Employer Return on Investment of T Level Industry Placements in Health and Care

May 2026

SUE HOWARD & ASSOCIATES

Background

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- A clear understanding of return on investment (ROI) is vital for decision-making around industry placement expansion, particularly within a health and care system under continued financial strain.
- This project aimed to establish the employer ROI of T Level industry placements in health and care, and will generate:
  1. A ROI estimate for health T Level industry placements
  2. A reusable template enabling future analysis and localised modelling.
- The analysis combines primary cost analysis, published outcomes data, and expert elicitation to quantify employer costs, benefits, and long-term value.

Project Roadmap

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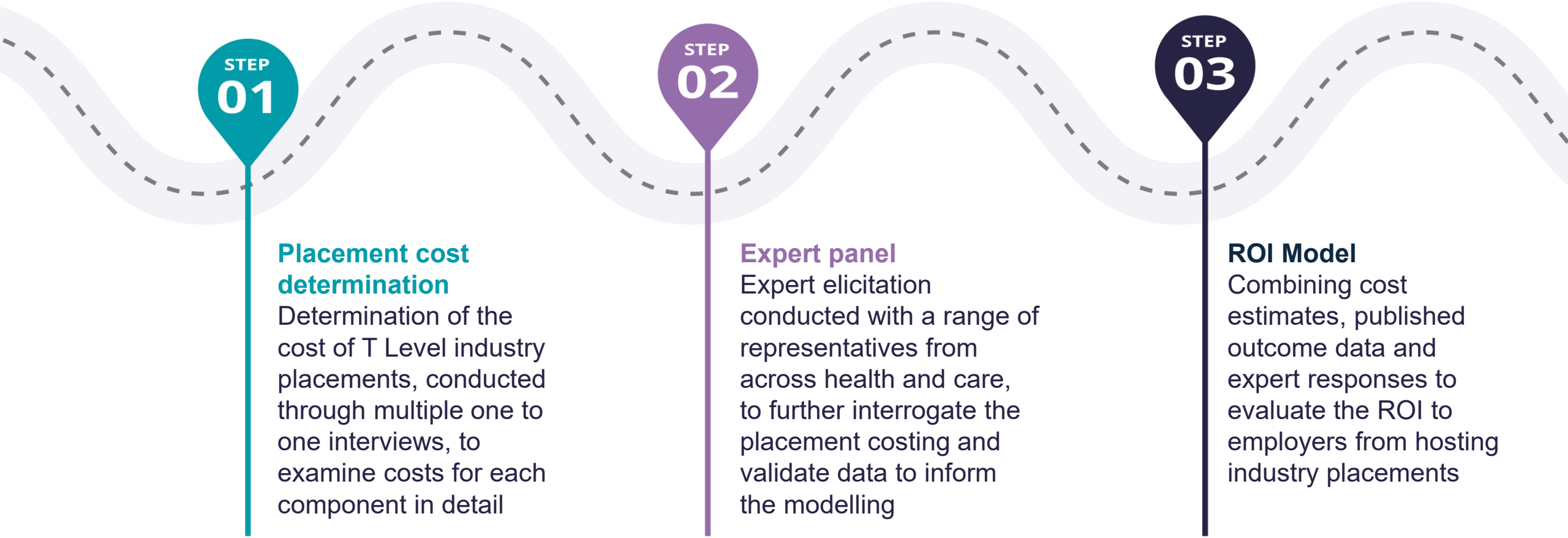

Placement cost determination
Determination of the cost of T Level industry placements, conducted through multiple one to one interviews, to examine costs for each component in detail

Expert panel
Expert elicitation conducted with a range of representatives from across health and care, to further interrogate the placement costing and validate data to inform the modelling

ROI Model
Combining cost estimates, published outcome data and expert responses to evaluate the ROI to employers from hosting industry placements

Industry Placement Costing Determination

Data Sampling & Expert Panel Composition

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The following criteria informed the composition of the data sampling and construct of the expert panel:

- 6 subject matter specialists (leads at organisations hosting health T Level placements) were interviewed to estimate the cost of industry placements
- The expert panel comprised 9 representatives hosting health T Level placements from across the health and care sector
- Health T Level industry placements are predominantly supported by Foundation Trusts currently, which was proportionately reflected in the sampling. However, insight from specialist services, adult social care, community and voluntary sector providers was also purposefully sought, to provide a rounded cross-sector perspective
- City, urban, rural and coastal representation
- Smaller organisations (n=200) through to some of the largest NHS Trusts in the country (n=31,000)
- Low volume / new industry placement providers, through to largescale established employers (4 to 140 placement offers).

