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Foreword from our Chair and Chief Executive

Health Education England (HEE) is responsible for ensuring that there is sufficient supply of staff to meet the requirements of the English health system, both now and in the future.

There are many ways that HEE makes a lasting difference to the NHS, its staff and the patients we serve. Be it playing our part in the Five Year Forward View (5YFV) alongside our system partners and supporting the Vanguards locally or the individual members of HEE staff who support a student when they need help the most. Recruiting for values is now the accepted route into University for students choosing healthcare courses. We have made a real difference to emergency medicine and a whole new generation of NHS staff are working towards their newly created Care Certificates. Our Talent for Care, apprenticeship and Widening Participation programmes are making a fundamental change to the range of trained and qualified individuals and roles available to employers across our NHS. We have placed a focus on our lowest paid staff like never before in the NHS and ensured hundreds of thousands of staff are better trained in dementia care.

This year will be the same; we will continue to make a difference collectively and individually. And, in the light of the recent Spending Review, we are proactively preparing for a new policy landscape, where we will face new challenges as they arise.

We will:

- Continue to focus on growing the number of doctors in primary care by delivering the 10 point plan we agreed with the Royal College of General Practitioners and NHS England, designed to reinforce being a GP in the NHS as a rewarding and a fulfilling career
- Create the safest, highest quality health and care services – delivering seven-day service in hospitals to achieve the same quality and outcomes for patients regardless of the day of admission
- Take forward recommendations arising from Lord Willis’s Shape of Caring report, Raising the Bar
- Continue to bringing our local offices closer together and encourage sharing and cross boundary working as well as reducing the gap between the local and the national and vice versa

In addition to playing a vital part in supporting the priorities of the service, this year, HEE welcomes its role being expanded – bringing under our umbrella the Leadership Academy and the Centre for Workforce Intelligence.

This Business Plan takes us from vision to commitment. It describes what HEE is setting out to achieve in 2016/17 and how we will measure our achievements. It sets out how we will continue to work with partners, locally and nationally, to deliver the workforce changes needed to support better services. Hence, the Plan also acts as an instrument of assurance to the Government in relation to the mandate they have set for us and other actions we agree with them. It sets out for our own staff the action plan for their work for the year...
and it is an instrument of governance through which the Executive Team account to the Board of HEE.

HEE cannot and does not deliver alone. We are proud to work with the providers of NHS services and other organisations such as commissioners, local authorities and higher education providers. And we are proud of our role on the national stage working with the other Health Arms-Length Bodies and the Department of Health to ensure the workforce is at the centre of creating a better future. With our partners we will continue to deliver for our patients, our staff, our trainees and our students.

Sir Keith Pearson
JP DL

Professor Ian Cumming OBE
Section 1: About Health Education England

Our job at HEE is to ensure that when a patient turns to the NHS for help, there is a trained person with the right skills and behaviours ready to meet their needs. Two simple actions are required to ensure that the right staff are available to patients when they need them:

- Enough jobs must be created and funded to deliver the high quality care expected by the people of England
- Enough staff with the right skills and behaviours must be available to fill the jobs created.

Providers and commissioners are responsible for the first action. HEE is then primarily responsible for the second, using our training and education commissions to achieve balance between supply and employer demand.

Sometimes demand is best met by developing the skills of existing staff, which is why HEE is committed to developing the existing workforce as well as creating the future workforce.

This year we will invest £5 billion pounds of public money. Overall, we are commissioning education and training so that an additional 80,000 staff could be available to be employed in the NHS by 2020. These commissions of under- and post-graduate programmes make up the majority of our investment and support a supply of medical and non-medical healthcare workforce.

We have 13 local teams across England that are responsible for working with employers and professionals, as part of local teams’ governing bodies, to improve the quality of education and training outcomes to meet the needs of patients, the public and service providers in their areas.

Local teams have the flexibility to invest in education and training to support innovation and development of the wider health system. They also ensure that money in the new system follows students and trainees on the basis of quality and education and training outcomes.

HEE publishes a number of strategies and plans including its Annual Workforce Plan for England, and the Commissioning and Investment Plan. These, and other strategies and plans, can be found on the HEE website [hee.nhs.uk](http://hee.nhs.uk).
Section 2: Our Vision and Priorities for 2016/17

Our vision

A Business Plan represents a formal statement of a set of business goals or ambitions for a defined period of time. Its purpose is to provide a road map – identifying priorities and setting out what we need to do in order to achieve them. In order to determine our business goals for the coming year, our Business Plan aligns with:

- our fifteen-year strategic framework
- the shared delivery plan – our Mandate being HEE’s contribution to that plan
- Five Year Forward View
- the capacity and resources available to us to deliver our business goals.

The HEE Strategic Framework, Framework 15, provides the conceptual framework for how HEE approaches problems and identifies solutions, ensuring our focus remains on the patient. Framework 15:

- Guides the decisions we make in the short term, such as the annual workforce planning process and the priorities in our Business Plan.
- Informs our longer-term work programme.

- Enables our board and the public to assess our actions against our expressed strategic ambitions, and to challenge us if we veer off course.
- Provides the basis for more detailed conversations with our partners and stakeholders about the challenges and opportunities ahead.

It can take over a decade to train a medical consultant or senior nurse. Those who get the places we commission in 2016/17 will still be working as healthcare professionals beyond 2060.

