



The Apprenticeship Levy Study: **NHS Trusts**

In partnership with Health Education England
and the Education and Skills Funding Agency

March 2018

Research conducted by trendence UK



Education & Skills
Funding Agency



Health Education England



BPP
UNIVERSITY

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Introduction

Many people in the NHS, especially those in clinical roles, had until recently little experience of apprenticeships. So barely a year or so after the introduction of the Apprenticeship Levy, it is gratifying to see so many in the health service embrace them with enthusiasm.

According to the results of our survey, one of the largest of its kind, 95% of NHS trusts aim to use the levy rather than lose it – and to use it to develop a wide range of programmes. Not only are NHS employers converting many of their non-clinical training roles into apprenticeships, the vast majority are also exploring programmes in clinical roles, such as nursing degree apprenticeships, too. Just as importantly, trusts are using the opportunity the levy presents to upskill colleagues who may have not had training opportunities before.

Many of these programmes are, of course, an extension of and complement to the Talent for Care initiative launched four years ago. It found that although support staff made up 40% of the NHS workforce and provided 60% of patient care, they only received 5% of the national training budget. To effectively spread good practice that skills deficit had to be addressed. Fortunately, programmes like the two-year nursing associate apprenticeship will go a long way to help.

Nevertheless, it would be foolish to downplay the challenges. The NHS is arguably the most complex organisation in the country. The expectations and pressures placed on it are unlike any faced by almost any other employer.

That means that regulatory approval, for instance, can be far more rigorous in the NHS than outside it. It also means that converting existing courses into apprenticeships isn't always straightforward, particularly when the funding has historically come from elsewhere and the roles are supernumerary.

Trusts, in common with employers outside the NHS, have widespread concerns about the inflexibility of the levy in general and the 20% off-the-job requirement in particular. However, we should not over emphasise the pessimism. Whatever their frustrations, trusts see the potential of the Apprenticeship Levy and are determined to make the most of it.

This survey, which would not have been possible without the help and support of Health Education England and the Education and Skills Funding Agency, clearly shows trusts are keen to engage with the apprenticeship programme. And BPP, with over 40 years' experience training professionals in the public and private sectors, is delighted to be able to help them.

Professor Lynne Gell is Director of Nursing and Healthcare Education at BPP University.



Context and overview

As the largest employer in the country, the NHS in England has a big role to play in the apprenticeship programme. Health trusts collectively employ thousands of apprentices in clinical and non-clinical roles at all levels, and they directly influence the training of thousands more who work for suppliers or partner organisations. Consequently, how trusts develop apprenticeships has huge implications – not only for the NHS but also for the programme nationally. This survey, conducted by trendence UK on behalf of BPP, aims to discover how health providers are responding to the challenges – and opportunities – of the Apprenticeship Levy.

The response of health providers to our survey has been overwhelming – with 175 trusts, two-thirds of all trusts in England, contributing. Given that level of engagement, it is fair to assume that our findings are an accurate reflection of the state of apprenticeship training within the NHS. What, then, did the trusts tell us?

As things stand, health providers appear keen to make the most of the levy and indeed most have pretty well-advanced plans about how they intend to spend it. But at the same time, they, in common with employers outside the NHS, are frustrated by what they perceive are its inflexibilities.

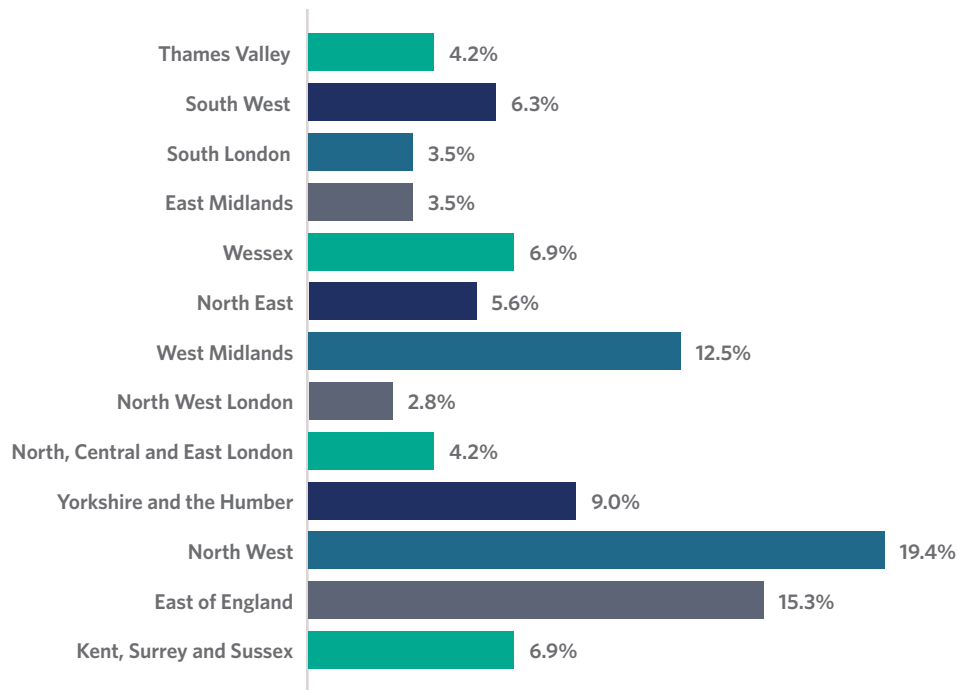
On the one hand, organisations that have always faced huge pressure on their resources now have access to significant, long-term funding for training and development. On the other hand, trusts can't always use it for what they want and even where they can they can't offset the wage and overhead costs associated with implementing an apprenticeship programme.

In other respects, NHS trusts have not responded to the levy in the same way as other employers. Most, for instance, plan to spend their levy funds quickly and at a far faster rate than employers outside the NHS. They have also devoted most of their apprenticeship efforts to existing staff rather than external hires – which isn't surprising given the government's target of enlisting 2.3% of the public-sector workforce on apprenticeships by 2020. But that necessarily has implications for the complexion of the apprenticeship cohort and the programmes trusts choose to prioritise.

It's also important to recognise that the Apprenticeship Levy, regardless of its limitations, is in its infancy. It is bound to develop over time in ways that are not yet apparent. Nevertheless, we hope the findings in this report will give NHS trusts an insight into how they manage that process and how they might benefit from its opportunities as well as meet its challenges.

Note: Percentages have been rounded to the nearest whole number and therefore may not in all cases add up to 100. 'Top employers' refers to the employers in The Guardian UK 300 rankings. BPP's Apprenticeship Levy Study II, 2018, to which this report makes reference, is available at employers.bpp.com

Which HEE local office does your organisation sit under?



BPP apprenticeships

BPP University is committed to delivering pioneering apprenticeships in non-clinical and healthcare education. Our programme portfolio lends itself to the enhancement of an inter-professional workforce within health and social care organisations. Our innovative apprenticeship portfolio combines academic excellence with real life focus.

We offer a range of clinical apprenticeships including: nursing degree apprenticeships in adult, child and mental health; trainee nursing associate apprenticeships and two bridging modules, Level 3 and Level 5 (evidence-based practice) modules to enable individuals within healthcare to progress onto higher education programmes.

For those trusts also seeking non-clinical apprenticeships, BPP has a broad range of accountancy, business administration, management and leadership programmes among others.

Main findings

- Virtually all NHS trusts in England are levy payers (97%) and plan to use it (95%)
- Most plan to spend their levy funds at a faster rate than employers outside the NHS
- The majority of apprenticeships within the NHS focus on existing staff rather than external hires
- The age range and training needs of the apprenticeship cohort will therefore differ in some notable respects from those employed outside the NHS
- Almost all trusts are frustrated at the inflexibility of current apprenticeship rules
- A large majority of trusts want to expand their apprenticeship programmes
- But most have particular concerns about the 20% off-the-job requirement

Methodology

Research: conducted jointly by trendence UK and BPP

Partners: Health Education England and the Education and Skills Funding Agency

Period: October 2017 to January 2018

Sample: 175 NHS trusts in England

Types of trusts: five

Method: online questionnaire using trendence's surveying tool TARGETfeedback

Author: Emma O'Dell, BPP

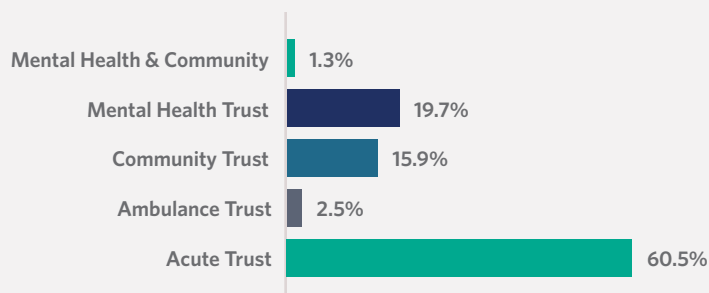
Researchers: David Palmer and Andreea Galin, trendence uk

