

# ESF CO-FINANCING EVALUATION REPORT

**PROJECT TITLE:** Engaging Employers in Workforce Development  
**PROJECT REF NO:** ESF/0203/063  
**LEAD ORGANISATION:** Business Link North and Western Lancashire

## **TABLE OF CONTENTS**

<b>SECTION 1 : OVERVIEW OF THE PROJECT ACTIVITY AND PARTNERS.....</b>	<b>1</b>
<b>SECTION 2 : ACHIEVEMENTS OF THE PROJECT .....</b>	<b>4</b>
<b>SECTION 3 : AREAS OF INNOVATION .....</b>	<b>7</b>
<b>SECTION 4 : IDENTIFICATION OF AREAS OF GOOD PRACTICE AND AREAS FOR IMPROVEMENT .....</b>	<b>8</b>
<b>SECTION 5 : LESSONS LEARNT .....</b>	<b>11</b>
<b>SECTION 6 : DISSEMINATION OF GOOD PRACTICE INCLUDING DETAILS OF DISSEMINATION MATERIALS PRODUCED .....</b>	<b>12</b>
<b>SECTION 7 : DETAILS OF PUBLICITY UNDERTAKEN (ATTACH COPIES OF ANY ADVERTISING/PUBLICITY MATERIALS PRODUCED) .....</b>	<b>13</b>
<b>SECTION 8 : CASE STUDIES.....</b>	<b>14</b>
<b>SECTION 9 : VIEWS OF CUSTOMERS AND/OR PARTNERS.....</b>	<b>18</b>
<b>SECTION 10 : COMPARISON OF HOW THE PROJECT DEALT WITH INFORMATION COMMUNICATION TECHNOLOGIES, EQUAL OPPORTUNITIES AND SUSTAINABILITY .....</b>	<b>25</b>
<b>SECTION 11 : SUSTAINABILITY OF THE PROJECT'S ACTIVITIES (EXIT STRATEGY/MAINSTREAMING) .</b>	<b>28</b>
<b>SECTION 12 : DETAILS OF TOOLS TO EVALUATE THE IMPACT OF THE PROJECT .....</b>	<b>29</b>
<b>SECTION 13 : FIT WITH LOCAL INITIATIVES .....</b>	<b>30</b>
<b>SECTION 14 : DELIVERY OF CAPACITY BUILDING INITIATIVES .....</b>	<b>33</b>
<b>SECTION 15 : MEASUREMENT OF SOFT OUTCOMES .....</b>	<b>34</b>
<b>SECTION 16 : ADDITIONAL INFORMATION.....</b>	<b>35</b>

## **SECTION 1 : OVERVIEW OF THE PROJECT ACTIVITY AND PARTNERS**

*This evaluation has been commissioned by Business Link North and Western Lancashire. The evaluation has been produced by WM Enterprise Consultants in conjunction with Lancaster University. The independence of the evaluation adds weight to its findings. The fieldwork was carried out in December 2003-January 2004. Some of our findings also draw on an interim evaluation carried out in January-March 2003.*

*Whilst the findings of this report "belong" to BLNWL, all inaccuracies, errors or omissions are the responsibility of the authors of the evaluation. As such the evaluation is written in the third person.*

ESF Co-Financing (alongside other funds, primarily the LSC LIDF fund) has supported a number of key activities within the Workforce Development remit of Business Link North and Western Lancashire. The specific project elements that have been delivered under this funding and are the subject of this evaluation are:

### **LIFETIME TRAINING**

Lifetime Training has established itself as the first point of contact for SMEs in North and Western Lancashire who are looking for skills training solutions. Opportunities to encourage SMEs to engage in skills training have been identified through the development of a strong local network of key stakeholders.

The website [www.lifetimetraining.com](http://www.lifetimetraining.com) has been developed and launched and provides a comprehensive database of training solutions (courses, networking events and seminars) which employers can book through the relevant provider. Lifetime Training works in partnership with all of its providers to develop new ways of promoting and delivering training to the SME market place. There are plans to further enhance the website. The site also promotes national training initiatives, but with a local focus to reflect Workforce Development provision.

The evaluation has sought to differentiate between the effectiveness of the actual website as a means of 'brokerage' between the suppliers of and outcomes of training solutions as distinct from the customised training offered to beneficiaries as a result.

### **HUMAN RESOURCES ADVICE**

Employers are able to gain access to a team of HR Advisers providing advice and support on developing and implementing HR policies and procedures. Employers access advice and support in a number of ways: on a one-to-one basis; telephone; or via online support on human resources issues including employment law, recruitment and selection processes and procedures, designing contracts of employment, equal opportunities (eg best practice and procedures), designing appraisal processes and procedures, job descriptions, roles profiles, personnel specifications and training/development plans.

### **TRAINING NEEDS ANALYSIS**

This service is delivered on behalf of Business Link North & Western Lancashire by Lifetime Training approved providers and is branded as "Skills to Compete". These providers source clients, complete the training needs analysis and pass details to BLNWL advisers. BLNWL advisers then source required training and having seen the client "project manage" the resultant training. By and large this service is targeted at companies with between 5-49 employees.

Internal and external factors affecting business performance are assessed and included in the Skills Report in order to ensure that current and anticipated skills requirements reflect business needs. Where training has been identified as a priority for the company, the adviser is responsible for assisting the employer to identify relevant training providers (primarily via the Lifetime Training route) and accessing grant aid to co-finance their training provision.

The adviser maintains contact with the company during the implementation stage of the training and development plan to monitor progression against the plan and enable the company to measure business benefits.

## TRAINING GRANT AID

Having received substantive support under Skills to Compete companies are then eligible to receive a training grant of up to £1000 for the purpose of implementing workforce development activities or pursuing management development activities.

The terms of the funding received enabled many of the services outlined above to be offered across Lancashire, (i.e. within both the North & Western and East Lancashire Business Link areas) Training Needs Analysis is the only service provision available only to companies in BLNWL's area.

The ESF funding provided was made available on the following terms:

**Table 1: ESF Funding by Output Definition**

Element/Output Definition	Unit Price	Total Number of Outcomes	Total £
Number of individuals participating in Lifelong Learning	£2,000.00	130	£260,000
Number of female beneficiaries participating in Lifelong Learning	£0.00	65	£0
Number of Beneficiaries Working towards a qualification	£0.00	130	£0
Number of Trainers Trained	£2,000.00	35	£70,000
Number of Leavers Gaining a Qualification	£300.00	65	£19,500
Number of Beneficiaries completing their course	£250.00	100	£25,000
Number of Beneficiaries still in work or who go onto further study	£0.00	100	£0
<b>TOTAL FUNDING</b>			<b>£374,500</b>

In addition there was £31,750 of ESF funding provided for 'milestones' rather than outputs or outcomes. This funding included provision for the recruitment and integration of HR and Workforce Development Advisers, developing the [www.lifetimetraining.com](http://www.lifetimetraining.com) website. The aggregate ESF funding amounted to **£406,750**, therefore.

## **PARTNERS INVOLVED IN THE PROJECT**

Within the project overview we are also asked to comment on those partners involved in the delivery of the project. Much of the partnership dimension comes from the provider network charged to deliver training arising from referrals from the [www.lifetimetraining.com](http://www.lifetimetraining.com) website. In excess of 80 public/private sector providers are part of the Lifetime Training Network. Training is offered in disciplines which might be sector specific such as catering & hospitality, food safety and horticulture as well as in important generic businesses skills such as IT, Management and Human Resources.

## SECTION 2 : ACHIEVEMENTS OF THE PROJECT

Here we present the actual outcomes achieved and expenditure made as at 31 December 2003

### OUTPUTS

We present the outputs achieved according to the ESF output definitions:

**Table 2: ESF Output Targets and Achievement**

	<b>Target 01/04/02 to 31/03/04</b>	<b>Actual 01/04/02 to 31/12/03</b>
<b>Number of Individuals participating in training</b>	130	406
<b>Number of Women</b>	65	181
<b>Number who complete their course</b>	100	406
<b>Number working towards a qualification</b>	130	68
<b>Number of trainers trained</b>	35	32
<b>Number who gain a qualification</b>	65	68
<b>Number still in work or who go on to further study</b>	100	406

The project has been successful in that it has exceeded most of the targets set. It is particularly notable that 406 individuals have participated in training as against an initial target of 130. Similarly 181 women have been amongst this number compared with the original target of 65. The target which has not been met to date is that of "Number working towards a Qualification" where 68 are doing so as against a target of 130. In section 9, where we canvass the views of customers a recurring theme is that they are seeking training in more industry-specific disciplines, of shorter duration and therefore not necessarily accredited as a qualification per se. Nonetheless it is heartening to see that all 68 who have worked towards a qualification have subsequently gained qualifications, as opposed to the figure of 65 originally envisaged.

A record of outputs achieved has also been kept in respect of each of the specific strands of provision.

#### a. Lifetime Training

**Table 3: LTT Specific Targets and Achievements**

	<b>Target 01/04/02 to 31/03/04</b>	<b>Actual 01/04/02 to 31/12/03</b>
<b>Referrals to Providers</b>	300	358
<b>Companies Accessing</b>	1200	1043
<b>Training Takeup</b>	270	288

Definitions of the above Lifetime Training targets include:

- Referrals to Providers - information returned by providers showing the number of LTT referrals they have received from the website or been referred directly from BLNWL.
- Training Uptake - information generated by providers showing the number of companies participating in LTT promoted training or listed in INSIGHT magazine.

