



Scottish Enterprise Forth Valley
Workforce Development Programme
Interim Evaluation

FINAL REPORT

January 2006



Scottish Enterprise Forth Valley

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We have consulted among staff, partners and clients of the workforce development programme to carry out this work. These discussions have been both invaluable and stimulating and we would like to record our appreciation for the time that has been devoted to this and to the care with which all those involved took with our questions.



Scottish Enterprise Forth Valley

Workforce Development Programme – Interim Evaluation

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Executive Summary

This report outlines the findings of an interim evaluation of the Workforce Development Programme (WFD) within Scottish Enterprise Forth Valley (SEFV) which was undertaken by Rocket Science UK Ltd between June and August 2005.

The evaluation aimed to investigate the effectiveness and impact of the WFD programme on participating companies and the extent of the integration with other SEFV services – particularly the Investors in People framework. The research has been carried out using a combination of desk research, forensic disaggregation of WFD processes, as well as interviews with SEFV staff, SE Fife and Dunbartonshire staff, and employers who have participated in the programme.

The Workforce Development Programme

SEFV's WFD team is part of the Workforce and Business Development Directorate.

The WFD programme has been operating in its current format since 2003 and intends to support and sustain business growth within the SME business sector. The programme provides support and financial assistance for the training and development of, particularly, higher level staff to improve productivity and growth and support to help businesses develop the skills and systems required for longer-term workforce development processes.

From 2004, the WFD programme has involved the delivery of two distinct areas of support:

Growing Business (Mainstream Workforce Development spend) – Support for training and development activity, particularly management development, which provides a financial contribution to businesses for eligible training and development costs identified through a business review process

Sustaining Business – (Capacity Building spend): support for a range of activity to develop the in-house capacity of the business

The primary recipients for the WFD programme are:

Account Managed Companies – high impact organisations (as defined within the SEFV segmentation model) with the potential to achieve increased growth of £800k - £1m over three years. Such companies are managed by an SEFV Account Manager.

Client Managed Companies – medium impact organisations (as defined within the SEFV segmentation model) with the potential to achieve increased growth of £400 - £800k over three years. Such companies are managed by a Business Gateway Client Manager.

Performance

44 companies are currently involved in the workforce development programme, of which:

- 23 receive support via the Growing Business mainstream workforce development element 15 via the Sustaining Business Capacity Building element
- 23 companies are account managed and 8 are client managed
- 13 companies are neither Account or Client Managed (or the data was unavailable in the monitoring information provided during the evaluation)
- This translates as almost one quarter of participating companies being outwith the scope of the intended target market. Discussion with the staff team suggests this is due to:
 - Programme flexibility, allowing companies outwith the target market to participate
 - The discretionary approach taken by SEFV, which enables participation according to identified business need, or for assistance to be targeted on companies where the investment will generate the greatest difference in terms of productivity and growth. Such decisions are determined on a case-by-case basis.
- The majority of companies supported (88%) have been SMEs, with 70% of the companies interviewed employing 50 staff or less
- 319 employees have received training, of which 172 have been managers. Given that the key objective of the programme is to help companies to invest in the higher skilled development of their workforce, this figure suggests a departure from the intended target group of employees. This has been reflected in both forecast and actual targets. However, this reflects the Individual Skills Development programme being included in the WFD programme during 2004 / 05 (but not 2005 / 06 and, therefore, the lower target).
- The majority of participating companies are within the manufacturing and financial and business services sectors, which are key sectors within the Forth Valley labour market.
- Participating businesses are generally positive about their experience of the programme. The financial assistance has enabled the implementation of larger workforce development programmes more quickly. However, the extent to which it has drawn businesses into a longer term process of workforce development is less clear.
- There is currently no system in place for either participating businesses or SEFV to articulate the return on investment

There has been some real progress in terms of integrating WFD into other SEFV activity:

- During 2004 – 05 a process review was undertaken which integrated the delivery of the WFD programme and Investors in People
- Generally, the WFD model fits the criteria and definitions of the Interventions Framework, but there do exist some anomalies, outlined above, between this and its practical delivery
- A series of internal changes and developments have facilitated integration and closer working between the different business service teams within the Directorate, including:
 - The commencement of regular cross-team meetings between all Directorate teams, facilitating the sharing of information and learning
 - The delivery of WFD within the IIP framework
 - A requirement by Account Managers, as part of their relationship management function, to more fully understand the range of other services available.

Overall, SEFV has a pioneering approach to integrated business development, and the WFD programme forms a key part of this. However, whilst the vision and overall ethos is to be welcomed, there are some delivery issues that appear to be hampering its ability to fully reach its potential. This can largely be attributed to the learning process that inevitably has to be navigated when new approaches of this sort are piloted. The key issues to emerge from the evaluation and our central recommendations are as follows:

Promotion, targeting and marketing

A significant proportion of companies engaged have been outwith the target Account- and Client-Managed companies. This is mainly because the process for engaging companies appears to be flexible, responsive, at times ad hoc and at the discretion of the WFD team. While this may reflect the agency's desire to deliver a customised approach to businesses on a case by case basis, it also means that there is little consistency in relation to the process and may result in confusing messages about eligibility being communicated to businesses.

If the programme is to maximise its impact with the resources available, it is crucial that SEFV is able to identify, target and engage the most appropriate companies for participation and, ultimately, receipt of financial assistance. Specifically, this focus should be on those companies with the greatest growth potential, defined within the SE segmentation model, and for whom the public investment will make the most difference, both in terms of effectively driving up productivity and profitability and in instigating a process of long-term investment in the development of workforce skills.

With a relatively small pot of money, wide promotion of the programme would be inefficient as it may generate more demand for financial support by too large a number of companies (many of whom may be ineligible for support) than the programme is able to support.

We recommend that SEFV WFD team implements:

- A mechanism by which a greater number of companies can be engaged (ensuring those who are ineligible understand the reasons why and are signposted to alternative support) so that the agency can more readily identify and / or target the companies that could (and should) benefit from the support. While not suggesting a wide marketing campaign, this mechanism would include engaging with those in regular contact with businesses, e.g. solicitors and training providers, proactively gathering and using intelligence on key sectors and utilising key SEFV staff whose role is to identify target businesses for Business Development support
- A clear set of criteria for defining eligibility based on the programme aims (to invest in the higher skill development of the Forth Valley workforce in high growth potential SMEs within key sectors). This would reduce confusion in the market and, consequently, enable SEFV to target its support and be clear about the expected returns from its investment.

Impact

There is not yet any robust evidence of the quantitative return of the WFD programme's investment has had, i.e. on profitability and productivity, for participating companies.

While it is important to recognise that the programme is likely to return benefits in the short, medium and longer term (and, given the relative infancy of the programme, the longer-term benefits may not be seen for some time), our view is that SEFV needs a clearer and more

rigorous process for both businesses and the agency itself to articulate the forecast and actual impact of its investment in skill development.

We therefore recommend that the WFD process should include measures which help businesses to identify their workforce development needs, clearly related to business objectives and growth aspirations, and articulate the expected business benefit of any investment. There is also a need to ensure that SEFV-funded activity is not a one-off investment but part of a longer-term, strategic approach to WFD and growth. Finally, SEFV's approach should include measures to monitor businesses' WFD activity and help them articulate this against the achievement of identified business objectives.

The implementation of an approach based on the successful SE Dunbartonshire Return on Investment model – which enables participating companies to easily articulate and measure the expected return – is likely to be an effective way of achieving these improvements.

Integration with other SEFV programmes

SEFV's workforce development programme has taken an important first step in integrating workforce development, skills and business development services and, as such, is experiencing success in creating and delivering a "joined up" business development service. This has led to a much stronger appreciation of the significance of workforce development across the business support service and its place in a rounded service offering.

However, the programme could enhance its performance by more carefully targeting support and assisting companies to create and implement effective, robust and sustainable frameworks for action which link, in a long-term approach, skill development to business objectives.

An effective mechanism for achieving this is the IIP framework and we recommend that SEFV should build on its progress in raising awareness of the benefits of IIP and in integrating IIP as its workforce development tool. Specifically, the processes should become firmly embedded so that, as a result of participation in the WFD programme, businesses become IIP accredited or at least on the route to accreditation.

This is linked to a requirement for the programme to refocus away from low skill development in favour of high skill development and support for this to businesses. Currently, the WFD programme's funding mechanism is separated into support available for skills development and that available to enable businesses invest in internal systems and structures, and is disproportionately skewed in favour of the former. We recommend that the separate elements are combined into a single budget that focuses on capacity building or training which enhances sustainable management skills

Management

The workforce development programme is effectively managed but this could be enhanced by the WFD team being more involved with participating businesses post-contract, and implementing better monitoring and evaluation measures. The key to this is likely to lie in the design and implementation of a monitoring and evaluation framework, or enhancement of existing systems along with agreement on the mechanism by which these are managed - e.g. through Account and Client Managers.



1. Introduction

1.1 What we were asked to do

This interim evaluation of the Workforce Development Programme was commissioned by Scottish Enterprise Forth Valley (SEFV) and carried out by Rocket Science UK Ltd between June and August 2005.

The overall aim of the evaluation was to establish the effectiveness and impact of the programme on participating companies and the extent of the programme's integration and alignment with other SEFV services, particularly the Investors in People (IIP) framework.

The programme's strengths, weaknesses, successes and other issues were also intended to be identified in relation to other best practice models and recommendations sought for the programme's future development.

The specific objectives of the evaluation were to:

- Assess how far the programme has achieved its overall objectives, including value for money against any similar programme where evidence is available
- Identify successful and less successful elements of the programme, in particular the type of companies that have achieved the most benefit / least benefit; how this relates to SE's segmentation process; and which types of support have had the greatest impact / least impact in terms of influencing the involvement and behaviour of the targeted companies
- Identify possible improvements to the future delivery of the Workforce Development programme, to improve its overall impact on targeted businesses.

At the heart of the assignment were the following questions:

- Has the programme succeeded in creating and delivering a **'joined up' business development service** that helps businesses recognise and respond to those situations where the priority need is to enhance workforce skills and make sure that they are effectively used to drive up productivity and profitability
- Has the approach succeeded in **driving up investment by companies** in a way that is carefully targeted and has produced improvements in business performance?
- Have we helped company managers to create **effective and sustainable frameworks** for action and has the potential of Investors in People (a framework designed and developed by companies to link skill development to business objectives) been fully realised as part of this?

- Is there now a stronger appreciation of the **significance of workforce development** across the business support service and its place in a rounded service offering
- Has the approach proved **cost effective** compared with other approaches

1.2 Method

The evaluation was based on the following methods:

Desk research

A desk based review of relevant information was undertaken from which to gain as much contextual information as possible, to build a detailed picture of the WFD programme and the profile of participating businesses, and to inform further stages of the evaluation.

This included:

- Programme management and performance information
- WFD contracts between SEFV and participating businesses
- Information on other Scottish Enterprise network programmes, including the Intervention Framework and information available from other LECs on their workforce development programmes

Forensic Disaggregation

During this stage we sought to understand more fully the process of workforce development support to businesses and, particularly, how this works in practice.

Interviews

Interviews with staff from across the Workforce and Business Development Directorate within SEFV were carried out, as were interviews with workforce development managers from SE Fife and Dunbartonshire.

Interviews were also carried out with participating employers in order to obtain a broad understanding of their experience of the intervention, its effectiveness and impact and ways in which this might be enhanced.

Appendix 4 provides a list of all interviewees while the structure of the interviews is set out in Appendix 5.

This report concludes the interim evaluation and presents the findings along with recommendations for future action. It will review the performance of the Workforce Development Programme and highlight features that should be given consideration for the future sustainability and focus of the service.

