Skills for Growth Action Plan

Health & Care 2018 - 2020

LIVERPOOL CITY REGION COMBINED AUTHORITY

Liverpool City Region Local Enterprise Partnership

The Apprenticeship Hub Liverpool City Region

European Union European Social Fund

Contents

Policy Context

Scope of the sector

'Human Health and Social Work activities' is the largest sector by employment, in the City Region representing 12.5 per cent of total employment in England and 14 per cent of employment in the North West in 2016[1]. The sector is particularly important to the Liverpool City Region economy where it represents almost 18 per cent of total employment.

This sector is divided into three main sub-sectors:

- **Human health activities:** This comprises the delivery of healthcare in primary, secondary and tertiary settings, by a range of healthcare professionals and support staff treating a wide variety of medical conditions.
- **Residential care activities:** This comprises the provision of residential care, which is combined with nursing, supervisory or other types of care as required by residents. The provision of residential facilities is a significant aspect of this subsector; and any healthcare provided is largely nursing (as opposed to medical).
- **Social work activities without accommodation:** This includes the provision of a range of social assistance services directly to clients including for the elderly and disabled and child day care activities.

Health and Social Care is particularly important to the Liverpool City Region economy where it represents almost

18%

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Human health activities

NHS provision comprises 77 per cent of the human health sub-sector, the remaining proportion comprising private provision (15 per cent) and sub-contracted provision (8 per cent)[2].

Nationally, NHS net expenditure has increased from £78.88bn in 2006/07 to £120.51bn in 2016/17. Planned expenditure for 2017/18 is £123.82bn and for 2018/19 is £126.27bn. In real terms the budget is expected to increase from £120.51bn in 2016/17 to £123.20bn by 2019/20.

Following significant increases in agency pay from £3.1bn in 2013/14 to £3.8bn in 2014/15, the total bill for agency staff within NHS trusts in England decreased in 2015/16 to £3.64bn and then in 2016/17 to £2.86bn[3]. However, the increase in bank staff suggests there is still a reliance on short-term staffing solutions.

In the last year there has been progress in lowering the deficits of NHS Trusts. However, this has only been possible through large amounts of capital investment funding being used to fund day to day running costs rather than the long-term investments it is intended for. The NHS is building up a large backlog of maintenance needs and is less able to invest in vital new equipment and facilities.

Service design and skills are a crucial factor in improving efficiency to help meet this funding gap. The introduction of the National Living Wage in April 2016 and the European Court Ruling on paying for travel time to the first client for peripatetic workers will add to the strain on services at a time there are increasing calls to secure high-quality services (CQC and No Voice Unheard Green Paper). Further rulings on sleep-in shifts that now must be paid at minimum wage levels has added further to costs (with many providers having to back-date payments up to six years).

The government is currently reforming the funding system for health students by replacing grants with student loans and abolishing the cap on the number of student places for nursing, midwifery and allied health subjects, enabling the provision of up to 10,000 additional nursing and health professional training places this Parliament. This aims to reduce the current reliance on agency staff. The move to loans will allow access to 25% more financial support for health students during their studies.

Other significant policy impacts affecting the sector include the introduction of new statutory targets for public sector bodies to employ their fair share of apprentices. From April 2017, all public sector organisations with more than 250 employees were expected to meet a target of new apprenticeship starts in each financial year. The target is set at 2.3 per cent of headcount and measured as an average across the reporting period 2017/18 - 2020/21 inclusive.

Adult residential and day care activities[4]

The number of adult social care jobs in England in 2016 was estimated at 1.58 million, an increase of 1.5% and 20,000 jobs since 2015[5]. Since 2009, the workforce continued to shift away from local authority jobs (-37% and -65,000 jobs) and towards independent sector jobs (+27% and 260,000 jobs). If the adult social care workforce grows proportionally to the projected number of people aged 65 and over in the population then the number of adult social care jobs is projected to increase by 31% (500,000 jobs) to around 2 million jobs by 2030.

Skills for Care[6] estimate that across the whole sector in England in 2016, there were 40,400 care providing establishments and 1,580,000 adult social care jobs. In the Liverpool City Region, there were an estimated 658 CQC regulated services (452 residential and 206 non-residential) and 50,400 jobs in adult social care, around 38,300 of these jobs were care workers and 2,250 regulated professionals.

The National Minimum Data Set for Social Care shows that 6.4% of care worker roles in the Liverpool City Region were vacant. Across the sector, this equates to an estimated 3,250 vacant roles. This vacancy rate was above the North West average (5.4%) but just below the national average (6.6%). There is some variation in the vacancy rate across the Liverpool City Region from 3.6% in the Wirral to 9.6% in St Helens. Labour turnover is identical to the North West rate and below the national average at 26%, but again, there is some variation within the Liverpool City Region from 16% in Halton to 31% in Knowsley.

The workforce is comparatively experienced with almost three-quarters working in the sector for more than 3 years and an average of over 9 years. However, the workforce is ageing and a quarter (12,600) will reach retirement age over the next decade.

The proportion of council spending on adult social care is set to increase from

35.6%

in 2016/17 to

36.9%

in 2017/18

The sustainability of the care market is reliant on cross-subsidy between different types of funding: NHS residents, local authorities and self-funders. The gap between council fees and provider costs has widened due to pressure on health and social care budgets, threatening the sustainability of the care market. The 2017 Spring Budget in part recognised these challenges and injected additional funding of £2bn over three years, with £1bn in 2017/18, the Improved Better Care Fund.

Nonetheless the 2017 ADASS budget survey[7] reports that this additional funding takes place in the context of continuing increases in need, demand and costs. Over the past year the need for social care increased by 2.8% because of increasing numbers of older and disabled people, the costs of the National Living Wage and other requirements rose by £378.5m and there were increasing costs associated with delayed transfers of care from hospitals including fines for delays.

The survey data shows that local authorities are prioritising adult social care in their budget setting. The proportion of council spending on adult social care is set to increase from 35.6% in 2016/17 to 36.9% in 2017/18, despite councils having to make 8% cuts in overall budgets on top of a number of previous years' reductions.

With further savings of £824m – equating to 5% of net budgets - planned in 2017/18, total cumulative savings in adult social care since 2010 will amount to over £6bn by the end of March 2018. With a reported overspend of £366m against budgets for 2016/17, the pressure of which will roll forward, Councils are finding it increasingly difficult to implement planned cuts in practice.

