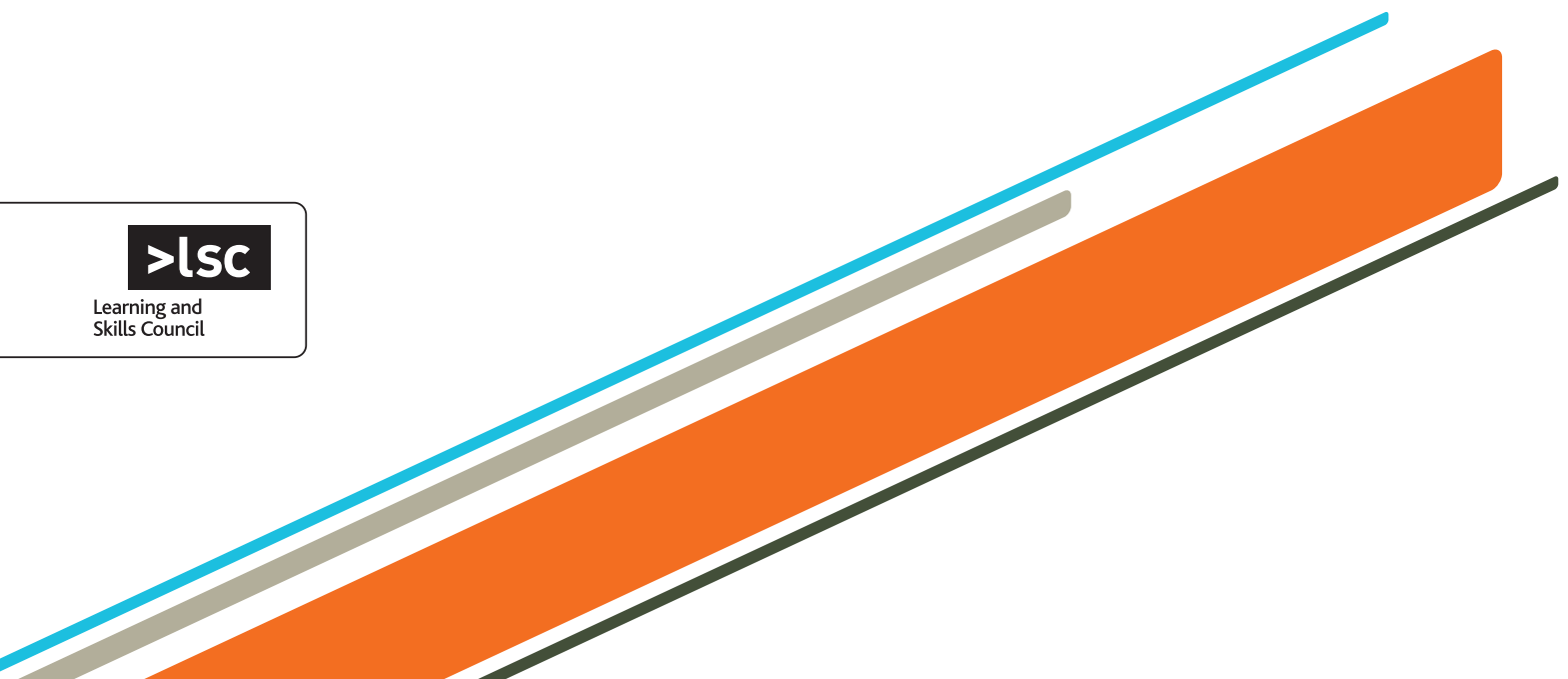


# TRAIN TO GAIN A PLAN FOR GROWTH

November 2007 – July 2011

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Learning and  
Skills Council





# FOREWORD

Train to Gain is a revolutionary development in terms of public service reform. It is transforming the way that Government and training providers support employers, in the interests both of our national workforce and our economy. In its first full year of operation, over 52,000 employers have been engaged by skills brokers, releasing some 240,000 staff onto training activities. And many training providers have developed and extended the scale and reach of their own employer engagement in order to maximise their opportunities under Train to Gain. This has been an impressive performance by the Learning and Skills Council, the Further Education sector and Train to Gain's skills brokerage service.

