TRAIN TO GAIN

ADDITIONAL FLEXIBILITIES 2008/09

A GUIDE FOR COLLEGES AND TRAINING PROVIDERS

9 December 2008

Section 1

Train to Gain
- Core Offer
- Flexibilities around the core offer

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Section 2

Small & Medium Enterprises
- Policy and processes

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Introduction

This document is intended to give colleges and training providers details of the changes to Train to Gain following the agreement with Department for Innovation, Universities and Skills (DIUS) to a wide range of additional flexibilities and specialist offer to SMEs. It provides key information to support the delivery of Train to Gain and should be read in its entirety.
Context

Train to Gain was established as 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.

Plan for Growth was introduced in November 2007 to respond to employer demand for flexibility in several areas. The Skills Brokerage remit was changed to permit engagement with all organisational sizes and changes to learner eligibility

In July 2008 further flexibilities were announced as part of a review of Train to Gain. Additional provision, where learners already held similar qualifications, was permitted.

In December 2008, in response to the economic downturn, a range of flexibilities have been permitted specifically aimed to support SMEs.
Train to Gain additional flexibilities 2008/09

There have been a number of formatting changes and addition/ updating of links. The main policy changes to this document are detailed below.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Version 4 - 31/10/08 Text</td>
</tr>
<tr>
<td>Page 15: Level 4 Jumpers:- Actual levels of activity will be agreed with each college and training provider and must be identified by the Sector Skills Council in a sector compact.</td>
</tr>
<tr>
<td>Page 15: Level 4/5 Qualifications for any other type of learner:- Only fundable through FE colleges with provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC.</td>
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Section 1

Train to Gain additional flexibilities August 2008/09
Train to Gain additional flexibilities August 2008/09

1. Purpose

This document is intended to give colleges and training providers details of the changes to Train to Gain following the agreement with Department for Innovation, Universities and Skills (DIUS) to a wide range of additional flexibilities. It provides key information to support the delivery of Train to Gain and should be read in its entirety.

This guide details the additions made to Train to Gain eligibility and emerging strategy. It does not replace the LSC Funding Guidance 2008/09 – Funding Principles and Regulations. The contents of the document will be updated as areas of policy and interpretation are clarified or change. Updates will be posted on http://www.lsc.gov.uk/providers/ttg/latest – colleges and training providers should visit the site regularly.

This document should be read in conjunction with the LSC “suite” of guidance detailed below available at: http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further_Education_Funding_Policy_Documents_2008-09.htm

<table>
<thead>
<tr>
<th>Document Name</th>
<th>Date</th>
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<tbody>
<tr>
<td>The 16-18, Adult Learner and Employer Responsive Funding Models</td>
<td>2.06.08</td>
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<tr>
<td>LSC Funding Guidance 2008/09 - Funding Principles, Rules and Regulations</td>
<td>4.11.08</td>
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<td>LSC Funding Guidance 2008/09 – Funding Formula for 2008/09</td>
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<td>Funding Guidance 2008/09 - Learner Eligibility Guidance</td>
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<td>LSC Funding Guidance 2008/09 - Funding Rates for 2008/09</td>
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<td>LSC Funding Guidance 2008/09 – Funding Compliance Advice and Audit Guidance 2008/09</td>
<td>23.10.08</td>
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<td>Employer Responsive Model and Train to Gain</td>
<td>20.06.08</td>
</tr>
<tr>
<td>Mark Haysom's Letter - Train to Gain: Significant Enhancements to the Service</td>
<td>20.06.08</td>
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<tr>
<td>LSC Funding Guidance 2008/09 - ILR Funding Claims and Audit Returns 2008/09</td>
<td>27.10.08</td>
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<tr>
<td>Mark Haysom's Letter to Providers –Package of Support for Private Sector Small Businesses</td>
<td>28.10.08</td>
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</tbody>
</table>

2. Background
Train to Gain for 2008/09 comprises the transfer of ‘Further Education - NVQs in the workplace’ and the ‘Train to Gain provision’ budgets. It is recognised that provision and practice within Further Education colleges will need some time to adapt to Employer Responsive criteria and regulations. The 2008/09 academic year will be a transitional year for colleges with full implementation of the single set of criteria and regulations in 2009/10. These specific arrangements for the FE transfer element are detailed in this document. These transitional arrangements apply additionally to the National Employer Service.

3. Summary of Significant Enhancements to Train to Gain for 2008/09

Ministers have agreed to a number of additional flexibilities to enhance the delivery of the Train to Gain service. These additional flexibilities build on those announced in A Plan for Growth which we published in November 2007.

The new changes represent a further significant improvement to Train to Gain and will support the rapid expansion of the service confirming its major role in delivering the Government’s skills strategy and ambitions. By 2010/11 more than £1bn of public funding will be routed through Train to Gain and the service will support in excess of 950,000 employees each year.

These changes are intended to drive up volumes and spend to reach the level required over the entire CSR period. In 08/09 we need to increase the number of learner starts to 750,000.

The changes give colleges and training providers more freedom to respond to employer demand. This should build on the already high levels of employer satisfaction with the service and support an increase in the overall volume of employer demand and learner numbers.

Full details of the announcement can be found Mark Haysom’s Letter - Train to Gain: Significant Enhancements to the Service

In addition further enhancements to the Train to Gain service were announced on 21st October 2008 to support small businesses to help them train their staff:-

“The Government’s approach will be reshaped and money will be available to Deliver a new package of support to help small businesses get through the tougher economic climate by building the skills and expertise of their workers. It will deliver funding for training, with the minimum level of bureaucracy or delay. This will be for subjects such as business improvement techniques or leadership and management, which are proven to provide skills to increase the productivity of individuals and firms.”

Full details of the announcement can be found on:- Denham announces £350m to support small businesses

The key changes are:
a. Allow a proportion of ‘additional’ Level 2 qualifications

LSC and DIUS will negotiate sector-by-sector flexibilities, to include some relaxation on ‘firstness’; i.e. enabling employees to access fully funded training for some ‘additional’ (sometimes referred to as ‘repeat’ or ‘second’) level 2 qualifications where they already have a level 2 qualification or higher.

A maximum of 30% “additional” or “non-first” Level 2 qualifications will be allowed for at a regional level.

The flexibility will only apply to qualifications that are identified by Sector Skills Councils through their Sector Qualification Strategies and the emerging sector compacts (see section 10 [29/7/08]).

The LSC is working with the Sector Skills Councils who have submitted their priority qualification list. The most recent list is available at: additional level 2s allowable in accordance with the flexibilities guidance.

