



Education and Skills Funding Agency - Apprenticeship funding: the eligible and ineligible costs of training

Council of Deans of Health written submission – January 2021

The Council of Deans of Health is grateful for the opportunity to contribute to this consultation. The Council represents over 90 UK university faculties engaged in education and research for nursing, midwifery and the allied health professions.

Our members include higher education institutions which deliver apprenticeships across England and some which are also registered end point assessment organisations (EPAOs). This includes nursing, midwifery and allied health apprenticeships at level 6 (degree level) and nursing associate apprenticeships at level 5.

Key messages

1. Universities are working in close collaboration with local employers to develop and deliver healthcare apprenticeships and widen access to healthcare careers.
2. Healthcare professional education is resource intensive and relies on public subsidy to supplement student tuition fees. Any removal of currently eligible costs from the funding band or wider reduction in funding bands will have a detrimental impact on the ability of educators and employers to deliver healthcare apprenticeships. Ultimately this could result in programme withdrawal.
3. Current apprenticeship funding arrangements do not cover the full costs of delivery for providers. A number of costs currently ineligible should be reclassified as eligible costs to ensure the financial viability of healthcare professional apprenticeships for both providers and employers.
4. Eligible costs should be expanded to include capital equipment and facilities, including clinical skills and simulation labs, digital learning platforms, and libraries. The development and refresh of teaching and learning materials; information, advice and guidance delivery to apprentices; and recognition of prior learning mapping should also be classified as eligible costs. These costs make provision more expensive for healthcare programmes and are essential for apprentices undertaking healthcare apprenticeships leading to professional registration.

Eligible and ineligible costs

2.2.1a) Do you agree with the approach of having a list of eligible costs and a list of ineligible costs? If no, how could our policy better ensure that it is clear what apprenticeship funding is to be used for?

Yes, we support a list of eligible and ineligible costs. However, the Council supports a more individualised approach to establishing funding bands per standard, which would be developed by the trailblazer group with employer and provider input. This should enable funding bands to truly reflect the costs of healthcare professional education. It would also ensure that employer and provider voices are not diminished.

In 2017, the Higher Education Funding Council for England (HEFCE), the forerunner to the Office for Students (OfS), commissioned KPMG to undertake a costing study of pre-registration nursing, midwifery and allied health education. This found that the mean unit cost of healthcare education to be £9,669 per annum per student. The mean unit cost of nursing education across all four fields of nursing (adult, child, mental health and learning disability nursing) was £9,259 per annum per student. For allied health programmes, the mean unit cost can be significantly higher. For example, the mean unit cost for therapeutic radiography is £11,341 and for diagnostic radiography it is £11,309.¹

The mean unit cost of delivery per annum is therefore more than the maximum £9,000 per annum permitted in the current apprenticeship funding band. Inflation since 2017 will have also increased the delivery costs outlined in the costing study. The delivery of healthcare apprenticeships can already result in financial loss within the current funding model. Any fall in funding bands will have a detrimental impact on the ability of educators and employers to deliver healthcare apprenticeships.

The current eligible cost list is not extensive enough. The costing study research classified costs across 6 components, including staff costs, non-pay costs, indirect departmental costs, centrally allocated indirect costs, estate costs, and sustainability adjustments.² The range of cost items used by the Education and Skills Funding Agency (ESFA) should be widened and include the costs of space and facilities, such as capital equipment and clinical skills and simulation suites. These make provision more expensive for healthcare programmes.³

The consultation also does not refer to costs of DBS checks. The cost of DBS checks should be met by the employer.

A review of current eligible costs

Off-the-job training

3.2.3 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

¹ HEFCE, 2017, [Costing study of pre-registration nursing, midwifery and allied health disciplines](#), p5

² Ibid, p34

³ Ibid., p34.

b) Do you think we have been clear about what costs can be included as off-the-job training (e.g. tutor costs and delivery location costs)? Are there any other costs that we should consider here? Please explain your answer.