The following will be considered:

Overview of the programme	Chapter 2
Findings – Programme Delivery	Chapter 3
Findings – Client feedback	Chapter 4
Good practice	Chapter 5
Conclusions	Chapter 6



2. The WFD programme

2.1 Introduction

SEFV's Workforce Development Programme (WFD) has been operating for many years and in its current format since 2003. The intention was to target the SME sector, with the main aim of supporting and sustaining business growth. The programme provides support and financial assistance to help local businesses train and develop their staff, and particularly higher level staff, to improve productivity and business growth, while also providing support to help businesses develop the skills and systems to enable them to deliver longer-term workforce development processes.

Since 2003 the Workforce Development Programme has been evolving following a series of internal and external evaluations, which have led to a number of decisions being taken regarding programme delivery. These include:

- Development work undertaken to integrate the programme into the range of services available to Business Gateway and Growing Business clients
- Developing internal cross-working activities with SEFV Growing Business and Global Connections objectives
- Working with new and key growth sectors
- Integration of the Investors in People and Workforce Development programme delivery
- Closure of the Individuals Skills Development element, which delivered core skills training aimed at enhancing the basic skills of those in the workforce with no or low levels of qualifications.

From 2004, the WFD programme has involved the delivery of two distinct areas of support, as follows:

- **Growing Business – Support for training and development activity:** The mainstream, Growing Business element provides a financial contribution to businesses for eligible training and development costs identified through a business review process. The key focus for this support is management development.
- **Sustaining Business – Capacity Building:** This covers a range of support to develop the in-house capacity of the business in areas such as trainer development and the development and implementation of HR processes. The process begins with an HR audit

which identifies and assesses the business' workforce needs. Depending on need, this can then lead to a structured Training Needs Analysis.

SEFV provides an investment of up to 50% of the total cost of workforce development activity, up to a maximum of £10,000, although discretionary funding does enable some activity to go beyond £10k.

Between 2004 and 2006 the budget for the workforce development programme is £320k.

The Workforce Development team is part of the Workforce and Business Development Directorate within SEFV.

2.2 Target Market

The primary recipients for the Workforce Development Programme are Account- and Client-Managed companies which, within Scottish Enterprise's segmentation model, are, respectively, those which are high and medium impact companies.

Account-managed companies: High impact organisations with the potential to achieve increased growth of between £800k - £1m over three years

Managed within SEFV by an Account Manager who has responsibility for addressing the business development needs of that company

Client-managed companies: Medium impact companies with the potential to achieve increased growth of between £400k and £800k over three years

Managed by a Client Manager within the relevant Business Gateway trust within the company's local authority area

Companies not categorised as account or client managed also access the WFD programme. These are:

Potential Pipeline Companies Potential pipeline companies are eligible for one-to-one business support from Scottish Enterprise but do not meet current SE segmentation criteria. They may be offered the SE Network product, Focus on Growth (FOG), by Business Gateway. FOG companies are offered a business development review in the first instance and may progress to becoming client managed if they can demonstrate medium growth potential.

2.3 Process

The WFD process is described below, with further diagrammatic detail provided in Appendices 1 and 2, which illustrate the SEFV WFD process and the WFD process linked to the IIP framework, respectively.

Target businesses (i.e. Account- or Client-Managed companies) are intended to be referred to the programme by their relevant Business (Account- or Client-) Manager following completion of a Business Development Review or other diagnostic work that has identified a need for workforce development activity and support.

Due to the relatively limited budget, the WFD programme is not widely promoted to Forth Valley businesses in the same way as other SEFV Business Support Services or National Programmes. Therefore, the main, and single, point of entry to the agency for access to the range of business development services available is intended to the Account or Client Manager.

In practice, companies have, through their own enquiries into the availability of financial support, participated in the programme. Such enquiries tend to be generated by internet searches, attendance at local business forums or word of mouth.

Potential pipeline / Focus on Growth businesses within the universal market, while generally ineligible for support, have also participated on the programme, having been referred via Business Gateway or through making their own enquiries into the availability of financial support, as outlined above.

The decision to allow non- Account and Client Managed companies to participate in the programme is at the discretion of the WFD team and is generally informed by Business Advisors who have undertaken a consultation with these companies and made a recommendation, based on business need. This is primarily used for pipeline companies. Such decisions are justified on the basis of targeting assistance on companies where investment will generate the biggest difference in terms of productivity and growth. Staff also report this as reflecting their responsiveness to company needs.

“We can justify participating businesses on a case-by-case basis” (SEFV Staff)

“Some of our workforce development companies are current account managed clients”
(SEFV staff)

Following initial referral by the Business Advisor, the business is introduced to the relevant WFD team member. An HR Skills Audit Review is carried out and an appropriate course of support agreed. Businesses then complete a WFD Application Form, which is appraised and, subject to approval, a contract between business and SEFV, outlining the nature of the support, activity being funded and invoicing arrangements, is issued.

However, what neither the application form nor the subsequent contract used at the time of the evaluation contains is an indication of the expected return on WFD investment to the business, any monitoring or evaluation arrangements for the activity funded or any link to longer-term workforce development activity in the context of strategic business growth aspirations.

The time taken from initial engagement to implementation of an agreed, funded course of action varies on an individual company basis, depending on the scale and complexity of the support requested and the business' ability to react to this.

Following agreement of the contract, the WFD team adopts a “behind the scenes role”. In practice, the nature of the engagement at this point is primarily administrative, with responsibility for paying participating businesses the agreed share of WFD costs on receipt of evidence from the company that training has been carried out and the relevant training provider paid. The WFD team is not involved in ensuring the agreed programme of activity is progressing to plan, is meeting identified needs or generating the required outcomes. However, much of any contact subsequently required between the company and Agency is carried out by the Business Adviser or Account Manager and, while these meetings are not specifically focused on WFD, if ongoing workforce issues are identified, a follow-up meeting with the WFD team would be arranged.

A file is created for Account Managed companies, into which all information relating to the specialist support provided to a company by SEFV is collated. WFD support is categorised as a specialist support option. However, no record is kept of companies who have enquired about support but who have been ineligible or unsuccessful. This is being addressed with the implementation of the CRM system, which should result in all enquiries being recorded.

It is also the Account or Client Manager’s responsibility, as an integral aspect of the account management process, to gather and record general client satisfaction feedback. It is not clear to what extent this information is fed back to the WFD team or the extent to which this is gathered from client managed and universal companies.

2.4 Integration with other SEFV programmes

The emphasis on **workforce development** and the connections between progression in work and business development are gaining increased attention. There is growing interest in the integration of business development and workforce development and a growing recognition of the need to align training funding and welfare to work funding (e.g. as set out in the NEP ‘Welfare to Workforce Development’ Report) as they often seek the same outcome (i.e. a job with scope for progression). This is reinforced by the ‘refreshed’ Smart Successful Scotland strategy.

Workforce development is one of four teams within the SEFV Business and Workforce Development Directorate, which also includes Account Management, Business Gateway and Specialist Support (Innovation, International Trade and e-business).

2.4.1 Integration with Investors in People (IIP)

Within the Scottish Enterprise Network there is a commitment to using the IIP framework as the main workforce development tool. The IIP standard, designed by industry for industry and focusing on linking skill development to business objectives, remains the most widely used and well-recognised WFD tool and a generally unrivalled system for laying out what best practice in workforce development looks like.

It is hoped that by following the IIP route the link between developing people and the business benefits will become more obvious, encouraging businesses across Forth Valley to adopt the IIP framework as a standard business development tool. Currently, there is a perception from some SEFV staff that many businesses don’t fully understand the IIP framework or the benefits it can generate which, consequently, discourages them from participating.

Appendix 2 outlines the current extent of the integration of the WFD process with the IIP framework.

2.4.2 Scottish Enterprise Workforce Development Intervention Frameworks

The SE Intervention Framework was introduced as a means of raising company performance by providing in-depth information, development products and financial assistance in order to improve the skills of the workforce, depending on the size and potential of companies.

The Intervention Framework, eligibility criteria and products available is attached as Appendix 6.

The **Mature Adopters Framework** intends to create “further impact, scale, additionality and capacity in competent companies, generally Account- and Client-Managed” and offers a range of workforce development products to address specific development needs identified as part of an Account Development or Action Plan.

Early Adopters are generally classified as smaller companies, often in the universal market and who have not yet reached a level of maturity on their own to be segmented as high or medium impact. A different set of products and support is available to these companies with the intention of nurturing their potential to grow into medium and then high growth companies.

2.4.3 Integration with other business support services

In 2004 SEFV recognised that the WFD programme should be delivered in alignment with its business development agenda and development work was undertaken to integrate the programme into the range of services available to account and client managed companies, including other SEFV and SE network services and the Investors in People framework.

This also resulted in the closure of the Individual Skills Development element of the workforce development programme, which delivered core skills training aimed at enhancing the basic skills of those with no or low levels of qualifications.



3. Findings – Project Delivery

In this section we set out our findings in terms of the practical delivery of the WFD programme. This begins with a description of the financial profile, followed by a detailed description of the target and actual markets for the programme. Finally, the actual extent of the integration with other SEFV services is considered.

3.1 Financial Profile

Table 1 outlines the total expenditure to date of the Workforce Development Programme during the financial years 2004/2005 and 2005/2006 based on the monitoring information provided by SEFV up to July 2005. Consequently there are differences between the forecast and actual spend figures for 2005/2006.

Table 1: Total Programme Costs

	2004/2005		2005/2006		Total	
	Forecast	Actual	Forecast	Actual*	Forecast	Actual*
Mainstream Workforce Development Spend	£80,000	£81,300	£150,000	£10,132	£230,000	£91,432
Capacity Building Spend	£30,000	£30,063	£30,000	£1,750	£60,000	£30,175
Individual Skills Development	£30,000	£35,318	-	-	£30,000	£35,318
Total Spend	£140,000	£146,681	£180,000	£11,882	£320,000	£156,925

* Figures up to July 05

- The total programme costs over the two years 2004 – 2006 is expected to be approximately £320k. This is a relatively small budget, which means that its effective targeting and use is of even greater importance than usual in determining the impact of the programme.
- The Growing Business budget (i.e. support available through the Mainstream Workforce Development Spend budget) is significantly larger than the Sustaining Business budget (Capacity Building Spend) and has accounted for most of the expenditure to date. This provides financial assistance to eligible companies of up to 50% of the total cost of training and development activity.
- The Sustaining Business Capacity Building Spend provides smaller grants of between £100 and £1,400 for support to conduct a Training Needs Analysis (TNA) or other capacity building activity such as workshops with the company, revamping systems or developing / delivering new monitoring and appraisal processes (provided this is not a stand-alone activity but forms part of a developmental strategy).

3.2 Participating Companies' Profile

3.2.1 Number of participating companies

44 companies are currently involved in the workforce development programme:

- 23 companies are receiving a level of assistance of between £292 and £20,000 through the "Growing Business" workforce development spend, with the average total SEFV contribution being £5,675;
- 15 companies have received support from the "Sustaining Business" capacity building spend with an average level of assistance of £637;
- 3 companies have received assistance from both the mainstream spend and the capacity building spends;
- 9 'pipeline' companies are in the early stages of involvement with the WFD programme but have not yet received financial assistance from SEFV.

Sections 3.2.2 to 3.2.6 examine the profile of these companies in more detail while section 3.2.7 considers the number of people who have received training through the mainstream 'growing business' fund to date.

3.2.2 Company profile – Sector

Table 2 outlines the number of companies in each sector who are involved in the workforce development programme. The analysis is separated into recipients of the 'Growing Business' mainstream fund (i.e. have had the majority of financial assistance towards workforce development activity) and those who have received 'Sustaining Business' grants for TNAs or 'pipeline'¹ companies who have not yet received assistance.

