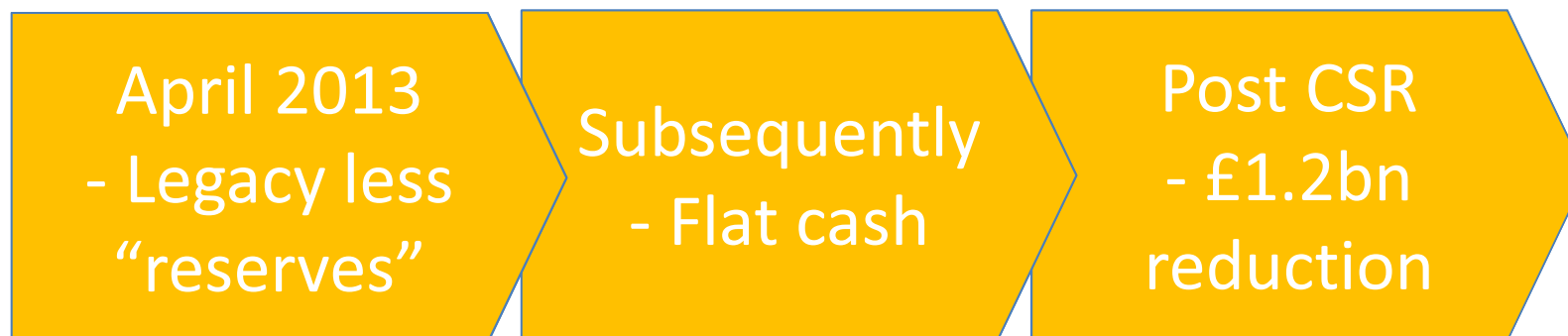


HEE Allocation of Funding  
NW LETB 29 April 2016  
Calum Pallister- HEE Head of Finance North

