Funding Rates for NVQs and Apprenticeships

104 Children’s Care Learning and Development - Final Report on Review

This paper sets out the findings of the review of delivery models, activity levels and activity costs for the Children’s Care Learning and Development frameworks.

Background

The review of activity costs is based on a standard methodology and modelling tools that are being applied consistently across all sectors in scope.

The approach is based on:

- Access to LSC data to inform the review
- Dialogue with the sector body on apprenticeship issues
- Interviews with effective providers (i.e. those providers with good or above average inspection grades and apprenticeship success rates) to establish activity levels
- An expert panel meeting to review data and evidence on activity levels
- Modelling of activity costs against provider data and panel advice
- Consultation with the sector on the panel advice and issues emerging
- Moderation of panel advice by an LSC project group

A Phased Approach to Reviews

Apprenticeship frameworks have been reviewed in four phases over the period from September 2005 to December 2006. Frameworks reviews in phase 1 were completed in January 2006 leading to funding rate changes in August 2006.

The activity costs models and assumptions were maintained over the four phases but the methodology was enhanced in phase 2 to include improved information for expert panels and more detailed feedback to providers on issues and expert panel advice.

The Children's Care Learning and Development frameworks were reviewed in phase 1. This report includes some summary data and information and activity costs presentation material that was developed as part of phase 2.
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LSC Data

LSC data from 2004/05 ILR data used to inform the review were:

**Numbers in Learning**

<table>
<thead>
<tr>
<th>Starts (Monthly Average 2005)*</th>
<th>In Learning (July 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 - 19</td>
<td>19+</td>
</tr>
<tr>
<td>Apprenticeship</td>
<td>83%</td>
</tr>
<tr>
<td>Advanced</td>
<td>38%</td>
</tr>
</tbody>
</table>

Source: ILR 2004/2005

*Average taken from quarterly reports (January/April/July/October 2005)

**Success Rates**

<table>
<thead>
<tr>
<th>Framework</th>
<th>NVQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>36%</td>
</tr>
<tr>
<td>Advanced</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: ILR 2004/2005 Period 12

**Average Length of Stay in Months**

<table>
<thead>
<tr>
<th>Non completion</th>
<th>Framework</th>
<th>NVQ Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>7.3</td>
<td>16.7</td>
</tr>
<tr>
<td>Advanced</td>
<td>12.1</td>
<td>25.9</td>
</tr>
</tbody>
</table>

Source: ILR 2004/2005 Period 12 and LSC Data

**Provider Interviews**

A sample of effective providers was identified in discussion with the Children's Workforce Development Council (CWDC).

These providers were interviewed in December 2005 through a series of visits to provider locations.

A completed survey form was shared with each provider to review and update. A summary of the provider comments on delivery models and activity levels was shared with the providers in the interview sample for comment and feedback.
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Model of Delivery

The majority of providers deliver the framework through a significant programme of group based learning based on day release models with work based assessment and support.

Activity Levels Emerging from the Review

Apprenticeship

- Time to complete between 12 and 18 months
- Group based hours from 180 to 250 hours
- Key skills workshops and support
- Work based visits and support with caseloads around 1:35

Advanced Apprenticeship

- Time to complete around 24 months
- Group based hours from 180 to 260 hours
- Key skills workshops and support
- Work based visits and support with caseloads around 1:30

Expert Panel

CWDC convened an expert panel with representatives from:

- CWDC
- The Adult Learning Inspectorate
- Awarding bodies
- A provider nominated by the Association of Learning Providers
- Independent providers
- An FE College
- Learning and Skills Development Agency
- The consultant to the project
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Expert Panel Meeting and Advice

The panel met on 20 January 2006 and reviewed the data and evidence from the LSC and provider surveys. The panel used this evidence to formulate advice on activity levels for effective delivery.

CWDC advised the panel that:

- The new National Occupational Standards in Children’s Care Learning and Development cover work across a wider age range (0-16 years) than the previous NOS in Early Years Care and Education (0-8 years). This poses challenges for providers including:
  - apprentices may be close in age to the young people they are training to work with;
  - assessors need to be vocationally competent across a wider age range;
  - underpinning knowledge teaching and learning needs to be broader.

- There are new technical certificates and National Vocational Qualifications (NVQs) to reflect the new occupational standards for the sector. The new standards and qualifications have been in place since the 1st of November 05 with the framework in place shortly afterwards. The new technical certificates are mapped more closely to the underpinning knowledge requirements of the NVQs.

