This paper sets out the findings of the review of delivery models, activity levels and activity costs for the Team Leading and Management 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 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

**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>Total In Learning (July 2005)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16 - 18</td>
<td>19+</td>
</tr>
<tr>
<td>Apprenticeship</td>
<td>12%</td>
<td>88%</td>
</tr>
<tr>
<td>Advanced</td>
<td>10%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Source: ILR 2004/2005

*Average taken from quarterly reports (January/April/July/October 2005)
Funding Rates for NVQs and Apprenticeships

Success Rates

<table>
<thead>
<tr>
<th></th>
<th>Framework</th>
<th>NVQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>14%</td>
<td>5%</td>
</tr>
<tr>
<td>Advanced</td>
<td>23%</td>
<td>25%</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>4.0</td>
<td>7.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Advanced</td>
<td>12.2</td>
<td>21.3</td>
<td>23.5</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 Management Standards Centre (MSC).

These providers were interviewed during May 2006 and August 2006 through a series of visits to provider locations.

The interviews with providers took place during May 2006 just after the introduction of the new framework standards on 1 May 2006. Most providers were aware of the new standards but had not completed their plans for revising their approach to delivery for the new standards.

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.

Models of Delivery

The model of delivery for all providers in the sample was based on some group based activities to support the development of knowledge and skills including key skills with regular work based visits by assessors or trainers to provide:

- underpinning knowledge
- further key skills support
- assessment
- learner support and advice
- regular review
Apprenticeship in Team Leading

Reported activity levels were:

- An entry programme based on a 1:1 interview, assessment and work based induction
- Time to complete around 12 months
- Some group based activity up to 21 hours
- Access to and use of structured learning materials
- Assessor caseload of between 1:30 and up to 1:45.
- Regular visits to the work place every 4 to 6 weeks to provide:
  - Underpinning knowledge and skills
  - Key skills support
  - Work based assessment
  - Regular review every 12 weeks
  - Learner support and advice
  - A system of internal verification

Advanced Apprenticeship in Management

Reported activity levels were:

- An entry programme based on a 1:1 interview, assessment and work based induction
- Time to complete between 13 to 16 months
- Some group based activity between 35 and 100 hours
- Access to and use of structured learning materials
- Assessor caseload of between 1:30 and up to 1:45.
- Regular visits to the work place every 4 to 6 weeks to provide:
  - Underpinning knowledge and skills
  - Key skills support
Funding Rates for NVQs and Apprenticeships

- Work based assessment
- Regular review every 12 weeks
- Learner support and advice
- A system of internal verification

Expert Panel

The Management Standards Centre convened an expert panel with representatives from:

- The Management Standards Centre.
- Adult Learning Inspectorate
- Awarding body representatives
- A provider nominated by the Association of Learning Providers
- The consultant to the project

Expert Panel Meeting and Advice

The panel met on 5 July 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.

MSC advised the panel that new standards were implemented on 1 May 2006 for the Management Advanced Apprenticeship and that new standards were planned for implementation in August 2006 for the Team Leading Apprenticeship.

The panel received a paper setting out the new standards and in particular:

- The removal of a range of technical certificates for the Management Advanced framework replaced by new technical certificates with significantly less QCA recommended guiding learning hours
- The inclusion of new technical certificates on the Team Leading apprenticeship.

The panel noted that the data and evidence from providers was based on their models of delivery and patterns of activity for the current framework standards. The panel agreed to use this data and evidence as a basis for providing advice on activity levels for the new standards.
The panel suggested that MSC should consult on their advice on activity levels before providing final advice to the LSC for funding rate modelling.¹

The panel discussed the development of new approaches to learning and assessment including the use of self-directed learning materials and the use of e-portfolios and e-supported assessment such as electronic images and documents and email support for learner.

The panel agreed that these new approaches would impact on delivery models and activity levels leading to more efficient and effective modes of delivery.

The panel reviewed the framework briefing sheets and noted that:

- Over 90% of learners were over 19 at the start of their programme and would be funded at a reduced LSC rate based on an assumed employer contribution

- The panel commented that few employers were making contribution in cash towards the costs of apprenticeship programmes.

