

# CARE ACT 2014

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### Part 3 - Health

##### *Chapter 1 - Health Education England*

#### Establishment

##### *Section 96 – Health Education England*

536. This section establishes Health Education England (HEE) as a non-departmental public body. HEE will be the national body responsible for the planning and delivery of education and training for the NHS and public health workforce. It will also be responsible for establishing Local Education and Training Boards (LETBs) which will be responsible for planning and commissioning education and training at a local level.
537. *Subsection (2)* gives effect to Schedule 5 which, amongst other things, makes provision for the constitution of HEE, the exercise of its functions and its financial and accounting obligations.
538. *Subsection (3)* abolishes the Special Health Authority called HEE, and *subsection (4)* makes provision for the Secretary of State to transfer from that Special Health Authority any property, rights and liabilities to HEE. Section 118 makes further provision on transfer orders.

##### *Schedule 5 – Health Education England*

#### Part 1 – Constitution

#### Membership

539. *Paragraph 1* set outs the requirements for the membership of the Board of HEE. It provides that the Board must consist of a chair and six other non-executive members appointed by the Secretary of State, and a chief executive and no more than four executive members appointed by the chair and other non-executive members. Non-executive members are not employees of HEE. The chief executive and executive appointments will be employees of HEE.
540. *Paragraph 2* specifies that the Board of HEE must include persons with clinical expertise of a type set out in regulations. Regulations may specify the number of executive and non-executive members which must have that clinical expertise. The regulations will set out the types of expertise that must be represented, for example a doctor, a nurse or a member of one of the other healthcare professions.
541. *Paragraph 2* also makes provision that the non-executive members of HEE must include a person who will represent the interests of patients.

### **Non-executive members: terms of office**

542. *Paragraph 3* makes provision about the terms of appointment and tenure of office of non-executive members of the Board of HEE. Sub-paragraph (2) provides that non-executive appointments will be for a maximum period of four years. Sub-paragraph (3) confirms that non-executive members can be reappointed after they have ceased to be a member or at the end of the four year term of office. Sub-paragraph (4) provides that persons appointed to non-executive roles may resign from office by giving notice to the Secretary of State. Sub-paragraph (5) gives the Secretary of State a power to remove any person from a non-executive appointment on the grounds of incapacity, misbehaviour, or failure to carry out their duties properly. Sub-paragraph (6) permits the Secretary of State to suspend a person from a non-executive role for any of the reasons set out in sub-paragraph (5).

### **Non-executive members: suspension from office**

543. *Paragraphs 4 and 5* set out the procedural requirements to be complied with when the Secretary of State suspends a non-executive member of the Board of HEE, make provision for the Secretary of State to review the suspension and gives the Secretary of State power to appoint an interim chair. HEE will have no power to appoint an interim chair, but could choose to appoint a deputy chair (regardless of any suspension of the chair).

### **Non-executive members: pay**

544. *Paragraph 6* requires HEE to pay to the non-executive members such remuneration as the Secretary of State may decide. Sub-paragraph (2) provides that the Secretary of State may also determine the allowances and gratuities that HEE must pay a person who is or has been a non-executive member.

### **Employees: terms of office**

545. *Paragraph 7* gives HEE the power to appoint the chief executive, executive members and other employees on such terms as it decides. The appointment of the chief executive requires the consent of the Secretary of State.

### **Employees: pay**

546. *Paragraph 8* provides that HEE must pay its employees such remuneration as it decides. HEE must also pay such pensions, allowances or gratuities as it may determine. In common with other arms-length bodies, HEE is required to obtain the approval of the Secretary of State to its policy on pay before making a decision on these matters.

### **Committees and sub-committees**

547. *Paragraph 9* provides that HEE may appoint committees and sub-committees and pay remuneration and allowances to those members of a committee or sub-committee who are not employees of HEE. Any committees or sub-committees of the Special Health Authority called HEE will become part of HEE when it is established as a non-departmental public body and will be treated as appointed for the purposes of this paragraph.

### **Procedure**

548. *Paragraph 10(1)* provides that HEE regulates its own procedure. *Paragraph 10(2)* confirms that the validity of any act of HEE, will not be affected by vacancies or any defects in appointments.

## **Seal and evidence**

549. *Paragraph 11* makes provision in relation to HEE's seal.