We need to make sure our decisions meet the needs of patients for today and tomorrow. Our Patient Advisory Forum (PAF) performs a pivotal role in helping us to make decisions that bring us closer to reaching both our short term and long term aims as described in Framework 15.

The PAF have developed a set of assurance themes based on "what success would look like" from a patients perspective. With that in mind, our priorities, and the programmes of work to deliver our priorities, described in this business plan, are required to show evidence that HEE invests in education and training that it:

- is patient-focused, and that our strategies and guidance have patients at their heart
- enables professionals to supports patients and carers through co-production
- is in line with the values of the NHS Constitution
- enables life-long learning for the current workforce
- involves the patient and public voice
• enables staff to innovate and use evidence based research.

Our priorities for 2016/17

HEE’s priorities are our contribution to the Department of Health’s Shared Delivery Plan (SDP), which sets out the system-wide objectives for the health and wellbeing of people in England. By delivering upon our priorities we will meet what is expected of us by the Government, as set out in the Mandate, and continuing to implement the necessary changes required of the NHS through the Five Year Forward View. These priorities will be reflected in, and implemented through, national and local delivery plans. Our priorities are:

• Mental health, learning disability, and dementia
• Improving maternity care
• Improving the quality of cancer care
• Prevention and public health
• Primary and community care
• Integration of health and social care
• End of life care
• Sustainability and Transformation Plans, and New Care Models
• Urgent and emergency care
• Seven day services
• Patient safety
• Apprenticeships
• New nursing role (as part of Shape of Caring)
• Leadership development
• Placement fees and tariff.
Objective

Work across the system to continue to build capacity and capability of the workforce so that it is available in sufficient numbers, and possesses the requisite awareness, knowledge and skills to deliver care and support for people with learning disabilities, autism, and mental health problems. This will support realising parity of esteem between physical and mental health services, and enable, as far as possible, people to live independent and fulfilling lives.

This programme of work supports the SDP through:

Improving out of hospital care – reducing the health gap between people with mental health problems, learning disabilities and autism and the population as a whole (objective 1).

What we will do in 2016/17

Deliver the Mental Health Taskforce recommendations on education and training for the specialist adult mental health workforce, including in early intervention in psychosis, IAPT, perinatal mental health and psychiatric liaison.

Implement education and training for the specialist child and young people mental health workforce, including expansion of IAPT, the specialist eating disorder workforce, and upskilling to support vulnerable children. We will also conduct a child and young people mental health workforce census.

Extend workforce planning and market stimulation to cover national service transformation for the specialist learning disability workforce including as a partner in the Transforming Care Programme.

Continue system wide workforce development in mental health and learning disability, including developments in the psychiatry taskforce, mental health awareness, mental health in primary care, supporting liaison and diversion services, a supporting framework and e-learning, the mental capacity act, and the crisis care concordat.

Ensure that dementia training is available – Tier 1 training available to all new and existing NHS staff by the end of 2018, and more in-depth, Tiers 2 and 3, dementia training rolled out to NHS expert leaders and staff working with people with dementia.

Continue to work with higher education providers and professional regulators to shape the content of pre-registration nurse education and undergraduate medical education to ensure that all undergraduate courses include education and training in dementia.
Priority: Improving maternity care

Objective

In response to the national maternity review, Better Births – Improving outcomes for maternity services in England, work with partners to ensure education and training materials are available to support the Government’s ambition to halve the rates of stillbirth, neonatal and maternal deaths and intrapartum brain injuries in babies in England by 2030.

This programme of work supports the SDP through:

Creating the safest, highest quality health and care services – improving patient experience through improving women’s outcomes and experiences of NHS maternity care (objective 2).

What we will do in 2016/17

Following a scoping exercise, produce guidelines of approved multi-disciplinary maternity safety training programmes suitable for maternity units across England in August 2016.

Roll out phases of suites of training programmes to reduce harm in maternity units.

Develop a tiered framework in perinatal mental health competency and skills for the multi-professional workforce across the care pathway, and publish in July 2016.

Identify gaps within current training programmes and curricula against competencies and skills for September 2016.

Work with the system to implement perinatal mental health quality improvement projects across the care pathways from October 2016.
Priority: Improving the quality of cancer care

Objective


This programme of work supports the SDP through:

Creating the safest, highest quality health and care services – improving the quality of cancer care; and delivering seven-day service in hospitals to achieve the same quality and outcomes for patients regardless of the day of admission (objective 2).

What we will do in 2016/17

Complete a workforce planning and modelling review to identify shortages, future service demands, training capacity and current local solutions, to address the issue of diagnostic waiting times.

Produce delivery plans for sonographers, radiographers, trained radiologists and non-medical endoscopists which set out how many the system will need to address the workforce gaps to meet current and future service needs.

Commission programmes to have an additional 200 non-medical endoscopists trained by 2018.

Continue to work with NHS England and wider stakeholders to assure the provision of skills and competences that will provide a suitably qualified and trained workforce for the Proton Beam Therapy service commencing in April 2018.
Priority: Prevention and public health

Objective

Improved education and training plays a part in creating a healthier society by enabling the workforce to support and empower people to take the right actions to reduce their risks of ill health and preventable disease, with a particular focus on children and young people. In addition, education and training in public health plays a part in both national and global health security.

This programme of work supports the SDP through:

Maintaining and improving performance against core standards while achieving financial balance – being ready to play our part in any local or national emergency should it arise (objective 3).

