

112 Retail - 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 Retail 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 Retail 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

Numbers in Learning

	Starts (Monthly Average 2005)*			In Learning (July 2005)
	16 - 19	19+	Total	Total
Apprenticeship	56%	44%	605	7,069
Advanced	12%	88%	63	1,118

Source: ILR 2004/2005

*Average taken from quarterly reports (January/April/July/October 2005)

Success Rates

	Framework	NVQ
Apprenticeship	35%	10%
Advanced	21%	8%

Source: ILR 2004/2005 Period 12

Average Length of Stay in Months

	Non completion	Framework	NVQ Only
Apprenticeship	6.3	14.5	16.4
Advanced	10.7	22.1	24.0

Source: ILR 2004/2005 Period 12 and LSC Data

Provider Interviews

A sample of effective providers was identified in discussion with Skillsmart.

These providers were interviewed in October 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.

Expert Panel

Skillsmart convened an expert panel with representatives from:

- Skillsmart
- Adult Learning Inspectorate
- 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

Expert Panel Meeting and Advice

The panel met on 7 November 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.

Patterns of recruitment and assessment – Skillsmart overview

The pattern of recruitment to the programme encourages a one-to-one approach in that apprentices are recruited throughout the year rather than the bulk of the recruitment happening between July and September (although this is clearly the case for some providers).

The Retail NVQ Assessment Strategy calls for observation principally at level 2 and this is without doubt more time intensive, as the activities assessed at any given time may not cover all the criteria. This calls for proportionately more visits to carry out assessment than where there is greater emphasis on a portfolio approach.

The wider use of e learning has not caught on in the sector. The majority of apprentices do not have access to computers in their place of work and the assumption cannot be made that they will have access at home. Whilst information technology plays a key part in retailers' businesses, suitable IT equipment to enable learners to access emails, assignments, etc is not always available.

The panel noted that the nature of the learner at level 2 is predominantly one of inexperience and immaturity (age related) resulting in higher levels of activity than would be the case with older learners who have already spent significant periods working within the sector.

Funding Rates for NVQs and Apprenticeships

Panel Advice

The panel advised that it might be helpful to carry out an annual review of apprenticeship delivery issues and developments to inform the Learning and Skills Council (LSC) annual cycle of review of funding rates.

The panel agreed that their advice should be based on activity levels for learners in employed status and that:

- Advice on apprenticeship activity levels is based on 16-18 learners for full framework completion
- Advice on advanced apprenticeship activity levels is based on activities for full framework completion

The panel were asked to reconsider whether or not there was any overlap between level 2 and level 3 and, if so, did this lead to reduced activity. Their advice was the same as in 2004 in that they advised that there is not a smooth progression from the level 2 framework to the level 3 framework. The panel noted that the level 3 framework was focussed on supervisory skills and that it presented different challenges to the level 2 framework.

The panel took the view that the advice should be based on the activities necessary to deliver the level 3 framework regardless of whether the learner had previously completed a level 2 or was entering directly to the level 3 framework.

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

Model of Delivery

The panel reviewed the evidence from the previous panel meeting and the new evidence from the surveys with effective providers. The panel described the pressures on retail providers to maintain effective staffing levels in stores and that this made it difficult for employers to release learners to attend group-based training away from the work place.

The panel advised that providers have developed models of delivery where the underpinning knowledge in the technical certificate and key skills components are delivered through work based visits and learning materials such as workbooks and CD-ROM training materials.

The panel noted that employer led in-house training programmes may contribute to the development of the underpinning knowledge for some elements of the framework.

ALI drew attention to the need for providers to work with employers to assure the quality of this training as part of the responsibility for quality assurance.