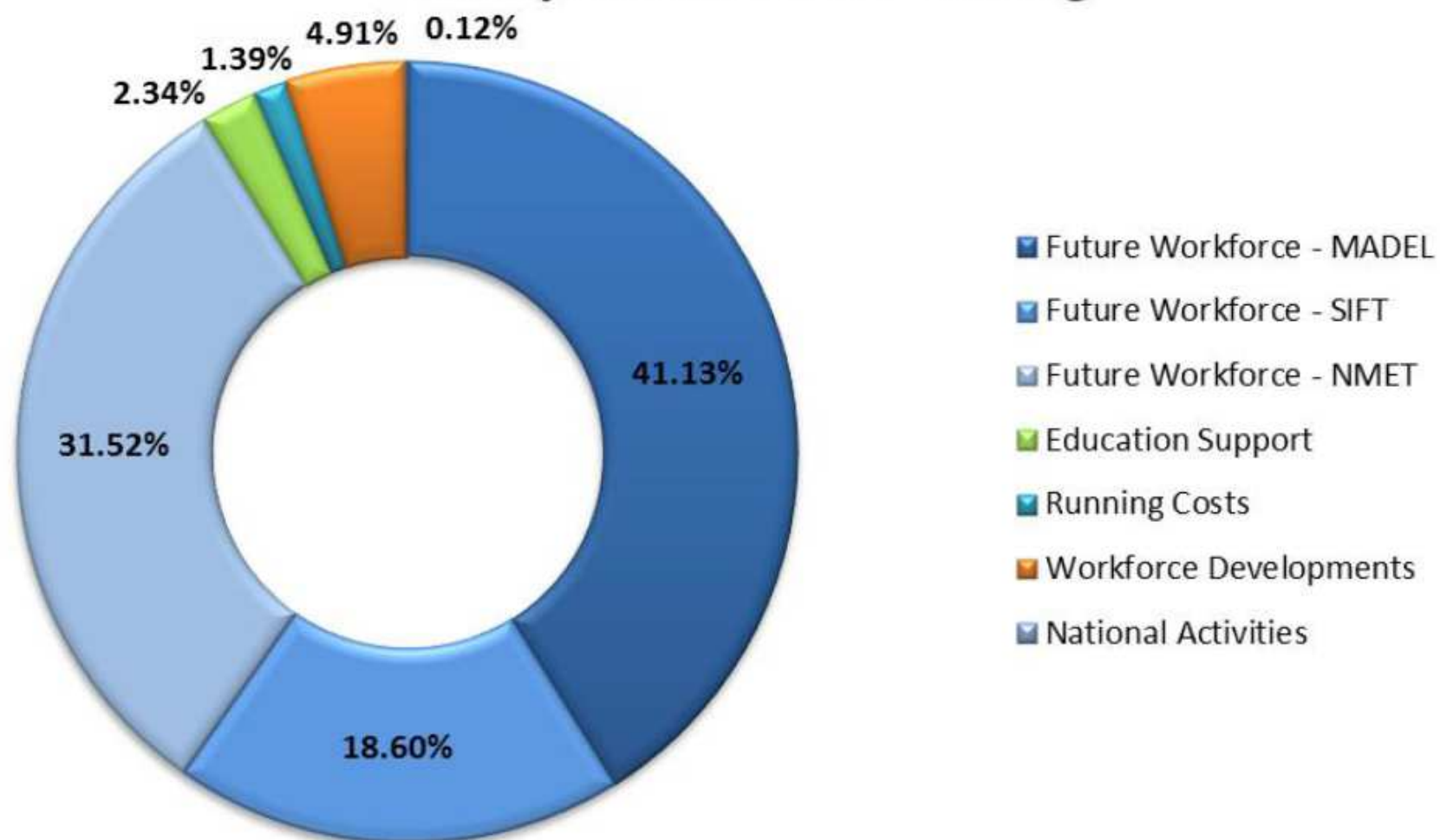


# Why? A brief history



- Tightening financial position
- New NHS STP and devolution focus
- Targeting funding to achieve VFM

## Analysis of MPET Funding



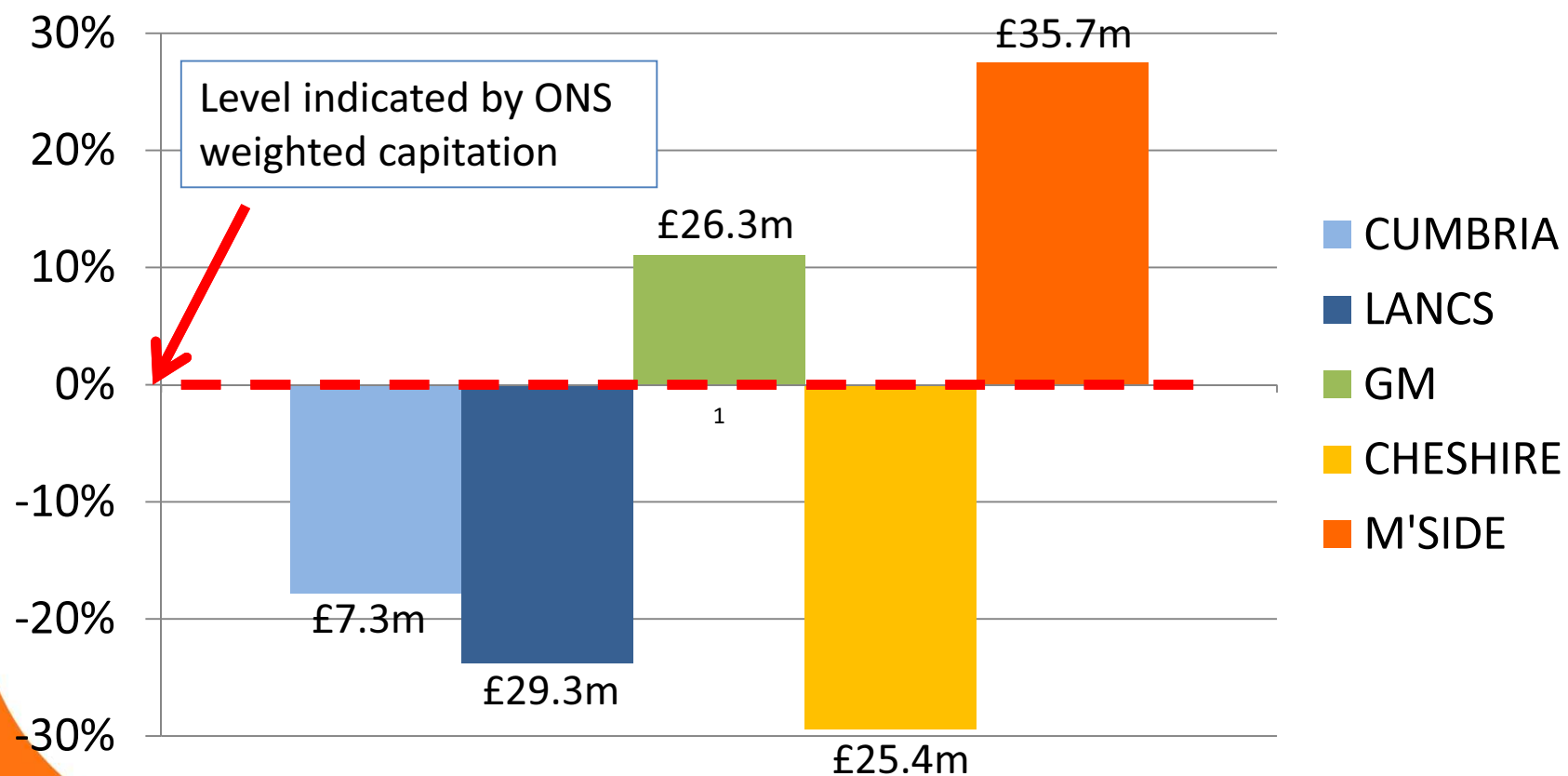
# NW share of national?

