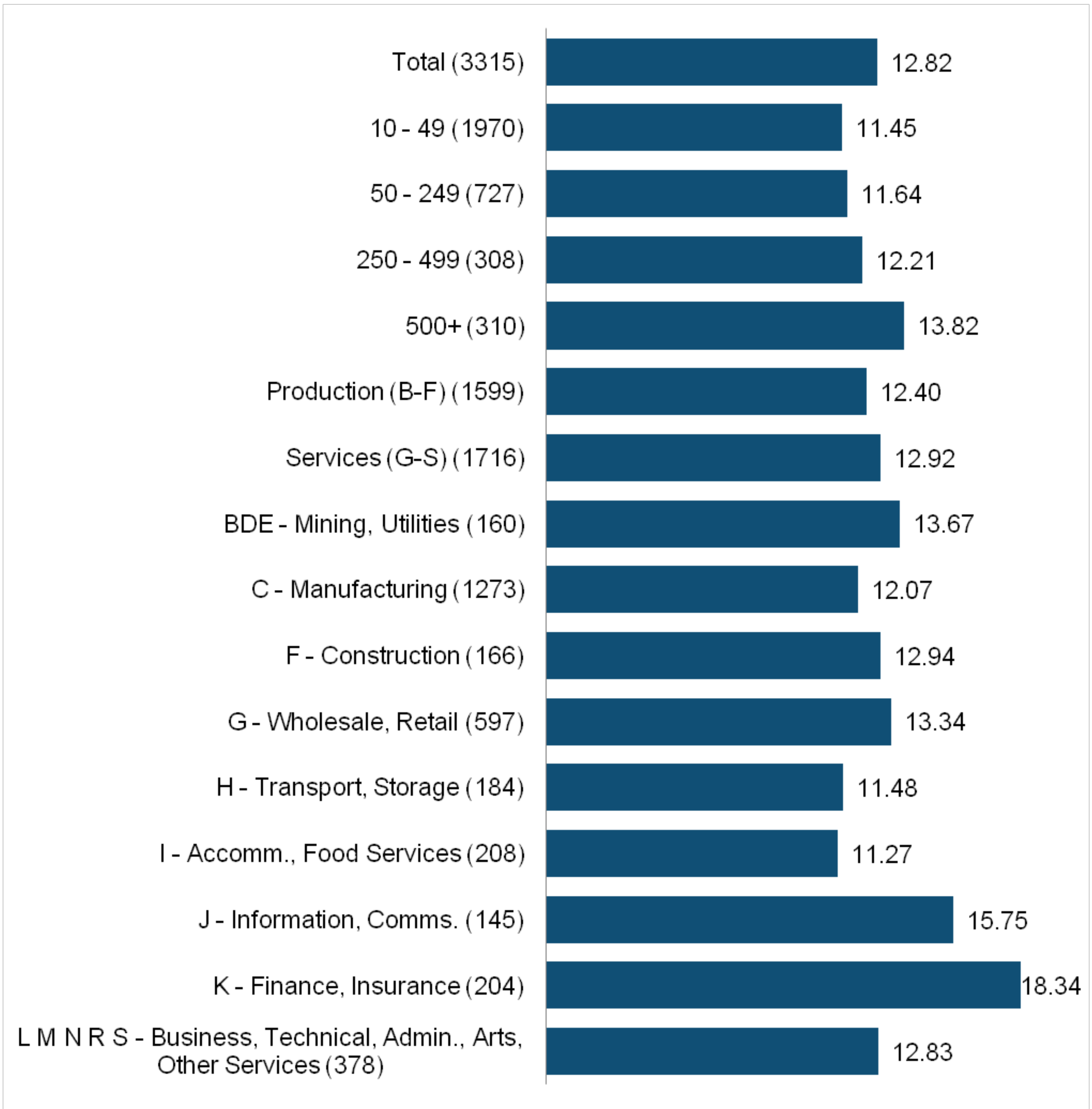


36. In hourly terms, the average labour cost per hour in 2015 was £12.82. This compares with £11.09 in 2010 (see Figure 35).

37. Average hourly labour costs varied little by organisation size, but were highest in the largest organisations (£13.82). Contrasting with findings on average labour costs per employee, the rate was higher in Service sector organisations than in Production and Construction sectors (£12.92, compared with £12.40). This reflects the fact that, while employees in Production and Contruction sectors were more costly to organisations, they worked more hours as consequence of greater frequency of part- time and flexible working in Service sectors.

38. Average labour costs per hour were highest in Finance/Insurance (£18.34) and Information/Comms. (£15.75) and lowest in Accommodation and Food Services (£11.27) and Transport/Storage (£11.48).

Figure 36: A14 Average labour costs (£) per hour in 2010 ***Maximum unweighted sample bases in parentheses***



9 Overview

Key trends

1. In general terms, public policy sees a positive linkage between increases in national productivity and increases in workers' skill levels[14]. As the training activity provided or sponsored by employers comprises one of the main routes by which skill levels are raised, there is a corresponding interest from government in increasing employer investment in training.[15] On this basis, key metrics of the 2015 survey, show a positive direction of travel:

   - More organisations had a training budget (32% in 2015, 30% in 2010)
   - More organisations used written training plans (47% in 2015, 42% in 2010)
   - More organisations provided CVT (86% in 2015, 80% in 2010)
   - The average hours of training per employee rose from 7.7 in 2010 to 9.2 in 2015
   - Average training expenditive per trainee increased from £765 in 2010 to £1,320 in 2015

2. However, against these indicators of the greater commitment of UK employers to training, two cautionary points are made.

3. First, the proportion of training hours spent on mandatory training in health and safety rose from 26% in 2010 to 36% in 2015, whilst the proportion of hours spent on courses leading to nationally-recognised qualifications rose only

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[14] For examples see quotation '*What is the purpose of the skills system and skills policy? Primarily it is to boost productivity, however defined, upon which the UK's prosperity ultimately depends. There is a wealth of evidence that points to rising investments in education and training over recent decades bringing about a productivity dividend. The economic evidence points unequivocally to increased investments in skills and improved productivity growth going hand-in-hand*' from The UK skills system: how well does policy help meet evolving demand?, Government Office for Science, 2016; or quotation '*The general policy thrust over the past 30 years has been to engineer a 'skills revolution', with publicly-funded improvements in the supply of skills seen as key to international competitiveness, productivity growth and improved social mobility*' from Economic and Social Research Council at http://www.esrc.ac.uk/news-events-and-publications/evidence-briefings/delivering-an-efficient-skills-policy/

[15] For example see quotation *'Companies invest in skills and training for their own staff .... A modern industrial strategy can help create the right framework to incentivise business to invest in skills alongside public investment'* from Building our Industrial Strategy, Green Paper, HM Government, January 2017

marginally (from 30% to 31%). Whilst health and safety training is, of course, essential, it does not necessarily increase output.

4. And second, whilst the increase in expenditiure per trainee indicates rising employer willingness to invest in training, some of the increase (of 73% in training expenditure per trainee between 2010 and 2015) was accounted for by rising costs (of 47% per trainee hour over the same period).

Training in smaller and larger organisations

5. Over many years, many surveys of employers, undertaken at national and various sub-national levels, have shown differences in the skills-related behaviours and attitudes of smaller and larger employers[16]. Generally these suggest smaller organisations as being less likely to train staff, less likely to approach training in a formal or structured way, and less likely to engage with public initiatives (such as apprenticeship) designed to stimulate training. Many of such differences result simply from 'smallness' – with fewer staff, small organisations' recruitment and associated training needs may be less frequent and they may have less resource to learn about public initiatives or to negotiate the administrative complexities which engagement with these initiatives can bring. Attitudinally and culturally, they may see recruitment as a way to avoid training costs and may be suspicious of external intervention in their business.