Funding Rates for NVQs and Apprenticeships

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.*

Activity	Panel Advice 2006	Notes and Comments
Planned Time to Complete	12 months	Estimated time for effective delivery based on provider interviews and LSC data
Group based knowledge and skills	15 hours	Most delivery in the workplace with access to self-directed learning materials and group based sessions for portfolio building and preparation for tests.
Work based knowledge and skills	1.0 days	A programme of regular visits to the work place with time allocated across knowledge and skills development and work based observation and assessment
NVQ assessment and support	4.0 days	
NVQ quality assurance	2.0 days	Lead internal verifier time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities
Group based key skills	0 hours	Work based delivery of key skills through 1:1 time with assessors as part of the programme of regular visits to the work place
Work based key skills	1.0 days	
Regular review	1.5 days	Delivered as part of the programme of work based visits by assessors with at least 4 regular review sessions of ¼ per review
Learner support	0.5 day	
Entry activities 1:1	1.5 days	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
Group based induction	0 hours	
Registration Certification	£ 151	Based on costs of NVQ, Technical Certificate, Key Skills and sector body certificate

Note: The allocated time for work based assessor activity is equivalent to a *full-time* assessor caseload of 1:25 with separate staff responsible for entry activities.

Funding Rates for NVQs and Apprenticeships

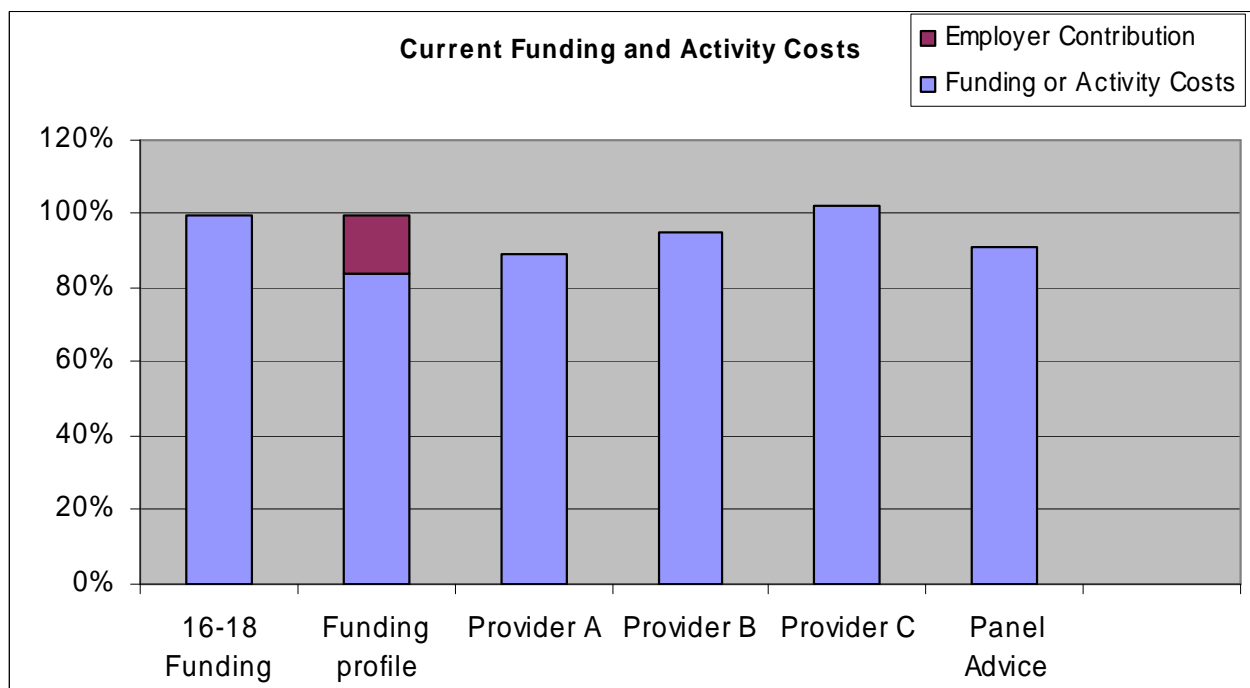
Activity Costs for Apprenticeship Delivery

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 A¹
- Assessor employment costs weighted at factor A² based on independent research on salary rates and employments costs
- Registration and Certification costs of £ 151 based on information collected from awarding bodies
- Costs of self directed learning materials estimated at £ 150 per learner

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 35% uplifted to a minimum level of 50% to reflect improvements in success rates by 2007/08.

The activity costs emerging from the review were:



This suggests that activity costs for *effective delivery* are below the current funding rates based on panel advice on activity levels and predominant work based delivery of knowledge and skills.