## b. Training Needs Analysis

**Table 4: TNA Specific Targets and Achievements**

	<b>Target 01/04/02 to 31/03/04</b>	<b>Actual 01/04/02 to 31/12/03</b>
<b>Number of Training Needs Analysis Projects</b>	200	201
<b>Individuals Included as part of TNA activity</b>	750	2521

## c. Human Resources Advisory Service

**Table 5: HRA Specific Targets and Achievements**

	<b>Target 01/04/02 to 31/03/04</b>	<b>Actual 01/04/02 to 31/12/03</b>
<b>Number of companies advised</b>	60	207
<b>Beneficiaries from advice/support given</b>	85	209

Further explanation of what these targets mean and how they have been achieved are included here:

### i) **Lifetime Training**

For this element of support, there were several targets set under the terms of the funding. These include the primary targets set down in the Lifetime Training table above where two of the three targets have been exceeded. There have also been no fewer than 700,000 website hits at [www.lifetimetraining.com](http://www.lifetimetraining.com) to the period 31<sup>st</sup> December 2003. Perhaps the more important indicator in terms of impact is that of the number of businesses actually taking up training opportunities. The figures state that 288 companies did so, as against a target of 270.

This commendable performance in terms of achieving targets set is even more noteworthy when it is borne in mind that there was initially some difficulty in obtaining data on the part of BLNWL. For instance, if those attending training courses are asked to fill in a form stating 'where they heard' about training, then BLNWL is relying on the individual volunteering information, which in some cases they may not have the time or inclination to respond. A further implication is that there may well be different individuals within a company accessing the database, as opposed to actually attending the training, so that the person being asked to complete information whilst on a training course may not be aware of exactly how their company came to enrol them on the training workshop/seminar in question.

### ii) **Training Needs Analysis**

The original target of 200 completed training needs analyses has been exceeded, albeit by one TNA!

There was also a supplementary target of 750 individuals to be assisted. The achievement of 2521 shows that the same amount of TNAs carried out as was initially envisaged have been successful in bringing assistance to more individuals than originally anticipated.

### iii) **Human Resources Advice**

For this strand, 207 companies received assistance under the service. This figure includes each of the various methods by which people can receive advice from the team of HR advisors employed. Thus, one-to-one advice telephone and on-line support are all available, covering issues as diverse as employment labour, recruitment and selection processes and procedures, equal opportunities policies, appraisal procedures and designing personnel specifications.

## EXPENDITURE and UNIT COSTS

The other side of the equation in determining whether a project has been successful is to consider the absolute and unit costs in achieving the outputs stated.

The table below shows the actual position in terms of expenditure on the programme elements we are concerned with here.

**Table 6: Cost of Outputs for ESF Funded output definitions**

	<b>Target 01/04/02 to 31/03/04</b>	<b>Actual 01/04/02 to 31/12/03</b>	<b>Original Unit Costs</b>	<b>Actual Unit Costs</b>
<b>Number of Individuals participating in training</b>	130	406	£2,000.00	£640.39
<b>Number of Women</b>	65	181	£0.00	N/A
<b>Number who complete their course</b>	100	406	£0.00	N/A
<b>Number working towards a qualification</b>	130	68	£2,000.00	£3,823.52
<b>Number of trainers trained</b>	35	32	£300.00	£328.12
<b>Number who gain a qualification</b>	65	68	£250.00	£238.97
<b>Number still in work or who go on to further study</b>	100	406	£0.00	N/A

Main comments we would make are:

- Generally, unit costs seem to represent good value for money.
- The biggest impact of the ESF funding has been in increasing the number of individuals participating in training and lifelong learning. Over three times as many individuals have been supported by ESF funds as was originally envisaged, at no extra cost to the LSC.
- We would hope to see a reduction in the unit cost of "Companies Undertaking Training Activity after website visit". Reducing this figure would mean that a greater conversion rate would be achieved between website visit and subsequent training activity.

### **SECTION 3: AREAS OF INNOVATION**

In many ways the whole concept of [www.lifetimetraining.com](http://www.lifetimetraining.com) is innovative in itself. The content of the website brings together the many organisations in the area that offer events, seminars and training sessions and allows the user to be referred to the organisation in question online. Thus LTT is a "brokerage" service for the businesses of North and Western Lancashire, allowing them to source training opportunities via a "gateway" or one point of enquiry mechanism.

It should also be borne in mind that Lifetime Training is about far more than brokerage. The LTT mechanism allows companies to access specific forms of workforce development assistance such as training needs analysis and human resources advice.

The method by which LTT is managed is also innovative in that providers are included as partners. Dissemination of results in terms of outputs as well as published material such as evaluation reports are also disseminated to partners. This engenders a culture of ownership of the various projects amongst the providers and departs from traditional "output related contract culture".

The project is also innovative in that the progression that is inherent within the portfolio of services gives added value to BLNWL products. For instance twenty of those companies receiving support under Skills to Compete (TNAs) have progressed to the Small Firms Initiative (an initiative to promote Investors in People for businesses with between 5-49 employees). This is consistent with the finding from the first survey carried out of 47 companies actively considering IiP implementation, 36 have less than 50 staff and were therefore eligible for the Small Firms Initiative.

## SECTION 4 : IDENTIFICATION OF AREAS OF GOOD PRACTICE AND AREAS FOR IMPROVEMENT

Our approach here is to identify elements or definitions of practice generated from other areas or best practice reports and to show which of these are adhered to by the Engaging Employers in Workforce Development Project. In terms of areas of improvement these are presented as a list with more detail provided in Sections 5 and 9, dealing respectively with 'Lessons Learnt' and the 'Views of Customers'. This is because most of the areas for improvement are drawn from our survey of businesses.

### a) GOOD PRACTICE

Our primary motivation is to inform and improve the operations of Workforce Development activities within Business Link North & Western Lancashire. We concentrate much of our effort, therefore, on:

- 'brokerage'
- training needs analysis
- employer engagement

Our interpretation of these terms is as follows:

- 'brokerage' refers to the mechanism by which the suppliers and recipients of business support services are brought together. [www.lifetimetraining.com](http://www.lifetimetraining.com) is in itself an example of a brokerage process, and we wish to identify other examples of brokerage services, be they web-based or otherwise.
- 'training needs analysis' is the process by which the training and development needs of both the business in question and its individual employees are analysed in order that appropriate training is sourced, which will contribute to the priorities of the business.
- 'employer engagement' is a broader process than 'brokerage'. It encompasses the various processes of engaging employers such as marketing, initial awareness, and company visits. In the final analysis, effective employer engagement can increase the penetration rates of Business Link services.

#### a. Brokerage

From research carried out into other examples of brokerage services, we believe that any demand-driven brokerage service should have seven key components. These are as follows:

- Career Management Skills, Employment Skills, Work-based Support, Identifying and Stimulating Demand, Building Internal Capacity, Ongoing Business Support, Facilitation and Matching –

As a brokerage service, [www.lifetimetraining.com](http://www.lifetimetraining.com) carries out services consistent with each of the seven key factors and the evaluators of this work are well aware of the strong reputation LTT has amongst other Business Links nationally.

The brokerage element has become especially effective when it is noted that the acceptance of LTT as a brokerage model has now been widely accepted and adhered to amongst both East Lancashire providers and employers. Under the NWDA managed "Alliance for Skills and Productivity" it is our view that there will be a move towards more specialisation by Business Links on a regional basis. We believe that in terms of brokerage specifically and workforce development generally, BLNWL has established a product-offer that is certainly capable of being replicated across the North West.

#### b. Training Needs Analysis

The [www.trainingneedsanalysis.co.uk](http://www.trainingneedsanalysis.co.uk) website is an acknowledged source of good practice and provides a number of checklists related to no fewer than six different variants of training needs analysis. These are:

- context training needs analysis;
- user training needs analysis;
- work training needs analysis;
- suitability training needs analysis;
- cost-benefit training needs analysis;
- content training needs analysis.

In taking forward TNA provision, we believe that business support organisations such as BLNWL should be aware of these variant methodologies by which TNA exercises can be carried out. This enables the training needs adviser to understand the motivations which have led to companies agreeing to have a TNA carried out, and therefore, should lead to recommendations within the TNA being more attuned to the pervading culture of the business in question.

The process of BLNWL being aware of and carrying out these TNA variants is certainly underway, as seen by the adoption of a management tier TNA from January 2004. Additionally, the 'Skills to Compete' initiative allows for TNAs to act as a catalyst for capacity building within companies allowing as it does from January 2004 for 'training champions' to be identified within SMEs.

### **c. Employer Engagement**

-The process of employer engagement is extremely broad and if practised effectively, it has the potential to significantly improve penetration rates of business support organisations such as Business Links. It is far more of a global issue therefore than either specific 'brokerage' approaches or Training Needs Analyses, which deal with a limited number of employers in a given context.

Much of what BLNWL already practices fosters good relationships in the area of employer engagement. Good practice emerging within the ESF funded provision includes:

- provision of an e-newsletter for employers. This is used to promote Workforce Development and training initiatives and is an option for companies registered on [www.lifetimetraining.com](http://www.lifetimetraining.com).
- web linkages between [www.lifetimetraining.com](http://www.lifetimetraining.com) and Laurel Online, the Investors in People business development tool.
- The bringing together of other provisions such as the inclusion of basic skills material on the LTT website and the adoption of LTT as the directory of provision for the IAG "Now" network

In more general terms BLNWL is very committed to moving towards more flexible provision. Its status as one of only nine Business Links (and the only one in the North West) as a Leadership & Management Development Pathfinder focuses specifically on personal leadership and management development of MDs. Each MD taking part has to commit to a Personal Development Plan featuring tailored provision rather than adherence to standard management NVQs. This provision will be sourced by Lifetime Training and a comprehensive section on Leadership and Management is being developed on the website.