6. Thus, some headline survey findings are :

- Small (10-49 employee) organisations are somewhat less likely to provide CVT (84% did so in 2015) than organisations larger than that (94% did so) (see Table 1)
- Small (10-49 employee) organisations are less likely to provide formal internal CVT courses (40% did so in 2015) than organisations larger than that (62% or more did so) (see Figure 2)

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[16] See for example, successive biennial UK-wide Employer Skills Surveys from 2003 to 2015; As a particular example: '*The likelihood of providing training increased with employer size. Among the smallest sites employing 2-4 staff, half had provided any training (51 per cent). This increased to over three-quarters (78 per cent) among those with 5 to 24 staff. Provision of any training was almost universal in larger establishments (93 per cent among those with 25-99 staff and 96 per cent among those with 100 or more employees)'* , quotation from Employer Skills Survey 2015:UK Results, Evidence Report 97, UKCES, May 2016, .

- Small (10-49 employee) organisations are less likely (by margins of around 10% or greater) to provide each of a range of forms of CVT other than formal courses (see Table 4)
- Small (10-49 employee) organisations are less likely than larger ones to have written training plans (44% compared with 61% plus; see Figure 20) and to have training budgets (27% compared with 55% plus; see Figure 21)

7. These differences evidently distinguish small firms as less likely, as organisations, to provide formal, planned training. However, other survey statistics show more complexity:

    - Though, as above, larger organisations are more likely than smaller ones to provide CVT, the likelihood of an individual being trained in smaller and larger organisations does not differ greatly. Thus (see Figure 4), the proportion of total workforce which was trained, at around 30%, is broadly constant across all sizes of organisation – implying that while, as above, a lower proportion of small organisations supply training, when they do train, they train a compensatory higher proportion of their workforces.
    - Second, there are no great differences between different sizes of firms in the proportion of total training time which is devoted to mandatory training or towards nationally-recognised qualifications (see Figures 8 and 9)
    - Third, as above, smaller organisations are less likely to use most sources of external training provision (see Table 2). However, in terms of all the training hours provided by different sizes of organisations, external training (see Figure 7) is proportionally used more by smaller organisations than larger ones (which are likely to have greater capacity for internal training)
    - And, lastly, smaller firms' training costs per participant are at least equal to those of larger firms (see Table 8) – when smaller firms train they commit as much resource to that training on a per-participant basis as do large ones.

8. A key point in observing the training behaviours of small firms and larger ones is that a 'small firms train less' assumption is not a wholly valid one (although it may be more valid if micro businesses with fewer than 10 employees had been included in the survey) – small firms train the same proportion of their workforces and spend as much on their trainees as larger ones.

9. However, in one other respect, the disparity between the proportion of small firms (10-49 employees) which employed a government-recognised apprentice in 2015 and larger firms was very substantial (20% for small firms compared with 38% for those with 50 to 249 employees and over 60% for those with 250 or more employees; see Figure 26). In seeking to develop publicly-supported training,

such as apprenticeships, across the size spectrum of businesses, the challenge is to make such programmes fit the training needs and perspectives of smaller organisations not to overcome their resistance to training per se – which, as above, is, in some respects, not markedly greater in the small-firm case.

Sector variation in training

10. The complexity of the relationship between organisation size and different aspects of training behaviour was recognised above. This complexity is increased by recognition that the size distributions of firms in different sectors are not the same. For example (see Table 16), the wholesale and retail and hospitality sectors have above-average proportions of small (10-49 employee) firms whilst manufacturing has above-average proportions of firms with 50 or more employees. Some of the relationship between size of firm and training behaviour may be explained by the training demanded by sector-specific characteristics rather than solely by the size of the business.

11. In this light, recognition of the sector distribution of different aspects of training behaviour is important and may allow inferences as to why particular patterns can be observed. Table 20 below sets out some key sector variations.

Table 20: Sectors which, on various indicators, had noticeably high or low proportions of organisations conformimg with each indicator

HIGH	LOW
Provided internal CVT courses (Figure 1)	
Construction ICT Financial servies	Wholesale retail Transport Hospitality
Provided external CVT (Figure 3)	
Construction Financial services	Wholesale/retail Hospitality
Proportion of workforce trained (Figure 4)	
Construction Financial services	Hospitality
Average number of CVT hours per employee (Figure 5)	
Construction ICT Financial servces Business and other services	Hospitality
Average number of CVT hours per CVT participant (Figure 6)	
ICT	Wholesale/retail Transport Hospitality
Proportion of CVT hours in health and safety training (Figure 8)	
Mining and related Construction Transport	Business services
Proportion of CVT hours in CVT to nationally recognised qualifications (Figure 9)	
Construction Transport	ICT Financial services
CVT expenditure per participant (Table 8)	
Construction Information/Communication	Wholesale/retail Hospitality
Organisations which use written training plans (Figure 20)	
Construction Financial services	Wholesale/retail Hospitality
Organisations with formal training budgets (Figure 21)	
Financial services	Transport Hospitality

12. Table 20 suggests some key variations in sectors' training behaviours:

    - The construction sector, partially as a consequence of the industry's levy system[17], is shown as 'high' performer on virtually all CVT measures
    - Two 'technical' sectors, ICT and financial services, with heavy use of IT systems, are also high-training sectors – but they are more likely train to specific internal standards than to national awards
    - Two sectors, wholesale/retail and hospitality, are consistently identified by CVT indicators as low-training sectors. It was noted earlier that these sectors have above-average proportions of small workplaces. The contributions of 'smallness', the nature of activities in these sectors, and the associated proportions of lower-skilled workers in the sectors to the relatively low rates of training activity are not easily separable.

13. The general point is that differences in training behaviour between sectors emphasise that demand for training is not a phenomenon dependent solely, say, on the perspectives of individual business managements but has rational bases in the functions which sectors perform and the skill needs which associate with those functions. In seeking to encourage training activity, public policy needs to recognise and work with these underlying structural characteristics of training.

Barriers to training

14. This point is emphasised by the survey's analysis of barriers to training in UK businesses.

15. Thus, whilst there were supply-side barriers for some organisations (for example, 19% of non-training organisations said there was a lack of suitable courses), the key barriers were the perception that current skill levels in the business were adequate (89%) or that recruitment could be used as an alternative to training (73%) (see Figure 24).

16. Reasons why organisations which trained did not train more were similar: 84% said they had trained as much as necessary or could recruit the skills they needed (71%) whilst a much smaller proportion (21%) said they could not get the CVT courses they needed. These findings on the barriers to training are consistent both with the corresponding statistics reported in the 2010 CVTS survey and with those produced by many other UK skills surveys (such as the national Employer Skills Surveys referenced above)

[17] See http://www.citb.co.uk/levy/how-levy-helps-industry/ for more information

17. The final overview point deriving from this analysis is that, while government will continue to encourage skills development as one key requirement of increased productivity and national growth, and (as this report has shown) employers are responding with increased training activity, there are often finite constraints on training volumes placed by employers' perceptions of the adequacy of their workers' skill levels (or that they can circumvent skills gaps by recruitment) which may continue to challenge public aspirations and targets for substantial growth in employers' training investment levels and in work-based training.

Appendix

European Data 2010

1. Data pertaining to the last Continuing Vocational Training Survey (CVTS4), which took 2010 as a reference year, was produced by Eurostat and is available for all 28 European countries that took part. This data is based on core sectors only i.e. the sectors that have been included in this survey.

