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

**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>70%</td>
<td>30%</td>
</tr>
<tr>
<td>Advanced</td>
<td>N/A</td>
<td>N/A</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>46%</td>
<td>7%</td>
</tr>
<tr>
<td>Advanced</td>
<td>46%</td>
<td>12%</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>10.0</td>
<td>21.2</td>
<td>26.2</td>
</tr>
<tr>
<td>Advanced</td>
<td>21.7</td>
<td>31.4</td>
<td>27.8</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 FFINTO.

These providers were interviewed in May 2006 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.

Pathways

There are two distinct vocational pathways in the Furniture Industry framework that are summarised in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Apprenticeship</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood Machining</td>
<td>Wood Machining</td>
<td>Wood Machining</td>
</tr>
<tr>
<td>(68)</td>
<td>(49)</td>
<td>(49)</td>
</tr>
<tr>
<td>Making and Installing</td>
<td>Making &amp; Installing</td>
<td>Making &amp; Installing Production Furniture</td>
</tr>
<tr>
<td>(370)</td>
<td>(27)</td>
<td>(27)</td>
</tr>
<tr>
<td>Or</td>
<td>Making &amp; Repairing</td>
<td>Making &amp; Repairing Handcrafted Furniture and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Furnishings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(88)</td>
</tr>
<tr>
<td>Technical Certificate</td>
<td>Certificate in Furniture Production Level 2</td>
<td>Certificate in Furniture Production Level 3</td>
</tr>
<tr>
<td>(380 hours)</td>
<td>(520 hours)</td>
<td>(520 hours)</td>
</tr>
</tbody>
</table>

Numbers based on learners in learning from LSC ILR Data 2004/05

Annex A contains a note on progression issues in the sector.
Funding Rates for NVQs and Apprenticeships

Models of Delivery

The reported models of delivery were:

- Group based sessions for the technical certificate and skills development
- Some block release and work based delivery where learners are in remote locations
- Work based assessment of learners

Activity Levels

Apprenticeship:

- Group based hours between 330 and 530\(^1\)
  - Work based assessment between 6 and 13 days (remote learners)
- About 2 years to complete

Advanced apprenticeship:

- Group based hours around 400\(^2\)
- Range between 18 to 36 months to complete
- Most learners progress from apprenticeship

Expert Panel

FFINTO convened an expert panel with representatives from:

- FFINTO
- Adult Learning Inspectorate
- An awarding body representative
- A provider nominated by the Association of Learning Providers
- A provider nominated by the Association of Colleges
- The consultant to the project

\(^1\) Technical Certificate at level 2 is QCA hours of 380
\(^2\) Technical Certificate at level 3 is QCA hours of 520
Funding Rates for NVQs and Apprenticeships

Expert Panel Meeting and Advice

The panel met on 6 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.

FFINTO advised that the Furniture Industry Apprenticeship framework with its associated NVQs covers a range of occupational specialisms.

The panel advised that many of these sector routes would have very small numbers and that the predominant routes would be Making and Installing Furniture and Wood Machining. The panel noted that all of the routes were funded at the same sector based rate and agreed to provide advice on activity levels for Making and Installing Furniture as a basis for setting a rate for the sector.

The panel suggested that future review may need to look in more detail at some of occupational specialist routes and in particular Wood Machining as this has a higher cost associated with group based delivery.

FFINTO advised that a major review of occupational standards was being undertaken and that this was planned for completion in June 2007. The panel agreed to provide advice based on the current standards and models of delivery but advised that FFINTO should convene a further panel meeting to review the impact of the new standards on delivery models and activity levels.

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

Further Review and Consultation

Panel advice on activity levels was considered by the, LSC convened, moderation group at their meeting on 2 August 2006. The moderation group surfaced a number of issues for clarification and:

a. Discussed the profile of providers in the sector and the difficulties in establishing patterns of activity levels from such a small and specialist base of providers.

b. Were concerned that the level of assessment time for the apprenticeship was set at the high end of the sample of providers and would welcome further clarification of the assessment requirements when this is linked to a model where there are 480 group based hours

c. Reviewed the advice on progression or direct entry to an advanced apprenticeship and noted that the level 3 appears to be nested. However, there are some providers delivering a direct level 3. The project group requested clarification from FFINTO on their preferred and the employer preferred pathway so that funding rates could be set to support their policy.
Follow Up Mini-Panel Meeting and Review

FFINTO convened a further meeting of key contacts on 3 October 2006 to review the issues surfaced by the LSC moderation group and in particular to set out advice on progression issues. The group updated the panel advice and FFINTO consulted with the sector on the revised advice.

Final Panel Advice on Apprenticeship Activities

Panel advice on activities for apprenticeship delivery was based on:

- Entry activity around 1.5 days of 1:1 time including an interview, assessment and a work based induction with the learner and their supervisor
- A group based induction programme 2 days
- Time to complete around 24 months
- A programme of group based activity over 2 years with around 480 guided learning hours or 38 weeks of day release – 7.5 hours per day
- Part of the day release time allocated to key skills activities
- Full time assessor caseload of around 1:30
- Regular visits to the work place every 4 to 6 weeks to provide:
  - Further underpinning knowledge and skills
  - Key skills support
  - Work based assessment
  - Regular review every 12 weeks
  - Learner support and advice
- A system of internal verification including joint visits, portfolio sampling and learner interviews
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>480 hours</td>
<td>A programme of 2 years of 38 weeks of day release – 7.5 hours per day = 570 hours with 90 hours allocated to key skills</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>0 days</td>
<td>A programme of regular visits to the workplace with most visit time allocated work based observation and assessment</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>8.0 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>2.0 days</td>
<td>Key skills delivered as part of the group based day release programme</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>90 hours</td>
<td>Key skills delivered as part of the group based day release programme</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 visits by assessors</td>
</tr>
<tr>
<td>Learner support</td>
<td>2.0 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>14 hours</td>
<td>A two day induction programme as part of an effective model of delivery</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 270</td>
<td>Based on costs of NVQ, Key Skills and sector body certificate</td>
</tr>
</tbody>
</table>

**Note:** The allocated time for work based activity is equivalent to a *full-time* assessor caseload of 1:30.
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 C³
- Assessor employment costs weighted at factor B⁴ based on independent research on salary rates and employments costs
- Registration and Certification costs of £270 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 46% uplifted to a minimum level of 56% 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 increased resources for delivery of the new standards.