### **b) AREAS FOR IMPROVEMENT**

- Given that only 4% of beneficiary businesses in the survey found out about the programme via [www.lifetimetraining.com](http://www.lifetimetraining.com) there would seem to be an obvious area to address in terms of the profile of the brand. Certainly getting a brand name such as Lifetime Training established in the market has not proved to be easy.
- There are still structural issues in terms of the local labour market and skills issues. Thus 47% of survey respondents reported difficulties in recruiting staff in the last 12 months and 42% reported a skills gap. This suggests that there is significant demand for further support both in terms of employment initiatives be they in the areas of employer training pilots, the use of buddies/mentors

and more flexible working patterns or in providing more resources for training to acquire specific industry skills.

- We continue to find it difficult to find and implement a mechanism that allows us to track outputs such as referrals to provision from LTT. Provider returns have proved to be less than satisfactory in this regard.
- With increased human resource it would be desirable to introduce a greater range of Quality Assurance mechanisms such as LTT staff being able to observe delivery of training provision.

## SECTION 5: LESSONS LEARNT

Here we present the major conclusions arising from the evaluation with recommendations as appropriate.

1. The 'strategic fit' of the provision funded under ESF Workforce Development activities is consistent, and in some ways ahead of local policy initiatives.
2. Further consideration should be given to targeting support to specific sectors and business disciplines such as tourism and leisure and ICT skills, in order to support the sectoral emphasis within the Alliance for Skills and Productivity and the emerging Sector Skills Alliances.
3. There is a positive correlation between training needs analysis and subsequent training and development activity within beneficiary companies.
4. If resources permit, a training needs analysis should be offered to all companies receiving substantive support under Workforce Development in order that 'trainings' relationship with business aims can be embedded in as many firms as possible.
5. 74% of respondents attribute at least some of the subsequent changes in business fortunes to the support received.

**In some ways, this is the most powerful conclusion to emerge. It is a result from the employer survey that has been recorded when in many cases beneficiary businesses have received relatively short-term assistance, and so, given a longer time period when the effects of the interventions are more clear, we may reasonably expect an even more favourable result.**

- 6.. The ESF funded Workforce Development Activity should be retained! Other recommendations in this report do make suggestions regarding the modification of the component strands but the broad product offer should remain in place.
- 7.. An 'exit questionnaire' should be sent to all 'graduates' of the ESF funded Workforce Development support. This should merely ask the questions: "Do you require further support? If yes, in what areas?".
8. Some form of mechanism should be introduced whereby the needs of particular businesses can be discussed by BLNWL managers. We feel that this needs to go beyond the Linktrack approach and, if necessary, should involve 'case conferences' between Workforce Development managers and business advisors responsible for other BLNWL services.
9. Keeping [www.lifetimetraining.com](http://www.lifetimetraining.com) current is difficult and costly. Whilst alternative mechanisms of conveying information do not readily spring to mind, the cost in both money and staff time in adding substantive new material such as that relating to the Leadership and Management section, is not insignificant.
10. As stated in the previous section, but worth restating here, it is apparent that Lifetime Training has to be offered on the basis that it is part of a continuum of Workforce Development support offered by BLNWL and not as a separate project.
11. The good practice section also speaks of different variants of TNAs. BLNWL certainly have found that in terms of TNA provision "one size does not fit all". Thus a pan Lancashire management tier TNA has been introduced from January 2004. Additionally, a basic skills TNA company checklist has also been produced.

## SECTION 6: DISSEMINATION OF GOOD PRACTICE INCLUDING DETAILS OF DISSEMINATION MATERIALS PRODUCED

Dissemination of Good Practice within the Workforce Development activities supported by ESF funding is carried out via a number of mechanisms:

- Regular training provider meetings
- Shared findings from training needs analyses with Lifetime Training approved providers
- Articles written by BLNWL staff in publications such as "Zest"
- Material about Workforce Development case studies has been produced and will hopefully be published on the Investors in People yourpeoplemanager.com website.
- North West Regional Workforce Development Managers' meetings.

Annex 1 includes details of materials produced by BLNWL in respect of ESF funded activity.

Specific contents of Annex 1 are:

- Copy for the Chartered Management Initiative Newsletter
- "Mind the Skills Gap" article produced in conjunction with BT
- an article produced for "Zest" magazine
- Publicity produced in association with the Construction Industry Training Board

## **SECTION 7: DETAILS OF PUBLICITY UNDERTAKEN (ATTACH COPIES OF ANY ADVERTISING/PUBLICITY MATERIALS PRODUCED)**

Publicity for the project is produced via three main methods:

- Leaflets such as the one produced for the Training Needs Analysis service
- Via press releases and attendant publications such as the Business Link North and Western Lancashire 'Insight' magazine which includes a comprehensive listing of Lifetime training approved training provision
- Publicity via intermediaries and Business Link advisers to SMEs within their caseloads.

Annex 2 includes further details. Annex 1 is concerned with dissemination to a wider or targeted audience. Annex 2 includes more general press releases aimed at the local SME population including:

- Skills to Compete Publicity Literature
- Press Release for the Blackpool Gazette
- Three further press releases in respect of Lifetime Training and one for Skills to Compete.

## SECTION 8 : CASE STUDIES

There now follows two case studies showing the impact of ESF and BLNWL support on beneficiary businesses.

### Case Study 1: Flowers Direct

#### *Background*

Flowers Direct is a truly entrepreneurial business. In just a short time it has grown from a small corner shop called Talking Flowers to a leading light in the UK florist industry and an award winning e-commerce business with cutting edge technology at the core of the organisation.

It was Flowers Direct ambition to bring the florist industry into the modern world, some have said kicking and screaming! They did so after taking advantage of the collapse of the Dot Com boom, buying up the name and assets of one of the big folded names. They added to these assets by building and refitting their way into the premises that they currently hold in Lancaster. Key to the operation they also developed a call centre and sophisticated Internet technology allowing a network of florists access to personalised Internet based advertising.

Today the business brings orders in from all over the country. Using advertising space and Internet browser technology up to 55 000 people place orders through Flowers Direct. They are now building their own network of florists, supplying flowers to their own designs and specifications and competing with the big boys like Interflora, Flowergram and Teleflorist.

#### *Making the connection*

Business Link North and Western Lancashire has been involved in with Flowers Direct from the word go. The Managing Director and the General Manager both had previous experience of Business Link North and Western Lancashire and through Business Link North and Western Lancashire's advertising programmes knew where to call for help.

*...it's like having a big brother at the end of the phone...*

The support from Business Link North and Western Lancashire has been extensive. Grants have helped Flowers Direct build the company and the premises. Assistance has also allowed the company to develop their staff and to plan the skills that they need, not just to support the customer, but also to build on management and supervisory expertise within their own company. This has meant the introduction of training needs analyses through 'Skills to Compete', accessing human resource support, and assistance in planning the business case for new developments. Key here is the Lifetime Training website to access suitable training solutions. The business has now moved onto Investors in People (IiP) and is looking to ingrain training development into the very fabric of the business and the expectations of staff.

### *The inside view*

If you ask Flowers Direct if Business Link North and Western Lancashire and ESF support works, it has been fundamental. It has allowed the company to make training 'part of the business...' Training and development work followed on from the help they received to buy and build the businesses assets and tools of the trade. Staff with previously no experience of supervision became confident managers of people in the call centre, dealing with problems in mature and effective ways. It also means that they don't have to recruit in specialist skills for senior positions. They can move people into senior positions from within the company; with the added advantages that these people know the business, know the customers and staff. Human resource activity, particularly, in terms of staff recruitment and development has had a very positive impact upon the way the firm operates and the levels of personal satisfaction in staff themselves.

"It has allowed the company to make training  
*'part of the business...'*"

It has made the business strong in terms of teams and strong in their focus on the customer. Flowers Direct sees Business Link North and Western Lancashire as a big brother always there to ask questions of, with a wide range of experience and expertise to dip into.

### *Business Support: adding value?*

The senior staff had experience of working through Business Link North and Western Lancashire in the past. They did have some reservations about the service in the past, both in terms of the way they had experienced training needs analysis and their experience and knowledge of liP. In the past liP had been renown as an administrative monster. Training needs analysis had previously been described as training 'what do you fancy analysis' with little real impact on the business other than a drain on resources. This time the experience gave them tailored solutions to real business needs working back through the value chain from the product specification. liP too, this time has been simplified; just a few pieces of paper to complete making the paper trail much easier to follow and much less of drain on time. This is seen as a vast improvement and it is expected that this will draw in many new converts that may have previously been put off the product through it's reputation for bureaucracy.

'...working back through the value chain from the product specification.'

### *The way forward*

The team at Flowers Direct have been very impressed with the service that comes through Business Link North and Western Lancashire. It is very rounded, with a great breadth of services, and very smooth transition between them. It has improved on some of the problem areas that had been identified over the years. Business support does reflect the needs of businesses and where clients have problems with the service, it is clear that business support organisations do listen and do act on customer feedback. As far as Flowers Direct are concerned, the service appears to have gone from strength to strength. The message appears to be: more of the same please, onwards and upwards.