2. Only UK data is available so far in this round of CVTS (CVTS5) and is presented in the figures and tables that follow alongside statistics pertaining to 2010.

Key findings

3. UK employers with 10 or more employees were fifth out of 28 European countries in terms of their propensity to provide Continuing Vocational Training (CVT) in 2010. There has been a significant increase in this statistic within the UK since then. CVT was most prevalent within Norway (a non-EU country). Scandinavian countries are strongly represented in the top ten.

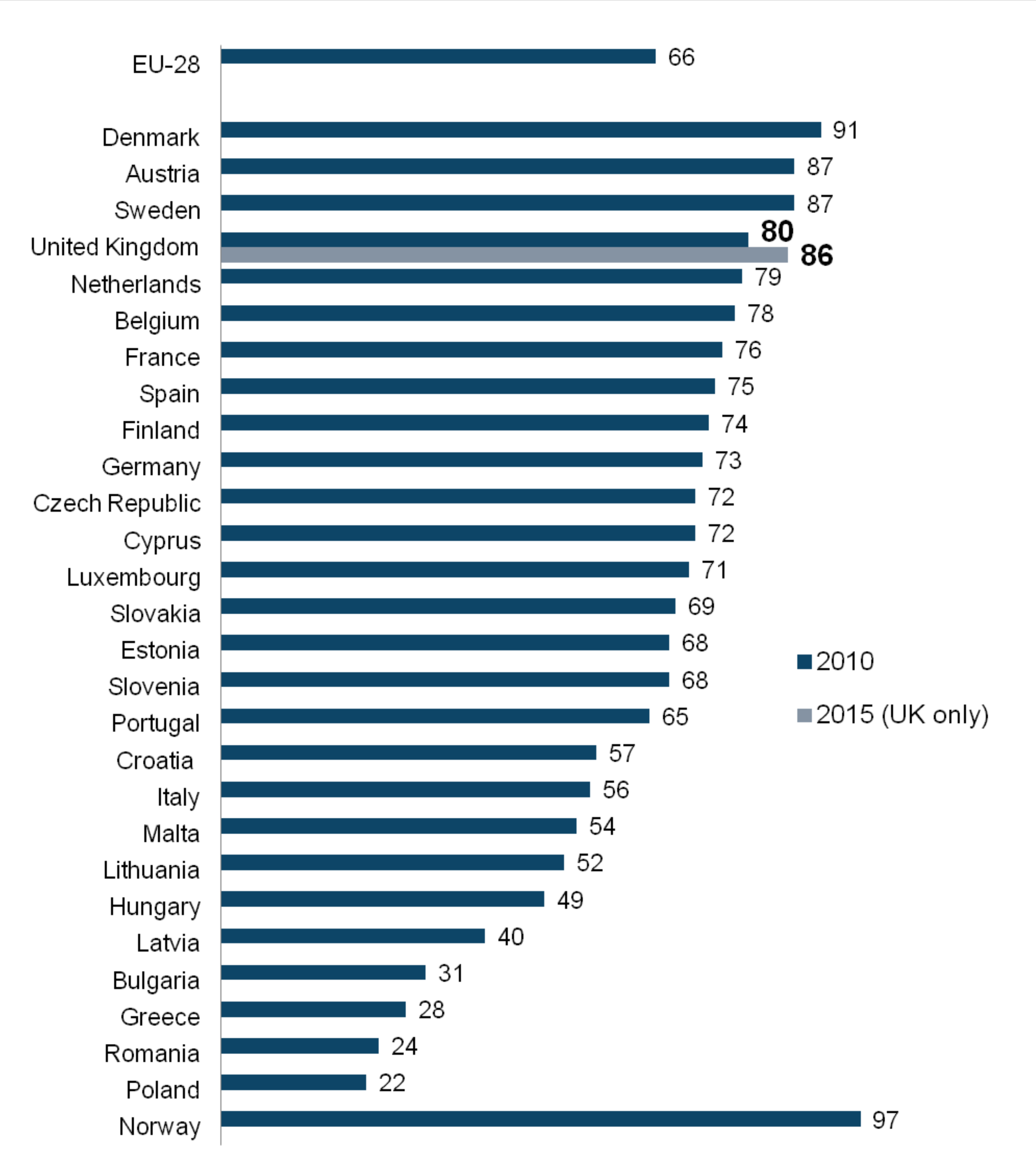
4. Within the UK Initial Vocational Training (IVT) was lower than the EU average in 2010 but has now increased to match that average of 24%. However, it is likely that 2015 will see an increase in the EU average. It remains to be seen if the UK has gained any ground in this respect. IVT is most prevalent in Germany, Denmark and Austria and least prevalent across a number of Eastern European countries, specifically, Lithuania, Romania, Czech Republic, Poland and Latvia.

5. The UK has a low level of participation of its workforce in CVT compared with most European countries. Countries where participation is lower include Greece, Lithuania, Croatia and Hungary. Denmark and Austria are similar to the UK in terms of high provision but low participation.

6. There has been a substantial increase in the money spent on CVT courses within the UK in the last 5 years. This has brought the UK more into line with it's counterparts in Western Europe but, again, we do not yet know how the UK will compare against 2015 values. Expenditure is highest in the Netherlands, Belgium and France and lowest in, again, Eastern European countries including the Czech Republic, Latvia, Bulgaria, Lithuania, Estonia, Poland and Slovakia. In fact, in 2010, the UK as among this group, while based on the 2015 value we may have moved up the list and may be on a par with the EU average.

7. In terms of CVT hours per employee the UK are within the bottom third of the table based on 2010 values. In 2015, there has been an increase in this respect within the UK since 2010, which may result in the UK moving up the table.

Figure A1: Proportion of organisations providing any continuing vocational training - % (all respondents)