Table 2: Company Sector Analysis

	No. of 'Growing Business' Companies	No. of 'Pipeline' and 'Sustaining Business' Companies	Total
Manufacturing	5	5	10
Real estate, renting and business activities	5	1	6
Education	4	1	5
Construction	2	2	4
Health and social work	2	2	4
Other community, social and personal service activities	2	2	4
Agriculture, hunting and forestry	1	0	1
Hotels and Restaurants	1	2	3
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	1	5	6
Transport, storage and communication	0	1	1

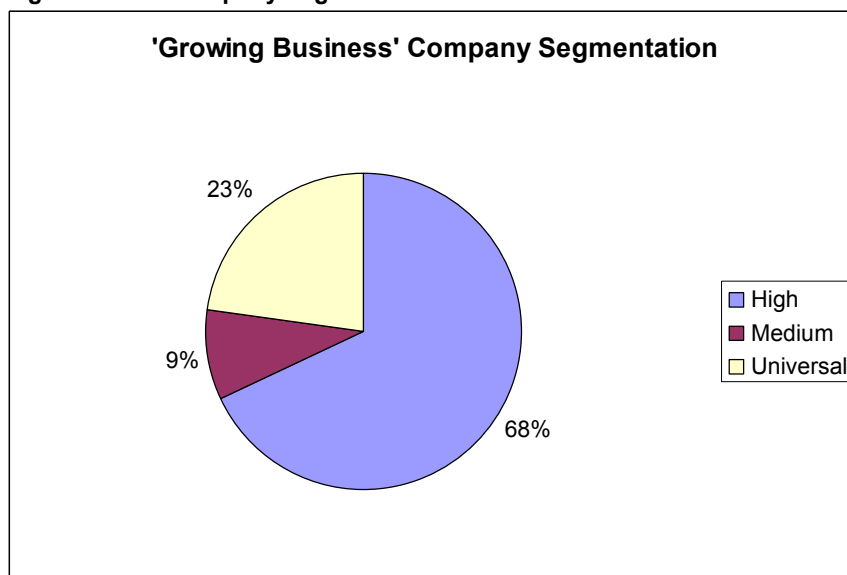
¹ Pipeline companies are companies who are in the early stages of engagement with the workforce development programme who have not yet progressed to a formal contracting agreement or received funding

- The table demonstrates that companies representing a wide range of sectors are participating in the WFD programme
- The majority of companies who have received support through both the Growing Business and Sustaining Business budgets are in the manufacturing sector. This is followed by companies in the 'real estate, renting and business activities' (i.e. business services) sector. This is perhaps unsurprising given that financial and business services and manufacturing are key sectors in Forth Valley, employing 13% and 20% of all employees respectively².
- In addition to businesses in the manufacturing sector, those in the wholesale and retail trade; repair of motor vehicles and cycles and personal and household goods are equally as likely to receive support through Sustaining Business or be in the WFD pipeline
- Four businesses in the education sector have received assistance through the 'Growing Business' fund. These include private training providers (MetTech and Central Training Services) and the Scottish Further Education Unit. Private training providers are categorised as priority businesses if (as in these cases) they have been contracted by SEFV to deliver national programmes.
- The inclusion of the SFEU, as a publicly funded agency, appears to contradict the objective of the WFD programme to target private sector SMEs. However, discussion with the WFD team suggests the SFEU is classed as a social economy organisation which makes the business eligible for support.

3.2.3 Segmentation

This section presents our analysis of the companies involved in the programme by their segmentation codes, which is an indication of their importance to SEFV in terms of its own strategic objectives. Companies that are segmented as high or medium are commonly those with high growth potential, economic importance, and/or large numbers of employees.

Figure 1: 'Growing Business' Company Segmentation



² Forth Valley Economic Assessment (Scottish Enterprise Forth Valley, 2004)

- Figure 1 shows that approximately two thirds (68%) of companies receiving the support from the “Growing Business” workforce development fund have been given a ‘high’ segmentation code, suggesting that these companies are designated as having high growth potential and / or of economic importance to SEFV.
- However, almost a quarter of companies receiving support through the WFD programme are outwith the scope of the intended target for support, i.e. they are within the universal market.
- Discussion with the staff team suggests that this is due to:
 - The programme being sufficiently flexible to offer support to companies outwith the scope of the target market
 - SEFV’s responsive and discretionary approach to WFD, which enables the agency to target assistance on companies where the investment will generate the biggest difference in terms of productivity and growth, or where company needs, determined on a case-by-case basis, justify support

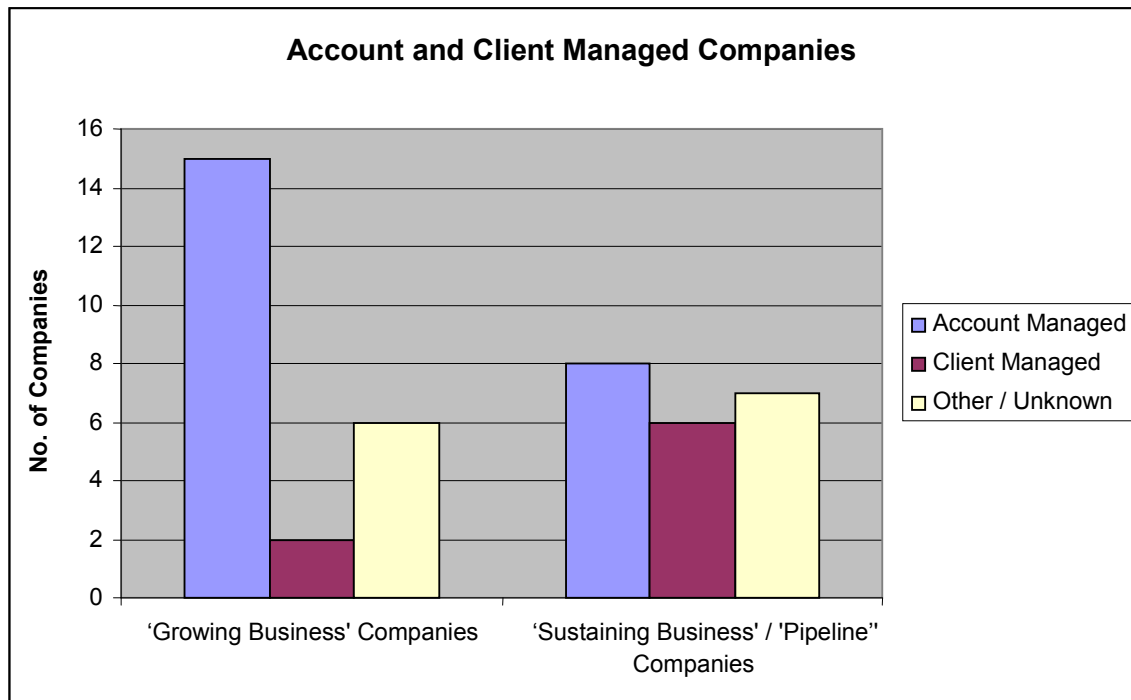
3.2.4 Account and client managed companies

Figure 2 provides an analysis of the number of companies involved in the workforce development programme depending on whether they are account or client managed by SEFV.

Of the companies receiving support from the workforce development programme:

- 23 are Account Managed
- 8 are Client Managed
- The remainder (13 companies) are neither Account nor Client Managed, or the data was not available in the monitoring information.

Figure 2: Account and Client Managed Companies



- While a clear majority (65%) of businesses accessing support via “Growing Business” are account managed, there is much less differentiation between companies in the pipeline for WFD support or who receive assistance through the “Sustaining Business” element of the programme.
- Under “Sustaining Business / Pipeline” there are more participating companies within the other / unknown categories than there are client-managed companies. While this reflects SEFV’s discretion to support businesses not in the target market, it does raise serious questions about both the targeting (and eligibility criteria) of businesses and the rigour and completeness of SEFV’s monitoring systems.

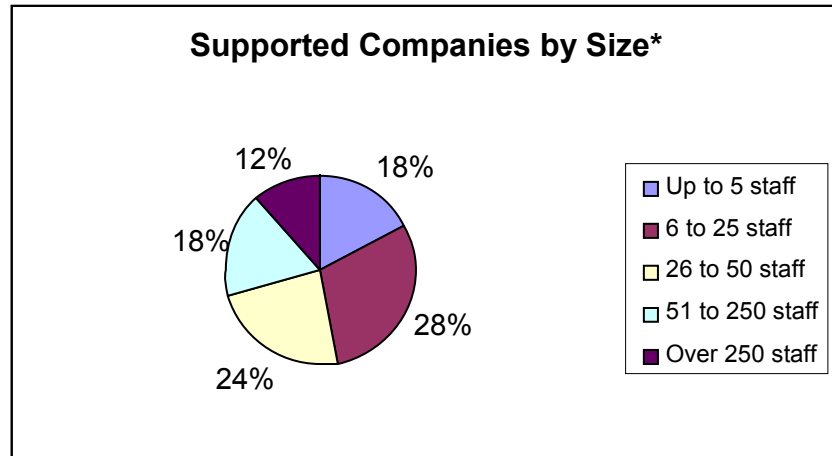
3.2.5 Company size

The target market for the SEFV WFD programme is intended to be businesses within the SME sector.

Figure 3 shows the size of companies supported through the workforce development programme. At the time of the evaluation this information was not recorded in either the WFD contract or SEFV monitoring information, so this analysis is based on data gathered during the employer interviews³. Seventeen companies were interviewed in the course of the evaluation (a full list is provided in Appendix 4), therefore, this sample may not be fully representative of all companies involved in the programme.

³ However, the CRM system now records, and enables analysis of, this type of information

Figure 3: Supported Companies by Size



* Data is based on interviews with 17 companies and therefore may not be representative of all companies involved in the Workforce Development Programme

- The majority of companies supported through the workforce development programme have been SMEs (88%). 70% of the companies interviewed employed 50 or less staff.
- 12% of the companies supported have been larger organisations, such as Crown UCP. Discussion with SEFV staff suggests such decisions are based on the following justification:
 - That particular large organisations can demonstrate a business case for accessing support
 - The responsiveness and discretion of the WFD team to implement the Workforce Development Programme where the greatest difference can be made.
- In the case of Crown UCP, the WFD team describe the investment as having enabled the company to rethink its leadership and communication processes, which will ultimately enable it to attribute a significant improvement and increase in performance to the investment. However, it is likely that a company of Crown's size is sufficiently healthy and resourced to support its own investment in workforce development activity, and while the investment is, in this case, intended to facilitate a significant difference, this again raises the issue of whether SEFV is most effectively directing its resources, from a limited to pot, to where it is most required, i.e. within smaller organisations without the resources to invest in WFD activity.

Number of employees trained

Table 3 shows the number of employees trained to date through training programmes funded through the mainstream 'Growing Business' fund. These figures are illustrated graphically in the Figure 4.

	2004/2005		2005/2006		Total	
	Forecast	Actual	Forecast	Actual	Forecast	Actual
Managers ⁴	84	84	88	37	172	121
Low Skilled ⁵	195	195	32	3	227	198
Total	279	279	120	40	399	319

Table 3: Number of employees trained through the WFD programme

- The WFD programme has enabled 319 employees to receive training so far, of which 172 have been managers.
- During the first year of operation (2004/2005) considerably more low skilled workers were trained than managers. The training delivered often took the form of specific training courses such as computing courses or forklift training. This may reflect that fact that the Individual Skills Development element of the WFD programme was operational in 2004 / 05
- For 2005 / 06, forecast targets for low skilled employees trained has been significantly reduced. However, the overall forecast figure for this client group remains higher than for numbers of managers trained.