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

Activity Levels for Advanced Apprenticeships – Panel Comments

Background

The panel noted that many learners on level 3 programmes might have completed a level 2 programme in another sector such as Business Administration or Customer Services.

The panel advised that the advanced apprenticeship in retail was designed for learners moving on to a supervisory role and that in some cases the learner might be the local store or section manager. In these cases the provider might need to liaise with an area manager as the contact for employer engagement and integration.

Models of Delivery

The panel noted that the model of delivery for the advanced apprenticeship was similar to the apprenticeship but that the length of programme and some of the demands for assessment and development were different.

The panel agreed to provide specific advice on these differences and the activity levels for advanced apprenticeship delivery. The panel agreed that the level of activity is not reduced where a learner has progressed from level 2. The panel noted that it is rare for an individual who has completed their apprenticeship to progress seamlessly to a retail advanced apprenticeship as retailers have identified that a substantial period of consolidation of skills and development of new skills is necessary before such progression would be considered appropriate. Furthermore any evidence gathered for a level 2 is generally not suitable for a level 3 as the job role required at level 3 is so different in content.

The requirements of the national occupational standards are also more extensive resulting in more support for the learner in terms of unpicking these. Some candidates also need support in terms of developing their confidence to operate at this level.

The panel suggested that the only cases of reduced activity are where the learner may have worked to a higher level of key skill on their level 2 so they don't need to re-do this at level 3 (this is rare though).

The main advantage for those who have completed a Level 2 first is they have a better understanding of NVQs and evidence gathering so tend to need less support in the early stages of assessment and portfolio building. Although even here learners need to have a greater understanding of the different sources of evidence such as candidate and peer testimony, professional discussion, etc and how to take greater ownership of the process.

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.*

Activity	Panel Advice 2006	Notes and Comments
Planned Time to Complete	24 months	Estimated time for effective delivery based on provider interviews and LSC data
Group based knowledge and skills	15 hours	Most delivery in the workplace with access to self-directed learning materials and group based sessions for portfolio building and preparation for tests.
Work based knowledge and skills	2.0 days	A programme of regular visits to the work place with time allocated across knowledge and skills development and work based observation and assessment
NVQ assessment and support	8.0 days	
NVQ quality assurance	3.5 days	Lead internal verifier time per learner for joint assessor visits, portfolio sampling and moderation meetings and activities
Group based key skills	0 hours	Work based delivery of key skills through 1:1 time with assessors as part of the programme of regular visits to the work place
Work based key skills	1.0 days	
Regular review	2.5 days	Delivered as part of the programme of work based visits by assessors with at least 8 regular review sessions of ¼ per review
Learner support	0.5 day	
Entry activities 1:1	1.5 days	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
Group based induction	0 hours	
Registration Certification	£ 190	Based on costs of NVQ, Technical Certificate, Key Skills and sector body certificate

Note: The allocated time for work based assessor activity is equivalent to a *full-time* assessor caseload of 1:28 with separate staff responsible for entry activities.