In 08/09 only, FE colleges as part of the transitional arrangements will be able to deliver a range of eligible repeat qualifications at Level 2 based upon historic patterns of delivery. (See Section 6)

b. Increase Train to Gain funding rates by 9% over 3 years

To help stimulate increased college and training provider engagement and capacity to deliver Train to Gain, funding rates will be increased by 3% in each of the next 3 years, over and above previously planned 1.5% rates increase in each of these years. The 2008/09 rates will be 3% above the rates published in April 2008 in the draft document Funding Rates 2008/09.

c. Agree and implement six sector compacts by September 2008

The first four sector compacts have now been agreed with:

- SEMTA (the Sector Skills Council for Science, Engineering and Manufacturing Technologies)
- ConstructionSkills
- People1st
- ProSkills

LSC and DIUS are working with other Sector Skills Councils to develop further compacts proposals. This will help ensure that compacts begin to have an impact on performance in the academic year 2008/09. As each compact is agreed, further guidance on implementation of the compact and any associated regional volumes will be issued.

d. Improve take-up of Level 3
Regions have been allocated budgets and targets for provision at Level 3, Level 4 and above. As with Level 2, through sector compacts, LSC and DIUS will negotiate sector-by-sector flexibilities which may include some relaxation on ‘firstness’; i.e. enabling employers to access co-funded training for some ‘additional’ or “non-first” Level 3 qualifications where the employee already has a Level 3 qualification or higher.

At a regional level, a maximum of 20% “additional “or non-first” Level 3 qualifications have been allowed for.

The flexibilities will only apply to qualifications that are identified by Sector Skills Councils through the emerging sector compacts.

In 08\09 only, FE colleges as part of the transitional arrangements will be able to deliver a range of eligible repeat qualifications at levels 3 based upon their historic patterns of delivery.

e. Clarify public sector eligibility for Train to Gain and drive take up through ‘public service skills compacts’

Government Departments and their agencies are currently not eligible to access public funding through Train to Gain. Other public sector organisations such as schools and NHS trusts delivering front line services are eligible. Public Service skills compacts will seek to increase the public sector services take up of Train to Gain. This definition is being clarified with DIUS and will be released in due course.

f. Improve performance of Basic Skills in Train to Gain

The Skills for Life Strategy sets out the Government’s intent to raise the basic skills levels of adults to help ensure they maximise their employment opportunities and lead a fulfilling life within their local communities. These intentions provide the basis of the LSC’s approach to Skills for Life through the Employer and Adult Learner Responsive funding routes, including the Train to Gain Service. In particular employers should be encouraged to ensure their employees reach the functional literacy (level 1) and numeracy (entry level 3) levels embraced within the new Leitch targets. These levels are considered to be the standards necessary at which an individual is able to function at work and in society in general. The LSC will monitor the achievement of functional literacy and numeracy qualifications throughout the year.

To help employers raise the basic skills of their workforce, Adult Basic Skills qualifications will be available through Train to Gain on the same basis as Adult Basic Skills delivered through mainstream FE.

- All 3 subjects at all 5 levels – literacy, numeracy and ESOL (English for Speakers of Other Languages) at all levels (Entry Level 1, Entry Level 2, Entry Level 3, Level 1 and Level 2)
- Both a literacy and numeracy need will be funded
- Those with prior qualifications at NVQ Level 2 (or equivalent) or above will be eligible for funding through Train to Gain where they have an identified Basic Skills need.
- Where a learner is identified as needing progression, non-target bearing Basic
Skills qualifications will be funded [08/08/08]

- Literacy and numeracy are fully funded - entry level will be funded at the same rate as levels 1 and 2
- ESOL Skills for Life are partially subsidised with the expectation that the employer will make a contribution.
- ESOL for Work qualifications will be available across all regions and partially subsidised with the expectation that the employer makes a contribution.

**g. Leadership and Management [31/10/08]**

The LSC has established a Leadership and Management Advisory Service (LMAS) as a result of an expansion of the existing programme to £30m per year for the next three years.

Previously, Skills Brokers had been able to provide diagnostic services for L&M needs, and funding for provision has been available through Business Link operators since 2004. These roles will now be performed by the LMAS as of August 1st 2008.

The Leadership and Management Advisory Service is a regional service which offers an in-depth diagnosis and personal development planning. The service will be offered on a referral basis, by Skills Brokers, training providers, Business Link, and other relevant bodies. It will:

- Receive referrals requiring support for leadership and management provision
- Proactively seeks out bespoke relevant, effective and challenging learning opportunities
- If appropriate the Leadership and Management Specialist Adviser will make referrals to the Skills Brokerage service

Nationally the service will have access to £90m over three years for the development of leaders and managers of SMEs- this is a continuation of previous funding but with different criteria.

The funding available for L&M through Train to Gain is available as follows:

- A total of £1000 is available, the first £500 is on a grant basis, the second £500 must be match funded by the employer
- 90% of funding is available to small and medium sized enterprises with between 5 and 249 employees [changed from 10 to 249 w.e.f. 3rd November 2008]. Funding for larger or smaller organisations must be agreed with the regional LSC
- A number of managers from each organisation can access the funding, although the first beneficiary should be the owner/ top manager

Funding can be used to access any support or training identified in the leader/managers personal development plan, this can include:

- Coaching
- Mentoring
• Qualifications
• Non-qualification based training

**h. Streamline procurement and contracting**

A number of changes are to be made to streamline and simplify the procurement and contracting process for Train to Gain. These include:

- Successful colleges and training providers awarded contracts through OCT will be offered three year contracts extendable to five years.
- Existing contracts for Train to Gain or Apprenticeships can be renegotiated to include both elements.
- Colleges and training providers who do not have a contract or are not part of an existing consortium but come to the table with employers will be offered contracts. Colleges and training providers still need to go through the LSC’s formal contract approval processes. These include obtaining assurance about the provider’s financial capability to deliver, the quality of provision offered and Health and Safety approval.
- Successful colleges and training providers will be able to increase their contracts without the need for re-tendering.
- Where training is addressing the needs of learners and employers, successful colleges and training providers will be able to increase their contracts both in their existing region and across the country, without the need to go through a further tendering exercise.
- In each LSC Region it is expected that colleges and training providers will have a single relationship with the LSC – either a direct contract or through a consortium but not both. However there may be exceptional circumstances where a college or training provider is a member of more than one consortium. Where this is the case the college or training provider will agree this with their local LSC.
- There is an expectation that in 2009/10 a single contract will be issued for colleges and training providers across all Regions.

**4. ESF**

Where colleges and training providers have queries relating to the impact of the additionalities on European Social Fund activities they should approach their LSC Region.

**5. FE College NVQs in the workplace transferring into the Employer Responsive Budget**

Provision relating to Further Education - NVQs in the workplace for Further Education colleges will transfer into Employer Responsive funding in 2008/09. The 2008/09 academic year will be a transitional year for colleges with full implementation of the single set of criteria and regulations in 2009/10. These specific arrangements for the FE transfer element are detailed in this document.
**Level 2**

Through Sector Qualification Strategies and sector compacts, the new Train to Gain flexibilities permit some relaxation on ‘firstness’. Up to 30% of Level 2 qualifications in any region can be ‘additional Level 2s’, providing funding for individuals who already possess a first Level 2 or above.

FE NVQ in the workplace provision transferring into Employer Responsive will, in some cases, not meet the firstness criteria of 70%. As part of the 2008/09 transitional year arrangements, relaxations in terms of volumes of repeat activity will apply to the FE NVQ in the workplace budget component.