ADASS has concerns about the sustainability of the care market. Directors have prioritised meeting adult social care needs (including counteracting previously planned savings) and support to the NHS in relation to planned expenditure of the additional £1bn Improved Better Care Fund announced in the Spring Budget. Directors cannot additionally plan to pay an hourly rate sufficient to make the care market – particularly domiciliary care – sustainable in the longer term and this will particularly be the case in some parts of the country. Councils continue to report the closure of services and handing back of contracts. Most strikingly, 74% of respondents believe that providers are facing quality challenges.

Policy change also continues to have significant impact on the care sector:

- **The introduction of the National Living Wage** will have a considerable impact on 50-60% of front-line social care workers (700,000 to 1m workers). This is not just a significant number of people, but also has a significant estimated gross public cost of £2.3bn in 2020 (and a gross total cost of £3.8bn), in 2015/16 prices.[8] This cost largely falls on providers. There are considerable concerns about the extent to which the provider sector can absorb these additional wage costs. In response to budgetary pressures local authorities have been reducing the rates they pay both domiciliary and residential care providers for social care. Between 2010/11 and 2013/14 the rate per week for residential and nursing care fell from £673 to £611 in 2015/16 prices. There is evidence that, even at the current minimum wage, the care sector has minimum wage non-compliance problems, with around 160,000 care workers (out of 1.4m) being paid less than the minimum wage when all working time is considered. Pay is also falling behind low-skilled jobs in other sectors.
- **Travelling time** - The European Court of Justice has ruled that workers without a fixed office should count travelling to and from home to attend their first and last appointments of the day as working time. To do otherwise may be in breach of EU working time regulations. Several categories of worker will be affected by this ruling, not least care workers whose travelling to, and between, appointments are already subject to scrutiny in a case brought against MidHomeCare for breaching minimum wage legislation. Although this ECJ ruling does not apply directly to UK law, there is likely to be pressure from several quarters, including the unions, for the UK government to adopt it.

The 2017 State of the adult social care sector[9] report estimates that that if the adult social care workforce grows proportionally to the projected number of people aged 65 and over in the population between 2016 and 2030, an increase of 31% (500,000 jobs) would be required by 2030.

Increases in the National Minimum and National Living Wage rates from April 2017 are putting pressure on nurseries' staffing costs, with average total increases in payroll costs of 7% reported

Childcare activities

The childcare sector is also characterised by significant funding issues. The 2017 National Day Nurseries Association Annual Survey[10] concluded that funding for free 15 hours per week nursery places falls short of costs by £958 per child per year for current 15-hour week places.

A lack of meaningful change to funding is holding nurseries back from committing to provide 30 hours. Fewer than five in ten nurseries indicate that they are likely to participate in the 30-hour offer, a third remain uncertain and 22% say they are unlikely to or definitely will not participate.

In addition, the introduction of the National Living Wage has put nurseries and other caring sectors in the spotlight. Local authorities are looking at their own Living Wage policies and in some cases exploring extending this to their commissioned services, including providers of nursery places. Increases in the National Minimum and National Living Wage rates from April 2017 are putting pressure on nurseries' staffing costs, with average total increases in payroll costs of 7% reported.

More nurseries than 2016, 42% compared to 36%, foresee changes to their staffing age and qualification mix, with concerns voiced by many that they will have to employ increasing numbers of younger and less experienced staff.

Many businesses in the nursery sector have been hit hard by business rates rises – when the level of rates bills was already causing a problem for many. Nurseries need space to provide the right facilities for children, but are a relatively low profit sector. The 2017 business rates revaluation exercise is particularly damaging for private nurseries, most of who are not eligible for any rates relief. Average rateable values are set to increase by 24% to £24,000 with the largest increases as high as 200%.

Overview of the Sector

Scale of the Sector

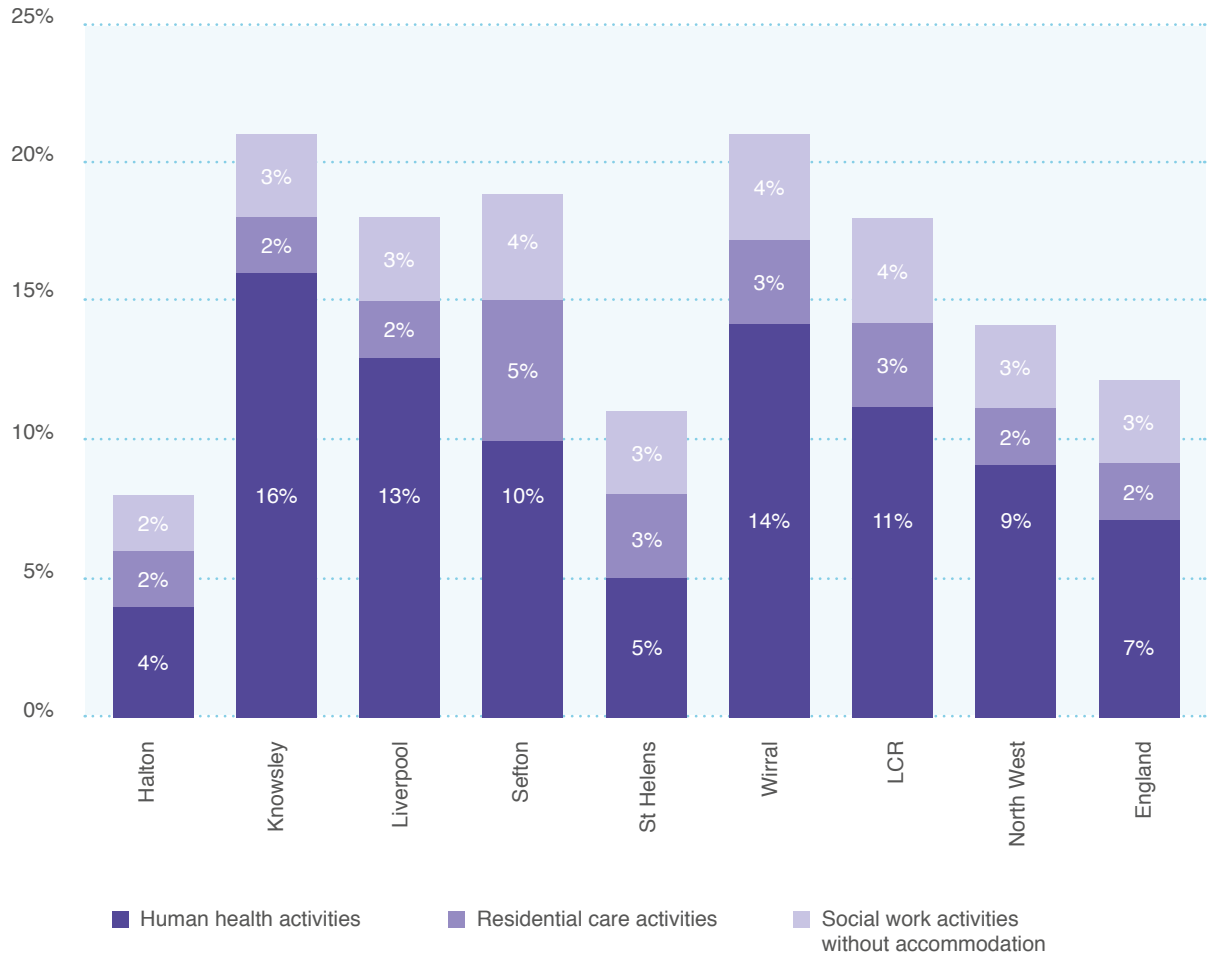
Almost two thirds of total sectoral employment is in the human health sub sector and over a third in relation to hospital activities (Table 2.1). Residential care activities comprise a fifth of total sector employment and social work activities just under a quarter of total employment. The profile of employment is similar at the Liverpool City Region level with a slightly higher proportion of employment in hospital activities.