Trust profile

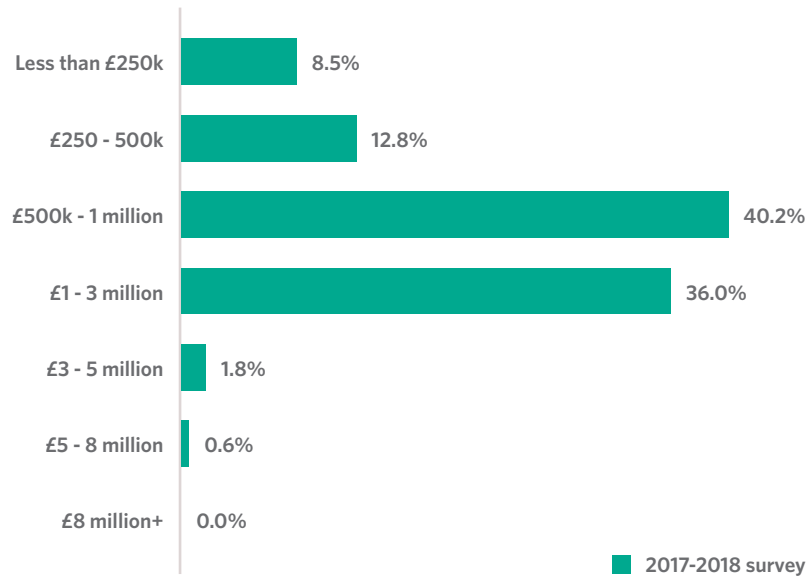
- 175 NHS providers participated in this survey, which represents over two-thirds of the trusts in England
- Three-fifths of respondents (61%) were acute trusts, a fifth (20%) were mental health trusts and the remainder community trusts (16%), ambulance trusts (3%) and mental health and community trusts (1%)
- Two-fifths of trusts (40%) have an Apprenticeship Levy of between £500,000 and £1 million and over a third (36%) pay between £1 million to £3 million
- Virtually all (97%) are levy payers, and very few (5%) say they will lose the levy rather than use it

Analysis: The large number of trusts responding to this survey – approximately two-thirds of the total in England – ensures that it is a fair reflection of current thinking on apprenticeships within the NHS. The overwhelming majority of trusts plan to use the levy rather than lose it, which isn't surprising given the government's requirement that public-sector employers should ensure that 2.3% of their workforce are apprentices by 2020.

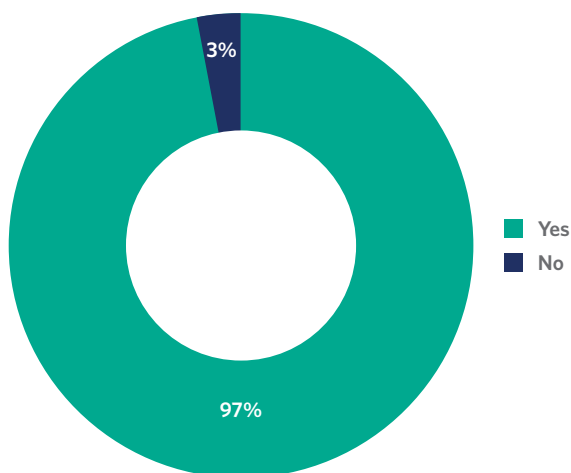
Which type of trust are you? 2018



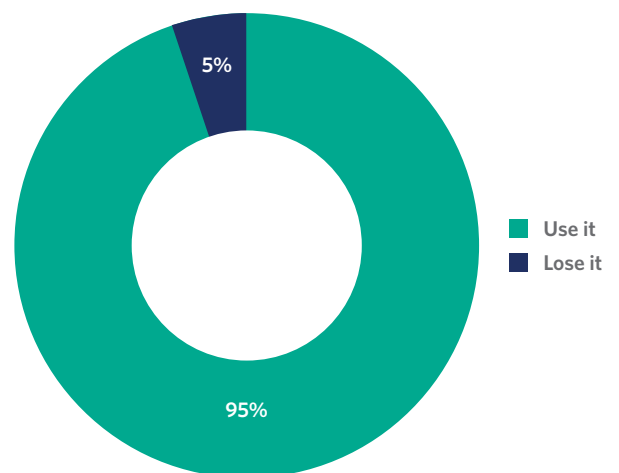
Approximately how much will the Apprenticeship Levy cost your organisation?



Is your organisation a levy payer?



Not all employers paying the levy plan to reclaim the tax through the deployment of apprenticeships. Will you use at least some of it or lose it?



When do trusts plan to use the levy?

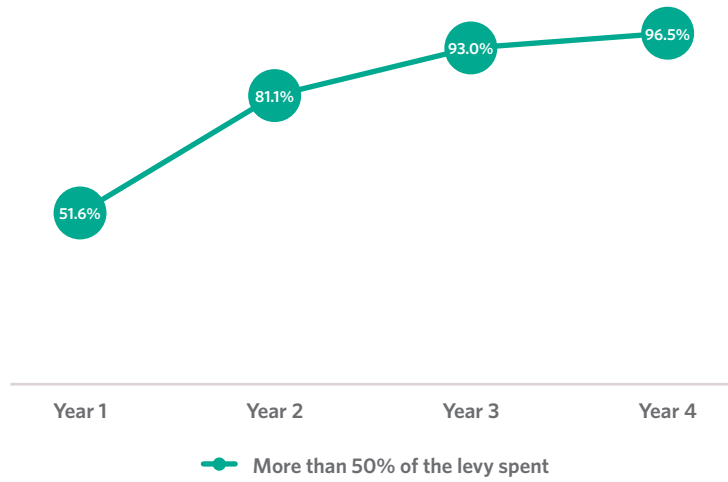
- Most trusts have well advanced plans to spend the levy, with over half (52%) spending a majority of their levy funds in year one, while four-fifths of them (81%) envisage doing so by year two
- This is in stark contrast to most other employers, according to BPP's Apprenticeship Levy Study II, 2018. Less than a fifth of them (18%) plan to spend the majority of their levy funds in year one, with only slightly over half of them (54%) reporting that they will do so by year two

Analysis: Most trusts are very positive about the apprenticeship programme, not least because they see it as an important and supportive complement to workforce planning like Talent for Care, which had been in train before the levy came into force.

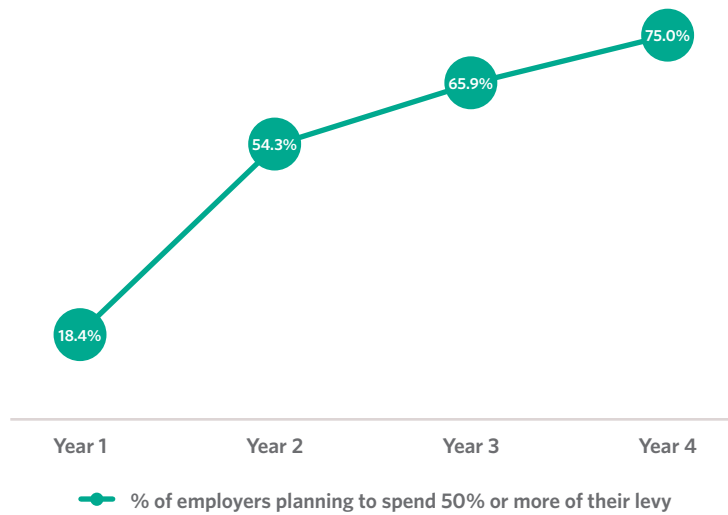
Trusts have been able to build on this planning and envisage spending levy funds at a far faster rate than employers outside the NHS.



NHS sector:
What percentage of your levy do you intend to use each year?



Top employers outside of the NHS:
What percentage of your levy do you intend to use each year?

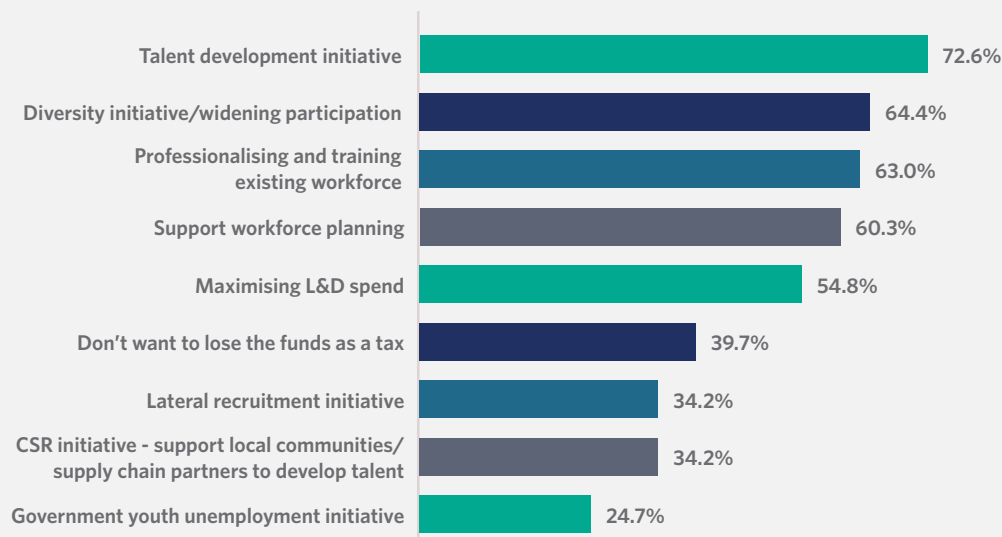


What will trusts spend the levy on?