- Below ONS weighted capitation- **13.4% vs 14.5%**
- Equates to 1% of national allocation = **£44m**
- Of which **£7m re. PG**
- Includes **£4m lead employer** funding

# Funding within NW

- Based on ONS **weighted capitation**
- **92%** (£614m of £667m) of budget analysed
- Includes **HEE NE funding** for PG activity in Cumbria

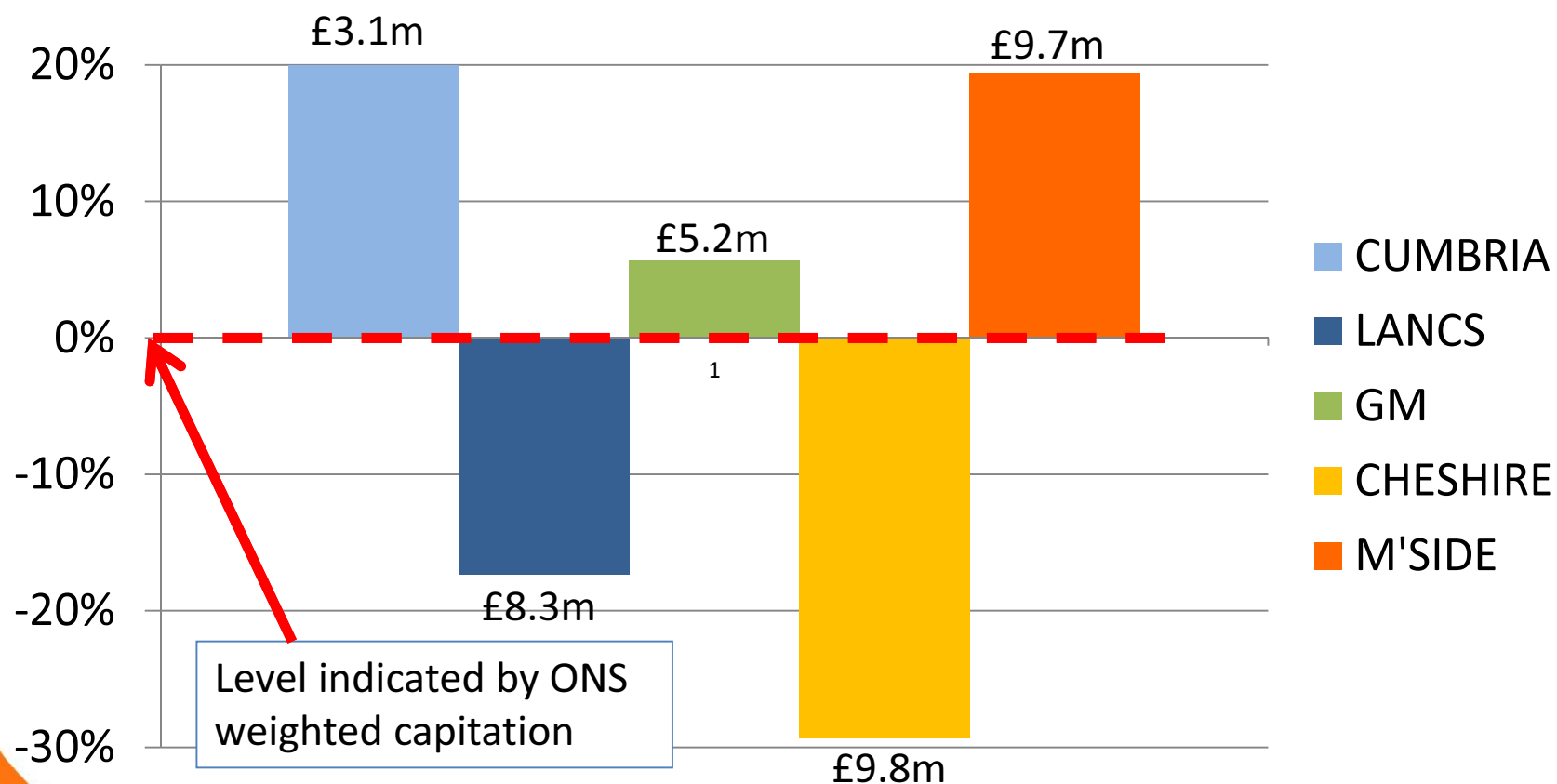
# Total funding variance



# Commentary

- £614m total funding
- Wide variation from weighted capitation
- Need to break this down to components
- Different funding drivers (& distribution) apply to each

