19th December 2008

Dear Colleague

**Developing College and Training Provider capacity to deliver Train to Gain**

I am pleased to be able to write to you with information on significant additional funding which is to be made available this year to support college and training provider capacity to deliver the expanded Train to Gain service.

As you know, Train to Gain represents a radical change in the way that funding is secured and how training is delivered. Many colleges and training providers need support to ensure they are well positioned to operate effectively in this new environment and to meet the changing needs of employers and their workforce, particularly in the current economic climate.

At the Association of Colleges (AoC) Conference in November, John Denham, Secretary of State, Department for Innovation, Universities and Skills (DIUS), announced a £30 million restructuring fund. The fund is designed to support colleges and training providers to develop new approaches that result in expansion of their delivery capacity and, where necessary, allow them to make changes to their existing business models. The ultimate aim of the fund is to ensure that colleges and training providers:

- are better positioned to work with more employers
- can deliver the expanded Train to Gain offer, and
- focus on the current economic priorities of supporting small and medium sized employers, and individuals and employers in redundancy situations.

Importantly, the fund is intended to complement the support available through the Learning and Skills Improvement Service (LSIS) **World Class Skills - developing responsive provision** programme.

The LSC will manage the fund on behalf of DIUS. Guidance on how it will be distributed is outlined in the attached annex. The money will be allocated direct to colleges and training providers. The fund has been discussed with AoC and Association of Learning Providers who support its purposes and the method by which it will be distributed.

If you have any queries on the detail of this letter or the Annex, please contact your regional LSC Train to Gain team in the first instance.
The fund is available for this year only and is intended as a one-off investment to support the ongoing transformation of the employer responsive skills system. This level of investment will support a significant step-change in the capacity and ability of the sector to make a positive contribution to the skills of employers and their workforce.

I know that colleges and training providers will respond positively to the opportunities that this major investment brings.

Yours sincerely

Mark Hysom CBE
Chief Executive
(Agreed by and electronically signed in his absence)