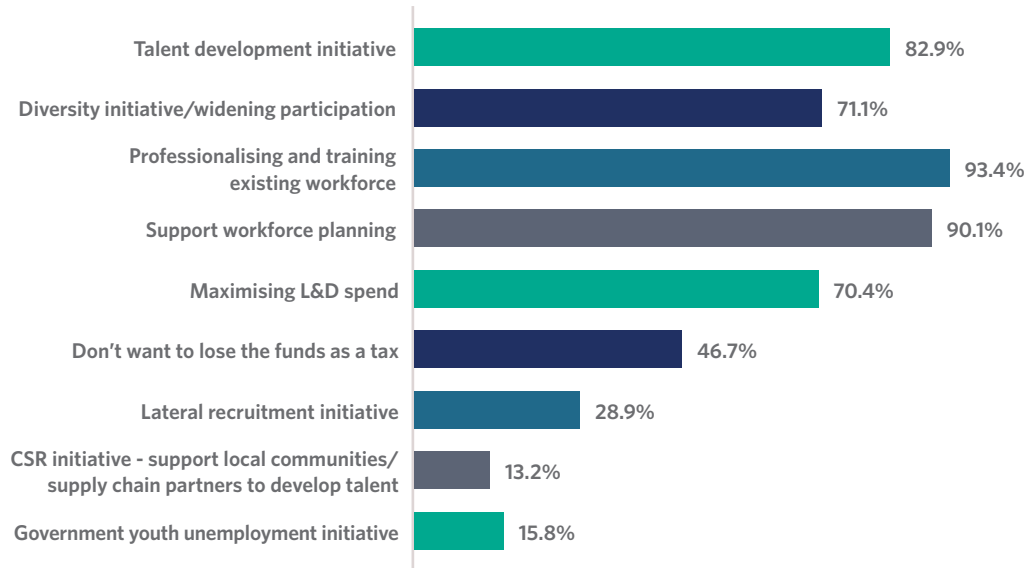
- Almost all trusts (93%) plan to spend levy funds on training their existing workforce, supporting workforce planning (90%) and talent development (83%)
- Seven in ten (71%) also say diversity initiatives are a priority, with a similar number (70%) citing learning and development
- By contrast, general employers say talent development is their biggest priority (73%), followed by diversity initiatives (64%) and training existing staff (63%)
- Almost half of trusts (48%) said they felt confident they would meet the 2.3% government apprenticeship target, with only one in ten (11%) believing they wouldn't

Analysis: The vast majority of trusts plan to spend most of their levy funds on existing staff rather than external hires, which is in marked contrast to employers outside the NHS where the focus is reversed. Although the government's 2.3% target is partly responsible for this, it is also true that trusts tend to see apprenticeships not merely as recruitment tools but also as crucial instruments for retention and progression.

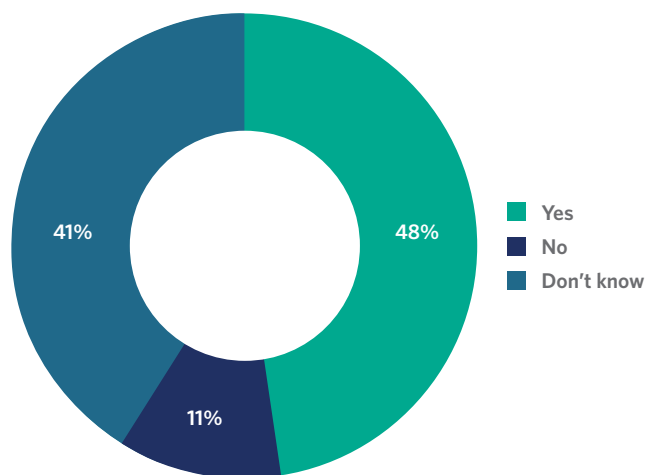
Top employers outside of the NHS: Why will you be spending your levy?



NHS Sector:
Why will you be spending your levy?



NHS Sector:
Will your organisation meet this 2.3% apprenticeship target?



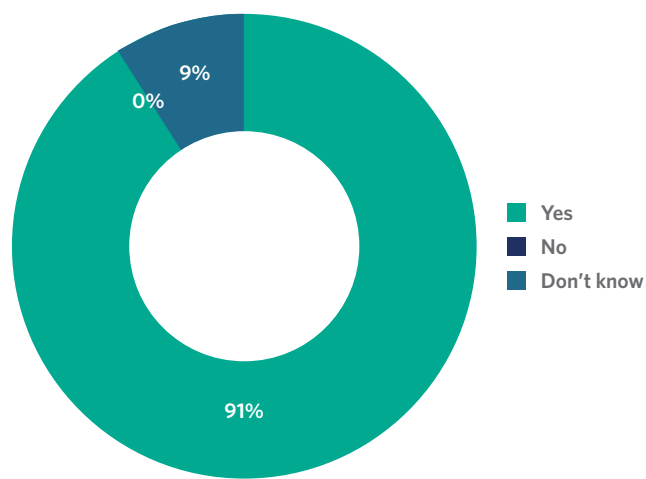
Would trusts like the levy to be more flexible?

- Nine in ten trusts (91%) want more flexibility in how they spend the levy; none is satisfied with the status quo
- The most popular options if there were greater flexibility are in-house training programmes outside of apprenticeships (84%), programme overheads (81%) and salary and headcount (82%)
- Most seem unsure about government plans to allow them to transfer 10% of their unspent levy funds to others, such as suppliers, partners or charities. Almost two-thirds (64%) have yet to reach a position, a fifth (21%) say they won't use the option and only 15% say they will
- If and when the government enables this transfer, nine in ten (92%) trusts would give the funds to another organisation in the health sector

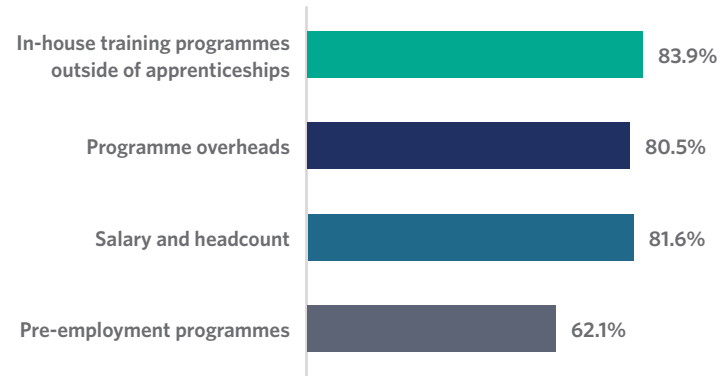
Analysis: There clearly is a feeling among trusts, which is also reflected in our study of general employers, that there ought to be more flexibility in the way they are allowed to spend levy funds. If anything, the frustration may be greater in the NHS because so many see the potential of apprenticeships.

Many respondents complained that they weren't able to "offer apprenticeships that are not available yet", or that they couldn't offset wages or overheads, which again limited what they could do. "It is inconceivable," said one, "that we have huge funds sitting doing nothing while we have a shortage of clinical roles."

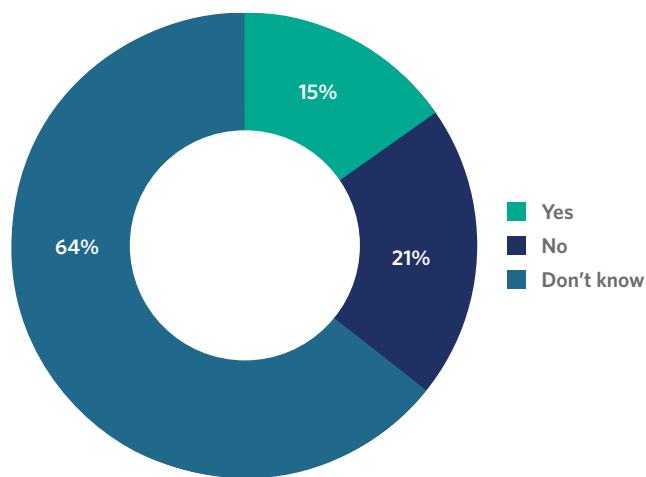
Would you like more flexibility in how you spend the levy?



On what else would you like to spend your levy?



Do you plan to use the opportunity to transfer 10% of your levy funds?