- The Learning and Skills Council (LSC) National Office Work Based Learning team are focussing on four apprenticeship sectors who have historically performed poorly in apprenticeship achievements and who have large volumes of learners. Early Years is one of these sectors. A Steering Group ‘Improving Apprenticeship Achievement Rates’ has been set up to oversee this work. CWDC is working in partnership with the LSC on policies and actions to improve success rates. This may include a closer review of the nature of the activities that providers engage in to deliver the frameworks and will include sharing of good and best practice across providers.

The panel noted the current standards have only been in place since November 2005 and the surveys with providers may reflect activity levels for the previous standards.

The panel agreed to provide advice based on the data and evidence emerging from the interviews with providers and on the requirements of the new framework standards.

The advice from the panel was circulated to panel members after the meeting for their further comment and approval.
Expert Panel Advice for Apprenticeship Delivery

The expert panel set out their advice as a basis for establishing the costs of a model 'of effective delivery. *This is not intended to be a ‘recipe’ that providers should follow.*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Panel Advice 2006</th>
<th>Notes and Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned Time to Complete</td>
<td>16 months</td>
<td>Estimated time for effective delivery based on provider interviews and LSC data</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>200 hours</td>
<td>Based around a full year of study on a 'day release' basis leading to 36 weeks or 7.5 hours with some workshop time for key skills</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>2 days</td>
<td>A programme of regular visits to the work place with most visit time allocated to further knowledge and skills development and work based observation and assessment</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>4.5 days</td>
<td></td>
</tr>
<tr>
<td>NVQ quality assurance</td>
<td>2.0 days</td>
<td>An increase to the level of internal verification over the initial implementation period that should revert to the reported level of 1.5 days after the first cohort of learners has worked through the framework.</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>60 hours</td>
<td>The panel advice includes 60 hours of group based activity for key skills units including some 1:1 support time from specialist staff</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>0 days</td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>1.5 days</td>
<td>Delivered as part of the programme of work based visits by assessors</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.0 day</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>1.5 days</td>
<td>An entry programme: an interview (1/2 day), assessment (1/2 day) and a work based induction (1/2 day) all 1:1 time with an assessor</td>
</tr>
<tr>
<td>Group based induction</td>
<td>12 hours</td>
<td>A 12 hour group based induction programme in addition to the programme of guided learning.</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 199</td>
<td>Based on costs of NVQ, Key Skills and sector body certificate</td>
</tr>
</tbody>
</table>

**Note:** The allocated time for work based assessor activity is equivalent to a *full-time* assessor caseload of 1:30 which is lower than the reported case loads for the providers that were interviewed.
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Activity Costs for Apprenticeship Delivery

The activity costs model has been set up to compare the LSC funding in 2005/06 to the reported activity levels with the following costs assumptions:

- Group based classroom activity weighted at factor B

- Assessor employment costs weighted at factor A based on independent research on salary rates and employment costs

- Registration and Certification costs of £199 based on information collected from awarding bodies

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 36% uplifted to a minimum level of 50% to reflect improvement in success rates by 2007/08.

The activity costs emerging from the review were:

![Current Funding and Activity Costs](image)

Panel advice for effective delivery is based on a higher level of activity costs than those emerging from most of the provider interviews.

The activity costs model suggests that activity costs for effective delivery are significantly higher than the current funding rates based on panel advice on activity levels.

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1 This is based on the LSC programme weighting factors for guided learning hours
2 A separate report on employment costs provides more details of the bands and methodology used to map sectors to employment bands

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Expert Panel Advice for Advanced Apprenticeship Delivery

The expert panel set out their advice as a basis for establishing the costs of a model of effective delivery. *This is not intended to be a ‘recipe’ that providers should follow.*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Panel Advice 2006</th>
<th>Notes and Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned Time to Complete</td>
<td>24 months</td>
<td>Estimated time for effective delivery based on provider interviews and LSC data and progression from a level 2 programme</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>300 hours</td>
<td>Based on evening sessions on a weekly or bi-weekly basis over the 24 month duration of the framework.</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>3.0 days</td>
<td>A programme of regular visits to the work place with most visit time allocated to further knowledge and skills development and work based observation and assessment</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>8.0 days</td>
<td></td>
</tr>
<tr>
<td>NVQ quality assurance</td>
<td>3.0 days</td>
<td>An increase to the level of internal verification over the initial implementation period but should revert to the reported level of 2.0 days after the first cohort of learners have worked through the framework.</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>60 hours</td>
<td>The panel advice includes 60 hours of group based activity for key skills units including some 1:1 support time from specialist staff</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>0 days</td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>2.0 days</td>
<td>Delivered as part of the programme of work based by assessors</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.5 days</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>1.5 days</td>
<td>An entry programme: an interview (1/2 day), assessment (1/2 day) and a work based induction (1/2 day) all 1:1 time with an assessor</td>
</tr>
<tr>
<td>Group based induction</td>
<td>12 hours</td>
<td>A two day induction programme as part of an effective model of delivery</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 262</td>
<td>Based on costs of NVQ, Key Skills and sector body certificate</td>
</tr>
</tbody>
</table>