Health T Level Industry Placement Cost Determination

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- Analysis of industry placement costs identified an average cost of **£1,205** per student in health and care settings.
- This figure incorporates wider infrastructure costs—such as HR security and IT requirements—which are typically overlooked.
- The estimation of staff time was particularly complex, as many individuals held multiple roles and responsibilities.
- Expert views on onboarding costs (including training, induction and access) were mixed, reflecting differences in organisational models.
- Vaccination / occupational health was the area of greatest financial variation, depending on several factors (nature of placement environment, agreed financial model with Further Education provider, etc.)
- The industry placement costing is higher than previous estimates, which reduces the overall return on investment.
- This average costing is sensitive to several variables, notably volume (more students mean lower cost per head).
- The costing reflects direct employer costs only and does not incorporate funding streams (e.g. employer support funding).

Return on Investment Modelling

Return on Investment Methodology

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This work has been conducted from an employer perspective, estimating the value for money for employers to host student's industry placements, not for the courses themselves to be offered or wider benefits. The return on investment could change if these were to be included.

The following factors have not been included in the analysis:

- Broader qualification costs - for example, those costs for the delivery of the T Level qualification by a Further Education provider
- Societal benefits - such as reduced unemployment or underemployment, or delivery of the 10 Year Health Plan
- Wider employer benefits - for instance, development opportunities for staff who mentor T Level students, or strategic gains linked to anchor institution ambitions.

ROI Methodology

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Categories of benefit included in the analysis:

- Savings on induction costs - where some administrative steps have been completed for the T Level industry placement, and therefore do not need to be repeated on employment
- Savings on initial recruitment costs - estimated from the probability a person stays with their industry placement employer post T Level completion and average NHS per person recruitment costs
- Savings on downstream recruitment costs – if T Levels students stay with their organisation longer than a standard hire, this also saves future recruitment costs. T Level specific data is currently lacking (as the qualification is too new), so we estimate this from comparable published in-work training data on the average retention benefits
- Reduced vacancy rates – if a T Level student moves into a role that would otherwise be covered by temporary staffing, this has savings on mark-up rate. This benefit is estimated from NHS vacancy rates and excess costs rates for temporary staff, assuming a T Level student fills a band 3 Agenda for Change role, starting at the bottom of that band.

Any of these functions can be changed in the accompanying template.

Quantifying Benefits

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- Post-employment data were sourced from national Technical Education Learner Surveys, focusing wherever possible on respondents from health courses who completed industry placements.
- The data were validated with the expert group, alongside gathering their insights on longer-term staff retention, acknowledging that T Levels have not been in place long enough for measurable retention outcomes.
- Information on the recruitment process, required recruitment rounds, and recruitment costs was sourced from national NHS recruitment cost data and verified with the expert group.

Return on Investment Result

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If a student is assumed to provide no direct financial value (i.e. no direct cost-saving), to the organisation during their placement, the baseline return on investment is 1.81.

This means that…

For each £1 spent by the employer on hosting a T Level student industry placement, they receive £1.81 of benefit in return