The results of the Comprehensive Spending Review mean that around a third of the adult skills and Further Education budget will be routed through Train to Gain by July 2011 – over £1 billion. This will rise further as a proportion in the next decade. So no provider can afford to let Train to Gain pass them by – they must act to ensure it becomes a mainstream part of their budget and a core part of their service to local people and the business community.

We have seen massive change and progress in the first year of Train to Gain. However, as our spending through Train to Gain increases rapidly, we shall need to live up to our responsibility to ensure it continues to develop as a high performing Service. We know that there have been early frustrations over bureaucracy and will tackle this head on through simplified business processes. Lighter touch commissioning will free the most successful training providers to deliver more, enabling them to respond more quickly with increased flexibility to deliver a demand-led Service. New Learning and Skills Council support arrangements will help those weaker training providers who need them. And there will be a high ambition for strong performance in London, where employer engagement with Further Education providers has been relatively weak.

At the heart of Train to Gain is the Service to employers. Through the Plan for Growth we will increase the number of businesses and individuals whom we help to up-skill. In order to raise employer demand for the Service, we will project a clearer image of what Train to Gain is and what it can do to support employers. We will look to extend the activities of the best training providers and help the rest to maximise their activity under Train to Gain. They will wish to look at their own relationships with employers to see how these can be extended still further.

Skills brokerage will be reformed and extended, including through the creation of greater sector specialist expertise. The focus on the smallest 'hard to reach' companies will be reduced to allow more room to work with medium and larger companies, while maintaining the target of 51 % 'hard to reach' employers. We shall ensure that skills brokerage will include more specialist support for employers of up to 5,000 staff. And the Learning and Skills Council's National Employer Service will be expanded to deal with many more companies of over 5,000 staff. At the same time, we shall ensure a seamless transfer of skills brokerage across to Business Link from April 2009.

Small and medium companies have already been one of the main beneficiaries of Train to Gain with some 80 % of the 52,000 employers engaged who have fewer than 50 employees. We shall reach out to the owner-managers by helping to train them to be better leaders and managers. Over the next three years we shall invest some £90m in the leadership skills of around 60,000 senior people in approximately 42,000 small and medium-sized companies.

We will also improve the Service to employers by introducing new flexibilities. Apprenticeships for those 19 and over will be offered as part of Train to Gain. Train to Gain will also be extended to include the self-employed and to the people whose lack of skills is preventing them from returning to work. Skills for Life will be widely available as a stand alone option, not just embedded within a Level 2 programme. And funding will be available in specified circumstances for those doing a second Level 2. We will extend the support available at Level 3. As we expand Train to Gain, we shall offer a fuller range of higher level skills and ensure that our strategy for growth meshes with the Higher Level Skills Strategy to be published shortly.

These changes will ensure Train to Gain continually builds towards becoming a World Class Service across all parts of the country. We believe it will play a key part in transforming the nation's skills base, productivity and competitiveness in the period to 2020. It will be critical in establishing the Further Education colleges and training providers (and increasingly Higher Education institutions) in employers' minds as providing the skills solutions that businesses need and value.



John Denham

John Denham  
Secretary of State for Innovation,  
Universities and Skills



Christopher N Banks

Christopher N Banks CBE  
Chairman, Learning and Skills Council

## EXECUTIVE SUMMARY

### Introduction

This Plan for Growth sets out the actions that will be taken to provide more employers and individuals with the skills that they need. It will also ensure Train to Gain plays its part in delivering the skills trajectories set out in *World Class Skills* by John Denham, Secretary of State for Innovation, Universities and Skills, in July 2007. The plan includes details of the actions and investments that are required as well as the impact on the numbers of employers and individuals we will help to up-skill.

*World Class Skills* responded to Lord Leitch's report of December 2006. This made the case for increased investment in skills if the United Kingdom was to improve its economic competitiveness: increased investment by employers, individuals and the state. Train to Gain was endorsed as the primary skills Service through which Government should support the enhancement of workforce skills in the workplace.

Enhancing those skills not only boosts competitiveness, productivity and profitability, it also greatly enhances the career and salary prospects of individuals. From the low skilled to the highly skilled, we want to help everyone to improve their employability, career and skills progression.

