Funding Rates for NVQs and Apprenticeships

105 Electrotechnical - Final Report on Review

This paper sets out a summary of the findings of the review of delivery models, activity levels and activity costs for the Electrotechnical 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. 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 Electrotechnical 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.

Learners
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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>77%</td>
<td>23%</td>
</tr>
<tr>
<td>Advanced</td>
<td>67%</td>
<td>33%</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>34%</td>
<td>8%</td>
</tr>
<tr>
<td>Advanced</td>
<td>49%</td>
<td>7%</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>14.3</td>
<td>26.2</td>
<td>27.0</td>
</tr>
<tr>
<td>Advanced</td>
<td>23.9</td>
<td>47.4</td>
<td>41.0</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 Summit Skills.

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 activities and issues emerging was shared with the providers in the interview sample for comment and feedback.

Expert Panel

Summit Skills convened an expert panel with representatives from:

- Summit Skills
- Awarding body representatives
- A provider nominated by the Association of Learning Providers
- Independent providers
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- An FE College
- The consultant to the project

Apologies were received from the Adult Learning Inspectorate nominee who sent comments to the panel meeting to be included in the discussions.

Expert Panel Meeting and Advice

The panel met on 19 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.

The panel noted the LSC data on completions in 2004/05 showing that the majority of learners are following an advanced apprenticeship route. The panel were advised that there has been an increase in recent years on registrations on the apprenticeship route.

The panel agreed that the preferred route for most learners is direct into an “Advanced Apprenticeship” programme.

The panel discussed the use of an apprenticeship framework as an entry to some sector areas of employment (Installing Highway Electrical Systems; Installing Structured Cabling Systems.) or as a route for some learners that may have a need for higher levels of support and that might benefit from a progression pathway.

Apprenticeship Pathways

The panel reviewed the pathways available and agreed to provide advice on

- Direct entry to an advanced apprenticeship programme
- Direct entry to the apprenticeship programme
- A conversion’ route for learners who complete an apprenticeship and progress to the advanced apprenticeship. The panel suggested that the activity levels might be broadly equivalent to the activity levels for a direct advanced apprenticeship less the activity levels for direct apprenticeship pathway

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>24 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>500 hours</td>
<td>A significant programme of day release or block release programme for underpinning knowledge and skills development</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 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>Lead internal verifier time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>90 hours</td>
<td>The panel advice includes 90 hours of group based activity for key skills units</td>
</tr>
<tr>
<td>Work based key skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>2.0 days</td>
<td>Delivered as part of the programme of work based visits by assessors to include at least 8 reviews of ¼ day per review</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.5 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</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 139</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 just under 1:40 with separate staff responsible for entry activities and key skills support.
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 C\(^1\)
- Assessor employment costs weighted at factor E\(^2\) based on independent research on salary rates and employments costs
- Registration and Certification costs of £139 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 34% uplifted to a minimum level of 50% to reflect at least 10% 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* are above the current funding rates based on activities for effective delivery.

\(^1\) 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>48 months</td>
<td>Estimated time for effective delivery based on provider interviews and LSC data and direct entry to an advanced programme</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>750 hours</td>
<td>A significant programme of day release or block release over the first 3 years of the advanced apprenticeship with additional hours for key skills</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 time allocated to knowledge and skills development and work based observation and assessment</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>9.0 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>3.0 days</td>
<td>Lead internal verifier time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities</td>
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<tr>
<td>Group based key skills</td>
<td>90 hours</td>
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</tr>
<tr>
<td>Work based key skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>4.0 days</td>
<td>Delivered as part of the programme of work based visits by assessors to include at least 16 reviews of ¼ day per review</td>
</tr>
<tr>
<td>Learner support</td>
<td>2.0 days</td>
<td></td>
</tr>
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<td>Entry activities 1:1</td>
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<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 one day induction programme as part of an effective model of delivery</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 296</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 1:45 with separate staff responsible for entry activities and key skills support.
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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 \( C^3 \)
- Assessor employment costs weighted at factor \( E^4 \) based on independent research on salary rates and employments costs
- Registration and Certification costs of £ 296 based on information collected from awarding bodies
- Activity costs for AM2 tests estimated at £ 580

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 49% uplifted to a minimum level of 59% to reflect improvement in success rates by 2007/08.

The activity costs emerging from the review were:

![Current Funding and Activity Costs](image-url)

This suggests that activity costs for *effective delivery* are below the current rates based on a planned time to complete of around 48 months and direct entry to an advanced programme.

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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
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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 Summit Skills expert panel was reviewed at the moderation meeting in January 2006.

The panel advice on activities was used to model the activity costs and the funding rates for the apprenticeship and the advanced apprenticeship.

The panel advice on activities for apprenticeship delivery indicates activity costs above the current funding rate. The LSC discussed issues around the apprenticeship pathway and the use of this pathway by providers.

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
   - No change to the NVQ rate and framework funding

Advanced Apprenticeship
   - A reduction of 13% to the NVQ3 rate phased in over 2 years
   - This is equivalent to a 7% reduction in the overall framework funding rate consistent with the moderated advice

Advanced Apprenticeship after completion of an Apprenticeship
   - A reduction of 80% of the NVQ2 rate applied to the NVQ3 claim for funding

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