Whilst this flexibility will generally only apply to qualifications identified by Sector Skills Councils through Sector Qualifications Strategies and sector compacts, as part of the transitional arrangements for FE colleges, eligible activity for this flexibility will include a list of additional qualifications beyond those defined by SSC’s as described above.

These additional eligible qualifications will take the form of a list agreed between the college and the LSC Partnership Manager based upon the historical patterns of delivery for Levels 1 to 5 as shown in the tables. [1/8/08]

This additional eligibility will only apply to learners starting in 08/09 and is limited to the budget associated with the FE NVQs in the workplace transfer component only.

These additional qualifications form part of the Region’s overall 30% additional Level 2 allowable volumes.

2008/09 is a transitional year and the LSC expects that FE colleges will have moved to the 70:30 split by the end of 2008/09. The 2008/09 contract will be clear about the steps that the LSC will take to ensure that the 70:30 split is achieved by the beginning of the 2009/10 academic year.

In 2009/10 sanctions, such as a lower maximum contract values, will apply to those colleges that do not make significant steps to achieving the 70:30 split. Failure to move to the 70:30 split will adversely affect the Government’s ability to meet PSA targets and the ambition described by the Leitch Report.

**Level 3**

As with level 2s, the new Train to Gain flexibilities permit some relaxation on “firstness” at Level 3. Up to 20% of level 3 qualifications in any region can be additional level 3s.

This flexibility will generally only apply to qualifications identified by Sector Skills Councils through sector compacts.

2008/09 is a transitional year and the LSC expects that FE colleges will have moved to the 80:20 split by the end of 2008/09. The 2008/09
contract will be clear about the steps that the LSC will take to ensure that the 80:20 split is achieved by the beginning of the 2009/10 academic year.

In 2009/10 sanctions, such as a lower maximum contract values, will apply to those colleges that do not make significant steps to achieving the 80:20 split. Failure to move to the 80:20 split will adversely affect the government’s ability to meet PSA targets and the ambition described by the Leitch Report.

Regular reviews will manage any ongoing risks, monitor the level of “firstness”, the eligibility of qualifications delivered and to challenge colleges to move to the 70:30 (Level 2) and the 80:20 (Level 3) split as agreed.

The LSC regionally and nationally will want to ensure that the mix and balance of additional Level 2/3 qualifications is on a suitable trajectory to meet regional and national targets. Performance will be monitored monthly.

In addition FE colleges will be able to continue to offer modest levels of Level 1 and Level 4/5 activity through the transfer of FE NVQs in the workplace budget into Employer Responsiveness for 08/09.

Learners who have transferred from 07/08 to 08/09 will clearly already be fundable through an Employer Responsive route for 08/09 and will not count towards the 30% figure for Level 2 and the 20% figure for Level 3 repeat activity at a regional level.

6 Payment for Train to Gain learners continuing from 2007/08 into 2008/09

The majority of Train to Gain learners carrying over into 2008/09 from 2007/08 will be from the Train to Gain provision budget. It is intended that they are aligned to the new funding methodology and that funding will be paid in monthly instalments up to 75% of the funds and 25% paid on achievement. This will also apply to learners within the existing Level 3 Trial. Further details can be found at: Employer Responsive Model and Train to Gain.

7. Payment for FE College NVQs in the workplace transfer learners

Learners transferring from FE College NVQs in the workplace provision will be treated as above from Train to Gain learners (see point 6 above). This should not only help colleges with their cash flow but also embed the Employer Responsive model methodology.

In line with general LSC approaches, learners will continue under the conditions in force at the time of enrolment. Therefore those learners transferring from FE college provision will be funded at the new 08/09 rates but will continue on a co-funded basis. Learners who were enrolled on an assessment only basis will be funded at the lower rate in 08/09, with
learners enrolled on the basis of assessment and underpinning knowledge funded at the higher rate in 08/09.

FE college transfer learners funded at the higher rate will not be required to demonstrate adherence to the Train to Gain funding regulations regarding 15 hours of underpinning knowledge and understanding for audit purposes.

8. Sector Qualification Strategies

Through the development of Sector Qualification Strategies (SQS) Sector Skills Councils will develop an appropriate range of fit for purpose qualifications for each sector. The aim of each SQS is to:

- Identify key drivers for sector development in relation to qualifications and other learning provision;
- Evaluate how well existing qualifications and other learning provision meets sector needs (current and future);
- Make proposals for any changes required, including a plan for development and implementation of new or merged qualifications;
- Bring coherence and shared direction to ongoing development work;
- Provide a sound basis for future development and decision-making for funding in each broad sector;
- Ensure sector proposals are communicated to, and supported by, key stakeholders.

This will result in a fit for purpose and clear set of qualifications for each sector. This may mean in the future, certain qualifications which are currently funded will no longer attract LSC funding.

9. Funding Rates

There will be two rates of funding at qualification level determined by the amount of underpinning knowledge and understanding delivered within the qualification. The higher rate will apply when 15 hours or more of underpinning knowledge and understanding is delivered, the lower rate when less than 15 hours are delivered. High and low rates of funding will apply at all qualification levels funded through Train to Gain except for Basic Skills.

The 15 hour threshold will apply at all levels of qualification.

Colleges and training providers must ensure they select the appropriate rate of funding (fully or co-funded) as the Individual Learner Record (ILR) or other systems will not automatically select the correct rate.

10. Qualifications and Eligibility

The detail associated with eligibility is outlined in the following section.
Any qualifications classed as co-funded will be funded on the assumption of employer contribution in line with the LSC’s expectation of increased fee income from employers. For 2008/09 the assumed level of employer contribution will be 42.5%.

<table>
<thead>
<tr>
<th>Basic Skills Qualifications</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full literacy and numeracy qualification(s) at Entry, Level 1 or Level 2 for learners irrespective of prior qualification. [08/8/08]</td>
<td>Fully funded subject to meeting the general Train to Gain eligibility</td>
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<tr>
<td>The actual level to be determined by assessment of learner need</td>
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</tbody>
</table>

| Skills for Life ESOL at Entry Level, Level 1 or Level 2 and ESOL for Work at entry Level 3 and Level 1 for learners irrespective of prior qualifications. [08/8/08] | Co-funded with an expected contribution of 42.5% subject to meeting general Train to Gain eligibility rules |
| The actual level to be determined by assessment of learner need. [08/8/08] | |

<table>
<thead>
<tr>
<th>NVQ Level 1 – Qualifications</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Level 1 for learners irrespective of prior qualifications where it supports progression onto a higher level qualification.</td>
<td>Fully funded at the Level 2 rate subject to meeting general Train to Gain eligibility rules.</td>
</tr>
<tr>
<td></td>
<td>Only fundable through FE colleges with provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC.</td>
</tr>
<tr>
<td></td>
<td>Actual levels of activity will be agreed with each college</td>
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<td></td>
<td>High and low rates will apply to all Level 1 qualifications based on a 15 hour threshold of underpinning knowledge and understanding</td>
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<thead>
<tr>
<th>Level 2 - Qualifications</th>
<th>Notes</th>
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<tbody>
<tr>
<td>First full level 2 for learners NOT possessing a first Level 2 qualification or above.</td>
<td>Fully funded subject to meeting general Train to Gain eligibility rules.</td>
</tr>
</tbody>
</table>
Learners who enter Train to Gain via the **Local Employment Partnership** (LEP) route who already possess a Level 2 qualification or above.