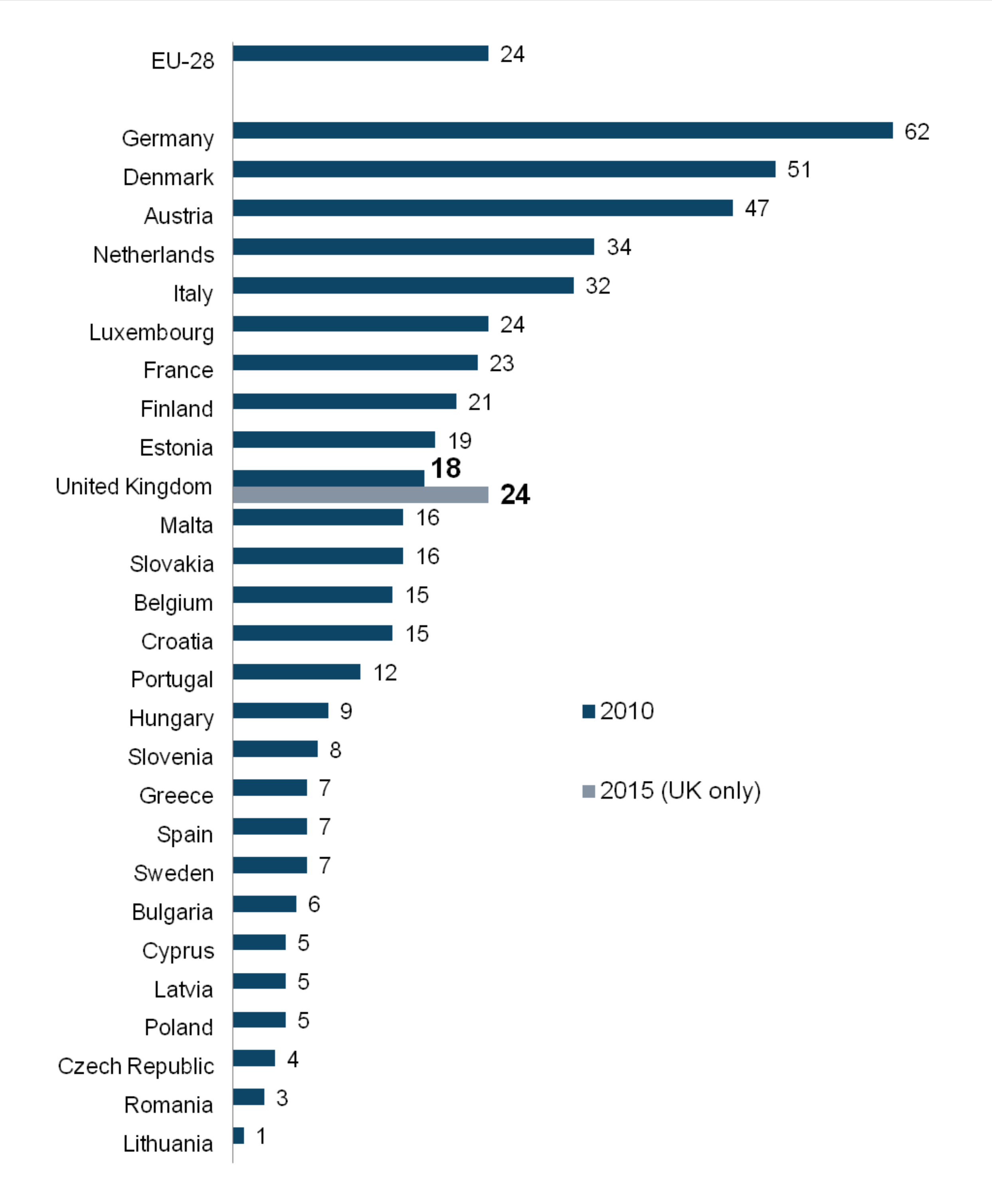
Source: http://ec.europa.eu/eurostat/web/education-and-training/data/database and CVTS5, BMG Research 2017

Table A1: Proportion of enterprises providing continuing vocational training in 2010 (all enterprises)

	Proportion of enterprises providing continuing vocational training (CVT)						Proportion providing CVT courses %	Proportion providing CVT other than courses %
	All activities %	Industry %	Construction %	Distributive trades and accommodation and food services %	Information and communication services and financial and insurance activities %	Other services %		
EU-28	66	63	64	63	80	75	56	53
Norway	97	97	100	95	99	97	90	89
Denmark	91	88	83	90	98	99	76	84
Austria	87	85	85	83	94	95	72	77
Sweden	87	86	81	84	93	94	76	74
United Kingdom	80	82	79	78	88	81	60	75
United Kingdom 2015	86	82	90	82	91	90	67	80
Netherlands	79	80	85	70	83	86	70	69
Belgium	78	79	72	72	94	87	72	62
France	76	77	58	75	84	87	71	45
Spain	75	74	82	71	80	78	71	53
Finland	74	75	53	76	89	79	67	58
Germany	73	73	65	72	82	76	61	66
Czech Republic	72	77	72	66	82	74	62	60
Cyprus	72	63	74	66	93	85	48	66
Luxembourg	71	77	59	62	90	84	65	59
Slovakia	69	72	80	63	80	66	54	62
Estonia	68	64	68	67	75	74	57	55
Slovenia	68	68	48	69	83	79	41	65
Portugal	65	60	64	65	84	71	44	55
Croatia	57	55	50	54	76	71	50	44
Italy	56	53	67	49	79	60	47	41
Malta	54	48	31	48	90	68	38	52
Lithuania	52	46	55	47	67	65	37	46
Hungary	49	52	49	45	73	43	38	36
Latvia	40	43	38	38	55	40	27	33
Bulgaria	31	32	37	25	50	36	21	29
Greece	28	27	21	25	47	40	21	23
Romania	24	24	25	20	40	28	16	20
Poland	22	24	19	18	43	28	20	14

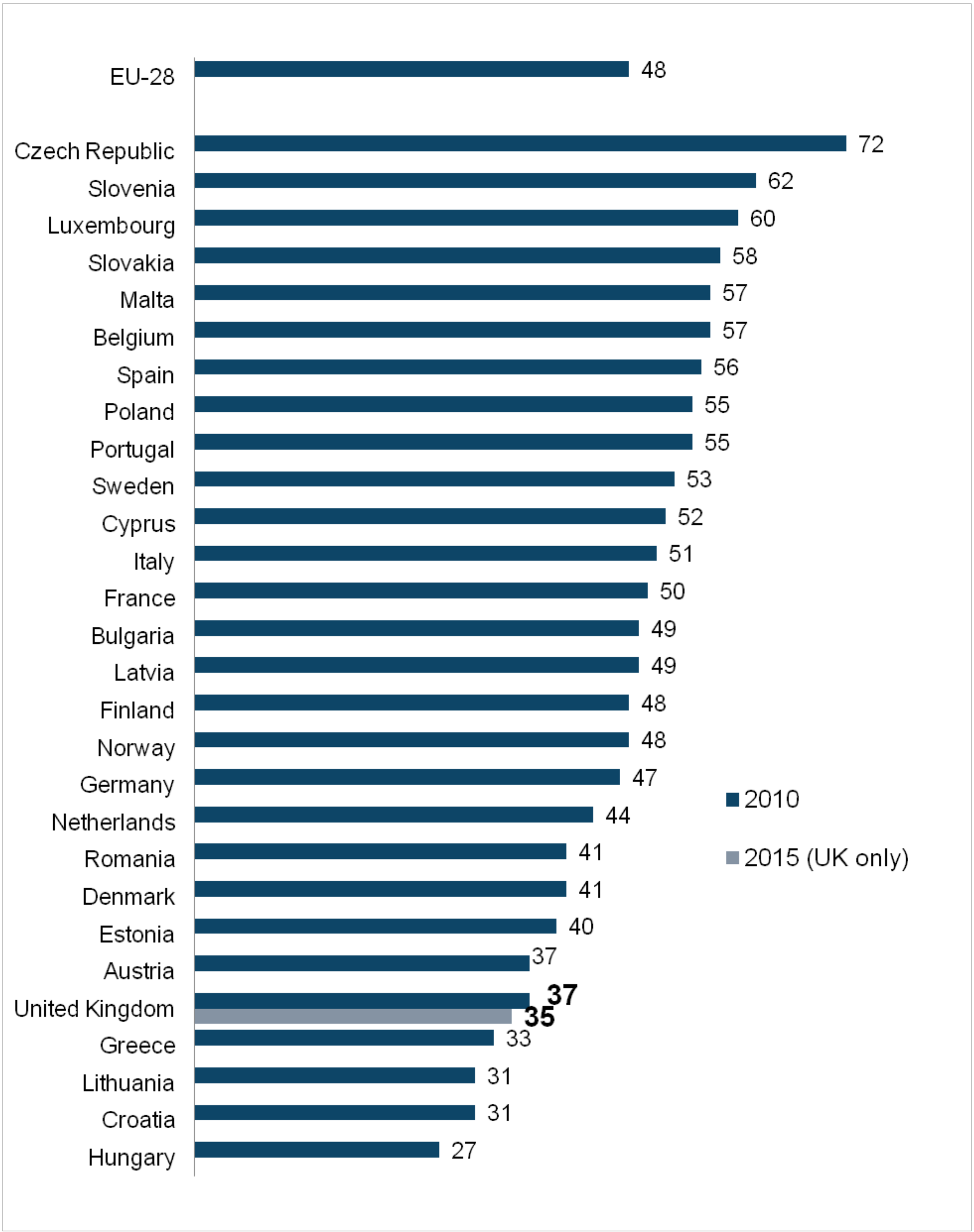
Source: http://ec.europa.eu/eurostat/web/education-and-training/data/database and CVTS5, BMG Research 2017