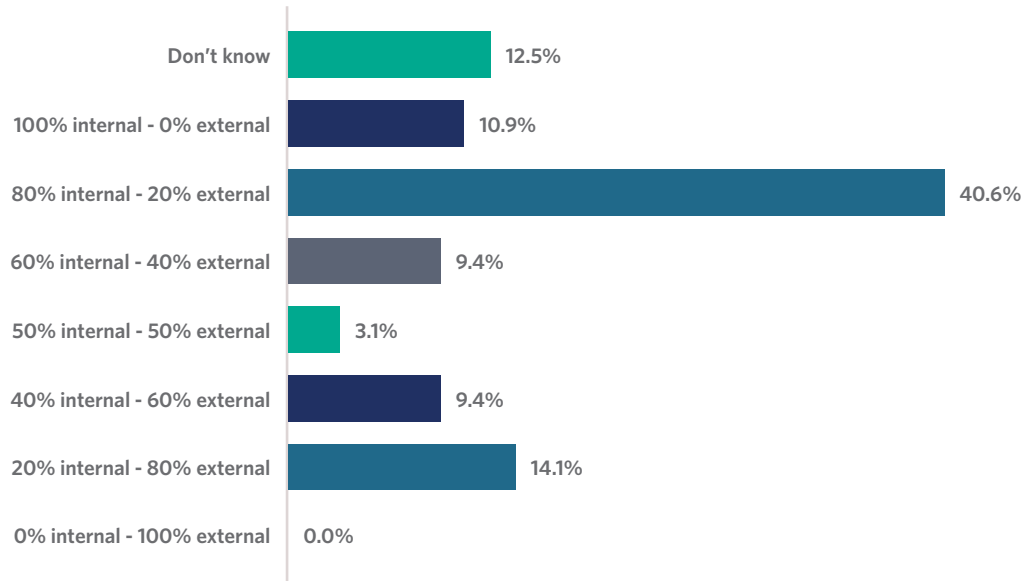


Who are trusts targeting?

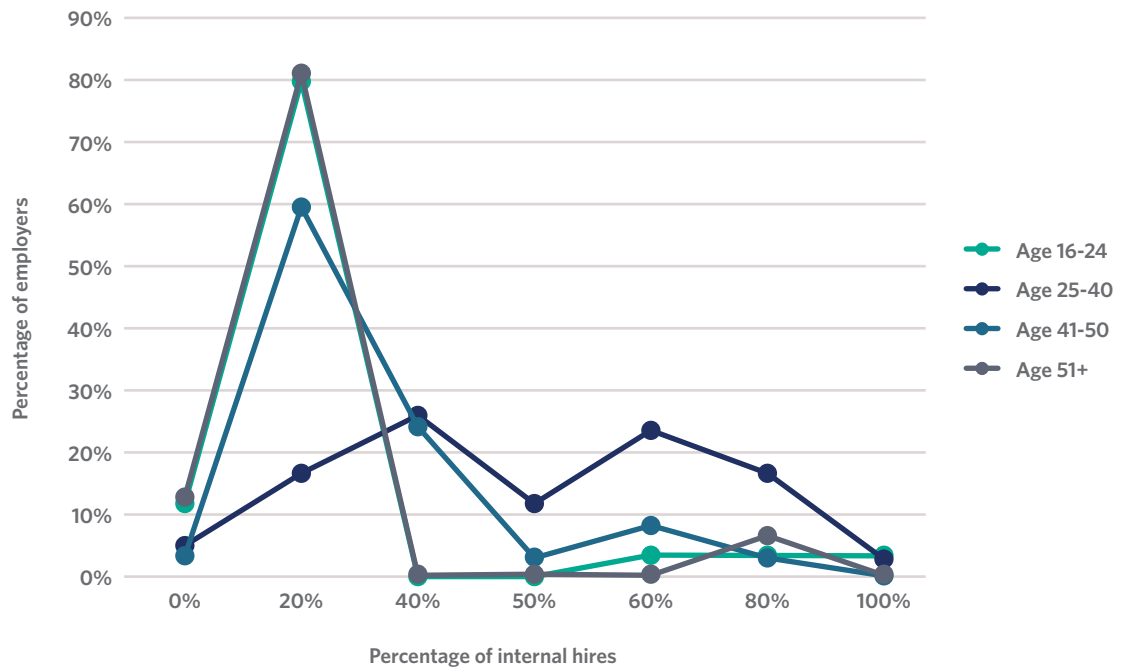
- Two-fifths of trusts (41%) say they will use 80% of the levy on internal apprentices with one in ten (11%) saying they will spend all of it on them
- Only 14% of trusts plan to reverse the split and spend 80% of the levy on external apprenticeships and 20% on internal hires
- When it comes to the complexion of internal apprenticeships, trusts are targeting a broad range of age groups. 80% of them, for instance, say a fifth of apprenticeships will be aged 16-24 and a fifth will also be in the 51 plus age bracket
- External apprenticeships are split almost equally between school-leavers, graduates and experienced hires, with a slight preponderance of the former
- The most popular months for apprenticeship starts are September (51%), January (50%), October, February and March (41%)

Analysis: The wide age range of apprentices in the NHS is not generally replicated in workforces outside it. It is almost certainly a reflection of the fact that so many trust apprenticeship programmes are focused on existing staff and internal hires. However, some respondents indicated that if there were more flexibility in levy spend, particularly around wages and overheads, then they would look to increase external recruitment.

What is/will be the split between your external apprentice hires and internal apprentice hires on programme by the end of April 2018?



What's the split of your internal apprentice hires between:



What's the split of your external apprentice hires between:

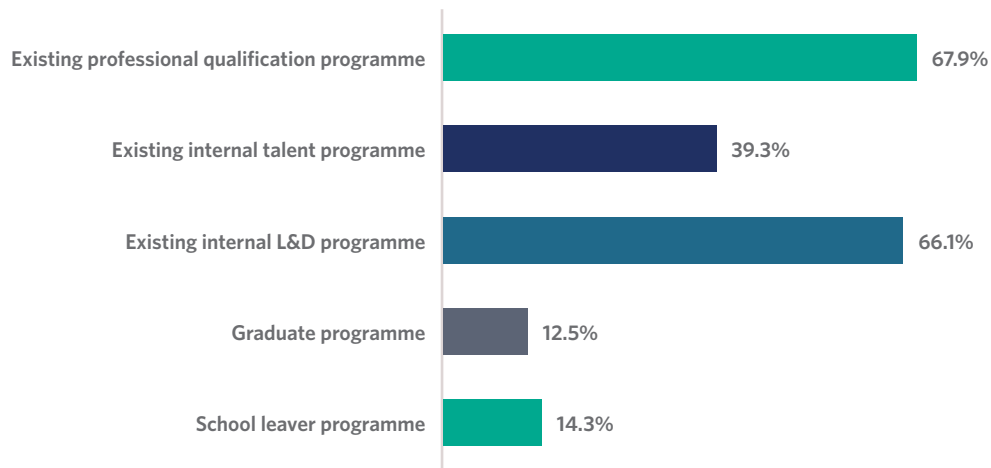


What programmes do trusts plan to convert into apprenticeships?

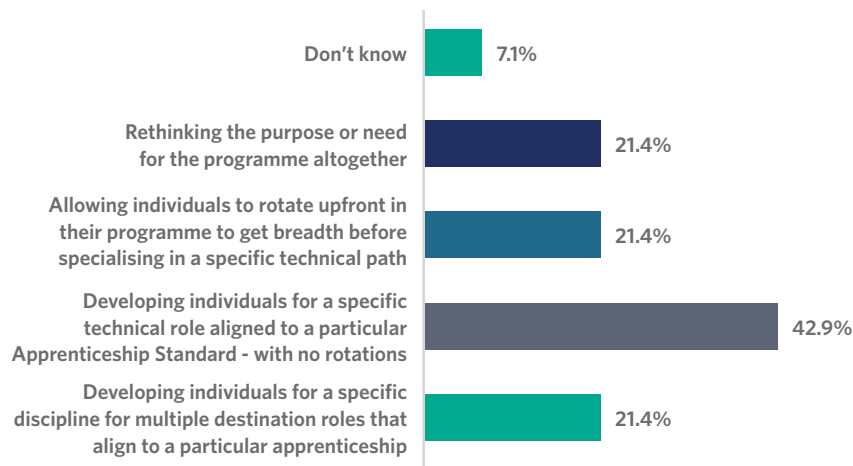
- Over two-thirds of trusts (68%) plan to convert or already have converted professional qualifications to apprenticeships and a similar proportion (66%) have done the same with learning and development schemes
- Relatively few trusts are considering converting their graduate (13%) or school-leaver (14%) programmes, far fewer than most other employers, where the respective proportions are 52% and 50%
- Where they are doing so, over two-fifths (43%) are redesigning graduate and school-leaver programmes to focus on a specific, technical role
- When it comes to apprenticeships for existing staff, the overwhelming majority of respondents (93%) say employees will join as part of a development programme, while two-thirds (66%) say individuals can opt in
- Just over one in twenty trusts (7%) say they will reserve apprenticeships for top talent only, which contrasts with a fifth (21%) of general employers who say they will do the same

Analysis: It's probably not surprising that trusts have made more headway converting professional and L&D qualifications into apprenticeships than they have graduate schemes given the make-up of their apprenticeship cohort. The specialist nature of many NHS graduate schemes may also be a factor.

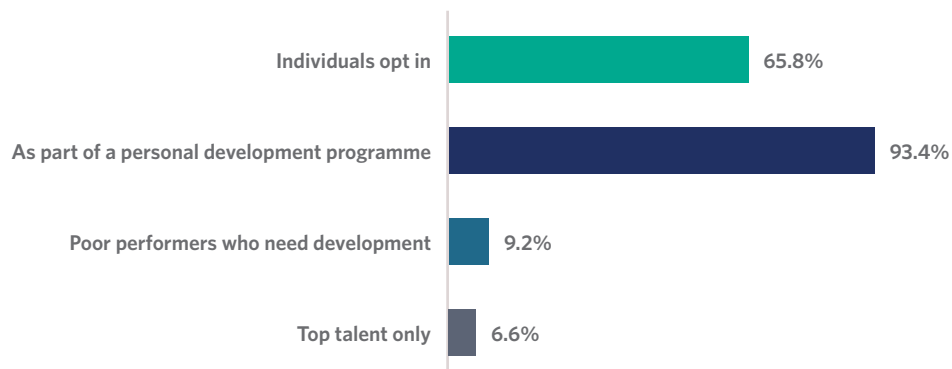
If you currently run any of the following programmes, which do you plan to convert/have you already converted to an apprenticeship?