# Case Study: Texicare

## Background

Texicare Ltd, independent work wear rental specialists based in Lancaster, are now industry leaders in the North West having undergone a major shake-up two years ago. Started in 1983 the company had grown considerably by 2001 and during which time customers had become increasingly demanding and cost sensitive. One of the founders, Nigel Armstrong, decided at this time that the company needed to regain focus and with the help of Business Link North and Western Lancashire he began the company on a major restructuring programme.



The restructure started with a management reshuffle, and continued with the selling off of two non-core business elements. The resultant smaller, leaner company allowed Nigel to reinvest capital and time into the core element of the business, work wear rental, and the staff consultation and work with Business Link North and Western Lancashire was a key element. Following on from this Nigel decided the company should work towards gaining Investors in People status, and set about implementing a process of staff appraisals, benchmarking and training.

## HR Issues

Before this turn-around there were no formal staff reviews, no effective method of monitoring, and little training. The result was that staff could feel undervalued and ignored as Margaret Dudek, HR manager for Texicare explained:

“In the past we failed to tell staff how they’ve performed; if they’ve done something wrong they’d know about it, but people tended to forget to tell people when they did a good job. That’s all changed now.”



Business Link North and Western Lancashire helped Margaret conduct the company’s first set of staff performance reviews. This coupled with ‘Skills to Compete’ allowed training needs to be identified. Training was then sourced using Lifetime Training, which was then partly funded through the European Social Fund training grant assistance. The scope of the training was both broad and varied and was delivered using an array of methods and locations to suit the company. Most of the staff were included in the training, as the reviews highlighted opportunities for development throughout the company, one example being the company’s drivers:

*“They’re always at the other end of the phone... one call and they sort it.”*

“After the assessment process we realised they were our main point of contact with clients so we set about not only training them in how to treat customers appropriately, but also how to resolve problems, or answer queries on the spot.”

## Impact

The training has been very well received by staff and customers alike, as has another outcome of the review process, the establishment of key performance indicators for many of the staff. After a benchmarking process was undertaken, clear and obtainable targets were set with performance being monitored regularly. Margaret feels that the introduction of targets and monitoring have helped staff understand what is expected from them, whilst also

*“The difference in staff attitudes since the work has been phenomenal –*

*and a lot of it is because people are now more conscious of their objectives and their achievements.”*

helping to ensure management always recognise and commend good work within the company.

*“Its amazing how far we’ve come.”*

Business Link North and Western Lancashire have a long relationship with Texicare, having provided the company with capital for building projects in the past; but this relationship stepped up a gear when they decided to move towards Investors in People.

Business Link North and Western Lancashire have since helped coordinate, support, and in some cases fund, the changes, and not only providing strategic support for the changes as Margaret explains:

“They’re always at the other end of the phone if I’m ever concerned about anything. If I ever need a template for a form or document, or need a bit of information, one call and they sort it.”

### **Only the first step**

Business Link North and Western Lancashire will continue to support the company as this process of training and development continues, and the company’s goal of being awarded Investors in People status gets closer. All this has taken a lot of time and effort from those within the company, and the progress made has even taken some by surprise:

“Originally I was dubious of liP [Investors in People] as we were so far way from reaching it; but now, 18 months later, Business Link North and Western Lancashire are about to do a trial liP audit, ready for the real thing. Its amazing how far we’ve come.”

But the work doesn’t end there, once they have gained Investors in People status the processes of monitoring, appraising and training will remain, as will Business Link North and Western Lancashire’s Support.



## SECTION 9: VIEWS OF CUSTOMERS AND/OR PARTNERS

We now turn to the views of the beneficiary businesses. To obtain these views, a telephone survey of 161 businesses was carried out. The survey was carried out between 18<sup>th</sup> December 2003 and 16 January 2004.

**Table 7 : Composition of Businesses by Type of Service Received**

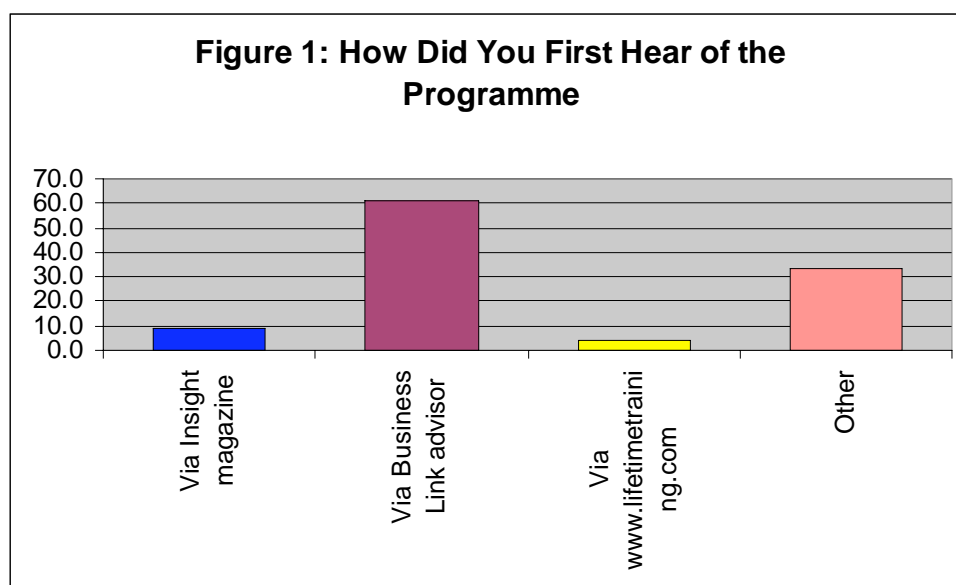
Element	Frequency	Percent
Lifetimetraining.com		
a) Brokerage	60	26.55
b) Customised Training	16	7.08
Human Resources Advice	47	20.80
Training Needs Analysis	57	25.22
Training Grant	46	20.35

In total, 161 businesses were contacted, with the above figures reflecting the fact that a number of businesses have received support under more than one of the elements of support on offer.

The questionnaire used to survey the businesses is included as Annex 3. The findings of the survey are summarised below.

### PROGRAMME IMPRESSIONS

In assessing the views of project beneficiaries, it is always instructive to ascertain how companies first heard about the support in question. Three options were presented to respondents, but a large proportion found out about the programmes by other means. Eleven respondents selected two answers thus giving a total of more than 100% in the following chart.



It is disappointing to note that only 4% of beneficiary businesses found out about the programme via [www.lifetimetraining.com](http://www.lifetimetraining.com). It should, however, be borne in mind that 15% of businesses surveyed between January-March 2003 cited the website as their source of information.

It is worth making the point that there are many issues that could affect the relatively low recognition of the website as a brokerage mechanism. Culturally, SME owner-managers may well rely more on personal recommendation and contacts for information rather than have time to browse websites. It may also be that the survey respondent went on to receive substantive assistance under the package of support but was not responsible for finding out details about the support initially.

Site positioning may be a further issue with a rudimentary search engine test on our part revealing that lifetime training does not appear on the first three pages of any of the major search engines.

Nonetheless, a much greater number of businesses learned of the projects via 'other' routes (34%).

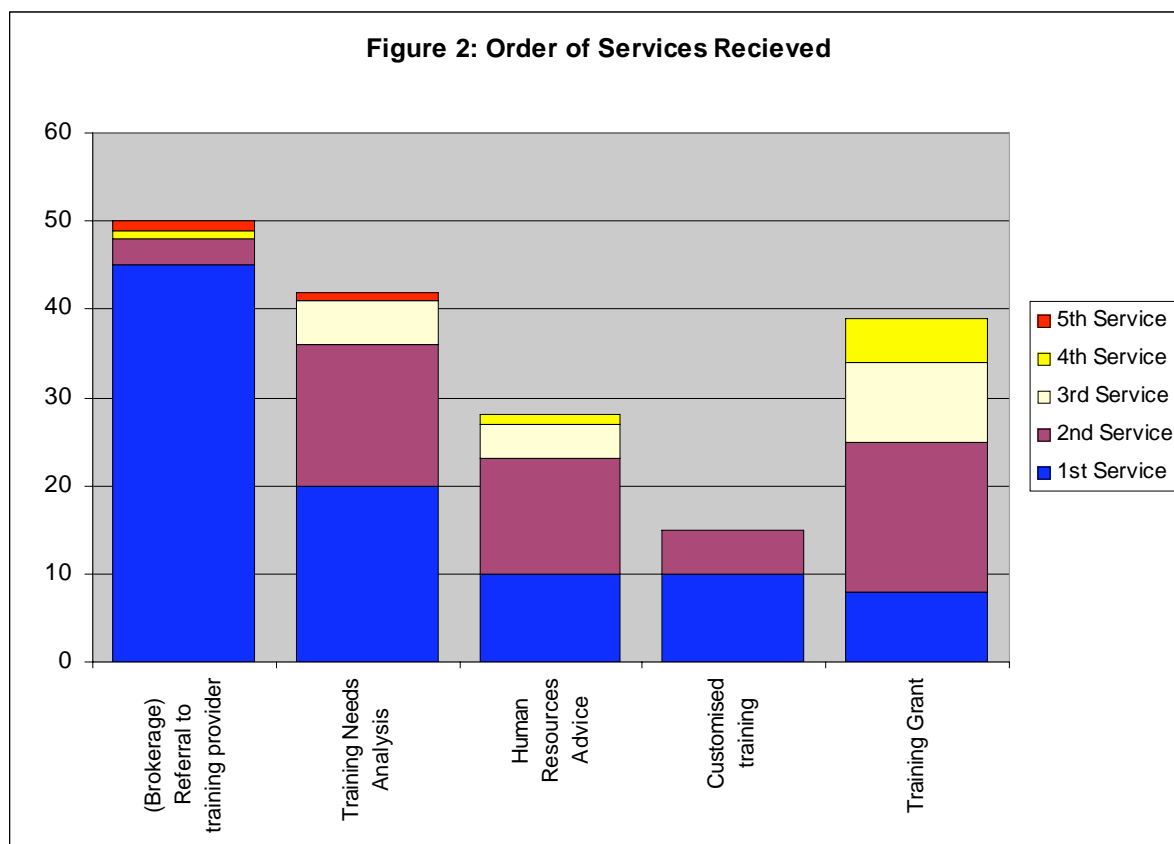
Table 8 shows the most popular 'other' routes to entering the LID-funded Workforce Development Programmes.

