

PROVIDER BRIEFING: SME FLEXIBILITIES



Train to Gain

- Core offer remains the same:
 - all employers
 - all sectors
 - all sizes
- Brokerage support – where appropriate (employer choice)



SME Package

- Core offer is now enhanced through the offer to SMEs with a range of further flexibilities:

Level 2

- All fully funded, including repeats on agreed SSC list
- No limits on volumes of repeat qualifications for eligible SMEs

Level 3

- For 19-24s and Level 3 Jumpers, all fully funded;
- 25+ co-funded as with core offer including repeats on agreed SSC list
- No limits on volumes of repeat qualifications for eligible SMEs

Bite size units in business critical areas



SME Package

Units/thin qualifications at Level 2 and 3 in business critical areas:

- Business improvement techniques;
- Business systems/processes;
- Team-working/communications;
- Customer service;
- New product design;
- Finance and credit;
- Cash-flow and profit management;
- Risk management.
- Marketing and sales;
- IT user/IT support.

- A total of 138 units/thin qualifications available from January
- List will expand in response to identified need



SME Employer Eligibility

Eligible	Ineligible
<p>Private Sector Enterprises</p> <p>Private/Public Schools</p> <p>Private Prisons</p> <p>Voluntary and Charity Organisation Employees</p> <p>Self Employed with employees</p> <p>Franchises</p>	<p>Public sector Enterprises</p> <p>State Schools</p> <p>State owned Prisons</p> <p>Voluntary and Charity Organisation Volunteers</p> <p>Self Employed with no employees</p> <p>Subsidiaries owned by large enterprises</p>



Funding Arrangements

- Each unit/Thin qualification given a credit band
- Based on size/Guided Learning Hours
- Each credit band has a financial value
- Each individual allowed a package of support within a 12 month period equal to a maximum number of 15 credits
- Funding follows current Train to Gain rules



Funding Arrangements

Unit Funding Band	Guided learning hours equivalent	Fraction of an NVQ (no. of equal sized units to make a level 2 NVQ)	Proposed funding rate (to be confirmed)
1	up to 14	13 or more	£80
2	15-24	8 to 12	£155
3	25-34	6 or 7	£225
4	35-44	n/a	£290
5	45-54	n/a	£360
6	55 plus	n/a	£430

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

The 'unit funding band' is the currency proposed for funding this activity. A maximum total value of 15 would be funded for any employee in one year.



Funding Arrangements

- Individual learners able to access a package of support **up to** a total of 15 credit bands
- There are no rules of combination associated with eligible activity
- Examples of eligible combinations could include:
 - 2 units in credit band 6 + 1 unit in credit band 3
 - 5 units in credit band 3
 - 15 units in credit band 1



Funding Arrangements

- Each unit/thin qualification allocated unique LAD entry
- Standard ILR requirements apply including Unique Reference Number (EDS)
- SME package will use a Unique Learner Number
- New eligibility employer declaration required to be completed to validate SME employer eligibility for SME support package
- Learners can do units alongside full Train to Gain funded qualifications (ie SfL/Level 2/Level 3)



Funding Arrangements

- Funding follows current Train to Gain rules
- Payment made using existing split between on-programme profile payments (75%) and achievement payment (25%)
- N+1 arrangements will also apply
- Expected that most delivery will take place across 1 or 2 funding periods



Contract Implications

- Extended to all Train to Gain providers from Jan 2009
- Delivered within existing contract value
- Will be a feature of regular performance management arrangements



Minimum Levels of Performance

- 08/09 continues as trial year for MLP within Train to Gain
- Unit success will be reviewed separately from full qualifications
- Expectations for success for units based on current FE rates
 - Short (5-24 weeks) – 81%
 - Very Short (< 5 weeks) – 93%
- Success rates monitored as part of contract review process



CAPACITY BUILDING

- £30M Provider Capacity Fund
- Announced by SoS at AOC Conference on 18th November
- Last chance Transformation Fund for Colleges and Training Providers
- Capacity building activity could include:
 - Staff recruitment and retraining costs, restructuring costs, assessor training,
 - preparation costs re TQS, promotion of SfL offer,
 - costs of equipment, software, CRM upgrades etc
- Must complement support available via LSIS World Class Skills Programme and LSC Regional capacity building activity



CAPACITY BUILDING

- Allocation based on 07/08 starts (min 50) Allocation between £20K and £200K
- Eligibility criteria includes an Ofsted grade of at least Grade 3; no notice to improve and not be in a position of financial failure
- Plan of spend must be completed and available for review



Clustering

- Support for groups of SMEs working together
 - Business parks
 - Supply chains
 - Sector clusters
- Short-term capacity building funding
- Initially we are seeking 5 clusters in each region with around 30 SMEs in each
- Eventually leading to 250 clusters nationally



New Flexibilities and Brokerage

- Broker transition plans in place in all regions to support transfer to RDA from April 2009
- Further review of expectations of brokerage service being undertaken in light of economic situation
- Light touch arrangements will continue as need for holistic package of employer support even more critical in current climate
- Key role for brokers to play in supporting overall package of support including:
 - Communicating offer
 - Supporting cluster arrangements
 - Soft intelligence regarding gaps in the offer, potential redundancies and vacancies



Questions

- What are key challenges and issues?
 - National
 - Regional
 - Local

- What help and support do you need from LSC to deliver the package?