# NM funding variance

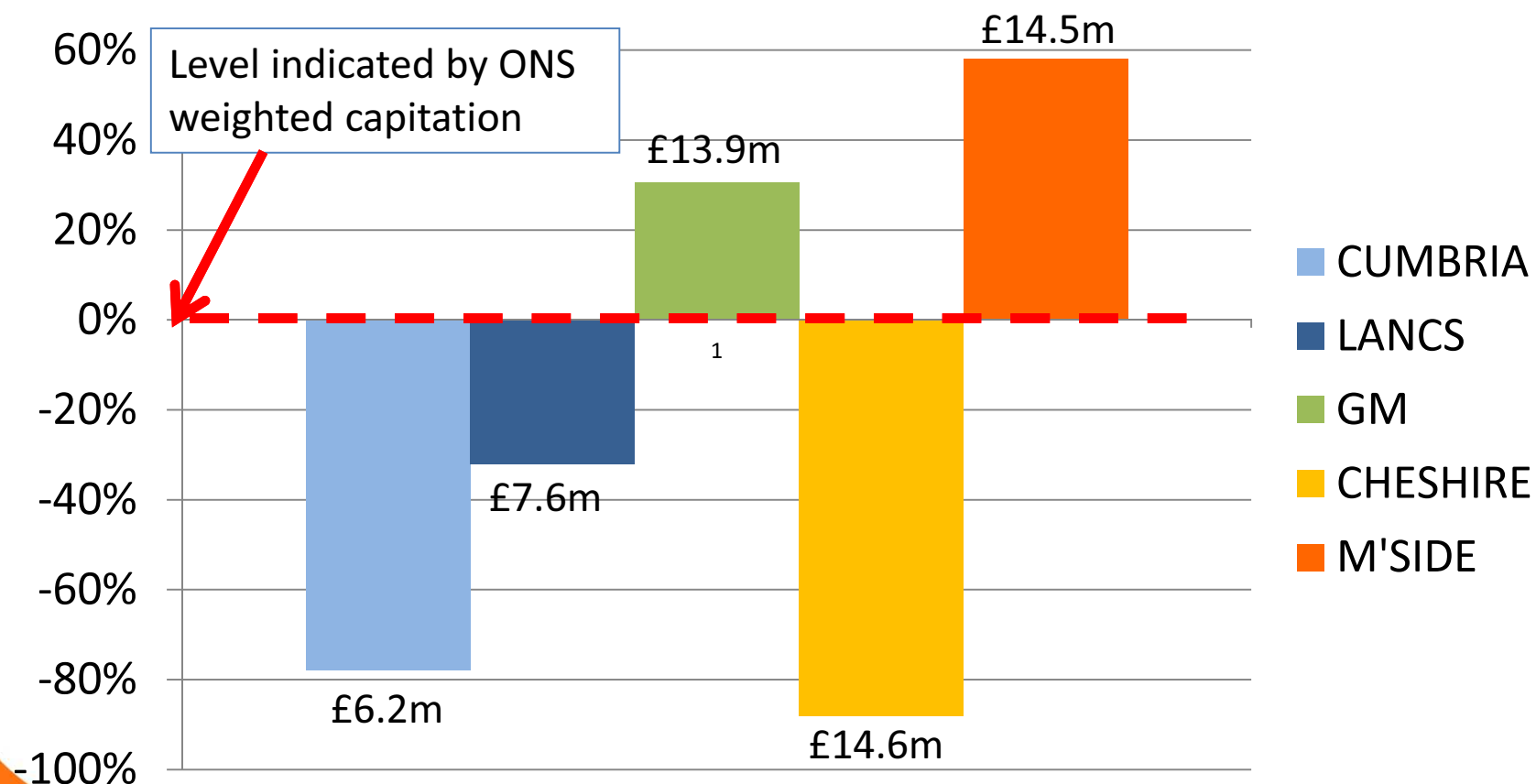




# Commentary

- £238m/39% of total funding
- Splits: 25% tuition, 10% bursary, 3% placement fee
- Only placement fee (£19m) will remain post CSR changes
- Cumbria and Cheshire significant outliers
- HEE inviting views on future NM placement funding

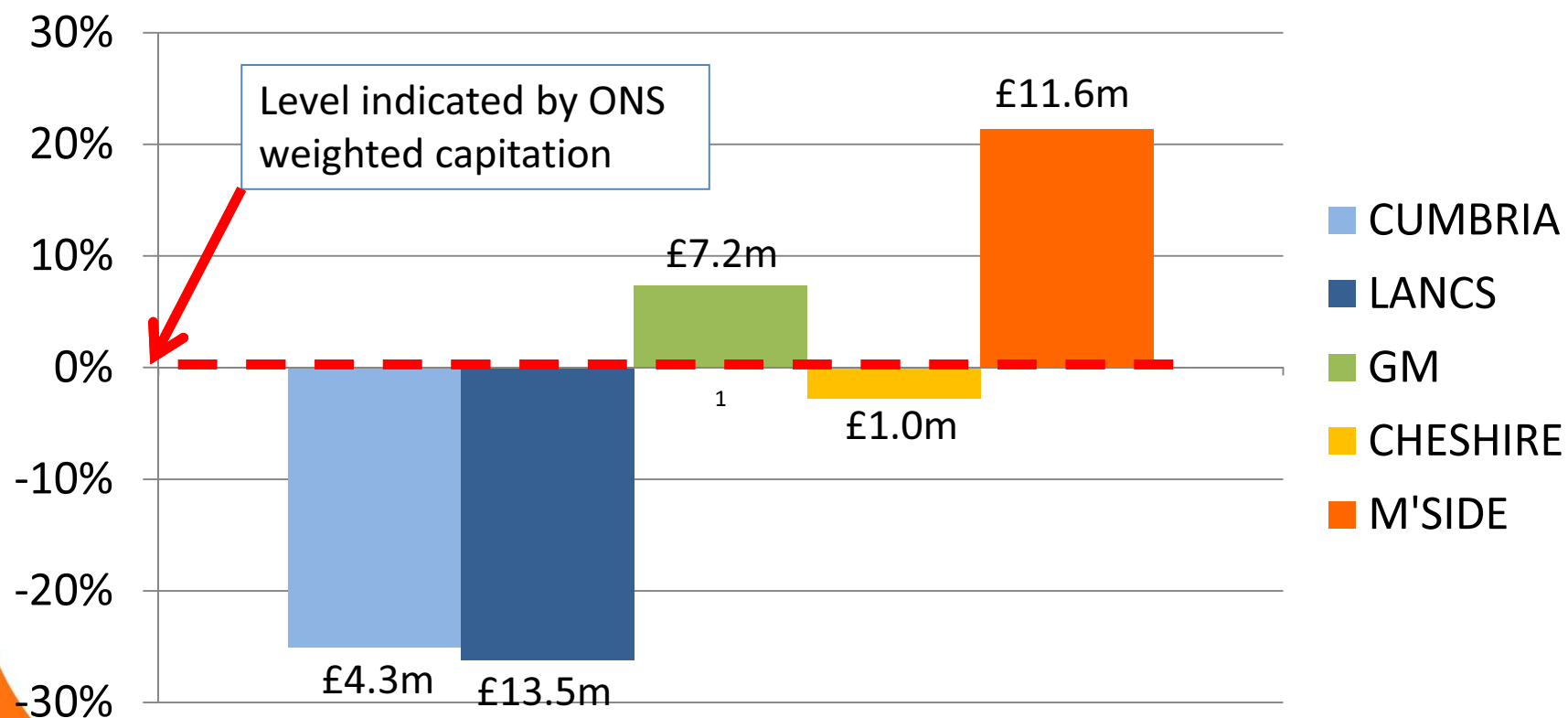
# UG funding variance



# Commentary

- £119m funding = 19% of total
- No direct connection to service, but relationship to quality and economic position of trust
- Activity allocation determined by medical schools
- Should be driven by quality + facilities + recruitment + learners
- HEE considering how this could change to improve PG recruitment patterns

