This paper sets out the findings of the review of delivery models, activity levels and activity costs for the Driving Goods Vehicles 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>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>50%</td>
<td>50%</td>
<td>102</td>
</tr>
<tr>
<td>Advanced</td>
<td>41%</td>
<td>59%</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>2,119</td>
</tr>
<tr>
<td>Advanced</td>
<td>443</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>Apprentice</td>
<td>53%</td>
<td>3%</td>
</tr>
<tr>
<td>Advanced</td>
<td>32%</td>
<td>2%</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>Apprentice</td>
<td>11.1</td>
<td>20.1</td>
<td>18.7</td>
</tr>
<tr>
<td>Advanced</td>
<td>16.6</td>
<td>21.6</td>
<td>10.9</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 Skills for Logistics. These providers were interviewed in June 2006 through a series of visits to provider locations. Two providers in the sample were offering the advanced apprenticeship framework with very small numbers. This reflects the patterns of recruitment and progression in the sector.

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:

- Activities at entry including interviews, assessment, work based induction and some group-based induction sessions

- Group based learning and/or 1:1 support for underpinning knowledge – in some cases this was through the *Experience Booster* programme or through a similar programme of underpinning knowledge.

- Key skills support through some group-based and additional 1:1 support

- Category C and C&E licence training

- Work based assessment in the depot/warehouse and in the vehicle after completion of the Category C and C&E licence

- Regular review, learner support and internal verification activities over the duration of the programme
Funding Rates for NVQs and Apprenticeships

Apprenticeship

Activity Levels

- Time to complete 12 – 36 months and in some cases additional time for pre-Category C activities
- Up to 70 hours group based and up to 4 days 1:1 time in the work place for underpinning knowledge and skills development
- Key skills sessions up to 72 hours
- Work based assessment and support around 4 days of 1:1 time
- 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
- Category B licence is offered by one provider – these activities are not part of the framework and have not been included in the activity levels
- Fork lift truck is offered by one provider – these activities are not part of the framework and have not been included in the activity levels
- Category C licence activities are either delivered by the provider or contracted out at market rates – these activities have not been included as part of the activity levels

Advanced Apprenticeship

Activities

- Time to complete 12 months
- Group based sessions for technical certificate around 100 hours
- Work based assessment of about 4 days of 1:1 time
- Key skills through group based sessions and some 1:1 support in the work place
- 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
- Category C & E licence activities are either delivered by the provider or contracted out at market rates – these activities have not been included as part of the activity levels
Funding Rates for NVQs and Apprenticeships

Expert Panel

Skills for Logistics convened an expert panel with representatives from:

- Skills for Logistics
- 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 14 September 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 panel reviewed the LSC data on framework delivery and noted that the majority of learners are over 19 at the start of their programmes and funded at a reduced LSC rate based on an assumed employer contribution.

The panel stressed that learners would need to hold a Category B licence (at least age 17) with a minimum of 12 months driving experience (at least age 18) before they could start on the apprenticeship framework. The panel noted that this determined age at entry and the LSC funding rate. The panel noted data on age at entry from one of the providers in the sample:

<table>
<thead>
<tr>
<th></th>
<th>16-18</th>
<th>19+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>5</td>
<td>25</td>
<td>30</td>
</tr>
<tr>
<td>Advanced Apprenticeship</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Starts in 2005/06</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The panel requested a review of the funding rate policy for this framework in the light of the age at entry constraints.

The panel advised that the Category C licence was an essential component of the framework and that the viability of the framework depended on the Category C licence being included in the skills development and learning that form the apprenticeship framework.

The panel advised that the skills development through the Category C licence training was an integral part of framework delivery. The panel recommended that the Category C licence should be funded at the commercial rate as part of the apprenticeship funding rate.

The panel discussed the nature of employers and working practices in the sector and noted that:
Employers are reluctant to release trained drivers for group based sessions. This has an impact on delivery of Key Skills and underpinning knowledge.

Driving assessments may take some time to complete on a 1:1 basis as learners complete their daily activities and circuit of deliveries.

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

The panel reviewed the evidence from the provider surveys and noted the wide variation in the models of delivery and activity levels.