**Table 8 : In What Other Ways Did You Hear of the Programme?**

Source	Number of Responses
Business Link	3
Personal contacts	13
Word of mouth	4
A College	5
Investors in People	5
Advertisements by post/internet/radio	5
Don't know / Not stated	15
Other	4

In order to show the absolute scale of these other 'routes' by which people accessed the programme, we have shown 'actual' figures here as opposed to percentages. The fact that 17 beneficiary businesses were attracted to the programme via personal contacts and word of mouth shows an encouragingly high degree of recommendations for such as immature range of services. Colleges, Investors in People, and adverts also seem to be having an impact.

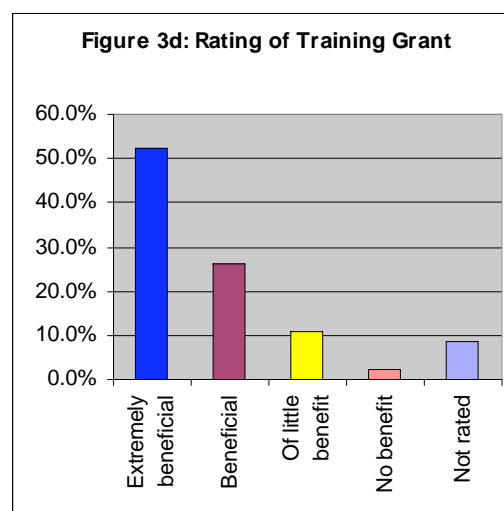
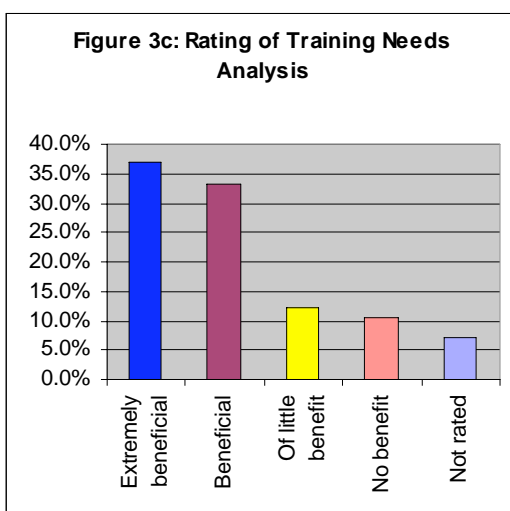
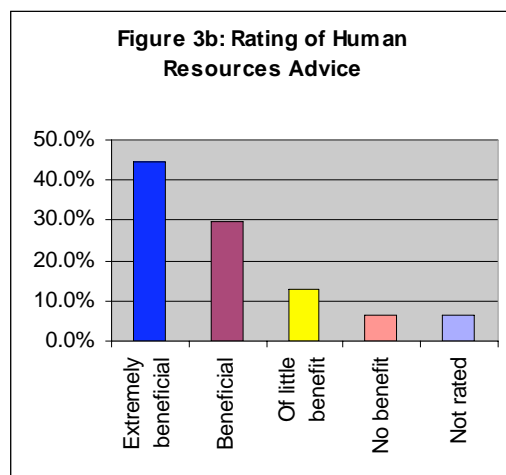
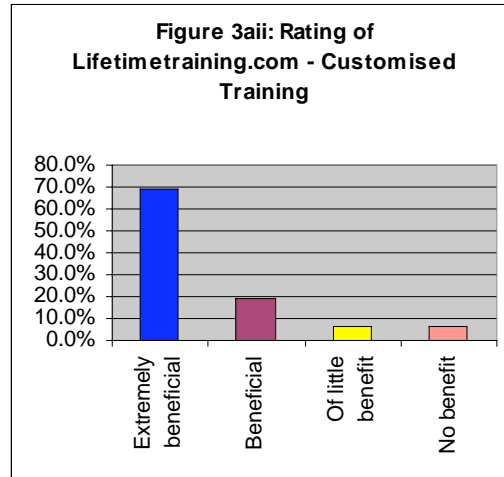
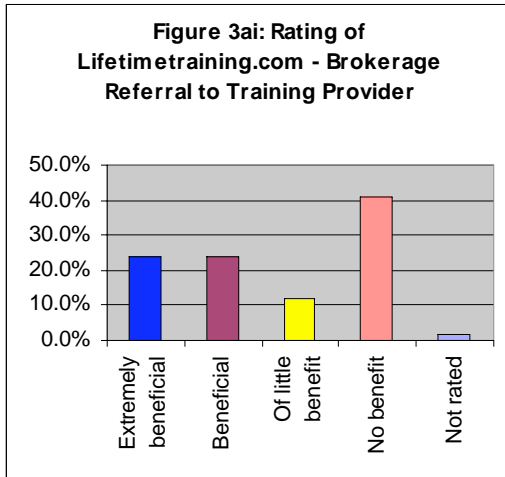
The business survey also asked businesses the order in which they received services.



The information suggests that all of the services were accessed as a first service by some of the businesses. However, those businesses that received brokerage or customised training were more likely to receive it as a first service, whereas, Training Needs Analysis, human resources advice or

training grant assistance were more likely to have been subsequent services; suggesting successful referral / progression. Similarly those businesses receiving the training grant were more likely to do so after having received two or three of the other services.

We asked, in terms of overall impressions, what people thought of the programme as a whole. The ratings for each of the four elements are provided in figures 3a to 3d.



It is gratifying to note that for all 4 elements of programme support, an overriding majority of respondents felt that the service had been extremely beneficial or beneficial. Only the brokerage referral to training providers under [www.lifetimetraining.com](http://www.lifetimetraining.com) was considered by the majority of recipients to be of no benefit.

Our own thoughts for the possible reasons for the poor level of satisfaction with Lifetime Training (brokerage) is that the intervention is at the front-end, is short in duration and will not by itself influence the operation of the individual SME and so respondents do not necessarily place a great deal of importance to it.

Continuing our investigation into overall 'Programme Impressions', we were interested to know to what extent the programme was likely to influence future behaviour and specifically attitudes to training and development activities within the company. This was gauged by addressing the following questions to companies in receipt of advice under 'training needs analysis'.

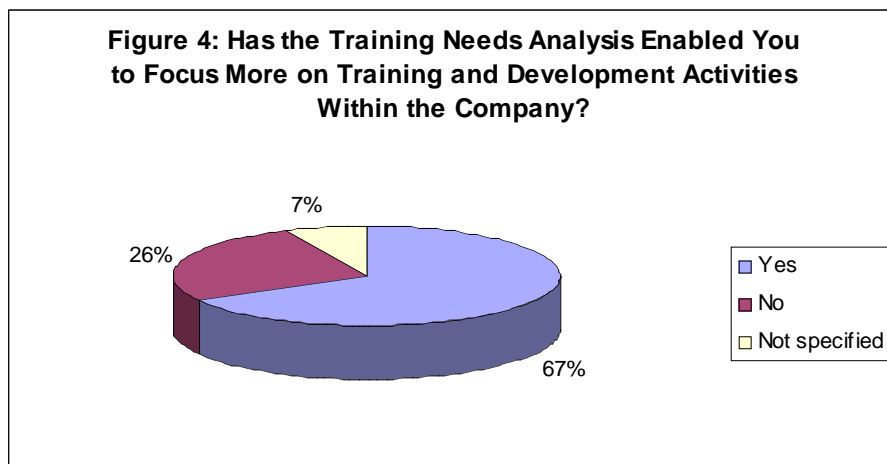
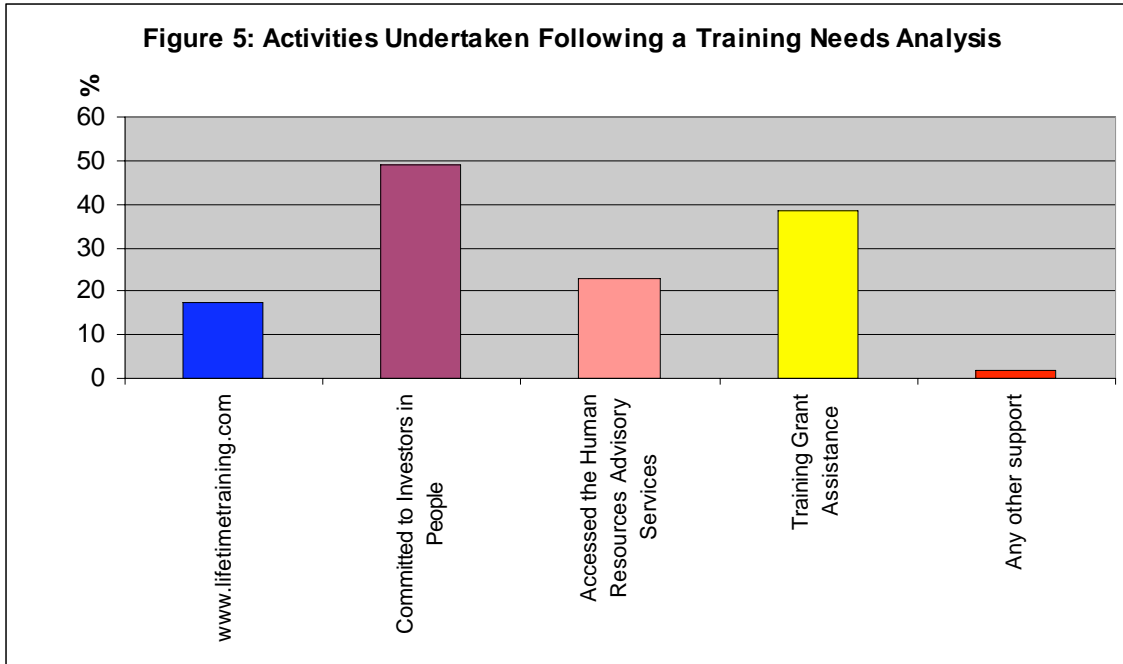