How are you redesigning the graduate and school leaver programmes?



How are you identifying which existing staff could join an apprenticeship?



Will trusts expand their apprenticeship programmes?

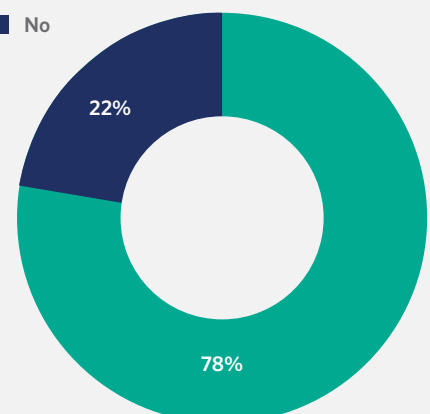
- More than three-quarters of trusts (78%) will have launched apprenticeship programmes by the anniversary of the levy's introduction in April; just over a fifth (22%) will not have done so
- Almost two-fifths (38%) will recruit 100 or more apprentices, with just over a quarter (27%) planning to hire between 50-99 and just under a quarter (23%) hiring between 20-49
- Trusts plan to offer a broad range of clinical and non-clinical programmes, with business and administration (99%), healthcare support (89%), nursing degree apprenticeships (85%), team leading (84%) and management (84%) being the most popular
- Significantly, four-fifths of trusts (79%) plan to increase their number of apprenticeship programmes, with only 1% saying they plan to cut numbers
- Looking ahead to 2019, over a third of trusts (36%) say they will be adding over 100 apprentices and just under a third (31%) believe they will hire between 20-99. However, a substantial minority (26%) are unsure

Analysis: Most trusts are planning for a balanced mix of non-clinical and clinical apprenticeships, which indicates that they are not tempted to spend all of their levy on large numbers of short-term but relatively inexpensive apprenticeships, or conversely on too few, lengthy but costly ones.

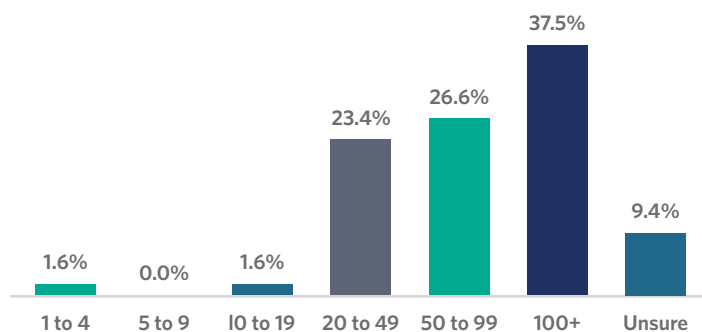
The fact that so many trusts plan to invest in nursing degree apprenticeships is encouraging as are their plans to increase their number of apprenticeship programmes generally. However, an increase in programmes won't always translate into greater numbers of apprentices.

Have you launched/do you plan to launch any apprenticeship programmes by the end of the first year of levy, by April 2018?

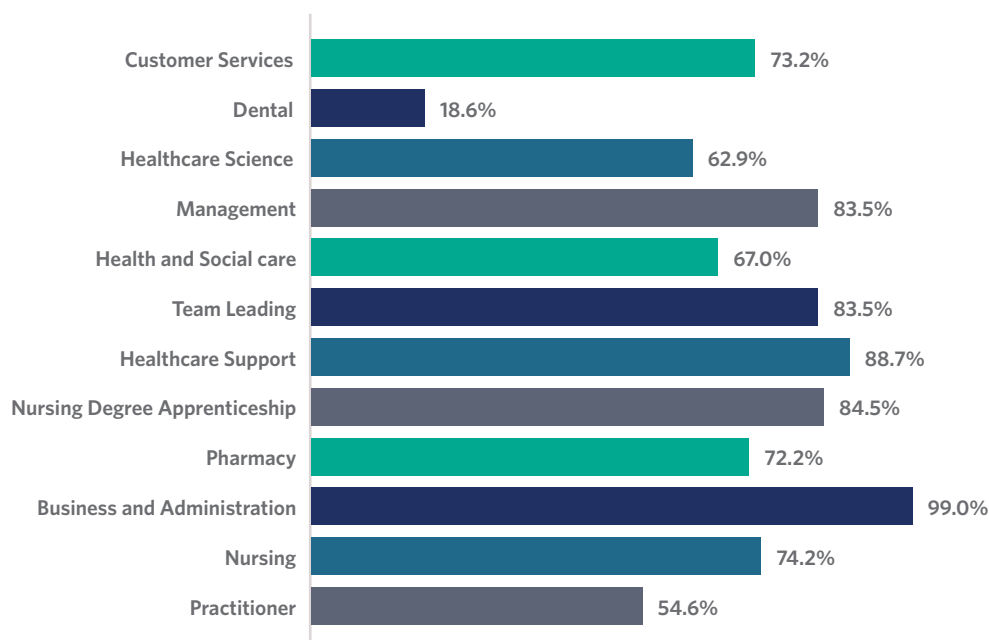
■ Yes
■ No



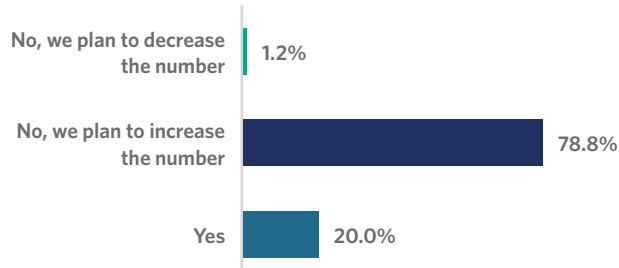
How many apprentices are/will be on programme by the end of April 2018?



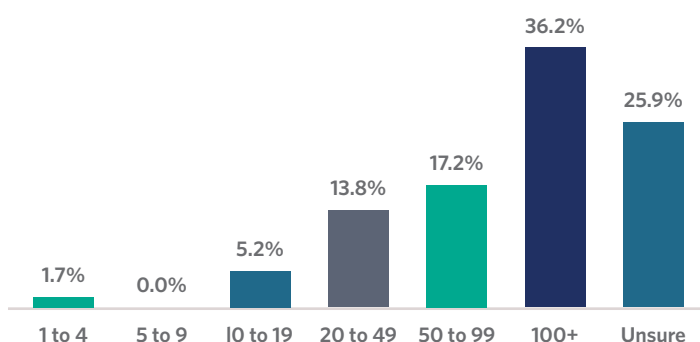
There are over 50 Apprenticeship Standards/Frameworks used in the NHS – which ones of relevance do you plan to deploy?



Do you expect to run the same number of apprenticeship programmes by the end of April 2019?



How many new apprentices will you be starting on programmes between the end of April 2018 to the end of April 2019?

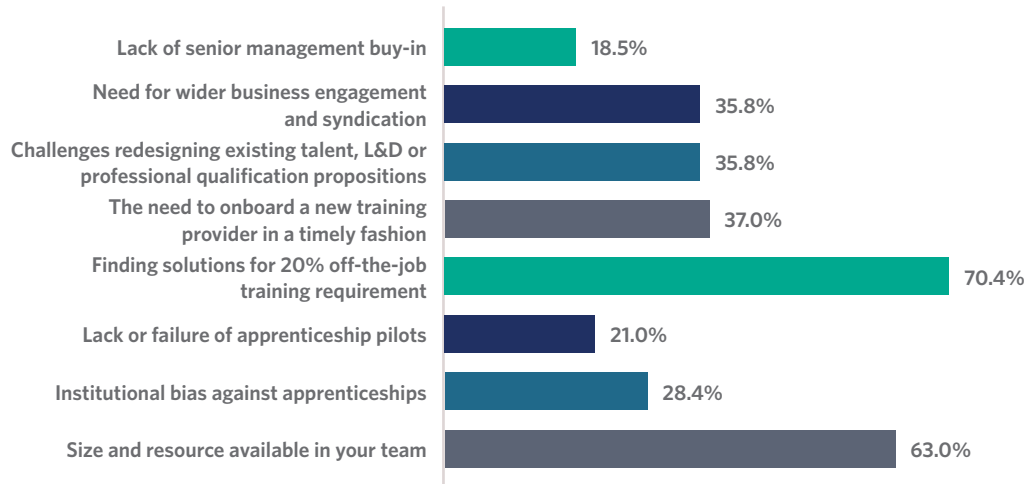


What are the obstacles to expansion?

