

# HEE's approach to student activity funding through the Covid response

## Contents

- Our work [1]
- Online learning [2]
- Health careers [3]
- News, blogs and events [4]
- About [5]
- Covid-19 [6]

The statement below applies to HEE's payments for education and training activity through the period of the pandemic response and does not relate to any additional costs incurred as a result of Covid.

At the outbreak of the pandemic, HEE committed to continuing to make payments in support of the education and training delivered by its partners.

HEE made block payments to NHS Trusts to cover the period of March to August inclusive (except postgraduate medical and dental, where activity payments started again in August).

These block payments will be retrospectively adjusted, with the exception of: tariff and tariff related activity, salary support payments and non-tariff HEE postgraduate funding (such as palliative care, public health etc). For these 'exceptions', the payment amount was based on 2019/20 payments and was provided as a fixed amount to cover activity through this period. This helped provide certainty and financial stability to our partners.

Where payments to NHS services are provided by Medical Schools on HEE's behalf, HEE provided funding and requested Medical Schools make their payments as planned, again to ensure stability and the preservation of placement capacity. HEE's payments to Dental Schools were undisturbed through this period and Dental Schools received the expected funding.

### *Current funding approach*

Activity driven payments have fully resumed, with full reconciliation to actual activity from 1 September.

All payments from September onwards will be reflective of actual placement activity, and this includes any placement activity delivered from September as a result of growth in student numbers (medical and clinical), or 'catch-up' activity for students impacted by COVID restrictions. As Dental Schools do not follow 'activity driven payment' processes, they are not included in this approach and the funding package for undergraduate dental students is the same as expected at the start of the financial year.

Education & Training Tariff payments covering April onwards will now be updated (increased) to include the new 2020/21 tariff rates, but 2019/20 activity data will still be used for the period April - September.

Activity driven payments are now, and will continue to be, HEE's default funding approach as we continue to support providers through the pandemic response.

All eligible education and training activity will be funded from September, however we cannot make any retrospective payments for activity delivered prior to September where this was not agreed in writing with HEE in advance. If an education or training partner feels there is a payment due to them as a result of placement activity prior to September, and this was based on a local agreement with an NHS Trust, then this should be agreed locally with any transfer of funding aligned with current DHSC guidance on placement activity.

## **Further detail**

### *Quarter 1 (2020/21)*

In March, HEE's Director of Finance wrote to all NHS Trusts and Medical Schools to notify them that HEE would be making a fixed three-month Quarter 1 (2020/21) payment to them on account; calculated as 25% of the value of their 2019/2020 payment from HEE.

This block payment will be retrospectively adjusted to take in account any activity data submitted to HEE, however there are exceptions to this. These exceptions are:

- Tariff and tariff related activity;
- Salary support payments;
- Non-tariff HEE postgraduate funding (such as palliative care, public health etc).

All other LDA payments, such as workforce development, will be retrospectively adjusted to account for actual activity.

2019/20 Education & Training Tariff funding rates were used for the tariff element of this payment (the 2020/21 Tariff Guidance [7] was yet to be published), and the payment reached all NHS Trusts before 15 April 2020.

### *July 2020/21*

HEE made a further payment on account to cover July 2020, on the same terms as the April payment (retrospective adjustment except in the three areas outlined above). However this payment excluded Continuous Professional Development (CPD) funding, as the CPD funding paid in the first quarter covered the first six months of the financial year. Trusts/service providers did not need to raise an invoice for the July 2020 payment and the payment should have been received by Trusts/service providers before 15 July 2020.

### *August 2020 onwards*

Activity driven payments for postgraduate medical and dental began again in August, to coincide with the new post rotations.

For all other activity driven payments, these were again paid on account for August (on the same terms as the previous payments).

From 1st August, NHS Trusts returned to the normal practice of invoicing HEE and the first invoice will to cover August - October 2020.

Activity driven payments restarted completely at the start of September and all payments including tariff,

salary support and non-tariff PG funding will be reconciled with 'actuals' data from this point onwards.

### *Providing activity data to HEE*

The activity data that HEE collects through its data collection processes helps HEE to reconcile financial payments for education and training services. With some adjustment, the HEE data collection processes continued through the peak of the pandemic and this remains an important record of activity, both for year-on-year comparisons and to help with workforce planning/future financial forecasting.