This LEP flexibility aims to support individuals who have been out of work and are engaging via an employer.

- **Fully funded** subject to meeting Train to Gain eligibility rules associated with LEPs.
- Any full NVQ Level 2 qualification identified by the employer can be funded. Over time, we expect that “additional” Level 2s will be identified by the Sector Skills Council in a sector compact and/or the Sector Qualification Strategy available at: [additional level 2s allowable in accordance with the flexibilities guidance](#).
- This provision will count as part of 30% of allowable additional level 2 qualifications in each region.

“Additional” full level 2 for those learners who already possess a Level 2 qualification or above.

An “additional” level 2 may be a second, third or subsequent qualification.

- **Fully funded** subject to meeting general Train to Gain eligibility rules and is a qualification as identified by the Sector Skills Council in a sector compact and/or the Sector Qualification Strategy available at: [additional level 2s allowable in accordance with the flexibilities guidance](#).
- Or for provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC.
- The balance of first and ‘additional’ Level 2s will be agreed with each college and training provider.
- The balance between first and additional qualifications will be closely monitored. Excessive levels of additional qualifications may result in the application of sanctions in future contracting years.

<table>
<thead>
<tr>
<th>Level 3 Qualifications</th>
<th>Notes</th>
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</table>

High and low rates will apply to all Level 2 qualifications based on a 15 hour threshold of underpinning knowledge and understanding.

There are no co-funded Level 2 qualifications within Train to Gain/Employer Responsive Funding in for learners starting in 2008/09.

FE college learners carrying over from 07/08 will continue to be funded on a co-funded basis.
<table>
<thead>
<tr>
<th>First Full Level 3 for learners NOT possessing a first Level 2 qualification or above. (Level 3 Jumpers)</th>
<th>Fully funded at the Level 3 rate subject to meeting general Train to Gain eligibility rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers are reminded that apprenticeships remain the Government’s preferred option for those aged 19-25. [31/10/08]</td>
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</tr>
<tr>
<td>First Full Level 3 for learners possessing a first Level 2 qualification</td>
<td>Co-funded at an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules</td>
</tr>
<tr>
<td>“Additional” full level 3 for those learners who already possess a Level 3 qualification or above</td>
<td>Co-funded at an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules and</td>
</tr>
<tr>
<td>An additional level 3 may be a second, third or subsequent qualification</td>
<td></td>
</tr>
<tr>
<td>Up to 20% of Level 3 qualifications delivered through Train to Gain in each LSC Region can be additional Level 3 qualifications.</td>
<td>Is a qualification identified by the Sector Skills Council in a sector compact and/or the Sector Qualification Strategy. (Approved list available from 1st September). [29/7/08].</td>
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<td></td>
<td>Or for provision which forms part of the FE NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and the LSC</td>
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<tr>
<td></td>
<td>The balance of first and ‘additional’ Level 3s will be agreed with each college and training provider.</td>
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<tr>
<td></td>
<td>As further sector compacts are agreed a wider range of Level 3 qualifications will be available for funding.</td>
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<tr>
<td>High and low rates will apply to all Level 3 qualifications based on a 15 hour threshold of underpinning knowledge and understanding</td>
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<tr>
<td><strong>Level 4/5 – Qualifications</strong></td>
<td><strong>Notes</strong></td>
</tr>
<tr>
<td>First Full Level 4 for learners NOT possessing a first Level 3 qualification or above. (Level 4 Jumpers)</td>
<td>Level 4 Jumpers aged 19-25 will be fully funded as part of the extension of 19-25 Entitlement subject to meeting general</td>
</tr>
<tr>
<td>Train to Gain eligibility rules.</td>
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<tr>
<td>Where learner is aged 25+ co-funded at the Level 3 rate with an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules.</td>
<td></td>
</tr>
<tr>
<td>Actual levels of activity will be agreed with each college and training provider and is on the agreed list of eligible qualifications negotiated between the FE college and training provider and the LSC. [9.12.08] must be identified by the Sector Skills Council in a sector compact and/or the Sector Qualification Strategy. (Approved list available from 1st September) [08/08/08].</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Level 4/5 Qualifications for any other type of learner.</th>
<th>Co-funded at the Level 3 rate with an expected employer contribution of 42.5% subject to meeting general Train to Gain eligibility rules.</th>
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</thead>
<tbody>
<tr>
<td>.</td>
<td>Forms part of the NVQ in the workplace transitional arrangements (based on historical patterns of provision in that institution) and is on the agreed list of eligible qualifications negotiated between the FE college and training provider and [9.12.08] the LSC.</td>
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</tbody>
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<table>
<thead>
<tr>
<th>High and low rates will apply to all Level 4/5 qualifications based on a 15 hour threshold of underpinning knowledge and understanding</th>
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<tbody>
<tr>
<td>Details of the LSC funding approach to Level 4 learner can be found at: <a href="http://www.lsc.gov.uk/providers/ttg/latest">Employer Responsive Model and level 4 qualifications 2008/09</a> with a Question and Answer paper on: <a href="http://www.lsc.gov.uk/providers/ttg/latest">NVQ level 4 Qualifications in Employer Responsive provision Q&amp;A 2008/09</a></td>
</tr>
</tbody>
</table>

The contents of the document will be updated as areas of policy and interpretation are clarified or change. Updates will be posted on [http://www.lsc.gov.uk/providers/ttg/latest](http://www.lsc.gov.uk/providers/ttg/latest) – colleges and training providers should visit the site regularly.

If you have any queries please contact your Partnership Manager in the first instance.
Appendix A - SELF-DECLARATION OF ELIGIBILITY

Section 1 – Prior Qualifications

Below is an example of a Self Declaration of Eligibility that will need to be completed by learners undertaking a Train to Gain programme. Eligibility documents relating to other levels of qualification will be available before 1st August 2008 [http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further_Education_Funding_Policy_Documents_2008-09.htm](http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further_Education_Funding_Policy_Documents_2008-09.htm) from the LSC funding guidance page of the website.

The Train to Gain service is designed to raise the skill levels of people to benefit themselves, employers and the wider community. The Government chooses to prioritise its investment in those employees and volunteers without the equivalent of 5 GCSE’s (Grades A-C) already except where flexibilities exist regarding additional qualifications/units. Please tell us about all of your existing qualifications. This list is not exhaustive.

<table>
<thead>
<tr>
<th>School / College Qualifications</th>
<th>Vocational (work related) Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 GCSE’s (grades A-C) or ‘O’ Levels</td>
<td>BTEC General Certificate / Diploma with Credit</td>
</tr>
<tr>
<td>5 CSE Grade 1’s</td>
<td>HND / HNC</td>
</tr>
<tr>
<td>1 or more ‘A’ Levels</td>
<td>Edexcel / BTEC 1st Diploma or higher</td>
</tr>
<tr>
<td></td>
<td>C &amp; G Higher Operative or Craft</td>
</tr>
<tr>
<td></td>
<td>GNVQ Intermediate or higher</td>
</tr>
<tr>
<td>2 AS Levels</td>
<td>NVQ Level 2, 3 or 4</td>
</tr>
<tr>
<td></td>
<td>Access Course</td>
</tr>
</tbody>
</table>

Prior qualifications

Please indicate what qualifications you have completed in the past. Where you have no previous qualifications please state “None”.