Figure A2: Proportion of organisations providing initial vocational training (all respondents)



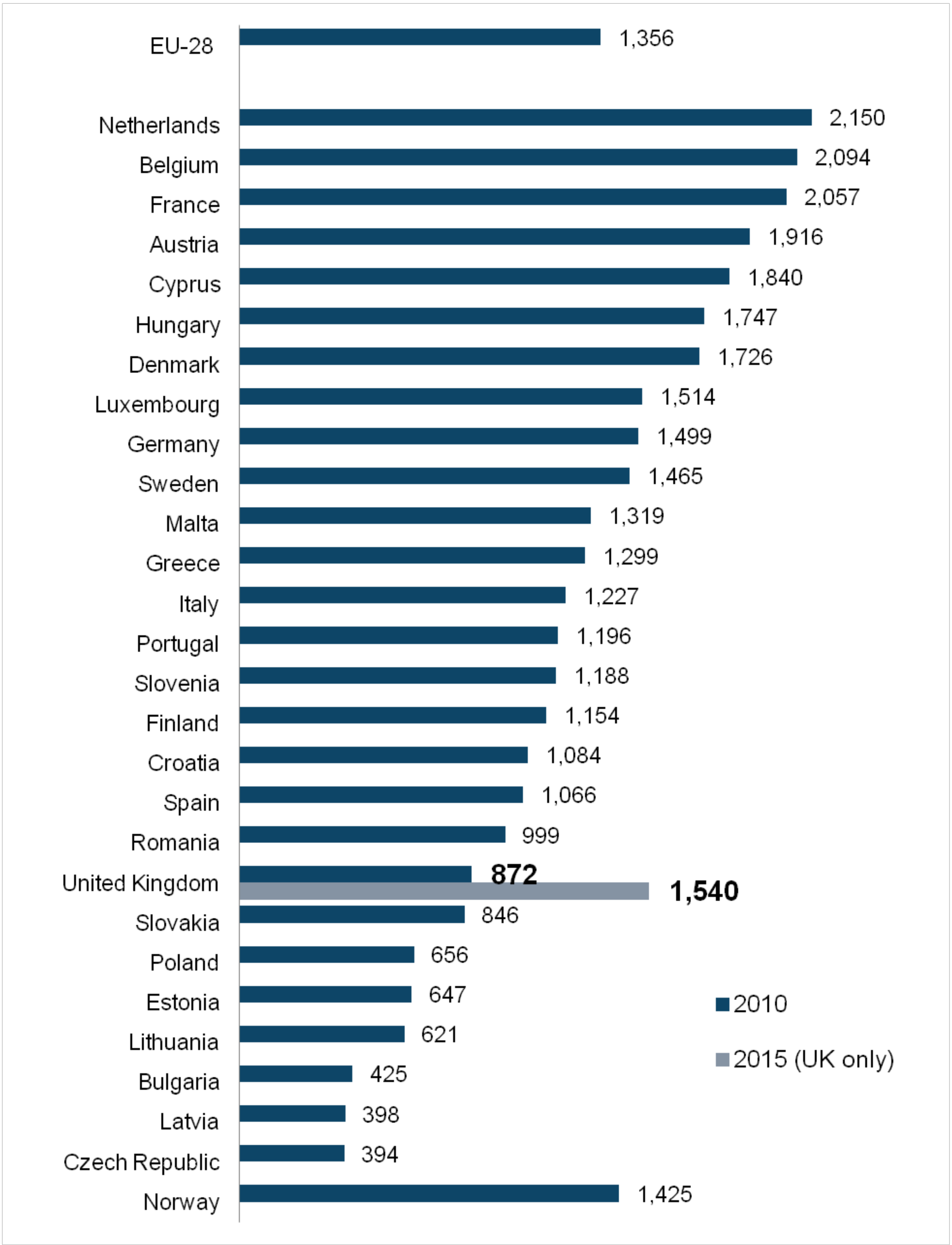
Source: http://ec.europa.eu/eurostat/web/education-and-training/data/database and CVTS5, BMG Research 2017

Figure A3: Proportion of persons employed participating in any continuing vocational training courses (enterprises providing continuing vocational training)



Source: http://ec.europa.eu/eurostat/web/education-and-training/data/database and CVTS5, BMG Research 2017

Figure A4: Cost of continuing vocational training courses per participant (enterprises providing continuing vocational training) – in Euros



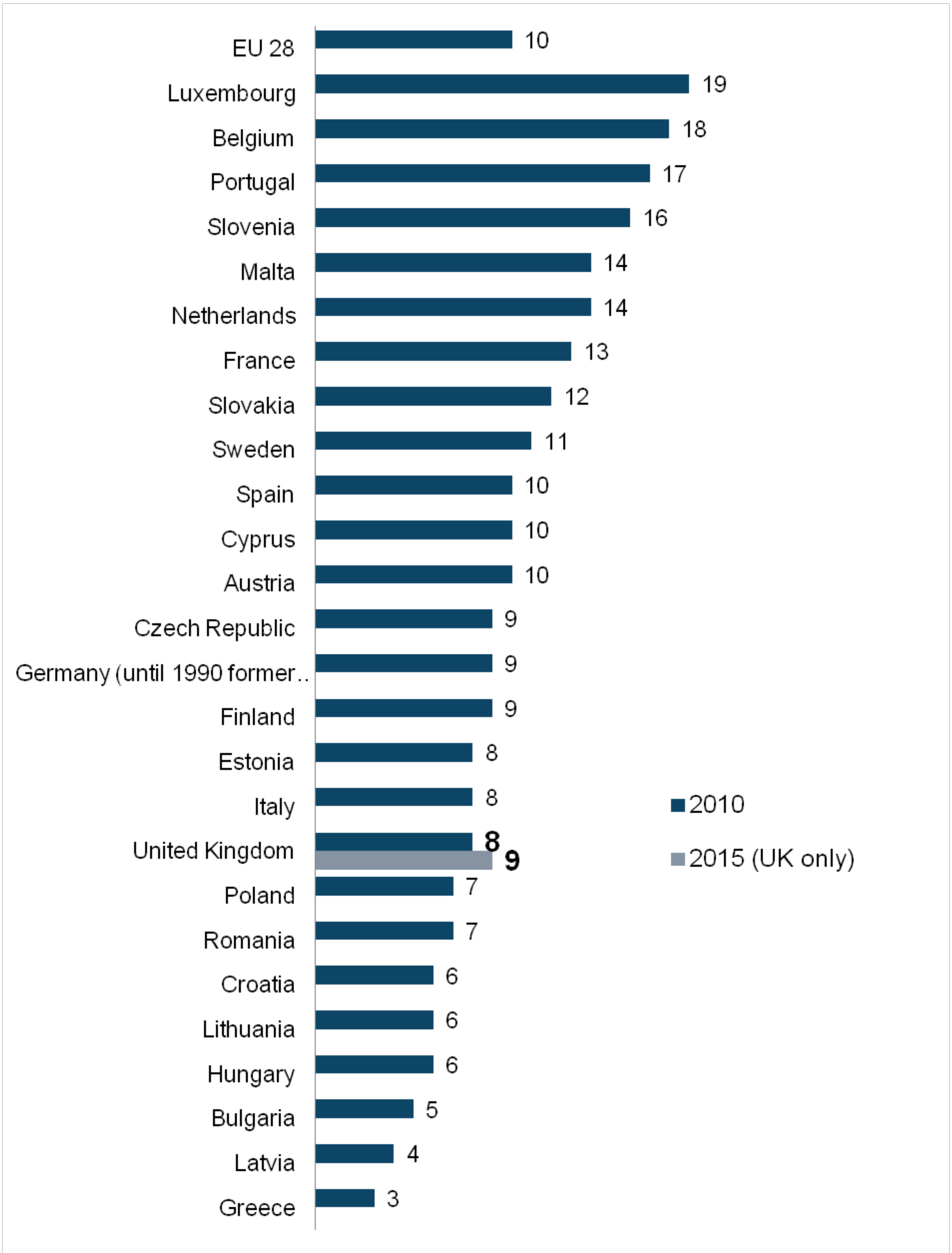
Source: http://ec.europa.eu/eurostat/web/education-and-training/data/database and CVTS5, BMG Research 2017

