

Health Education Funding in England from 2017/18: Information for Employers

Summary

From 1 August 2017, new students in England on nursing, midwifery and most allied health professional (AHP) pre-registration courses (courses which lead on to registration with the NMC or HCPC) [will have access to the standard student support package of tuition fee loans and support for living costs, rather than getting an NHS grant.](#)

The Government has now published its [response to the consultation](#) on the implementation of the changes, which gives more information on the detail of the new system.

Strong partnerships between universities and employers lay at the heart of excellent pre-registration education. This briefing sets out some important areas for discussion between employers and universities.

Scope of the change

This change affects a wide range of courses that lead to professional registration:

- Nursing (all four pre-registration fields: adult, child, mental health, learning disability)
- Midwifery
- Physiotherapy
- Occupational Therapy
- Speech and Language Therapy
- Podiatry
- Diagnostic and Therapeutic Radiography
- Dietetics
- Orthoptics
- Operating Department Practice
- Prosthetics/Orthotics

Following the consultation the Government has decided that Dental Therapy and Dental Hygiene will be funded under the current system on a transitional basis in 2017/18 with the intention that they transition to the standard student funding system in the long-term.

Although the consultation asked respondents to highlight any other professions that should be included, paramedic courses will remain outside the scope of these reforms. These courses are currently on a mixed funding model (some students are already on the loans system,

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Purpose: Strong partnerships between employers and universities are essential for the delivery of pre-registration health education. With important reforms on the horizon for nursing, midwifery and most AHP courses, this briefing sets out some of the important areas for discussion.

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Relevant for: Employers of nurses, midwives and allied health professionals; Universities with relevant health programmes.

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some are funded by Ambulance Trusts and some are supported by Health Education England).

Continuity as well as change

Although these are important changes, many important elements of nursing, midwifery and AHP education are staying the same. This includes the applications process, education standards during the course and requirements for students to complete practice placements.

These changes also only apply to new students from 1 August 2017, so for at least the next three to four years there will be students coming through the education system on the old funding regime.

The rationale for the new system


The Government's intention is that these reforms will remove the cap on student numbers, with the aim to increase the number of students by 'up to 10,000' across the lifetime of the Parliament. On a cumulative basis, this is approximately a 7% increase per year from 2017/18. It is also fewer students than were being educated for these professions in 2010.

Moving to a loans rather than grants-based system gives most students higher day to day living support (up to 38% for students living away from the parental home in London and 25% elsewhere).

Partnerships between universities and employers

The removal of the number cap makes effective partnerships between universities and employers more important than ever. If universities and employers want to grow the numbers on courses this will require, for example, negotiation on placement capacity and support for new mentors. Employers and universities will need to think through a number of areas together, including the balance between recruiting students locally and more widely.

These changes also provide an opportunity for employers to work with universities to think differently about how to retain students into the workforce. There are examples of employers starting to plan incentives to attract students, such as repaying part of a student's loan or sponsoring students through their course, or offering longer term career development opportunities.



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How might the new system help employers with workforce shortages?

Student numbers in nursing, midwifery and most of the AHPs have historically been set regionally (under the Strategic Health Authorities) or centrally under HEE, based on moderated aggregation of local workforce plans. It is widely recognized that the system has been driven by short-term affordability concerns and has contributed significantly to workforce shortages.¹ This has been most visible in nursing, where places were cut by 18% between 2009/10 and 2012/13 (and by 30% in London). It has also restricted growth in many of the AHPs, so there is undersupply in a number of professions, including occupational therapy, physiotherapy and prosthetics/orthotics.


The system has also been historically focused on the NHS. Although most professionals do go on to work in the NHS, this varies significantly by profession. Universities are responsible for educating the whole domestic supply of the professions, whether graduates go on to work in NHS hospitals, schools, private providers or as self-employed practitioners.

Decoupling student numbers for these professions from the DH's budget should allow universities to grow their courses, particularly where employers are predicting increased workforce needs and can open up additional placement opportunities. Over time, this should allow employers to rely less on agency staff and international recruitment, particularly if plans are put in place to help attract and retain new graduates into the workforce.

If the placement funding is allowed to follow the student, the new system should also allow more employers to engage in health education, including making the most of placement opportunities in social care and private providers.

Placement funding

One of the most significant areas for the success of the reforms, and a key concern for employers, is the allocation of placement funding. At



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¹ Migration Advisory Committee (2016) [Partial review of the shortage occupation list: review of nursing](#).

present, employers that provide student placements for nurses, midwives and AHPs [receive £3175 per year, per WTE student](#), known as the 'non-medical placement tariff'. There is widespread variation in the extent to which this money gets to the 'frontline' of practice education and is invested in direct support for education. For most employers, the money is administered by HEE's Local Education and Training Boards (LETBs), based on data provided by universities, though some LETBs have given the money to universities to pay for placements directly with smaller employers.

Under the new system HEE will retain responsibility for commissioning the minimum number of clinical placements for 2017/18 to ensure stability in the transitional period. Universities will be able to create additional places on top of these in partnership with their local trusts and will have their HEE funded placements maintained at existing levels. The government will set out its position on long-term arrangements in the second part of its official response, due out in the Autumn.

Quality

The requirements of universities to meet the regulators' standards for education (both higher education regulators and the health professional regulators) are unchanged by the alteration to the funding system. This also means the key statutory responsibilities for assuring the quality of placement education remain the same.

In parallel, Health Education England has proposed a Quality Framework, based heavily on the General Medical Council's medical education quality domains and focused on the practice learning environment. This is due to be launched in December 2016, though its added value and how it would work in practice is still unclear.

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