## **Status of HEE**

550. *Paragraph 12* states that HEE is not to be regarded as a servant or agent of the Crown and will not enjoy any status, privilege or immunity of the Crown. HEE's property will not be regarded as property of, or property held on behalf of, the Crown.

## **Part 2 – Functions**

### **Exercise of functions**

551. Sub-paragraph (1) of *paragraph 13* imposes a duty on HEE to exercise its functions effectively, efficiently and economically. Under sub-paragraph (2) HEE may arrange for any of its committees, sub-committees, or members or any other person to exercise any of its functions on its behalf, subject to sub-paragraph (5).
552. Under sub-paragraph (3) HEE may arrange for any person to assist it in the exercise of its functions.
553. Under sub-paragraph (4) HEE may provide payment for remuneration and allowances when it arranges for any other person to exercise or assist in the exercise of its functions.
554. Sub-paragraph (5) provides that HEE is not permitted to arrange for a committee which is not an LETB, sub-committee, members or any other person to exercise the functions which are exercisable by a LETB.
555. Under sub-paragraph (6) HEE has a power to involve health care workers, patients and their carers in decisions about the exercise of its functions. In this context, "carer" means an adult who provides or intends to provide care for another person.
556. Under sub-paragraph (7) HEE has a general power to do anything necessary or desirable for the purposes of or in connection with the exercise of its functions.
557. Sub-paragraph (8) amends section 247C of the National Health Service Act 2006 (the 2006 Act) to include HEE in the list of bodies that the Secretary of State has a duty to keep under review in the exercise of their health service functions. In line with other arms-length bodies, the purpose of this is to ensure that the Secretary of State is ultimately accountable for ensuring that HEE performs its health care functions effectively.

### **Help or advice for public authorities**

558. *Paragraph 14* states that HEE may provide help or advice to another public authority on such terms as it decides. Public authority is defined in sub-paragraphs (3) and (4) as any person whose functions are functions of a public nature and excludes the Houses of Parliament or a person exercising functions in connection with proceedings in Parliament. Public authorities in the Channel Islands or the Isle of Man are included within this definition, but others outside the UK are not.

### **Co-operation**

559. *Paragraph 15* requires HEE to co-operate with the Secretary of State in the exercise of his public health functions. Public health functions are defined in section 1H of the 2006 Act.
560. Sub-paragraph (2) amends section 72 of the 2006 Act so that HEE is treated as a NHS body for the purposes of that section. Section 72 requires NHS bodies to co-operate with each other in the exercise of their functions. This means that all NHS bodies, along with those bodies included within the definition of NHS bodies for the purpose of this

section such as the National Institute for Health and Care Excellence and the Health and Social Care Information Centre, will be required to co-operate with HEE in the exercise of their functions, and in turn HEE will be required to co-operate with them.

- 561. Sub-paragraph (3) requires HEE and the Care Quality Commission to co-operate with each other, and HEE and Monitor to co-operate with each other.
- 562. Sub-paragraph (4) gives the Secretary of State a power to specify in regulations other bodies with which HEE must co-operate, and bodies which must co-operate with HEE.

### **NHS contracts**

- 563. *Paragraph 16* adds HEE to the list of bodies eligible to enter into NHS contracts under the 2006 Act.

### **Arrangements with devolved authorities**

- 564. *Paragraph 17* gives HEE a power to exercise on behalf of a devolved authority any functions which are similar to HEE's functions. There are occasions where UK wide co-operation and activity is required to support education and training, for example in planning for the medical workforce. This will allow HEE to lead work of this nature on behalf of the devolved authorities in circumstances where all parties have agreed to this. Sub-paragraph (2) makes provision for HEE to receive payment from the devolved authorities for any costs incurred under such arrangements.

### **Failure to exercise functions**

- 565. *Paragraph 18* empowers the Secretary of State to intervene to direct HEE in the delivery of its functions, where he considers HEE is failing, or has failed to exercise any of its functions properly, and that the failure is significant. A significant failure could include circumstances where there is evidence that public money is not being used effectively; there are concerns about the quality of education and training and these are not being adequately addressed; plans look likely to lead to a shortfall in an important part of the professional workforce; or there are concerns that education and training is impacting on patient safety.
- 566. Sub-paragraph (2) states that if HEE fails to act as directed by the Secretary of State, the Secretary of State, or another person on his behalf, may carry out HEE's functions.
- 567. Sub-paragraph (3) requires the Secretary of State to publish reasons for intervention where HEE is failing, or where HEE has failed to take the remedial action stipulated by Secretary of State.