Table 2.1
Employment in health and social care, 2016, England & the Liverpool City Region
Source: BRES (2016)
http://www.ons.gov.uk/ons/taxonomy/index.html?nscl=Employment+by+Industry+Sector#tab-data-tables

	England Count	%	LCR Count	%
Human Health activities	**1,952,000**	**59%**	**71,980**	**65%**
Hospital activities	1,201,500	36%	45,500	41%
Medical nursing home activities	68,500	2%	3,850	3%
General medical practice activities	233,000	7%	8,275	7%
Specialist medical practice activities	22,500	1%	560	1%
Dental practice activities	91,500	3%	3,220	3%
Other human health activities	335,000	10%	10,575	10%
Residential care activities	**595,500**	**18%**	**16,710**	**15%**
Residential nursing care activities	149,500	5%	5,475	5%
Residential care activities for learning disabilities, mental health and substance abuse	32,500	1%	885	1%
Residential care activities for the elderly and disabled	217,500	7%	5,425	5%
Other residential care activities	196,000	6%	4,925	4%
Social work activities without accommodation	**762,500**	**23%**	**22,050**	**20%**
Social work activities without accommodation for the elderly and disabled	262,000	8%	7,175	6%
Child day-care activities	158,500	5%	4,625	4%
Other social work activities without accommodation	342,000	10%	10,250	9%
Total health and social care employment	**3,309,500**	**100%**	**110,750**	**100%**

N.B Due to rounding columns may not always sum.

Figure: 2.1
Health & care sub-sectors as % of total employment, 2016
Source: BRES (2016)



The Health and Care sector has a particularly strong presence in Wirral, Knowsley and Sefton where it comprises 22.0%, 20.7% and 18.6% of employment respectively (figure 2.1).

Over the last 7 years, employment in the sector has grown by 13.3% in England and 6.6% in the Liverpool City Region, in both cases above the level of overall employment growth (table 2.2). A number of sub-sectors have shown exceptionally strong employment growth: dental practice activities (87% growth in the Liverpool City Region), general medical practice activities (86% growth in the Liverpool City Region) and child day care activities (41% growth in the Liverpool City Region). Other sub-sectors have experienced contractions in employment: notably residential care activities for learning disabilities, mental health and substance abuse (-43% in the Liverpool City Region); other social work activities (-33% in the Liverpool City Region); and other residential care activities (-45% in the Liverpool City Region).

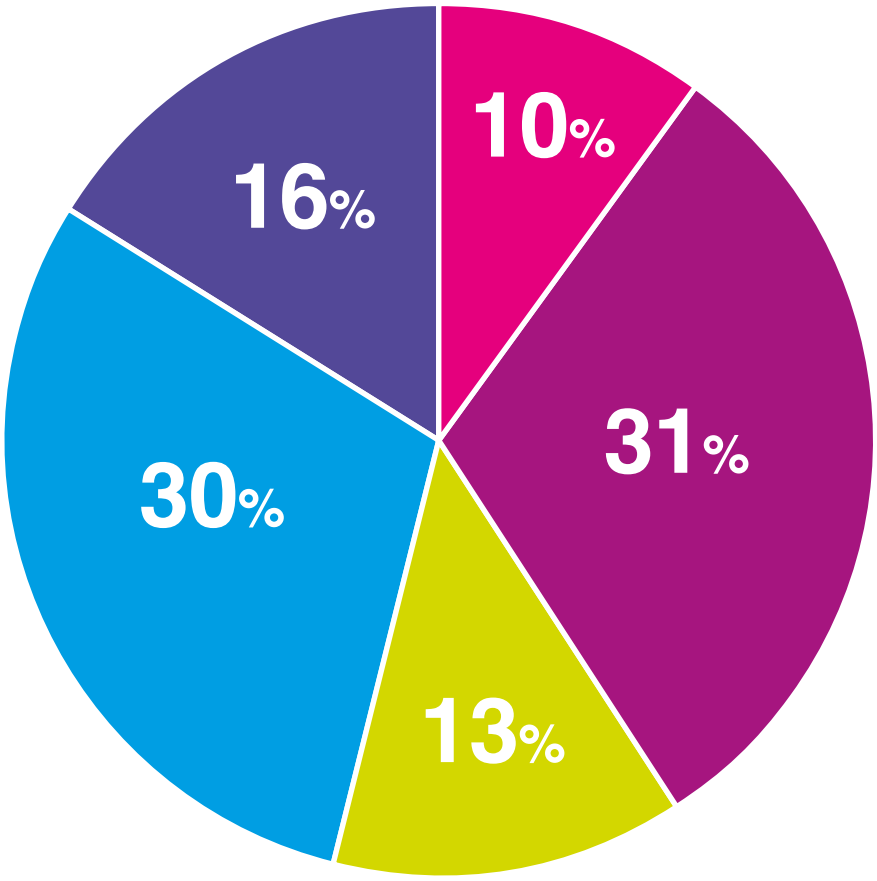
Table 2.2

Change in employment in health and social care, 2009-2016, England and the Liverpool City Region
Source: BRES (2016)