Off-the-job learning should continue to be an eligible cost. Due to external professional regulation off-the-job learning in healthcare higher education programmes is often significantly higher than 20% of the programme. For registered nursing and midwifery apprenticeships it is 50%. This should be factored into costings for off-the-job learning for healthcare professional apprenticeships.

Additional learning and / or the cost to re-sit a mandatory qualification exam

3.3.3 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) Do you think that this activity (additional learning and / or the re-sit) could be viewed as activity we have already funded (and therefore should not fund again)? Please explain your answer.

c) If apprenticeship funding continues to fund a re-sit linked to a mandatory qualification, do you think there should be a limit on the funding available (e.g. on the proportion of the cost that is eligible for funding or a cap on the number of times an apprentice can re-sit using apprenticeship funding)? Please explain your answer.

Yes, this should continue to be funded. We do not view it as activity that has already been funded. To remove funding for this would reduce opportunities for learners to complete apprenticeships and impact on widening participation agendas.

Additional learning required to re-take an end-point assessment

3.4.3 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) Do you think that this activity (additional learning before a second attempt at end-point assessment) could be viewed as activity we have already funded (and therefore should not fund again)? Please explain your answer.

Yes, this should continue to be funded. We do not view it as activity that has already been funded.

Materials (non-capital items) used in the delivery of the apprenticeship

3.5.3 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) Do you think it would be helpful to add more examples to the definition of materials (if so, please give examples) or would a definitive list be too restrictive? Please explain your answer.

Yes, this should continue to be funded. A broader list of materials and consumables needs to be included in this list, especially considering the impact of Covid-19 on costs for healthcare apprenticeships and the expansion of the online offer needed. The ESFA should take into consideration the rising costs of all

clinical skills consumables, including PPE. Consumable costs are especially high for speech and language therapy, operating department practice, and podiatry.⁴ A more individualised approach to costing non-capital materials should be enabled via trailblazer input.

Registration, examination and certification costs for a mandatory qualification

3.6.3 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) Do you agree that we should continue to exclude the peripheral costs of a licence to practise, even where the license is a mandated outcome of the apprenticeship? Please explain your answer.

Yes, this should continue to be funded. Costs associated with a licence to practise should be included.

Accommodation costs for training delivered through residential modules

3.7.3 a) Do you agree that apprenticeship funding should continue to fund this activity (where residential activity is specifically referenced in the standard)? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

Yes, this should continue to be funded.

3.7.3 b) Would it be helpful to include additional information (e.g. apprenticeship standard name) where an eligible cost has been included for a specific reason? Please explain your answer.

Yes. This is particularly important where an apprenticeship is externally regulated, including by a healthcare professional regulator.

Costs of an apprentice taking part in a skills competition

3.8.2 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

Yes, this should continue to be funded. This can be a valuable experience and encourage apprentices to progress within the sector.

Regular planned on-programme assessments

3.9.3 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) Do you think there should be a minimum (or a maximum) frequency for progress reviews (to be monitored via the Apprenticeship Service post April 2021)? If so, what should this frequency be? Please explain your answer.

⁴ Ibid. p39

Yes, this should continue to be funded.

We do not think there should be set number of progress reviews determined.

Formative assessment costs associated with a mandatory qualification

3.10.3 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

Yes, this should continue to be funded.

Administration directly linked to training and assessment

3.11.3 a) Do you agree that apprenticeship funding should continue to fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) Do you think it would be helpful to have a definitive list of administrative examples in the apprenticeship funding rules, or would a definitive list be too restrictive? Please explain your answer.

Yes, this should continue to be funded. The administrative burden and costs of ensuring teaching and assessment comply with regulatory requirements, such as monitoring and reporting, are high for the healthcare higher education sector. This includes the requirements of the Education and Skills Funding Agency (ESFA), Ofsted, the Office for Students, the Nursing and Midwifery Council (NMC), the Health and Care Professions Council (HCPC), and other healthcare professional bodies. This should be reflected in increased funding for this eligible cost.

