Train to Gain

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Key points/issues

Managing Demand

1 The Employer Responsive Budget, covering Train to Gain and Apprenticeships, is expected to come in very close to budget for financial year 2008–09. There are also early indications that growth in demand is now accelerating rapidly for both Train to Gain and adult Apprenticeships. Latest take-up and completion data for TtG shows demand growing much faster than expected, and the impact from the January flexibilities is not yet showing in figures. The introduction of the QCF, redefining L2 fullness, will bring more qualifications into scope and could create further pressure on the 09/10 budget.

2 Current position:

- A submission was sent up early February to John Denham on options to manage demand. If there is continued growth of TtG and adult Apprenticeships at current levels, this will have implications for 2009-10 financial and academic year budgets, with a risk of overspend if demand is not managed back down.
- Assuming no additional funding is made available from Treasury, LSC will need management controls and levers in the light of this excess of demand, to manage within the available budget. These controls may
have to include reversing a number of the flexibilities which were introduced last year, eg the lifting of contract caps; increase in rates and will need careful handling.

3 Options being considered are:

- Some very limited resource may be available from ESF to support higher participation but not enough to bridge the significant gap in forecast spend.
- LSC asked to do further work to identify whether further re-prioritisation within existing ESF funding is possible;
- Agree to re-introduce maximum contract values for TtG providers so they do not stimulate more business than we can fund;
- Ensure TtG units and full qualifications are delivered consecutively to individuals;
- Ask the LSC to come back with detailed proposals by the end of April on how they will take a more rigorous approach to poor TtG quality provision and an estimate of impact;
- An earlier submission recommended pulling a TV advertising campaign for April – this has now been actioned.
- Consideration to be given to capping growth in contracts for the 25+ apprenticeships element only.

SME Flexibilities

4 Full offer to employers went live on 02 January 2009. Too early to know impact as data not through yet, but indications are:

- Skills for Life delivery has increased significantly, as a result of increased flexibilities and provider development.
- The flexibility of additional Level 2s for SMEs is welcomed and is improving performance/fuelling growth.
- Anecdotal feedback that delivery of Units is less well received by providers (who think the unit rates may be too low given the costs of registration and the resource required to complete initial paperwork). We are testing the validity of this issue.
- Employers are requesting units from qualifications not contained within approved lists, and there have been requests from providers to broaden the range of available awarding bodies.
- The Units generally seen as “employer friendly” and are useful to deliver alongside full qualifications to the learner / employer giving additional breadth of skills.
- DIUS have confirmed that Volunteers (Third Sector) are not able to access the programme
LSC has been working with the BCC to hold regional events promoting the benefits of the SME Flexibilities to Chamber members and the wider business community. Each event has been attended by local MPs and, where possible, Lord Young. The events have been well received - with Brokers following up the interest generated.