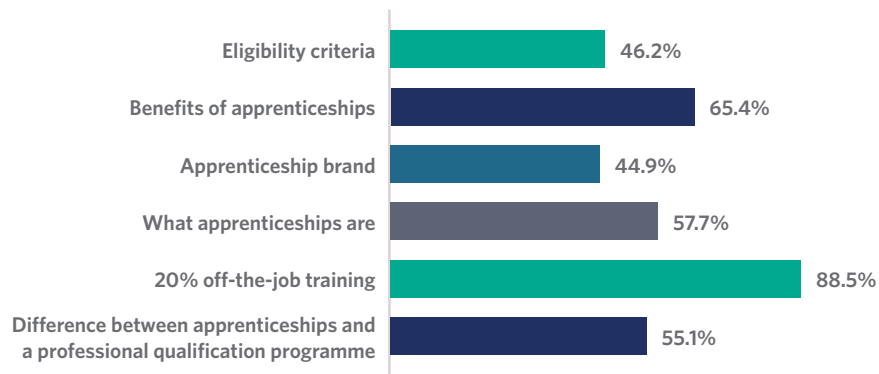
- When asked what was stopping them expanding apprenticeship programmes, seven in ten of respondents (70%) said the 20% off-the-job training requirement was the biggest impediment, with almost two-thirds (63%) citing available resources
- Nine in ten (89%) thought they had to do more to educate their organisation about the 20% requirement, two-thirds said they had more to do to explain the benefits of apprenticeships, or simply what they entailed (58%)
- Nevertheless, the vast majority of respondents said stakeholders were engaged with apprenticeships at all levels of the business, with early careers scoring the lowest (54%)
- Interestingly, potential apprentices among existing staff were thought to be extremely engaged, whereas employers outside the NHS thought they were the least engaged group of stakeholders (97% compared to 73%)

Analysis: Despite a widespread desire among trusts to make the most of the levy, they face challenges other employers do not – not least the necessity of paying trainees who historically were funded from other sources and who are supernumerary. And although respondents overwhelmingly agree that buy-in at all levels of the NHS is high, they also appreciate that obstacles remain when it comes to educating their organisation about precisely what apprenticeships entail.

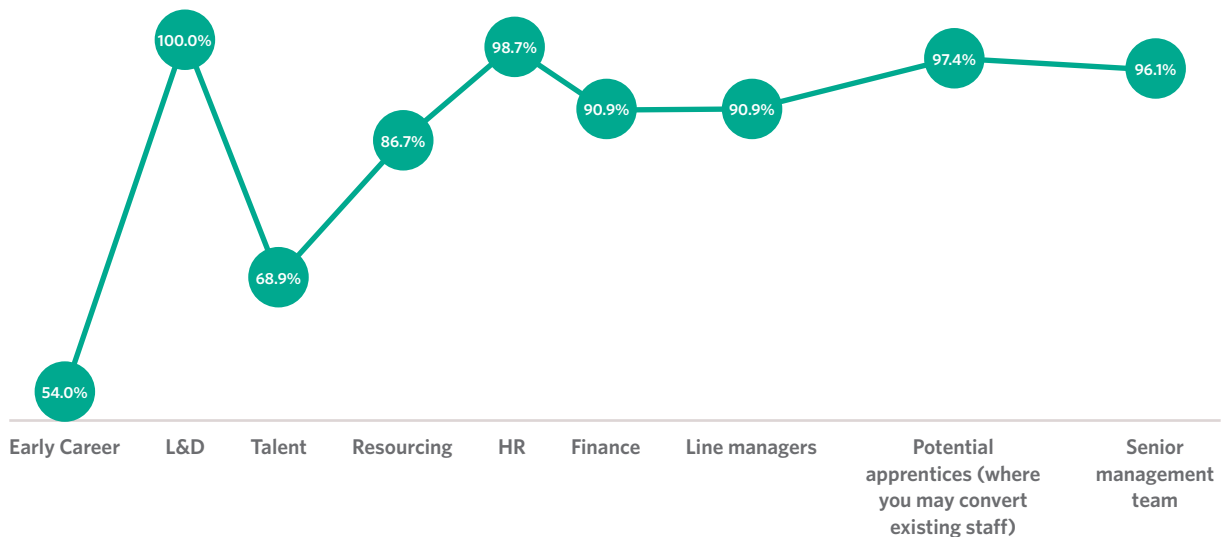
Which of the following factors are currently preventing your organisation from expanding your apprenticeship programmes?



In which key areas do you think you still need to educate the organisation?



How engaged are the following stakeholders in your organisation about apprenticeships?



Tackling the 20% off-the-job requirement

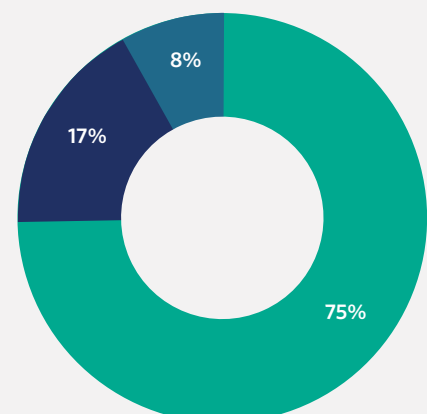
- Three-quarters (75%) of respondents say the 20% requirement remains a problem for their trust, with less than a fifth (17%) saying it hasn't been an issue
- This is despite the fact that virtually all (97%) are aware that 'off-the-job' training can actually be provided on-the-job
- The most popular method of training delivery is day release (77%), followed by online training (60%), face-to-face instruction (50%), weekly sessions (46%) and block release (35%)
- Many trusts have deployed a number of solutions to meet the 20% requirement, with seven in ten (71%) staggering study time so not all apprentices are off-the-job at the same time, more than two-thirds (68%) saying they are developing internal training linked to the standard, and two-fifths (39%) rebadging job development time
- One in twenty trusts (6%) is planning to decrease salary by 20% to offset costs

Analysis: As the NHS faces so many operational pressures, the 20% requirement can be extremely difficult to meet, particularly in clinical roles. As one respondent said: "Managers are keen to support their staff to develop, but quite rightly patients come first and therefore employees are often pulled from their study time to ensure we're at safe staffing levels."

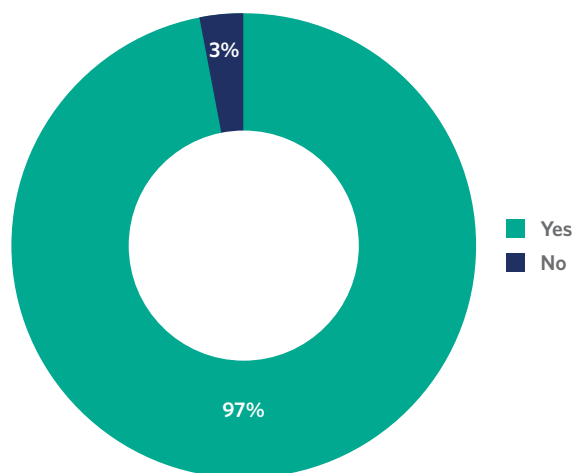
Even in non-clinical roles, the 20% requirement can be problematic because so many apprentices are existing staff. Consequently, maintaining regular services while allowing time off for training can be extremely challenging.

Has the 20% off-the-job development requirement been a problem for your organisation?

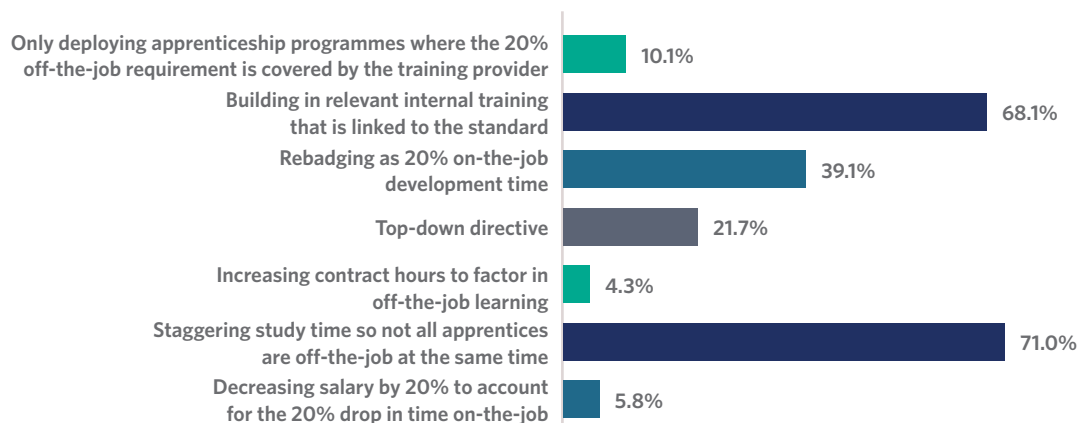
■ Yes
■ No
■ Don't know



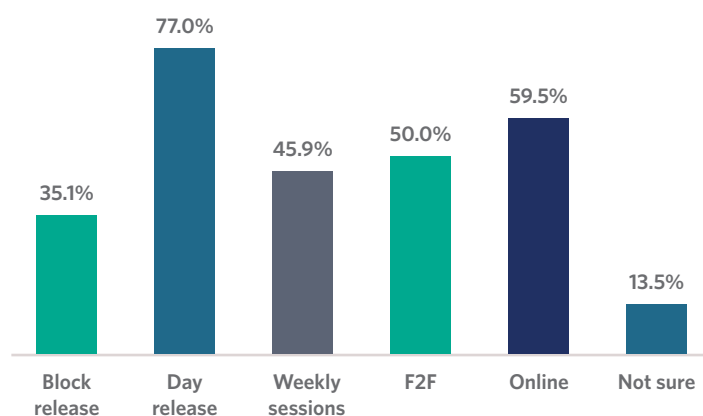
Are you aware that the 20% off-the-job training can be provided at the job place?