External regulatory conditions also impact on group teaching size. For example, when learning in practice in alignment with the NMC's Standards of Student Supervision and Assessment (SSSA). This uses a tripartite model of practice supervisor, practice assessor, and academic assessor. The costs of this model need to be factored into funding bands for nursing and midwifery apprenticeships.

It should also be noted that providers need to employ occupationally competent and qualified staff to deliver healthcare programmes and often find themselves in competition with the NHS for staff. This is in a context where staff may be in short supply and where pay may be higher in the NHS. Teaching salaries constitute 34% of healthcare programme costs.⁵

A review of current ineligible costs

Initial assessment including recognition of prior learning

4.2.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

⁵ Ibid. p7

c) Do you undertake any further eligibility assessment activity once the practical period of training has started? If yes, please provide further information (including what type of eligibility assessment this is and when this occurs). Please explain your answer.

This should be funded via the levy. Mapping for recognition of prior learning can be costly as it must be undertaken on an individual basis. This mapping is not a 'first contact' activity and is linked to the amount of off-the-job learning needed for an individual apprentice. This can impact on the length of time it takes a learner to complete the apprenticeship.

Initial diagnostic testing

4.3.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

c) Is any further diagnostic testing undertaken once the practical period of training has started? If yes, please provide further information (including what type of diagnostic testing this is and when this occurs). Please explain your answer.

This should be funded via the levy. Initial diagnostic testing can be costly as it must be undertaken on an individual basis. It is not a 'first contact' activity and is linked to the amount of off-the-job learning needed for an individual apprentice. This can impact on the length of time it takes a learner to complete the apprenticeship.

Enrolment

4.4.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

Enrolment should be funded via the levy.

Main provider (or subcontractor) induction

4.5.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

This is part of the apprenticeship programme and should be funded via the levy. Further clarification is needed on what the ESFA deems as an induction, as processes can vary depending on the employer's recruitment model.

Travel costs for apprentices

4.6.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Are there any groups you feel are disadvantaged by this policy? Please explain your answer.

c) Should we be more explicit (in future versions of the apprenticeship funding rules) that the £1,000 additional payment can be used by the employer (and / or the provider) for any purpose including apprentice travel?

We agree this should be an employer cost. The ESFA should be more explicit about any funding for apprentice travel.

Apprentice wages

4.7.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

We agree this should be an employer cost.

PPE / clothing required by the apprentice for their job role

4.8.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

We agree this should be an employer cost. This should include all forms of uniform/clothing required for external placement.

Development of original teaching materials related to a new apprenticeship offer

4.9.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this. (Note that the periodic refresh of existing materials is dealt with separately, under section 5 of this consultation).

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

This is part of the apprenticeship programme and should be funded via the levy.

Any training in excess of that required to achieve the apprenticeship

4.11.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

We agree this should be an employer cost. No training undertaken on healthcare programmes is likely to be in excess of that required to achieve the apprenticeship.

Any fees to third parties associated with a licence to practise

4.12.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

c) Do you think the policy and information around licences to practise is clear (e.g. are you clear on what a licence to practise is)? If no, how can this be improved (e.g. do you think there should be a definitive list of licences to practise; do you think a licence to practise should continue to be an outcome in some apprenticeship standards? Please explain your answer.

We agree this should be an employer cost. We agree that the ESFA should provide more clarity and information on its policy in this area.

Any fees to awarding bodies for non-mandatory qualifications

4.13.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

c) How easy is it to separate the costs of a non-mandatory qualification into the areas that are fundable (relevant / overlapping training) and the areas that are not supported by public funding (irrelevant training and peripheral costs)? Please explain your answer.

d) Do you think the outcomes of an apprenticeship standard (particularly the funding position of mandatory and non-mandatory qualifications) are clear? If no, how can this be improved? Please explain your answer.