<table>
<thead>
<tr>
<th>Details of qualification completed or currently undertaking (for example:- title, module names, awarding body, institution where qualification taken)</th>
<th>Date qualification completed (state year where exact date unknown)</th>
<th>Level achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If required please continue on an additional sheet and attach to the declaration

Section 2 - Eligibility to Receive Support through Train to Gain

Please tick if applicable

| I am normally and lawfully resident in the UK and been for the last 3 years, or I fulfil the LSC’s residency criteria (detailed in the LSC’s Learner Eligibility Guidance 07/08) | □ |
| I am not currently on the New Deal Programme or any other government funded training. | □ |
**Learner’s Employment Status** (please complete ONE of the following)

<table>
<thead>
<tr>
<th>Option</th>
<th>Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am employed by: ______________________ and have a Contract of Employment.</td>
<td></td>
</tr>
<tr>
<td>I am self employed (since ……………month/year) and I have registered myself employment with the HM Revenue and Customs.</td>
<td></td>
</tr>
<tr>
<td>I am a volunteer for …………………………. (organisation name) and receive no payment for the work undertaken other than incurred expenses where payable.</td>
<td></td>
</tr>
</tbody>
</table>

**Declaration Learner**

'I confirm that all the information on this form is correct and I declare that I have correctly identified my prior qualifications. I understand that if I have declared false information the provider may take action against me to reclaim the tuition fees and any support costs provided.'

<table>
<thead>
<tr>
<th>Learner Name</th>
<th>First qualification/ unit</th>
<th>Additional qualification/ unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First qualification/ unit :-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Additional qualification/ unit:-</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

**Employer**

'I confirm that, to the best of my knowledge, the information on this form is correct. If the above named learner is employed by me, I declare that they have a contract of employment. If the above named learner is a volunteer within my organisation, they are unpaid'.

<table>
<thead>
<tr>
<th>Employer Name</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Position</th>
<th>Date</th>
</tr>
</thead>
</table>

**College or training provider**

'I confirm that the information on this form is correct and I declare that I have supported the learner in the completion of this document and to the best of my knowledge, the above named learner is eligible to enter Train to Gain. I have evidence to support the residency criteria (where applicable)'

<table>
<thead>
<tr>
<th>Signature</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Position</th>
<th>Date</th>
</tr>
</thead>
</table>

Official Stamp of the College or Training Provider
Section 2

SME Flexibilities - Policy and processes
Purpose

This document is intended to give colleges and training providers’ details of the changes to the Train to Gain programme following the agreement with Department for Innovation, Universities and Skills (DIUS) to the SME flexibilities announced by Skills Secretary John Denham on 21st October 2008. It provides key information to support the delivery of Train to Gain and should be read in its entirety.

This guide details the additions made to Train to Gain eligibility and emerging strategy. It does not replace the LSC Funding Guidance 2008/09 – Funding Principles and Regulations. The contents of the document will be updated as areas of policy and interpretation are clarified or change. Updates will be posted on http://www.lsc.gov.uk/providers/ttg/latest – colleges and training providers should visit the site regularly.

This document should be read in conjunction with the LSC “suite” of guidance detailed below available at: http://www.lsc.gov.uk/providers/funding-policy/demand-led-funding/Further_Education_Funding_Policy_Documents_2008-09.htm

<table>
<thead>
<tr>
<th>The 16-18, Adult Learner and Employer Responsive Funding Models</th>
<th>2.06.08</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSC Funding Guidance 2008/09 - Funding Principles, Rules and Regulations</td>
<td>4.11.08</td>
</tr>
<tr>
<td>LSC Funding Guidance 2008/09 – Funding Formula for 2008/09</td>
<td>14.10.08</td>
</tr>
<tr>
<td>Funding Guidance 2008/09 - Learner Eligibility Guidance</td>
<td>15.10.08</td>
</tr>
<tr>
<td>LSC Funding Guidance 2008/09 - Funding Rates for 2008/09</td>
<td>4.11.08</td>
</tr>
<tr>
<td>LSC Funding Guidance 2008/09 – Funding Compliance Advice and Audit Guidance 2008/09</td>
<td>23.10.08</td>
</tr>
<tr>
<td>Employer Responsive Model and Train to Gain</td>
<td>20.06.08</td>
</tr>
<tr>
<td>Mark Haysom’s Letter - Train to Gain: Significant Enhancements to the Service</td>
<td>20.06.08</td>
</tr>
<tr>
<td>LSC Funding Guidance 2008/09 - ILR Funding Claims and Audit Returns 2008/09</td>
<td>27.10.08</td>
</tr>
<tr>
<td>Mark Haysom’s Letter to Providers – Package of Support for Private Sector Small Businesses</td>
<td>28.10.08</td>
</tr>
</tbody>
</table>

Background
1. On 21st October 2008 the Skills Secretary John Denham announced new flexibilities to support SMEs as part of the Government’s response to the economic downturn. The flexibilities make SMEs the focus of £350 million of Government funds that are going into Train to Gain over the next two years as the Train to Gain budget rises to £1 billion by 2010. The Government's approach has been re-shaped and funding is available from 2nd January 2009 to deliver a new package of support to help SMEs get through the tougher economic climate by building the skills and expertise of their workers.

2. It will provide funding for training, with the minimum level of bureaucracy or delay. This will be for specific areas of activity which are proven to provide skills to increase the productivity of individuals and firms. John Denham stated:

   "Small businesses are an important engine of our economy and we must make sure that we support them during tough economic times. We are overhauling the training system to make sure that they can get help with training their staff with the very minimum of bureaucracy. We know that firms which invest in skills do better than those that don’t, which is why we will be urging small businesses to take up this offer from Government."

3. Full details of the announcement can be found on: - Denham announces £350m to support small businesses

4. The SME offer described in this document is expected to be available until 2010, subject to ongoing review.

Context

5. Two-thirds of the Train to Gain funding in 2007/08 supported small and medium-sized enterprises (SMEs). As part of the announcements to reshape access to Train to Gain, eligible SMEs will be encouraged to access the increases in funding for 2009–10 to build the skills and expertise of their workers. This support is designed to assist SMEs to survive and prosper during tougher economic times.

6. Train to Gain will be enhanced to support the staff of eligible SMEs with funding for or towards accredited units of qualifications and “thin” qualifications at Level 2, level 3 and Level 4 to bring quick and proven benefits to SMEs.

7. This SME offer is part of the wider support package announced by the Government in November 2008 and processes are currently being developed around clustering of employers and initiatives to support those employees facing redundancy.

