CONTRIBUTION TO WAGE COSTS
TRAIN TO GAIN
VERSION 2
2007/08
Contribution to wage costs
Train to Gain 2007/08

Purpose
This document sets out the principles of the process for employers claiming a contribution to wages within Train to Gain, effective from 1st April 2006. This process will apply to interim Train to Gain learners (already logged on the ETP MI system, between 1st April 2006 – 31st July 2006).

Contribution to wage costs relates to Train to Gain employers, that employ fewer than 50 full time equivalent workers.
## Contribution to Wage Costs Train to Gain

### Summary of changes

| Summary of changes from 2007/8 Version 2 to 2006/7 Version 1  
| Version 1 issued May 2007 |
|---------------------------|-----------------------------|
| Para | Version 1 06/07 Text | Amendment |
| 18 |  | Volunteers and self employed individuals are not eligible to receive contributions to wage costs. |
| 50 |  | Signed hard copies of these forms must also be submitted to the Accounting Service Centre. See required actions 5 and 8 of Annex 4 for further details. |
| 59 |  | Additional details stage 8 on electronic submission Stage 8, involves the electronic submission of Payment Template to the LSC Accounting Service Centre. |
| 60 |  | New paragraph on Stage 9 - broker organisation submitting a claim for administration payments |
| 70 |  | Clarification of invoicing arrangements for administrative payments, by Skills Brokerage service. |
| Annex 4 |  | Revisions to the administration of claims, clarifying how to complete the payment template and a new step 9. |
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### Further information

For further information, please contact the appropriate local Learning and Skills Council office. Contact details for each office can be found on the LSC’s website: www.lsc.gov.uk or visit www.traintogain.gov.uk for details of the service.
Executive Summary

Subject: Contribution to Wage Costs in Train to Gain

The Learning and Skills Council (LSC) has responsibility for planning and funding the Train to Gain service in England.

In setting out the approach for 2006/07, the LSC seeks to establish strategic relationships with employers, Skills Brokers and providers, with an emphasis on trust and openness. Providers and local LSCs will need to develop strong partnership approaches to ensure that the needs of local employees and employers are met.
Introduction and Background

Definitions
Definitions of the terms used in this document are set out within the Glossary in Annex I.

Funding principles
1. The contribution to wage costs within Train to Gain, is designed to off-set the cost of releasing eligible employees to undertake training during normal working hours.
2. This element of the Train to Gain offer, only applies to eligible employers who employ fewer than 50 full time equivalent (FTE) workers.
3. Payments will only relate to learners who have successfully gained their Train to Gain qualification.
4. Eligibility requirements for employees and employers are detailed from paragraph 14 in this document.

Background
5. The role of the Skills Brokerage Service organisation is fundamental to this process. The broker is responsible for discussing eligibility with the employer and processing employer applications.
6. The application process involves Skills Broker actions at the start and completion of the training period, which can be summarised as follows:
   i. The employer registers with a Skills Broker. The Broker confirms eligibility, company size band and provides information and allocates employer ID.
   ii. The Skills Broker collects payment information, to enable payments to be processed via BACS.
   iii. On achievement of the approved qualification, the Provider, employer and learner sign-off confirmation of hours released for training. The Provider supplies this information to the employer and broker.
iv. Employer completes the claim form and submits it to the broker with the evidence supplied by the Provider.

v. The broker checks the claim and verifies it is correct, before it is submitted to the LSC National Office for authorisation and payment.

vi. National Office process payment to the employer via BACS. The employer receives payment at the next available payment run. Claims will be submitted on a quarterly basis during the financial year.

7. A flow-chart of this process is provided in Annex 1 of this document.

**Service Objectives and Targets**

8. The contribution to wage costs within Train to Gain will initially operate during 2 financial years. It will be a further test of this policy area to clearly establish whether the payment of a contribution to wages has an impact on Train to Gain participation by smaller employers.

9. During the first two years of operation, Train to Gain has an allocated discrete budget of £35m in each year, to pay for and administer the contribution to wages.

