



**Federation of Small Businesses**  
*The UK's Leading Business Organisation*



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# FSB Research into Train to Gain

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**May 2009**

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### **FSB Survey on Train to Gain**

The FSB undertook a survey of nearly 300 members in May 2009. This 'Skills Survey Panel' is asked questions on a monthly basis. It is only open to England-based businesses.

This survey was undertaken to find out members' attitudes towards the new Train to Gain offer which was announced in October 2008.

The FSB is supportive of Train to Gain in principle and has welcomed the allocation of £350million of funding to Train to Gain. However, our surveying leads us to the conclusion that there is still a group missing from the skills map – the businesses with fewer than five employees who make up 95 per cent of employers within the UK.

Small businesses do train their staff but in a completely different way to their larger counterparts and this needs to be recognised within the training offer to small businesses. The FSB is calling for a training offer to suit micro businesses.

- **88 per cent of businesses had not taken up an offer of training through Train to Gain in the last six months**

### **FSB Recommendation**

**A skills system needs to be flexible enough to allow small businesses to be officially recognised for the training they provide.** Small businesses train their employees every day – but it is going unrecognised. The traditional methods of day release at a local college are irrelevant for the majority of small businesses, which need to be flexible with their workforce. Accreditation must take place at the micro level to fully ascertain the skills taking place in the UK.

- **35 per cent of businesses were aware of funding for leadership and management training for businesses with five-10 employees**

### **FSB Recommendation**

The FSB is pleased that Leadership and Management has been extended to those with five employees or more – **however FSB members tell us that Government could be bolder by extending the offer further to those businesses with fewer than five employees and even sole proprietors.**



- 33 per cent of businesses were aware of fully funded Level 2 qualifications and partially subsidised Level 3 qualifications
- Only 18 per cent of businesses were aware of an offer comprising of smaller, focused training programmes in subjects important to their particular business

#### **FSB Recommendation**

**Better signposting of allocated funding on offer, particularly in the recession, so that it is easier for small businesses to understand the training system and take advantage of what's on offer.** A national awareness campaign needs to be undertaken by the Learning and Skills Council, highlighting the financial incentives on offer to small businesses for training an apprentice and the benefits that it will bring to a business during the economic downturn.

- 21 per cent of businesses were aware of a contribution to wage costs to cover the cost of time off to train

Many of our members are unaware of the 'wage contribution' policy but there is also a problem in getting payment for those businesses that do engage with the policy. With cash flow being such a problem for small businesses it is vital that they are not made to wait months before they receive payment.

#### **FSB Recommendation**

A guarantee that any direct payments of wage contributions for providing training are paid into the employer's account within a month.

- 62 per cent of businesses said that one or more of these new services within the new Train to Gain 'offer' will make it more likely that they will use Train to Gain in the future – yet **78 per cent of businesses said that the Train to Gain service needs more flexibility**

We received multiple responses from members on the need for greater flexibility in the following areas:

1. Skills on offer for sole proprietors and in particular new business owners
2. Leadership and Management for those with fewer than five employees
3. IT skills
4. Sales and Marketing



## 5. Health and Safety

### **Comment**

The average business in the UK employs just four people. If any one of those four members of staff is off work for a week-long training course, it has an enormous impact on a micro business (0-9 employees). Small businesses want to see more training made available which is bite-sized, doesn't involve taking weeks off work, and is directly relevant to them.

Investing in skills is one part of the FSB's [five point plan for job creation](#). The FSB believes that now is the time to invest in training. There is no more important time to ensure our workforce is skilled and experienced – and that small businesses, particularly, are able to see us out of the downturn and are ready to go when the economic climate changes. We call on Government and all of those with an interest in training to focus on the training needs of micro and small enterprises (MSEs) to ensure we reap the long-term benefits to business and the UK economy.

**The FSB calls for the creation of a Small Business Sector Skills Council to promote the skills base within micro businesses and help get accreditation for skills within micro businesses.**

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### **For further information**

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