Table A2: Cost of continuing vocational training courses relative to total labour costs in 2010 (all enterprises)

	Total %	Direct costs %	Participants labour costs %
EU-28	1.6	0.7	0.8
France	2.5	1.0	0.9
Belgium	2.4	0.9	1.5
Malta	2.3	1.3	0.9
Netherlands	2.2	1.1	1.0
Cyprus	2.0	0.6	0.9
Luxembourg	1.9	0.8	1.3
Portugal	1.9	0.8	1.2
Slovakia	1.9	0.9	1.0
Denmark	1.8	0.8	1.1
Hungary	1.8	0.8	0.5
Sweden	1.7	0.9	0.8
Norway	1.7	0.7	1.0
Spain	1.6	0.5	0.8
Romania	1.6	0.0	1.2
Germany	1.5	0.8	0.7
Austria	1.5	0.9	0.7
Slovenia	1.5	0.7	0.9
Finland	1.4	0.7	0.6
Czech Republic	1.2	0.7	0.6
Bulgaria	1.1	0.6	0.5
Estonia	1.1	0.6	0.6
Italy	1.1	0.3	0.7
Lithuania	1.1	0.7	0.6
Poland	1.1	0.6	0.6
United Kingdom	1.1	0.6	0.4
United Kingdom 2015	1.3	0.9	0.4
Latvia	0.8	0.4	0.4
Greece	0.7	0.2	0.2
Croatia	0.7	0.2	0.3

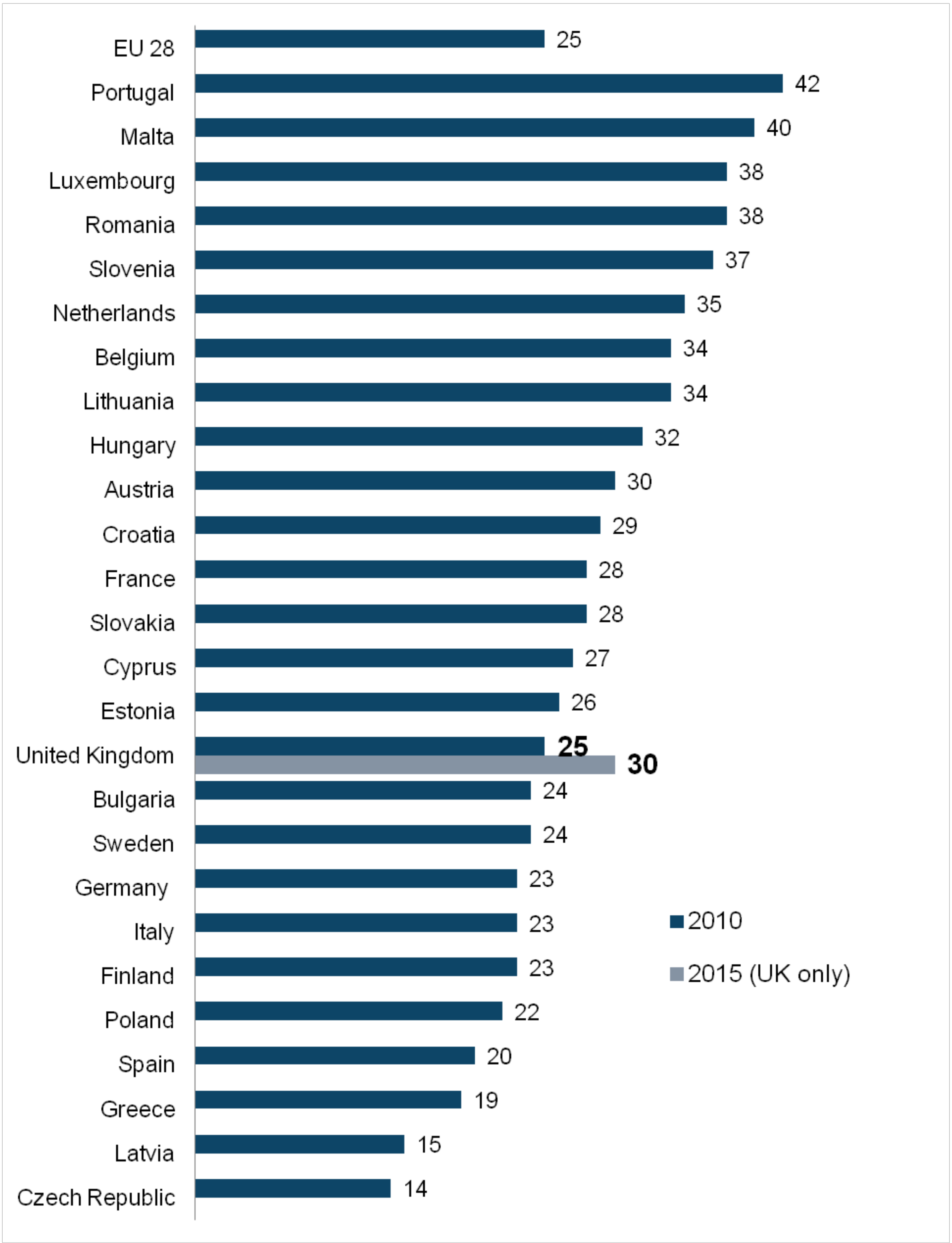
Source: http://ec.europa.eu/eurostat/web/education-and-training/data/database and CVTS5, BMG Research 2017

Figure A5: Hours on continuing vocational training courses per employee (all enterprises)



Source: http://ec.europa.eu/eurostat/web/education-and-training/data/database and CVTS5, BMG Research 2017

Figure A6: Hours on continuing vocational training courses per employee (enterprises providing continuing vocational training)



Source: http://ec.europa.eu/eurostat/web/education-and-training/data/database and CVTS5, BMG Research 2017

Glossary and definition of terms

NACE Rev. 2

The **Statistical classification of economic activities in the European Community**, abbreviated as **NACE**, is the classification of economic activities in the European Union (EU); the term NACE is derived from the French ***N**omenclature statistique des **a**ctivités économiques dans la **C**ommunauté **e**uropéenne*. Various NACE versions have been developed since 1970.

NACE is a four-digit classification providing the framework for collecting and presenting a large range of statistical data according to economic activity in the fields of economic statistics (e.g. production, employment and national accounts) and in other statistical domains developed within the European statistical system (ESS).