Preventing ill health and supporting people to live healthier lives – working with individuals, communities and industry to reduce childhood obesity; reducing NHS service demand through public health interventions; and improve global health security (objective 5).

What we will do in 2016/17

For March 2017, scope work to inform the development of proposals for specific initiatives aimed at maintaining and improving mental and physical health and wellbeing, including the NHS workforce.

Continue cross-system work to develop and promote resources to support antimicrobial stewardship and good infection, prevention and control practices.

Build on work started in 2015 to ensure that training is also available so that healthcare staff are competent in the recognition of, and response to, acute illness such as sepsis as a key factor in preventable mortality.

Work with the Department of Health and other partners to support delivery of cross-Government emergency preparedness on infectious diseases and pandemic influenza.

Identify a package of measures, for March 2017, to support the development of the public health practitioner workforce based on the recommendations of the evaluation of HEE input into practitioner development and registration schemes.
Priority: Primary and community care

Objective

As part of the implementation of the 5YFV, our significant contribution to transforming primary care focuses on the intention to make available 10,000 primary and community health and care professionals by 2020, including 5,000 doctors in general practice, supporting of the shift in how care will be provided.

This programme of work supports the SDP through:

Improving out-of-hospital care – access to routine GP appointments during weekends and evenings, and improved access to urgent care by 2020 (objective 1).

Building and developing the workforce – ensuring we have the right number of staff in primary and secondary care; and changing skill mix and workforce capability/building skills required to deliver new priorities (objective 8).

What we will do in 2016/17

Continue the national 'nothing general about general practice' marketing campaign to improve the recruitment of doctors into general practice education and training.

Improve the breadth of GP training by developing the post CCT fellowships, expanding the current programme across hard to recruit to areas.

Establish new, and further develop existing, training hubs, ensuring consistency of approach through national principles, with an evaluation of delivery by the end of March 2017.

Introduce targeted incentives for hard to recruit areas, funded by NHS England, to attract GP trainees to choose training in areas which are historically proven to be hard to recruit to, with initial pilots in the Isle of White, Cumbria (two areas), and North Lincolnshire.

Continue to implement the clinical pharmacy education and training pathway across NHS England pilot sites, developing up to 450 new clinical pharmacists in general practice by March 2018.

Engage with the system on the need and model for a Medical Assistant or GP Assistant role and, if appropriate, develop a national pathway for implementation.

Review raising the profile of the GP career at medical school, publishing a report with recommendations in July 2016 with an implementation plan in December 2016.
Priority: Integration of health and social care

Objective

To ensure there is a sustainable workforce with the flexibility to work across traditional boundaries, enabling care at home or closer to home delivered by integrated health and social care teams, will require a change in skill mix and capability to enable flexibility across sectors.

This programme of work supports the SDP through:

Building and developing the workforce – ensuring we have the right number of staff in primary and secondary care; and changing skill mix and workforce capability/building skills required to deliver new priorities (objective 8).

What we will do in 2016/17

Establish a strategic partnership agreement with Skills for Care from April 2016, to develop a joint work programme with key milestones.

Continue to review the current gap in workforce provision and define the size and shape of the health and care workforce required to deliver ongoing integrated services.

Develop capacity and capability across the sectors to plan the workforce, initially focussing on nursing.

Develop plans for leadership development in health and social care that supports the integration of the two sectors.
Priority: End of life care

Objective

HEE will continue to work with key partners to ensure that all staff delivering end of life care are appropriately trained, particularly in the five priorities of care. HEE will also ensure workforce planning supports improved quality and greater choice in end of life care, including both hospital and out of hospital settings.

This programme of work supports the SDP through:

Creating the safest, highest quality health and care services – improving patient experience through improving the quality and choice of end of life care (objective 2).

What we will do in 2016/17

Establish a national framework to foster synergies with other HEE and ALB programmes, and enable consistent approaches across HEE local offices on end of life workforce and education developments.

Standardise core competencies on end of life care through development of a competency framework.

Stimulating and supporting uptake of education and training resources through the delivery of a HEE community development owned delivery model and action plan across all local offices.

Influence employers to invest in CPD and training through work with NHS Employers to showcase best practice on employer led approaches to end of life care training and targeted communications on the benefits to employers from investment into end of life care training.
Objective

To play a key partnership role in the design and delivery of place-based systems of care, by promoting a locally influenced and strategically coordinated workforce transformation offer, and through developing a workforce that embraces research and innovation.

This programme of work supports the SDP through:

Supporting research, innovation and growth and influencing global health priorities – transforming the NHS by increasing the uptake of effective innovations (objective 6).

What we will do in 2016/17

Lead and manage the system-wide Workforce Advisory Board, one of the Five Year Forward View boards.

Support vanguards and new care models through development of a standard tool to provide evidence for workforce planning, redesign and transformation.

Solve problems through joint leadership with partners to overcome the workforce challenges identified by vanguards, including developing local Workforce Action Boards to support local sustainability and transformation plans and New Care Models.

Develop programmes to build capacity and capability for research and innovation across HEE, from April 2016.

Implement HEE Wire, a research and innovation hub, to gather and share evidence-based innovative and transformational practice.
Priority: Urgent and emergency care

Objective

Continue to implement recommendations from the urgent and emergency care review, including developing proposals for the reform of paramedic education, and working with partners to address, through education and training, the challenges for registered and non-registered staff working in the NHS111 services.