## **Part 3 – Finance and Reports**

- 568. *Paragraphs 19 to 23* set out how the Secretary of State will fund HEE. It also sets out the general financial duties of HEE, including restrictions on the use of resources.

### **Funding**

- 569. *Paragraph 19* provides that the Secretary of State must pay HEE the amount allotted for meeting HEE's expenditure. Sub-paragraph (2) provides that an amount will be regarded as allotted once HEE is notified of the amount. The payment is subject to such conditions relating to records, certificates or otherwise as the Secretary of State requires.
- 570. Sub-paragraph (3) states that the Secretary of State is able to increase or decrease the allotted amount if HEE agrees to the change, there is a parliamentary general election, or the Secretary of State considers that there are exceptional circumstances which make an increase or a decrease necessary. Such exceptional circumstances might include a severe disease outbreak or unpredictable and substantial damage to infrastructure.

571. Sub-paragraph (4) provides that the Secretary of State may direct HEE in respect of HEE's payments to it in respect of charges or other amounts relating to the valuation and disposal of assets.

**Financial duties: expenditure**

572. Under *paragraph 20*, HEE will have an obligation to ensure that its total expenditure does not exceed the aggregate of the amount allotted to HEE by the Secretary of State for that year and any income derived from other sources. This is in effect an annual "cash limit" on the total amount of cash expenditure which may be incurred.
573. The income which counts for the purposes of this limit would include, for instance, funds received as a result of the power in paragraph 21 for HEE to generate its own income.
574. The Secretary of State has the power to determine by directions what will and what will not count as total expenditure for the purposes of sub-paragraph (1). Sub-paragraph (3) gives the Secretary of State a power to determine in directions the extent to which, and the circumstances in which, sums received by HEE under *paragraph 19* but not yet spent must be treated for the purposes of this section as part of total expenditure, and to which financial year's expenditure they must be attributed.
575. The Secretary of State also has a power to direct HEE to use banking facilities that he specifies in the Directions.

**Financial duties: use of generated income**

576. *Paragraph 21* provides that any income that HEE generates must be re-invested for education and training purposes.

**Financial duties: controls on total resource use**

577. *Paragraph 22* is concerned with HEE's annual resource allocation. Under this paragraph, the total use of capital resources and the total use of revenue resources by HEE in a financial year must not exceed amounts specified by the Secretary of State. HEE is placed under a duty to ensure that these total limits are not exceeded.
578. The resource allocations include not only HEE's expenditure in the form of cash spending (that is, the cash spending that should be accounted for in that financial year, in line with resource accounting standards), but also consumption of other resources and the reduction in value of assets belonging to HEE (paragraph 22(4)). For example, the reduction in value of a photocopier across the year, or the distribution of leaflets previously kept in storage would be counted as part of the resource allocation. This system of setting not only a cash limit on HEE's expenditure but also a limit on use of resources reflects the system for controlling government resources under the Government Resources and Accounts Act 2000.
579. Sub-paragraph (2) gives the Secretary of State a power to give directions that specify what descriptions of resources must be treated as capital or revenue resources, and the uses of resources that must, or must not, be taken into account, when determining whether HEE has remained within the resource allocations for a financial year.
580. As with the allotment, the Secretary of State may only vary the resource allocations within a financial year if certain conditions are met. These conditions are set out in sub paragraph (3) and are that if HEE agrees that the change is necessary, if there is a parliamentary general election, or if the Secretary of State considers that exceptional circumstances require a variation of the allocation.

### **Financial duties: additional controls on resource use**

581. *Paragraph 23* enables the Secretary of State to specify additional limits within the total revenue resource limit on the maximum use of resources attributable to administrative matters by HEE (sub-paragraph (1)(c)). Sub-paragraph (2) provides that the matters relating to administration which count for the purposes of these limits may be set out in directions.
582. Under sub-paragraphs (1)(a) and (1)(b), the Secretary of State will also be able to set additional limits on total revenue or total capital resource use attributable to particular matters specified in directions. Sub-paragraph (3) requires that the Secretary of State may only impose such limits for the purpose of complying with limits imposed by HM Treasury. These limits relate to specific budgetary limits applied across all Government Departments on certain elements of spending. For example within the revenue Departmental Expenditure Limit, HM Treasury applies a ring-fence to spending on depreciation. HM Treasury applies controls on Annually Managed Expenditure under which there are limits on the creation of new provisions (charges for spending that is likely to happen in future years e.g. the economic cost of providing student loans over the full repayment period. The Department of Health would also apply a limit on the balance of spending not covered by the specific limits, again to provide consistency with the controls applied by HM Treasury. These types of spending will fall within the total resource limits but need to be separately controlled within them.