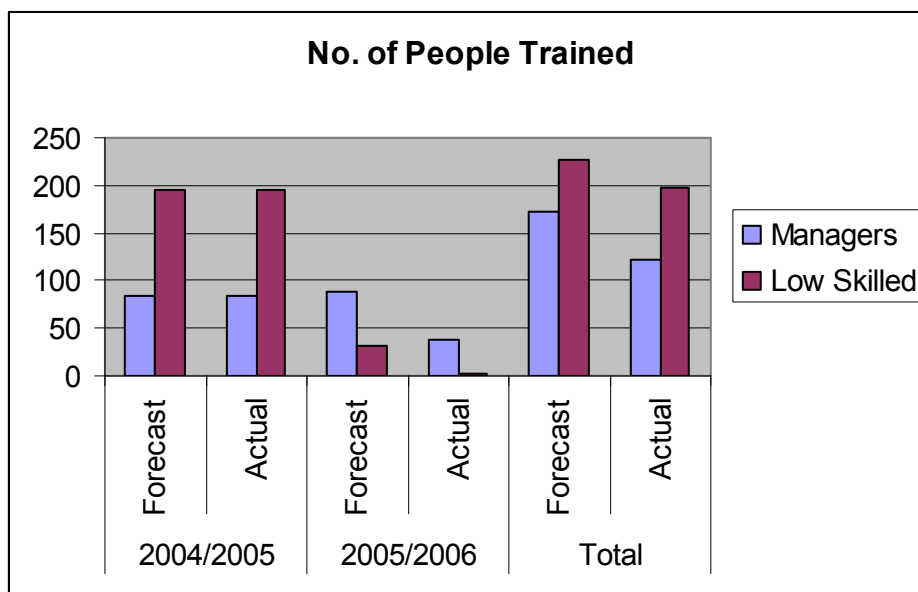


Figure 4: No of people trained through the WFD programme

These findings seem to represent a significant departure from the intended focus of the workforce development programme, which was to target high level managerial staff with the aim of supporting a sustainable approach to staff development rather than providing funding for individual training courses for employees.

⁴ Managers are defined as employees in a management or influencing role and includes supervisors, team leaders, and all levels of management.

⁵ Low Skilled workers are defined as those in lower paid roles or those who have skills below Level 2.

3.3 Integration with other SEFV programmes

This section describes our findings in terms of the practical extent of the WFD programme's integration and alignment with other SEFV services.

3.3.1 Investors in People

During 2004 – 05 a process review was undertaken which was intended to further integrate the delivery of the workforce development programme and Investors in People.

Subsequently, the business development support process now follows the following steps:

1. Completion of a Business Development Review, which identifies skills and HR issues. This step is completed jointly by the SEFV Business Adviser and participating company
2. IIP Adviser undertakes an HR audit (which, in practice, is the IIP diagnostic) with the participating company, the outcome of which informs a Business Action Plan.
3. Where required, a Training Needs Analysis, funded wholly through the WFD budget, is then completed.
4. At this point, the support and funding offered to a company depends on the company's commitment to the IIP process. That is, whether they proceed towards IIP accreditation or embark on WFD as a first step.

The WFD process, within the IIP framework intends that all companies, regardless of the course of action followed, will ultimately progress to the IIP standard. The placing of WFD within the IIP framework demonstrates the way in which companies can be encouraged and supported towards the best practice IIP standard in a way that feels comfortable to them.

“Had we gone in and tried to get companies to sign up to IIP right away, they'd probably have backed off as many companies don't understand the benefits it can deliver” (SEFV Staff)

“We're now starting to move companies down the road of IIP and are facilitating the move towards them starting things they wouldn't otherwise have started or hadn't originally anticipated” (SEFV Staff)

3.3.2 Interventions Framework

Generally, the SEFV workforce development model fits the criteria and definitions of the Intervention Framework but there are some anomalies between this and its practical delivery. Specifically, these are:

- Companies other than those designated within the segmentation model as high or medium impact, that is, account and client managed companies, are being targeted for support
- Several large companies, i.e. employing more than 250 staff have also received support
- The focus of support during year one was very much focused on low skill development. However, with the closure of the Individuals Skills Development element in 2004, this focus has shifted during 2005 / 06.

The introduction of the Interventions Framework has clarified eligibility for all types of business development support and removes previous constraints on accessing funding. In

practice, this allows companies – primarily potential pipeline companies – who were not previously eligible to access support, dependent on a business need being identified.

3.3.3 Other SEFV Business Support services

There is a general feeling within the Directorate that integration of WFD with other business support teams has made progress in the last 18 months. The Account or Client manager is intended to be a “single access point” for companies into SEFV, and part of the rationale for targeting account and client managed companies is that longer-term relationships can be developed with companies, leading to a deeper understanding of their needs and the ability to access a range of support from across the Directorate.

Integration is also being facilitated by a number of internal changes which have recently been implemented. These include:

- The commencement of regular cross-team meetings between all Directorate teams, facilitating the sharing of information and learning
- The delivery of WFD within the IIP framework
- Account Managers having relationship management responsibility which requires them to more fully understand the range of other services available so that they can draw in the most appropriate one.

This has resulted in a greater understanding between each of the separate teams and skill / workforce development becoming more important and integral to the work of account and client managers.

“Account managers are becoming a lot more comfortable with this as they’re recognising WFD as part of their portfolio and another element of support they can offer to companies”

“We’re beginning to see a genuine integration of business development and WFD. Account Managers and Business Gateway staff are now viewing workforce development as part of their toolkit and this has been successful in engaging a lot more companies”

It has been suggested that the task of understanding the importance of workforce development (and raising awareness of this to businesses) and integrating this into their workload has been easier for Account Managers, as they are based within SEFV (alongside the WFD team) and manage smaller client caseloads than Client Managers. This affords Account Managers more opportunity for informal information sharing and learning with the other teams. The challenge, therefore, is to ensure that Client Managers, who are based in Business Gateways in each of three local authority areas, are provided with similar opportunities to develop a stronger appreciation of the significance of workforce development and its place in the provision of a rounded service.

The WFD team have been credited with working closely with Account and Client managers to ensure they are aware of the WFD programme and can sell it to clients.

“The staff in the WFD team have successfully helped workforce development become an integral aspect of the Business Development Services portfolio” (SEFV staff)



4. Findings – client feedback

This section presents the views of companies participating in the workforce development programme and is based on telephone and face-to-face interviews with those companies.

The businesses interviewed were at various stages in the WFD programme, from those undertaking very initial meetings, to those in the “pipeline” who had not yet progressed to the TNA stage, to those whose staff were participating in workforce development, training and activity.

The following key messages were drawn from business interviews:

4.1 Finding out about the programme

The employers consulted became involved in the programme via two main routes:

1. As a result of being made aware of the programme through an existing SEFV contact, usually their Account Manager

“We have an account manager there who tells us these things”

“I didn’t know WFD was available until the Account Manager made it clear. He went through much of the support available”

“I became aware of the support via a review of IIP in the company carried out by SEFV”

2. As a result of their own research and initiative to enquire speculatively about the nature of support available to companies.

“We found out about it by default more than anything... it certainly wasn’t through advertising or being sent information”

“I basically got in touch with them to see what they could offer”

“We contacted them at the start of 2004 when the company was having problems to see what sort of support was available. From that, we worked out a package of various support measures and had an Account Manager assigned to us”

“We’re aware of the full range of support – we’ve done a few things with them over the years”

Businesses interviewed did not generally feel that there had been any particular criteria set for involvement in the programme, or that the programme was especially well known among other businesses.

Other routes into the programme for businesses included attendance at an SEFV seminar – *“which yielded information about the workforce development programme”* – and via an Investors in People adviser, who suggested a company should contact SEFV.

Another interviewee suggested the idea of distributing information about the programme through other services that businesses use, specifically banks, solicitors and accountants: *“When we moved here, it was the solicitor that we had most contact with”*.

While it is clear that some of the participating companies have been referred via an Account Manager, a significant proportion have also “happened upon” the programme via their own research or knowledge of the types of support offered by SEFV.

4.2 Support received

Most of the businesses had found that support was only available for workforce development activities that added some value to business by extending the capabilities of the staff and going ‘over and above’ what was required to run the business normally. Support from SEFV to help staff reach the basic standards required for them to do their job was generally not forthcoming, which is in line with the aims of the workforce development programme.

“The focus has been on upskilling people – that’s what we have received funding for, rather than on giving people skills they should have had when they joined the company”

“The support has been targeted towards staff development, rather than bringing staff up to standard levels – we don’t get support for health and safety or food hygiene etc.”

Many businesses felt that the support had encouraged them to do things they would not previously have done. The main driver for this was cost:

“The lower costs involved have provided the encouragement to do things that we might not have if the costs had been higher”

“The company’s investment [in workforce development] has definitely been kick-started by SEFV support...Recently, the company experienced financial difficulties and while we were aware of our training needs we didn’t have a budget to support them. SEFV was difference between starting this and not starting it”

For other businesses, where the company had an existing commitment to workforce development activity, the support from the WFD programme was simply a welcome addition to their ongoing activities.

4.3 Clarity of information

The extent to which companies are kept clearly informed about the types of support available and their progress through the programme seemed to vary considerably. Some found the flow of information to be clear and helpful:

“It’s been pretty clear”

“It was easy! – But I have previous experience of how these things work”

“It’s been fairly simple – she [SEFV advisor] told us what forms to fill in and it was pretty straightforward”

Many of those interviewed felt that the flow of information was greatly improved once they found a single point of contact within SEFV. These personal relationships seem to vastly improve the service provided to businesses, who had previously been unclear about the support available:

“Once we got tapped into SEFV, doorways opened and we got put through to other people, but it’s taken us 2-3 years to get to that point – it’s hard to find a way in amongst all the different departments and programmes”

“It’s clear now, but only because it’s been made so via our account manager. Otherwise it would have been totally incomprehensible”

“Now that we’re ‘in the system’, I think we stand a much better chance of finding out what’s going on”

Many others, however, were still finding the processes confusing and did not feel they clearly understood what support was available and where they stood in the programme:

“You don’t know everything that’s available”

“They could be a bit more concise...they have a myriad of different expertise at their disposal”

“Their presentation of what they offer could be more precise – by saying ‘this is the type of support they offer’”

“I think information is scattered around in different parts of the organisation – they are quite a convoluted organisation”

Others also felt that whilst they were clear about their particular stage within the programme, they were given little information about what would happen next. In particular, the next steps following a training needs analysis were not being made clear in several cases:

“There’s been a lack of information about what will happen after the training needs analysis is completed – we don’t really know what it will lead to in terms of support”

Explaining the next steps to participating companies could easily be incorporated into the standard WFD process.

4.4 Relevance to business needs / Additionality

The majority of the businesses interviewed stated that they had already identified their workforce development needs, without the assistance of SEFV. However, SEFV assisted companies put in place a course of action and provided the catalyst to implement its programmes of development quicker than initially anticipated. On some occasions the SEFV financial assistance enabled a larger programme of development to be implemented.

This perhaps explains why most of those interviewed felt that the support they had received was entirely relevant to their needs. In general, they had also identified where their needs lay and still felt in control of the kinds of activity that were initiated.

“It’s been very relevant – the business is growing and this process has helped them to identify how the staff might need to develop too.”

“We have identified the needs...but we are fairly well down the road of workforce development anyway”

“The identification of needs has largely been down to us...we’ve just used our common sense in terms of deciding who goes on what training”

“We identify our own training needs. They just told us what support was available”

“We would have pursued our workforce development aims with or without the support of SEFV – we already have our priorities”

While WFD may have delivered additionality in terms of the scale of workforce development activity and implementation time, it is less likely that true additionality has been delivered, that is, that it has supported businesses to identify their long-term workforce development needs and help them put sustainable responses in place.

4.5 Impacts of the programme on businesses

None of the companies interviewed was able to quantify the possible benefits to productivity or profitability gained from its investment in workforce development. The general feeling, however, was that the investment would be good for the business in the long run:

“Productivity has improved – but this is not so quantifiable. It would be helpful if we could quantify this”

“In the longer term would hope to quantify it – both to management, to justify the investment, and to staff to raise motivation – to say ‘here’s how much we’re investing and here’s the results”

“This has really changed the way we do things...we’ve never had proper business plans or training plans before”

While interviewees were unable to quantify hard returns, many commented on the softer benefits they anticipated, particularly that their involvement in the programme had generated real benefits in terms of staff retention and general morale:

“No one has left yet and I think this is at least partly due to the fact that we’re willing to invest in them.