NACE Rev. 2, a revised classification, was adopted at the end of 2006 and, in 2007, its implementation began. The first reference year for NACE Rev. 2 compatible statistics is 2008, after which NACE Rev. 2 will be consistently applied to all relevant statistical domains.

IDBR

The Inter-Departmental Business Register (**IDBR**) is a comprehensive list of UK businesses used by government for statistical purposes.

ONS

The Office for National Statistics

UK SIC 2007

The current Standard Industrial Classification (SIC) used in classifying business establishments and other statistical units by the type of economic activity in which they are engaged.

Definitions

Sourced from the Eurostat CVTS5 Manual.

Term		Definition
1	**Enterprises**	According to Council Regulation (EEC) No 696/93 of 15 March 1993 on the statistical units for the observation and analysis of the production system in the Community: ”The enterprise is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit.”
2	**Continuing vocational training (CVT)**	Continuing vocational training are training measures or activities which have as their primary objectives the acquisition of new competences or the development and improvement of existing ones and which must be financed at least partly by the enterprises for their persons employed who either have a working contract or who benefit directly from their work for the enterprise such as unpaid family workers and casual workers. Persons employed holding an apprenticeship or training contract should not be taken into consideration for CVT. (These could be relevant candidates for IVT – see def. 3.) The training measures or activities must be planned in advance and must be organised or supported with the special goal of learning. Random learning and initial vocational training (IVT) are explicitly excluded.
3	**Initial vocational training (IVT)**	In CVTS 5, initial vocational training (IVT) is restricted to apprenticeships at ISCED 2011 level 2 to 5. The following criteria need to apply: (1) The apprenticeship must be a **formal education programme** (or a component of it). Within the programme **learning time alternates** between periods of practical training (workplace) and general/theoretical education (educational institution/training centre). (2) The completion of the apprenticeship is **mandatory**

Term		Definition
		to obtain a qualification or certification for this programme. (3) The duration of the apprenticeship is **from 6 months to 6 years.** The duration refers to the programme and not only to the work-based component. (4) The apprentices receive **remuneration** (wage or allowance, in cash or in kind). The measure is often financed (partly or fully) by the enterprise although this is not a mandatory condition. Apprentices/IVT participants often have a special training contract.
4	**Continuing vocational training measures and activities**	Continuing vocational training measures and activities cover both CVT courses (def. 5) and other forms of CVT (def. 6).
5	**CVT courses**	CVT courses are typically clearly separated from the active workplace (learning takes place in locations specially assigned for learning like a class room or training centre). They show a high degree of organisation (time, space and content) by a trainer or a training institution. The content is designed for a group of learners (e.g. a curriculum exists). Two distinct types of CVT courses are identified • internal CVT courses (def. 14) • external CVT courses (def. 15)
6	**Other forms of CVT**	Other forms of continuing vocational training are typically connected to the active work and the active workplace, but they can also include participation (instruction) in conferences, trade fairs etc. **for the purpose of learning**. These other forms of CVT are often characterised by a degree of self-organisation (time, space and content) by the individual learner or by a group of learners.

Term	Definition
	The content is often tailored according to the learners' individual needs in the workplace. The following types of other forms of CVT are identified: • planned training through guided-on-the-job training (def. 16) • planned training through job rotation, exchanges, secondments or study visits (def. 17) • planned training through participation (instruction received) in conferences, workshops, trade fairs and lectures (def. 20) • planned training through participation in learning or quality circles (def. 18) • planned training through self-directed learning/e-learning (def. 19)
7 Principal economic activity of the enterprise	According to the NACE Rev. 2 classification, the principal economic activity of the organisation is the activity that contributes most to the gross value added at factor cost. The NACE code of the enterprise should be taken from the statistical business register (SBR) or be coded to the NACE 4-digit level on the basis of information supplied by the enterprise
8 Persons employed	The number of persons employed is defined as the total number of persons who work in the observation unit **excluding persons employed holding an apprenticeship or training contract** (in line with the coverage of CVT, see def. 3). Persons employed includes: • working proprietors • partners working regularly in the enterprise • unpaid family workers working regularly in the enterprise • persons who work outside the enterprise who belong to it and are paid by it (e.g. sales representatives, delivery personnel, repair and maintenance teams) • persons absent for a short period (e.g. sick

Term	Definition
	leave, paid leave or special leave) • part-time workers • seasonal workers • home workers Persons employed exclude anyone who is working at the enterprise but whose salary is paid by another company, e.g. persons employed by firms under contract or seconded staff. Also not included are persons absent and not being paid during the whole reference period (e.g. for parental leave or long time compulsory military service). The definition of persons employed in general follows the one used for structural business statistics (SBS, see Commission Regulation (EC) No 250/2009, as amended by Commission Regulation (EU) No 439/2014) but deviates in the treatment of persons employed holding an apprenticeship or training contract which are excluded from the definition of persons employed in CVTS 5.
11 **Total number of hours worked**	The total number of hours worked refers to the total number of **hours actually worked** by all persons employed (excluding persons employed holding an apprenticeship or training contract, see def. 8), in 2015. It includes time worked during normal periods of work (in the enterprise or teleworking), time worked in addition to normal periods of work and generally paid at a higher rate (overtime), time spent at the place of work in standby or during which no work is done (but for which payment is made) and time corresponding to short rest periods, including tea and coffee breaks. It excludes time spent on paid leave, paid public holidays, paid sick leave, paid meal breaks. The definition of hours actually worked follows the one used for the labour cost survey (Commission Regulation (EC) No 1737/2005).
12 **Total labour costs of persons employed**	**Total labour costs** of persons employed (excluding persons employed holding an apprenticeship or

Term	Definition
	training contract, see def. 8), is defined as the sum of the **direct and indirect labour costs**. The estimate of total labour costs represents all expenditure borne by employers in order to employ workers. It should include: • ***direct labour costs:*** direct pay, other bonuses and gratuities, payments for days not worked, benefits in kind, and • ***indirect labour costs:*** statutory social security contributions and family allowances, non-statutory payments, other social expenditure, vocational training costs, taxes, minus subsidies on labour. The definition of total labour costs follows the one used for the labour cost survey (Commission Regulation (EC) No 1737/2005).
14 Internal CVT courses	Internal CVT courses are principally designed and managed by the enterprise itself. It is important that the responsibility for the content of the course lies within the enterprise. Courses are for example designed and managed by the internal training department of the enterprise, however the course can physically take place either within or outside the enterprise i.e. the geographic location relative to the enterprise is not the important issue.
15 External CVT courses	External CVT courses are principally designed and managed by organisations which are not part of the enterprise itself (e.g. 3^{rd} party organisations). These courses are designed and managed by a training organisation which is not part of the enterprise or by a training organisation which belongs to the parent company of the enterprise. It is important that the responsibility for the content of the course lies outside the enterprise; the course is then selected and ordered/ purchased by the enterprise. The course can physically take place either within or outside the enterprise i.e. the geographic location relative to the enterprise is not the important issue.