**Note:** The allocated time for work based assessor activity is equivalent to a *full-time* assessor caseload of 1:27 which is less than the reported case loads for the providers interviewed to inform the review.
Activity Costs for Advanced Apprenticeship Delivery

The activity costs model has been set up to compare the LSC funding in 2005/06 to the reported activity levels with the following costs assumptions:

- Group based classroom activity weighted at factor $B^3$
- Assessor employment costs weighted at factor $A^4$ based on independent research on salary rates and employment costs
- Registration and Certification costs of £262 based on information collected from awarding bodies

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 21% uplifted to a minimum level of 50% to reflect improvement in success rates by 2007/08.

The activity costs emerging from the review were:

Panel advice for effective delivery is based on a higher level of activity costs than those emerging from most of the provider interviews.

The activity costs model suggests that activity costs for *effective delivery* are slightly higher than the current funding rates based on panel advice on activity levels.

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3 This is based on the LSC programme weighting factors for guided learning hours
4 A separate report on employment costs provides more details of the bands and methodology used to map sectors to employment bands
Moderation and LSC Data Modelling

The LSC has established a moderation group with representation from the Association of Learning Providers to review panel advice and activity costs.

The advice from the CWDC expert panel was reviewed at the moderation meeting in January 2006.

The moderation group compared panel advice to the evidence emerging from interviews with effective providers and were mindful of the issues around the implementation of the new standards.

The moderation group made some changes to the panel advice on activity levels.

Apprenticeship

The moderation group took the view that the activity costs model should include:

- A reduction from 6.5 days to 5.0 days for work based assessment and support

These changes lead to activity costs closer to those reported across the sample.
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Advanced Apprenticeship

The moderation group took the view that the activity costs model should include:

- A reduction from 11.0 days to 8.0 days for work based assessment and support
- A reduction from 3.0 days to 2.0 days for Internal verification

These changes lead to activity costs closer to those reported across the sample. The activity costs are slightly above the LSC funding for the sector before any assumed employer contribution.

Funding Rate Changes

The LSC is implementing changes to the funding rates based on the review and the advice on activity levels and activity costs and the decisions of the moderation group.

Apprenticeship

- An increase of 12% to the NVQ2 rate phased in over 2 years equivalent to an 11% increase in the framework funding rate

Advanced Apprenticeship

- A reduction of 12% to the NVQ3 rate phased in over 2 years is equivalent to a 6% reduction in the framework funding rate

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5 Further details are available in the LSC publication Requirements for Funding Work-based Learning for Young People 2006/07
Further Review and Update Following Implementation of the New Standards

The expert panel report noted that their advice was based on an estimate of the impact of the new standards on their current patterns of activity. The panel suggested that there should be a further review conducted by the SSC of these activity levels as the new standards are embedded in delivery models. CWDC noted the some additional data and evidence on delivery models may emerge through the programme of work on improving achievement rates.
Funding Profile

There is a DfES policy that employers should make a contribution to the costs of delivery for learners over the age of 19. This is implemented through the LSC funding rates by a reduction in the 19+ rate based on an assumed contribution.

The funding profile on the activity costs graphs sets out the sector based proportions of LSC funding and assumed employer contribution using:

- LSC data on age at entry
- LSC funding rates for 16-18 and 19+ learners

This is included for information and does not impact on the activity costs although it will impact on how providers recover the funding for the activities they deliver.

Caseloads, Visits and Days of 1:1 time

The activity costs model uses days of 1:1 time to include the costs of assessor time in the work place. A daily rate is calculated by taking the annual employment costs and dividing this by an assumed 200 days of work place visit time for a full-time assessor.

Where an assessor has a caseload of 1:25 learners an assessor will allocate an average of 200/25 = 8 days of 1:1 time in the work place per year for each learner. For a programme planned to take 15 months this would mean 10 days of 1:1 time over the duration of the programme.

This time may be apportioned across:

- Knowledge and skills development
- Observation and assessment
- Regular review
- Learner support and advice

The activity costs model includes days for each of these activities and the costs of these days are included at the daily rate.

These days of support may be delivered through a programme of regular visits seeing 2 to 3 learners per day - on average. So over a 15 month programme 10 days could be delivered as:

- 20 visits (every 3 weeks) seeing an average of 2 learners per day
- 30 visits (every 2 weeks) seeing an average of 3 learners per day