	England			LCR		
	2009	**2016**	**% change**	**2009**	**2016**	**% change**
Human Health activities						
Hospital activities	1,028,879	1,201,500	16.78%	40,440	45,500	12.51%
Medical nursing home activities	80,718	68,500	-15.14%	3,082	3,850	24.92%
General medical practice activities	193,617	233,000	20.34%	4,455	8,275	85.75%
Specialist medical practice activities	12,290	22,500	83.08%	477	560	17.40%
Dental practice activities	68,392	91,500	33.79%	1,718	3,220	87.43%
Other human health activities	288,207	335,000	16.24%	10,268	10,575	2.99%
Residential care activities						
Residential nursing care activities	128,021	149,500	16.78%	4,186	5,475	30.79%
Residential care activities for learning disabilities, mental health and substance abuse	39,674	32,500	-18.08%	1,564	885	-43.41%
Residential care activities for the elderly and disabled	168,938	217,500	28.75%	3,931	5,425	38.01%
Other residential care activities	188,779	196,000	3.83%	9,022	4,925	-45.41%
Social work activities without accommodation						
Social work activities without accommodation for the elderly and disabled	169,227	262,000	54.82%	6,159	7,175	16.50%
Child day-care activities	141,670	158,500	11.88%	3,290	4,625	40.58%
Other social work activities without accommodation	413,624	342,000	-17.32%	15,282	10,250	-32.93%
Total health and social care employment	**2,922,036**	**3,310,000**	**13.28%**	**103,874**	**110,740**	**6.61%**
All employment	**24,068,097**	**26,385,000**	**9.63%**	**600,114**	**627,575**	**4.58%**

A number of other activities which are vital to employers operating this sector are not be included within this SIC section. For example, NHS data for England (Figure 2.2) shows that 16% of FTE jobs were infrastructural support roles, including property and estates, central functions and management.

Figure 2.2:
Occupational breakdown of NHS workforce
Source: NHS workforce statistics, March 2017.
Online at http://www.content.digital.nhs.uk/catalogue/PUB24214



- Doctors, 106,430
- Nurses, health visitors, midwives and ambulance staff, 327,262
- Scientific, therapeutic & technical staff, 132,673
- Support to clinical staff, 313,115,
- NHS infrastructure support, 163,845

0% Other staff or those with unknown classification, 4,354

Profile of the workforce

The health and social care workforce is predominantly female, with male workers currently representing just over 20 per cent of the sector. This ratio has remained stable over the five years to 2015. It compares to a gender profile of males accounting for 53 per cent of the workforce in the economy as a whole[11].

There are fewer young employees (16-19, 20-24 and 25-39 year olds) in the health and social care sector, and proportionally more workers aged 50-64 than in the economy as a whole. This has implications for future skills retention and places something of an onus on employers to develop strategies for the replacement of retiring staff (table 2.3).

Table 2.3
Age profile of Human health and social work sector, England, 2011
Source: 2011 Census, Industry by age

	All sectors		Human health and social work	
16 - 19	917,657	4%	59,058	2%
20 - 24	2,276,743	9%	236,368	8%
25 - 39	8,496,804	34%	1,003,493	32%
40 - 49	6,356,725	25%	833,421	27%
50 - 64	6,377,704	25%	900,184	29%
65+	883,255	3%	104,513	3%
Total	**25,308,888**	**100%**	**3,137,037**	**100%**

The age profile of the sector in the Liverpool City Region mirrors that in England with small variations at the local authority level (table 2.4).

Table 2.4
Age profile of Human health and social work sector 2011
Source: 2011 Census, Industry by age

	Halton	Knowsley	Liverpool	Sefton	St. Helens	Wirral	LCR	England
16 - 19	2%	2%	2%	2%	2%	2%	2%	2%
20 - 24	8%	8%	9%	7%	7%	7%	8%	8%
25 - 39	31%	30%	37%	27%	30%	30%	32%	32%
40 - 49	26%	29%	25%	28%	28%	27%	27%	27%
50 - 64	30%	29%	26%	32%	30%	30%	29%	29%
65+	3%	2%	2%	4%	3%	3%	3%	3%
Total	**6,904**	**10,108**	**32,926**	**19,012**	**12,305**	**22,978**	**104,233**	**3,137,037**

Skills for Care report in 2017 that 17% of the adult social care workforce in England is non-British, with 11% from non-EU countries and 7% from EU countries[12]. The proportions of non-British workers are higher within private sector providers and nursing home providers. These workers tend to be younger and are more likely to have flexible working arrangements. Census data identifies that 0.4 per cent of those working in the health and social work sector cannot speak English very well.

In the North West, the nationality of the adult social care workforce is less diverse and 91% are British, 5% from non-EU countries and 4% from EU countries. In the Liverpool City Region Census data shows that 0.2 per cent of the health and social work sector cannot speak English very well.

The health and social care workforce is predominantly female, with male workers currently representing just over

20%

of the sector

Demand For Training And Skills

Demand for training

The incidence of training in the Health and Social Work sector is high and in 2015, 78 per cent of staff received some form of training in the previous 12 months[13]. Health and Social Work employers were the most likely across the sectors to have trained any staff to a qualification (65 per cent).

On average employees in the sector received 5.6 days of training in 2015 compared to 4.2 days across all sectors. Expenditure per employee on training was broadly similar to the average across all sectors at £1,610 per employee.

Table 3.1
Training expenditure, 2015
Source: UKCES Employer Skills Survey, 2015

	Health and social care	All sectors
Average days of training per employee	5.6	4.2
Average expenditure per employee on training	£1,640	£1,610
% spent on off the job training	53%	50%
% spent on		
Labour costs of trainees	54%	48%
Wages of trainers	14%	19%
Fees to external providers	5%	7%
Other (training centres, management)	27%	27%

Skills challenges

For the Health and Social Work sector as a whole nationally, 35 per cent of vacancies in 2015 were classified as hard to fill, higher than the 33 per cent across all sectors[14]. Hard to fill vacancies are a particular issue in the social care sector which is typically characterised by low pay, unpredictable hours, and poor career progression and job security.