### What is Train to Gain?

Train to Gain is a national skills service to support employers of all sizes and in all sectors to improve the skills of their employees as a route to improving their business performance. It is a commitment to jointly invest in training, by employers and Government.

In return for that commitment, employers can expect that Train to Gain will give them access to:

- Quality assured advice in identifying skills needs at all levels, from skills brokers and training providers with expertise in their area of business;
- Help to identify and source high quality training and qualifications to meet those skills needs;
- An expert who will pull together a skills solution package which may include government training subsidies, alongside the employer's own financial contribution;
- For those making the Skills Pledge, follow up advice and support that is fully integrated within the Train to Gain Service;
- Access to advice on wider business needs, which will be enhanced from April 2009 with the transfer of skills brokerage to Business Link.

## Progress Report

Train to Gain was introduced nationally in August 2006. In its first year:

- 52,730 employers were engaged against a target of 47,770;
- Through public funds, almost a quarter of a million employees have been trained against a target of 313,590. These numbers were rising sharply as the year ended;
- Of these learners, 100,000 achievements so far – ahead of profile;
- 72 % of companies were ‘hard to reach’ significantly exceeding the target of 51 %;
- Employer satisfaction rates with skills brokerage have been consistently over 80 %;
- Employee satisfaction with the training they have received is 77 %;
- Evaluation shows strong commitment by learners to further investment in training;
- 95 % of eligible skills brokers achieved the new professional standard.

Train to Gain was a new transformational challenge for the Further Education sector and building to these levels so quickly has been an excellent achievement. The launch of the new standard for employer responsiveness and vocational excellence in employer engagement for training providers has supported this. Employer organisations, such as the CBI and the Trades Union Congress, who helped design the Service, remain highly supportive. They are looking for the Plan for Growth to continue to develop Train to Gain as a service that helps more employers and individuals, especially those that would not otherwise train or gain the benefits of training.

## Lessons Learned

Inevitably in growing a service this quickly there have been some teething problems and we have ensured that the lessons have been learned. The Learning and Skills Council undertook a series of thematic reviews during Spring and Summer 2007 covering:

- The role of skills brokers;
- The supply-side and their role in generating future demand;
- Bureaucracy and how to streamline and speed up contracting, procurement and administrative processes;
- The relevance of the employer offer through Train to Gain for different sectors.

Some colleges and training providers were quick to see the opportunities provided by Train to Gain and work with growing numbers of employers. Others were slower off the mark and did not all see that they needed to work alongside skills brokers to generate more learner referrals. Nor did they view positively referrals that meant charging a fee to the employer for training that was not subsidised by government. Training providers were concerned that processes were too bureaucratic and that successful performance was insufficiently rewarded through contract growth. Even successful training providers have found it difficult to operate easily across regions. We accept that point and this will change.

A more general criticism of the Train to Gain Service has been that it has been presented as focusing too much on Level 2 and lower-level skills. It has also been incorrectly positioned by some as being about free training. This approach subsequently lost the trust of many employers who found that in most cases they would be expected to invest in training alongside any public subsidy. It has been difficult to engage Higher Education Institutions in the Train to Gain Service. The Higher Education Funding Council for England is already supporting three of the 'Higher Level Skills pathfinders', to explore how employers can draw on higher education resources. We will evaluate the Pathfinders carefully.

Some Sector Skills Councils have been keen to promote Train to Gain. Others have felt frustrated by a focus on "firstness and fullness" of Level 2 qualifications, which has made it difficult to generate demand and champion the Service.

The Level 3 pilot enabled us to test employer willingness to contribute to Level 3 qualifications; the most appropriate method of delivery; and training provider capacity and responsiveness.

There has been insufficient focus on the recruitment of Apprenticeships in the employers engaged in Train to Gain.

There has also been too much regional variation, both in terms of performance and the delivery models. While Train to Gain performance has been really strong in the North East, North West and West Midlands, performance in London and the South East especially has not risen sufficiently quickly in the first year.



## The Strategy for Growth

Having undertaken the four thematic reviews and consulted extensively with all those engaged in the Train to Gain delivery system, and with stakeholders, we have concluded that in order to expand the Train to Gain Service we need to adopt a fresh strategy with the following four key accelerators:

1. A new offer to employers;
2. Building a stronger network of Train to Gain providers;
3. An intensified approach to lifting performance and ensuring consistency across the Learning and Skills Council;
4. Clearer communication of the Train to Gain Service and why employers need to invest more in the skills of their workforce.