“It has led to much greater openness in company of information sharing and improving communication at all levels. Senior managers are deliberately taking time out to develop the people that report to them, and this was never a formal process previously”

“It has made a difference in planning and implementing proper structures”

“We have quite a young staff base here, so people need to feel that they’re developing... providing them with training helps us hang on to them”

There were mixed feelings about whether involvement in the programme had changed people’s attitudes to workforce development:

“It hasn’t changed how we do things – we’re always developing staff”

“It’s had a big effect at all levels. 12 months ago we were an organisation who didn’t train or develop anyone. We want to move to position to where everyone is being developed and we want to set aside resources for this. SEFV support is very important to us in that”

4.6 Suggestions for improving the service

Many of the suggestions for improving the service relate to the concerns expressed by many businesses that they do not feel fully briefed about the types of support available to them, or their progression through the programme:

“It would be good if employers had information which explained what they could access...the private sector doesn’t understand about all the different bodies that can offer them support”

“We’ve only met our [SEFV] contact once... SEFV should be calling in to speak with us, find out what’s going on – they should be chasing us rather than us chasing them – we really haven’t got time for that”

“If we had someone who really knew the business, then they could point us towards the kind of support that would be best for us, rather than us having to wade through loads of information ourselves”

Other suggestions for improvement included the following:

“They could streamline the authorisation procedure – we have to complete certain sections of forms with the same information over again. Couldn’t this be stored centrally and pre-printed onto the forms? That way, companies would only complete the sections relevant to the type of support they were accessing”

“SEFV could offer more events and training in the evenings...I would go more if there were things on in the evenings; being a small company its hard to take people away form their jobs for whole days at a time”

“Their publications need to be clear, simple and concise to explain what’s available, for what, and the benefits”

A few, however, could not think of any ways in which the service could be improved:

“I don’t think there’s anything - everything I’ve asked for, I’ve got something, as long as it’s all justifiable”

4.7 General comments

Many of those consulted had found their involvement in the WFD programme to be very beneficial and helpful in terms of supporting their future plans for developing their staff. This was only countered by the feeling from some respondents that their involvement in the programme had been a matter of luck, chance, or persistence on their part, rather than a coherent strategy for helping particular types of businesses to progress in workforce development.



5. Good Practice

In order to fully appraise the WFD programme and in order to make recommendations on its future, it is valuable to compare the SEFV approach with programmes and tools delivered elsewhere. We have therefore explored other approaches in the UK (see Appendix 3 for the details of these programmes and tools). The key themes and learning points for SEFV in the delivery of successful workforce development approach are presented below. This is followed by a summary of the WFD programmes of Scottish Enterprise Dunbartonshire and Scottish Enterprise Fife.

5.1 Summary of key themes

The following key themes for successful workforce development approaches have been extracted from a diverse range of workforce development programmes and tools delivered across the UK.

5.1.1 Scale

In terms of workforce development programmes, one of the key factors in delivering successful services, and making a difference, appears to be scale. This is particularly evident in something like the Skillworks programme in Merseyside (a £30m programme developed by the Learning and Skills Council (LSC) which offers business financial assistance of up to 60% or up to £60k of eligible training costs), which is sufficiently large to become well known among local businesses. The scheme's size also means it can attract a wide range of top-quality training providers and consultants to work alongside it in delivering services, which has positive implications for the businesses involved.

5.1.2 Eligibility Criteria

The most effective services tend to be those with clear and concise eligibility criteria, so that all potential recipients of support know whether they will be eligible before they embark on the application process. This also has the benefit of reducing the number of wasted applications submitted by companies who are not eligible and helps to remove any sense of mystery around who is eligible for support and who is not.

5.1.3 Publicity

If a scheme is intended to be available to any business (rather than just those who are already account-managed) it needs to be publicised widely. Publicity can be achieved through conduits such as banks, solicitors and accountants, who all have regular contact with businesses. Holding events for people to find out information outside of office hours also enables people to attend who may otherwise have difficulty leaving their jobs during the day.

5.1.4 Bringing providers and users closer together

Services that can act as a bridge between businesses and those that provide training and consultancy support (such as colleges and training companies) tend to be very effective. Many businesses are not particularly well informed about where to go for workforce development services (even if they intend to pay for them) and such 'signposting' services are therefore very helpful to them.

As an example, the Skillworks programme in Merseyside has been successful because it is of sufficient scale to achieve good coverage in the area and is well known to local businesses. A user-friendly website also provides useful information for potential applicants and enables businesses to quickly find out if they are eligible for support. The use of a wide range of good quality training and consultancy providers also means that client businesses' specific needs can be met more effectively.

5.1.5 Using the right tools

It is clear the Investors in People standard is the clear benchmark for workforce development, and any tools used by workforce development programmes should be tailored around it. The IIP standard has stood the test of time and remains the most effective way of implementing high workforce development standards within a company.

5.1.6 Linking with policy objectives

Another key feature of excellent workforce development programmes is that they link with the current policy objectives set by national or local government. For example, much of the recent government activity around the 'key skills' agenda provides a starting point for agencies to design services that help businesses develop the right sort of skills within their workforce. Similarly, any targets to promote certain sectors or regenerate certain geographical areas may also need to be reflected in the type of service a workforce development programme provides and the type of businesses it supports.

5.2 Other LECs

In this section, the workforce development tools deployed elsewhere in the Scottish Enterprise network are discussed. Within Scottish Enterprise Dunbartonshire, a model has been successfully developed which enables businesses and the agency to articulate the actual and forecast return expected from its investment. Scottish Enterprise Fife has implemented an approach which brings together businesses with providers of workforce development and links this to the identification and achievement of business objectives.

5.2.1 Scottish Enterprise Dunbartonshire – Return on Investment

Return on Investment (ROI) is a practical process by which employers can be helped to quantify investment in training and measure return on investment.

The model provides a valuable resource to businesses by clearly demonstrating to SMEs the positive effects of people development on their profitability. Whilst many businesses may already accept this principle in theory, ROI provides a very practical framework in which to measure success.

The ROI model has developed a robust process by which, at the level of individual businesses, the returns gained on training and development activity can be measured and reported in financial terms.

The starting point for the process is the identification and prioritisation of a number of issues pertinent to the business. These are then used to specify the potential measures for the anticipated returns that are expected to be generated from investment in training and development activity. These measurement indicators should be:

- Something which can be measured reasonably accurately without becoming too onerous or time consuming for the business to measure
- Meaningful to the business

The process enables a differentiation between quantitative returns (those which can reasonably be measured in a statistical manner, e.g. sales levels, absenteeism levels) or qualitative returns (which cannot be measured statistically but which are nonetheless important, e.g. staff morale, increased professionalism)

The objectives of the programme are:

- To develop, deliver and refine a practical process by which employers can be assisted to quantify their direct and indirect investment in training and development and measure the Return on Investment gained
- To assist businesses identify and achieve appropriate company growth goals through training and development activity
- To support SMEs develop Workforce Development Plans and compete delivery against these, identifying potential sources of funding
- To increase the number of employees undertaking training as an outcome of the above

At December 2004, the ROI pilot had returned the following outcomes:

- A cumulative net return recorded by 23 participating businesses, on an investment (including employee time) of £116,603, totals £1,324,694⁶
- 31 companies have completed WFD plans, a number of whom had no previous commitment to employee development
- A number of the participating companies have expressed interest in adopting the ROI process for ongoing, internal use
- Early indications that the process is simple and effective enough to roll out to a wider group of companies

5.2.2 Scottish Enterprise Fife

Scottish Enterprise Fife's Workforce Development Pilot was launched in December 2003 with the aim of providing targeted businesses with support in identifying workforce development requirements and undertaking training to meet these needs. Additionally, the intention was to

⁶ Information provided by, and reproduced with the permission of, Scottish Enterprise Dunbartonshire

integrate WFD needs into a Business Review process for companies within the relationship management model and is central to SEF's drive to ensure that skills and workforce development issues were treated together where appropriate.

Programme participation involves:

- An assessment of the workforce development priorities across the business through a Training Needs Analysis
- A WFD Training Plan (developed jointly between the participating business and external contractor)
- Financial support for the delivery of the training needs identified during the TNA and prioritised in the Training Plan

All of the above is undertaken by external consultants contracted through a tendering process to deliver services.

The programme also aimed to monitor the delivery of training, progress towards the achievement of business objectives and enable further skills development through signposting to other relevant sources of support.

There may be some learning points for the future delivery of SEFV's WFD programme which can be drawn from the LEC programmes described above.

- The programmes:
 - Provide a clear framework for businesses to identify the issues which affect their growth and profitability
 - Assist businesses make informed decisions about the training and development activities they need to undertake to address the issues in a manageable way
 - Make visible the relationship between workforce development and business objectives
 - Have real potential to act as an important first step in securing commitment from businesses to invest in the longer term in training and development activities to achieve business objectives or address business issues
 - Enable the impact of workforce development activity to be monitored and evaluated
- In the SED programme, the calculation of both a hard and net return on the investment made provides a quantifiable link between workforce development and profitability and clearly justifies both the business' and public expenditure on training. It may also encourage businesses to participate



6. Conclusions

This section presents the key findings that have arisen from the evaluation. A number of issues have been identified, which are discussed below, along with lessons and recommendations for future delivery.

6.1 Summary

In considering the performance, effectiveness and impact of the programme, it can be seen that:

- The programme has demonstrated success in penetrating its target market of Account and Client managed companies. The majority (65%) of companies supported are Account Managed, with smaller numbers being Client Managed.
- Additionally, a considerable proportion of participating companies are in the FOG and universal markets. While this is outwith the scope of the target market, the decision has been justified by the WFD team who are endeavouring to deliver a programme which is responsive and so has the ability to support companies on a case by case basis.
- While previously there was less clarity about eligibility for support, the introduction of the SE Interventions Framework has addressed this, meaning that the targeting of both potential pipeline and larger companies for workforce development and other business support can now be justified.
- The majority of companies supported appear to be within the manufacturing and financial and business services sectors, key sectors within the Forth Valley economy.
- However, there exist some anomalies in the direction of support aligned to sectors. Two large training providers have received “Growing Business” support and a publicly-funded agency (although classed as a social economy organisation) has received support via “Sustaining Business”.
- Support to training providers can be justified as this sector, which receives the majority of SEFV spend to deliver national programmes, is a key priority for growth.
- Almost 90% of participating companies are SMEs, as per the objectives of the WFD programme.
- There has been some real progress in terms of integrating WFD activity within the Workforce and Business Development directorate. The business services teams work more closely together. The single point of contact, generally the Account Manger, who then introduces specialist support as appropriate, is valued by businesses as both an

entry into the agency and for presenting information about the support in a simple, accessible and clear way

- The key objective of the WFD programme is to help companies to invest in the higher skilled development of their workforce. However, both the forecast set for skills development and actual delivery favours low skilled employees over management development. This reflects Individual Skills Development being an integral aspect of the WFD programme during 2004 / 05. The closure of this for 2005 / 06 is reflected in the much lower targets set for this operational year. The challenge for SEFV is to ensure the focus of support remains clearly on the development of higher level skills.
- Generally, businesses are positive about their overall experience of the programme. Specifically, this relates to the financial assistance received and the fact that it has enabled businesses to implement larger scale workforce development programmes more quickly than if they had no investment from SEFV to match their own. The extent to which it has drawn businesses into a long term commitment to workforce development – and created a capacity to do this – is less clear.
- Currently, there are no systems in place for either businesses or SEFV to articulate the return on investment from the WFD programme. Linked to this is the scope for SEFV to implement a more rigorous internal and external monitoring and evaluation framework. This would generate benefits in two ways: to businesses who would be assisted to measure the impact of, and ensure, WFD activity was part of a longer-term strategic process and linked to business growth objectives, and to SEFV who would be able to learn from the engagement with companies, their experience of it and more clearly articulate the returns the investment generates

6.2 Conclusions

SEFV are pioneers of an integrated business development approach – of which the WFD Programme is part. They have a clear and well thought out vision of what they want to achieve. The intention underpinning the WFD is consistent with this, but there are some discrepancies between this and what is actually delivered. Much of this can be put down to the learning process that inevitably has to be gone through in piloting new approaches of this sort, and this evaluation is part of this learning process. There is scope to improve and enhance the programme in order to ensure a better return on public investment and to drive up the level of high skill development, linked to long-term growth objectives.