10. Contribution to wage costs in Train to Gain only applies to employers who employ fewer than 50 full time equivalent (FTE) employees. Payments may only relate to Training Provider contact hours (during the employees normal working hours) for eligible learners who successfully complete their Train to Gain qualification. Full eligibility criteria are detailed in later sections of this document.

11. The LSC is committed to reducing bureaucracy and improving performance, consequently the contribution to wages costs payment process and take up of the scheme by employers will be evaluated.

**Timetable for implementation**

12. From 1\(^{st}\) April to 31\(^{st}\) July 2006, Train to Gain was available in 20 LSC areas, that previously operated the Employer Training Pilot (ETP). During this time learners were registered on the ETP MI system but eligible Train to Gain employers that apply for a contribution to wages, will still be subject to the requirements and application processes contained within this document.

13. From 1\(^{st}\) August 2006 Train to Gain will operate in all LSC areas, and be subject to the requirements and application processes contained within this document, the LSC standard contract and the requirements for funding.
Contribution to wage costs – eligibility

Employers and FTE employees

14. For the purposes of contribution to wage costs under Train to Gain an eligible employer is a small business entity that employs fewer than 50 full time equivalent (FTE) employees. Company size bands will be allocated according to the records held on the Employer Data Service (EDS).

15. Members of company group structures are eligible to apply for contribution to wage costs providing that the consolidated group total of FTE employees is less than 50.

16. Businesses that operate as sole traders or partnerships, that employ less than 50 employees, are eligible to apply for contribution to wage costs only in respect of employees of the business. Proprietors and partners are not eligible for contribution to wage costs.

17. For the purposes of contribution to wage costs under Train To Gain an employee is defined as having a contract of employment and who satisfies the Learning + Skills Council’s eligibility rules as defined in the Train to Gain Requirements for Funding and LSC Learner Eligibility Guidance 2007/08.

18. Volunteers and self employed individuals are not eligible to receive contributions to wage costs.

19. Employers meeting the eligibility rules may be eligible for a contribution to wage costs incurred when releasing eligible learners for training time spent with their provider during the employees’ normal working hours.

20. This will exclude employer organisations.

21. The total number of employees should be expressed as full time equivalent (FTE) workers whose standard contracted hours of work are a minimum of 35 hours per week. Anyone who works full time in a business during the working year should be treated as one FTE worker. Anyone who works part-time, seasonally or for part of a year, should be treated as a fraction of one FTE worker. The total number of FTE workers within the business will be used to determine the overall employee total and the correct size-band for the business for contribution to wages purposes.

22. Where an individual has registered with the Inland Revenue CIS4 status as a Self Employed Builder, they may access the Train to Gain service via the building contractor. The building contractor employing such a self employed builder will be permitted to access the Train to Gain contribution to wage costs service, providing they satisfy the normal eligibility requirement of employing fewer than 50 FTE employees.
Qualification types and hours of learning

23. The contribution to wage costs is only available for learners who have successfully gained Train to Gain approved qualifications – usually their first full Level 2 and/or approved Basic Skills qualifications.

24. In addition, eligible employers with Level 3 ‘jumpers’ (i.e. learners who did not have a Level 2 qualification, but progressed straight to Level 3 within Train to Gain) are also eligible subject to the other eligibility rules.

25. The contribution to wages will be available up to a maximum of 70 hours of workplace delivery.

26. Contribution to wages payments will only relate to actual contact time with the learner, where the Trainer / Assessor has spent time at the normal place of work and during the learner’s normal working hours. Contact time should be recorded by the Provider, and later used to confirm the total number of delivery hours on the Release Hours form. Contribution to wages does not relate to time spent by the learner in their own time, completing additional work or preparing their portfolio of evidence.

Permitted payment rates

27. The contribution payment rate is £5 per hour or the actual hourly wage depending on employer choice.

28. Employers who claim contribution to wages costs under Train To Gain may be required to provide further evidence to the LSC (such as payroll or wages records) to support their claim. In addition to the employers normal document retention requirements, all employers claiming contribution to wages costs will be required to retain payroll evidence for LSC audit purposes for a period of 6 financial years after the year in which their claim for contribution to wages costs was made.

