

Employer Responsive Model –Ineligible Train to Gain Learners and inappropriate provider behaviour

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LSC office National Office

Publication intent External

Audience

- 1 Any LSC funded training provider delivering Train to Gain provision through the Employer Responsive Model
- 2 All LSC staff especially in Partnership and Regional teams, Train to Gain teams, Provider Financial Assurance teams and National Office policy staff.

Principle

- 3 This briefing note does not contain any changes to funding guidance. It clarifies existing policy.
- 4 The fundamental principle of LSC funding (as set out in paragraph 20 of our Funding Guidance for 2008/09 'Principles, Rules and Regulations' and previous years) is that it should reflect the directly incurred costs of efficiently delivered provision, with an appropriate contribution to overheads. We expect our funds to be directed towards delivering and improving outcomes for learners. We would be concerned if providers were using significant amounts of LSC funding for purposes other than providing training which resulted in the quality of the training suffering.
- 5 We also expect both the LSC and providers to consider their public reputations (see clause 22 of our contract), and not take any action that could damage their own reputation as an LSC provider or the reputation of the LSC itself.

Cash incentives

- 6 It has been brought to our attention that some providers are offering cash incentives to employers to join LSC funded programmes.
- 7 The application of these principles is not always straightforward, and the particular circumstances of any payments by providers to employers need to be considered. Many providers have partnerships with employers where the employer provides premises or use of equipment for the training of their employees. In this situation payment for these services may be reasonable, either in cash or to offset an employer contribution to the costs of provision. But where no service is provided by the employer, it is difficult to see the justification for payment, and the LSC would want to consider carefully the implications of this for the delivery of the service under contract.
- 8 Independent providers may have sources of income other than from the LSC, and we are not in a position to constrain the use of this income. Nevertheless, we expect LSC funded providers to be mindful of the overall impact on the reputation of the LSC and the provider network when promoting their services. Accordingly providers should not be using LSC funds to make payments to employers that may be regarded as inducements to secure business.
- 9 An incentive can be made to learners to encourage retention and achievement where appropriate. This is a common practice across the sector and takes many forms of which not all include cash payments. These should be clearly documented with the understanding by all parties why these payments are being made and when they would be made. However, the LSC does not see that 'signing up' or 'start' payments should be made to a learner or their employer under any circumstances.

Employment for Training

- 10 We are aware that a small number of providers are providing employment for the sole purpose of engaging learners in learning. This could be either done directly by a provider or an employment agency. These learners are only employed for a very short period of time or are taken on under 'zero' hours contracts where the primary function is learning and not a 'job' as most people would understand it. In the majority of cases this is to complete one or more Skills for Life qualifications, although there are cases of NVQs being delivered in this manner.
- 11 Providers are asked to note that this is clearly outside the spirit of the funding guidance and the contract. Learners are not eligible for

employer responsive provision where they are in employment which has been created specifically to access that funding'

Volunteers

- 12 Further guidance will be issued shortly that clarifies the definition of a volunteer. Similar to issues detailed in paragraphs 10 and 11 we are aware that individual are having volunteering opportunities created for them in order to access funding. Individuals who fall into this category are deem ineligible for Train to Gain funding.
- 13 We are currently in detailed discussions with The Office of the Third Sector, part of the Cabinet Office, in order to reach agreement on a definition that would enable 'true' volunteers to have access to Train to Gain whilst disallowing those who are seen outside of the scope of the current funding.
- 14 We will issue further detailed guidance on volunteers very shortly. In the meantime it should be noted that a volunteer must satisfy the following conditions:
 - Volunteers are eligible where they are working in any organisation (within any sector including the third/voluntary). There is no minimum limit to the number of hours worked by the volunteer and there is no requirement for there to be a written agreement between the organisation and the volunteer relating to their voluntary work.
 - The voluntary work must not have been created specifically in order to access Train to Gain
 - The volunteer must have a defined role and not be a general helper.
 - Occupational learning must relate to the volunteering activity.

Employability Skills Programme

- 15 Where more appropriate provision exists, such as Employability Skills Programme, then learners should be directed to that provision rather than creating a proxy for employment or volunteering.

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