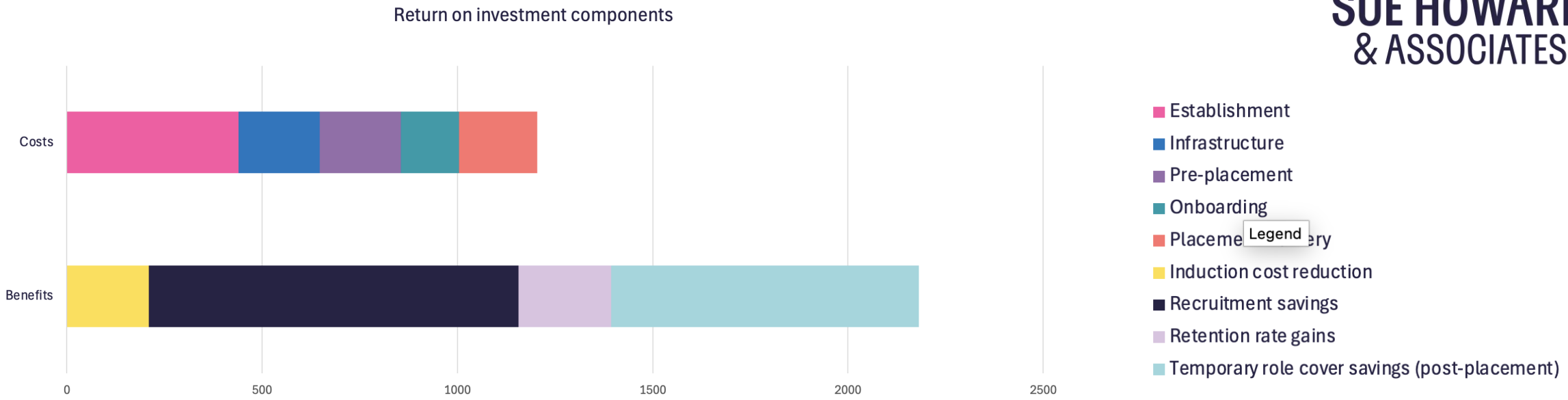
This is sometimes described as…

181%

return on investment

When we use the term ‘value’, we are not referring to broader benefit or gain, but specifically to financial value to the organisation.

Visual Representation of Baseline ROI



The placement costing was broken down into 5 parts:

- 36% establishment costs (such as staffing development)
- 17% infrastructure (e.g. staff time for strategic set up)
- 17% pre-placement costs (e.g. occupational health human resources)
- 12% onboarding costs (e.g. IT & induction)
- 17% placement delivery costs (e.g. supervision & specialist training)

The benefits break down as follows:

- 10% from reduced induction costs
- 43% from reduced initial recruitment costs
- 11% from reduced downstream recruitment costs caused by improved staff retention
- 36% from reduced temporary staff costs from Improved recruitment

Value-Added Scenario Analysis Example

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The return on investment increases if it is assumed students provide direct financial value (a cost saving) during the time of their industry placement.

The table below shows an example of how the ROI changes based on different input assumptions.

An excel version of the ROI model is available which allows organisations to put in any of their own data / numbers and produce organisation specific ROI estimates.

Health T Level Industry Placement Return on Investment		
If a student is assumed to provide no direct financial value to the organisation during their placement, the baseline return on investment is **1.81**	If a student is assumed to provide 25% of the financial benefit of a standard employee, the return on investment increases to **2.70**	If a student is assumed to provide 50% of the financial benefit of a standard employee, the return on investment increases to **3.59**

Summary

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What and why

Determine the Return on Investment (ROI) for employers providing T Level industry placements in health and care.

The aim was to provide an evidence base to support industry placement scaling.

How

The analysis integrated primary cost modelling, published outcomes data, & expert insight to quantify employer costs, benefits, & long-term value.

Methods:

Interviews to establish comprehensive industry placement costs

Expert panel validation of costings and modelling inputs

ROI **modelling**.

The average industry placement cost in health and care settings was £1,205 per student.

The baseline return on investment in health and care is 1.81, meaning that...

Every £1 invested
employers can expect

£1.81

in benefit.

Future Steps and Opportunities

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- These return on investment findings provide a strong evidence base to support the scaling and leverage of T Level industry placements.
- As future data (such as longer-term employer outcomes for Health T Level students – acknowledging the first cohort only graduated in 2023) becomes available, they can be integrated into the model to refresh and refine the ROI position.
- While this analysis centres on return on investment in health and care, the approach could be easily re-modelled for use in other sectors (e.g. finance or construction) and other T Levels within the Health and Care space.

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