The activity costs model uses the 2005/06 technical certificate funding rates to compare activity costs to framework funding. The technical certificate rates were increased in 2006/07 by over 20% following a separate review of these rates.

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
Final Panel Advice on Advanced Apprenticeship Activities

Panel advice was reviewed and updated to reflect a progression model of delivery consistent with LSC data and evidence and feedback from providers through a consultation exercise in October 2006.

Final panel advice on activities for advanced apprenticeship delivery was based on:

- Entry activity including 1:1 interview, assessment and work based induction
- Time to complete as a progression pathway from an apprenticeship around 18 months
- A further programme of group based activity over 18 months with around 360 guided learning hours or 38 weeks of day release – 7.5 hours per day. Part of the day release time allocated to key skills activities
- Full time assessor caseload of around 1:30.
- Regular visits to the work place every 4 to 6 weeks to provide:
  - Further underpinning knowledge and skills
  - Key skills support
  - Work based assessment
  - Regular review every 12 weeks
  - Learner support and advice
- A system of internal verification including joint visits, portfolio sampling and learner interviews
Funding Rates for NVQs and Apprenticeships

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 progression from a level 2 programme</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>360 hours</td>
<td>A further programme over 18 months with around 38 weeks of day release – 7.5 hours per day. Part of the day release time allocated to key skills activities</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>8.0 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>Key skills delivered as part of the group based day release programme</td>
</tr>
<tr>
<td>Work based key skills</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>1.5 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 (0.5 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></td>
<td></td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 232</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.
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\(^5\)
- Assessor employment costs weighted at factor B\(^6\) based on independent research on salary rates and employments costs
- Registration and Certification costs of £ 232 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 46% uplifted to a minimum level of 56% to reflect improvement in success rates by 2007/08.

The activity costs emerging from the review were:

\[
\text{Current Funding and Activity Costs}
\]

This suggests that activity costs for effective delivery significantly below the current rates based on a planned time to complete of around 18 months for a progression pathway.

The activity costs model uses the 2005/06 technical certificate funding rates to compare activity costs to framework funding. The technical certificate rates were increased in 2006/07 by over 25% following a separate review of these rates.

\(^5\) This is based on the LSC programme weighting factors for guided learning hours
\(^6\) 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 FFINTO expert panel was reviewed at the moderation meeting in August 2006. The moderation group asked FFINTO to gather more data and evidence on progression arrangements and the revised advice was reviewed at the moderation meeting in October 2006.

The revised 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

- An increase of 8.2% to the NVQ2 rate in addition to the increases to the technical certificate rates in 2007/08

- This leads to framework funding consistent with the evidence emerging from the activity costs review

Advanced Apprenticeship

- A reduction of 66% in the NVQ3 rate phased in over two years based on a progression pathway with the level 2 learning and activities removed from the current funding for the advanced apprenticeship framework

- This reduction will be slightly offset by the increases to the technical certificate rates in 2007/08

- This leads to LSC funding for the 18 month progression programme consistent with the data and evidence from the activity costs review

- Details of payments for learners in 2007/08 who started the advanced programme in 2006/07 and have not completed a level 2 prior to starting the programme will be published by the LSC in Requirements for Funding due to be published in March 2007.
Progression Issues

The FFINTO framework guidance states that:

Apprentices will start either:

1. **On an Apprenticeship Programme.** This requires the Apprentices to take two mandatory units and three optional units from the NVQ Level 2 (NVQ in Making and Installing Furniture). Optional Units will be chosen through the initial assessment process with the learner, including discussions with their respective employer to ensure suitable and appropriate needs are met (1) Apprentice, (2) Employer. Apprentices will be required to take the same units from the Technical Certificate at Level 2, as chosen within the NVQ.

   **Upon completion, it is expected that the Apprentice will progress to the Advanced Apprenticeship.**

2. **Directly on the Advanced Apprenticeship Programme.** The Apprentice will be required to take the NVQ Level 2 (NVQ in Making and Installing Furniture) during their programme. The Apprentice will then follow one of two routes from the two available Level 3 NVQ’s.

   a. **Level 3 NVQ in Making and Repairing Hand-crafted Furniture and Furnishings.** This requires the Apprentices to take three mandatory units and four optional units from the NVQ Level 3. Optional Units will be chosen through the initial assessment process with the learner, including discussions with their respective employer to ensure suitable and appropriate needs are met (1) Apprentice, (2) Employer. Apprentices will be required to take the same units from the Technical Certificate at Level 3, as chosen within the NVQ.

   b. **Level 3 NVQ in Making and Installing Production Furniture.** This requires the Apprentices to take one mandatory unit and five optional units from the NVQ Level 3. Optional Units will be chosen through the initial assessment process with the learner, including discussions with their respective employer to ensure suitable and appropriate needs are met (1) Apprentice, (2) Employer. Apprentices will be required to take the same units from the Technical Certificate at Level 3, as chosen within the NVQ.

   **Note:** Please note NVQ Level 2 is **not** funded by the LSC.

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