

Implementation of Train to Gain

Yorkshire and the Humber

Briefing for Colleges and
Training Providers – Issue 1

March 2006

Purpose

Colleges and Training Providers have been informed about the progress of Train to Gain (formerly known as the National Employer Training Programme – NETP) through inputs at a range of events over recent months. The purpose of this statement is to provide up to date information for Colleges and Training Providers in Yorkshire and the Humber about arrangements for the implementation of Train to Gain in the region from 1 April 2006 onwards.

As implementation plans are still in development, nationally and regionally, Providers should be aware that some aspects of this are still subject to change. It is possible that there will be further changes which have not yet been foreseen. The LSC will undertake to communicate any such further changes to Providers as soon as these are known.

General Principles

- Train to Gain – formerly known as NETP – will be implemented in South and West Yorkshire from 1 April 2006 and in North Yorkshire and Humberside from 1 August 2006.
- Train to Gain is intended to help companies and other organisations to improve the skills of their workforces and business performance by assisting them in identifying and sourcing training provision which will meet their needs – some of which, although not all, may attract a full or partial public subsidy.
- At the heart of Train to Gain is an impartial brokerage service to support the employer in identifying the skills needs to support their business objectives, to help them to develop a training plan and to source suitable provision in response to that training plan.
- Part of the “core” offer to employers who participate in Train to Gain will be free Skills for Life and first full Level 2 provision. This will be subject to the availability of appropriate provision and restricted to similar definitions for Skills for Life and first full Level 2 qualifications that have been used under the Employer Training Pilot (ETP) - see www.lsc.gov.uk for an up to date list of eligible Level 2 qualifications.
- Train to Gain, and the core offer of Skills for Life and full Level 2 provision within it, will be open to all employers – although it will be particularly targeted at “Hard to Reach” employers, especially through the brokerage service.
- Ultimately it will be for employers to choose the Provider that will deliver to meet their needs – not the LSC or an impartial skills broker, although the brokerage service will advise employers about the availability of provision and assist them in making a choice should they require support in this respect.
- The LSC is currently undertaking a procurement process, to put in place a regional Train to Gain skills brokerage service which will become operational during 2006/7.
- Regional targets associated with Skills for Life and first full Level 2 delivery in Train to Gain have not yet been finalised but they are expected to include qualifications delivered through mainstream in addition to those delivered through additional funding.

Skills for Life Level 2 Provision

- The LSC will have a "planning and procuring" role to play in ensuring that a range of high quality and relevant Skills for Life and Level 2 provision is available for employers to choose from within Train to Gain. There will be three different methods for achieving this – all of which will be used in any given operational year.
- First, the LSC will agree with FE-funded Providers a volume of Skills for Life and first full Level 2 provision which they will deliver as part of Train to Gain. This will be funded from the LSC FE Adult budgets and will be identified and agreed between the LSC and FE-funded providers as part of the normal provider planning process (LSC Core Business Cycle)
- Second, the LSC will undertake a tendering process to allocate 80% of a new Train to Gain provision budget to create a range of provision which is "planned but subject to employer choice". This budget is £200 million nationally and just over £14million is expected to be available for Train to Gain delivery in the Yorkshire and the Humber region. Providers will be selected and awarded LSC contracts to ensure that there is a range of provision which can respond to expected employer/sectoral needs, and also taking into account the past performance, quality of Providers and current employer engagement plans. It is still to be decided whether this procurement exercise will be limited to a defined group of Providers or be open tendering.
- The remaining 20% of the new Train to Gain provision budget will be held back for provision/Providers to be commissioned on a "rapid response" basis in-year by the LSC in order to satisfy demands from employers which cannot be satisfied by the provision which has been procured through the steps described above. This might be because no – or insufficient - provision has already been procured for a particular occupational area, or simply that an employer wants to work with a Provider who does not already hold a Train to Gain contract in the region.
- In the latter case, if a Provider is not already "LSC Approved" they will be put through a "fast track" approval process. Further information on this process is pending.

