

# Making the levy pay – how can trusts make the most of the apprenticeship model?

## What is the apprenticeship model?

Apprenticeships have been a central pillar of education and employment policy in England for the last half decade, under both the coalition and the current minority Conservative Government. Former Prime Minister David Cameron introduced a number of reforms to the apprenticeship programme in a bid to “Get Britain Working”. Cameron’s target of creating 3 million apprentices by 2020 across all sectors was favoured by all parties parliament at the time and by the business community which saw apprenticeships as a means to plug skills gaps at a relatively low cost and attract talent for the long-term.

The current government has retained this emphasis, setting a target for public sector employers to have 2.3% of their workforce comprised of apprentices. Around 1% of the NHS workforce, approximately 14,000, are currently completing an apprenticeship, and growing this element of the workforce is a key part of the NHS long term plan’s commitment to invest in staff and reduce vacancies.

Since 2017 organisations with a pay bill over £3m have been subject to the apprenticeship levy, a tax set at 0.5% of the total pay bill and designated for funding apprenticeship training courses. Employers can use their contribution to the levy to fund the training and assessment component of apprenticeships in their own organisation for apprentices over the age of 16.

The majority of NHS provider trusts will be paying the apprenticeship levy and there is an opportunity to put this money to good use and create an apprenticeship model which supports the development of a future pipeline of staff tailored to the needs of the trust.

## What is the benefit of apprenticeships?

Apprenticeships can give trusts flexibility to plan for future skills and workforce gaps, invest in long-term workforce development, and ‘grow their own’ workforce, tailoring the skill mix for current and future workforce needs.

The apprenticeship levy has short-term benefits as well, as it can be used to pay for apprenticeships for existing staff, supporting the development of the current workforce and increasing the skills base of staff in a cost-effective way. An apprentice, who must be 16 years or older, can be employed on bands 1-3 of the

agenda for change national pay scale before completing their training. This model offers a 'non-traditional' career pathway, and can be a way of connecting with local colleges and schools to strengthen the local workforce pipeline as well as offering opportunities for local young people.

The range of apprenticeship standards – the courses and qualifications approved for use by employers to train apprentices - is very broad. There is a range of clinical apprenticeship standards, including the nursing degree apprenticeship, healthcare assistant practitioners, midwifery, and paramedic apprenticeships, to name a few. And trusts can also use apprenticeships more widely to support the whole workforce, from accounting and pay roll to maintenance, catering and HR.

## Addressing challenges

Using the apprenticeship levy hasn't been without its challenges for trusts. Many trusts have cited specific difficulties in using the levy to cover additional costs associated with apprenticeship training, including the cost of supervision time, and backfill for apprentices' time on the job. These issues are exacerbated by the 'supernumerary' status of some apprenticeships, meaning they cannot be counted as part of ward staffing levels while they are undertaking 'on-the-job' training. They have called for more flexibility to use the levy to cover some of these costs, which can otherwise be prohibitive. The significant time taken for the nursing degree apprenticeship standard to be approved for use also meant that trusts had limited time to use their levy before it expires.

There are some methods trusts can use to partially address these challenges. Currently, organisations can share 25% of their levy with another organisation that uses its levy funds (rather than losing them as a tax), enabling the levy to be used in full without one single trust incurring the full burden of backfill, supervision and salary costs. This has the added impact of allowing smaller employers to benefit from the apprenticeship model and develop their workforce.

Trusts can also agree with an outsourced provider to employ an apprentice who will indirectly support services in the trust. This may particularly be the case for commonly outsourced services such as gardening, maintenance and catering. The trust can use the levy to pay for the apprentice's training while the company pays their salary as they would with any employee.

## Making apprenticeships work

With the NHS workforce under increasing pressure, there is a growing focus on developing new ways to recruit and train staff, as well as diversify the mix of skills and experience within teams. Apprenticeships can be used to bolster the pipeline of qualified staff coming through a trust to meet future workforce needs, and can support retention and local recruitment initiatives.

Local partnerships with education providers, system partners within a local area such as other trusts, social care providers, primary care and local authorities, and contracted suppliers all help to make a success of

the apprenticeship model. Legitimate buy-in from the trust's leadership and support for managers who will be training apprentices is also essential. Incorporating apprenticeships into the trust's workforce strategy can help to identify where apprenticeships can contribute to a resilient, diverse and skilled workforce.

It's also true that a change in national policy is needed to get the most out of the apprenticeship levy and drive home the advantages of a 'grow your own workforce' model. The government has more recently shied away from referencing the 3 million apprenticeships target and the House of Commons Public Accounts Committee – which scrutinises public spending and the delivery of public services – has criticised the overall lack of progress across all sectors under the programme since its reform in 2017.

A review of the levy in 2020 will not come before time, but for now, trusts will continue to focus on the positive benefits apprenticeships can provide as the sector seeks to recruit and train a workforce fit to deliver the demands of the NHS long term plan.

## How can governors support the implementation of the apprenticeship model?

Governors can use their holding to account duty to ensure that the apprenticeship model is meeting trust needs and that the new direction of travel will facilitate long-term whole-system sustainability and transformation. Governors have a core statutory duty to represent the interests of members and the public. They could play a considerable part in the development of the apprenticeship model, supporting the engagement of staff and local communities about the opportunities this initiative brings.

Governors may wish to consider the following questions when carrying out their holding to account duty:

- Why are non executive directors (NEDs) confident that the board will maximise the opportunities and minimise the risks of new arrangements for apprentices for nurses and other healthcare students?
- What evidence have NEDs looked at to assure themselves that the board is preparing and developing its workforce to support the delivery of care in new ways?
- How are we learning from good practice across the NHS in terms of the different career paths and development opportunities apprenticeships can take?
- How is the board assured we are supporting apprentices across the trust to discuss their experiences and focus on their development as a group?

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