8. The additional flexibilities within the SME offer represent a broadening of the current Train to Gain offer and as such do not require any contractual changes. The new delivery arrangements are covered by the issuing of this additional delivery and funding guidance and as such forms part of the contract we have with providers. The core Train to Gain offer is described in Annex A.
9. Providers must be aware that responding to these new flexibilities is likely to change the volume and delivery assumptions currently agreed and set out in the Summary Statement of Activity. Any volumes agreed here can only be a planning assumption as we must ensure that we respond in a flexible manner that meets the need of employers. Delivery of the whole Train to Gain offer including these new flexibilities will be the basis for agreeing future years funding allocations.

10. The delivery of the SME offer will follow the core Train to Gain delivery principles of maximum flexibility and responsiveness to meet the identified needs of employers. However it is recognised that the nature of the SME offer may require some elements of delivery to take place away from employers’ premises.

11. As part of this broader offer of support to SMEs access to the Leadership and Management programme was extended to companies employing 5 to 9 staff on 3\textsuperscript{rd} November 2008.

**Employer Eligibility**

**Defining an SME**

12. The SME offer is available to eligible employees within enterprises in the private and third sector who meet the eligibility criteria outlined within this section. A short summary of eligible and ineligible organisations is detailed in the table below:

<table>
<thead>
<tr>
<th>Eligible</th>
<th>Ineligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Sector Enterprises</td>
<td>Public sector Enterprises</td>
</tr>
<tr>
<td>Private/Public Schools</td>
<td>State Schools</td>
</tr>
<tr>
<td>Private Prisons</td>
<td>State owned Prisons</td>
</tr>
<tr>
<td>Third Sector Voluntary &amp; Charity Organisation - Employees</td>
<td>Third Sector Voluntary &amp; Charity Organisation –Volunteers</td>
</tr>
<tr>
<td>Self Employed with employees</td>
<td>Branches and subsidiaries owned by large enterprises</td>
</tr>
<tr>
<td>Self Employed with no employees</td>
<td></td>
</tr>
<tr>
<td>Franchises</td>
<td></td>
</tr>
<tr>
<td>Sole Traders</td>
<td></td>
</tr>
</tbody>
</table>

13. For the purposes of this offer an SME is defined as an enterprise with less than 250 Full Time Equivalent employees (FTEs). To assess the number of “Full Time Equivalent” employees this is deemed to include:
• Employees

• Persons working for the enterprise being subordinated to it and considered to be employees under national law

• Owner-managers

• Partners engaged in a regular activity in the enterprise and benefiting from financial advantages from the enterprise

14. The staff headcount does not include:

• Apprentices or students engaged in vocational training with apprenticeship or vocational training contracts

• Unpaid staff and volunteers

• Agency staff employed by a third party

15. Employers are required to confirm the number of FTE employees within their organisation and thereby agree eligibility by completing an appropriate auditable declaration (see Sample Declaration - Annex B).

Full Time Equivalent (FTE) employees - calculation

16. 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.

Employee Eligibility

17. Eligibility regulations will be the same as for the mainstream Train to Gain offer and are contained in: LSC Funding Guidance 2008/09 - Funding Principles, Rules and Regulations and Funding Guidance 2008/09 - Learner Eligibility Guidance

Qualifications eligible for delivery

18. The SME offer relates to three specific types of qualification:
• Full Level 2
• Full Level 3
• Units/thin qualifications

Full Level 2 Qualifications

19. All eligibility rules for full Level 2 qualifications remain as set out in the core Train to Gain offer. This includes a restriction of eligible additional qualifications to the list agreed with Sector Skills Councils through Sector Qualification Strategies and/or Sector Compact arrangements.

20. For eligible SME organisations however there is no longer any constraint in terms of volumes of eligible additional Level 2 qualifications that can be delivered to eligible SMEs and their employees and the 30% limit for additional Level 2 qualifications no longer applies to delivery to these groups.

Full Level 3 Qualifications

21. All eligibility rules for full Level 3 qualifications remain as set out in the core Train to Gain offer. This includes a restriction of eligible additional qualifications to the list agreed with Sector Skills Councils through Sector Qualification Strategies and/or Sector Compact arrangements.

22. For eligible SME organisations however there is no longer any constraint in terms of volumes of eligible additional Level 3 qualifications that can be delivered to eligible SMEs and their employees and the 20% limit for additional Level 3 qualifications no longer applies to delivery to these groups.

Units/Thin Qualifications

23. To respond to the issues facing SMEs, units and thin qualifications in the following ten highlighted business critical areas will be in scope for Train to Gain funding for eligible SMEs:

• Business Improvement including business systems and processes
• Customer Service including communications
• New Product Design
• IT Pro specialist function where IT is at the heart of the business & IT User generic use across all businesses
• Management including risk management, team working, communication
• Marketing and Sales
• Risk Management
• SME Finance including risk management, finance and credit, cashflow, profit management
The list of the eligible units and thin qualifications associated with these areas can be found on Train to Gain SME Initiative - Eligible Unit/Thin Qualification Table. The list will be updated regularly in response to identified employer needs. The updating process is currently being finalised.

24. The list of eligible activity and associated units and thin qualifications was derived from LSC discussions with Sector Skills Councils (SSC) and Standard Setting Bodies (SSB) to establish their suitability and relevance to SMEs to support them through the economic crisis.

25. The SME employer offer allows all eligible employees within eligible SMEs to access units and thin qualifications including where they hold a Level 2 qualification or above.

26. It is permissible for a learner to undertake eligible unit/s and thin qualifications concurrently with Level 2, Level 3 and Skills for Life qualifications within the Train to Gain core offer when demanded by the employer.

Funding of Units/Thin Qualifications

27. This section sets out the funding methodology for units and thin qualifications to be supported under the SME offer. The approach offers maximum flexibility to employers and employees on their choice of activity from the agreed list and to encourage progression and consolidation into full qualifications.

Funding Approach

28. To minimise bureaucracy and streamline processes, all funding approaches follow mainstream Train to Gain principles wherever possible. Based on the initial list of units and thin qualifications, the LSC therefore has created a number of funding bands based on the level of input required for each derived from guided learning hours.

29. Units and thin qualifications have been assigned to an appropriate funding band based on the level of input in guided learning hours and allocated an associated funding rate.

30. Details of the funding bands are given below:

Funding Bands for units and thin qualifications eligible for support:
<table>
<thead>
<tr>
<th>Funding Band</th>
<th>Funding rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>£80</td>
</tr>
<tr>
<td>2</td>
<td>£154</td>
</tr>
<tr>
<td>3</td>
<td>£226</td>
</tr>
<tr>
<td>4</td>
<td>£289</td>
</tr>
<tr>
<td>5</td>
<td>£360</td>
</tr>
<tr>
<td>6</td>
<td>£429</td>
</tr>
</tbody>
</table>

Overall value of a Full Level 2 through Train to Gain = £1226

31. A mix of eligible units/thin qualifications up to a maximum total value of 15 Funding Bands can be undertaken by an individual in a 12 month period. This broadly equates to the level of funding associated with a full Level 2 qualification at the higher rate funded through Train to Gain. Therefore, as an example, within a 12 month period a learner could undertake three separate units/thin qualifications each having a Funding Band of 4 and one having a Funding Band of 3 giving a maximum 15.

