This paper sets out a summary of the findings of the review of delivery models, activity levels and activity costs for the Health and Social Care 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 Health and Social Care 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.
Funding Rates for NVQs and Apprenticeships

LSC Data

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

**Numbers in Learning**

<table>
<thead>
<tr>
<th></th>
<th>Starts (Monthly Average 2005)*</th>
<th>In Learning (July 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16 - 19</td>
<td>19+</td>
</tr>
<tr>
<td>Apprenticeship</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>Advanced</td>
<td>13%</td>
<td>87%</td>
</tr>
</tbody>
</table>

Source: ILR 2004/2005

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

**Success Rates**

<table>
<thead>
<tr>
<th></th>
<th>Framework</th>
<th>NVQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>22%</td>
<td>18%</td>
</tr>
<tr>
<td>Advanced</td>
<td>26%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Source: ILR 2004/2005 Period 12

**Average Length of Stay in Months**

<table>
<thead>
<tr>
<th></th>
<th>Non completion</th>
<th>Framework</th>
<th>NVQ Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>8.7</td>
<td>16.9</td>
<td>17.6</td>
</tr>
<tr>
<td>Advanced</td>
<td>11.4</td>
<td>20.0</td>
<td>20.0</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 Skills for Care.

These providers were interviewed in November 2005 and 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.

**Expert Panel**

Skills for Care convened an expert panel with representatives from:

- Skills for Care
- Adult Learning Inspectorate
Funding Rates for NVQs and Apprenticeships

- An awarding body
- A provider nominated by the Association of Learning Providers
- Learning and Skills Development Agency
- The consultant to the project

Expert Panel Meeting and Advice

The panel met on 30 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.

New Technical Certificates

The panel noted that new technical certificates would be in place from April 2006 for use across the sector. The panel recognised that the data and evidence collected from providers may be based on current patterns of activities. The panel agreed to provide advice on activities that would be required from September 2006.

Age Related Issues

The panel discussed the Guidance to Inspectors regarding under 18 year olds undertaking personal care duties and speculated that this might be removed leading to a significant impact on the patterns of recruitment and the age of entry to the framework.

The panel were advised that Skills for Care are currently awaiting a decision regarding the review of and proposed changes to the Guidance to Inspectors regarding under 18 and personal care and that a decision is expected in Autumn 2006.

The panel noted that any changes to the ‘18 year old rule’ would take time to be implemented across the sector and that it would require a considerable amount of education for employers and approval from the sector inspectorate and that these changes may take some time to impact on the patterns of recruitment into the sector.

Skills for Health advised that:

There is no restriction on those under the age of 18 undertaking personal care in the Health Sector. Apprentices can undertake the full range of duties in the Health Sector from the age of 16. The decision as to whether it is appropriate for the young person to do this should be agreed between the learner, the provider and the employer. Often these programmes are called ‘Cadet Schemes’ Not all Cadet Schemes use the Apprenticeship Framework.
Funding Rates for NVQs and Apprenticeships

Scope of the Panel Advice

The panel debated the scope of the advice and agreed that the new standards for the Health NVQ and framework would lead to different patterns of activity for delivery. The panel decided to limit their advice to apprenticeships delivered in the social care sector context.

The panel advised that there should be a separate review for the health sector and that this may lead to different activity models and funding rates.

Skills for Health reviewed the panel advice and stressed that:

*They would not agree to separate/different rates on the basis that there is a joint Framework at present and there needs to be a level playing field for all providers whether Health or Social Care*

The advice from the panel was circulated to panel members after the meeting for their further comment and approval.

Apprenticeship Pathways

The panel noted that the employer based pathway and the programme led pathways for the apprenticeship might involve different activity levels especially around the delivery of group based activity and the level of learner support.

The panel suggested that a significant number of learners would be on the programme led pathway and that it would be helpful to quantify the relative numbers of learners on the programme led and the employer based pathways.

The panel reviewed the data and evidence from the provider surveys and took the view that the evidence was based on an employer-based programme.

The panel agreed to provide advice on the employer based learner pathway. The panel suggested that there should be separate advice on the programme led pathway and that this might lead to differential funding rates.

The panel noted that learners may enter the advanced apprenticeship following:

- An apprenticeship programme
- Completion of a GNVQ or ‘A’ levels at school
- Direct entry from employment.

The panel agreed that in all cases learners would need to be in a work environment with some supervisory role to demonstrate the NVQ requirements at level 3. The panel took the view that the activity levels would be similar for all learners on the advanced pathway.