## New Measures and Flexibilities

The Learning and Skills Council and Department for Innovation, Universities and Skills have collaborated on this Plan for Growth which builds upon the experience and considerable achievements of the first year of Train to Gain and sets out how we will achieve the very rapid expansion of the Service over the period to July 2011.

## Where will Future Growth come from?

We have agreed more than a dozen new measures and flexibilities to ensure that Train to Gain remains on track to become a world-class service across all parts of the country and provides a more flexible, responsive and inclusive service.


### The Key Measures are:

- A **revised employer engagement strategy** will ensure that the Train to Gain Service is about supporting employers to identify and address skills needs at all levels, including Apprenticeships and Advanced Apprenticeships and higher level skills. Everyone promoting the Service will need to present Train to Gain as being driven by the needs of employers and their employees, not by the desire to sell a particular product or qualification:
  - Skills brokers – no longer focused just on the smallest employers, they will reach out to other employers while maintaining the target that 51 % are ‘hard to reach’<sup>1</sup>. (Expected additional learners 100,000<sup>2</sup>.);
  - Expansion of skills brokerage to include specialist support, which we expect to operate on a regional basis, to engage larger employers to train employees with low or no qualifications and identify opportunities for progression to higher skill levels. (Expected additional learners 500,000<sup>2</sup>.);

<sup>1</sup> ‘Hard to Reach’ employers are employers that are not Investors in People recognised and have not accessed substantial vocational training leading to a qualification within the last 12 months.

<sup>2</sup> Figures are estimates based on employer size. They are not intended to represent a total cumulative volume, nor are they defined by any particular skills level. Many employers will feature in more than one category.



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- The Learning and Skills Council's National Employer Service – expanded to cover 200 of the largest national employers by 2009 and 300 employers by 2010/11. (Expected additional learners 150,000<sup>2</sup>.);
  - Training providers – support to raise the overall standard and effectiveness of their employer engagement staff and a particular emphasis on medium to large employers. (Expected additional learners 180,000<sup>2</sup>.)
  - A new compact **with each Sector Skills Council** – which will tailor Train to Gain to ensure it meets the skills needs of employers in each sector and joint investment planning so that public funds and employer funding work together to boost skills and improve productivity. (Expected additional learners 330,000<sup>2</sup>.)
  - A **transformation programme for training providers** – bespoke support for colleges and training providers to ensure that they are able to strategically position Train to Gain as core to their business. At the heart of this new programme will be support to enhance the skills of those training provider staff who engage with employers. Accelerated roll out of the new standard for employer responsiveness and vocational excellence will both improve and make the employer experience more consistent.
  - Working with key regional partners to establish a **Public Service Skills Compact** in each Region – focused on joint investment and commitment by public service leaders to extend training including Apprenticeships across their workforce. (Expected additional learner volumes 216,000<sup>2</sup>.)
  - Common standards, **improved performance management and consistency** in the delivery of the Service across the country– this is proving effective in driving up performance and success rates. We have set a Minimum Performance Level of 65%, which will rise each year.
  - Our objective is to deliver the priorities identified by Leitch and by our new Public Service Agreement (PSA) targets, providing full subsidy for basic skills and first, full Level 2 qualifications and sharing the cost of Level 3 with employers and individuals.

#### Other Important Flexibilities and Measures:

- People from priority unemployed groups who are recruited by an employer will be eligible for 100 % subsidy for a second full Level 2 qualification where they need retraining. This flexibility will focus initially on Local Employment Partnerships. (The Department for Workforce and Pensions estimate 125,000 additional learners.);
- Train to Gain will be extended to include the self employed and the voluntary sector;
- For employers with between 10 and 250 employees we want to support key directors and managers to ensure that they have the skills needed to grow their business through the development of their people. We will increase our investment in leadership and management development from £4 million to £30 million per annum. Evaluation of this programme shows that there is a positive multiplier effect on skills investment following the training. (Expected additional learners 60,000 managers and 150,000 other learners.);

<sup>2</sup> Figures are estimates based on employer size. They are not intended to represent a total cumulative volume, nor are they defined by any particular skills level. Many employers will feature in more than one category.