29. Payments will be made to the employer via BACS, processed by the LSC National Office.
Roles and Responsibilities

Skills Broker responsibilities

30. The Skills Broker is responsible for providing information to eligible employers on contribution to wages, establishing employer eligibility and allocating a unique Employer ID number. In cases where a provider has recruited a potentially eligible employer, the contact details must be passed to the broker to take this forward. Employers must register for the scheme with a Skills Broker before or during the commencement of agreed training.

31. The Skills Broker is responsible for obtaining bank details from employers and ensuring the necessary paperwork has been completed in order to register the employer. This needs to be done before or shortly after training activity commences.

32. On achievement of approved qualifications by employees, the Skills Broker is responsible for facilitating the payment of the contribution to wages, by working with the employer and provider to ensure that the claim documentation is completed.

33. The Skills Broker will also ensure that all of the necessary claim paperwork and payment information is in place prior to a claim being processed for payment.

34. The Skills Brokerage Service is responsible for verifying the accuracy of the claim, prior to submission to the LSC for payment.

Employer responsibilities

35. The employer is required to apply for a contribution to wage costs through the Skills Broker contact. In signing the registration form, the employer agrees to the terms and conditions of the contribution scheme, including the paid release of employees for direct training during working hours.

36. It is recommended that the employer maintains a current list of learners for whom they intend to claim contribution to wage costs.

37. The employer is required to confirm the actual number of hours of delivery within working hours for each eligible learner prior to making any claim.

38. Confirmation of the hours of training delivery is supplied by the provider. This is an auditable document that is signed by the employer, learner and provider.

39. The employer is responsible for ensuring that the number of hours to be claimed is accurate for each learner, and that appropriate checks have been made before the claim is passed to the Skills Broker.
40. If there are any queries about the number of hours of release, the employer is responsible for liaising with the training provider and resolving outstanding queries prior to the Skills Broker checks.

41. The employer is responsible for retaining evidence of salaries and/or wages that have been paid to learners (such as wage or payroll records) used to support their claim for contribution to wage costs.

42. The employer responsibilities are mentioned on the Briefing Note for Employers.

43. The employer is required to allow access to LSC Auditors or agents of the LSC to inspect evidence to support contribution to wage costs claims at all reasonable times. In addition to the employers normal document retention requirements evidence to support contribution to wages costs claims should be retained for LSC audit examination for a minimum of six financial years after the year in which the claim was made.

Provider responsibilities

44. Where a Provider has recruited an employer for Train to Gain that meets the eligibility criteria, they must pass the employer details to a Skills Broker who will contact the employer to arrange for a “light touch” follow-up discussion. This will facilitate the contribution to wages claims process, which should still adopt the processes detailed within this document.

45. Providers are required to obtain signatures from the learner and employer to confirm the total number of hours the employee was released from their normal work duties to work towards their qualification. The number of hours relates to the number of total ‘contact’ hours, during normal working hours, the learner has spent with the training provider in order to achieve their qualification. Time spent alone by the learner to complete additional work, or time spent outside of normal working hours does not qualify for a contribution to wage costs payment.

46. The Provider should send this confirmation of delivery hours to the Skills Broker to support an employer’s claim for contribution to wages costs. A standard form for this purpose is provided by the LSC. Training Providers may use forms already utilised by their organisation if it contains all of the information detailed in the sample form.

47. Providers are required to retain hours of delivery confirmation forms for a minimum period of six financial years after the year in which the claim was made.
Contribution to Wages – claim process

Claim forms

48. The contribution to wage costs process involves the use of a number of forms and electronic documents. A summary of the contribution to wages forms and their reference numbers is shown as Annex 2.

49. The Skills Brokerage Service can obtain hard copies of the contribution to wage cost forms from Granby.

50. The LSC Accounting Service Centre (ASC) requires the Payment Template and Bank Details Forms to be submitted electronically. Signed hard copies of these forms must also be submitted to the Accounting Service Centre. See required actions 5 and 8 of Annex 4 for further details.

51. All of these are auditable documents and should be retained by the Skills Brokerage Service, Employer and Provider for a minimum period of six financial years after the year in which the claim was made.