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1 It was noted that this is not a recommended route as stated by employers
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>15 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>100 hours</td>
<td>A programme of 20 half day sessions with learner access to self directed learning materials estimated costs of £ 130 per learner</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>1.0 days</td>
<td>A programme of regular visits to the work place with most visit time allocated to knowledge and skills development and work based observation and assessment</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>5.0 days</td>
<td>Lead internal verifier time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities</td>
</tr>
<tr>
<td>NVQ quality assurance</td>
<td>1.5 days</td>
<td>The panel advice includes a notional 60 hours of group based activity for key skills units although in practice there will be a range of approaches to deliver including 1:1 support in the work place as part of assessor visits</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>60 hours</td>
<td></td>
</tr>
<tr>
<td>Work based key skills</td>
<td>0 days</td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>1.0 days</td>
<td>Delivered as part of the programme of work based visits by assessors with at least 5 regular reviews of ¼ day per session.</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.0 days</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>2.0 days</td>
<td>An enhanced entry programme: an interview (1/2 day), assessment (1 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>7 hours</td>
<td>A day induction programme as part of an effective model of delivery with additional time</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 174</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 with separate staff responsible for entry activities.
Funding Rates for NVQs and Apprenticeships

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\(^2\)
- Assessor employment costs weighted at factor B\(^3\) based on independent research on salary rates and employments costs
- Registration and Certification costs of £174 based on information collected from awarding bodies
- Costs of self directed learning materials estimated at £130 per learner

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 22% 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 Graph](image)

This suggests that activity costs for effective delivery are above the current funding rates based on delivery of the new technical certificates with costs of self directed materials included in the model.

\(^2\) This is based on the LSC programme weighting factors for guided learning hours
\(^3\) A separate report on employment costs provides more details of the bands and methodology used to map sectors to employment bands
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>18 months</td>
<td>Estimated time for effective delivery based on provider interviews and LSC data and progress from a level 2 programme</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>100 hours</td>
<td>A programme of 20 half day sessions with learner access to self directed learning materials estimated costs of £ 130 per learner</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>2.0 days</td>
<td>A programme of regular visits to the work place with most visit time allocated to knowledge and skills development and work based observation and assessment</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>6.0 days</td>
<td>Lead internal verifier time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities</td>
</tr>
<tr>
<td>NVQ quality assurance</td>
<td>1.5 days</td>
<td>The panel advice includes a 30 hours of group based activity for key skills units with 1:1 support in the work place as part of assessor visits</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>30 hours</td>
<td>The panel advice includes a 30 hours of group based activity for key skills units with 1:1 support in the work place as part of assessor visits</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>1.0 days</td>
<td>Delivered as part of the programme of work based visits by assessors with at least 6 regular reviews of ¼ day per session.</td>
</tr>
<tr>
<td>Regular review</td>
<td>1.5 days</td>
<td>An enhanced entry programme: an interview (1/2 day), assessment (0.5 day) and a work based induction (1/2 day) all 1:1 time with an assessor</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.5 days</td>
<td>A day induction programme as part of an effective model of delivery</td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>2.0 days</td>
<td>Based on costs of NVQ, Key Skills and sector body certificate</td>
</tr>
<tr>
<td>Group based induction</td>
<td>7 hours</td>
<td>Note: The allocated time for work based assessor activity is equivalent to a full-time assessor caseload of 1:25 with separate staff responsible for entry activities. This is based on assessor activity including key skills support in the work place.</td>
</tr>
</tbody>
</table>
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 $B^4$
- Assessor employment costs weighted at factor $B^5$ based on independent research on salary rates and employment costs
- Registration and Certification costs of £236 based on information collected from awarding bodies
- Costs of self-directed learning materials estimated at £130 per learner

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 26% 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)

This suggests that activity costs for *effective delivery* below the current rates based on a planned time to complete of around 18 months. The activity costs are close to the current LSC funding before any assumed employer contribution.

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4 This is based on the LSC programme weighting factors for guided learning hours
5 A separate report on employment costs provides more details of the bands and methodology used to map sectors to employment bands
Funding Rates for NVQs and Apprenticeships

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 Skills for Care expert panel was reviewed at the moderation meeting in February 2006.

Apprenticeship

The moderation group agreed with the advice from the expert panel and used this to model funding rates.

Advanced Apprenticeship

The moderation group took the view that the activity costs model should be adjusted to reduce the entry days from 2.0 days to 1.5 days.

The impact of the moderation advice has no impact on assessor caseloads.

The activity costs emerging from the revised models were:

![Current Funding and Activity Costs](image)

This suggests activity costs slightly below the current funding rates.
Funding Rates for NVQs and Apprenticeships

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.

The changes are:

**Apprenticeship**

- An increase of 11% cent to the NVQ 2 rate phased in over 2 years
- This is equivalent to an 10% increase in the framework funding rate consistent with the panel advice

**Advanced Apprenticeship**

- A reduction of 20 % to the NVQ3 rate phased in over 2 years
- This is equivalent to a 14% reduction in the overall framework funding rate consistent with the moderated advice

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6 Further details are available in the LSC publication Requirements for Funding Work-based Learning for Young People 2006/07
Funding Rates for NVQs and Apprenticeships

ANNEX A

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