- Dedicated sector specialists in each skills brokerage organisation will ensure that the needs of employers are better understood. Improved systems to collect employer feedback will ensure that the Service continues to develop to meet their needs. Subject to funding, each Sector Skills Council will appoint a high level dedicated Train to Gain advocate;
- Funding to give a part subsidy for those doing a second Level 2 or 3 programme, in specified circumstances;
- Skills for Life training provision will be available in a stand alone form, as well as embedded within Level 2, depending on which model works best for the employer and the employee. In line with the ambition outline in *World Class Skills*, Skills for Life will be available at all levels;
- Inclusion of Apprenticeships and Advanced Apprenticeships, particularly for 19-24 year olds and Apprenticeships for Adults (and for 16-18 year olds where the employer has identified a need), as part of the Train to Gain Service;
- Reduced bureaucracy – providers will be assisted through new simplified funding and commissioning arrangements which will enable easier movement around the regions and also remove the cap on how much the best training providers can earn through the publicly funded element of Train to Gain. We will work with the Bureaucracy Reduction Group to ensure that business processes are streamlined and effective.

Many of these measures will be pioneered in London which needs to make significant strides forward over the next three years.

### 1. A New Offer to Employers

#### The Skills Pledge, Employer Organisations and Large Businesses

We need many more employers to use the Train to Gain Service and greater championing of Train to Gain at a ‘business to business’ level, which we know commands the most effective response.

To do this, we will capitalise on the Skills Pledge to engage more employers, especially larger ones, nationally and regionally in Train to Gain. Working to a national framework, each of the nine regions is producing its plan for promoting and supporting the Skills Pledge. We will also work closely with employer organisations such as the CBI, British Chambers of Commerce and the Institute of Directors to promote the Skills Pledge. This will be backed up by Train to Gain funds to their members. The National Employer Service is initially targeting 200 employers from the FTSE 500 list to make the Skills Pledge and with whom it will go on to develop training plans and contracts. More specialist support will target and do more to address the skills needs of those large employers (1,000-4,999 employees) who are so often the drivers of regional and national economies.

## Enhance the Effectiveness of Skills Brokers

Although skills brokerage is only a year old and has developed well, its next stage of development is vital so that it better serves employers with specialist needs, and works more easily and effectively with training providers who see all referrals as opportunities. We also want to see skills brokers helping employers to offer training for their entire workforce, including Apprenticeships and higher level skills. As we are exceeding our 'hard to reach' target, there is scope to focus skills brokers more on medium-sized employers (who are usually easier to reach) while continuing to meet our target. This should increase the average number of learner referrals from each employer engagement. We will ensure effective working relationships and referral arrangements between skills brokers and training providers. We also want to increase referrals to and from skills brokers and Union Learning Representatives (who have a strong track record in motivating 'hard to reach' employees) and from other intermediaries such as Jobcentre Plus and Investors in People.

We will work closely with the Department for Business Enterprise & Regulatory Reform and Regional Development Agencies to build on the existing positive relationships and put the best arrangements in place to ensure that that skills brokerage is fully and effectively integrated with the Business Link Information Diagnostic and Brokerage Service and continues to improve its offer to employers.

## Sector Initiatives

Sector Skills Councils have the primary responsibility for shaping and stimulating employer demand for training. They can also stimulate more support for the Skills Pledge. We will build on our strong track record for joint working with many Sector Skills Councils to ensure that in every sector there is a clear commitment to champion Train to Gain and a strategy for joint investment. We will also develop and extend other successful national and regional sectoral approaches including the Joint Investment Framework for the Health Sector and the Public Service Compact approach developed in the West Midlands. We will also use Train to Gain to test out proposals emerging from the Vocational Qualification Reform programme, including the modularisation of qualifications.

## Improve the Employer Experience

Our end-to-end review of process will ensure that employers receive a consistent experience of the Train to Gain Service from skills brokerage to skills solution, no matter where their business is in the country. We will ensure employers are clearer about the quality of training providers and their specialisms – through the new standard for employer responsiveness and vocational excellence – and aware of what help they should expect from training providers. We will work closely with Jobcentre Plus to ensure that employers receive a seamless service when recruiting people who are in priority unemployment groups. We will facilitate improved working between training providers and skills brokers to improve the employer experience of the Service. We will enhance the offer to employers through the new flexibilities described above and we will publish a version of this Plan for Growth aimed specifically at them.