The recent Liverpool City Region Employer Skills Survey found that the proportion of hard-to-fill vacancies in the Health and Life Sciences sector is somewhat higher – 41percent of vacancies compared to 27 percent across all sectors. Staff turnover was the primary reason for recruitment (79 percent). A lack of suitable applicants was highest in the care, leisure and other occupations (53 percent) more than double the shortages reported in the survey as a whole. The primary reason employers reported was a lack of people interested in doing this type of job, significant competition from other employers in the sector and unsocial hours of work and the employers' inability to offer better pay, terms and conditions.[15]

A higher proportion of businesses in the health sector reported vacancies than the survey average (75 percent vs 68 percent) in particular around recruitment of care workers and nurses. The care, leisure and other occupations also has the highest number of retention difficulties (26 percent).

Care, leisure and other occupations is also most often cited by Liverpool City Region employers as the occupational category most likely to be affected by the need for new skills. The introduction of new working practices is a more common cause of skills gaps in health and social care than elsewhere reflecting the substantial change in health and social care work organisation, including re-structuring of services. At present, the difficulties in recruitment was increasing the workload on existing staff and increasing the costs to employers both in terms of recruitment costs and outsourcing work by using agency workers when necessary[16].

National data

The main technical skills gaps[17] identified within the sector are specialist skills or knowledge (69 percent of skills shortage vacancies); writing instructions/ guidelines (33 percent); solving complex problems (29 percent) and knowledge of how organisation works (28 percent). Difficulties communicating in a foreign language was more of an issue for the Health and Social care sector (21 percent) than for other sectors (15 percent).

People and personal skills were also an issue for the sector, in particular that ability to manage own time and prioritise tasks (49 percent); managing or motivating other staff (35 percent) and setting objectives for others (25 percent).

Skill gaps within the sector were more likely to be linked to staff lacking motivation (38 percent compared to 34 percent in other sectors); lack of progress in performance during training (37 percent compared to 29 percent in other sectors); the introduction of new working practices training (35 percent compared to 28 percent in other sectors); and the introduction of new technology training (27 percent compared to 20 percent in other sectors)[18]. There is an ongoing need to help staff to respond to technological advancements, for example the increased use of assistive technologies in the home, the need to develop multi-skilled staff to support more care in the community to support re-ablement (and release expensive NHS beds) and prevention of entry into higher support care. At present, almost one in five employers report that they are doing nothing to respond to their recruitment difficulties and they are less likely to respond by increasing salaries, redefining job roles or expanding training – many of these require additional resources that are simply not available in many public sector care contracts.

Organisations in the Health and Social Care sector were more likely to report an increase in operating costs as a result of Skills Shortage Vacancies with 49 percent presenting this as an issue. They were also more likely to report difficulties introducing new working practices with 43 percent presenting this as an issue[19].

Skills utilisation is also an issue for the sector. In 2015, 36 per cent of establishments in the sector reported skills underuse (compared to 30 per cent across all sectors). The main reason for under-utilisation was that staff were not interested in taking on a higher-level role with more responsibility, cited by 35 percent of establishments with under-utilised staff (compared to 26 percent across all sectors).

Hard to fill vacancies are a particular issue in the social care sector which is typically characterised by low pay, unpredictable hours, and poor career progression and job security

Use of Apprenticeships

Apprenticeships are a key means of attracting new recruits and supporting retention through the development of career pathways and higher-level provision.

At the national level Frameworks and Standards in the Health and Care sector made up 23% of total Apprenticeship starts in 2015/16 with over two thirds of starts on the health and social care framework[20]. Starts in the sector constituted 3.8 per cent of total sector employment.

It is not possible to get publicly available data on Apprenticeship starts in Health and Social Care for the Liverpool City Region and so Table 3.3 provides the number of starts for the broader Health, Public services and care sector. Total Liverpool City Region starts in 2016/17 have growth by almost a third (31 percent) since 2013/14 compared to 27.6 percent nationally.

Table 3.2
Apprenticeship starts by framework and standard, 2015/16, England
Source: FE data library

Sector Framework/ Standard	Level(s)	Starts	% of health
Health and Social Care	2, 3	85,810	69.2%
Children's Care Learning and Development	2, 3	24,160	19.5%
Care Leadership and Management	5	9,970	8.0%
Dental nursing	3	3,340	2.7%
Health (Assistant Practitioner)	5	770	0.6%
Health (Informatics)	2, 4	30	0%
Total starts		**124,080**	**100%**
Starts as % sectoral employment			**3.75%**

Table 3.3
Apprenticeship Starts in Health, Public Services and Care
Source: https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 (Provisional)
Halton	380	340	270	330	320	330
Knowsley	580	580	430	570	590	550
Liverpool	1,480	1,580	1,190	1,440	1,530	1,550
Sefton	800	890	690	730	760	960
St Helens	590	640	510	670	670	640
Wirral	1,120	1,170	910	1,130	1,210	1,210
LCR	4,950	5,200	4,000	4,870	5,080	5,240
North West	18,580	19,870	16,270	19,670	19,840	21,720
England	107,610	122,090	107,210	128,570	131,190	136,800

Perspectives Survey shows that in England around 24 percent of employers in the Health and Social Work sector offer Apprenticeships compared to 19% across all sectors. The 2017 Liverpool City Region Survey of the broader Health and Life Sciences sector reported that 21 percent which is lower than the 26 percent across all sectors. The narrower Health sector recorded lower penetration of Apprenticeships at 19 percent.[21]

Whilst social care employers recognise skills shortages, the relatively low numbers currently engaging in the Apprenticeship system suggests that many are either not aware of or do not currently see this form of training and investment as a viable or attractive way to address these gaps. Those involved in providing domiciliary care, for example, find it difficult to afford the time to release staff to undertake off-the-job and have other cost and safeguarding issues in delivering training when the place of work is a client's home.