Claim process

52. A detailed summary of the contribution to wage costs claims process is shown in Annex 3. It is suggested that this is used as an aide-memoire for Skills Brokers involved in this process.

53. It is an 8 stage process that involves a number of interactions between the employer, Skills Broker and Training Provider before a claim can be made and processed.

54. Prior to the initial employer visits, Stage 1 involves the Skills Brokerage Service submitting a form containing Skills Brokerage authorised signatures to the LSC.

55. The initial stages (stages 2 -5) are carried out by the Skills Broker to establish employer eligibility, confirm their understanding of the Train to Gain process and to set up payment arrangements that will be used at the time of the claim.

56. Stages 2 – 5 of the claims process must be completed by the Skills Broker before or shortly after training commences.

57. The employer payment details are submitted to the LSC Accounting Service Centre (as stage 6), who will allocate an employer payment reference which is used later in the claims process.
58. Stage 7 happens after training has completed, and employers claim the contribution for wages for those learners who successfully achieved their qualification. The Training Provider confirms the number of hours of training delivery, which is used by the employer to complete their claim form. The Skills Broker is required to check and confirm the accuracy of the claim.

59. Stage 8, involves the electronic submission of a Payment Template to the LSC Accounting Service Centre. This should be submitted electronically to ProgrammeAccounting_TrainToGain@lsc.gov.uk. Signed hard copies of these forms must also be submitted to the Programme Accounting Team, Accounting Service Centre at LSC National Office, Cheylesmore House, Quinton Road, Coventry CV1 2WT.

60. Stage 9, involves the broker organisation submitting a claim for administration payments, on the basis of £20 per employer payment. (Refer to paragraph 69 for further details on these payments).

Claim frequency

61. The contribution to wages process will make payments on a quarterly basis within each financial year. The quarter end claim dates are as follows:

- 31st March, 30th June, 30th September and 31st December

62. It is anticipated that complete and accurate claims that are submitted within these deadlines, will be processed around 6 weeks after the claims quarter has ended. This will mean that employers should expect BACS on the 6th working day of the following months:

- May (for March claims), August (for June claims), November (for September claims) and February (for December claims).

63. Skills Brokers need to ensure that timely claims are submitted after training has completed, grouping learners together wherever possible, in order to satisfy these claim deadlines. Claims that are received after these dates will roll forward into the next quarter’s processing run.

64. Claims may be submitted at any time during the year, but they will only be processed and paid within the appropriate claims period. This may mean that a claim that is submitted at the start of a new quarter would not be processed for a number of months, so Skills Brokers should advise employers accordingly.

65. Where possible, Skills Brokers should aim to claim for eligible activity during the financial year when training took place. e.g. where learners completed in October 2006, the claim should be made by the March 07 claim quarter at the latest. (The exception to this will be for learners who completed at the end of the financial year, and the claim has to roll over into the following financial year due to a lack of time to make the claim before the end of the quarter.)
66. It is anticipated that the end of March quarter will be the busiest in each
claim year, so Skills Brokers are requested to submit claims earlier in the
year wherever possible.

67. The LSC Accounting Service Centre will endeavour to make payments in
a timely manner, but Skills Brokers need to make employers aware that
payments may be delayed if BACS details are not submitted on time, or
incomplete or inaccurate claim forms are received. Any identified errors
will need to be corrected, and payments will roll forward into the following
quarter.

