

How do you measure and achieve value for money in learning and development?

This is an overview of a basic Cost Benefit Analysis for the Skills for Care Common Induction Standards that I undertook during 2010 whilst working as Social Care Training and Development Manager at West Berkshire Council, to evidence how the online assessments provide value for money.

Highlights

- **Significantly reduce the costs associated with classroom based training by around 48% per annum.**
- Achieve a fair and equal process for everyone.
- **Generate quality evidence of competence that cannot be achieved through classroom based training.**
- Value existing knowledge of new staff.
- **Provide managers with a tool to facilitate meaningful supervision discussion about what staff don't but should know.**
- Reduce refresher training courses and costs by evidencing competence.

Background and Context

What I quickly realised was that with decreasing budgets, **we just could not afford to continue sending everyone on training courses.**

We therefore had to increase the usage and different types of assessments used and incorporate them into refresher training.

Measuring and achieving value for money is often difficult to do, yet it is an essential part of being accountable for the way you spend money and the resources you buy.

One of the methods is to undertake a Cost Benefit Analysis. Start with what something costs. Don't leave out the cost of time. Look at the cost and implications of doing things differently. Make sure you consider quality and the results achieved.

The costs below show a **£70,770 difference in year 1** but you only pay 20% £450 for the licence from year 2 onwards, equating to costs of £78,030 a **difference of £72,500** per annum.

This is a 47% saving in year 1 and 48% saving per annum thereafter.

Classroom Based Training Costs

Online Assessment Costs

Trainer costs	£25,000	Cost for 100 user licence in year 1	£2,250
Room hire costs	£7,500	Cost of staff time to take assessments	£1,140
Cost of staff time to attend training	£59,050	Cost of cover for absent staff member	£1,140
Cost of cover for absent staff member	£59,050	50 people attend further training	£75,300
Total	£150,600	Total	£79,830

- Realistically, you will need a combination of online assessment and other methods of learning like classroom based, e-learning, shadowing etc.
- The model shows the savings per annum if you could half the number of people who need training because you have assessed their learning needs and evidenced their knowledge.
- **The higher percentage of staff you can evidence the knowledge for, the more savings you can make.**
- Organisations with more than 100 staff will achieve much larger savings.



These are the assumptions made behind the costing model:

- Average time to take assessments for all 6 Induction Standards is 1 hour (now 8 Stds)
- Average working week is 37 hours with pay rate of £10 per hour, plus “on costs” (employers NI at 11% and pension contributions at 3%) This equals an annual cost per employee of £21,933
- Average cost of staff cover is the same rate (it will be higher if agency staff or overtime rate and zero for some staff, for example admin or managers, who might not require cover)
- Average trainer cost £500 per day with average of 7 days or 52 hours training per person. Sending people to external courses should be calculated differently as it is a per person per place cost. If you use internal trainers and no cost venues, you can reduce these elements but don't forget they should still be calculated at the cost of internal trainer salary plus “on costs” and cost to your business for the use of leasing and maintaining rooms and equipment.
- Excludes staff travel time to / from training
- Average people trained on a course = 14 (based on M&H = 8, First Aid 12, others 16 with courses full to capacity)
- $100 \text{ staff} \div 14 \text{ places} = 8 \text{ courses} \times 7 \text{ days} = 50 \text{ days of training}$
- Average room hire of £150 per day to include refreshments / equipment etc.
- Assumes cost of management, supervision and admin time is similar for either option





To discuss this Case Study in more detail:

Email: sarah.knapp@cis-assessment.co.uk or call: 0845 873 0373

Visit our website: www.cis-assessment.co.uk

My former colleagues in Social Care Training at West Berkshire Council would be pleased to talk to you about their assessment centre and policy of assessing new staff before allowing them to attend training to ascertain if there is a training need or if their prior knowledge can be valued.