The Health and Social Care Apprenticeship Framework which is available at Levels 2 and 3 constitutes over two thirds of all health sector Apprenticeship starts. Its take-up nationally has grown substantially over the last 6 years from 17,880 starts in 2009/10 to 85,810 starts in 2015/16. The framework offers two separate pathways: an adult social care pathway for those working with the disabled, elderly or people with learning disabilities and a health care pathway for those working in hospitals, in the community or private clinics as a support worker or a health care assistant.

The framework is not typically used as a route way into the sector, the 2016 BEIS Employer Pay survey[22] found that 81 percent of apprentices were already working for their employer prior to starting the Apprenticeship. It only attracts a relatively small proportion of school leavers. In 2015/16, just 6% of these starts were aged 16-18, 24% were aged 19-24, and the remaining 70% were aged 25+. One issue is the change in funding for older workers on Apprenticeships and there is an increasing need to use the apprenticeship to attract new young people into the sector. The UKCES Skills Survey identified that a lack of work experience was particularly likely to be given as a reason for failing to employ young people by employers in the Health and Social Work sectors with 71 per cent citing this as a reason.

Another challenge is ensuring that both on-and off the job training is undertaken. The 2015 Apprenticeships evaluation[23] reported that only 76 per cent of health and social care apprentices receive formal training, within 41 percent receiving formal training at an external provider and 59 percent receiving formal training in the workplace. Recent developments including the inclusion of Adult Social Care in the phase 2 Trailblazers should help to strengthen the education and training content, however, the cost of releasing staff to train is particularly difficult for the domestic care sector which is under significant financial constraints from their public sector contracts.

The 2017 Liverpool City Region Survey of the broader Health and Life Sciences sector reported that **21%** which is lower than the **26%** across all sectors

The Liverpool City Region Employer Skills survey found that while the Health sector undertook a high level of training – 93% of businesses in the sector having provided staff training in the past twelve months – a key driver was retaining regulatory compliance and only 36% of the businesses responding to the survey question from the sector have their own training budgets[24].

The Level 5 Care Leadership and Management Framework was introduced in 2012/13 and starts have climbed from 2,970 to 9,970 in 2015/16. The qualification only applies to jobs in adult social care, and has two pathways; a general pathway and a specialist pathway. It is for those in a managerial or business development role in adult social care, or for those who require a high level of knowledge or specific specialism. The Apprenticeship provides an opportunity to access Higher Education through credit transfer.

With the shift towards the personalisation of adult social care the sector is experiencing a significant growth in the number of direct payment recipients and the number of personal assistants. This poses a challenge for the provision of Apprenticeships although a Personal Assistant Pilot Project has been developed[25]. The policy context further complicates this issue with the move to place government funding in the hands of employers rather than paying it directly to training providers and the move to pay for the training upfront and recover the cost through the PAYE system.

The Level 5 Assistant Practitioner framework was introduced in 2013/14 and starts increased from 40 in the first year to 770 in 2015/16. The Assistant Practitioner role has been promoted as a means of supporting employers in areas of skill shortages or where there are recruitment difficulties. It can provide a career pathway for more junior members of staff or as a route to registered professional roles. More recently the Level 5 Nursing Associate and Level 6 Registered Nurse Standards have been published but these are yet to appear in available statistics.

The Children's Care Learning and Development Framework constitutes nearly one fifth of all health sector apprenticeship starts. This framework is available at levels 2 and 3 and is aimed those working in playgroups, children's centres, nurseries, registered childminders and nannies. Take-up has remained relatively stable over the past 6 years with an increase in starts from 20,110 in 2009/10 to 26,300 in 2012/13 before falling back to 21,900 in 2014/15 and then increasing to 24,160 in 2015/16.

The Level 3 Dental Nursing Framework constitutes just under 3 per cent of all health sector apprenticeship starts. As the framework includes the City & Guilds Level 3 Diploma in Dental Nursing and the Cache Level 3 Diploma in the Principles and Practice of Dental Nursing, it provides a competence based training route to qualifying as a Dental Nurse, supporting patient care and delivery of dental care. Take-up has increased over the past 6 years with an increase in starts from 1,460 in 2009/10 to 3,340 in 2015/16.

Stakeholder Views and Recommendations

Introduction

A series of interviews and workshops were undertaken with a range of social care and childcare employers and training providers and health service providers with a further period of public consultation between November 2017 and January 2018 to explore views on:

- How recruitment and workforce development issues were affecting their business
- How these vary across the different sub-sectors
- How they identify and prioritise key skills needs
- The challenges they face in delivering training in different sub-sectors and how to ensure that high-quality training can be provided in a wide variety of employment situations (e.g. domiciliary care, etc.)
- Long-term priorities for their sub-sector and thoughts on how workforce development may provide addressing the challenges facing their services
- The role of apprenticeships, especially higher apprenticeships in supporting career progression across sub-sectors and addressing any skills shortages they may face
- What actions may be required to engage new recruits for the sector and what has worked in the past?

The discussions identified a significant divide between the workforce development issues in healthcare and childcare and those prevailing in social care settings. The former has significant issues but has maintained a strong interest from people seeking employment. The NHS terms and conditions are seen as being relatively attractive and so interest, even in basic minimum wage opportunities, remains. Social care, on the other hand, has to work much harder to not only recruit staff but also retain them, especially as many see their involvement in the sub-sector as a stepping stone towards employment in the NHS.

Issues in Social Care

Employers are facing a perfect storm of issues with their costs being raised by external factors and no prospect of them being able to recoup these in current or future contracts. The situation is much worse for domiciliary care than care homes:

- Increasing total cost of employment:
  - National living wage will have a major impact
  - Cost of EU ruling on travel to first call and travel home from last call already
  - Workplace pensions will have a similar cost to EU ruling.
- Recruitment and retention and training already problematic:
  - Value-based recruitment of candidates with few or no formal qualifications is already in place due to stronger demand for candidates in the labour market
  - Better candidates prefer NHS due to better pay and conditions
  - Alternative jobs often involve less stress and responsibility (e.g. retail sector etc.) and are not reliant upon employee having own transport/driving licence
  - Little or no headroom in contracts to provide gradual introduction of new recruits – employers do undertake induction training but there is very limited scope for shadowing and this may contribute to a high (50%) drop-out rate
- NVQ 2 and 3 training delivery is, outside of the work practice, already largely undertaken by individuals in their own time (not a requirement of CQC). Delivery of learning is a major issue given the nature of domiciliary care – access to peoples' homes to provide assessment etc.
- Employers value the Health and Social Care qualifications (at Level 2/3) and some used to pay a small increment to secure key bolt-on modules e.g. dementia care, health and safety and end of life care etc. that require funding – something that is possible within Apprenticeship framework but largely unfunded (by the public sector) in adult training
- The Apprenticeship levy may impact on the largest social care employers but none of those interviewed were expecting it to fall on them. Less apparent would be the reaction to the higher (cash) costs involved in a shift to the new pricing framework for Trailblazer Standards. Given current delivery arrangements for training, the requirement for one day a week to learn off-the-job may be a much more significant barrier
- NVQ5 Care management is a requirement and so current numbers will tail off as management staff qualify (there are much lower turnover rates among care managers).