68. Examples of typical payment timings are shown in the table:

<table>
<thead>
<tr>
<th>Claim Deadline</th>
<th>Date received by LSC</th>
<th>Expected payment date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>31\textsuperscript{st} March 2007</td>
<td>17\textsuperscript{th} March 2007</td>
<td>6\textsuperscript{th} working day of May</td>
<td>Submitted on time, and paid 6 weeks after period end</td>
</tr>
<tr>
<td>31\textsuperscript{st} March 2007</td>
<td>1\textsuperscript{st} April 2007</td>
<td>6\textsuperscript{th} working day of August</td>
<td>Submitted too late for the March quarter, so payment is process as part of the June quarter</td>
</tr>
<tr>
<td>30\textsuperscript{th} June 2007</td>
<td>30\textsuperscript{th} April 2007</td>
<td>6\textsuperscript{th} working day of August</td>
<td>Submitted on time, but there is a longer period between claim and payment date, due to the period end date</td>
</tr>
<tr>
<td>30\textsuperscript{th} June 2007</td>
<td>29\textsuperscript{th} June 2007</td>
<td>6\textsuperscript{th} working day of November</td>
<td>An incomplete claim was received by LSC, which had to be corrected. Payment rolled forward into next quarter.</td>
</tr>
</tbody>
</table>
Skills Brokerage Service – administration costs

69. The Skills brokerage organisations are responsible for collecting employer BACS details and checking employer claims prior to despatch to the LSC Accounting Service Centre, for payment. To cover administrative costs, a payment of £20 per employer claim may be claimed from the LSC.

70. The Skills Brokerage service will be required to submit an invoice for these payments (quoting reference: 2308781) at the end of each claim quarter. The contribution to wage costs payment template should be submitted at the same time, acting as supporting evidence for this claim. The invoice should be submitted to the Programme Accounting Team at LSC National Office, clearly marked as: Contribution to Wage Costs Administration Claim, reference 2308781.

71. The expectation is that claims will be limited to one or two for each employer, and will only be submitted when all learners have completed their learning (i.e. not in one’s and two’s).

Audit Evidence Requirements

Provider Financial Management – Audit

72. Payments made to Skills Brokers, providers and employers under Train to Gain are provided from public funds. Audits will be carried out to gather assurance that contractual requirements are being met.

73. To support their claims for funding, providers, Skills Brokers and employers should therefore ensure that records and evidence are kept in accordance with the guidance in this Annex. While this annex details current evidence requirements for Train to Gain, it is not exhaustive and may need to be updated from time to time to reflect audit experience.

74. The LSC operates a risk based approach to auditing. This approach can lead to a reduction in audit activity where risk is assessed as low, in the interests of reducing unnecessary bureaucracy on providers and enabling audit resource to be targeted to higher risk areas. Where non-compliance is identified that results in public funds being paid in error, the LSC is obliged to recover those funds.

75. In addition to on-site testing, the LSC makes use of the data self-assessment toolkits (DSATs) and analytical review in its assessment of providers and other organisations it funds. DSATs information can assist in the identification of areas where testing is needed and also lead to lower levels of on-site substantive checking where reliance can be placed on the data submitted. The LSC also gathers assurance by direct contact with learners using telephone based learner survey.

76. Where requirements for funding indicate that prior approval should be sought from the LSC, documentary evidence for such approval should be retained for audit purposes. Retrospective approvals will not normally be given.
77. In the interest of reducing bureaucracy on providers, wherever practical and reasonable LSC Auditors will seek to place reliance on evidence that is naturally generated in the course of learning and business administration. These evidence requirements have been drafted to reflect this.

**Evidence to be retained by Skills Broker**

**Evidence to Support Contribution to wage cost payments**

78. The Train to Gain funding guidance already requires the Skills Broker to retain evidence that the employer is eligible to access the Train to Gain Service. In addition the Skills Broker must retain the following evidence:

**Employer Recruitment Stage**

79. Evidence that the employer is eligible to receive wage compensation:

The Skills Broker should ensure that:

- A fully completed Employer Agreement is held. This agreement should be signed by a person of sufficient authority within the employer organisation i.e. Director, Senior Manager.

- A fully completed employer specimen signatures form. This document should be signed by a person of sufficient authority within the employer organisation i.e. Director, Senior Manager.

- A fully completed employer organisational details form is held, including employer bank details. This form should be signed by an authorised signatory of the employer identified on the Employer Specimen Signature form.

**Contribution to Wage Costs Claim Stage**

80. A Release Hours form completed and signed by the provider, the employer and the learner.

The Skills Broker should ensure that:

- An Employer Claim Form fully completed. This form should be signed by an authorised signatory of the employer identified on the Employer Specimen Signature Form.

