Funding Rates for NVQs and Apprenticeships

293 Contact Centres - 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 Contact Centres 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>16 - 19</th>
<th>19+</th>
<th>Total</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>11%</td>
<td>89%</td>
<td>125</td>
<td>In Learning (July 2005)</td>
<td>1,179</td>
</tr>
<tr>
<td>Advanced</td>
<td>16%</td>
<td>84%</td>
<td>8</td>
<td></td>
<td>211</td>
</tr>
</tbody>
</table>

Source: ILR 2004/2005

*Average taken from quarterly reports (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>34%</td>
<td>17%</td>
</tr>
<tr>
<td>Advanced</td>
<td>14%</td>
<td>22%</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>7.3</td>
<td>13.6</td>
<td>14.7</td>
</tr>
<tr>
<td>Advanced</td>
<td>9.9</td>
<td>19.4</td>
<td>20.2</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 e Skills UK.

These providers were interviewed between May 2006 and August 2006 through a series of visits to provider locations. The surveys were based on providers in the independent sector.

All three providers offered the apprenticeship but only two of the three providers offered the advanced apprenticeship.

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 models of delivery were based on a work based delivery of knowledge and skills and frequent assessment sessions over the duration of the framework. Learners are encouraged to access self-directed learning materials and apprenticeship knowledge and skills are integrated to employer programmes of induction and learning.

Providers are often working with groups of learners at one centre so assessor caseloads reflect reduced travel times for visits to learners.

Entry to the advanced programme may be direct from some other programme of learning or development rather than through completion of an apprenticeship programme.

1 Note: Success rates in 2995/06 were 44% for apprenticeship and 36% for the advanced apprenticeship.
Apprenticeship

Activity Levels

Reported activity levels were:

- Planned time to complete from 7 -12 months
- Interview and assessment at the work place
- Some group based induction as part of wider employer induction programmes
- Assessor visits to centres to meet up to 5 learners per day
- Assessor caseloads around 1:40

Advanced Apprenticeship

Activity Levels

- Interview and assessment at the work place
- Some group based induction as part of wider employer induction programmes
- Time to complete between 12 to 18 months
- Primarily work based delivery with ‘away from the workplace’ training and development sessions to address the technical certificate learning requirements.
- Work based assessment and support with caseloads up to 1:40

Expert Panel

e Skills UK convened an expert panel with representatives from:

- e Skills UK
- Adult Learning Inspectorate
- Awarding body representatives
- Providers nominated by the Association of Learning Providers
- The consultant to the project
Expert Panel Meeting and Advice

The panel met on 9 October 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.

eSkills UK advised that they were responsible for the framework standards although the framework was a generic model that was being used across a range of sectors.

The panel reviewed the LSC data on age at entry and noted that almost 90% of learners were over 19 at entry and funded at a reduced LSC rate based on an assumed employer contribution.

The panel suggested that this pattern of age at entry reflected the needs of the sector for new entrants that were mature enough to interact effectively with callers and who would be able to work to the shift patterns that are often a part of contact centre working.

The panel suggested that the reduction of funding based on an over 19 age at entry unfairly penalised the learners who enter this sector with the apprenticeship as their first level 2 programme of learning.

The panel noted that learners would be based in groups at centres and that this would mean that assessors would be able to support a higher caseload of learners compared to sectors where learners are based across a geographic area.

The panel advised that most learners would only be available to meet with an assessor for a short period of time that did not interfere with their intensive working patterns.

The panel noted the high levels of staff turnover and that providers would be mindful of timely completion to avoid success rate being unduly influenced by staff turnover.

The advice from the panel was circulated to panel members after the meeting for their further comment and approval.
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>12 months</td>
<td>An effective model of delivery based on a maximum period of 12 months.</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>0 hours</td>
<td>Significant employer induction programme with mapping across to framework requirements and no further group based activity</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>0.5 days</td>
<td>A programme of regular but time-limited visits to the work place with most visit time allocated to 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>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>0 hours</td>
<td>The panel suggested that key skills would be delivered through work based visits and attendance at a centre for some workshop activity and key skills tests.</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>1.5 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>1.0 days</td>
<td>Entry activities at the work place an interview (1/4 day), assessment (1/4 day) and 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>At least 12 hours of group based induction as part of an employer induction programme</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 116</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 which is significantly lower than the reported case loads.
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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 A²
- Assessor employment costs weighted at factor A³ based on independent research on salary rates and employments costs
- Registration and Certification costs of £ 116 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 improvement in success rates by 2007/08.

The activity costs emerging from the review were:

This suggests that activity costs for effective delivery are significantly below the current funding rates for an effective model of delivery based on reduced caseloads of around 1:30.

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.*

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<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>An effective model of delivery based on a maximum period of 18 months.</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>0 hours</td>
<td>Use of e learning and self directed materials with an element for materials costs included reflecting the model of delivery.</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>5.0 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>4.0 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>0 hours</td>
<td>The panel suggested that key skills would be delivered through work based visits and on-line key skills tests</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>1.0 days</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 with at least 6 sessions of ¼ day for regular review with the learner and supervisor</td>
</tr>
<tr>
<td>Learner support</td>
<td>1.0 days</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>1.0 days</td>
<td>Entry activities at the work place an interview (1/4 day), assessment (1/4 day) and 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>At least 12 hours of group based induction as part of an employer induction programme</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 248</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 A\(^4\)
- Assessor employment costs weighted at factor A\(^5\) based on independent research on salary rates and employment costs
- Registration and Certification costs of £ 248 based on information collected from awarding bodies
- Costs of self directed learning materials estimated at £ 50 per learner

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 activity costs for *effective delivery* significantly below the current rates based on a planned time to complete of around 18 months and increased resources in the workplace modelled on case loads of less than 1:30. 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
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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 e Skills UK expert panel was reviewed at the moderation meeting in October 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 moderation group took the view that the Contact Centres framework was a relatively new framework and that in time the activity levels would be comparable to the activity levels for Customer Services.

The moderation group advised that the rates for the framework should be set at the same level as the rates for Customer Services pending a further review.

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 0.6 % to the NVQ rate

Advanced Apprenticeship

- A reduction of 40% in the NVQ rate phased in over two years