Council of Deans of Health

The voice of UK university faculties for nursing, midwifery and the allied health professions

# Institute for Apprenticeships & Technical Education: Consultation on changes to the funding band recommendation process

## Consultation response – May 2020

The Council of Deans of Health welcomes the opportunity to contribute to this consultation. The Council represents the 85 UK university faculties engaged in education and research for nursing, midwifery and the allied health professions.

## Key messages

1. Universities are working in close collaboration with local employers to develop and deliver healthcare apprenticeships and widen access to healthcare careers. Healthcare professional education is costly and resource intensive. Any fall in funding bands will have a detrimental impact on the ability of educators and employers to deliver healthcare apprenticeships.

2. The growth of healthcare apprenticeships was identified as a key part of the NHS Long Term Plan and the Interim People Plan. It is also a component of the Government's stated intention to grow the number of nurses by 50,000 over this Parliament. If introduced for existing apprenticeship standards, the proposals in this consultation may have a significant negative impact on delivering apprenticeship expansion by making nursing and other healthcare apprenticeships unaffordable.

3. The Council is opposed to the introduction of the core model for funding alone. Apprenticeship standards are delivered across a wide range of levels and across a variety of occupational sectors. This means that a one size fits all approach is unworkable.

4. Ultimately, the Council supports an individualised approach to funding bands per standard, which would be developed by the trailblazer group with employer and provider input. This should enable the funding bands to truly reflect the costs of healthcare professional education. It would also ensure that employer and provider voices are not diminished.

5. If the Institute intends to modify its core model only via five weighted rates for teaching, then healthcare professional programmes must be funded at the highest rate for teaching of £220 pcm.

6. If the Institute intends to modify its core model only so that trailblazer groups can provide input on the costs of teaching then class size, contact hours, and proportions of 1:1 delivery should not be the only factors considered. Furthermore, the Institute should permit the trailblazer group to propose variant weighting options across all components of the core model.

7. If the Institute intends to modify its core model only via a by exception model for consumables, then it must also consider necessary expenditure on estates, capital equipment and clinical skills and simulation suites. These make provision more expensive for healthcare programmes.

## Responses

### Introduction

1. In what capacity are you responding to this consultation?

Representative body. The Council represents the 85 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 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.

2. Does this explanation help you understand what a funding band represents?

Yes.

3. Which aspects of the existing funding recommendation process would you like to retain in a new approach?

- sharing information on funding bands of standards with similar characteristics with trailblazer group
- providing workshops to trailblazers early in the apprenticeship standard development process, which focus on the process of recommending a funding band
- using training provider quotes as inputs to the process of recommending a funding band
- using EPAO quotes as inputs to the process of recommending a funding band
- using similar standards as inputs to the process of recommending a funding band
- using market costs as inputs to the process of recommending a funding band
- using specific funding input from employer-led Route Panels

We would welcome the retention of all the above methods.

However, there is a need for greater transparency regarding the internal processes and decision making of the Institute, including decisions of the Route Panel and the Approvals and Funding Committee. This is just as important as transparency of trailblazer groups.

## The Proposed Approach

### 4. For the purposes of this consultation, we have used the term 'formative assessment' as outlined above. Do you think this is an appropriate term to capture these costs?

The term 'formative assessment' is acceptable. However, funding of £30 pcm for formative assessment will make the costs of the delivery for healthcare professional apprenticeships unviable.

### 5. Do you support using a weighted rate to help reflect circumstances that drive higher costs?

The Council is opposed to the introduction of the core model for funding alone. Apprenticeship standards are delivered across a wide range of levels and across a variety of occupational sectors. A one size fits all approach is unworkable. Ultimately, the Council supports an individualised funding band per standard, which is proposed by the trailblazer group with employer and provider input.

If the Institute intends to modify its core model only via five weighted rates for teaching, then healthcare professional programmes must be funded at the highest rate for teaching of £220 pcm. Classifying the cost of teaching at £130 per calendar month, as the core model proposes, will make the delivery of healthcare apprenticeships unaffordable for providers and employers.

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 is £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) is £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. This highlights how delivery of healthcare apprenticeships can already be financially unviable within the current funding model.

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. On average, salary costs formed 34% of the costs across all professions.[2] This is important to note considering the Institute's intention in the core model to only pay £130 pcm per standard for teaching.

[1] HEFCE, 2017, Costing study of pre-registration nursing, midwifery and allied health disciplines, p5
[2] Ibid. p7

Space and facilities are the third and four most expensive factors influencing cost.[3] The Institute's funding model does not seem to take these into account except via the administration cost. The costs of non-teaching staff, practice placement management outside of an apprentice's main placement, student selection, and compliance are also significant.[4]

Compliance costs have been found to be highest in speech and language therapy and occupational therapy.[5] However, they exist across all healthcare programmes. Subcontracting arrangements, including for nursing associate apprenticeships, can also increase the financial burden of apprenticeships on education providers. The Institute's model fails to consider these factors which drive up costs.

The Council welcomes the proposal not to ringfence funding within the new funding model for each of the five components of teaching, consumables, formative assessment, end point assessment, and administration.

However, the introduction of the core model will make healthcare apprenticeships unaffordable and unviable and disincentivise continued activity in the marketplace. This is particularly the case where external professional regulations require leaners to spend 50% of their programme in off-the-job learning.

### 6. If a weighted rate is used in the new model, would you support using the PCW for the weighting factor, as outlined above?