This programme of work supports the SDP through:

Building and developing the workforce – ensuring we have the right number of staff in primary and secondary care; and changing skill mix and workforce capability/building skills required to deliver new priorities (objective 8).

What we will do in 2016/17

Report in March 2017, on the evaluation and implementation of the recommendations of the emergency department stock take, taking into account hotspot workforce issues across England.

Report on proposals for the reform of paramedic education and training for consideration by the Department in June 2016.

Support and develop pre-degree training routes into paramedic education and training, and widen recruitment pools for March 2017.


Define the workforce composition for a sustainable workforce within the NHS111, skills for health levels 2-7 March 2017.
Priority: Seven day services

**Objective**

Support the delivery of a seven day NHS, to achieve access to routine GP appointments during weekends and evenings, improved access to urgent care by 2020, and the same quality and outcomes for patients regardless of the day of admission to hospital.

This programme of work supports the SDP through:

Improving out-of-hospital care – access to routine GP appointments during weekends and evenings, and improved access to urgent care by 2020 (objective 1).

Creating the safest, highest quality health and care services – improving the quality of cancer care; and delivering seven-day service in hospitals to achieve the same quality and outcomes for patients regardless of the day of admission (objective 2).

**What we will do in 2016/17**

Make available 10,000 primary and community health and care professionals by 2020, including 5,000 doctors in general practice (see the Primary and community care priority).

Work with key partners to continue to build the capacity and capability of the NHS so that it has available the right number of staff to deliver on the commitments to provide the same quality of care in hospitals for urgent and emergency services seven days a week (see the Urgent and emergency care priority).

Continue to work with key partners to build capacity so that the NHS has available the right number of trained staff to deliver current and future demand for diagnostic tests (see the Improving the quality of cancer care priority).
Priority: Patient safety

Objective

The Commission on Education and Training for Patient Safety published its report 'Improving safety through education and training' in March 2016, focused on how education and training interventions can actively improve patient safety. It aims to shape the future of education and training for patient safety in the NHS over the next 10 years and sets out 12 recommendations for HEE and the wider system. In response, HEE is now developing a full implementation plan.

This programme of work supports the SDP through:

Creating the safest, highest quality health and care services – making our hospitals the safest in the world, supported by the NHS as the world’s largest learning organisation (objective 2).

What we will do in 2016/17

Submit a one-year progress report on implementation of the commission’s report to members of the commission and the Secretary of State in March 2017.

Ensure increased use of patient safety data as an educational resource by facilitating access to locally relevant incident reports and by sharing good practice case studies and other patient safety data.

Make patient-centred education and training a priority and put mechanisms in place to facilitate involvement of patients in the co-design and co-delivery of education and training for patient safety from March 2017 onwards.

Development of a framework to support more robust evaluation of all patient safety education and training interventions in future.

Work with partners to produce a suite of training and guidance materials on raising and responding to concerns, including training sessions for local Freedom to Speak Up Guardians and a national conference.

Ensure principles of human factors and professionalism are embedded across all education and training, by ensuring human factors training is in the induction of every new employee and is offered as refresher training for all staff.

Objective

In response to the commitment to increase apprenticeships in the public sector, double the number of apprenticeships in healthcare, and develop apprenticeships in more roles, including more aspirational healthcare apprenticeships which widen the routes to professional roles for the support workforce.

This programme of work supports the SDP through:

Building and developing the workforce – changing skill mix and workforce capability/building skills required to deliver new priorities (objective 8).

What we will do in 2016/17

Increase the number of new apprenticeship starts in healthcare to 19,000 starts in 2016/17.

Influence the development of a co-ordinated menu of new apprentice standards in the NHS, liaising with NHS employers and the Department for Business, Innovation and Skills.

Lead on healthcare related apprenticeships as part of the Trailblazer process.

Work with preparing NHS employers, with more than 250 employees, to employ 2.3% of the workforce as apprentices to meet their public sector duties outlined in the Enterprise Bill.

Continue to work with the Nursing and Midwifery Council and the Department for Business, Innovation and Skills to contribute to the development of proposals for nursing apprenticeships.
Priority: New nursing role (as part of Shape of Caring)

Objective

A result of the Shape of Caring report was the proposal of a new role, with the working title Nursing Associate, to fill the gap in competence between a care assistant and registered nurse. Following consultation in 2015/16, work this year will focus on developing the role and initiating early adoption, with the delivery model expected to be through the apprenticeship framework.

This programme of work supports the SDP through:

Building and developing the workforce – ensuring we have the right number of staff in primary and secondary care; and changing skill mix and workforce capability/building skills required to deliver new priorities (objective 8).

What we will do in 2016/17

Analyse responses and report on the consultation on the Nursing Associate role.

Manage workshops with stakeholders to define the scope of practice, knowledge, name, and regulation requirements for the Nursing Associate role, with competencies and a curriculum agreed.

Start the recruitment process for the first cohort of 1,000 Nursing Associate students to be in training across England in 2017.
Priority: Leadership development

**Objective**

To incorporate leadership development activities into HEE, including transfer of the Leadership Academy from NHS England, and ensure that leadership programmes and activities meet existing and future needs of the system, and represent good value for money.

**This programme of work supports the SDP through:**

Building and developing the workforce – changing skill mix and workforce capability/building skills required to deliver new priorities (objective 8).

