

It doesn't add up: the apprenticeship levy and the NHS

Freedom of information findings show the apprenticeship levy system needs a major overhaul. Millions of pounds of public money are being wasted and risk being diverted away from the NHS, says UNISON

Introduction

The apprenticeship levy was introduced in May 2017 and aims to encourage organisations to take on more apprentices by financing their training. It is a tax applied to all employers whose annual wage bill is more than £3m a year. It amounts to 0.5% of their total payroll and can be used for apprentice training and assessment, but not salaries.

This May UNISON sent freedom of information (Fol) requests to NHS employers across England, seeking information on their levy expenditure. The aim was to identify the amounts they were paying into the apprenticeship fund, as well as the sums withdrawn and used. In addition, information was requested about the minimum rates of pay for apprentices in each trust.

The timing, two years after introduction, was important. After 24 months, the funds begin to expire if they're unspent and are redirected to other smaller employers, meaning this money is lost from NHS budgets. UNISON was therefore hoping that the Fol would help build an accurate picture on the scale of any losses.

Findings

UNISON's request was sent to 244 NHS trusts in England and a total of 131 responses were received – a 54% response rate. Analysis showed the total amount paid into apprenticeship service accounts from May 2017 to April 2019 was £256,544,168. In that period only £54,423,429 was withdrawn and used for training/assessment purposes.

These figures suggest an astronomical 79% of funds remain unused. These risk being lost from NHS budgets and clawed back by the government. Some trusts have already started to see funds taken from their accounts, with many more to follow if current patterns of underspending continue.

Implications

Much criticism has been made of the restrictions placed on how levy money can be spent, with UNISON among those organisations that have raised concerns. The *Health Service Journal*¹ quoted Miriam Deakin, director of policy and strategy at NHS Providers, stating trusts would welcome “*greater flexibility*” around the use of the scheme, adding the “*extra costs*” encountered by trusts are often “*a barrier to recruiting the number of apprentices needed to support workforce growth*”.

After two years, funds paid into apprenticeship service accounts begin to expire on a monthly basis. This means employers no longer have access to withdraw this money, which is returned to the government. The funds go into a pot to help pay for apprentice training and assessment by smaller companies elsewhere in the economy. (Companies with an annual

¹ <https://www.hsj.co.uk/workforce/trusts-face-barriers-to-apprenticeship-funding/7025764.article>

pay bill below £3m are not required to pay the levy but can get 90-95% of any apprenticeship paid for by the government.)

Levy policy restrictions prevent the funds from being used for apprentices' salaries or to pay the wages of any staff employed to cover for the time the apprentices are away from their job on training. Cash-strapped hospital trusts say they simply can't afford to pay these wages, which is why so much of the funds remain unspent.

Poor pay rates

While some employers are paying their apprentices nationally agreed NHS pay rates, it's a minority that are doing so. Almost two-thirds (65%) of trusts providing data are paying at least some apprentices below the lowest hourly NHS rate of £9.03. This minimum rate was negotiated as part of a three-year deal to raise the bottom salary scale to the real living wage. Apprentice salaries at many employers are well below that, with 30% of those responding paying the statutory minimum apprentice rate of £3.90 an hour. Some are even worse, paying as little as £3.70ph, which is unlawful.

Not only exploitative and unfair, these rates also create limited opportunities for apprentices, who struggle to survive on such low pay. In turn, this leads to a loss of skilled individuals to the NHS, as apprentices often drop out of their training for better paid jobs where they feel more valued.

As part of a joint commitment made under the 2018 three-year pay deal, UNISON has been negotiating with NHS Employers to try reach a national agreement on a consistent and fair approach to apprentice pay. Unfortunately, little progress has been made in these talks. The main barrier appears to be the difficulty that employers have accessing funding to cover the costs of apprenticeship schemes – essentially the wages bill of any apprentices they take on, and staff to cover hours when apprentices are doing 'off-the-job' training activities. This has meant that large variations and poor practice around pay remain.

The NHS Pay Review Body in its 2019 report recognised the importance of making progress: *"We encourage further discussion among the parties to reach consensus on a consistent approach to AfC [Agenda for Change – the NHS national pay agreement] apprenticeship pay arrangements. As the labour market tightens, effective apprenticeship programmes could give the NHS a competitive advantage in attracting people to the NHS."*²

Differences in the quality of apprenticeships offered by employers are also of concern to UNISON. The education regulator Ofsted, which is responsible for inspecting NHS trusts providing apprenticeships up to educational level 5, has identified that in some cases development targets have not been set for apprentices. Without good-quality training and a supportive environment, apprenticeships will fail to develop into career routes that can benefit both the individual employee and the NHS.