### **Losses and liabilities etc**

583. *Paragraph 24* provides that HEE is included in the list of authorities covered by section 265 of the Public Health Act 1875. The effect of this is to protect members and officers of HEE from personal liability in certain circumstances.
584. Sub-paragraph (3) includes HEE in the list of bodies eligible to enter into schemes for meeting losses and liabilities as set out in section 71 of the National Health Service Act 2006.

### **Accounts**

585. *Paragraph 25* requires HEE to keep proper accounts and proper records in relation to the accounts (with such content and in such form, and using such methods and principles to prepare the accounts, as the Secretary of State may direct with the approval of HM Treasury). The chief executive of HEE is to be the chief accounting officer.

### **Annual accounts**

586. *Paragraph 26* requires HEE to prepare consolidated accounts annually in respect of each financial year. HEE's consolidated accounts must include the accounts of each LETB, any other committees of HEE, and HEE's activities.
587. Sub-paragraph (3) provides that HEE must submit the accounts to the Secretary of State and to the Comptroller and Auditor General within such period as is directed by the Secretary of State. The Comptroller and Auditor General must examine, certify and report on the accounts of HEE and lay copies of the accounts, along with a report of them, before Parliament.

### **Interim accounts**

588. Additional provision is made in *paragraph 27* for the Secretary of State, with the approval of HM Treasury, to direct HEE to prepare interim accounts. The interim accounts must include the accounts of any committees, including the LETBs.
589. HEE must submit the interim accounts to the Secretary of State and, if the Secretary of State directs, to the Comptroller and Auditor General within such period as is directed by the Secretary of State. The Comptroller and Auditor General must examine the

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interim accounts of HEE and if the Secretary of State directs, send a copy of the report to the Secretary of State, and lay copies of the accounts, along with a report of them, before Parliament.

## **Annual report**

590. *Paragraph 28* requires HEE to prepare an annual report for each financial year about how it has exercised its functions. This assessment must include an assessment of HEE's achievement of the objectives and reflection of the priorities set by the Secretary of State under subsection (1) of section 100 and an assessment of its achievement of the outcomes set by the Secretary of State for the purposes of subsection (2) of section 100. HEE must provide this report as soon as possible after the end of the financial year.
591. HEE must send a copy of the report to the Secretary of State and lay a copy of the report before Parliament. HEE must also provide such other reports and information relating to the exercise of its functions as the Secretary of State requests.

## **Part 4 – Consequential amendments**

592. This Part makes consequential amendments to the following acts to include references to HEE where relevant – the Public Records Act 1958, the Public Bodies (Admission to Meetings) Act 1960, the Parliamentary Commissioner Act 1967, the House of Commons Disqualification Act 1975, the Copyright, Designs and Patents Act 1988, the Freedom of Information Act 2000, and the Equality Act 2010.

## **National Functions**

### ***Section 97 – Planning education and training for healthcare workers etc.***

593. The Secretary of State has a duty in section 1F of the National Health Service Act 2006 (the 2006 Act) to carry out his functions under prescribed enactments, including section 63 of the Health Services and Public Health Act 1968 and the 2006 Act, to secure an effective system for the planning and delivery of education and training to persons who are employed, or who are considering becoming employed, in an activity which involves or is connected with the provision of services as part of the health service in England. The duty applies in relation to people working in the NHS and public health system, and to trainee professionals at the start of their career, before they enter employment in the NHS and public health system. The Secretary of State's duty was introduced in the Health and Social Care Act 2012.
594. Section 63 of the Health Services and Public Health Act 1968 gives the Secretary of State a power to provide, either directly or by entering into arrangements with others, education and training to persons specified in that section, which include all NHS and public health workers. Section 258 of the 2006 Act imposes a duty on the Secretary of State to make available facilities required by universities for clinical teaching and research connected with clinical medicine or clinical dentistry.
595. *Subsection (1)* delegates to HEE the Secretary of State's duty under section 1F, so far as it applies to its functions under section 63(1) and (5) of the Health Services and Public Health Act 1968, section 258(1) of the 2006 Act and any other of the enactments listed in section 1F(3) of that Act as regulations may specify. The delegation of the Secretary of State's duty gives HEE powers to take on responsibility for a wide range of matters relating to education and training, for example relating to workforce planning, the commissioning of education and training and the quality assurance and management of education and training provision. This power will also enable HEE to take on responsibility at a national level for continuing professional and personal development (CPD) provision, for example coordinating and leading CPD activities and investing funds in CPD.

