

JUNE 2016

BRIEFING 105

BOARD BRIEFING

APPRENTICESHIP POLICY CHANGES AND FINANCIAL IMPLICATIONS

The government has committed to delivering three million apprenticeships by 2020 across all industries, including health and social care.

The apprenticeships levy and public sector apprenticeships targets are being introduced to help meet this policy initiative and both will impact significantly upon NHS organisations.

This briefing provides an outline of these changes and suggests actions that boards may wish to take. It also contains key questions for boards to consider if they are to implement and obtain the maximum benefit from apprenticeships.

Key points

- Apprenticeship policy changes are being introduced which will have financial and reporting implications for the NHS.
 - The apprenticeship levy, payable from April 2017 and charged at 0.5 per cent of the total pay bill, will be used to support the training and assessment of apprentices.
 - It is proposed that apprenticeship targets be applied to all public sector organisations that have more than 250 employees. The government is currently consulting on the detail but is proposing targets of 2.3 per cent apprenticeships per year, based on the headcount of an organisation. It is anticipated that the targets will be applied from autumn 2016.
 - Boards should consider how they can make apprenticeships a more integral part of wider workforce plans, particularly in light of the proposed new nursing associate role, and the removal of bursaries for nursing and allied healthcare professional students.
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THE APPRENTICESHIP LEVY

The aim of the apprenticeships levy is to create long-term investment to support the development of apprentices. The policy is UK-wide and applies across all industries.

- The levy will be payable from April 2017 and charged at 0.5 per cent of the total pay bill collected through PAYE. Employer guidance on how to calculate and pay the apprenticeship levy will be released by HMRC later in the year.
- The levy is applicable to all employers with a pay bill in excess of £3 million.
- Employers will draw down funds to cover, or at least subsidise, the costs of training apprentices. The government will release more details throughout the year, including information about the amount of funding that can be drawn down to deliver each apprenticeship.
- The money cannot be used to support salaries.

For example, a trust with a workforce of 7,000 staff could be asked to make a financial contribution in excess of £1.5 million each year. To recoup this contribution, that trust may need to recruit around 700 apprentices each year.

Actions for boards

- Consider the workforce and financial implications this has for your organisation.
- Ensure plans are in place to make best use of, and increase, the utilisation of apprentices in order to get the maximum benefit from the levy.

PUBLIC SECTOR APPRENTICESHIPS TARGETS

The government sees the public sector as playing a key role in helping to achieve delivery of three million apprenticeships by 2020 and is legislating to establish targets for public sector organisations.

- The apprenticeship targets will apply to all public sector organisations with more than 250 employees.
- A recent consultation proposed a target set at 2.3 per cent of headcount to apply from autumn 2016.
- Employers will have to report annually on their progress towards meeting the target.

Actions for boards

- Ensure you have an understanding of the impact this target will have on workforce development plans and that your organisation is able to report on the number of apprenticeships achieved.

RELATED POLICY

Boards may wish to consider the policy initiatives outlined in this briefing within the wider context of the proposed nursing associate role, and the removal of bursaries for nursing and allied healthcare professional students.

The proposed nursing associate role will sit between healthcare assistants and registered nurses and will develop care workers to a higher skill set.

The removal of the NHS bursary could lead to the development of alternative routes for those wishing to pursue a career in nursing, midwifery and other allied health professions.

Key questions for NHS organisations

We recognise that while these policies present an opportunity to make apprenticeships a more integral part of the wider NHS workforce, they also present a challenge.

You may wish to consider the following questions in relation to your organisation.

- The apprenticeship levy will be charged at 0.5 per cent of the pay bill. Do you expect to draw down funds that match the contribution you are paying into the levy?
- Has your board already discussed and developed a strategy/plan to maximise the use of the apprenticeship levy and achieve the apprenticeship targets?
- Will your organisation need to increase the volume of apprenticeships you offer?
- Should your organisation be looking to develop new apprenticeship roles?

Factsheet for employers

NHS Employers has produced a factsheet to help employers understand the apprenticeship levy and how this will work in practice. It includes information on how much organisations will have to pay, and how they can access the levy to pay for apprenticeship training and assessment.

For the latest information on apprenticeship policy and to download a copy of the factsheet, please visit www.nhsemployers.org/apprenticeships.

If you have questions or comments about the apprenticeship levy, please contact workforcesupply@nhsemployers.org.



NHS Employers

We actively seek the views of employers on key workforce issues and use our expertise to support them to develop a sustainable workforce, improve staff experience and provide high quality care to patients. We influence workforce policy at regional, national and European levels and turn policies into practical workable solutions.

We use our expertise to keep employers up to date with the latest workforce thinking and expert opinion; provide practical advice and information. We generate opportunities to network, learn from each other and share knowledge and best practice. We work across the health and care system to engage with and support national organisations and the arms-length bodies in the delivery of their mandates..

We work with employers in the NHS to reflect their views and act on their behalf in four priority areas:

- pay and negotiations
- recruitment and planning the workforce
- healthy and productive workplaces
- employment policy and practice.

NHS Employers is part of the NHS Confederation.

Contact us

For more information on how to become involved in our work,
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Ref: EBRII0501