Figure 4 shows that the majority of businesses 67% did see a more focused approach to training and development emerge. Those who answered 'Yes' cited the following examples of how this greater focus had been brought about:

- 47% stated that it helped them to focus training on specific areas of need;
- 24% stated that it increased their awareness of training needs / opportunities;
- 8% stated that they developed a training plan;
- 8% stated that employee training and efficiency had improved; and
- The remaining 13% did not state any examples.

In a similar vein, 57.9% of respondents stated that the training needs analysis had enabled them to relate training needs more closely to business aims. When asked 'how' this relationship manifested itself, the largest number of respondents replied 'identified priority areas for action'.

As the Training Needs Analysis was targeted at non-Investors in People companies, with 5-49 employees, specifically to lead them into the Small Firms Initiative, it is also important to evaluate progression. The survey asked businesses what activities they had undertaken since receiving a Trainings Needs Analysis. These findings are shown in figure 5.



The findings indicate that the Training Needs Analysis was very successful in leading firms onto Investors in People.. Over one third of businesses also received a training grant and just over one fifth of companies accessed the Human Resources Advisory Service.

It is important to gauge the overall effectiveness of the support received in terms of impact upon the business fortunes of those surveyed.

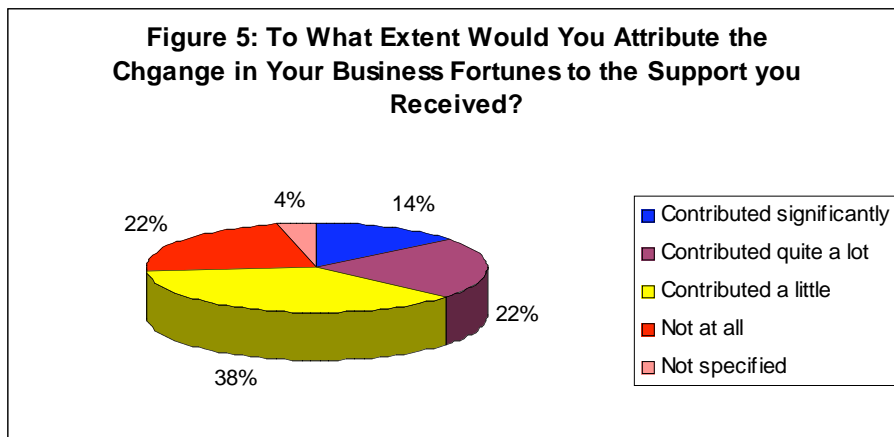


Figure 5 shows that 74% of respondents attributed at least some of the subsequent changes in business fortunes to the support received. This area of work was analysed by way of asking respondents to comment on the changes within their business according to the five broad categories reflected by the DTI/Business Link Impact Indicators. These are:

- Employment
- Turnover
- Exports
- Profits
- Assets

Given that the various project interventions in some cases are still continuing, we might expect a somewhat limited number of respondents to report any significant changes in their business. In terms

of the five dimensions that are being considered, the percentages reporting either positive or negative changes are as follows:

**Table 9 : Respondents reporting changes in their business fortune**

	<b>Increase</b>	<b>Decrease</b>
Employment	21.8%	1.4%
Turnover	19.7%	0.7%
Exports	2%	0.7%
Profits	17.7%	0.7%
Assets	12.9%	0.0%

Table 9 shows, as one might expect, that a minority of respondents experienced changes in business fortunes in the relatively short timescale since support was received. Nonetheless, those reporting 'increases' far outweigh those reporting 'decreases'.

In terms of scale of change, the following percentages of total respondents reported increases in the five dimensions of greater than 20%.

**Table 10: Respondents Reporting Changes in Their Business Fortune Quantified as More Than 20%**

	<b>Increase</b>	<b>Decrease</b>
Employment	5.4%	0%
Turnover	8.8%	0%
Exports	1.4%	0%
Profits	4.1%	0%
Assets	3.4%	0%

As one would expect, the numbers here are relatively modest. However it is pleasing to note that while the businesses noted increases of more than 20% within the relevant fields not one business noted a decrease of more than 20%.

We also asked the businesses if there were any ways in which the programme could be improved.

- Of the businesses, which had received support, 5% believed it was too early for them to consider improvements.
- Positive comments were provided by 24% and stated how useful they found the programme. Comments included:
  - "a good all round service with friendly staff. We particularly appreciate the HR advice"
  - "the programme has benefited not just myself and all the staff, but also the business. It is peace of mind knowing there is someone there to help you when you need them on any aspect" (of business)
- Suggestions were made by 12% of respondents, these included: 'provide more support', 'more specific courses', 'market the website more aggressively', 'improve the clarity of what is available and how you can get it', and 'provide ongoing and regular support'.

#### **b. Workforce Development Characteristics and Skills Issues**

In this part of the survey, we asked respondents about the type of organisation that they represent in terms of numbers of employees.

**Table 11 : Number of employees**

<b>Employees</b>	<b>%</b>
2 or less	5
3-5	32
6-10	33
11-20	33
21-30	17
30+	41

Other questions relate to issues such as workforce composition (full/part-time, gender, etc) and recruitment issues. Notable findings here include:

- 47% of respondents have had difficulties recruiting staff in the last 12 months;
- 75% of these difficulties related to a shortage of people with appropriate skills;
- the three types of people cited most as being in short supply were technical skilled (15.5%) skilled manual workers (10.6%) and managerial staff(8.7%).

Addressing the shortages of these key people was another area of investigation. Many businesses (74) offered insights into how they are looking to address these problems. Many responses given were in the area of providing training to enable existing employees to improve skills. Thus "provide in-house training" or variants of this comment was cited by no fewer than 21 respondents. Alternative approaches were based around finding training solutions externally. There was very little said about non training based solutions to alleviating shortages of skilled people such as advertising for people from further afield.

In terms of 'skills' issues, one of the starkest questions asked produced one of the starkest responses. When asked is there a skills gap in your company? 41.6% stated that there is a gap between the skills of current employees and the skills needed to meet their firm's objectives.

Thus, almost half of the survey cohort reported a skills gap within their companies. To us, this indicates a major opportunity for Business Link North & Western Lancashire to provide further support. The Human Resources Advice strand, for instance, includes the scope for advice on elements such as recruitment processes and producing training and development plans.

The skills which the businesses need in order to develop, stated by the businesses themselves, included:

- Advanced IT or software skills (16.1%)
- Management Skills (11.8%)
- Technical and practical skills (11.2%)
- Specific Manual Skills (9.3%)

These four skills were amongst the most frequently cited areas in which businesses have a current deficiency in skills amongst their personnel. It is interesting to note that when asked to specify other skills requirements there was no consensus whatsoever amongst the employers. However, there was an emphasis on industry specific skills such as health & safety courses in areas such as first aid and food hygiene. Other examples of specific skills requirements include 3D animation and welding. There was a distinct lack of respondents who mentioned "soft skills" requirements with one interviewee citing Time Management as a requirement and another person mentioning "personal skills".

Given that there is an obvious recognition of problems within companies, we were particularly interested in what plans they may have to alleviate these difficulties. Encouragingly 48% of these businesses already have a specific training plan. The remit of the survey did not include any analysis of the contents of these plans. Quite clearly, it would represent a missed opportunity if the plans do not include a constituent concerned with addressing skills gaps within their workforce. The amount of annual budget devoted to training was specified by 34 respondents. Twenty of the businesses in question have annual training budgets of £10,000 or less.

An overwhelming 87.6% of businesses stated that they would allow employees time off for the purpose of skills acquisition.

## **SECTION 10 : COMPARISON OF HOW THE PROJECT DEALT WITH INFORMATION COMMUNICATION TECHNOLOGIES, EQUAL OPPORTUNITIES AND SUSTAINABILITY**

In this section, we comment upon how the project has addressed the three "cross-cutting" themes of information communication technologies, equal opportunities and sustainability.