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596. *Subsection (2)* gives the Secretary of State a power by regulations to specify other functions of the Secretary of State to which section 1F(1) of the 2006 Act will apply, and to require HEE to carry out the resulting duty.
597. *Subsection (3)* gives the Secretary of State a power to specify that the duty in section 1F of the 2006 Act may be applied to persons of a specified description.
598. The 2006 Act places a duty on providers of NHS services, the National Health Service Commissioning Board (known as NHS England) and clinical commissioning groups to promote education and training to assist the Secretary of State in the discharge of his duty in section 1F. These duties are amended by *subsection (4)* to require co-operation with HEE to assist HEE, in addition to the Secretary of State, in the discharge of the section 1F duty.
599. *Subsection (5)* gives the Secretary of State power to make regulations to specify further functions for HEE relating to education and training.
600. *Subsection (6)* gives HEE a power to carry out other activities related to education and training, with the consent of the Secretary of State.
601. Section 63(6)(b) of the Health Services and Public Health Act 1968 gives the Secretary of State a power to pay travelling and other allowances to persons who are undertaking education and training under that section. *Subsection (7)* amends section 63(6) of that Act to give the Secretary of State a power to make such other payments as the Secretary of State considers appropriate and for payments to be made subject to such terms and conditions as the Secretary of State decides. The Secretary of State's power to make such payment means that provisions can be made about suspension or termination of payments, and overpayments could be required to be repaid.
602. *Subsection (8)* provides that the power of the Secretary of State under section 63(6) of the 1968 Act is exercisable concurrently with HEE, but in exercising the power HEE must have regard to any guidance or other information issued by the Secretary of State.

***Section 98 – Ensuring sufficient skilled health care workers for the health service***

603. This section places a duty on HEE to ensure that there is a sufficient number of healthcare workers with the skills and training to provide health services in England. For example, HEE will need to ensure that sufficient nurses are trained nationally to meet anticipated demand for future NHS service provision.
604. HEE has direct control over the investment in education and training for health professionals funded through the education and training budget. This budget totalled approximately £4.9 billion in 2013/14 and is invested in a wide range of undergraduate programmes, post registration and postgraduate training programmes and in NHS student support arrangements. Where necessary, HEE will work closely with other bodies to influence investment. For example, HEE will work with the Higher Education Funding Council for England, and universities across England who deliver healthcare related training programmes, to ensure that their funding is invested in the right areas and suitable training opportunities are available in the right places and in the right numbers.
605. *Subsection (2)* gives the Secretary of State the power to specify in regulations in relation to which healthcare workers the duty to ensure sufficient skilled workers should apply.

***Section 99 – Quality improvement in education and training, etc.***

606. *Subsection (1)* provides that HEE must exercise its functions with a view to securing continuous improvement in the quality of education and training provided to healthcare workers and in the quality of NHS services. The professional regulators such as the General Medical Council set the standards for health professionals to be registered to practise in the UK. In commissioning education and training, HEE and the LETBs

must build on these standards and will work with education providers to ensure that the provision of education and training continually improves in quality and delivers health professionals who are fit for purpose and meet the needs of employers in the NHS and their patients and service users.

607. *Subsection (2)* provides that HEE must, in exercising its functions, promote research into the activities listed in section 63(2) of the Health Services and Public Health Act 1968, such as primary dental or medical services, in so far as they are relevant to HEE's functions. HEE may do this by, for example, working closely with organisations such as the Academic Health Science Centres and Academic Health Science Networks. HEE must also promote the use of evidence obtained from this research.
608. *Subsections (3) and (4)* require HEE to have regard to the NHS Constitution and promote the NHS Constitution in carrying out its functions.