N/A. All healthcare apprenticeships leading to registration contain mandatory qualifications.

Student membership fees

4.14.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

c) Do you deliver / does your apprentice receive apprenticeship training that requires student membership of a regulatory body? If so, please outline the benefits gained by the apprentice and / or the employer because of the student membership and whether the student membership should be optional. Please explain your answer.

We agree this should be an employer cost.

End-point assessment costs incurred by the main provider

4.15.4 a) Is it clear which costs associated with end-point assessment are eligible for funding, as part of the price of training, and which costs need to be separately recorded and funded as part of the price for end-point assessment? Please explain your answer.

b) If you are a provider, do you incur any end-point assessment costs, over and above the eligible cost of administration (which includes arranging the end-point assessment and liaising with the end-point assessment organisation)? Please explain your answer.

Healthcare apprenticeship funding bands must not be decreased irrespective of end point assessment arrangements. More clarity is needed on which costs associated with end-point assessments are eligible for funding, as part of the price of training, and which costs need to be separately recorded and funded as part of the price for end-point assessment.

Repeating the same regulated qualification where previously achieved

4.17.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

c) Do you think the policy on obtaining copy certificates and information relating to the currency of achieved qualifications is clear? If no, what information would you like to see? Please explain your answer.

We agree this should be an employer or apprentice cost.

Accommodation costs where the apprentice is away from their home base

4.18.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

We agree this should be an employer cost.

Capital purchases including lease agreements

4.19.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

c) Do you think we are clear on what we consider to be 'capital'? Please explain your answer.

The high costs of estates and facilities and expenditure on capital equipment make delivery more expensive for healthcare apprenticeship programmes. This includes the need for access to clinical skills, simulation suites and digital learning platforms and for some professions, imaging suites and operating theatre intensive care labs.

These costs are integral to apprenticeship programmes as they support learning and skills acquisition. They should be funded via the levy. The fact that capital costs are ineligible costs prohibits more providers and employers from entering the apprenticeship market place and from delivering healthcare programmes to better meet workforce needs, such as outlined in the [NHS Long Term Plan](#).

Maintenance of capital purchases

4.20.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

These costs are integral to apprenticeship programmes as they support learning and skills acquisition. They should be funded via the levy.

Time spent by managers supporting or mentoring apprentices (non-training time)

4.21.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

We agree this should be an employer cost.

Specific services not related to the delivery and administration of the apprenticeship:

Recruitment / continuing professional development (CPD) of staff involved in apprenticeships

4.22.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

For healthcare professional apprenticeships, these costs should be shared between providers and employers. These courses comprise theory and practice components and both providers and employers have responsibility to employ occupationally competent educators in both academic and practice settings.

Company inductions

4.23.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this.

b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

We agree this should be an employer cost.

Managing agents

4.24.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this. b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

We agree this should be an employer cost.

Brokers / referral services

4.25.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this. b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

This adds to the cost of the delivery and should be a shared cost between providers and employers.

The costs of memberships or other costs to secure business

4.26.4 a) Do you agree that the party identified should fund this activity? If no, please indicate who should fund this activity in future (where it is required) and your reason for this. b) What would be the impact of this area remaining as an ineligible cost? Please explain your answer.

This could include regulatory approval and ongoing compliance. These costs and their administration are burdensome, but fundamental to the ability to run apprenticeships in healthcare higher education. The levy should take account of these costs.

Inducements

4.27.4 Questions: a) Is there anything we need to do to make our position on inducements clearer? Please explain your answer.

The ESFA should make its position on inducements clearer.

A review of other costs

Marketing

5.2.2 a) Please indicate who should fund this activity (where it is required) and your reason for this.

These costs should not be borne by providers alone. The levy should take account of these costs.