What solutions are you deploying to achieve the 20% off-the-job training internally?



What training delivery model will your organisation deploy to manage the government requirement that all apprentices must receive 20% off-the-job training?



Case study:

Rotherham Doncaster and South Humber NHS Foundation Trust

Sue Sparks

Head of Education (until Dec 2017),
Rotherham Doncaster and South
Humber NHS Foundation Trust

What types of apprenticeships do you offer and have they changed in any way since the levy was introduced?

The trust offers a wide range of clinical and non-clinical apprenticeships at most levels. But since the levy was introduced, we have been looking increasingly at higher-level apprenticeships, especially for senior staff. Nursing degree apprenticeships are also potentially a great opportunity.

What do you see as the biggest benefit of the Apprenticeship Levy?

The levy has given us a real opportunity to upskill the staff and increase widening participation in an area that has many pockets of high deprivation. However, there is always a tension between the urge to spend the money quickly, because understandably trusts don't want to lose it, and the need to think carefully about what workforce planning will need in the long term.

Will the number of apprenticeships you are planning to take on change significantly?

I'm not sure we will be looking to see a big increase in numbers because of the costs and the size of our levy pot. However, I know of other trusts with much bigger levy spends who will be recruiting more apprenticeships.

There have been a number of issues around the affordability of apprenticeships. How is your trust dealing with this?

For non-clinical apprentices on levels two and three we paid them a trainee salary, which effectively helped us meet the cost of the 20% requirement. However, that only applied to new entrants and it wouldn't be a solution for existing staff or other levels.

Is the requirement to allow apprentices 20% off-the-job training an issue?

As managers have to sign an agreement outlining precisely what time off is required before we approve any programmes they know exactly what is involved. They have signed a commitment and they tend to respect it.

Is the requirement that employers must give a genuine job guarantee to people completing the new standards an issue for you?

Yes and no. The fact that there has to be vacancy for apprentices to go into can be problematic – but given the vacancies in most areas of the NHS, that tends not to be a problem in reality 18 months or two years later.

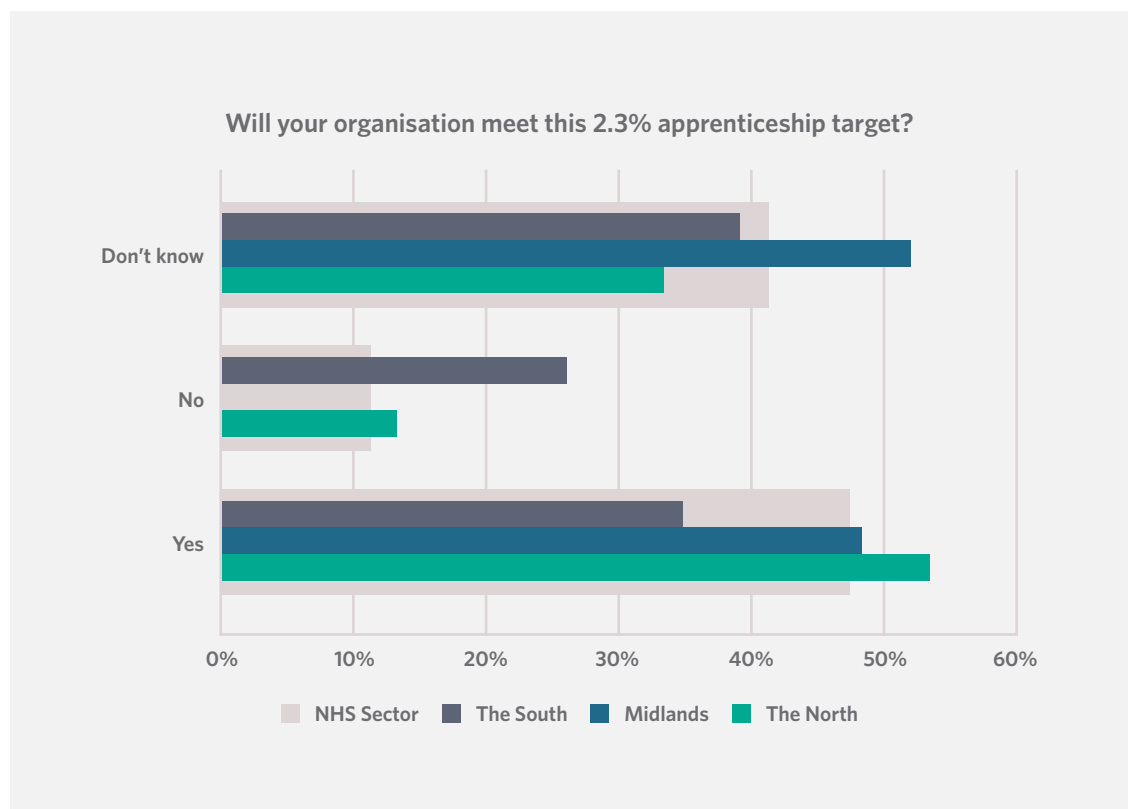
What advice would you give to other trusts still pulling their apprenticeship and levy plans together?

Trusts really have to have a good workforce plan and think about what their workforce requirements are – not only for the next few months but three or four years down the line. Historically, the NHS hasn't been that good at workforce planning, though it has got better. But if trusts are to take full advantage of the levy they need to sustain that progress.

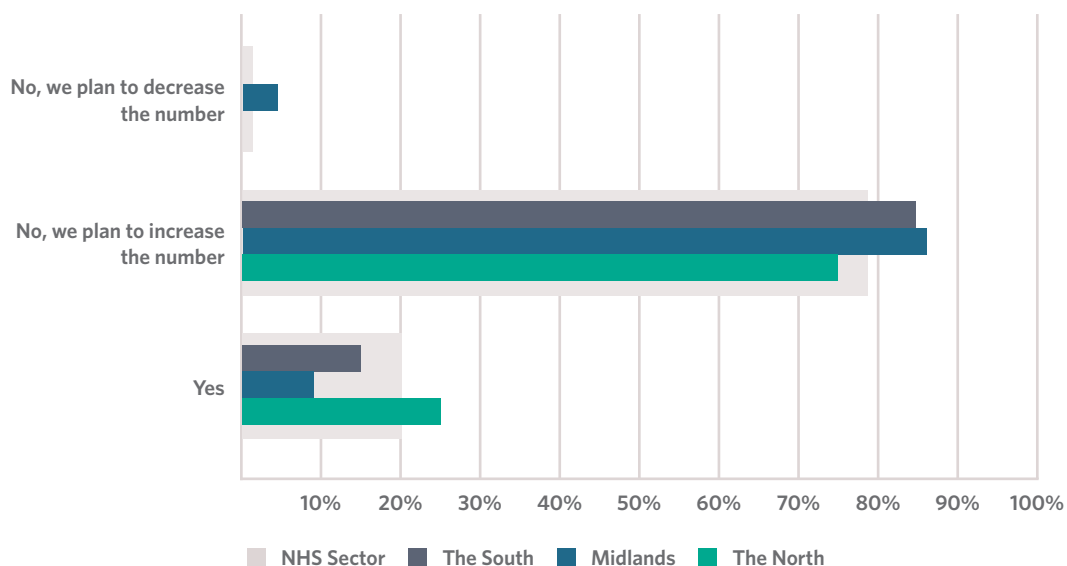


Are there regional variations?

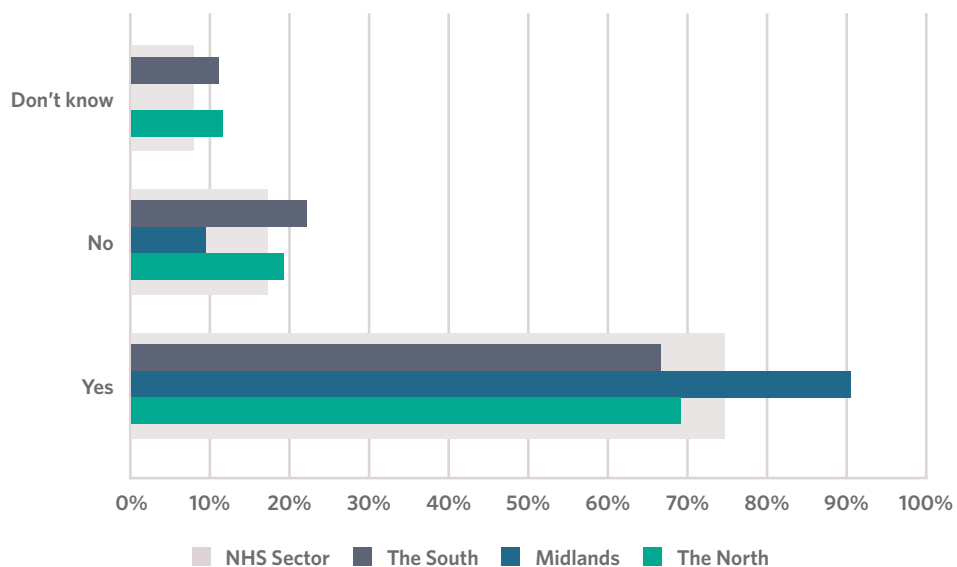
- Yes, in some areas but there are far more similarities than differences
- The Midlands (comprising East of England, West Midlands and East Midlands) was the region that registered significant difficulty with the 20% off-the-job requirement – 90% of Midlands trusts said it was a problem for them compared to 75% nationally – and trusts in the region were also more unsure if they would meet the government's 2.3% apprenticeship target (52% compared to 41% nationally)
- Trusts in the North (comprising Yorkshire and the Humber, North West and North East) hardly diverged at all from the national average on most major metrics
- While trusts in the South (comprising Kent, Surrey and Sussex, Wessex, South West and Thames Valley) are the most bullish about expanding apprenticeship programmes – 85% say they aim to increase the number compared to the national average of 79%



Do you expect to run the same number of apprenticeship programmes by the end of April 2019?

