

Financing and investment



This section outlines how St Monica Trust built a financially sustainable apprenticeship programme to attract and retain young care workers. Faced with high agency costs, recruitment challenges and an ageing workforce, the Trust redirected resources to invest in younger individuals.

Financial planning included trustee engagement, rolling forecasts and contingency budgeting for hidden costs like supernumerary time and onboarding. The Trust combined its Apprenticeship Levy with internal budgets and charitable support, switching to a flexible national provider to cut overheads and improve delivery.

Strategic partnerships, including in-kind support from the King's Trust, lowered recruitment costs and boosted retention – showing how ethical financial leadership and smart resource use build a resilient, inclusive care workforce.

This section is split into the following topics:

- planning the investment and contingencies
- strategic use of funding, including the Apprenticeship Levy
- the challenges of forecasting apprenticeships
- unlocking value and efficiency savings
- drawing on in-kind support
- pay strategies for young apprentices
- key decisions and key learning.

“We reallocated agency spend to support apprenticeships. It wasn’t extra cost – it was smarter investment in people who stay and grow with us.”

Sara Naylor-Wild, Director of Care, St Monica Trust

Planning the investment and contingencies

“Trustees tend to be quite cautious... just needing to be sure that this was appropriate use of our funds and keeping an eye on how it was progressing.”

Anne Duff, Trustee, St Monica Trust

- **Managing funding sources** – Initial funding came from the Trust’s Apprenticeship Levy and a one-off transfer of unused levy funds from another organisation. Long-term planning now relies solely on the internal levy, reinforcing the need for strategic budgeting and provider selection.
- **Securing internal support** – A business case was developed for trustees to align financial decisions with long-term value. Initial cost concerns were eased by reductions in agency spend and improved recruitment outcomes.
- **Addressing hidden costs** – Recruiting younger apprentices required eligibility checks, tailored marketing, onboarding, equipment provision and supervision – all adding costs not covered by the levy.
- **Covering supernumerary time** – Off-the-job training reduced productivity in tightly managed care services. Central budget support was provided to offset this impact and encourage participation.
- **Scaling staffing capacity** – The programme grew beyond initial assumptions, requiring additional staff to manage over 80 apprentices – an unplanned cost absorbed by the Trust.

“We also had to bring in another person to support the apprentices. That was a hidden, maybe unexpected cost we weren’t anticipating.”

Clare Reeve, Training and Development Manager, St Monica Trust

Strategic use of funding, including the Apprenticeship Levy

- **Combining multiple sources** – The Trust funds its apprenticeship programme through the Apprenticeship Levy, savings from reduced agency use, and its charitable endowment.
- **Understanding levy rules** – The Apprenticeship Levy, introduced in 2017, requires large employers to contribute 0.5% of payroll for apprenticeship training and assessment only – not wages, recruitment or overheads. Employers must use registered providers and meet national standards.
- **Maximising levy impact** – While many struggle to use the levy effectively, the Trust leverages it strategically. Training costs (e.g., £4,000 for Level 2) are covered by the levy, while onboarding and pastoral support come from internal budgets and charitable funds.
- **Government incentives and co-investment** – Non-levy employers can access 95% government funding through co-investment. The Trust also benefits from modest incentives – £500 for under-18 apprentices and £3,000 for care-experienced learners – paid directly to individuals.
- **Proactive funding monitoring** – The Trust engages with local authorities, combined authorities, workforce partnerships, and sector bodies like Skills for Care. Dedicated staff maintain relationships with the Department for Work and Pensions (DWP), health networks and charitable foundations to secure opportunities.
- **Continuous engagement** – Monitoring funding involves working groups, sector briefings and regular partner communication. Without dedicated staff, organisations risk missing valuable financial and operational support.

The challenges of forecasting apprenticeships

“It is hard to forecast. You’ve got to have a rolling forecast really. Timing always takes longer, and it’s lumpier than you expect.”

Mark Silver, Head of Finance Business Partnering, St Monica Trust

- **Understanding levy limitations** – The Apprenticeship Levy covers training provider costs but excludes staffing, onboarding and equipment, making careful budgeting essential.
- **Managing variable payment structures** – Payment schedules differ by qualification level and duration, with 20% held back until endpoint assessment, creating cash flow uncertainty.

- **Using rolling forecasts** – Continuous updates based on enrolments, completions and programme changes help manage fluctuations, though delays and diversity of programmes add complexity.
- **Collaborating across teams** – Close coordination between finance and training teams ensures shared understanding of eligibility, provider costs and incentives, supporting accurate forecasts and better decisions.
- **Building flexibility and contingency** – Dynamic forecasting and responsive planning are critical for adapting to programme changes and maintaining financial stability.

Unlocking value and efficiency savings

“If you’re replacing an agency staff with an apprenticeship worker who’s probably half the price per hour, you are going to have cost savings.”