In this section we present the key issues and conclusions identified during the evaluation, the extent to which we have been able to answer the fundamental questions we placed at the heart of the assignment and recommendations SEFV should take cognisance of in order to drive up the performance of its WFD programme.

6.2.1 Promotion, targeting and marketing

The focus for participation in the WFD programme is intended to be on Account- and Client-Managed companies but a significant proportion of companies engaged are outwith these markets. This is mainly because the process for engaging companies appears to be flexible, responsive, at times ad hoc and at the discretion of the WFD team. While this may reflect the agency's desire to deliver a customised approach to businesses on a case by case basis, it also means that there is little consistency in relation to the process and may also result in the communication to businesses of a confusing message in terms of eligibility.

The WFD programme is small. In practice this offers the opportunity for SEFV to engage with only a small number of companies across Forth Valley. If the programme is to maximise its impact with the resources available, it is crucial that SEFV is able to identify, target and engage the most appropriate companies for both participation and, ultimately, receipt of financial assistance. Specifically, this focus should be on those companies with the greatest growth potential, defined within the SE segmentation model, and for whom the public investment will make the most difference, both in terms of effectively driving up productivity and profitability and in instigating a process of long-term investment in the development of workforce skills.

With a relatively small pot of money with which to invest in workforce development, wide promotion of the programme would be inefficient as it may generate more demand for financial support by too large a number of companies (a considerable proportion of whom may be ineligible for support) than the programme is able to support.

We recommend that SEFV WFD team implements:

- A mechanism by which a greater number of companies can be engaged (ensuring those who are ineligible for support understand the reasons why and are signposted to an alternative, appropriate source of support) so that the agency can more readily identify and / or target the companies that could (and should) benefit from the support. While not suggesting a wide marketing campaign, this mechanism would include:
 - Engaging with those who deal with businesses on a regular basis, for example, banks, solicitors, providers of training, etc.
 - Gathering, analysing and proactively using intelligence on key sectors and business results
 - Utilising the SEFV “Prospector” whose role it is to identify target businesses for Business Development support
- A clear set of criteria for defining eligibility based on the aims of the programme (to invest in the higher skill development of the Forth Valley workforce in high growth potential SMEs within key sectors). This would reduce confusion in the market and, consequently, enable SEFV to target its support and be clear about the expected returns from its investment.
- This task will be simplified with the introduction of the Interventions Framework

6.2.2 Impact

Although the number of companies engaged in workforce development has exceeded targets, there is not yet any robust evidence of the quantitative returns, i.e. on profitability and productivity, for participating companies.

“There are companies who participate in WFD who have a strong history of investing in the staff and can see the benefits, but I’m not sure they can quantify them” (SEFV staff)

“We’re unsure of the economic impact [of our investment] but we need to be able to demonstrate this. We need to see the link between our intervention and improved performance within the companies we support” (SEFV staff)

SEFV could, therefore, more fully realise its potential to help businesses recognise and respond to those situations where the priority need is to enhance workforce skills and ensure they are effectively used to drive up productivity and profitability.

While it is important to recognise that the programme is likely to return benefits in the short-, medium- and longer term (and, given the relative infancy of the programme, the longer-term benefits may not be seen for some time), our view is that SEFV needs a clearer and more rigorous process for both businesses and the agency itself to articulate the forecast and actual impact of its investment in skill development.

We recommend that the WFD process should, therefore, include measures which:

- Help businesses to identify their workforce development needs, clearly related to business objectives and growth aspirations, and articulate the expected business benefit of any investment.
- Ensure that SEFV-funded activity is not a one-off investment but part of a longer-term, strategic workforce development approach to workforce development and business growth.
- Monitor businesses' workforce development activity and help them to evaluate this against the achievement of identified business objectives

Specifically, **we recommend** that SEFV implements an approach based on the successful Scottish Enterprise Dunbartonshire Return on Investment model and which enables participating companies to easily articulate and measure the expected return.

The starting point for the WFD process would, therefore, be the development of a more structured HR strategy, which may include a TNA if appropriate, which clearly identifies business objectives and targets WFD on certain key areas for development or links such activity to specific objectives.

6.2.3 Sustainability

"If a company isn't entirely clear what skills / training requirements it has, or the gaps, we can do a TNA...but whether this is short- or long-term depends on the company"

SEFV's workforce development programme should be used to embed a sustainable business model and could be more effective if it kick-started a process of long-term structured and systematic workforce development activity.

This would begin with the identification of workforce development needs clearly linked to growth aspirations, i.e. supporting the organisation to develop an appreciation of where the company wants to go and the skills required to take it there.

We recommend that this is clearly set out in the TNA or workforce development contract, along with measurable outcomes and progress is evaluated regularly by SEFV as per agreed timescales set out in the contract.

6.2.4 Integration

Integration with other SEFV programmes

SEFV's workforce development programme has taken an important first step in integrating workforce development, skills and business development services and, as such, is experiencing success in creating and delivering a "joined up" business development service.

This has led to a much stronger appreciation of the significance of workforce development across the business support service and its place in a rounded service offering.

However, the programme could enhance its performance by more carefully targeting support and assisting companies to create and implement effective, robust and sustainable frameworks for action which link, in a long-term approach, skill development to business objectives.

An effective mechanism for achieving this is the IIP framework, the recognised industry standard designed by and for industry, and SEFV should build on its progress in raising awareness of the benefits of IIP to businesses and in integrating IIP as its workforce development tool.

We recommend that the IIP process becomes firmly embedded within the WFD process so that, as a result of participation in the WFD programme, businesses become IIP accredited or at least well established on the IIP journey.

Integration of the WFD budgets

This recommendation is linked to a requirement for the programme to refocus away from the development of low skills towards that which is intended, i.e. high skilled development and to promote, support and embed sustainable structures and systems which supports this within target businesses.

Currently, the WFD programme's funding mechanism is separated into support available for skills development and that available to enable businesses invest in internal systems and structures, and disproportionately skewed in favour of the former.

We recommend that the separate elements of the budget are combined into a single budget that focuses on capacity building or training which enhances sustainable management skills.

6.2.5 Management

The workforce development programme is effectively managed but this could be enhanced by the WFD team being more involved with participating businesses post-contract implementing better monitoring and evaluation measures.

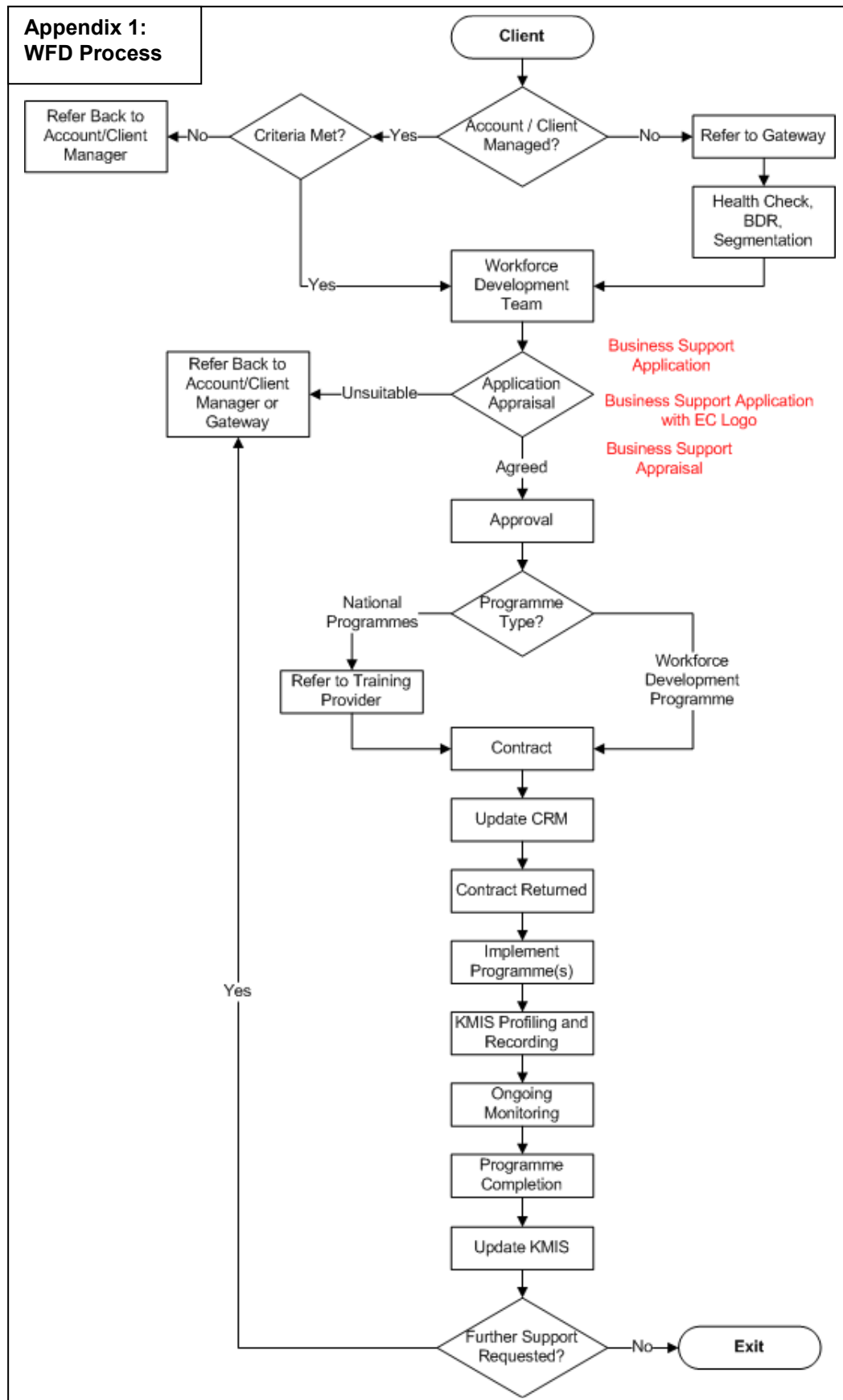
We recommend:

- Design and implementation of a monitoring and evaluation framework, or enhancing existing systems and agreeing the mechanism by which these are managed, e.g. through Account and Client Managers
- Regular review of progress, using the framework, involving both participating businesses and the WFD team.

