

Right to Request Time Off to Train for Employees in Scotland

October 2008

Introduction

The Federation of Small Businesses is Scotland's largest direct-member business organisation, representing almost 20,000 members. The FSB campaigns for an economic and social environment which allows small businesses to grow and prosper.

FSB Survey Work

We welcome the opportunity to respond to the above Scottish Government consultation. Micro and small businesses represent 98% of businesses in Scotland. According to the most recent survey of our members, which was completed in early 2008, the majority of our members do conduct a variety of training. We found that:

- 48% conduct on the job training;
- 23% offer training at the local college;
- 14% get the local college to offer training in the workplace;
- 22% have a private trainer in the workplace;
- 30% send employees to a private trainer.

In July 2008, the FSB conducted a further UK-wide survey of 1,200 small businesses on the issue of apprenticeships. The results of the survey showed that only 5% of those questioned were aware that there was compensation available for giving apprentices time off to train. The FSB is concerned by this figure and would encourage the Scottish Government to increase awareness levels of this among small businesses.

Current Good Practice

As the consultation document states, the UK government recently consulted on this very subject. As the FSB made clear in its submission to that consultation, we are opposed to any element of compulsion. The best way to engage small businesses with the proposed policy is to keep it informal and make it easy for the business to identify their own training needs in their own time. Employers in small businesses should have the final say on training, based on the needs of their business.

Cost

The FSB is concerned by the lack of a regulatory impact assessment as part of this consultation. Points 9 and 10 in chapter 2 of the consultation rightly point out that, ‘many employers already invest significant resources in training for their employees.’ It also states that employers should not be ‘compelled’ to pay for training. Individuals, it says, ‘will have access to various funding streams’ and information on these will be ‘readily available.’

It is likely that this proposal will have an impact on small businesses, yet there is no discussion of this. Any additional new costs associated with this proposed new scheme could be difficult for a small business to absorb and might lead them to reconsider employing additional staff. The FSB is supportive of a “wage contribution” for providing time off to train; however, as stated previously, a recent FSB survey of 1,200 businesses showed that only 5% were aware of such financial assistance. The FSB would support any moves by the Scottish Government to promote such assistance to businesses with fewer than 50 employees. At the moment anecdotal evidence from our members suggests the process is too expensive and bureaucratic. Small businesses do not have HR departments to handle these issues and so the government needs to appreciate these particular problems and work with Scotland’s SMEs to encourage and develop a training culture.

Problems

There are clearly circumstances when an employer could be justified in withdrawing support for an individual’s time to train where a request had previously been granted. For example, the loss of a major contract could leave a small business in a difficult financial position, in a way that would not affect a larger business, which could more easily absorb the cost.

The FSB does not believe that any employer should be exempted from the right to request time off to train; however, there must be flexibility in the legislation to allow smaller companies, with under 50 employees to conduct training at a time and in a manner appropriate to their business.

Accreditation of Existing Training

The Scottish Government needs to do more to make it easier for small employers to get the on-the-job training they already offer formally recognised. As we have found in our internal survey work, many of our members do already conduct internal training. It is important that this is recognised and encouraged; this may not always mean formal accreditation.

Conclusion

The FSB is grateful for the opportunity to submit our comments to this consultation process. The FSB absolutely supports the notion that employees should be more productive in the workplace, thus assisting the business to improve its overall performance. However, training is only part of the challenge of increasing business productivity and is not a panacea. We would also reiterate our opposition to any element of compulsion in the legislation. As we have pointed out in our submission, many of our members are extremely good at providing training for their employees. We would, however, like to see some of that more informal training recognised in a more formal way. It is no less useful to a business just because it is not formally

recognised. We trust that you find our comments helpful and that they be taken into account.

For further information on any of the points raised in this submission, please contact Martyn McIntyre, Policy Officer, on martyn.mcintyre@fsb.org.uk or **0141 221 0775**.