**What we will do in 2016/17**

Develop and deliver an action plan for all activities necessary to deliver safe and efficient transfer of the Leadership Academy.

Through a Transition Implementation Group, support progress in incorporating leadership development activities into HEE through a review of leadership development programmes and activities, and a review of local delivery partner business and activities.

Align strategic and other leadership development activities, through a strategy task and finish group, to develop proposals to ensure closer working and alignment between Leadership Academy activities and HEE workforce development activities.
Priority: Placement fees and tariff

Objective

Work with the Department of Health to develop proposals for new currencies to form the basis of future tariffs, using the data from the annual cost collections.

This programme of work supports the SDP through:

Maintaining and improving performance against core standards while achieving financial balance – operating within the budget HEE is given (objective 3).

What we will do in 2016/17

Continue to work with the Department of Health in supporting placement providers in calculating the true cost of delivering clinical placements.

Develop and consult on proposals for currencies for education and training placements in October 2016.
Business as usual

In addition to our priorities, we will further develop our core business functions to improve our capacity and capability to deliver our work. Developments in 2016/17 include:

Workforce planning and strategy

• Further developing the workforce planning process towards publishing the Workforce Plan for England 2017/18.

• Making the eWorkforce tool available to Local Authorities, and working with social care fora and Public Health England to agree roles and activities to incorporate into planning guidance.

• Identify groups that are on the Government’s Shortage Occupation List and the prognosis for their need to remain.

• Ensure the HEE information strategy data programme encapsulates a delivery plan for better workforce planning data.

• Develop a process to ensure coding changes for the Electronic Staff Record are enacted.

• Develop a systematic approach to ensuring evidence based horizon scanning input into HEE programmes and projects, utilising advisory structures, and informing a further refresh of Framework 15.

Education commissioning

• Develop an evidence based approach to identifying excellence and innovation in placement quality and a methodology to spread, diffuse and embed best practice.

• Further develop education quality standards and metrics to develop outcome based metrics for inclusion in an Education Quality Dashboard.

• Pilot, transition and embed the quality assurance system across national and local teams.

• Manage and develop quality relationships with regulators and wider partners and stakeholders to establish more effective and efficient ways of working to deliver mutual benefits and benefits for learners and patients.

• Continue to work with partners to improve retention of trainees.

Technology enhanced learning

• Promote and harness innovation, draw on the best practice, talent and projects within and beyond the NHS.

• Develop the HEE Learning Hub as a central place for all in health education and training to access and share the widest range of learning resources and information.

• Run the HEE digital literacy project, aimed at driving up the digital competence and confidence of NHS staff and students in healthcare.
Careers

- Improve partnership working on the delivery of health careers information advice and guidance.
- Undertake campaign activities that support HEE workforce priorities.

Organisational development

- Encourage staff to further promote and support the NHS Constitution within local offices and across HEE.
- Roll out an ongoing staff health and wellbeing programme, with a pilot launched in London and the south east.
- Implement a revised and simplified appraisal and personal development process for HEE staff and managers.
- Develop programme management capacity across HEE, through training and development support.
- Improvement of line management capability in HEE through first line management training programmes.
- Implement the first tranche of the information strategy, consolidating HEE’s data assets including the Trainee Information System, and delivering a file-sharing service and intranet across locations for all HEE staff.
Section 3: Our Resources

Finance

Ensuring that we deliver quality education and training from initial supply to further development of the workforce within the financial resources provided to us is of utmost importance. HEE is responsible for £5 billion of NHS funding in order to deliver its objectives and we recognise that ensuring it is spent effectively and efficiently is essential.

The following assessment is of income and expenditure anticipated for our ‘business as usual’ activities and to deliver the Mandate.

Income

HEE receives most of its funding directly from the Department of Health, with other substantial funding from a few key sources as shown in the table below. We received an indicative allocation in December 2015. This indicated a £29.6 million increase relating to National Insurance changes.

Two programmes are transferring into HEE from April 2016: Leadership Academy and some elements for Centre for Workforce Intelligence (CFWI). These are shown separately to support like for like comparisons. In addition to this, HEE will receive additional non-recurrent funding to support work on genomics in line with the approved business case. There has been a £5.4m reduction in administration allocation, which is broadly consistent with previous assumptions.

The other income from the National Institute for Health Research (NIHR) is subject to final agreement. The indicative figure is based on the latest census of academic trainees funded by NIHR. Due to overall funding for the Leadership Academy being included in programme, the funding previously received to support local delivery partnerships is not separately identified this year.

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<th>2015-16 Budget</th>
<th>Proposed 2016-17 Budget</th>
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<td>NIHR</td>
<td>57</td>
<td>53.8</td>
<td>-3.2</td>
</tr>
<tr>
<td>Leadership academy</td>
<td>12.1</td>
<td>0</td>
<td>-12.1</td>
</tr>
<tr>
<td><strong>Subtotal Other</strong></td>
<td>69.1</td>
<td>53.8</td>
<td>-15.3</td>
</tr>
<tr>
<td>Total Income</td>
<td>4,971.20</td>
<td>5,048.40</td>
<td>77.2</td>
</tr>
</tbody>
</table>
Expenditure

The main driver for our programme expenditure is the workforce plan. This was agreed at summary level with Ministers and subsequently built up by our local teams to provide a LETB based budget.