- A completed Payments Template form. This form should be signed by an authorised signatory of the broker as identified on the broker specimen signature form as submitted to the LSC.
Evidence to be retained by Provider

81. The provider should retain:

- A copy of a fully completed Release Hours form signed by the provider, employer and the learner. In addition the provider should retain evidence to support the total number of release hours identified on this form. This evidence could be in the form of registers, contact logs or any other form of suitable evidence that demonstrates the number of hours that the employer released the learner for Train to Gain training.

- Evidence that the learner has achieved the qualification identified in the Confirmation of Employees’ Total Release Hours form as detailed in the Train to Gain Requirements for Funding Annex E.

The following evidence will be required:

a) evidence that (at the time of award) the qualification is current and approved
b) evidence that the learner was registered with an awarding body for the qualification before the last QCA entry date
c) for providers that have been approved for direct claims status by the awarding body evidence from the internal verifier that the qualification has been achieved is acceptable (for confirmation auditors may request copies of achievement certificates to be sent to the LSC on receipt from the awarding body)
d) providers that have not been approved for direct claims status need evidence from the awarding body that the qualification has been achieved
e) evidence that the qualification is a full Level 2 qualification (or Level 3 if appropriate) as those so identified on the LSC Learner Aims Database

A copy of the qualification certificate from the relevant awarding body within 3 months of achievement.

Evidence to be retained by the Employer

82. The employer should retain:

- Evidence to confirm that the employer employs no more that 50 FTE staff. This could be in the form of payroll records, company accounts, employment contracts etc.

- Evidence to confirm that the learner is an employee of the organisation in the form of a contract of employment for the learner;

- Evidence to confirm the hourly rate claimed for each learner. This evidence should be in the form of payroll records or wage slips etc.

- Evidence to confirm that the Wage Contribution payment was received into the business. This should be in the form of a bank statement for the business bank account.
ANNEX 1

Glossary of Terms

This section provides detailed definitions of some of the key terms used in this document. It also provides definitions of terms, phrases and abbreviations and acronyms that are used in this document.

Approved qualification
An approved qualification is a current qualification and is approved for funding and listed on the LSC’s Learning Aims Database under the full Level 2 definition at: http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp.

Employer Training Pilot – ETP
Forerunner piloted activity, operating in 18 pilot areas between 2002-2007, to test methods of engaging with hard to reach employers and encouraging workplace delivery of first Level 2 and Basic Skills qualifications.

Full Time Equivalent - FTE
Staff headcount should be expressed as full time equivalent (FTE) workers who work a minimum of 35 hours per week. Anyone who works full time in a business during the working year should be treated as one FTE worker. Anyone who works part-time, seasonally or for part of a year, should be treated as a fraction of one FTE worker. The total number of FTE workers within the business will be used to determine overall staff headcount and the correct size-band for the business (for contribution to wages purposes).

Gained
This is the date that an outcome is determined or an approved qualification is achieved (which means the date when a certificate or any other acceptable evidence is first issued). For providers with direct claim status, the date of achievement is the internal verification date. For providers without direct claim status, the date of achievement is the external verification date.

Hard to Reach (employers)
Those without Investors in People recognition and have not accessed substantial vocational training leading to a qualification within the last 12 months.

LSC Accounting Service
Based at the LSC’s National Office, responsible for accounting and payment processing functions.

Learner
An employee who has undertaken learning as a result of a Train to Gain referral.

Learning
‘Learning’ is defined as a process of planned activities that the learner engages in, and which is specifically designed for imparting the knowledge, skills and competence that are relevant to effective participation in the labour market.
Level 3 Jumpers
Learners who do not already possess a full level two qualification are also eligible for Train to Gain if they go straight to a full Level 3 qualification.

Outcome
The outcome of a learning programme is the achievement by learners of an approved qualification. This is either a copy of the NVQ certificate or pass list from the awarding body.

Skills Brokerage Service
An organisation that has successful tendered and won a contract to deliver Skills Brokerage in one or more of the nine LSC regions.

