**Health Education England Briefing for Health Scrutiny Committee (Lancashire County Council)**

1. **How much funding does Lancashire and South Cumbria receive?**

See 2. below.

1. **How does the level of funding for Lancashire and South Cumbria compare with the South East of England and other North West areas such as Cheshire and Merseyside and Greater Manchester?**

Please see attached PowerPoint **[Appendix B]** that provides the comparative analysis that we have previously issued to the Lancashire and South Cumbria (L&C) LWAB. This is based on 2016/17 and includes all of Cumbria but won’t have significantly changed for 2017/18. It shows the spread of funding across the North-West and the national position. The last slide gives a breakdown of the funding provided. Weighted capitation was used as a benchmark but has to be caveated – see 4. below.

1. **Is the £27m figure correct? How many under/post graduates could £27m fund?**

The figure is £29.3m for Lancashire. It is a comparator against weighted capitation. In accordance with government policy, HEE no longer funds non-medical trainees. Stripping this element out, Lancashire’s revised figure is £21.1m. This would fund approximately 170 undergraduate medical students per year.

1. **How is the funding formula/allocation calculated? And what is the ethos behind the current formula?**

Funding is not distributed on a weighted capitation formula basis.

NHS education and training funding for medical placements follows activity and is based on national policy and rates (“placement tariffs”\*) set by the Department of Health and Social Care (DH&SC). This approach is designed to compensate placement providers for the costs of providing training. Set tariffs are designed to put the focus on quality rather than price. HEE also make a contribution to junior doctors’ salaries, which is also determined nationally. For national placement tariff guidance please see:

 <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/629492/2017-18_ET_tariff_guidance_FINAL_July_v2.pdf>

Funding undergraduate non-medical education and bursaries (nurses, midwives, allied health professionals etc) is no longer within the remit of HEE. New activity has now been put on a level basis with other undergraduate degrees with individuals funding their education through the Student Loan Company and HEIs offering courses within the £9,250pa price cap. HEE continues to fund non-medical placement activity although this is a relatively minor funding component.

HEE was established in 2013 to:

“support the delivery of excellent healthcare and health improvement to the patients and public of England by ensuring that the workforce of today and tomorrow has the right numbers, skills, values and behaviours, at the right time and in the right place.”

To this end, HEE is leading on workforce strategy (see 6. below) and ensures funding is achieves best value and is not diverted to shortfalls in service budgets. As described above, HEE funding largely follows activity levels. The distribution of trainee activity is driven by a number of complex factors including:

* Requirements of the service now and its plans for the future – as determined by NHS England and STPs.
* Employer demand – for example at both junior doctor and consultant level
* National policy – such as in the number of undergraduate places
* Individuals' preferences – such as where junior doctors choose to train (and in what specialty) and where individuals choose to go to university.
* Available education facilities – such as medical schools, HEIs, quality of placement providers
* Training requirements – such as ensuring a junior doctor training portfolio

A final key point is that overall workforce numbers can only be increased through three routes – training new recruits, improving retention and sourcing from other sectors/countries. Training new recruits is expensive and takes considerable time. The latter are more cost effective and immediate and must also be targeted.

1. **What's happening to alleviate the inequity of funding? Any developments/proposed changes/emerging issues coming out of the Local Workforce Action Board?**

The LWAB have reviewed the analysis and have raised their concerns over the distribution of resource and have requested that future decisions will take into account the spread of funding – for example, changes in medical posts. The LWAB recognise the complexity of factors in distribution of funding but have stated that they would like to see a long term goal of moving toward weighted capitation. The LWAB believes that some of the structural reasons for the spread of funding can be addressed in the long run - for example the distribution of medical schools. HEE's Regional Director for the North has raised this matter at national level and the co-chair of the LWAB has written to the Chief Executive of HEE. The issues are recognised by HEE and are reflected in a number of developments outlined below.

1. **Is this process likely to change? If so can you give any indication on future funding allocations for Lancashire and South Cumbria**?

There are several key changes in the pipeline as follows:

The number of state funded medical undergraduates is increasing by 25% with an additional 1500 places being created. HEE and HEFCE are conducting a formal process of determining where these will be allocated which includes invitations for new medical schools. This is a critical opportunity for Lancashire and similar areas which do not have the medical schools typically found in large urban centres. HEE has recognises these issues and has set criteria to reward bids that focus on under-doctored areas, GP recruitment, widening participation and innovative education models.

HEE is leading a consultation on behalf of the NHS on a draft national strategy for the Health and Social Care workforce. This includes contributions from NHS England, NHS Improvement, Public Health England, DHS&C, and Skills for Care. Consultation closes 23 March. The strategy raises many key issues and six key principles (page 18). Amongst these there is a proposal to look at the distribution of training posts. We welcome feedback and full details are available at:

<https://www.hee.nhs.uk/our-work/workforce-strategy-england/workforce-strategy>

HEE working with NHS England is investing in recruitment in primary care in difficult to recruit areas such as Lancashire and South Cumbria. For example, we have launched a targeted enhanced recruitment scheme. HEE is also developing new roles such as physicians associates and nurse associates that assist areas which struggle to recruit.

National funding levels are reviewed annually by the DH&SC and costing work is being carried out to assess the levels of funding. Particular points of focus are the balance of funding between medical/non-medical and the areas not covered by national tariffs – mainly primary care placements. HEE is due to conduct an engagement exercise on the tariff currencies later this year looking at the structure of payments.