- In comparison, care homes are in a slightly better position but only because their staff are co-located and so easier to deliver training cost-effectively. Some employers feel that the business model is shifting towards privately funded care but the Liverpool City Region has proportionately fewer people who have the resources to pay for this. As a result, care homes may be (relatively) over-reliant on much lower rates available from Councils.
- There is the need for greater flexibility and 'depth' in frontline social care skills is accepted by employers but they question where resources to provide these skills are going to be found:
    - Apprenticeship training in social care more likely to fall than increase - in current circumstances any costs that can be cut will need to be cut.
- Some evidence from attempts at combining health and social care training have had mixed success (e.g. Edge Hill pilot in L4 Healthcare support worker for Care Home staff where 10 of 20 completed had issues with the capacity of staff to take on the additional skills).
- Some employers highlight a lack of understanding on how domiciliary care works among NHS colleagues. Greater use of placements in social care settings will have two benefits (i) NHS staff will gain a much better insight into the service and take this into their future work roles and (ii) even if it is for a relatively short period (3-6 months) social care will have the benefit of better qualified staff.

Issues in Health Care

In community health, there are significant workforce planning issues:

- Reported high levels of retirement among GPs and community practice nurses at a time when community services are coming under increasing pressure to keep people out of hospital
- Health Education England North West ran a pilot practice nurse course but this did not work as candidates were required to give up a job in the NHS to undertake a one-year placement
- Edge Hill University are currently running a programme for health professionals, GPs, Pharmacists and nurses in Warrington aiming to solve issues in service delivery
- In hospital settings, the main workforce shortages are for specialist doctors and nurses – the latter in response to the Mid Staffordshire report[26] requiring an increase in nurse numbers over a relatively short timeframe.

Apprenticeships have the potential to help the NHS overcome wider issue of accessing and developing staff, particularly the skills of existing staff. Recruitment and retention across a wide range of roles has become more difficult as pay and conditions in the NHS have deteriorated in comparison to the private sector. Some specific areas were identified in discussions:

- Scope for introducing apprenticeships at Band 4 which will help to alleviate some of the skills shortages for Band 5 nursing
- Recruitment for finance and HR (L4 CIPD)
- In the laboratory sector there is a shortage of biomedical scientists at band 6 – they tend to recruit at band 5 and train up
- Specialist roles e.g. radiographers and pharmacy
- Include general training digital technology to help staff to respond to technological advancements as these are increasingly seen as potential responses to caring for the ageing population – digital management of work practices, self-care devices etc.
- Management is another area that has struggled to attract sufficient candidates and Higher Apprenticeships may provide the basis to develop their own staff.

Care employers feel that the business model is shifting towards privately funded care but the Liverpool City Region has proportionately fewer people who have the resources to pay for this

These higher-level issues are balanced by a growing recognition of an ageing workforce that has in the past, not been successful in engaging with younger workers. Significant steps have been taken to address this:

- Increasing use of cadet schemes with NHS Trusts and providers aiming to engage with young people across a range of roles e.g. Aintree Trust working in partnership with Hugh Baird College
- Merseyside Health Sector Career & Engagement Hub aims to establish a more joined up approach to promoting health sector careers and employment opportunities, helping to 'Grow Our Own' future workforce. The Hub works in partnership with health sector employers and external agencies to develop and implement career engagement activities. The Liverpool City Region Apprenticeship Hub co-sponsored the first Liverpool City Region Health Skills Show in November 2017 engaging with secondary school pupils from across the City Region on the extensive career choices available in the health sector.
- Providers make good use of Sector-based work academies to train up social care staff to respond to specific business development needs/expansion opportunities.
- Value-based recruitment has demonstrated some success in engaging young people in the sector often from deprived areas with limited qualifications. Ensuring that progression pathways are available for candidates with caring values but lacking formal qualifications will be essential to engage a wider talent pool to meet future employment requirements. A number of different pre-employment programmes are being run across Trusts with successful outcomes e.g. Mersey Care Step into Work, ran in partnership with DWP.
- Some of these young people have progressed onto Apprenticeships and others have secured employment but this can often be temporary flexible work through the NHS staff Bank. Local programmes have been initiated by Trusts but who then struggle to adjust their Human Resource practices to fit with young people. This means that providers have to work closely with NHS to supplement and manage process and any overcome barriers and this absorbs significant provider management time.
- NHS Unions directly and through Unionlearn have played an important role in highlighting to existing staff their potential to grow their skills and progress into high paid opportunities in the Health Service. They have also played an important role in ensuring that Apprenticeships are of the highest quality and should not be perceived as sources of 'cheap' labour.

Health Education England North West and the National Skills Academy Health have worked with NHS employers to develop a growing appreciation of the potential of Apprenticeships in developing the NHS workforce and this is increasing take up and good practice in delivering high quality apprenticeships.

Many health managers are concerned not to place an additional 'burden' on staff in busy healthcare settings and are concerned by having 'untrained' staff in care services settings. However, there is evidence that where placements are being carried out in the workplace, this helps service delivery – the potential contribution in coping with service workloads from having apprentices working at a relatively early stage in their learning is perhaps something that should be highlighted to health employers more explicitly. As Apprenticeship delivery increases across different care settings, these concerns will be overcome.

These issues are not so relevant to other occupational areas especially those away from care settings. Business administration, management, finance, support services, HR, IT/ digital, etc. are all occupational areas where employers in other sectors report significant contributions from apprentices from an early stage. Health employers (along with employers in many other sectors, including care settings) often report that they are simply too busy to take on the extra responsibility and supervision of an apprentice and this concern that an apprentice is a burden rather than an opportunity needs to be addressed.