Funding Rates for NVQs and Apprenticeships

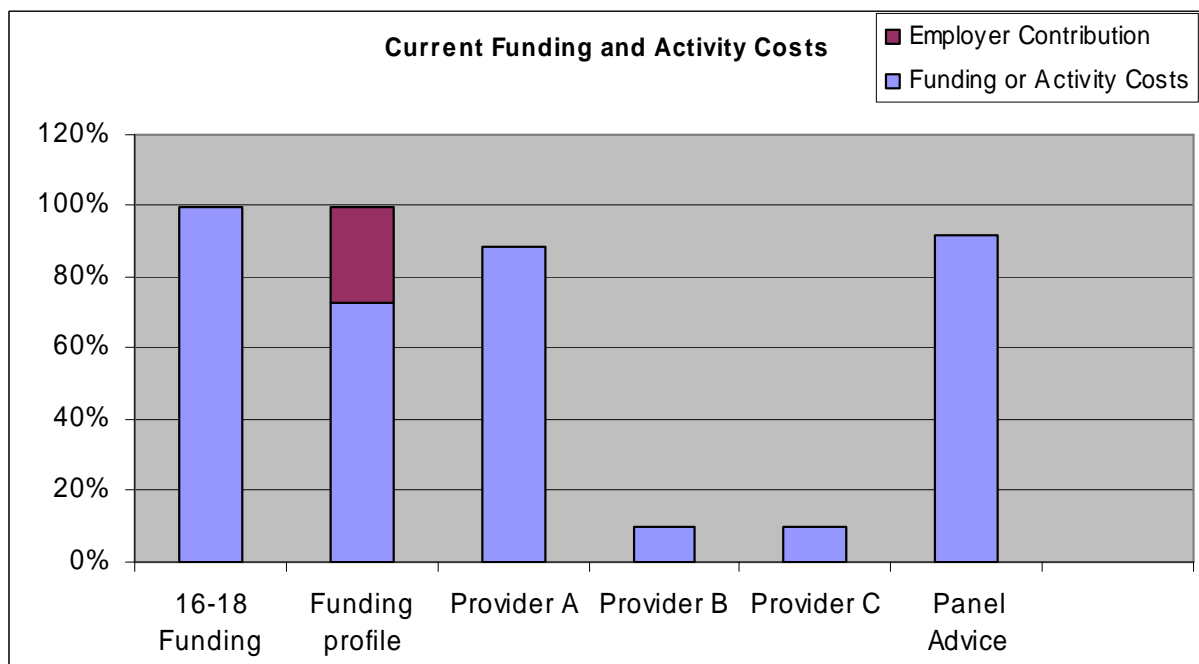
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- Registration and Certification costs of £ 190 based on information collected from awarding bodies
- Costs of self directed learning materials estimated at £ 150 per learner

The model includes a factor for success rates and this is based on the reported 2004/05 success rates of 21% uplifted to a minimum level of 50% to reflect improvements in success rates by 2007/08.

The activity costs emerging from the review were:



This suggests that activity costs for *effective delivery* below the current rates based on a planned time to complete of around 24 months. The activity costs are above the current 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 has established a moderation group with representation from the Association of Learning Providers to review panel advice and activity costs

The advice from the Skillsmart expert panel was reviewed at the moderation meeting in November 2005.

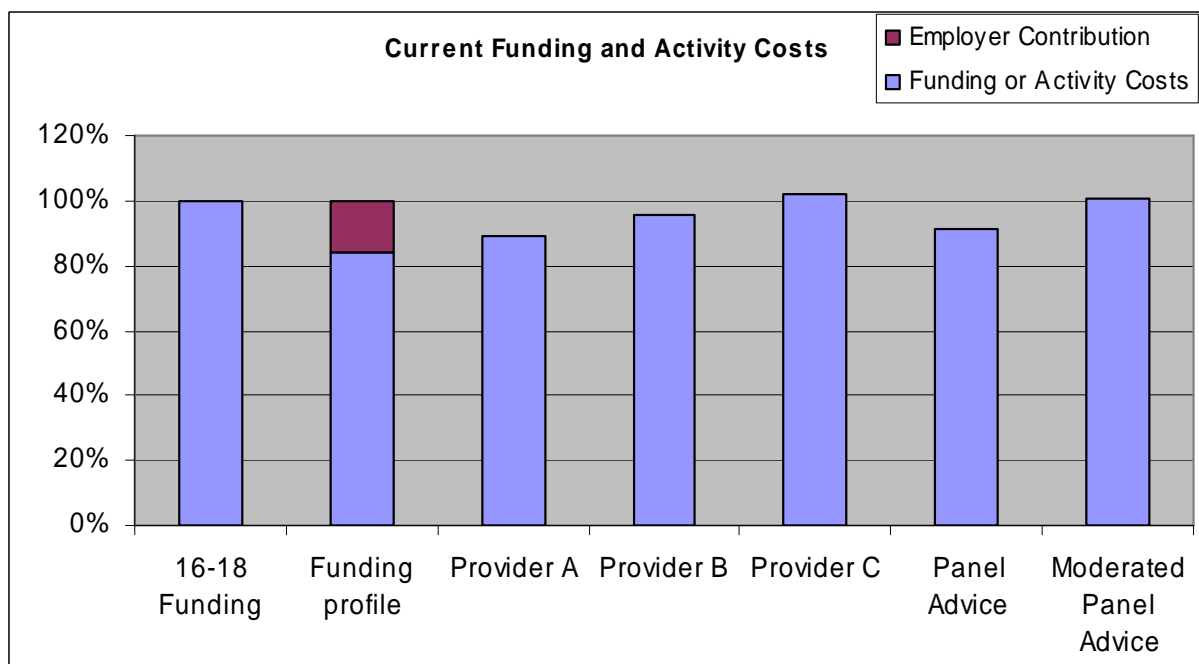
Apprenticeship

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

- An additional 30 hours for group based delivery of knowledge and skills
- Re-assignment of work based time across the activities in the workplace