The panel noted that few learners would be in a position to start an advanced framework before the age of 19 as they would be unlikely to be employed in a position where they could develop and demonstrate competence in line with the NVQ3 in Management

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

¹ MSC consulted with providers in August and September 2006 and feedback from providers was reviewed and used to inform the final report
## Expert Panel Advice for Team Leading 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.*

### Activity Panel Advice Notes and Comments

<table>
<thead>
<tr>
<th>Activity</th>
<th>Panel Advice 2006</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned Time to Complete</td>
<td>12 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>30 hours</td>
<td>Around 30 hours of group based activity where employers were prepared to release learners or learners were willing to join twilight or evening sessions of group based activity.</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>2.5 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>3.0 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>1.0 days</td>
<td></td>
</tr>
<tr>
<td>Group based key skills</td>
<td>60 hours</td>
<td>A nominal 60 hours of group based activity included for key skills where this was a requirement.</td>
</tr>
<tr>
<td>Work based key skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>1.0 days</td>
<td>At least 4 regular reviews of ¼ day per review with additional time for learner support and advice delivered as part of the programme of work based visits by assessors</td>
</tr>
<tr>
<td>Learner support</td>
<td>0.5 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>7 hours</td>
<td>Induction through early work based visits</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 210</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 1:26. This is lower than reported caseloads and was recommended by the expert panel as a basis for effective delivery.
Activity Costs for Team Leading Apprenticeship Delivery

The activity costs model has been set up to compare the LSC funding in 2005/06\(^2\) to the reported activity levels with the following costs assumptions:

- Group based classroom activity weighted at factor A\(^3\)
- Assessor employment costs weighted at factor A\(^4\) based on independent research on salary rates and employment costs
- Registration and Certification costs of £210 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 14\% uplifted to a minimum level of 50\% to reflect improvement in success rates by 2007/08.

The activity costs emerging from the review were:

This suggests that activity costs for effective delivery are below the current funding rates

The expert panel recommended a further review of activity levels in 2007 to confirm activity levels emerging from delivery of the new standards.

\(^2\) Including the funding rates for the new technical certificates from August 2006
\(^3\) 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
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.*

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<th>Notes and Comments</th>
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<tr>
<td>Planned Time to Complete</td>
<td>21 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>40 hours</td>
<td>Around 40 hours of group based activity where employers were prepared to release learners or learners were willing to join twilight or evening sessions of group based activity.</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>4.0 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>4.5 days</td>
<td></td>
</tr>
<tr>
<td>NVQ quality assurance</td>
<td>1.75 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>60 hours</td>
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<td></td>
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<tr>
<td>Regular review</td>
<td>1.75 days</td>
<td>At least 7 regular reviews of ¼ day per review with additional time for learner support and advice delivered as part of the programme of work based visits by assessors</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.75 days</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>2.0 days</td>
<td>An 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>
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**Note:** The allocated time for work based assessor activity is equivalent to a *full-time* assessor caseload of 1:30. This is lower than reported caseloads and was recommended by the expert panel as a basis for effective delivery.
Activity Costs for Management 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 A<sup>5</sup>
- Assessor employment costs weighted at factor B<sup>6</sup> based on independent research on salary rates and employment costs
- Registration and Certification costs of £289 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 23% 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](chart)

This suggests that activity costs for effective delivery below the current rates based on a planned time to complete of around 18 months activity levels based on the same pattern of delivery for an apprenticeship framework with an increased time to complete.

The activity costs for effective delivery based on panel advice are just above the level of LSC funding before any assumed employer contribution.

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<sup>5</sup> This is based on the LSC programme weighting factors for guided learning hours
<sup>6</sup> 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 MSC expert panel was reviewed at the moderation meeting in August 2006. The panel advice on activities was used to model the activity costs and the funding rates for the apprenticeship and the advanced apprenticeship.

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

- A reduction in the NVQ 2 rate of 14.6% phased in over 2 years
- This is equivalent to a 12.5% reduction in the overall funding rate for the framework consistent with the activity costs data and evidence.

Advanced Apprenticeship

- A reduction in the NVQ 3 rate of 25.8% phased in over two years
- This is equivalent to a 24.0% reduction in the overall funding rate for the framework consistent with the activity costs data and evidence.