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

Learners

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></td>
<td></td>
</tr>
<tr>
<td></td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>Advanced</td>
<td>34%</td>
<td>66%</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>62%</td>
<td>6%</td>
</tr>
<tr>
<td>Advanced</td>
<td>64%</td>
<td>5%</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>7.9</td>
<td>12.9</td>
<td>15.1</td>
</tr>
<tr>
<td>Advanced</td>
<td>12.7</td>
<td>14.9</td>
<td>18.6</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 Accountancy Occupational Standards Group (AoSG).

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.
Funding Rates for NVQs and Apprenticeships

Model of Delivery

The majority of providers deliver the framework through a significant programme of group based learning including assessment through simulated exercises.

This is used to develop underpinning knowledge that is independently assessed to form the foundation of effective technical performance.

The “technical” units are:

- Preparing ledger balances and initial trial balance

Advanced Apprentices

- Maintaining financial records and preparing accounts
- Recording and evaluating costs and revenues

Work based visits are used to complement the simulated assessments and to support the development of evidence for three of the units of the NVQ.

These units are:

- Health and Safety
- Information Technology
- Personal development

Activity Levels Emerging from the Review

Apprenticeship

- Time to complete between 10 and 15 months
- Group based hours from 70 to 204 hours
- Key skills workshops and support where required
- Work based visits and support with caseloads between 1:30 and 1:40

Advanced Apprenticeship

- Time to complete between 12 and 18 months
- Group based hours from 70 to 204 hours
- Key skills workshops and support where required
- Work based visits and support with caseloads between 1:30 and 1:40
Funding Rates for NVQs and Apprenticeships

Expert Panel

AoSG convened an expert panel with representatives from:

- AoSG
- Awarding bodies
- A provider nominated by the Association of Learning Providers
- An independent provider
- An FE College
- Learning and Skills Development Agency
- The consultant to the project

The contact nominated by Adult Learning Inspectorate was not able to attend the meeting.

Expert Panel Meeting and Advice

The panel met on 12 December 2005 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.

AoSG advised that:

- The Financial Services Skills Council (FSSC) has indicated that it is not able to take over the work of AOSG from 1 April 2006. Discussions are continuing between AOSG, FSSC and SSDA.

- There is no technical certificate requirement for the Accountancy apprenticeships. This requirement was removed in September 2004.

- There are currently no planned changes to the framework for September 2006.

The panel noted the range of evidence on the length of the programme of guided learning for the providers in the sample for interview and the panel advice from 2004. The providers at the panel meeting shared information and data on their approach to guided learning.

The panel took the view that some providers may be able to deliver a ‘fast track’ programme of learning where learners were working in a supportive and demanding environment and where learners were expected to progress rapidly through an apprenticeship programme as part of their pathway to a level 4 programme.
Panel members were keen to stress that for most learners a substantial programme of learning was necessary to deliver the underpinning knowledge and to carry out simulated assessments.

The panel suggested that the LSC might wish to review the issues around the funding of ‘fast track’ programmes.

The panel discussed the purpose and nature of work based visits. The panel noted that most learners would be able to demonstrate NVQ competence for the main elements of the programme through a programme of simulated assignments as part of the group based learning.

The panel suggested that these assignments helped to maintain the credibility of the ‘qualification’ across the sector.

The panel noted that assignments would need to be complemented by work based evidence and that assessors would need to visit learners in their work place to assess the extent to which learners were able to transfer and demonstrate practical competence in the work place.

The panel also noted that three of the units of the NVQ require portfolio evidence of projects completed in a work based setting.

The panel advised that a typical programme of visits might be monthly visits of about 1/3 day per learner over the duration of the framework.

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>13 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>240 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>0 days</td>
<td>A programme of regular monthly visits to the work place with most visit time allocated 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>1.5 days</td>
<td></td>
</tr>
<tr>
<td>Group based key skills</td>
<td>60 hours</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 delivery</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</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>£ 142</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 1:40
**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 A\(^1\)
- Assessor employment costs weighted at factor D\(^2\) based on independent research on salary rates and employment costs
- Registration and Certification costs of £142 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 62% uplifted to a minimum level of 67% to reflect at least 5% 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 the provider interviews.

The activity costs model suggests that activity costs for *effective delivery* are slightly below 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
Expert Panel Comments on Advanced Apprenticeship Delivery

Apprenticeship Pathways

The panel discussed the learner pathways and agreed that some learners would enter the advanced apprenticeship having completed an apprenticeship – and that the apprenticeship provided an important foundation of learning to support progression.

The panel noted that many learners may enter the advanced programme having completed some other learning and that these learners may need a pre-entry programme, e.g. basic book-keeping.

The panel agreed to base their advice on learners entering the advanced apprenticeship having completed an apprenticeship programme.

Programme Planning and Delivery

The panel discussed the similarities and differences between the advanced programme and the apprenticeship programme and agreed to provide advice around these differences.

The panel noted that:

- The advanced apprenticeship programme was planned over the same time duration as the apprenticeship programme. This was thought to be the absolute minimum period for achievement; one panel member represented a provider where the average for achievers is 69 weeks.

- The group based learning for the advanced programme should be increased to 260 hours

- The salary levels for tutors and assessors on the advanced programme may be notably higher than for the apprenticeship programme

- The group sizes for the advanced apprenticeship programme may be smaller than for the apprenticeship programme

- The level and intensity of work based assessment would be higher than for the apprenticeship programme but the number and duration of planned visits would be the same

- The induction programme for the advanced apprenticeship would be 1 day as compared to 2 days for the apprenticeship programme
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 and progression from a level 2 programme</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>240 hours</td>
<td>Based around a full year of study on a 'day release' basis leading to 36 weeks or 7.5 hours with additional sessions for key skills activity</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td></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>1.5 days</td>
<td></td>
</tr>
<tr>
<td>Group based key skills</td>
<td>60 hours</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>Work based key skills</td>
<td>0 days</td>
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<tr>
<td>Regular review</td>
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<tr>
<td>Learner support</td>
<td>1.0 days</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>1.5 days</td>
<td>An enhanced 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>A day induction programme as part of an effective model of delivery</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 152</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 1:40
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 A³
- Assessor employment costs weighted at factor D⁴ based on independent research on salary rates and employments costs
- Registration and Certification costs of £ 152 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 64% uplifted to a minimum level of 69% to reflect improvement in success rates by 2007/08.

The activity costs emerging from the review were:

![Bar Chart]

This suggests that activity costs for effective delivery are significantly below the current rates based on a planned time to complete of around 15 months. The activity costs are close to the current LSC funding before any assumed employer contribution.

The activity costs for delivery of the advanced programme are slightly higher than the activity costs for the delivery of the apprenticeship 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
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 AoSG expert panel was reviewed at the moderation meeting in January 2006.

Advanced Apprenticeship

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

- An increase of 30 hours for the group based activity
- A reduction of ½ day for Internal verification

These changes lead to a minor adjustment in the activity costs model:

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 of 2% to the NVQ2 rate phased in over 2 years

Advanced Apprenticeship

- A reduction of 36% to the NVQ3 rate phased in over 2 years

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