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

**Background**

The review of activity costs is based on a standard methodology and modelling tools that are being used across all sectors under review through a consistent process.

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
- Moderation of panel advice by an LSC project group

**LSC Data**

LSC data from 2004/05 ILR data sets was used to inform the review. The key data items 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>54%</td>
<td>46%</td>
</tr>
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<td></td>
<td></td>
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</tbody>
</table>

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

Success Rates

<table>
<thead>
<tr>
<th>Framework</th>
<th>NVQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>50%</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>6.8</td>
<td>11.3</td>
<td>15.3</td>
</tr>
</tbody>
</table>

Source: ILR 2004/2005 Period 12 and LSC Data

Provider Interviews

Four providers were interviewed in May 2006 by telephone survey to establish their delivery models and patterns of activity. One of the providers was delivering an NVQ only programme.

A completed survey form was shared with each provider for their review and update. A summary of the activities across all three providers was produced and shared with the providers interviewed.

Models of Delivery

The models of delivery were:

- Some group based sessions where these could be arranged for underpinning knowledge and skills
- Work based 1:1 support for learners on the development of their underpinning knowledge and skills along with key skills
- Work based assessment of learners

Activity Levels for the Apprenticeship

The activity levels that emerged from provider surveys were:

- Interview, assessment and work based induction along with a 1 day group based induction where this could be arranged
- Programme completed in 8 to 12 months
- One provider arranged group based sessions up to 42 hours

1 There is no formal technical certificate requirement for the framework and the knowledge and skills are delivered to support the NVQ element
Funding Rates for NVQs and Apprenticeships

- Work based 1:1 support for further knowledge and skills and some small group sessions in the workplace

- Work based assessment around 3 days of 1:1 time equivalent to 12 monthly visits of ¼ day per visit over the duration of the framework

- Regular review, learner support and internal verification activities over the duration of the programme although the amount of time depended on the length of the programme

Expert Panel

SEMTA convened an expert panel with representative from:

- SEMTA
- Adult Learning Inspectorate
- Awarding bodies
- Association of Learning Providers
- Other provider representative invited by SEMTA
- The consultant to the project

The panel met on 9 June 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 advice from the panel was circulated to panel members after the meeting for their further comment and approval.
Expert Panel Advice

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>Estimated time for effective delivery based on provider interviews and LSC data</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>35 Hours</td>
<td>Up to 5 days of 7 hours per day for group based activities where these can be arranged</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>1 day</td>
<td>Work based visits by assessors over the duration of the programme – about 12 monthly visits meeting with between 2 and 3 learners per day</td>
</tr>
<tr>
<td>NVQ assessment and support</td>
<td>3 days</td>
<td>Lead internal time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities</td>
</tr>
<tr>
<td>NVQ quality assurance</td>
<td>1 day</td>
<td>The panel noted that key skills would be delivered as an individualized programme with some group based time, and some 1:1 support possibly as part of an assessor visit. The activities in the advice represent a notional allocation of resource that could be a mix of group based and 1:1 support</td>
</tr>
<tr>
<td>Group based key skills</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Work based key skills</td>
<td>0</td>
<td>Four regular review meetings of about ¼ day per session and some of the assessor time allocated to learner support and advice</td>
</tr>
<tr>
<td>Regular review</td>
<td>1 day</td>
<td>An entry programme based on 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>Learner support</td>
<td>0.5 days</td>
<td></td>
</tr>
<tr>
<td>Entry activities 1:1</td>
<td>1.5 days</td>
<td>A two day induction programme of ERR, Health and Safety and introduction to the sector and NVQ portfolio evidence collection</td>
</tr>
<tr>
<td>Group based induction</td>
<td>14 hours</td>
<td></td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 120</td>
<td>Based on costs of NVQ, Key Skills and sector body certificate</td>
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</table>

Notes

1. The allocated time for work based assessor activity is equivalent to a full-time assessor caseload of 1:35 with separate staff responsible for entry activities and any key skills support
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Activity Costs

The activity costs model has been set up to compare the LSC funding in 2005/06 to the reported activity levels and the following costs assumptions:

- Group based classroom activity weighted at factor \( C^2 \) for Engineering
- Assessor employment costs weighted at factor \( A^3 \) based on independent research on salary rates and employments costs
- Registration and Certification costs of £120

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 40% with an additional 10% projected improvement in success rates by 2007/08.

The activity costs emerging from the review were:

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

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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
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 SEMTA expert panel was reviewed at the moderation meeting in July 2006.

The panel advice on activities was used to model the activity costs and the funding rates for the 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 of 3.4% to the NVQ rate phased in over 2 years