### **a) INFORMATION COMMUNICATION TECHNOLOGIES**

Extracts from our ESF bid that stated how ICT resources would be used and how this would benefit clients follow:

*"Each Adviser is equipped with internet capable laptops and are able to promote the use of ICT with SMEs, using their own work as examples of the benefits to SMEs"*

*"In accessing information for clients the advisers will be able to present real Life examples of how the increased range of ICT usage within a company can produce immediate benefits. The advisers will communicate via email whenever possible in order to improve speed and efficiency of service, whilst also providing a secure environment for the SME" .*

*"In essence the benefits will be the speed and accuracy of accessing information from a variety of sites, some of which are mentioned above, to obtain specific information for SMEs. They will also be able to introduce SMEs to the nearest Centre of Excellence that are based in FE and HE institutions across the target area. These have facilities to provide demonstrations and expert guidance on the use and benefits of ICT hardware and software"*

With the benefit of hindsight it is striking how limited our ambition was in terms of the role ICT would play in the project. Utilising [www.lifetimelearning.com](http://www.lifetimelearning.com) as a gateway to other services within this project and indeed, to training opportunities delivered by providers across the county, has made the use of ICT imperative to the success of the project. In effect the benefits of ICT have been directly attributable to the beneficiaries rather than a means of information exchange between advisers and beneficiary businesses.

This project has contributed towards the region's ICT strategy to enable SMEs who are registered users of [www.lifetimelearning.com](http://www.lifetimelearning.com):

- To become ICT users as the beneficiaries of the improved efficiencies in sourcing and taking up workforce development opportunities
- To have access to high quality ICT content
- To become more aware of and identify opportunities for the use of ICT.

Project partners themselves have maximised the use of ICT for effective communication, data collection and information dissemination and continue to use ICT to reach the widest possible audience.

### **b) EQUAL OPPORTUNITIES**

Extracts from our ESF co-financing bid that relate to how equal opportunities would be addressed follow:

*"The overall strategy of the project is to promote inclusion of all groups encompassing male, female, disabled, ethnic minorities as well as discouraged workers. Business Link staff and sub-contractors will be required to embrace not only the "spirit" of equal opportunities and social inclusion, but also adhere to legislation in all aspects of workforce development activities"*

*"All promotional and publicity materials will re-enforce positive images of success through working with disadvantaged groups. Examples of good practice in equal opportunities and social inclusion will also be disseminated to employers participating on the project (e.g. circulation of case studies)"*

*"The project will also take specific actions to ensure equal opportunities is maintained and continually improved and will include:-*

- *Advisers to continue in appropriate equal opportunities development work across the region*
- *Ensuring appropriate support is available to overcome barriers to access and success for all*
- *Promote family friendly and work/life balance policies and practices*
- *Offered SMEs access to equal opportunities awareness events and employment law advice/support sessions"*

In the event, the project partners sought to address the employment trends for women in business and these issues were positively addressed with SMEs during the life of the project by:

- encouraging companies to adopt Equal Opportunities policies within Human Resources policies
- encouraging our providers to offer training at convenient times in convenient locations for women to participate fully

Equal Opportunities and Social Inclusion were further addressed as a matter of Human Resources Best Practice, with businesses being supported to embed these practices into their day-to-day activity, as well as within policy or mission statements.. Some of these practices include positive steps to reduce the disparity between male and female skill sets, leading to equality within occupations and income levels. The project helps to actively promote a breakdown in labour market segmentation and gender-role stereotyping.

These same measures also apply to ethnicity and disability considerations in order for them to contribute to the continual growth of the Lancashire economy.

On a corporate level, equal opportunities is also a key element in the induction of all BLNWL project staff.

### **c) SUSTAINABILITY**

Sustainability, within an ESF co-financing context has a number of meanings, including environmental sustainability and economic sustainability and we address both of these matters here. With regards to sustainability of the project itself we comment upon this aspect in Section 11.

Extracts from the co-financing bid related to Environmental Sustainability include:

*"SBS are fully committed to achieving sustainable development objectives as described in the NWDA's Action for Sustainability and national policies. Within this project this will be demonstrated by observance/action in line with policies on sustainable development"-*

*"The project will also support and encourage environmental best practice in SMEs as part of the aftercare service offered to SMEs post training by the PBA's in the Small Business Service. SMEs will be able to access support via the BEA's SRB/ERDF project operating across the County to undertake environmental health checks and audits"*

Whilst these aspirations have been adhered to it is also worth reiterating that all project partners conform to UK & EU legislation requirements with regard to protecting the environment and undertake to minimise waste and energy use as best practice and have individual environmental policies.

The SMEs in the project are encouraged to focus on sustainable development by reviewing current practices within [www.lifetimetraining.com](http://www.lifetimetraining.com) brokered training such as CIEH Environmental Awareness Courses and IEMA qualifications. Where appropriate SMEs will be linked to the NWDA Environmental Cluster Group and Sustainability NW.

In terms of economic sustainability the original bid included the following references to this area:

*"This project aims to assist economic growth and employment by creating sustainable organisations and encouraging individuals and their employers to educate, training and skill their workforce. The project will lead to improved skills levels and qualifications, improved transfer of skills and knowledge into the workplace, improved levels of service due to better skilled employees and business growth due to improved knowledge"*

*"The project has also been benchmarked against the NWDA's Action for Sustainability key objectives which this project will address namely:-*

- To ensure all people in the North West have the opportunity to learn through Life*
- To enable the region's world class performance to be achieved by developing skills and competence in its workforces*
- To promote employer's investment in people through training and development"*

Throughout the duration of the programme and across all activities we have adhered to these guiding principles and believe that the interventions we have managed have indeed aided the economic sustainability of the North West.

## **SECTION 11 : SUSTAINABILITY OF THE PROJECT'S ACTIVITIES (EXIT STRATEGY/MAINSTREAMING)**

The exit strategy included in our ESF bid is reproduced here:

*"Elements of this project should enable businesses to continue Lifelong learning and workforce development activities at a minimal cost. For example the re-introduction of the keyworker scheme will provide businesses with a qualified and dedicated member of staff responsible for HR and workforce development issues. In addition part of the remit for creating a Lifelong learning culture is to embed the philosophy of learning pays learning works into businesses, encouraging them to budget and plan for anticipated skills development, thus reducing the call on competitive funding streams. It is also envisaged that Lifetime Training will become a self-financing venture. In addition alternative funding streams will be explored to continue to co-finance some of the project's activities. Possible income streams include: Challenge Fund (via local partnerships), NWDA funding (e.g. ERDF Priority 1) and/or ERDF Priority 1 – Lancashire West's Local Action Plan"*

As we near the end of the current project, as one might expect not all of these anticipated events have come to pass. We have not received funding from the sources mentioned in the original exit strategy but have received support from the LID fund as well as using our own resources and match funding from the private sector.

In terms of sustaining the project's activities as distinct from funding them, the advent and establishment of the [www.lifetimetraining.com](http://www.lifetimetraining.com) website will continue to act as a brokerage point for businesses in the area to be able to source all their workforce development and training needs from one place. Future funding opportunities will be sought to maintain and further enhance the service. Regardless of the future of the other activities within the "Engaging Employers in Workforce Development" project, Lifetime Training will continue to act as a conduit for support offered by over 80 training providers.

Beyond the life of ESF funding we anticipate that:

- LTT will continue, and on a pan-Lancashire basis until July 2004, funded from LID
- Human Resources Advice will continue 2004/05 with funding sourced from a combination of BLNWL surpluses and core funding.
- Skills to Compete (Training Needs Analysis). Additional ESF funding has been secured for this activity as well as extra support to enable the service to be offered to employers with more than 250 staff and voluntary organisations.

We do not anticipate offering grant provision on an ongoing basis as we believe that the grants given to date have performed their intended function of embedding a culture that is receptive to workforce development activities.

## **SECTION 12 : DETAILS OF TOOLS TO EVALUATE THE IMPACT OF THE PROJECT**

This evaluation has been conducted by WM Enterprise Consultants and Lancaster University, under contract to Business Link North and Western Lancashire. The following sections summarise the methodology adopted in producing this report.

### ***Stage One - Inception Meeting***

A detailed discussion took place between BLNWL, Lancaster University and WM Enterprise Consultants in order to

- Agree the methodology for the evaluation.
- Discuss the programmes in detail
- Agree the methodology for the survey of companies which have participated in the programmes.  
Agree how case studies will be produced.
- Agree a timetable for the work and a reporting framework.

### ***Stage Two - Desk Research***

In order that the context in which the services have been carried out is fully understood and to ensure that the requirements of the evaluation are clear a limited amount of desk research was undertaken:

- Familiarising ourselves with the particular requirements of the funders regarding evaluation report formats, especially in respect of ESF.
- A review of the 2003/04 programme delivery plans, with a particular emphasis on changes made to the programmes since our previous evaluation.
- Updating ourselves with any key recent developments in the "policy arena" such as regional work on workforce development targets, relevant sectoral profiles and 2003/04 Business Plans for both the LSC and Business Link..

### ***Stage Three – Company Beneficiary Survey***

The next step was to carry out a survey of beneficiary companies. A detailed questionnaire was developed (see Appendix A) for discussion and agreement with BLNWL. The survey was executed by telephone and was concluded on 16<sup>th</sup> January 2004

### ***Stage Four - Production of Case Studies***

In order that real life examples are included and that the report goes beyond a list of outputs achieved two case studies were included following identification of and interviews with leading exponents and advocates of the support offered.