The introduction of the Public Sector Apprenticeship Target and Apprenticeship Levy provides a major opportunity to gain greater traction with busy NHS employers. However, the potential to upgrade the skills and career progression opportunities of staff with appropriate values into higher skilled, better paid jobs and careers is the real potential for increasing the take up of apprenticeships.

Key Liverpool City Region Health and Care Actions

There is clear potential for apprentices across a wide range of roles within health settings but NHS staff alone may not be best-placed to spot and exploit these opportunities. Well-resourced partnerships are going to be essential to build practice in this area. These will need to be supported by greater practice sharing. Identified options for action include:

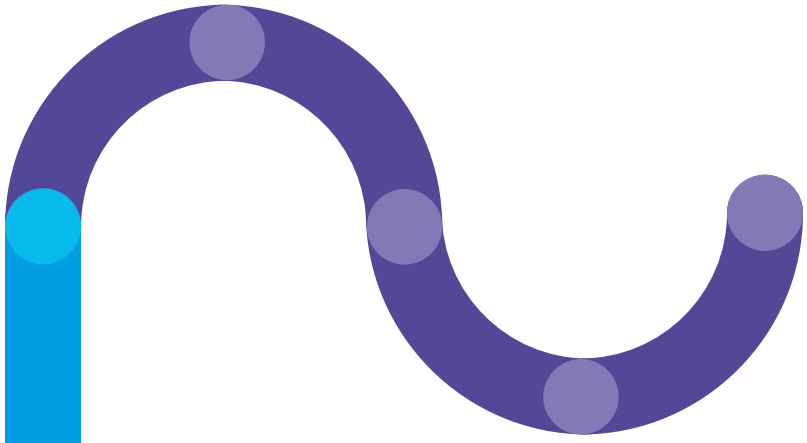
- Ensure that the Merseyside Health Sector Career & Engagement Hub is fully integrated into wider skills action, to allow for engagement activities to continue in their development and delivery and improve wider understanding of the learning and progression opportunities in health care careers. Improved partnership working is a key part of the new Skills Strategy for the Liverpool City Region to ensure learning from all sectors is better shared and adopted.
- There is a need to improve awareness and understanding of available courses among health employers as much at operational level as at senior management. The Academy is currently funded through Health Education England North West who would need to be engaged in a partnership to ensure that health employers are aware of the full range of potential apprenticeships and how these might address some long-term issues that face the sector (e.g. replacement of an ageing workforce, etc.). Progression and career development are central to recruiting the most appropriate candidates.
- Improving awareness and understanding of available courses among health managers needs to be matched at an operational level to increase starts and help identify new learning/ career pathways especially using higher level and potentially degree apprenticeships. The potential here is to open up progression routes to a wider range of recruits and for existing staff to upgrade their qualifications, including from technician to professional grades.

- Unionlearn have an important role to play in supporting existing health workers to have the confidence to develop their skills and progress up the career ladder. Not being part of management is a particular advantage and additional support should be considered to improve workforce progression where it will help alleviate recruitment shortages.
- The role of Unions in supporting quality apprenticeship provision should also be recognised. Southport & Ormskirk NHS Trust recently signed UNISON's apprenticeship charter – which sets out commitments to high-quality training, decent pay and future employment. This can provide a template for other Health employers and part of the Liverpool City Region Combined Authority's priorities for good jobs.
- Higher level apprenticeships have a lower volume and will call for much greater collaboration across health employers. Individual providers will be more central to developing this provision and more needs to be done to progress this agenda. Ensuring that learning organisations can work closely with health employers to better understand their future learning needs and how these can best be delivered into different care settings is essential. NHS consultation and engagement hub is engaged in innovative ways of engaging all stakeholders as part of increased transparency and service improvement for patients, including promoting the numerous professions within health and which offers a key contact point for learning providers to engage.
- NHS Hospital Trusts along with Higher and Further Education Institutions from across Merseyside have formed a Core Work Strategy Group. The group collaborated to produce the Merseyside Health and Social Care Apprenticeship Strategy 2017 – 2020. This included a Strategic Action Plan. The Liverpool City Region Apprenticeship Hub should attend this group to enhance the links with the sector, promoting apprenticeship opportunities, pathways and benefits.

- Improve communication and joint working with Higher Education Institutions (HEIs) in the Liverpool City Region to avoid issues associated with in-year changes to entry requirements etc. and generally smooth transition between FE and HE for learners.
- There is a need to draw on all health occupations – public health employment and local GP practices and community nurses. A concern is how all these groups can be served effectively without significant support (perhaps from Health Education England and their local employment and training boards).
- The challenges faced by social care providers especially in domiciliary care will become challenges for the wider health care provision, so partnerships need to explore ways to aggregate demand for learning and find innovative ways to enable cost-effective participation by care sector employers and their staff. These will not be straightforward but by including care sector representatives in learning partnerships will be a starting point to designing practical actions that can respond to local opportunities to engage a wider range of care employees and new recruits. One potential option is to require that all Health and Social Care trainees undertake placements in a domiciliary care setting whatever their intended career pathway so that they have a better understanding of the challenges faced by the sector and this may improve inter-working with other health services in future.

There is clear potential for apprentices across a wide range of roles within health settings but NHS staff alone may not be best-placed to spot and exploit these opportunities

- The Liverpool City Region should assist the NHS in ensuring its procured supply chain is promoting Apprenticeships (as per Government policy); and lobbying Government for NHS Trusts locally to have the option of using some of their Levy monies to assist funding of training places in the social care sector where the need is arguably even greater and there may be more willingness to provide placements as a result.
- The Liverpool City Region to consider in more detail how the devolved Adult Education Budget can be used to benefit 19-24 year old training needs in the Health and Social Care sector e.g. second chance to learn, basic skills in the community etc.
- The Liverpool City Region Apprenticeship Hub, working with and supporting the wider provider base, should enhance their links with employers and employer representative bodies in the health and care sectors to promote apprenticeship opportunities pathways and benefits. In particular, supporting the sector through the use of self-assessment frameworks and the application of apprenticeship principles- such as those developed by the National Skills Academy for Health.



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