Transition from ETP to Train to Gain – Interim Arrangements

- In South and West Yorkshire – and other ETP areas across the country - it is envisaged that, in the first instance, to ensure that provision exists to accommodate new learner/employer starts during the first four months of Train to Gain (i.e. April to end of July 2006) the LSC will negotiate with a number of existing ETP Providers a variation of their ETP contracts – unless there are significant concerns relating to quality or underperformance.
- An element of the 80% Train to Gain budget for provision which is “planned but subject to employer choice” will be allocated to Providers in this way (the percentage of the overall 2006/07 budget is still to be confirmed). This does not affect in any way budgets that may be allocated for the learners who started on ETP prior to 31 March 2006.
- For employers/learners commencing in this period it is expected that the current ETP payment profile will continue – but it is likely that the 20% on starts and 30% at a mid point payments will become a combined start fee of 50% followed by a 50% payment on completion. However this has still to be confirmed.
- In the longer term (i.e. for employer/learner starts from August 2006 onwards) it is expected that the payment profile under Train to Gain will shift to a model which pays 50% for learner starts – and 50% on completion of qualifications.

The Procurement Process

- Over the coming months the LSC will undertake a procurement exercise to allocate the remaining element of the 80% Train to Gain provision budget to Providers to accommodate further learner/employers starts from August 2006 onwards. A wide range of stakeholders will be involved in shaping the specification of provision to be procured using the 80% budget (“planned but subject to employer choice”). In particular, input will be sought from Regional Skills Partnership partners – including Sector Skills Councils.
- The purpose of this procurement process will be to procure provision within the region – i.e. Providers that are successful will only be awarded a contract for activity in the Yorkshire and the Humber region only. It is expected that the normal rules for ETP will apply in terms of which employers are eligible for support under these contracts – i.e. they must have a base and employ people within the region.
- The procurement process will be open and competitive. It will be regionally managed although defined and designed within nationally consistent framework/guidelines. It is not currently anticipated that an “OJEU” process will be necessary however.
- When considering whether, and what additional, allocations of resource should be made to Providers that are already in receipt of LSC funding, the LSC will take into account the overall plans for employer engagement that have been agreed for the same operational year and past performance.
- In subsequent years when allocating out the 80% Train to Gain budget, in addition to considering future targets which have been set for use of mainstream (FE) funding, the LSC will review actual achievement against the previous year’s targets – both for mainstream FE funded activity and Train to Gain funded activity.
- At present no further information is available as to how the 20% of the Train to Gain budget set aside for “rapid response” activity will operate.

Further Points to Note

- Skills for Life and Level 2 funding rates have yet to be determined for Train to Gain delivery. Discussions are continuing nationally on this issue to ensure that the rates are appropriate and build upon the experience of ETP and other LSC programmes.
- As in ETP the expectation is that Providers will deliver according to the "Assess Train Assess" model – as such it is expected that in all cases an initial assessment will take place which will include consideration of any literacy, numeracy and ESOL needs. At present it cannot be confirmed whether funding for initial assessment will be in addition to – or included within – the agreed rates for Skills for Life and Level 2 delivery.
- It is possible that an individual learner can benefit from more than one qualification being delivered under Train to Gain (e.g. Skills for Life qualification followed by a Level 2 qualification). However, if a separate approach is needed these should normally be delivered sequentially rather than simultaneously. If possible there should be embedding of skills for life within the vocational qualification.
- It is expected that the onus will be on the Provider to check and confirm the eligibility of learners (employees) to participate in Train to Gain – in particular, to confirm that the learner does not already have a first full Level 2 qualification. Discussions are still taking place to consider what – if any – recovery arrangements will be instigated if it a learner is found to be ineligible after they have completed and achieved their qualification and the Provider and employer have received their appropriate payments
- In Train to Gain, in addition to "Hard to Reach" employers there will be a further category of employers which are classed as "existing" in the sense that these are in existing relationships with Providers. The Provider will be able to work with these employers to bring hard to reach employees into Train to Gain. In order to establish the list of "existing" employers, the LSC will be asking all Providers to submit lists of employers with whom they are working.
- Where a provider is working with one or more "existing" employers, different brokerage arrangements will apply. That is, the role of the broker will be "lighter touch". The exact terms of this are still to be defined however it is likely to involve, as a minimum, the broker registering the employer with Train to Gain and at some point in the process (i.e. not necessarily at the outset) contacting them to inform them of the wider brokerage service. However it will be up to the employer to what extent they take up any additional services.
- Exact arrangements relating to wage compensation under Train to Gain are still to be confirmed. However in the budget statement prior to Christmas the Chancellor announced that wage compensation would be made available in Train to Gain for employers who employ less than 50 staff and who release them for Skills for Life and/or first full Level 2 training. It is not yet clear whether this arrangement will take effect from 1 April, 1 August or in some other timescale.

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Publication reference LSC-P-YHR-06003
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