

# Cutting health professional education

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## *Setting it straight*

Earlier this year, universities sought Counsel Opinion on the national standard contract and benchmark price (BMP) in England. This week, we've taken the unusual step of [publishing that legal advice in full](#).

**Y**ou may not be familiar with the contracting side of health higher education in England: the **national standard contract** is the basis for the initial (pre-registration) education of nurses, midwives and most allied health professionals (AHPs) in England. The **benchmark price** governs the amount paid per student. More detail [here](#).

Every year, universities in England work in partnership with the NHS and other providers to educate 55,000 future nurses and midwives and 18,000 future allied health professionals (AHPs) - on their books at any one time.

**That's 74% of undergraduate/pre-registration health professional students commissioned by the NHS.**

This costs the taxpayer – via Health Education England – approximately £900million in fees

and £500million in bursaries (£1.4billion of HEE's £4.9billion annual budget).

The national price and contract system was set up in 2002 - following a stinging [National Audit Office report](#) - to assure consistency and address significant workforce shortages.

The agreed principle is that price (paid then by DH, now by HEE) should equal the costs (incurred by universities) with an annual uplift (the GDP deflator minus an efficiency saving).

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It's not a perfect system but it's given stability and allowed universities and service providers to invest in improvement and innovation, such as clinical simulation facilities. Since September 2013, we've been involved in *difficult* negotiations with HEE to update that national price and contract.

We went to [James Goudie QC](#) as one of the country's leading barristers - to have a formal, authoritative appraisal of the legal position.

What this Opinion clearly shows is that the national contract – and local contracts drawn off the national contract – have to be honoured.

It shows that the BMP and its annual uplift cannot be varied at-will by HEE. Paragraph 32 sums up the main points.

We're publishing the advice because we need discussions of the price and contract to be based on a proper understanding of their legal basis.

In particular, we want to address the incorrect response to a Parliamentary Question by Dr Dan Poulter in July [that the contracts and the agreement on price that goes with them have 'expired'](#).

### **Destabilising supply & threatening quality**

Legal parameters are of course just part of the picture. They're merely the contractual context for long-standing partnerships between universities, service providers and those who commission education.

Partnerships – especially at local level - that year on year assure quality and ensure supply.

The frustration is that failing to pay what is agreed in the contract is now getting in the way of the high quality, high value education that universities and local partners want to deliver.

HEE approach to this negotiation is to insist on a cut of -4%. They characterise it as a cost-

saving exercise. But the immediate and strategic risks from such an approach to the supply and quality of the future workforce are very real.

It's clear from [work we've done](#) that imposing this and further cuts onto an existing funding shortfall of 8-12%, brings many universities close to tipping point.

**In simple terms and by the DH's own formula it costs £9143 per year to educate a nursing student, yet the funding provides only £8152 per year.**

A recent survey of UUK members providing BMP-funded courses has revealed over 70% of respondents rating future provision of these courses as high risk, flashing red in the register.

With the present system tipping into crisis, with HEE declaring itself unwilling or unable to pay - the uplift constitutes approximately £18m out of HEE's £4.9billion budget - what it costs to educate these professions, there's a case that we should look at different models for funding health higher education.

But when this happens, it needs to be done strategically, from a stable platform, making sure that education quality and supply are safeguarded.

**Now, with widespread shortages of health professional staff, HEE simply cannot gamble with the future workforce supply of the NHS. The public and patients deserve better**

**...local contracts drawn off the national contract – have to be honoured...**

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