UK Corporate Learning Factbook 2016: Benchmarks, Trends, and Analysis of the UK Training Market

TRAINING COMES HOME AS OUTSOURCING LEVELS DROP

UK organisations’ reliance on external service providers declined when the recession prompted cuts in training expenditures. However, despite the rebounding economy, spending on external service providers has continued to drop; in fact, L&D budget allocations for outsourced services have seen a 27 percentage point decrease since 2009. This decrease, which is reported in the *UK Corporate Learning Factbook 2016*, is a strong indicator that L&D practitioners have become increasingly confident bringing training initiatives back in-house.

Outsourced services now account for a mere 14 percent of L&D spending, versus 41 percent in 2009 and 27 percent in 2012 (see Figure 1). Likewise, small and midsize organisations now allocate only 12 percent of their total budgets to external services, and large organisations allocate only slightly more (16 percent).

**What Leaders Should Know**

Recognized as one of the training industry’s most trusted sources of data on learning and development (L&D) budgets, staffing, and programmes, the *UK Corporate Learning Factbook 2016* provides key benchmarks and valuable guidance to help L&D executives make the right investment decisions. Data for this study was collected from 220 UK organisations between January and August 2015. A few of the key findings are described in the following sections.

**L&D Spending Rebounds**

Surveyed UK organisations boosted spending on L&D initiatives by 11 percent between 2014 and 2015—an increase that is 15 percentage points higher than the levels seen during the throes of the recession (see Figure 2). Levels of per-employee spending, which now average £1,068, have also begun to grow again as the economy rebounds. These data indicate that the United Kingdom’s economic recovery is manifesting itself through more confident spending across L&D practices.¹

Large organisations showed signs of substantial recovery, increasing their year-over-year spending by 10 percent between 2014 and 2015. Midsize organisations fared slightly better, increasing their spending by 11 percent. The greatest year-over-year change, however, was seen among small organisations, which increased their per-employee spending by 16 percent.²

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² Ibid.
High-impact L&D is strong talent analytics capabilities. High-impact learning organisations tend to understand that the purpose of measurement is to capture actionable information in order to improve the efficiency, effectiveness, and alignment of the entire L&D function. Comparing this information against industry norms enables L&D leaders to pinpoint potential problem areas and make better investments.

**Additional L&D Resources**

The UK Corporate Learning Factbook 2016 is only one of many resources available to help you evaluate and improve your corporate learning initiatives. Other resources include our Talent Analytics Framework and our High-Impact Learning Organization series, including The High-Impact Learning Organization Maturity Model. These resources are designed to help organisations build their L&D capabilities and deliver exceptional business performance in today’s global marketplace.

**Our Research**

WhatWorks members select from more than 2,000 research-based resources, including more than 350 research bulletins on the latest trends, more than 200 case studies, and 100 in-depth industry studies identifying leading practices for learning and development practitioners.

We look forward to helping you to make sense of the dynamic and complex learning and development environment through our WhatWorks membership and system.

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**Figure 2: Year-over-Year Change in L&D Spending**

![Figure 2: Year-over-Year Change in L&D Spending](image)

Source: Bersin by Deloitte, 2015.

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**Staffing and Training Hours Continue to Rise**

In addition to increased spending and decreased outsourcing, another strong indicator that UK organisations are regaining control of their L&D initiatives is reported increases in staff-to-employee ratios, which increased 50 percent between 2012 and 2015. This increased staffing has enabled L&D groups to take on greater, more diverse training responsibilities in order to upskill their workforces to meet market demands. To this end, the number of training hours per employee rose 12 percent—a far cry from the period between 2009 and 2012, when organisations slashed employee training hours by nearly 50 percent in response to the recession and reduced training budgets.

**Use of Informal Learning Methods Rises, While Instructor-Led Training Continues Its Sharp Decline**

While instructor-led training (ILT) continues to be the primary L&D delivery method, accounting for 32 percent of training hours, a glance at the historical trendline reveals a 45-percentage-point decline period-over-period since 2009, when it accounted for 77 percent of training hours. While online training, unsurprisingly, now accounts for just over one-quarter of L&D delivery methods, modalities that foster an environment of informal, continuous learning—especially experiential / on-the-job training and collaboration / feedback—are becoming increasingly prevalent. Looking at the time allocated to each delivery method, it has become increasingly apparent in recent years that L&D practitioners are seeking equilibrium in training, attempting to reach employees in diverse, complementary ways.

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