Levy reform

Flexibility in how employers are able to spend levy funds could mean that the large sums of money set to be lost to the NHS could be used to pay apprentice salaries (and the wages of

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any staff brought in to cover them while they're training). This would benefit staff, patients and services in general. It could also allow a fair settlement on pay rates for apprentices so the NHS is better able to compete with other parts of the economy in attracting the best candidates. The current pay situation is unfair, particularly considering the responsibilities given to many apprentices, and it's helping create a two-tier workforce.

With approximately 100,000 vacancies across the NHS, giving employers greater freedom in how apprenticeship funds are spent is crucial. UNISON would like to see additional investment funding made available to support higher level apprenticeships – aimed at attracting people deterred by student debt and enabling them to qualify in occupations where there are major staff shortages, such as nursing and midwifery.

UNISON has developed a set of policy proposals on apprenticeships which are being shared with government, MPs and NHS bodies responsible for workforce:

- 1) **A policy change so unused apprenticeship levy money is not lost from the NHS and diverted to companies in other sectors but retained within the health service in a ring-fenced National NHS Apprenticeship Fund.** This would support the expansion of apprenticeship routes to higher qualifications in the NHS and could be used for apprentice salaries (and the wages of staff brought into cover for them), which employers say they cannot afford.
- 2) **The government – as part of its long-term People Plan – should put extra resources into this National NHS Apprenticeship Fund to ensure apprentices can train as healthcare professionals in sufficient numbers to tackle staffing shortages.** This will help address the major workforce shortages that student loan-funded routes and international recruitment can't fill. Evidence from previous schemes shows staff coming through 'earn-while-you-learn' routes tend to stay with the same employer once they're qualified.
- 3) **NHS employers to make good on their commitment to negotiate a new deal on apprentice pay that is fair, transparent and consistent.** UNISON wants apprentices to become part of the wider NHS pay arrangements recognising that they are a valued part of the health workforce. This must mean the same minimum rate, currently £9.03 per hour to protect against low pay and an objective system to allocate jobs to pay bands based on the level of skills and responsibilities required. This will also guard against pay inequalities, stopping apprenticeships largely done by women being underpaid. UNISON would also like to see a pay scheme for degree apprenticeships such as nursing, enabling a gradual wage increase as their skills develop over the four years of their training.
- 4) **Greater flexibility so NHS employers in the same location can pool their levy funding to run joint schemes to gain better value for money and share costs.** Apprenticeship training could then be delivered more economically and efficiently.

UNISON's [apprenticeship charter](#) details the rights all apprentices should have, along with the responsibilities of employers. These include providing a safe and healthy working environment and payment at the rate for the job.

The union has created a number of [apprenticeship resources](#), including a model apprenticeship agreement.

Levy expenditure by employers withdrawing the lowest proportions of funds

Trust	Paid in	Withdrawn to fund apprenticeship training	% withdrawn
South Central Ambulance Service NHS Foundation Trust	£1,121,136	£32,600	2
South Western Ambulance Service NHS Foundation Trust	£1,342,418	£28,788	2
Imperial College Healthcare NHS Trust	£5,314,928	£118,153	2
Camden and Islington NHS Foundation Trust	£792,445	£34,486	4
Barts Health NHS Trust	£7,848,368	£357,643	5
Bedford Hospital NHS Trust	£959,499	£47,113	5
Homerton University Hospital NHS Foundation Trust	£1,1607,334	£84,168	5
Barnet, Enfield and Haringey Mental Health NHS Trust	£1,186,417	£64,364	5
Northampton General Hospital NHS Trust	£1,658,742	£101,995	6
Royal Free London NHS Foundation Trust	£5,166,020	£378,947	7
King's College Hospital NHS Foundation Trust	£5,012,475	£350,929	7