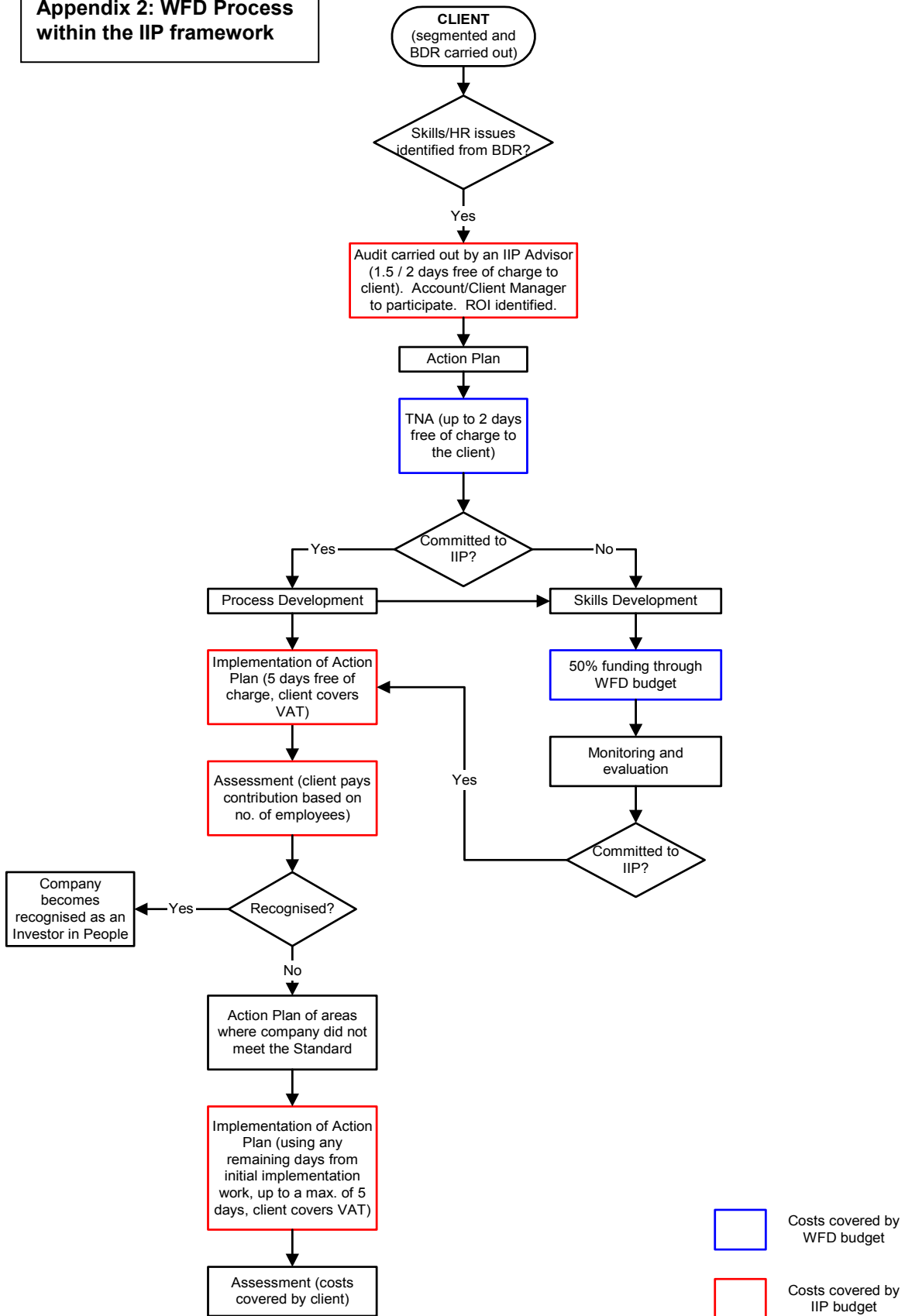


Appendices

- A1 SEFV Workforce Development Process**
- A2 SEFV IIP Process**
- A3 WFD programmes and tools – case studies**
- A4 List of Interviewees**
- A5 Interview aide memoires**
- A6 Scottish Enterprise Interventions Framework**



Appendix 2: WFD Process within the IIP framework



Appendix 3: Case Studies

Programmes

1. The Skillworks, Merseyside

This is a £30 million programme developed by the Learning and Skills Council Greater Merseyside, using ESF funding. The scheme has recently been extended to run until July 2008. Over 3000 businesses have been assisted to date.

The scheme pledges to cover up to 60% of the cost of training for any eligible business in the Greater Merseyside area (which covers 5 local authority areas: Knowsley, Liverpool, Sefton, St Helens and the Wirral). Each business can access up to £60,000, although the training has to be in areas over and above that necessary to meet statutory requirements. The service is demand-led, so businesses are free to choose the training they need. Training is delivered by a group of approved training providers who work with businesses to identify needs and tailor training accordingly.

Eligibility

The basic eligibility criteria for the programme are publicly available on the Skillworks website, meaning companies can very quickly discover whether or not they are eligible: To be eligible for funding, businesses must meet the following criteria:

- Employ fewer than 250 people (meaning self-employed people also qualify)
- Have a turnover of less than £35 million per annum or net balance sheets of less than £30 million
- Be an autonomous enterprise, i.e. you are totally independent, have a holding of less than 25% of the capital or voting rights (whichever is higher) in one or more enterprises and/or outsiders do not have a stake of 25% or more of the capital or voting rights (whichever is higher) in your enterprise.
- If the 25% threshold is breached due to investment by any of the following organisations, businesses may still be eligible:
 - Public investment corporations, venture capital companies and business angels
 - Universities and non-profit research centres
 - Institutional investors, including regional development funds
 - Autonomous local authorities with an annual budget of less than 10 million Euro and fewer than 5,000 inhabitants

2. Learning and Skills Council, North London Workforce Development Network Programme Seminars

To assist with promoting and integrating companies into their workforce development programme, LSC North London run a series of workshops and seminars designed to help organisations enhance their business performance through “improving the contribution of people”.

The aim is to provide delegates with a thorough understanding of the subject matter and provide best practice materials that can be taken away and used in the workplace.

The network is managed on LSC North London’s behalf by Capital Quality Ltd, a private company delivering Investors in People related products and services.

Key learning points for SEFV

- The use of workshops provides a cost-effective means of delivering information in workforce development to several businesses as a time. It also helps provide a forum to share experiences.

3. Association of Colleges (AoC), Workforce Development Ltd

The aim of AoC Workforce Development Ltd is to provide opportunities for employers to engage effectively with Further Education colleges. The organisation facilitates the provision of workforce development programmes delivered in the workplace by colleges with accredited qualification outcomes.

AoC Workforce Development establishes relationships with key agencies to ensure that opportunities are developed to support the delivery of programmes in a manner which is effective in terms of quality and funding support for both employers and colleges.

The AoC established Workforce Development Ltd to provide the opportunity for large employers and other employer-based organisations to meet their workforce development needs with the support of colleges in the workplace.

AoC Workforce Development's main office base is in Chester and it has a regional infrastructure which incorporates all four nations of the UK. The infrastructure now managed by AoC Workforce Development already facilitates the engagement of a substantial number of colleges across the UK supporting employer learning and skill programmes.

Key learning points for SEFV

- The existence of this service demonstrates the need to close the gap between the providers of workforce development services (colleges etc.) and the businesses that could make use of them. It is important to ensure that workforce development programmes bridge this gap through effective signposting and advice to businesses.

4. Business Link Essex, Employer Skills Offer

The Employer Skills Offer is available to help businesses in the county improve their staff skills and training. Business Link for Essex enable businesses to access this funding and support.

The Employer Skills Offer is open to any business which has not accessed government-funded subsidy for skills or workforce development in the past twelve months. The scheme aims to attract participants from across a range of sectors and from various sized companies. Up to £1,000 of match funding is available to those who apply and meet the criteria – which includes completing a skills diagnostic – to implement training that might benefit their business.

Examples of initiatives that could be undertaken include:

- Management development
- Apprenticeships
- Investors in People
- Leadership and management provision

Business Link Essex also run a free online business skills 'health check' that allows businesses to identify some workforce development needs.

Key learning points for SEFV

- Whilst there is a fairly specific focus on skills with this programme, the use of online tools and simple funding mechanism make it easy for businesses to engage with the programme.

5. LSC National Employer Skills Survey – Key Findings

This survey was conducted in 2003 and involved 72,100 interviews with employers. Some of the most relevant findings are summarised below and have important implications for the workforce development support offered by SEFV – especially in identifying which kind of businesses should be targeted:

Skill gaps

- 22% of employers reported that at least some of their staff lacked proficiency
- The largest proportions of skill gaps were among sales and customer service and elementary occupations
- Skill gaps were strongly related to size of establishment, with larger establishments considerably more likely to have some employees who lacked proficiency
- Between a quarter and a third of all skill gaps are at least in part a result of establishments' failure to train
- A lack of training was particularly common among managers who lacked proficiency
- Overall, it was far more common for employers to experience skill deficiencies among their workforce than to have difficulty finding new recruits with the required skills

Formal planning of training

- 56% of employers had a formal business plan, 39% had a training plan and 31% had a training budget. A third of employers had none of these and a fifth had all of them.
- Larger establishments were more likely to engage in all of these types of business and training planning.
- By sector, employers in the public services (education, public administration and defence, and health and social work) were most likely to have a training plan, followed by financial intermediation and the utilities. Employers in most manufacturing industries were less likely to provide training than employers in service sectors.

Engagement with training providers

- Around a quarter of establishments had been contacted by a local FE college for their views on the courses that the college provided, and 28 per cent had been contacted by a private training provider in this regard.
- Larger employers were more likely to have been contacted, but there is no clear pattern between the likelihood of an industry being contacted by training providers and the extent of training activity in that sector. Indeed, the financial services and communications sectors were among the least likely to be contacted by providers but were among the most likely sectors to train.

Tools

1. Investors in People

Investors in People remains the most prolific and well-recognised workforce development tool being used at present (c.f. Scottish Enterprise Networks commitment to using IIP as their main workforce development tool). IIP is generally unrivalled as a system for laying out what

best practice in workforce development looks like. However, as it is only applicable to companies of 5 employees or more, it has little relevance for micro businesses. An IIP-sponsored website called **YourPeopleManger.com** also provides advice for businesses advice on how to approach IIP.

The implications for SEFV are that IIP must remain continue to be a main driver of workforce development support.

2. Sirius Concepts Ltd: Workforce and Management Development Tool

- Based in Ayr
- Provide diagnostic tools that use a standard set of criteria to ascertain current practice on workforce development and identify routes to improvement
- Applicable to all sizes of business, including social enterprises
- Designed to complement IIP: questions asked within the 'business review' and 'business and skills review' sections of the tool would apply equally to an initial Investors in People audit
- Software is designed to provide strengths and weaknesses profiles
- Web options available

Users of the workforce development tool include Business Link Essex and Business Link York and North Yorkshire.

For SEFV, a tool such as this could provide real assistance in the diagnostic phase of workforce development support, allowing businesses to identify their own routes forward and helping to guide ongoing support from SEFV.

3. LSC Workforce Development Advisors' Toolkit

The LSC has developed a Workforce Development Advisors' Toolkit that provides guidance on promoting the business case for investment in skills, and information on the portfolio of workforce development support that employers can access. The toolkit has been designed in consultation with SBS/Business Link Network, SSDA and partners such as British Chambers of Commerce. It is intended that it will be made available all publicly funded workforce development advisors. The Toolkit will be integrated with the indicators that make up the LSC Employer Engagement Measure, the objectives of partner organisations and SFEDI Competence Standards being developed for all publicly funded workforce development advisors.

The use of such a toolkit by SEFV would help to ensure the programme was driven by best practice techniques in workforce development and leading edge thinking.

4. Laurel Online

Laurel Online is a 'user-friendly' web-based tool that guides businesses through the process of achieving the Investors in People Standard. IIP Regional Quality Centres are tasked with supporting the provision of Laurel Online to clients.

The tool was developed in response to the growing numbers of IIP clients. There are also plans to develop Laurel Online to incorporate other aspects of the Government's and LSC's broader workforce development strategy.

5. Matrix Standard

The Matrix Standard is a quality standard designed for organisations who themselves provide information, advice and guidance (IAG) on training and skills development. It recognises 'best practice' and also helps organisations to become better at delivering IAG both internally and externally.

If SEFV were to gain the standard, they would join the likes of the Learning and Skills Council Tyne and Wear, who used to improve their internal workforce development, and Employment and Regeneration Partnerships Ltd (Manchester) who used it to improve the service they provide to welfare-to-work clients.

6. Private Consultants

Although unlikely to be a cheap option, there are a wide range of private consultants offering workforce development services. The main advantages here for SEFV would be the 'bespoke' approach for different types of business (rather than using tools and processes designed to be used by all).

7. National Occupational Standards

In addition to IIP, use of SVQs (or NVQs) can also form part of a workforce development strategy for SEFV. Employers intending to put employees through vocational courses are encouraged to do a skills and knowledge audit beforehand, which can in itself be a development tool as it highlights areas where skills and capabilities may be lacking. The SQA are keen to emphasise these benefits, and the SVQ programmes appear to be designed to reflect this. Foundation Degrees can also form part of a workforce development strategy.