The Sector Subject Area (SSA) Programme Cost Weightings (PCW) weighting factor is preferable to the core model. However, the variation in the route rate is most pronounced for the health and science route. Its proposed teaching rates range from £130 to £220 pcm. It is not clear at what rate degree level healthcare apprenticeships would be funded via this model, though we note that PCW considers what subjects are classified as high cost by the OfS, such as healthcare programmes. We recommend individualised funding bands per standard, which are proposed by trailblazer groups with employer and provider input.

### 7. Are there any other weighting options which the Institute should explore?

The Institute should permit variant weighting options across all components of the core model: teaching, consumables, formative assessment, end point assessment, and administration. The trailblazer group with employer and provider input should be able to recommend a funding band that meets the true costs of delivery.

### 8. Do you support using trailblazer group input to inform the teaching value by reflecting higher costs?

The Council is opposed to the introduction of the core model for funding alone. We would support the use of a weighted rate with trailblazer group input to define the cost of teaching. However, class size, contact hours and proportions of 1:1 delivery should not be the only factors that determine teaching cost.

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[3] Ibid., p34.
[4] Ibid.
[5] Ibid., p39.

We also note that class size is likely to be dramatically affected by social distancing measures considering Covid-19 in the short term. The Institute should permit the trailblazer group to propose variant weighting options across all components of the core model.

We note that an additional uplift of £300 will be provided in this model where a mandatory qualification is required. We welcome increased funding where apprenticeships must be delivered at foundation or degree level due to external regulatory requirements. However, more funding will be needed to support healthcare apprenticeship providers to deliver these programmes due to the need for increased off-the-job learning to meet regulatory requirements.

### 9. Would you be able to provide the information needed for a bespoke teaching calculation?

Yes. Our members have previously provided input to relevant trailblazer groups on the cost of provision.

### 10. What other evidence might be useful for a trailblazer group to provide a bespoke calculation of teaching costs?

Degree level healthcare professional apprenticeships will have higher staff costs than other apprenticeship standards in different occupational sectors and at different levels. As well as teaching, staffing costs can also include student visits, telephone and email support for both students and their placement supervisors, focus groups, and development of materials and handbooks.

Providers need to employ occupationally competent and qualified staff to delivery 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 costs will also be higher where external professional regulations require leaners to spend 50% of their programme in off-the-job theory learning.

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

Regional economic factors will also determine costs. HEFCE commissioned research highlighted that costs in London were higher for professional programmes. This varied from 6% higher (for learning disability nursing) to 19% higher (occupational therapy).[6] Regional cost variation should be considered in the development of apprenticeship funding.

### 11. Do you support using trailblazer group input to inform the consumables value to help reflect the exceptional circumstances where higher costs are necessary?

Regarding the cost of consumables, it is not clear what items are classed as consumables. The generic rate for consumables in the health and science route is £200. However, this does not capture the true cost of

[6] Ibid, p31. Only midwifery and therapeutic radiography were reported as costing marginally less in London, based on the returns received.

consumables in healthcare, which is likely to be higher at present due to Covid-19. We know that consumable costs are particularly high for speech and language therapy, operating department practice, and podiatry compared to other healthcare programmes.[7]

It is unclear whether uniform costs will be included in the consumables value. In some situations, HEIs must fund uniform and personal protective equipment (PPE) for learners. Uniform costs for providers have been found to be highest in nursing and midwifery.[8]

Also, the consumable value does not consider the need for apprentices to have access to high-cost capital equipment and clinical skills and simulation suites to support learning and skills acquisition.

### 12. Would you be able to provide the information needed for this type of consumables cost calculation?

Yes. Our members have previously provided input to relevant trailblazer groups on the cost of provision.

### 13. What other evidence might be useful for a trailblazer group to provide a bespoke calculation of consumables costs?

Please see answer to question 11.

### 14. Do you have any further thoughts on the proposals, including any suggestions for refining?

Only 9 standards have been used in the interim impact assessment to indicate the effect of these changes across the entire apprenticeship marketplace[9]. There is no transparency about what these standards are, at what level they are delivered, in which sector they are located, whether they have integrated end point assessments, whether they are delivered at degree level, and whether they lead on to professional registration. This is despite the fact that the Institute states that its intention is that the development of new funding bands 'relies more on independent evidence.'

Without this information it is difficult to fully assess the impact of the use of the different models on healthcare professional apprenticeships. It is uncertain if the Institute has taken their unique needs into account.

### 15. Would you like to be involved further in the Institute's engagement?

Yes. The Institute should work collaboratively with healthcare education providers and EPAOs, employers, apprentices, other regulators, and key stakeholders to enable increased transparency and the development of viable funding bands. This would better enable flexibility and innovation in education and training, learner choice, and the enhancement of career pathways.

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[7] Ibid., p39.
[8] Ibid.
[9] The Institute for Apprenticeships and Technical Education, 2020, Funding band recommendation improvement: Interim impact assessment, p 6.

We would also like more information on the pilot launch (originally intended for April/May 2020) and the response date to the consultation and pilot (originally intended for Summer 2020). This will likely and understandably be extended, like the consultation, due to Covid-19.

In the interim impact assessment, the Institute anticipates that 'a variation of the model would be used' when reviewing existing standards[10]. More information is needed on how the new model for calculating funding bands for new standards will be implemented across all existing standards and funding bands. It is not clear what this variation model would look like and we would encourage the Institute to publicly consult on this when it is clearer about its plans.

### 16. Would you like to be involved in the Institute's pilot?

N/A.

## For more information contact:

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[10] Ibid. p5.