The impact of the moderation advice is a reduction in the work-based time by around 0.5 day per learner leading to a slight increase in the projected caseloads for assessors.

The impact of the moderation advice on activity costs was:



This suggests activity costs slightly above the current funding rates.

Advanced Apprenticeship

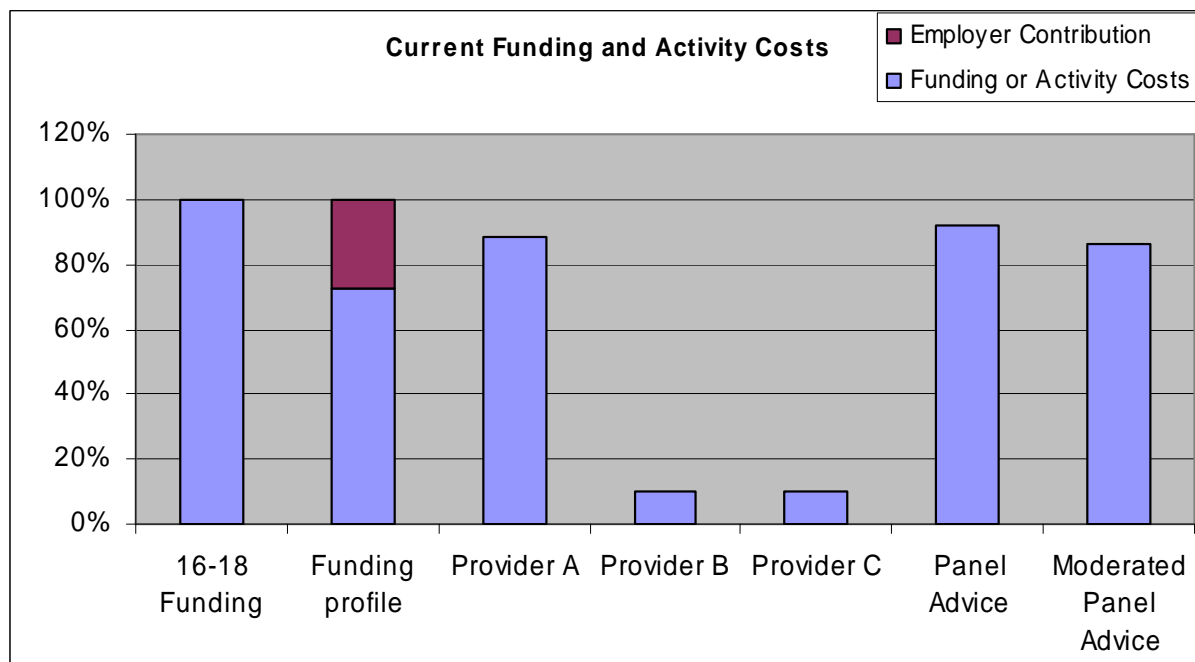
The moderation group took the view that the activity costs model should include:

- An additional 30 hours for group based delivery of knowledge and skills
- Re-assignment of work based time across the activities in the workplace

Funding Rates for NVQs and Apprenticeships

The impact of the moderation advice was a reduction in the work-based time by around 2.0 days per learner leading to an increase in the projected caseloads for assessors.

The impact of the moderation advice on activity costs was:



This suggests activity costs below the current funding rates.

Funding Rate Changes⁵

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 1 % cent to the NVQ2 rate phased in over 2 years

Advanced Apprenticeship

- A reduction of 17 % to the NVQ3 rate phased in over 2 years
- This is equivalent to a 11% reduction in the overall framework funding rate consistent with the moderated advice

⁵ Further details are available in the LSC publication *Requirements for Funding Work-based Learning for Young People 2006/07*

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