Term		Definition
16	**Guided-on-the job training**	Guided-on-the-job training is one of the other forms of CVT. It is characterised by planned periods of training, instruction or practical experience in the workplace using the normal tools of work, either at the immediate place of work or in the work situation. The training is organised (or initiated) by the employer. A tutor or instructor is present. It is an individual-based activity, i.e. it takes place in small groups only (up to five participants).
17	**Job rotation, exchanges, secondments or study visits**	Job rotation within the enterprise and exchanges with other enterprises as well as secondments and study visits are other forms of CVT only if these measures are planned in advance with the primary intention of developing the skills of the workers involved. Transfers of workers from one job to another which are not part of a planned developmental programme should be excluded.
18	**Learning or quality circles**	Learning or quality circles are other forms of CVT. Learning circles are groups of persons employed who come together on a regular basis with the primary aim of learning more about the requirements of the work organisation, work procedures and workplaces. Quality circles are working groups, having the objective of solving production and workplace-based problems through discussion. They are counted as other forms of CVT only if the primary aim of the persons employed who participate is learning.
19	**Self-directed learning/e-learning**	Self-directed learning/e-learning are other forms of CVT. It occurs when an individual engages in a planned learning initiative where he or she manages the settings of the learning initiative/activity in terms of time schedule and location. Self-directed learning means planned individual learning activities using one or more learning media. Learning can take place in private, public or job-related settings. Self-directed learning might be arranged using open and distance learning methods, video/audio tapes, correspondence, computer based methods (including internet, e-learning) or by means of a Learning

Term		Definition
		Resources Centre. It has to be part of a planned initiative. Simply surfing the internet in an unstructured way should be excluded. Self-directed learning in connection with CVT courses should not be included here.
20	**Participation in conferences, workshops, trade fairs and lectures**	Participation in conferences, workshops, trade fairs and lectures are other forms of CVT. Participation (instruction received) in conferences, workshops, trade fairs and lectures are considered as training actions only when they are planned in advance and if the primary intention of the person employed for participating is training/learning.
21	**Participants**	Participant in CVT courses A participant is a person who has taken part in one or more CVT courses during the reference year. Each person should be counted only once, irrespective of the number of CVT courses he or she has participated in. E.g. if a person employed has participated in two externally managed courses and one internally managed course, he or she should be counted as one participant. Participant in other forms of CVT The concept 'participant' is to be applied analogously for each other form of CVT.
23	**Paid working-time (in hours) spent on CVT courses**	Paid working time (in hours) spent on CVT courses is the total time that all participants have spent in total in CVT courses during 2015. Where courses fell only partly within 2015, only the time spent during 2015 should be included. The number of hours spent in CVT courses should only cover the actual training time, and only the time spent during the paid working time of the person employed should be included (i.e. any period of time where participants are in training when they normally would be working or a time when they are being paid for by the enterprise). It should exclude any periods of normal working

Term		Definition
		between several training sessions and any time spent on travelling to the course. For example, if a training course lasts for one week, only the time spent actually in the training course or working on training material should be included. If a person attends a course one day per week for several weeks, the one day per week should be included and added up, but the days spent on working between the training days should be excluded.
24	**Skills and competences**	Question A12 focuses on skills and competences important in the next few years. Question C5 however collects data on the basis of the most important skills and competences in terms of volume of courses related to them. In that context, it should be noted that a particular course may cover more than one category. The volume of training hours related to a course can be assigned to a category based on the most important aspect it covered. The list of skills and competences are meant to be self-explanatory.
25	**Providers of external CVT courses**	Providers of external CVT courses are the persons or organisations which deliver the training (see annex 15 for a more detailed description): • Schools, colleges, universities and other higher education institutions • Public training institutions (financed or guided by the government; e.g. adult education centres) • Private training companies • Private companies of which the main activity is not training (e.g. equipment suppliers, parent/associate companies) • Employers' associations, chambers of commerce, sector bodies • Trade unions • Other training providers •
26	**Fees and payments**	These are the costs of external courses, made to external organisations for the provision of CVT courses and services. They include course fees, the cost of

Term		Definition
		assessors and examiners as well as the cost of external trainers used to support internal courses. VAT should be excluded from the expenses
27	**Travel and subsistence payments**	These are costs made to participants for travelling to training courses and the payments or subsistence allowances. VAT should be excluded from the expenses
28	**Labour costs of internal trainers for CVT courses**	These are the **direct and indirect labour costs** of staff of training centres and other staff exclusively or partly involved in providing, designing and managing CVT courses (for labour costs, see def. 12). If those trainers are only partly involved in CVT courses, only the time spent on CVT courses should be taken into account. If total labour costs of internal trainers for CVT courses are not available from enterprise records, then the labour costs may be estimated by using data on the total number of internal trainers for CVT courses and average remuneration plus indirect labour costs.
29	**Costs for training centre, training premises or specific training rooms of the enterprise, in which CVT courses take place** **Costs for teaching materials for CVT courses**	These costs include the costs of running the training rooms and annual depreciation for these rooms and equipment. It also includes the costs of materials bought specifically to support the provision of CVT courses. VAT should be excluded from the expenses (see annex 4 for a more detailed description).
30	**Contributions**	The costs of contributions made by the enterprise to collective funding arrangements through government and intermediary organisations .
31	**Receipts**	The receipts from collective funding arrangements, subsidies and financial assistance from government and other sources.

Term		Definition
32	**Assessment of skills and competences needs of the enterprise**	This assessment concerns the need for skills and competences relevant to the overall training needs or development of the enterprise. It should refer to the method that has usually been used for the assessment of skill needs over the recent years and/or will be used for the assessment of skill needs for the year to come or for the next few years.
34	**Obligatory occupational health and safety courses**	The activities referred to under point 1 and 2 below should be considered as obligatory from the perspective of the Community legislation in the sense that they are needed to comply with legal obligations in the field of occupational health and safety. Based on such obligations the employer has to make sure that a worker received a proper training on occupational health and safety at the workplace. This is generally although not necessarily tailored to the needs and conditions of the specific workplace. 1. Obligatory CVT activities by law for some dangerous or potentially dangerous tasks, such as driving a fork lift, training for preventive services (e.g. occupational physicians may be required by law to do some training regularly), training for safety representatives who deal with occupational safety and health questions at the enterprise level (also mandatory by law in some Member States) and training for first aid measures (by law, a certain number of people have to be able to offer first aid). 2. CVT activities for workers to protect themselves and others. This is for example to train doctors how to use and discard needles to avoid needle stick injuries, or to train a laboratory worker how to work safely. This kind of training is normally included in the category “guided-on-the-job” training and cannot always be singled out. That knowledge has to be refreshed and updated regularly. Another simple example would be fire exercises.
36	**Training centre**	A training centre is a training unit with training personnel, training premises and training equipment. The training centre can be located within or outside the enterprise or it can be shared with other enterprises. The ownership of the training centre is not the important issue, as some enterprises may run a training centre jointly with other enterprises, although

	Term	Definition
		they do not actually own it.
39	**Agreements between the social partners**	The social partners are representative organisations of the employers and the persons employed (employer associations and trade unions). The social partners negotiate on a regular basis at the national, regional or sector level and conclude collective agreements (collective bargaining). Collective agreements normally regulate wages and working conditions. Collective agreements can also regulate vocational training provisions, such as national, regional or sector training funds, employability measures, vocational training measures for older persons employed. Agreements between the employer and works councils at the enterprise level are excluded from this definition.
40	**Formal structure involving employee representatives (staff representatives/ committees)**	Formal structures involving employee representatives are often committees or works councils. They are "shop-floor" organisations representing workers, which function as local/firm-level complements to national labour negotiations. Works councils exist in a variety of related forms in a number of European countries. A special form of works councils are the European works councils. On 22 September 1994, the European Council of Ministers decided on a Directive (94/45/EC) on the establishment of a European Works Council or similar procedure for the purposes of informing and consulting persons employed in companies which operate at EU level (amended by Council Directive 97/74/EC of 15 December 1997). The directive applies to companies with at least 1 000 persons employed within the EU and at least 150 persons employed in each of at least two Member States.

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