32. It is recognised that there are some additional costs resulting from the delivery of units and thin qualifications due to the higher proportion of the overall cost relating to administration, registration and assessment. These additional costs have been factored into the rates associated with the funding bands.

33. In order to be consistent with the Core Train to Gain offer, current programme weightings and uplift factors will apply to units and thin qualifications available for funding within the SME offer.

34. To ensure consistency with the core Train to Gain offer, for Level 3 and Level 4 units and thin qualifications the funding rate is set on the basis that it is co-funded – that is, in 2008/09 the employer would be expected to contribute 42.5% of the amount of funding associated with these level of qualification. For consistency with the main Train to Gain offer, the exceptions to this would be Level 3 jumpers (learners taking Level 3 units and thin qualifications who do not currently have level 2 qualifications) and 19-24 year olds who do not currently have a Level 3 qualification – these groups would both be fully funded. However, in line with the existing Train to Gain offer, collecting this employer contribution is left to provider discretion with the exception of ESOL.

35. To allow maximum flexibility to respond to identified employer needs there are no rules of combination specific to the Units on offer as part of the SME offer.

Progression from units/thin qualifications to a full qualification
36. Maximum flexibility and the provision of rapid support to meet employer needs are central to the successful delivery of the SME package and consequently learners do not have to commit to a programme of learning that will lead to the acquisition of a full qualification. However the Government maintains its commitment to PSA targets and the aim for every individual to obtain “full” qualification achievements. Therefore progression on to full Level 2 and 3 qualifications is encouraged and will be monitored.

37. Learners will not be able to be supported for the same activity twice. When an employee progresses from individual unit/s or a “thin” qualification to a full qualification, the level of funding already received for any unit which form part of the full qualification should be discounted from the level of funding claimed for the full qualification. Any such discounting should be indicated by providers through the use of field A51a in the ILR.

38. For example, if an employee takes two finance units, one business improvement unit and one IT unit and progresses on to a full qualification in finance which includes both of the finance units already funded, then the provider is required to discount the funding claimed for the full qualification by the amount already received for those two finance units.

39. The amount discounted will be the full amount of funding received for the unit, including any uplift or weighting.

40. Where a learner is progressing onto full qualifications within the Core Train to Gain offer from units/thin qualifications, the 12 month limitation will no longer apply.

41. It is expected that an individual will be supported for a maximum of the equivalent of 2 full qualifications within a 12 month period. Any Skills for Life qualifications would be in addition to this.

Skills for Life

42. Providers should adhere to good practice and be aware of identifying learners’ needs effectively where Skills for Life needs are suspected and need to be addressed. Where a learner wishes to access units and thin qualifications within the SME offer, Skills for Life assessment is not mandatory, however where it is required, Skills for Life can be funded as part of the core Train to Gain offer. In addition, to be consistent with the core offer, where a learner is progressing from units to a full qualification their basic skills needs should be assessed and appropriate provision put in place to meet any needs identified.

Information Advice and Guidance (IAG)
43. The normal rules of Train to Gain will apply with regard to IAG with the aim to make sure that the right individuals undertake the right learning and development activities, with the right levels of support, and so achieve the right outcomes. The type and amount of IAG under the SME offer should be proportionate to the amount of learning initially identified to be undertaken.

44. All IAG undertaken must contain the two main elements of supporting employees as learners in Train to Gain. The first is making certain that the training they undertake is appropriate. The second is making sure that they are enabled to complete the learning successfully, and to consider how to build on their outcomes including basic skills acquisition.

**Contracting**

45. The additional flexibilities within the SME offer represent a broadening of the current Train to Gain offer and as such do not require any contractual changes. The new delivery arrangements are covered by the issuing of this additional delivery and funding guidance and as such forms part of the contract we have with providers.

46. The SME offer will be managed within existing provider contracts or via Regional Response funding. Where the LSC identifies gaps in the market in response to employer demand there may be further tactical procurement to satisfy the requirement.

47. Providers are able to offer the full Train to Gain offer including the additional SME offer within their existing contract value. There are no constraints in terms of the mix and balance of provision delivered at individual provider level, hence why any planning volumes set out in the Summary Statement are only indicative.

48. Actual levels of delivery of the SME offer and the overall mix and balance of activity will be reviewed as part of the overall review of the provider’s Train to Gain contract.

**Data and Management Information**

49. The information required to allow payment for eligible activity fundable through the SME offer will be returned by providers via the ILR, and funding will be calculated through suitable codes included in the Learning Aims Database that are made available for employer responsive provision. The Learning Aims Database will be changed support this wider offer by the end of January 2009 – during January 2009 providers should refer to the List of Eligible Units on [Train to Gain SME Initiative - Eligible Unit/Thin Qualification Table](#).

50. The SME offer will be used as the vehicle for testing out approaches to unit funding and the broader Qualifications and Credit Framework Trials within
employer responsive funding. The arrangements relating to Adult Responsive Funding are available at: [http://qfr.lsc.gov.uk/ukvqrp/support](http://qfr.lsc.gov.uk/ukvqrp/support).

51. All providers delivering units/thin qualifications must ensure that all learners are registered for the Unique Learner Number (ULN). The link below provides a quick guide on how to request a ULN using the Learner Registration Service:


52. Providers will be required to record a valid ULN for every learner participating in the trial and should not use the ‘null return’ (9999999999).

53. In order to measure provider performance and in particular provide data to indicate success by provider type in progressing learners to full qualification achievement evidence needs to be captured to demonstrate:

- the partial achievement of learners in 2008/09 and 2009/10
- The number of learners enrolled on units in 2008/09 who progress to Full Level 2/3 qualifications.

54. Learner progression will be tracked through the Credit Success Rate measure which will capture data from the new fields A59 and A60 ‘planned credit’ and ‘credit achieved’ respectively and will also make use of the ULN to track learners between programmes and/or providers.

55. For data collection purposes, Providers will also be required to complete the new fields to support the Credit Success Rate measure. The Planned Credit Value (field A59) will be the same value as the banding value for the unit. The Credit Achieved (field A60) must be equal to this value if the unit is achieved or must be zero. There is no partial achievement of a unit.

56. When an employee progresses from individual unit/s or a ‘thin’ qualification to a full qualification, the level of funding already received for any units which form part of the full qualification should be discounted from the level of funding claimed for the full qualification. Any such discounting should be indicated by providers through by use of the A51a field in the ILR. Further guidance on calculating the amount of funding to claim is available in the [LSC Funding Guidance 2008/09 - Funding Principles, Rules and Regulations](http://www.lsc.gov.uk/fundingguide) (see paragraphs 251 – 255).

57. Guidance on how to record learners funded through the SME flexibilities has been developed in conjunction with the information authority, to ensure that the level of bureaucracy is kept to a minimum.
Monitoring and maintenance of quality

58. Performance in respect of the units and thin qualifications will be reflected in the 2008/09 success rates for all providers delivering them. Success rates will be analysed separately from full qualifications.

59. Success rate reports will be developed for this provision and the appropriate success rate performance will be part of contract management discussions.