### ***Stage Five - Production of Evaluation and Impact Reports***

We note that both the LIDF and ESF funders require separate reports.

The core contents of both reports are similar in that the "Project Evaluation Guidelines" set down by both funders ask for the same areas to be reported upon. This report adheres to the guidelines set down.

## SECTION 13 : FIT WITH LOCAL INITIATIVES

In this context, the term 'local' refers to Lancashire or smaller geographical areas. There are three reference points provided by Lancashire publications which have been produced during the duration of the Engaging Employers in Workforce Development project. These provide a framework by which we can comment on the strategic fit of our programmes at this present moment in time.

The first of these is the 'Skills Strategy' produced as part of the Lancashire LSC corporate plan. This quotes a number of objectives:

- Raising demand by employers to skilled people, to increase their skills investment and improve their Workforce Development strategy.
- Developing and sustaining sectoral and geographic networks.
- Working with partners to promote the business case for equality and diversity within our local workforce.
- Building greater flexibility for employers in accessing Lancashire's learning providers.
- Developing the management and leadership skills of managers, including those in small firms.

Workforce Development activities carried out by Business Link, North and Western Lancashire are able to contribute to most of these very explicitly. Whilst within this project we have not made particular efforts to promote the projects geographically/sectorally, with Business Link employing Sector Champions, this is a direction we shall look to move in the future.

Increasing engagement of employers in Workforce Development is an explicit theme within the Skills Strategy. In terms of employer engagement, mechanisms are suggested as follows:

- Enhance services to SMEs by clarifying the respective roles through ... particularly Business Links.
- Work with partners to ensure that the use of ICT is inherent in all relevant learning.
- Develop the management and leadership skills of managers, including those in small firms.
- Support the development of better brokerage arrangements between partners, to reduce the number of agencies contacting employers.
- Work with Small Business Service to encourage better human resource planning within Lancashire businesses.

Once again, the ESF-funded Workforce Development activities do appear to accord with the aims. Human resources advice and [www.lifetimetraining.com](http://www.lifetimetraining.com) represent specific attempts to address the latter two issues raised above.

The second document is the Learning and Skills Council Lancashire Local Annual Plan 2003-04. This is the second annual business plan and the first to report on progress to date against the three-year local strategic plan.

There are eight key objectives for LSC Lancashire outlined in the document. The most relevant for our project is Objective 5, to 'Increase the engagement of employers in workforce development'.

The Strategic Objectives under this Objective include:

- raising the demand for skills and the workforce development capacity;
- Develop sectoral and geographical networks;
- promoting the business case for equality and diversity in the workplace;
- Building greater flexibility for employers accessing learning provision;
- Develop management skills.

This document also outlines what it will do in 2003-04. For Key Objective 5 the LSC intend to increase employer engagement through partnership. They aim to do this through several objectives, the most striking of which is:

- Expanding the brokerage service with Business Link, which brings together the supplier base to make it easier for employers to access the training they need.

The LSC obviously believes in the value of [www.lifetimetraining.com](http://www.lifetimetraining.com).

The document also states that LSC Lancashire is working with local partners to review the FRESA's opportunities and priorities. A FRESA steering group is also working to improve the sharing, usage and policy impact of labour market intelligence and research.

Key to implementing the North West and Lancashire FRESA is the 2 year "Alliance for Skills and Productivity" pilot to be run by North West RDA, North West LSC and Small Business Service, which draws together the adult skills and business support agendas. One of its primary objectives is to implement the North West FRESA.

The document also outlines the Centres of Vocational Excellence within Lancashire, which match the key sectors and forthcoming major economic development projects. The following five covers are part of the [www.lifetimetraining.com](http://www.lifetimetraining.com) provider network:

**Table 14: COVEs in North and Western Lancashire**

Institution	COVE
Accrington & Rossendale College	Construction
Lancaster and Morecombe College	Hospitality and Catering
Preston College	Retail and Distribution Trades
Runshaw College	IT for Business Educators/Management
Training 2000	Manufacturing Engineering

The third Lancashire context provided is the Business Link North and Western Lancashire Delivery Plan 2003/04. Background to this document is provided by the 2002/05 business plan. This document shows that Workforce Development is immediately recognisable as being comparatively high profile when it is considered that Business Link North and Western Lancashire leads the North West Business Link Workforce Development Network.

In terms of the delivery plan, a major theme of 2003/04 provision is concerned with "Improving Management Capabilities and Skills in SMEs". It is stated that "Workforce Development is a major factor in restricting growth amongst local businesses" A series of actions are then proposed to deliver this theme and address this issue. The actions include:

- Targeting SMEs on a sectoral basis to develop Workforce Development Plans
- Making referrals to training providers via [www.lifetimetraining.com](http://www.lifetimetraining.com)
- Delivering first-class HR support through HR advisers and a CD Rom.

Thus, specific strands of provision supported by ESF in 2002/04 form major components of the delivery plan in 2003/04.

"Fit with Local Initiatives" also refers to other locally managed and delivered projects. To this end we have been involved with several other projects and made broader linkages with other organisations as a result of our ESF funding being in place. These include:

- Co-ordination of the Management Development Provider Forum
- The regional Digital Development Agency project which has mapped ICT activity including Lifetime Training
- Links made with the Centre for Construction and Innovation at Salford University in conjunction with the CITB. This linkage has been made in respect of the European Computer Driving Licence for construction.
- Lancaster University "Women into Management project"

## SECTION 14 : DELIVERY OF CAPACITY BUILDING INITIATIVES

This section looks at the extent to which capacity building initiatives have been delivered as part of the ESF programme.

Capacity Building is concerned with developing the skills of people and organisations, enabling them to improve the quality and efficiency within their work and help them to meet their overall goals. When looking at capacity building within the ESF programme it is important to note that there are two areas where capacity building is important:

1. Capacity Building within the provider base; to ensure that they have the right skills to assist businesses.
2. Capacity building within individual businesses; to enable them to achieve long-term benefits from an intervention.

In terms of the provider base, capacity building involves any action, which improves the quality and efficiency of the services they provide. The ESF programme holds regular meetings with over 80 providers who are all part of the Lifetime Training brand, they share best practice and provide brokerage, becoming a one stop shop for businesses who wish to access training. We can say, therefore, that capacity building has definitely taken place, and will continue to take place, within the provider base.

In terms of individual businesses, capacity building involves any aspect of delivery, which has enabled the recipient businesses to increase their workforce development skills.

Indications of capacity building delivery can be found from the business survey results, section 9.

- The results show that 51% of businesses surveyed stated that the services they had received from Business Link had enabled them to plan training and skills development more efficiently. Indicates that businesses had been provided with the skills to plan training and development.
- Companies were also asked what action they had taken to overcome shortages of skilled people within their business. Responses such as 'the Training Needs Analysis showed us what needed to happen in the business', and 'we set up a website with Business Link', also indicate that some capacity building had taken place through the programme.
- Another indication is that 67% of the businesses surveyed reported that the services they received enabled a more focused approach to training and development. Their comments stated that this had taken place by enabling them to focus on the areas of need, increasing their awareness of training needs, enabling them to develop a training plan, and improve employee training and efficiency. This indicates that the training had increased their capacity to deal with workforce development issues.

In summary it is clear that capacity building initiatives have taken place both within the provider base and individual businesses.

## SECTION 15 : MEASUREMENT OF SOFT OUTCOMES

When evaluating the ESF programme it is also important to identify any soft outcomes. Soft outcomes have been defined as:

"Outcomes from training, support or guidance interventions, which unlike hard outcomes, such as qualifications and jobs, cannot be measured directly or tangibly."<sup>1</sup>

These may involve achievements relating to:

- Interpersonal skills, such as social skills;
- Analytical skills, such as judgement or problem solving;
- Organisational skills; and
- Personal skills, such as motivation and confidence.

Soft indicators are the means by which we can measure whether the soft outcomes have been achieved. For example, indicators such as improved attendance and improved time keeping can suggest strongly that an individual's motivation has increased.

Measuring soft outcomes is important because it improves the process of working with beneficiaries, provides a context for beneficiaries needs, and a truer picture of successes. For the ESF programme they can provide a clearer picture of the training requirements of a business, a more accurate picture of the success of an intervention, and other unexpected positive or negative results that would not have occurred without the intervention.

In our evaluation a questionnaire was used to provide an in depth reflection after interventions, see section 9. The results from this survey show that 41.6% of businesses surveyed stated they had a gap between the skills of current employees and the skills needed to meet their firm's objectives. Those skills that were required included 'soft skills' such as time management skills, commitment, drive and ambition, suggesting the importance of soft outcomes to the businesses. After the programme 21.8% of respondents reported an increase in the employment fortunes of their business. This suggests that these soft outcomes had been achieved.

Due to the importance of soft outcomes to both businesses and to providers, in giving a more accurate assessment of success, we would recommend measurement of these outcomes. Appropriate methods of measuring soft outcomes of the programme could include action plans and goal setting for the businesses, along with reviews between the businesses and providers where soft outcomes could be recorded.

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<sup>1</sup> 'Guide to Measuring Soft Outcomes and Distance Travelled' The Institute for Employment Studies.

**SECTION 16 : ADDITIONAL INFORMATION**

**SIGNATURE:** .....

**DATE:** .....