University Hospitals Birmingham NHS Foundation Trust	£7,710,656	£594,631	8
Central London Community Healthcare NHS Trust	£1,183,080	£93,815	8
Worcestershire Acute Hospitals NHS Trust	£1,966,971	£171,203	9
University Hospitals Coventry and Warwickshire NHS Trust	£3,147,107	£325,956	10
The Newcastle Upon Tyne Hospitals NHS Foundation Trust	£4,837,525	£495,168	10
Sheffield Teaching Hospitals NHS Foundation Trust	£5,458,578	£614,900	11
Birmingham and Solihull Mental Health NHS Foundation Trust	£1,452,729	£158,694	11
Midlands Partnership NHS Foundation Trust	£2,412,535	£264,642	11
Dorset Healthcare University NHS Foundation Trust	£1,607,224	£180,553	11
Oxford University Hospitals NHS Foundation Trust	£4,763,496	£594,831	12
Mid Essex Hospital Services NHS Trust	£1,789,411	£241,334	13

Warrington and Halton Hospitals NHS Foundation Trust	£1,314,583	£170,797	13
Western Sussex Hospitals NHS Foundation Trust	£2,317,463	£305,155	13
Southend University Hospital NHS Foundation Trust	£1,621,464	£228,750	14
The Princess Alexandra Hospital NHS Trust	£1,208,619	£181,214	15
The Rotherham NHS Foundation Trust	£1,426,681	£270,404	19
West London NHS Trust	£1,356,722	£265,005	20
Countess of Chester Hospital NHS Foundation Trust	£1,132,564	£236,392	21
Barnsley Hospital NHS Foundation Trust	£1,097,444	£246,936	23
Chesterfield Royal Hospital NHS Foundation Trust	£1,294,880	£296,896	23
The Queen Elizabeth Hospital, Kings Lynn. NHS Foundation Trust	£1,145,569	£295,000	26

Apprentice pay – It doesn't add up

As part of our research into varying rates of pay for apprentices across the NHS, UNISON uncovered a large number of vacancies for apprentices available on the NHS jobs portal in August/September 2019, where pay was advertised as below the nationally agreed NHS minimum (£9.03ph/£17,652pa).

The table below does not include all roles advertised below the agreed rate but does help demonstrate the responsibilities many are expected to adopt for as little as £3.70 per hour.

Job	Pay (£)	Trust	Key responsibilities	Hours per week
Business administrative apprentice	138.50 per week (£3.69 per hour)	Great Western Hospitals NHS Foundation Trust (Swindon)	Give support and assistance in obtaining information for the national databases within the trauma and orthopaedics department and provide administrative support.	37.5
Apprentice administrator	146.25 per week (£3.90 per hour)	Bradford Teaching Hospitals NHS Foundation Trust	Dealing with telephone calls, emails and face to face contact, appointment booking, data collection, use of local databases and IT systems, filing and distribution and sorting of internal mail.	37.5
Apprentice office administration	146.25 per week (£3.90 per hour)	Shrewsbury and Telford Hospital NHS Trust (The Royal Shrewsbury Hospital)	Reception duties in various clinical areas, operate and maintain a planning service for outpatient appointment booking, maintain good communication with health professionals, receive patients and visitors, answer queries within own range of knowledge, ensure that	37.5

			patient records are filed correctly and confidentially.	
ICT operations apprentice	146.25 per week (£3.90 per hour)	Birmingham Women's and Children's NHS Foundation Trust	Provide customer service, learn about and use IT in healthcare, identify and solve problems, maintain the ICT management system accurately, monitor stock and build & rollout new computer equipment.	37.5
Clinical skills and simulation apprentice	7,235-13,968 per year (£3.70 – 7.14 per hour)	Calderdale and Huddersfield NHS Foundation Trust (Calderdale Royal Hospital, Halifax)	Provide technical and administrative support for all learning and teaching activities, provide first line care and maintenance of clinical skills, simulation and audio-visual equipment, assist with the preparation of rooms and provide a safe, well-equipped training environment.	37.5
Apprentice medical secretary	146.25 per week (£3.90 per hour)	Norfolk and Norwich University Hospitals NHS Foundation Trust	Deal with and respond to enquiries effectively, communicate appropriately, assist patients and their carers by arranging translation/interpretation facilities, attend to all communications, have a knowledge of medical terminology and be able to use it, make appointments, add patients to waiting lists,	37.5

			register new patients, provide accurate and confidential information and deal with requests.	
Apprentice medical engineering technician	17,109 per year (£8.75 per hour)	Airedale General Hospital (Keighley)	Provide clinical services for maintenance, communicate with clinical users, undertake fault-finding, carry out control measures and safety, ensure work complies with management system, monitor stocks, take responsibility, ensure facilities are well-ordered, keep careful records of work performed and participate in regular meetings.	37.5
Medical records apprentice clerical office	138.75 per week (£3.70 per hour)	Harrogate and District NHS Foundation Trust (Harrogate)	Ensure all medicals records are retrieved from around the organisation, track medical records, ensure that the referral letter is filed in the medical records, undertake reception desk duties, deal with patient enquiries and booking patients in, ensure accurate data input and maintenance of medical records, maintain an effective filing system, deal with telephones and package letters.	37.5