Future workforce is the largest category of expenditure and covers funding of clinical placements for both medical and non-medical undergraduate students and post-graduate medical and non-medical trainees. There are also some post-graduate 2nd registration courses covered by future workforce.

The expenditure for future workforce is closely linked with activity levels. Once places are commissioned, expenditure is committed for the subsequent period until professional qualification is achieved. Therefore, some increase was anticipated as the full year effect of previous years commissioning increases. Other reasons for major changes in our expenditure are detailed in the Budget Setting Report considered by the Board in March 2016.

The majority of the expenditure is subject to either benchmark prices for higher education institutes or transitional tariffs that are being introduced (with a transition path to smooth large changes in income) for placements with providers. Some clinical roles and professionals such as training in primary care, pharmacy and healthcare scientists are outside the scope of tariffs.

Budgets for clinical placements reflect the 2% tariff reduction for fees paid to placement providers. DH undertook to reduce this tariff as part of our allocation settlement. The budgets also assumes a 2% reduction to the Benchmark Prices paid to HEIs in relation to undergraduate course fees for nursing and allied health profession courses which is currently being negotiated.

<table>
<thead>
<tr>
<th></th>
<th>2015-16 Budget</th>
<th>Proposed 2016-17 Budget</th>
<th>Change</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£ million</td>
<td>£ million</td>
<td>£ million</td>
<td>%</td>
</tr>
<tr>
<td>Programme Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future workforce - post graduate M&amp;D</td>
<td>1,825.50</td>
<td>1,845.80</td>
<td>20.3</td>
<td>1.10%</td>
</tr>
<tr>
<td>- undergraduate medical and dental</td>
<td>858.6</td>
<td>888.2</td>
<td>29.6</td>
<td>3.40%</td>
</tr>
<tr>
<td>- non medical</td>
<td>1,711.00</td>
<td>1,787.30</td>
<td>76.3</td>
<td>4.50%</td>
</tr>
<tr>
<td>Subtotal future workforce</td>
<td>4,395.10</td>
<td>4,521.30</td>
<td>126.3</td>
<td>2.90%</td>
</tr>
<tr>
<td>Workforce development</td>
<td>205</td>
<td>104.3</td>
<td>-100.7</td>
<td>-49.10%</td>
</tr>
<tr>
<td>Education support</td>
<td>126.5</td>
<td>125.7</td>
<td>-0.8</td>
<td>-0.60%</td>
</tr>
<tr>
<td>National activities</td>
<td>76.4</td>
<td>81.7</td>
<td>5.3</td>
<td>7.00%</td>
</tr>
<tr>
<td>Transformation fund</td>
<td>15</td>
<td>35</td>
<td>20</td>
<td>133.30%</td>
</tr>
<tr>
<td>Genomics project</td>
<td>6.4</td>
<td>7.7</td>
<td>1.3</td>
<td>20.30%</td>
</tr>
<tr>
<td>Leadership Academy</td>
<td>0</td>
<td>44.7</td>
<td>44.7</td>
<td>-</td>
</tr>
<tr>
<td>CFWI</td>
<td>0</td>
<td>1.8</td>
<td>1.8</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal Programme Expenditure</td>
<td>4,824.30</td>
<td>4,922.20</td>
<td>97.9</td>
<td>2.00%</td>
</tr>
<tr>
<td>Admin Expenditure</td>
<td>77.8</td>
<td>72.4</td>
<td>-5.4</td>
<td>-6.90%</td>
</tr>
<tr>
<td>Other Expenditure</td>
<td>69.1</td>
<td>53.8</td>
<td>-15.3</td>
<td>-22.10%</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>4,971.20</td>
<td>5,048.40</td>
<td>77.2</td>
<td>1.60%</td>
</tr>
</tbody>
</table>
To cope with increases in future workforce, we are required to make spending reductions in other areas which do not impact on student and trainee numbers. The budget for Workforce Development will initially stand this reduction. This is an important resource to support the improvement, and changes to the skill base of the existing NHS workforce, which are essential to the transformational changes needed to deliver the recently published vision for the future in the Five Year Forward View. So, as progress is made in finding cost reductions elsewhere, resources will be played back into our Workforce Development budget.

As work to deliver Mandate commitments increases in scale, the Transformation Fund has been increased to £35m. This will be subject to business cases being received, with any resources not required for Mandate commitments transferred into Workforce Development.

Our restructuring programme – Beyond Transition, reduced our administration costs by c20% to provide for the anticipated allocation reductions over the three years 2013/14 to 2016/17, and to cover the impact of inflation. We had a small degree of non-recurrent flexibility in 2015-16 that allows expenditure budgets to be rolled forward.

It is assumed that expenditure on Leadership, NIHR and CFWI will equal our funding and be cost neutral.

**Capital Expenditure**

It is anticipated that there will be minimal capital requirement for HEE and LETBs. Approximately £3 million is required for information management and technology improvements, due to slippage of expenditure plans from 2015/16. These are initial estimates, and options are still being considered which could impact on the exact amount required.

**Procurement**

HEE has expected expenditure of nearly £5 billion. The majority of expenditure is committed through costs of staff in training e.g. salary costs of junior doctors, facilities and supervision. This supervision is usually from qualified NHS staff and using NHS premises. For both undergraduate and postgraduate levels training is provided in University and Further Education settings.