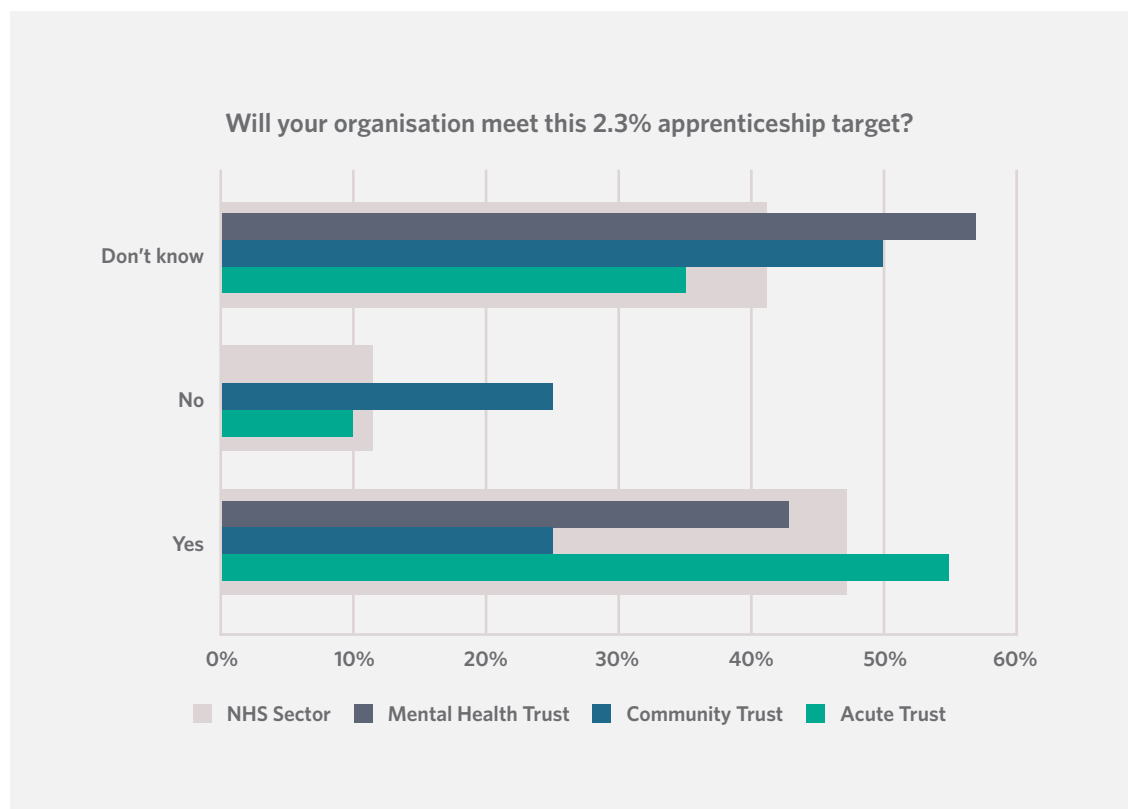


Has the 20% off-the-job development requirement been a problem for your organisation?

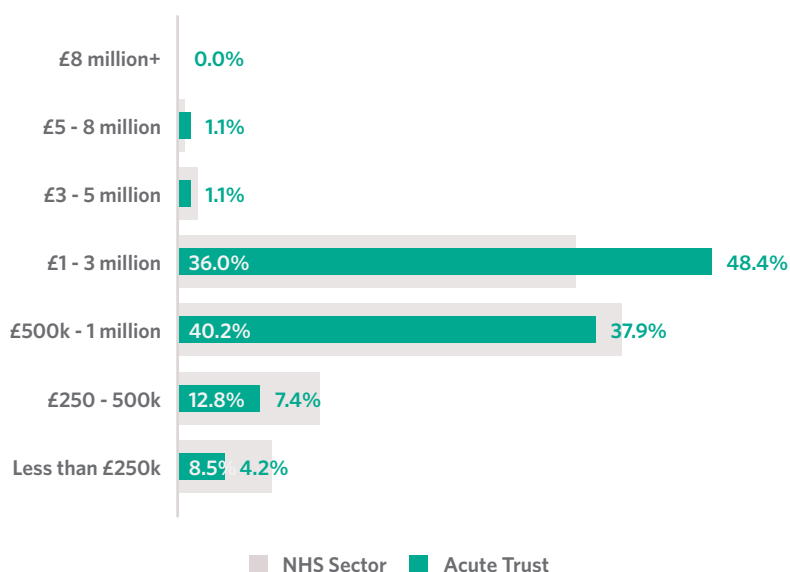


Are there variations by type of trust?

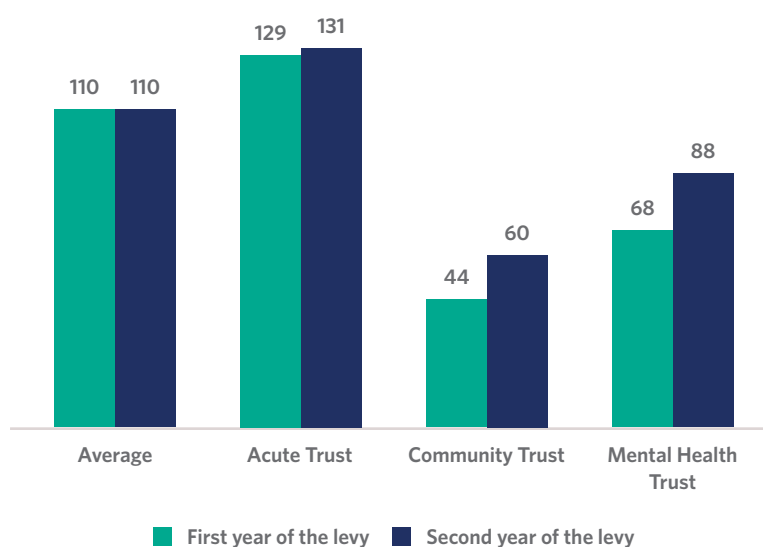
- Mental health trusts seem least sure that they will meet the government's 2.3% apprenticeship target. Well over half (57%) say they don't know if they will
- Acute trusts are the most confident - 55% say they will meet it and community trusts are most sceptical - a quarter (25%) say they will not meet it
- Acute trusts are much more likely to be relatively high levy payers - almost half (48%) have a spend of between £1 million to £3 million, the average of all trusts is 36%
- Community trusts are significantly more likely than the average to cite the 20% off-the-job requirement as a barrier to expanding apprenticeships (92% compared to 70%)
- Acute trusts will have the highest number of apprentices in the first year of the levy (129 compared to an average of 110), but mental health trusts plan the biggest expansion in year two - from 68 to 88



Approximately how much will the Apprenticeship Levy cost your organisation?



Average number of apprentices



Summary

- 175 trusts, approximately two-thirds of the total in England responded to this survey
- Most plan to spend their levy funds at a faster rate than employers outside the NHS
- The majority of apprenticeships focus on existing staff rather than external hires
- This means NHS apprenticeships will differ in notable respects from those outside of it
- Most trusts are frustrated at the inflexibility of current apprenticeship rules
- But most want to expand their apprenticeship programmes

Notes

BPP University is committed to delivering pioneering healthcare education.

Our programme portfolio lends itself to the enhancement of an inter-professional workforce within health and social care organisations and covers a multitude of disciplines.

We provide education for every field of practice including: adult, mental health, learning disability and children and young people.

Our innovative portfolio of programmes is designed to help organisations to achieve their workforce planning and personal goals, and as always, place the patient at their heart.

Combining the academic excellence of a university with a real-life focus – each and every one of our healthcare education programmes place service users, patients, friends, families and carers at their heart and are designed to help organisations achieve their vision; delivering exceptional care.

Working with our partners, we take the time to understand their challenges and ambitions, to ensure we tailor a learning plan that helps them achieve their vision and long term goals.

Whether it is; quality and performance, effective leadership and strategy development.

Additionally we work with organisations to develop bespoke courses to enhance their workforce.

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