Apprentice administrator	150 per week (£4 per hour)	University Hospital of Leicester NHS Trust	Support the organisation, provide general office/administration support, ensure high standards of customer service, provide up-to-date information to patients, colleagues and other departments, produce accurate letters and reports, assist the team to arrange meetings, deal with telephone enquiries, undertake filing, receive and sort post, aid with ordering supplies, meet with team members, communicate effectively, develop a good working knowledge and ensure confidentiality.	37.5
Apprentice housekeeper	146.25 per week (£3.90 per hour)	Norfolk and Norwich University Hospitals NHS Foundation Trust	Establish a good working relationship with other staff, help with cleaning and maintaining tidiness, assist with cleaning equipment and quality testing the specialised equipment, be responsible for the cleaning of equipment on the ward, report issues/problems, check linen daily and ensure dirty linen is bagged and disposed of correctly, check emergency equipment	37.5

			is available by all beds, keep note of stocks, keep all storage areas clean, make refreshments and wash up, help with serving meals to patients, help with bed-making and answer the telephone.	
Apprentice assistant financial accountant	146.25 per week (£3.90 per hour)	Norfolk and Norwich University Hospitals NHS Foundation Trust	Support the deputy finance manager, run reports and send invoices, review requests, assist with month/year end accounting, ensure records are accurately maintained, aid in the broadening of financial awareness, provide cover for other team members, attend and participate in meetings.	37.5
HR assistant apprentice	146.25 per week (£3.90 per hour)	Norfolk Community Health and Care NHS Trust (Norwich)	Act as an administrator, support the team, create and maintain reports, provide advice on general enquiries, processing and filing documents, interact with employees, demonstrate knowledge of the department and maintain databases.	37.5
Apprentice dental nurse	7,625.88 per year (£3.90 per hour)	Sheffield Teaching Hospitals NHS Foundation Trust	Assist patients in completing medical history forms, provide close chair side assistance, maintain cross infection control, assist with the treatment of patients	37.5

			with infectious conditions.	
Healthcare apprentice	146.25 per week (£3.90 per hour)	Great Western Hospitals NHS Foundation Trust	Assist patients to wash and dress as required, help patients to use toilet facilities, assist in the preparation and serving of meals and supplements, assist patients to eat and drink, ensure anxieties, problems and complaints are reported promptly to the registered practitioner.	37.5
Apprentice healthcare assistant	146.25 per week (£3.90 per hour)	Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust (Oswestry)	Under supervision, assist patients in all activities of daily living within own level of competencies, provide patient care, which may require the use of physical effort to roll, manoeuvre and stand patients, chaperoning patients during medical examinations, participate in all aspects of “play” with the children.	37.5
Apprentice healthcare assistant – sexual health	157.5 per week (£4.20 per hour)	Bolton NHS Foundation Trust	Advise the nurse or doctor of any distressed or upset patients, decant liquid nitrogen from dewar to handheld canister spray gun, assist in the clinical sessions, minor op sessions providing written and verbal	37.5

			information, eg patient information leaflets, assist male and female patients/clients as necessary for the purpose of examination.	
Apprentice healthcare assistant	205.35 - 308 per week (£5.48 - 8.21 per hour)	University Hospitals of Derby and Burton NHS Foundation Trust	Assist in delivering person-centred care, undertake basic clinical procedures following successful training eg emptying catheter bags, taking specimens of urine, work towards developing communication and interpersonal skills with patients, handle confidential information, record keeping, moving patients safely.	37.5

ANNEX

This report is based on responses to the following questions asked by UNISON to employers in the May 2019 freedom of information requests:

Please could you provide data on the following:

- 1) Total amount of apprenticeship levy funds paid into your apprenticeship service account from May 2017 to April 2019
- 2) Total amount of apprenticeship levy funds withdrawn from your apprenticeship service account and used for training and/or assessment from May 2017 to April 2019
- 3) The lowest hourly rate of pay in use for an apprentice in April 2019