Workplace delivery
Workplace delivery relates to actual contact time where the Trainer or Assessor spends time with the learner at the normal place of work, during normal working hours.
ANNEX 2
Contribution to Wage Costs Flowchart

Initial broker visit to employer – establishes employer & qualification eligibility

Broker provides information, states requirements & outlines process. Gains formal sign up, allocates employer ID. (Broker may obtain bank details at this stage)

Initial provider visit to employer – establishes potential eligibility

Provider passes contact details to broker

Training delivery starts

Training delivery ends

Learner did not achieve qualification

Not eligible to make a claim

Learner achieved qualification

Provider, employer & learner sign off release hours

Employer completes claim form and submits to the broker along with the above release hours form

Broker checks & verifies all paperwork. Submits to LSC for payment

Payment via BACS at next available payment run

Provider sends copy to the broker
## ANNEX 3

### Summary of Contribution to Wage Costs Forms

The Forms that related to the contribution to wage costs policy are listed below.

<table>
<thead>
<tr>
<th>Code</th>
<th>Form</th>
<th>Where available</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSC-P-NAT-060445</td>
<td>Briefing Note for Employers</td>
<td>Hard copies available at Granby.</td>
</tr>
<tr>
<td>LSC-P-NAT-060446</td>
<td>Employer Agreement</td>
<td>Hard copies available at Granby.</td>
</tr>
<tr>
<td>LSC-P-NAT-060512</td>
<td>Specimen signature – Skills Brokers</td>
<td>Hard copies sent out to Skills Broker contractors. To be returned to LSC Accounting Service Centre</td>
</tr>
<tr>
<td>LSC-P-NAT-060513</td>
<td>Specimen signature - Employers</td>
<td>Hard copies available at Granby.</td>
</tr>
<tr>
<td>LSC-P-NAT 060443</td>
<td>Claim Form</td>
<td>Hard copies available at Granby.</td>
</tr>
<tr>
<td>LSC-P-NAT-060511</td>
<td>Payment Template</td>
<td>Electronic form posted on LSC Team Site.</td>
</tr>
<tr>
<td>LSC-P NAT-060444</td>
<td>Bank Details Form</td>
<td>Hard copies available at Granby.</td>
</tr>
<tr>
<td>LSC-P-NAT-060447</td>
<td>Release Hours Sign off Form</td>
<td>Hard copies available at Granby.</td>
</tr>
</tbody>
</table>

Note: Regions should have copies of these forms, but further supplies can be requested by contacting lsc@granbymsl.co.uk
## ANNEX 4