However in line with the approach above, the data collected relating to March 2020-August 2020 will not be used to reconcile the Education and Training tariff payments already made for these months. Tariff payments covering up to 31 August 2020 will remain fixed using 2019/20 data and will be not be retrospectively adjusted for any 'actuals' data submitted through the Student Data Collection, the HEI Undergraduate Medical activity data returns and the Trainee Information System. However the tariff element of any 2020/21 financial year block payment (tariff payments covering April onwards) will be adjusted upwards to apply any increase in rates announced in August's new DHSC 2020/21 Tariff guidance [7] and the interim tariff for Undergraduate Medical placements in General Practice (from the point at which placement activity resumes).

### **Frequently Asked Questions about HEE's Covid payments**

#### **1. My Trust received an LDA payment for Quarter 1 2020/21 and the amount is not what we expected. Why is this?**

The Quarter 1 LDA payment from HEE was based upon the education and training activity that your Trust carried in the same period last year. HEE will soon be changing (in most cases increasing) the Education and Training Tariff element of this payment to take into account the changes in the 2020/21 Tariff rates but will be using last year's data to estimate your student numbers.

While you will have completed the various HEE data returns (Student Data Collection, Trainee Nursing Associate Collection, HEI Undergraduate Medical activity data return, Trainee Information System return), these will not be used to adjust your planned payments for this period.

#### **2. Why is HEE not using 'actuals' data for Q1 now that you have it?**

HEE committed at the outbreak of the pandemic to provide block payments to our partners during the initial response. This was to preserve the educational environment for students on their return and to provide financial certainty to our educational partners.

If HEE was to adjust its payments now, based on actuals, we would find that many of the traditional models of delivering education and training were paused during the initial response, and this would lead to large reductions in funding. However we know education and training took place but was delivered differently. For example, many students opted-in to the deployment programmes that allowed them to combine their learning and educational progression with supporting reconfigured NHS services to treat patients and to respond to the pandemic. While the payment amounts are based on the previous year's activities, we believe this approach was the fairest way to continue supporting students and our educational partners.

#### **3. Due to the local Covid response, we may need to pause or end some of our training services (such as clinical placements). Can we agree to go back to a system of block payments?**

No. The block payment system was introduced as a temporary measure to financially support NHS providers during an unprecedented five months of service activity and educational readjustment. Block payments could not continue indefinitely and due to the resumption of services, and a more planned NHS response to the ongoing pandemic response, HEE has returned to its usual system of payment for activity. By reverting to this payment system prior to the new August rotations/September intakes, we believe we did this at the least disruptive moment.

This will mean that if additional placements are offered, for example to students who were unable to complete in the previous academic year or because of larger than usual student intakes, placement providers will receive additional E&T Tariff from HEE that reflects this increased activity. But your payments now need to be aligned to your activity and your data returns to HEE. We cannot pay for activity that does not occur. If activity occurs later in the academic year as a result of disruption to service or changes to how training is provided, this is be reflected in your data returns at that time and the payment will then follow.

We appreciate that this year, and those that immediately follow, may not follow the standard pattern of activity as in previous years, but payment will be responsive to this and will follow the student whenever activity occurs.

#### **4. Will data provided to HEE about our students be used to adjust our payments?**

Data provided to HEE about your students, or the training activity that they were undertaking, as of the start of September will be used to adjust payments to the providers of those training services.

Any data related to actual activity (student numbers or training activity) that covers the period March ? August 2020 will not be used to adjust payment amounts. However this data is still valuable to HEE as it is a record of activity undertaken and will inform both our data analysis and planning activity.

#### **5. You say some of the lines included in the block payments will be retrospectively adjusted and some will not. How do we know where to expect adjustments?**

While some funding lines, such as workforce transformation funding, feature in every region's LDA, it would be misleading to try provide an exhaustive list of adjustable funding lines as this can vary between HEE regions.

As a rule, if funding is provided through the Finance schedule of the LDA then it will be adjusted. The exceptions to this are:

- Tariff and tariff related activity;
- Salary support payments;
- Non-tariff HEE postgraduate funding (such as palliative care, public health etc).

[Return to the top of the page.](#)

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#### **Links**

[1] <https://www.hee.nhs.uk/our-work>

[2] <https://www.e-lfh.org.uk/>

[3] <https://www.healthcareers.nhs.uk/>

[4] <https://www.hee.nhs.uk/news-blogs-events>

[5] <https://www.hee.nhs.uk/about>

[6] <https://www.hee.nhs.uk/covid-19>

[7] <https://www.gov.uk/government/publications/healthcare-education-and-training-tariff-2020-to-2021>