8. Business Link

As well as promoting the use of IIP and NVQs/SVQs, Business Link also suggest the use of training courses offered by the **Institute of Directors, CBI, Chambers of Commerce, Sector Skills Councils, learndirect** and the **Learning and Skills Council**. The Business Link website also has quite extensive 'how to' guides covering issues such as training needs analyses and assessments of training effectiveness. The guide to evaluating training effectiveness includes reference to the **Kirkpatrick model** of training evaluation.

9. Learning and Skills Council

The learning and Skills Council offer advice for employers on how to approach staff training. The website directs you towards an employers' guide to training providers run by Hotcourses at www.hotcourses.com/employersguide. This use of web-based advice is again a useful way of reducing the time spent dealing directly with client companies and allowing them to find the information that is most relevant to them.

10. Key Skills Support Programme

The Key Skills Support Programme for work-based training is being managed and delivered by Learning for Work (a not-for-profit agency).

The Programme is funded by the Department for Education and Skills (DfES) and the European Social Fund (ESF). Since 1999 the programme has provided a range of services and support to organisations (often in partnership with Sector Skills Councils) which deliver key skills as part of Government funded learning programmes. These services include:

- Training for staff involved in the management, delivery and assessment of key skills through direct training and an online learning programme
- Consultancy support to organisations wishing to improve on their current key skills practice
- Publications and resources which provide practical and realistic approaches to the delivery of key skills
- News and information about key skills via newsletters, email bulletins and a website
- Direct answers and advice through a dedicated telephone Helpline

By ensuring that the workforce development programme is informed by initiatives such as this, SEFV can ensure that the programme fits with key policy objectives and is kept as up-to-date and relevant as possible.

Appendix 4: Individuals Interviewed

Alan Addison	Scottish Enterprise Forth Valley
Bob Mathieson	Scottish Enterprise Forth Valley
Hazel Paterson	Scottish Enterprise Forth Valley
Helen Lewis	Scottish Enterprise Forth Valley
Jane Lawson	Scottish Enterprise Forth Valley
Lilian Hamilton	Scottish Enterprise Forth Valley
Robert Pollock	Scottish Enterprise Forth Valley
Mhairi Robertson	Scottish Enterprise Dunbartonshire
Tracey Greig	Scottish Enterprise Fife
Bill Wallace	Grange Manor Hotel
Colin Lynch	Blythe Construction
Colin Woodward	Contract Scotland
Douglas Kerr	Crown UCP Plc
Edward Robinson	Green Welly Stop
Graham Oxburgh	Riley, Dunn and Wilson (check)
John Paterson	Aberfoyle Motors
Julie Ross	Crosbie and Jack Insurance Services
Otilia Saxl	Institute of Nanotechnology
Pamela Ringrose	MetTech
Patricia Divers	Mack Technologies
Pauline Fotheringham	Lawsript Scotland
Rob Bawden	Pisces Engineering
Roddy Sutherland	Dynamic Innovations
Ruth Mathieson	Vision Training
Stuart Hunter	Adam Adamson
Tracy Liddle	Lochs and Glens Holidays

Appendix 5: Aide Memoire for Interviews

SEFV Staff Aide Memoire

- How is the Workforce Development Programme presented to the market?
- What types of company have received support – is this aligned to SE's segmentation process?
- What are the options / drivers for more joined up working across the workforce development and business development functions?
- What are the barriers to achieving this?
- What is the extent of the programme's integration with other Business Gateway / Growing Business processes and services? How do the different parts of the WFD / BD infrastructure work together?
- What is the scope for improvements?
- Has the programme succeeded in creating and delivering a joined up business development service, i.e. do customers receive a seamless, integrated service?
- If not, what needs to be done to achieve this?
- Is there a strong appreciation of the significance of workforce development within the business support service?
- Has the approach (either WFD or other BD) been successful in driving up investment by companies and produced results in terms of improved business performance?
- What have the successes of the WFD programme been?
- How could this performance be enhanced?
- Have particular types of company benefited more or have different types of support had more / less impact on businesses?
- Has the potential of Investors in People been fully realised?
- What do you know about other LEC WFD programmes?
- What would the WFD programme need to be like, in terms of services, accessibility and delivery, to be brilliant?
- What improvements would you suggest to the delivery of WFD to improve its overall impact?
- What are the barriers to achieving this and how might they be addressed?

Aide Memoire – Employers

- How many staff does your organisation have?
- What have you accessed Scottish Enterprise Forth Valley's Workforce Development programme for, e.g. support for training and development activity, developing HR processes, training needs analysis?
- Has the training you have undertaken been across the workforce or with specific categories of employees
- What was the level of the investment by both SEFV and your business?
- How does this complement any other investment you make in employee skill development?
- How did you become aware that this support was available, i.e. did you contact SEFV, did they contact you or did some other body recommend them, e.g. Business Gateway?
- How clear is the information about all the support available from SEFV?
- How did you enter the service?
- Did SEFV help you identify your needs and plan and implement an appropriate course of action?
- Has the service been relevant to your needs – in what ways?
- What have been the impact / benefits of this support on your business? What difference has it made?
 - On productivity / profitability / growth
 - On staff retention / absenteeism
 - What other difference has it made?
- If benefits are still to be seen, what is the potential?
- What has the experience been like? Has the process been simple or confusing?
- Are there any gaps in the supply of information, support or provision and what could SEFV do to fill these?
- What could make the support you receive from SEFV and the process better? What would it need to be like to be brilliant?
- Are you an accredited Investors in People or working towards it?
- Do you access any other SEFV support, e.g. Business Gateway or Growing Business – what is the nature of this support? How does it link in with the support provided through the WFD programme?
- What could be better?

- Would this now encourage you to invest in workforce development in the future, particularly higher skilled development of your staff?
- If not, what could be done to support and encourage you to invest in workforce development in the future?

Appendix 6: SE Interventions Framework

Workforce Development Interventions Framework

This framework covers:

Raising Co. performance by improving the skills of the workforce including the Management Team. This framework should only be used where clear market failure exists and where the potential for significant Co development also exists.

Frameworks are intended to act as a pipeline engaging companies and moving them from developing an awareness and understanding of the management issues concerned through early adoption of good practices to a mature management practice in the field.

Design Team: Alison Abraham; Andy Boyle; Tracy Greig; Richard Hamill; Bill Watt; Fiona Kennedy; Mhairi Robertson; Colin Meager; Margery McKechnie; John Viola; Tracy Crozier; David Robson; Carmel Nesbitt; John Carmichael; Lynn Curren; Gail Smillie; Network Product Team

Mature Adopters

Purpose: Creating further impact, scale additionality and capacity in competent Co's., generally Account and Client Managed Co's. The flexible intervention described here will also be available to other clients provided that robust appraisal has been undertaken and local management approval secured.

Flexible Intervention Framework Criteria

Eligible Activity:

These workforce development products must be allocated to high (Designated Relationship Management) clients where the product is appropriate to tackle a development need identified as part of an Account Development Plan (or Action Plan) which has been based on information derived from the use of diagnostic tools. The products may also be made available to the new 'One to One' segment at the discretion of local Management. Typically this will involve:

- Strategic review of
 - § Workforce/management Structure
 - § Human Resources practices
 - § Benchmarking

The use of the IIP diagnostic process may provide an appropriate model for carrying out a strategic review where this is required over and above the diagnostics used within the Account/Client managed process. In addition the following may be carried out:

- TNA & Action Plan
 - § Management Team
 - § Board
 - § Whole Co.

The provision of workforce development assistance arising from this process (e.g. consultancy supported skills transfer) must be justified by market failure and the potential to create significant business benefit/economic impact. No new Training Needs Analysis tools should be developed. A number of tools already exist including that developed by SE Lanarkshire. This is being piloted by the network through the Business Learning Accounts initiative.

Other Tools:

Specialist Placement

Limits: 50% maximum contribution to eligible costs

Exclusions:

Permanent Salary costs.

Support for commercially available training on standard business support software e.g. MS Office (word, excel etc)

Costs related to meeting legislative/regulatory requirements.

Certificated management training will not normally be supported except in exceptional circumstances where such training will lead directly to sustained business benefits within the recipient Co.

Financial top ups to support provided via national programmes (Training for work & Modern Apprenticeships)

Routine/day to day workforce development activity

Accreditation fees (i.e. IIP)

Repayable Grant

Stand Alone Products

728 Leadership for Growth SEEL

166 Graduate Placement

Early Adopters

Purpose: Provide further in-depth information for Co's which have made the choice to investigate further and which need training and financial support

Early Adopter market development products must be allocated to clients as appropriate to the scale of potential economic benefit in line with consistent customer management arrangements.

Network Products

597 Support for Social Organisations (Gateway)

Grouped Local Products

Group 1 Leadership Development

276 Coaching Skills for Managers (leadership development) SEGI

275 Management Growth Programme (leadership development) SEGI

46 Leadership Development (leadership development) SEA

167 High Performance Leadership (HPL) (leadership development) SEF

413 Organisational Development SEL (Group Programme element)

(see also MA entry)

850 Bespoke Skills - Common Purpose Matrix (leadership development) SEGr

(see also MA entry)

790 Finance for Non-Finance Managers (management development) SED

625 Future Leaders (improve middle management & leadership) SED

545 Planning to Succeed, Young Leadership Project (management development) SEDG

271 Towards Excellence SEGI

285 Skills for Business (Workshop Element) SEGI

929 Strategic Thinking SEGI

812 Developing Managers for the New Economy SEGr

606 Director Development SEGI

905 Management for Growth

SEEL

Group 2 Organisational learning/growth

566 Social Enterprise Programme (organisational growth & skills development) SEDG

235 Workforce Development - Capacity Building SEFV

926 Vocational Training for People in Work SEGI

951 Workforce Development Initiative (Implementation) SER

924 Training Plus SEGI

Group 3 Tourism

61 Local Tourism Training Products SEA

98 Tourism training programme SED

375 Quality Service programme SET

372 Tourism Learning Journeys SET

Group 4 Finance

158 Improving Financial Management Common Action Group SEF

Group 5 Basic Skills

293 World Class Service SEGI

813 Growth Through People SEEL

700 Workforce Development Basic Skills SEB

Others

627 Return on Investment Training SED

637 Training Needs Analysis Tool SEL

84 Bespoke Leadership & Management Development Initiatives (personal & organisational development) SED

850 Bespoke Skills - Common Purpose Matrix SEGr

701 Workforce Development Skills for the Future - Training Needs Analysis SEB

480 Business gateway: Expert Support Programme SET

481 Business Gateway: Training for Business SET

Use of E-business Active Workshops (available to all LEC's)

Awareness

Purpose: To raise awareness with management teams of the need and benefits of good management practice by providing information and guides to inspire them to move forward

Network Products

553 Investors in People - Support Programme

Grouped Local Products

-

Group 1 Forums

170 Performance Improvement Network now known as Business Improvement Network SEF

Group 2 Information Resources

287 Tourism Training Resource Library

SEGI

288 Tourism Training Signposting Service SEGI

Group 3 IIP related

814 Organisational Learning Workshops (organisation development towards IIP status) SEGr

Group 4 Basic Business Skills seminars

649 Business Skills Seminars SEL

257 Business Skills Seminars SEGI
Business Skills Seminars SEB
700 Workforce Development Basic Skills SEB
409 Lanarkshire Small Business ICT
54 Employee Lifeskills/Ayrshire Workforce Development SEA
187 Business Skills Seminars - Computer Skills for Business SEFV
190 Business Skills Seminars - General SEFV
950 Workforce Development Initiative (Advice and Planning) SER

Others

346 Tourism Induction Guide SEGr
484 Workforce Development Upskilling SET
611 Talent Scotland.com
898 Employment Law seminars SEGI
900 Business Development Workshops SEGI
307 Rural Women Business Group SEGr
710 Tourism Executive Development Programme SET
782 Bespoke Products - Tourism Training SET
894 Business Improvement Networks SEGI