The vast majority of the procurement HEE will manage over the next few years will relate to these existing education and infrastructure activities. A number of contracts have been Mandated by DH through their efficiency review. These contracts have now been implemented and are contributing to the government’s policy on aggregation of spend to leverage efficiency across the whole of government. The contracts’ database has identified a number of key areas that a category management approach will be delivered which will give efficiency benefits; these include IT, Agency Staff and procurement provision.

**Procurement governance**

The Finance function within HEE has the lead responsibility for procurement and maintenance of all appropriate contractual records. The Director of Finance will therefore ensure the HEE Board has oversight of all relevant procurement decisions. A scheme of delegation, procurement policy, contract management and procurement manual have been issued across HEE and will be reviewed and updated regularly to ensure guidance is current follows DH and government policy and is best practice.
Education and training contracts will be the main focus of the Procurement and Contracts function based on their strategic importance to HEE.

Appropriate resource will be designated to these strategic contracts, to ensure contracted performance levels and outcomes are delivered and maximum value achieved.

A robust contract management framework will continue to be developed and embedded within the organisation to ensure our commercial relationships are managed and developed to extract maximum value for money. HEE will be implementing a contracts management system to enable efficiency and transparency of contracts.

HEE will ensure organisational compliance with EU and UK procurement regulations and will evaluate and implement any necessary changes to processes and policy resulting from any Procurement policy notes.

Procurement and contract management guidance is available to all colleagues within HEE which provides rules and processes to be followed in line with both the organisation’s standing financial instructions and EU procurement rules. The guidance is also updated to incorporate current governmental policy and Cabinet Office controls in a number of business activities.

The procurement committee will oversee organisational compliance to overarching procurement strategy and policy and will where necessary make recommendations to the board on any identified, strategic procurement decisions.

### Procurement service

Procurement is provided through inherited arrangements with four Procurement Partners for 2016/17. They are:

- South of England Procurement
- Leicestershire and Rutland Procurement Partnership
- Leeds and York NHS Foundation Partnership Trust
- Rotherham, Doncaster and South Humber NHS Foundation Trust.

HEE has reviewed the procurement service and served notice to all procurement partners.

During 16/17 the requirement will be tendered to ensure alignment with central government direction relating to the efficiency challenges which will be met in part, through the adoption of the Crown Commercial Service. HEE will be looking to rationalise the procurement service to ensure a common approach to procurement delivery and efficiency and will be evaluating options based on value for money and the expertise required to deliver future projects which have been identified through the HEE procurement pipeline.

From April 2016, HEE will host the Leadership Academy and will ensure that the academy’s procurement requirements are aligned to HEE procurement policy and standing financial instructions whilst ensuring that the academy can maintain delivery of its core services.
Procurement strategy and policy

HEE are committed to ensuring that procurement development and delivery aligns with the National standards of procurement and will be building its strategy on the “NHS standards of procurement” including plans relating to Leadership, People Partnerships and process.

HEE will continue to develop to identify and understand the commercial and procurement skills available within the organisation and where necessary support development and training through use of our procurement partners, training events run by the procurement and contracts team and development of specific guidance.

HEE will continue to develop and monitor recommendations resulting from the “Better Procurement, Better Value, Better Care review and Lord Carters Operational productivity review recommendations.

HEE will be supporting SMEs through greater transparency of contract opportunities and the promotion of contracts finder for tenders and contracts.

HEE guidelines have been drafted on providing procuring officers a toolkit on practical steps that can be incorporated into tender processes. The guidance has been circulated throughout the organisation and tests will be carried out at regular intervals to ensure guidance is being incorporated into delivery.

Linked to support of small medium enterprises HEE will be ensuring that all contracting opportunities will be made available through contracts finder as Mandated by the cabinet office. We will also be publishing all spend of a value of over £25k on our website.

LEAN Sourcing principles have been evaluated and will be incorporated into procurement manuals and guidance documents.

HEE have identified procurement activity through projects that HEE and its LETBs will be delivering over the next 12-24 months. Pipeline information will be provided to DH and the supply market through the use of Contracts Finder. Contracts finder will ensure openness and transparency of opportunities to all potential suppliers.

Corporate governance

The delivery of HEE’s vision for good corporate governance is based on a single, organisation-wide approach to foster inclusion and integration between the corporate centre and local operations by working in collaboration to support the Board, senior management and our 13 LETBs.

Good governance means providing the assurance that HEE is effectively managed on a day-to-day basis, compliant with its legal obligations, delivering on its strategic aims and providing the leadership to put them into effect, managing risk to itself and others, delivering safe, quality services and reporting to key stakeholders on the stewardship of public funds and our decision making.

Delivery of a single national governance framework will include work across the following key areas:

- business continuity
- complaints
- corporate contracts
HEE Business Plan 2016/17

- corporate support
- estates
- health and safety
- information governance
- internal audit,
- access to legal advice
- LETB Assurance Framework & LETB Effectiveness Reviews
- corporate policies
- risk management and reporting
- local co-ordination of FOI and DPA responses
- advice and secretariat services to the HEE Board and its Committees.

Across the portfolio of Corporate Governance activities, the core objectives for 2016/17 are framed to ensure that they ready us for our Department of Health ALB Triennial Review, due to take place in 2017/18. The core objectives are:

- Support delivery of the vision for ‘One HEE’ through the implementation of the LETB Assurance Framework.
- Embed business continuity planning across HEE, learning lessons from the revised processes commenced in 2015/16.