**Activities for Apprenticeship Delivery**

The panel mapped out a pathway through the framework for effective delivery as:

- An entry programme of interview and assessment
- A planned programme of around 18 months
- An initial period to address key skills issues and some of the pre-driving skills and competence assessments
- A programme for achieving the Category C licence either through contract with an external agency or through provider resources
- Registration on the Young Drivers Scheme
- The Young Drivers Scheme assessments at 1, 2, 3, and 6 months to review the DSA competences and additional NVQ elements where the assessor was qualified for NVQ assessment
- A further period of assessment and portfolio development including optional units leading to final completion of the NVQ and framework
- A programme of regular review and learner support over the 18 month duration of the framework
- A planned programme of internal verification based on joint visits, portfolio sampling and learner and employer interviews

The panel suggested that a typical caseload for an assessor would be around 1:30 learners. The panel noted that over an 18 month period of 300 days an assessor would allocate around 10 days of 1:1 time to each learner across a range of activities including key skills, underpinning knowledge, NVQ assessment, regular review and learner support.

The panel noted that some providers may have separate additional specialist staff for regular review or learner support.
**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>18 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>7 hours</td>
<td>A one day programme of underpinning knowledge and skills as part of the framework delivery where this could be arranged</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>2.0 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></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>14 hours</td>
<td>The panel suggested that key skills would be delivered through attendance at a centre for some workshop activity and key skills tests with further support through work based visits</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>2.0 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 visits 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 (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 group based induction session for ERR and health and safety issues</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 120</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. This is lower than reported caseloads and was recommended by the expert panel as a basis for effective delivery.
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 B\(^2\) based on independent research on salary rates and employment costs
- Registration and Certification costs of £120 based on information collected from awarding bodies
- Young Drivers Scheme registration at around £135 per learner with an additional one-off £60 charge to an employer
- Category C licence costs at £1,100 per learner

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 53% uplifted to a minimum level of 63% 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* including the costs of the Young Drivers Scheme and the Category C licence around the current funding rates.

\(^1\) 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
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 and progression from an apprenticeship programme</td>
</tr>
<tr>
<td>Group based knowledge and skills</td>
<td>100 hours</td>
<td>A programme of 100 hours for delivery of the technical certificate underpinning knowledge.</td>
</tr>
<tr>
<td>Work based knowledge and skills</td>
<td>1.0 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>1.0 day</td>
<td></td>
</tr>
<tr>
<td>Group based key skills</td>
<td>30 hours</td>
<td>The panel suggested that key skills would be delivered through attendance at a centre for some workshop activity and key skills tests with further support through work based visits</td>
</tr>
<tr>
<td>Work based key skills</td>
<td>1.0 days</td>
<td></td>
</tr>
<tr>
<td>Regular review</td>
<td>1.0 day</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>7 hours</td>
<td>Induction through early work based visits</td>
</tr>
<tr>
<td>Registration Certification</td>
<td>£ 311</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 1:25. This is lower than reported caseloads and was recommended by the expert panel as a basis for effective delivery.
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 B⁴ based on independent research on salary rates and employment costs
- Registration and Certification costs of £ 311 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 32% 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 significantly below the current rates based on a planned time to complete of around 12 months following progression from an apprenticeship framework with no funding for the Category C & E licence.

The activity costs are around the level of LSC funding before any assumed employer contribution.

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
Funding Rates for NVQs and Apprenticeships

Moderation and LSC Data Modelling

The LSC moderation group reviewed the panel advice and activity costs at their meetings 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.

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.

The changes are:

Apprenticeship

- Costs of the Category C licence (£1,100) and the Young Drivers Scheme (£135) are included in the fixed costs element of the framework funding

- There will be a small reduction in the overall framework funding based on the activity costs review

- This will be implemented through a reduction of 3.3% in the NVQ 2 rate for 16-18 year old learners phased over two years

- Providers will need to reduce their claim for funding for the Category C licence where a provider is delivering the framework on behalf of the MoD or where a learner already has a Category C licence

Advanced Apprenticeship

- The costs of the Category C & E licence have not been included as part of the fixed costs of the framework funding

- The activity costs model suggests a significant reduction in funding for the advanced framework where this is completed following progression from an apprenticeship framework or equivalent programme of learning

- This will be implemented through a reduction of 62.9% in the NVQ 3 rate for 16-18 year old learners phased over two years