Clare Reeve, Training and Development Manager, St Monica Trust

- **Reducing agency costs** – Apprentices help offset the need for temporary staff, delivering noticeable savings despite initial lower productivity. Isolating impact from other initiatives remains complex.
- **Encouraging departmental uptake** – Some departments, like gardening, were hesitant. Reallocating internal budgets helped to overcome this resistance and expand apprenticeship roles across the organisation.
- **Shifting recruitment strategy** – Externally recruited apprentices now outnumber internal upskilled candidates, reflecting a strategic shift.
- **Improving efficiency through provider choice** – Selecting a flexible training provider streamlined reporting, communication and learner support, reducing administrative burden.
- **Standardising pay rates** – A single pay rate for all apprentices simplified budgeting, promoted fairness and improved recruitment while reducing early dropouts.
- **Boosting retention and morale** – Apprentices progress into permanent roles, lowering future recruitment costs and strengthening team stability. The programme also enhances morale and service quality.
- **Building workforce resilience** – Investment in apprenticeships reduces reliance on costly recruitment and onboarding, creating a more sustainable workforce.

“By taking on apprentices, they may not give you 100% productivity, but they do give some direct productivity... meaning we can reduce some agency costs.”

Paul Weston, Director of Finance, St Monica Trust

Drawing on in-kind support

- **Partnering with the King’s Trust** – The Trust benefits from free services such as interview preparation, candidate pre-vetting and in-work support for younger and care-experienced applicants.
- **Reducing recruitment complexity** – External partners help manage eligibility checks, educational verification and readiness assessments, streamlining recruitment and reducing internal workload.
- **Supporting retention** – Ongoing support from the King’s Trust helps apprentices navigate workplace challenges, improving engagement and reducing re-recruitment costs.
- **Additional contributions** – Local authorities and charities occasionally provide resources, such as laptops for care-experienced apprentices.
- **Demonstrating collaborative efficiency** – Strategic partnerships show that financial sustainability can be achieved through collaboration, not just direct cost savings.

“The King’s Fund supports us with the pre-vetting, with the interview prep... that’s a relatively new relationship, but it’s something we intend to build on in the coming months.”

Clare Reeve, Training and Development Manager, St Monica Trust

Pay strategies for young apprentices

- **Setting a standard rate** – The Trust pays all apprentices £10.87 per hour, regardless of age, role or department – significantly above the statutory minimum.
- **Benchmarking against national rates** – From April 2025, the legal minimum is £7.55 for under-19s or first-year apprentices, £10.00 for ages 18-20 after year one, and £12.21 for ages 21+. The Trust’s flat rate simplifies budgeting and ensures fairness.
- **Competing for talent** – Located near major NHS hospitals, the Trust faces strong competition for staff. NHS apprenticeships allow employees to retain their current salary (“existing pay”), while many social care providers can offer only the legal minimum. This pay gap makes it harder for the Trust to attract and retain apprentices.
- **Driving equity and retention** – Offering an above-minimum rate signals that apprentices are valued members of the workforce, attracting younger applicants and reducing dropout rates.
- **Future-proofing pay** – The rate is reviewed annually and expected to exceed £11.00 per hour by April 2026, positioning the Trust ahead of sector peers where low pay remains a barrier to uptake and completion.

“We were very clear that we need to make our apprenticeships more attractive... so we pay all new apprentices the same rate, regardless of age or role.”

Clare Reeve, Training and Development Manager, St Monica Trust





Key decisions

Here is a summary of the key decisions that made a difference regarding financing and investment:

- Gained trustee support to expand the programme, absorbing unexpected costs like extra staffing through a strong business case focused on long-term value.
- Redirected agency staffing budget to apprenticeships, turning short-term costs into investment in workforce development and reducing reliance on temporary staff.
- Optimised Apprenticeship Levy use, combining it with internal and charitable funds to cover training, while strategic planning addressed extra costs like onboarding and equipment.
- Set a standardised apprentice pay rate of £10.87/hour, ensuring fairness, boosting recruitment, and staying competitive with NHS rates, while simplifying budgeting and improving retention.
- Used in-kind support from partners like the King's Trust, accessing free services such as interview prep and vetting to cut recruitment costs and improve retention.

Key learning

St Monica Trust's financial planning for its apprenticeship programme shows that sustainable investment requires foresight, flexibility and collaboration.

- **Anticipate complexity early** – Initial assumptions, such as minimal staffing needs, were quickly revised as apprentice numbers grew, prompting contingency budgets and rolling forecasts.
- **Plan for hidden costs** – Supernumerary time, onboarding and equipment could not be covered by the Apprenticeship Levy alone, and required additional funding streams.
- **Build a resilient financial model** – The Trust integrated internal budgets, charitable funds and strategic partnerships to support long-term sustainability.
- **Align investment with strategy** – Proactive trustee engagement ensured financial decisions reflected long-term workforce goals.
- **Collaborate across teams** – Finance and training teams worked together to manage variable payment schedules and eligibility criteria, enabling agile forecasting.
- **Embed flexibility** – Continuous review allowed the Trust to adapt as the programme expanded, balancing financial risk with access and support for younger workers.



Recommendations

Access a checklist of practical recommendations inspired by St Monica Trust's approach via Skills for Care's website.