- Review HEE’s Approach to Risk Management to ensure an effective and sustainable approach is in place for reporting against HEE’s risks and the mitigating actions.
- Develop and implement an action plan which responds to findings of the 2015/16 Information Governance Toolkit submission.
- Implement a process of review, approval and implementation for HEE’s corporate policies, including new policies, such as complaints.

Risks to delivery and risk strategy

There are a number of risks that HEE faces in the delivery of its business plan. External risks include economic, political and environmental. Internally, HEE faces risks around access to sufficient resource in terms of finance and to staff with the right skills and capacity to deliver its business objectives.

HEE maintains its Corporate Risk Register which is reviewed and updated monthly by the Executive Team, and published bi-annually with Board papers. The HEE Board papers can be found at hee.nhs.uk/category/our-board/heeboardpapers/

The HEE approach to risk management is under review, with a proposed process being piloted which, following completion and evaluation, will be implemented across HEE. The new approach aims to ensure continued improvement, and provide simplified systems and processes which provide constant assurance to the Board.
**Estates**

With regards to our estate, we will provide a clear statement to our partners, staff and stakeholders as to how we plan to develop the estate and support the efficient and effective delivery of HEE business plan objectives over the next 5 years, including:

- Ensure the management of our estate improves in order to deliver improved efficiencies against HEE’s estate Key Performance Indicators.
- Ensure that estate rationalisation plans contribute to HEE’s financial saving targets.
- Ensure that these efficiency plans and rationalisation plans are in harmony with the service delivery requirements of our LETBs and national offices, whilst maintaining a ‘fit for purpose’ estate.
- Ensure that estate plans align with the GPU estates programmes including Government Office Hubs.

**Human resources and organisational development**

HEE has a simple strategy for the HR & OD services delivered to staff and managers. This is:

- to know our core business, and what managers and staff want, and provide systems, support and advice to deliver this
- to engage with staff and with our trade union partners
- to take a positive and proactive approach at all times
- to find solutions
- to set a standard to which others aspire.

We recognise that supporting staff and managers through change remains a priority. We will ensure an appropriate emphasis on supporting business as usual as well as working closely with managers to ensure appropriate staffing and skills are in place – and in development – to meet ongoing service needs.

Enabling our staff to deliver HEE’s Mandate is our key driver and we will focus on ensuring that we:

- are explicit about the behaviours, skills and approach required from our staff to engage with a changing Health System
- value the diverse cultures that exist within HEE, but emphasise the importance of ensuring that our HR & OD services are delivered in a consistent and equitable manner, to a high standard
- create a healthy and effective organisation, consciously and deliberately stimulating the conditions in which people can give their best so that the organisation can thrive
- use and develop our HR metrics and systems to benchmark ourselves and identify areas for attention and investment
- become an excellent employer.
Remuneration

HEE continues to work closely with colleagues at DH, NHS Employers and with the other NHS ALBs in all matters relating to national pay policy.

HEE uses the nationally determined NHS Terms and Conditions of Service (Agenda for Change) and the national contracts and terms for medical and dental and very senior manager (VSM staff).

We will continue to work with DH, ALB and staff-side colleagues in all matters regarding our pay policy. HEE’s Remuneration Committee has a formal responsibility, on behalf of the Board, for the oversight and agreement of senior staff salaries in accordance with the agreed terms of reference.

All of our appointments and arrangements for determining the salaries of our senior staff are carried out in accordance with the processes set by our colleagues in the DH and, where required, with the approval of the Department’s Remuneration Committee. The Remuneration Committee is chaired by Mary Elford, Non-Executive Director, HEE.

Diversity and inclusion

HEE remains committed to conducting and planning its business so that our ambitions regarding diversity and inclusion are at the heart of everything we do.

We have robust objectives in place, to promote and further improve engagement with our staff and stakeholders.

An established Equality and Diversity Group (AHEAD) meets on a regular basis to ensure that HEE is both meeting all legal requirements and obligations under the Equality Act, the Public Sector Equality Duty and the Workforce Race Equality Standard (WRES) and working towards establishing best practice in this area in due course.

The AHEAD group is chaired by Kathleen Nealon, deputy Chair of HEE and the non-executive lead for equality and diversity.

HEE is striving to ensure that all employees are empowered and engaged in development activity across the organisation. We are committed to all staff taking part in our revised and simplified annual appraisal cycle, with an agreed personal development plan and a formal half yearly review.

Our workforce profile is regularly reviewed across all protected characteristics to ensure that action plans are drawn up to address under representation as appropriate.

In addition, to enable HEE to develop against its Mandate, we continue to develop and promote a flexible and dynamic workforce through:

- ensuring flexible working options are accessible and promoted to all HEE staff as per the Flexible Working Guide
- assessing and benchmarking our performance through external accreditation processes in order to enhance our ability to develop a diverse organisation as follows - Working Families, Tommy’s, Stonewall, and Two Ticks
- our commitment to Health and Wellbeing through the NHS Pledge.
We continue to work in partnership with our Trade Union colleagues, and we are committed to good formal and informal partnership working relations on emerging issues in an open, honest and transparent way.

In return, this contributes to helping HEE to deliver its services and obligations effectively, and in partnership, supporting the delivery of high quality patient care and a supportive and developmental working environment for all of our staff.