### Summary of Contribution to Wage Cost Process

<table>
<thead>
<tr>
<th>Step</th>
<th>Required action</th>
<th>Associated forms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRIOR TO FIRST EMPLOYER VISIT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Skills Brokerage Service submits specimen signatures to LSC Accounting Service Centre.</td>
<td>Skills Broker Specimen Signature form LSC-P-NAT-060512</td>
</tr>
<tr>
<td>2</td>
<td>Skills Broker has an initial discussion with the employer to establish their eligibility and explain the contribution to wage cost process. The Briefing Note may assist in this discussion.</td>
<td>Briefing Note LSC-P-NAT-060445</td>
</tr>
<tr>
<td>3</td>
<td>Skills Broker assists employer to Complete Employer Agreement – which is signed by both parties. One copy is left with the employer and the other is retained by the Skills Brokerage service.</td>
<td>Employer Agreement LSC-P-NAT-060446</td>
</tr>
<tr>
<td><strong>SETTING UP SYSTEMS Before or shortly after training commences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Skills Broker ensures the employer has completed the Employer Specimen Signature form. This form is retained by the Skills Brokerage Service, and must be referred to whenever the employer submits a claim. (The signature given by the employer must match that given on the Specimen Signature form for each claim).</td>
<td>Employer Specimen Signature form LSC-P-NAT-060513</td>
</tr>
<tr>
<td>5</td>
<td>Skills Broker ensures the employer has completed the Bank Details form (this must be by an authorised signatory for the employer), and countersigns to show the details have been checked. A hard copy of this form should be posted to the Standing Data team (Payment Services) at LSC National Office. The Skills Brokerage Service should also retain a copy of this form.</td>
<td>Bank Details form LSC-P NAT-060444</td>
</tr>
<tr>
<td><strong>PAYMENT CODE ADVICE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Within three working days of receipt of form, LSC Accounting Service will send an email to the Skills Broker to advise that payment code (‘P’ code) has been sent up for the employer.</td>
<td></td>
</tr>
<tr>
<td>Step</td>
<td>Required action</td>
<td>Associated forms</td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td><strong>MAKING THE CLAIM</strong>&lt;br&gt;Training Provider completes the Release Hours form, and obtains learner and employer signatures to agree the summary of release hours (showing only actual delivery during working hours, which are eligible for contribution to wages payments). This form is retained by the Training Provider and is copied to the Employer and the Skills Broker.</td>
<td>Release Hours form LSC-P-NAT-060447</td>
</tr>
<tr>
<td></td>
<td>Employer uses the total from the Release Hours form to complete the Claim form which is passed to the Skills Broker for accuracy checking.</td>
<td>Claim form LSC-P-NAT-060443</td>
</tr>
<tr>
<td></td>
<td>Skills Broker ensures the learners and learner hours being claimed for are:&lt;br&gt;i) valid (by referring to the Release Hours form) &lt;br&gt; ii) that hourly rate matches contract rates &lt;br&gt; iii) that Claim form has been signed by an authorised officer of the employer organisation&lt;br&gt; iv) that there isn’t a duplicate claim.</td>
<td>Reference to: Release Hours form Claim form Employer Specimen Signature form Wage details (as appropriate)</td>
</tr>
<tr>
<td>8</td>
<td><strong>PAYMENT PROCESS</strong>&lt;br&gt;Skills Broker enters validated claims onto the electronic Payments Template&lt;br&gt;  &lt;br&gt;i) How to complete the template:&lt;br&gt; - Fill in <em>Month, Year, Contact Tel/Email</em>&lt;br&gt; - Now start with Line 1 (up to line 500) and complete the following fields for each Provider.&lt;br&gt;  &lt;br&gt;  &lt;br&gt;Line type - Select Payment or Credit&lt;br&gt; Employer organisation – Employer Name&lt;br&gt; Doc date - will be the date you fill in the template&lt;br&gt; Value – Value to be paid&lt;br&gt; Brokerage Name - Enter your company name&lt;br&gt; Payment Date – May (for March claims), August (for June claims), November (for September claims) and February (for December claims)&lt;br&gt; All White Fields to be completed.</td>
<td>Payment Template LSCP-NAT-060511</td>
</tr>
<tr>
<td></td>
<td>ii) Print of the Form and get it signed by an authorised Skills Brokerage signatory.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>iii) E-mail the Excel copy to <a href="mailto:ProgrammeAccounting.TraintoGain@lsc.gov.uk">ProgrammeAccounting.TraintoGain@lsc.gov.uk</a></td>
<td></td>
</tr>
<tr>
<td>Step</td>
<td>Required action</td>
<td>Associated forms</td>
</tr>
<tr>
<td>------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>iv)</td>
<td>Send the original signed template through the post to Programme Accounting, Accounting Service Centre, Cheylesmore House, Quinton Road, Coventry, CV1 2WT.</td>
<td></td>
</tr>
<tr>
<td>v)</td>
<td>A copy of the signed Payments Template must be retained by the Skills Brokerage Services for 6 years.</td>
<td></td>
</tr>
<tr>
<td>ADMIN CLAIMS 9</td>
<td>Brokerage Organisation submits an invoice that reflects the number of employers listed on the payment template. (£20 admin cost may be claimed for each employer claim administered). The brokerage organisation invoice needs to:</td>
<td>Brokerage organisation's own invoice</td>
</tr>
<tr>
<td></td>
<td>i) Be submitted to the Programme Accounting Team at the same time as the hard copy of the payment template.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ii) Be clearly marked as: Contribution to Wage Costs Administration Claim</td>
<td></td>
</tr>
<tr>
<td></td>
<td>iii) Quote: reference 2308781.</td>
<td></td>
</tr>
</tbody>
</table>