Contribution to Wage Costs

60. Contribution to Wage Costs for organisations with less than 50 staff will use the same processes as those covered by the Core Train to Gain offer. At this stage the current eligibility arrangements apply. However the process is being reviewed in respect of the SME offer in relation to those accessing units/thin qualifications. Further guidance outlining this approach is expected to be available in early 2009.

Redundancy Support

Current Arrangements

61. Where an employee is informed of or may be at risk of redundancy the LSC would wish to ensure appropriate support is offered to enable satisfactory completion of unit(s)/qualification(s) being undertaken by the individual. Learners who have commenced provision can continue to complete the unit(s)/qualification(s) through Train to Gain funding. Providers should contact their Regional LSC where such situations occur and discuss how completion of the qualification can be best provided.

62. Where employees are under notice of redundancy provision can still be agreed – however providers must have clear plans on how an individual would be able to complete any agreed unit(s)/qualification(s). This may include such options as ensuring all evidence requirements are completed quickly or employer support gained to complete necessary input and administration. Providers are not permitted to enrol learners where it is clear they will be unable to complete a unit or qualification.

63. In the current economic climate the LSC would encourage providers to proactively work with employers who are considering making people redundant, so that arrangements can be made for learners to complete their learning programme. Any learning undertaken must be agreed with the current employer, but should focus on the development of transferable skills relevant to the local labour market. The LSC should be notified of any such planned activity.
Pre-employment Provision and Response to Significant Redundancies

64. Further information will be made available in early 2009 regarding the extension of the Train to Gain offer to support employers to address their recruitment needs, and to support the pre-employment needs of individuals looking to move into work.

65. Working closely with Jobcentre Plus, the LSC will also be further developing the offer to individuals at risk of redundancy, or who have recently been made redundant. The appropriate links to Train to Gain will be considered as part of this work and further information and guidance will follow.
Annexes

Annex A: - Train to Gain announcement of flexibilities for SMEs (Briefing note issued 10 November 2008)

The Train to Gain Service

Investment in skills is vital

It is vital that employers continue to invest in skills, especially at this time of economic challenge. As well as increasing productivity in the short-term, we know that employers who don’t train are 2.5 times more likely to fail than those who do.

The Government has taken decisive action to widen the package of support available to small and medium sized businesses to help use training to meet the short term challenges, and to emerge stronger from this period well placed to take advantage of the new opportunities.

Train to Gain is helping businesses of all sizes and in all sectors

Train to Gain is the Government’s flagship skills service for helping businesses to get the support they need to increase the skills of their workforce and improve the performance of their business.

Quality-assured, impartial and independent advice from skills brokers is available to those businesses who want:

- Help to identify skills needs at all levels of their business so that they can make the right, informed choices as part of a wider business needs assessment
- To identify and source high quality, vocational skills training, including Apprenticeships, delivered at a time and place to suit them, from a wide range of colleges and training providers.

A wide range of support is available

In response to employer demand, from August 2008 Train to Gain was significantly enhanced to ensure it provided a wider range of support and more help with the cost of training. All businesses now have access to full funding for:

- Basic skills support at all levels
- First full level 2 qualifications (equivalent to 5 GCSEs) and
- First Level 3 (equivalent to 2 A-levels) for 19-25 year olds
- Some first Level 4 for 19-25 year olds who do not already have a Level 3
- Some funding for people who already have qualifications at Level 2 and 3 and would like to take another.

Shared investment between the employer and Government for:
- English for Speakers of Other Languages qualifications at all levels
- Apprenticeships
- For businesses with between 10 and 250 employees, support towards the costs of leadership and management development

In addition, Train to Gain can help businesses source full cost, higher level and bespoke training support.

**Further enhancements to support small and medium sized businesses**

As part of a government-wide package, the support available through Train to Gain has been tailored and enhanced to better meet the needs of smaller businesses. A new package of support will help small and medium sized, private sector businesses to get the help they need to help them survive and prosper during tougher economic times.

**Small and medium sized, private sector, businesses can also get support for:**

- From January 2009 - Smaller, focused, training programmes in subjects demanded by businesses including: business improvement, business systems and processes, team working and communications, sales and marketing, IT User, IT support, customer service, new product design, finance and credit, cash flow and profit management, and risk management.
- From January 2009 - Fully funded Level 2 qualifications and partially subsidised Level 3 qualifications, regardless of whether the employee already has a qualification at this level.
- From November 2008 - Funding for leadership and management training extended to businesses with 5-10 employees.

In addition, businesses with less than 50 employees can still receive a contribution to wage costs to cover the cost of time off to train.
Support tailored to meet sector specific needs

We recognise the particular needs of different sectors, and that is why DIUS, LSC and Sector Skills Councils have worked together to tailor and enhance Train to Gain through sector compacts. Ten compacts have been agreed so far and we expect more to follow over the next few months. Businesses have access to a range of benefits including:

- Tailored, sector-specific advice from skills brokers
- Joint Sector Skills Council-LSC marketing about the specific skills offer to employers in specific sectors, with information about qualification routes to meet industry standards
- For businesses with more than 250 employees, a full subsidy is available echoing the offer to smaller, private sector businesses at Level 2 and partially subsidised at Level 3 for people who are already skilled at that level for qualifications that SSCs say are the most important to the sector.

It’s easy to access the wide range of support available through Train to Gain

We work with skills brokers, Business Link, colleges and training providers, and key stakeholders (such as the CBI, BCC, IoD and FSB) to ensure Train to Gain is delivered in a simple, non-bureaucratic way. Businesses can get support from Train to Gain by:

- Calling Train to Gain on 0800 015 55 45 to contact a skills broker
- Filling in the web-form on the Train to Gain website traintogain.gov.uk
- Contacting Business Link on 0845 600 9006 or visit www.BusinessLink.gov.uk
- Contacting their local college or training provider.
Annex B: - Sample Declaration — form of words to be used by providers

Employers are required to confirm the number of FTE employees within their organisation and thereby confirm eligibility by completing an appropriate auditable declaration. For the purposes of this offer an SME is defined as an enterprise with less than 250 Full Time Equivalent employees (FTEs) – see Employer Eligibility Section paragraphs 12-16 for details.

Unique Employer Number______________________________
(to be completed by training provider)

<table>
<thead>
<tr>
<th>Employer Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer Address</td>
<td></td>
</tr>
<tr>
<td>Employer post code</td>
<td></td>
</tr>
<tr>
<td>Head office / ownership</td>
<td></td>
</tr>
<tr>
<td>Is this the head office address</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Is the business more than 25% owned by another organisation</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Business description</td>
<td>E.g. construction/retail</td>
</tr>
<tr>
<td>Ownership of the business</td>
<td>E.g. Public / Private / Voluntary / Charity</td>
</tr>
<tr>
<td>Contact Telephone Number</td>
<td></td>
</tr>
<tr>
<td>Number of Employees – (FTE)*</td>
<td></td>
</tr>
<tr>
<td>On this site</td>
<td></td>
</tr>
<tr>
<td>For the whole organisation</td>
<td></td>
</tr>
</tbody>
</table>

* For definition of FTE see paragraph 16

On behalf of the organisation named above I confirm that the above information is correct.

Name:    Position:    Signature:

Date