## 2. Building a Stronger Network of Train to Gain Providers

There is still a long way to go before we can guarantee access by employers everywhere to high quality responsive provision, geographically and sectorally. We need the prevailing view of the business world to be that colleges and training providers understand what they need and that they can deliver. We will continue to prepare the ground for the further expansion of qualification provision that is needed. Our provider management and communications strategies will underline that we need colleges and training providers to be more proactive in engaging employers, collecting fees and generating income, the consequences for their financial viability if they do not respond and the support for capacity-building that is available.

Working with leaders in the sector we will develop a transformation programme to help colleges and training providers understand how a demand-led system will impact on their business. This support will be built around examples of proven business models. It will be highly tailored to actively support colleges and training providers to re-engineer their business in order to successfully compete in a demand-led environment and deliver Train to Gain well.

We will lift the funding cap for successful Train to Gain providers, make it easier for them to operate in other regions and bring in more high performing training providers who have previously focused on delivering Apprenticeships. Drawing on existing best practice, we will accelerate the roll out of the new standard for employer responsiveness and vocational excellence, as well as improving the effectiveness of those staff involved in employer engagement. As colleges and training providers acquire the new standard they will be able to operate wherever employers wish to use them, thereby rewarding excellence and accelerating an informed skills market. The new standard will require training providers to promote Train to Gain as a full Service, at all skills levels, backed by joint investment.

### 3 An Intensified Approach to Lifting Performance and Ensuring Consistency across the Learning and Skills Council

Despite a strong performance culture in the Learning and Skills Council, regional performance in the first year of Train to Gain has been uneven, with a significant gap between the best and the worst. Learning and Skills Council reviews have consistently shown that sharper, more focused performance management is a key way to drive take-up and improve success rates. This approach will be applied rigorously everywhere, through area, regional and sectoral reviews. The Learning and Skills Council has looked at best performance, is defining the characteristics of successful Train to Gain delivery and is building up a consistent approach to the core elements of Train to Gain which will be introduced everywhere. We need to tackle the underperformance in some of the bigger regions and all regions will produce their own improvement plan. We will use our Minimum Levels of Performance approach to drive up success rates.

We recognise the special importance of **London** as a driver of economic growth for the country and its potential to give a strong lead to the rest of the business community. We will therefore intensify our approach in London with the aim of making it the most improved deliverer of Train to Gain of all regions within three years.

### 4. Communicating the Train to Gain Service and why Employers Need to Invest More in the Skills of their Workforce

In order to build the volume of activity that we want through Train to Gain, we need to create a groundswell across the business community that Train to Gain is the skills service for them. We will therefore ensure that all employers understand and are offered a consistent business-centred Train to Gain Service. To that end, we will effectively “re-present” Train to Gain with absolute clarity about what is offered at all skills levels. This will enable key intermediaries, partners and stakeholders to understand what Train to Gain offers employers. All skills brokers and training providers must understand that the Service is led by the needs of employers not by single products or qualifications. The publication of the Government’s Higher Level Skills Strategy will reinforce the importance of offering a service which meets needs at all skill levels.

Through a series of events and publications we will also help all partners including training providers, Sector Skills Councils, stakeholders and intermediaries to understand what their role is in delivering and/or promoting the Train to Gain Service and the implications of Train to Gain for their business. We are already working with employer organisations including the Institute of Directors on promoting the Service and will use the high profile national Skills Campaign to raise employer awareness and use willing partners to promote the new offers – for example the CBI, the Association of Colleges and the Association of Learning Providers.



## Measures of Success

It will be important that we establish the right series of success criteria for the Train to Gain Service as a whole. We do want to ensure that it meets our expectations for learner starts and achievements, but need to recognise that it is a key driver of establishing a demand-led system. Hence we shall work with a range of partners at national and regional level to work out how we might improve our measurement of success by looking at other indicators such as productivity, tackling disadvantage in particular groups as well as other economic and social factors. We shall publicise these in the coming months.