# PG funding variance



# Commentary

- £257m = 42% of total funding
- Mersey and GM above WC, at cost of C&L
- C&L has high non-HEE funded posts
- An issue since PG affects service. Compounded since recruitment also worst in C&L.
- Should we offer recruitment premia?
- Trainee preferences, training facilities, etc are also factors

# Questions

- How relates to service (funding)?
- Educational capacity?
- Recruitment priorities?
- Do we aim for WC equity?
- What can be changed?

# Actions?

Consider these metrics in future decisions

Feed into STP & LWAB plans/decisions

Share nationally with HEE

Evaluate adjusting funding to address workforce risks

Consider focus on recruitment

Feedback to HEE re non-medical tariff

# Basis of calculation

- Benchmark by ONS weighted capitation
- Based on location of trusts and HEIs
- Bursaries allocated to HEI location
- UG on basis of medical school

## Specifics

- Morecambe Bay has been mapped to Lancashire
- Edgehill University mapped to Merseyside
- Wrightington, Wigan & Leigh - to G. Manchester
- N. Cumbria PG activity and funding included (paid by HEE NE)



# L&C LWAB

For discussion:

- Analysis of current funding
- Understanding the drivers of funding
- What does this mean for L&C?
- Opportunities - for workforce and STP planning?

# L&C: Analysis of funding

| Funding groups                                  | £m   | Recipient                   | Status       |
|---|------|-----------------------------|--------------|
| Medical and Dental SIFT                         | 17.8 | NHS                         | Ongoing      |
| Secondary Care Training Posts (inc Foundation)  | 36.7 | NHS (placement and salary)  | Ongoing      |
| General Practice Specialty Training Posts       | 9.7  | GP (placement and salaries) | Ongoing      |
| Dental Foundation Trainee Posts & Travel        | 2.3  | NHS                         | Ongoing      |
| Lead Employer                                   | 0.6  | 2 trusts on behalf of NHS   | to 17/18     |
| Hospital Non Contract, Education Centre Support | 0.3  | NHS                         | Ongoing      |
| Public Health                                   | 0.9  | Loction of Training Post    | Ongoing      |
| Physician Associates                            | 0.3  | NHS/HEI                     | Ongoing      |
| Postgraduate                                    | 50.8 |                             |              |
| Nursing and AHP Tuition                         | 28.7 | HEI                         | CSR          |
| Nursing and AHP Salary Replacement              | 6.8  | NHS                         | CSR          |
| Non Medical Placement Tariff                    | 4.4  | NHS / Non NHS               | Consultation |
| Professions Complimentary to Dentistry          | 0.0  | HEI                         | CSR          |
| Student Bursaries                               | 19.0 | Individual students         | CSR          |
| Post Qualification                              | 4.1  | NHS                         | CSR          |
| Non Medical                                     | 63.0 |                             |              |
| Workforce development                           | 5.9  | Various, nominal allocation | TBC          |

# L&C: drivers

- Largely national payment mechanisms and tariffs
- Almost all ongoing funding goes to NHS/providers as determined by national rates/mechanisms
- Funds: activity (salaries) and placement infrastructure
- Quality requirements - HEE Quality Framework, GMC/RCs, HEE Mandate

# L&C: What does this mean?

- L&C receive £36m lower than the indicative WC
- Cumbria 78%/£6.2m under WC for UG medical (L=26%)
- Cumbria's position will worsen with end of ed commissioning
- c.25% PG funding deficit for L&C - similar to level of trust funded posts
- Workforce development funding likely to be minimal/contingent in 17/18

# L&C: Opportunities

- Additional 1500 undergraduates
- Agree local funding mechanisms/ pooling
- Re-allocation of activity
- Mix of activity
- Trust funded places