Information, advice and guidance delivery to apprentices

5.3.2 a) Please indicate who should fund this activity (where it is required) and your reason for this.

This includes information, advice and guidance delivery to apprentices on programme. This should be funded by the levy.

Learner recruitment / sales team

5.4.2 a) Please indicate who should fund this activity (where it is required) and your reason for this.

These costs should not be borne by providers and employers alone. The levy should take account of these costs.

Employer recruitment / sales team

5.5.2 a) Please indicate who should fund this activity (where it is required) and your reason for this.

See answer to 5.4.2a) above.

Apprenticeship Training Agency fees

5.6.2 Question: a) Please indicate who should fund this activity (where it is required) and your reason for this.

N/A.

Other overheads (not related to off-the-job training delivery)

5.7.2a) Please indicate who should fund this activity (where it is required) and your reason for this.

Other 'overheads' include facilities and maintenance costs, clinical skills and simulation labs, digital learning platforms, and access to clinical library facilities. The consultation document states that: 'It is unclear how these other costs may directly benefit apprentices or how they are essential to the delivery of an apprenticeship.'⁶ As learners, apprentices benefit directly from access to these facilities and resources, which are integral to their ability to succeed in their learning. Some healthcare apprentices must undertake 50% of their apprenticeship in off-the-job learning to meet professional regulatory requirements. These costs should be funded via the levy.

The creation of line manager resources

5.8.2 a) Please indicate who should fund this activity (where it is required) and your reason for this.

Employers should fund this in relation to the clinical practice environment.

Prevent / safeguarding agenda

5.9.2 a) Please indicate who should fund this activity and your reason for this.

This is mandated by Ofsted as part of its inspection regime. The costs of meeting these requirements should therefore be met by the levy.

5.10 Mock tests (relating to the end-point assessment but that take place within the practical period)

5.10.2 a) Please indicate who should fund this activity (where it is required) and your reason for this.

⁶ Education and Skills Funding Agency, 2020, [Apprenticeship funding: the eligible and ineligible costs of training A review](#), p40

These costs are integral to apprenticeship programmes as they support learning and skills development. They should be funded via the levy.

Post-gateway activity

5.11.2 a) Please indicate who should fund this activity (where it is required) and your reason for this.

This is a reasonable cost to be funded via the levy.

Periodic refresh of existing learning materials

5.12.2 a) Please indicate who should fund this activity (where it is required) and your reason for this.

b) How often would a 'periodic refresh of existing training materials' take place and how involved is this (e.g. how long would it typically take and what are the costs involved)? Please explain your answer.

Healthcare faculties across the country are constantly reviewing and modernising the way education is delivered. This includes significant investment in simulation and clinical skills facilities, expanding blended and online learning, and facilitating increased interdisciplinary learning across disciplines and professions. These costs are integral to apprenticeship programmes as they support learning and skills development for all apprentices. These costs should be funded via the levy.

Any other cost not covered by this review

5.13.2 a) What other cost areas should be considered in our review of eligible and ineligible costs? Please describe the cost in full (giving examples where appropriate) and indicate who should fund this activity and why. Please explain your answer.

Funding for Level 2 English and Maths qualifications should also be included in levy funding, where an apprentice has not already met this qualification and it is a requirement on exit from the apprenticeship.

All professional healthcare apprenticeship programmes will require mandatory qualifications due to external healthcare professional regulation. We note in the Institute of Apprenticeships and Technical Education's (the Institute) recent consultation⁷ that the funding rate to be allocated where a degree is a mandatory qualification is still to be determined. This must be urgently resolved to progress reform in this area.

The Institute should also provide more information about plans for funding band revisions for existing apprenticeships, including if the proposed fixed percentage increase/decrease rule will be introduced when an apprenticeship is updated and what that fixed percentage would be.

⁷ <https://www.instituteforapprenticeships.org/reviews-and-consultations/consultations/consultation-on-changes-to-funding-recommendation/>

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