### ***Section 100 – Objectives, priorities and outcomes***

609. *Subsection (1)* stipulates that the Secretary of State must publish a document which specifies the objectives and priorities for HEE in relation to the education and training to be provided to health care workers. This document will be commonly referred to as HEE's mandate. It will be reviewed annually, before the beginning of each financial year, and republished if changes are made.
610. *Subsection (2)* stipulates that the Secretary of State will publish a document that sets the outcomes for HEE to achieve having regard to its objectives and priorities. The document will be known as the Education Outcomes Framework and will include outcomes applicable to other organisations in the health and public health system. It will be supported by a range of measures so that the system can demonstrate at all levels education quality outcomes as they impact on patient experience, care and safety.
611. *Subsection (3)* permits the Secretary of State to revise HEE's mandate and the Education Outcomes Framework and also provides that it must be republished if it is revised.
612. *Subsection (4)* requires HEE to publish a document which specifies the priorities, objectives and outcomes it expects to achieve; these priorities, objectives and outcomes must be consistent with those set by the Secretary of State at subsections (1) and (2) above. The document must also include guidance to LETBs about how they should carry out their commissioning functions. HEE is required to review the document annually and republish it if it is amended. This document will be developed in consultation with the NHS Commissioning Board (known as NHS England) and Public Health England. It will underpin the relationship and resource allocation arrangements between HEE and the LETBs. It will set out the medium to long term context for the development of the NHS and public health workforce, and will provide the framework within which the LETBs will develop their education and training plans. *Subsection (5)* provides that in producing the document, HEE must have regard to longer term objectives relating to workforce planning and education and training provision. HEE's duty under subsection (4) can be met by publishing two or more documents which taken together comply with its obligations.
613. *Subsection (8)* requires HEE to review the document annually and if it revises it then it must republish the revised document.

### ***Section 101 – Sections 98 and 100: matters to which HEE must have regard***

614. This section specifies matters that HEE must have regard to when exercising its duties under sections 98(1) (ensuring sufficient skilled workers) and 100(4) (setting objectives, priorities and outcomes for education and training).

### **Section 102 – Advice**

615. This section stipulates that HEE must make arrangements for obtaining advice from persons who are involved in, or have an interest in, the provision of education and training. The education and training landscape is multi-faceted, and many organisations have an interest in the development of health professionals, ranging from local employers in the NHS through to national organisations such as the professional regulators like the General Medical Council and professional bodies such as the medical Royal Colleges.
616. *Subsections (2) and (3)* stipulate that HEE must ensure it receives representations from specified groups. These groups include providers of NHS services, patients and their carers, the NHS and public health workforce or the trades unions who represent them and, professional regulators such as the Health and Care Professions Council. It also includes the range of bodies involved in the development and provision of education and training such as the medical Royal Colleges who support the development of curricula and the bodies involved in the delivery of further and higher education such as colleges and universities.
617. *Subsection (4)* requires HEE to advise the Secretary of State on any matters relating to its functions as the Secretary of State requests. The Secretary of State may specify in his request how and when the advice is to be provided.

### **Local functions**

#### **Section 103 – Local Education and Training Boards**

618. This section provides for HEE's appointment of committees, known as Local Education and Training Boards (LETBs), to exercise HEE's functions on its behalf in so far as they are exercisable in respect of the local area. LETBs will plan and commission education and training and quality assure the education and training that has been commissioned for their areas. The LETB, as a committee of HEE, will work within the national framework set by HEE, but within that will address local priorities for education and training and be a forum for local workforce development in the NHS and public health system.
619. *Subsection (3)* confirms that the LETB should represent the interests of all providers of NHS and public health services in the area of the LETB. It is important that the LETB acts on behalf of all providers, for example, across primary care, secondary care and the public health system.
620. *Subsection (4)* ensures that the duties imposed on HEE by section 99 (1), (2) and (4) (quality improvement in education and training etc.) also apply to LETBs.
621. *Subsection (5)* provides that LETBs may co-operate with each other and two or more LETBs may exercise their functions jointly. LETBs may also be required to work closely together on specific elements of workforce planning or education provision, for example, where a healthcare provider has a presence in two or more LETBs.
622. *Subsection (6)* permits HEE to attend any LETB meetings about a matter of concern to HEE. This may be required where HEE has serious concerns about delivery of national workforce priorities, objectives and outcomes.

#### **Section 104 – LETBs: appointment etc.**

623. This section deals with the process by which HEE appoints LETBs. LETBs will be supported by operational staff who will be employed by HEE. These will include staff from the former Strategic Health Authorities and postgraduate medical and dental deaneries.

624. HEE will appoint LETBs, where a group of persons, which must include local healthcare providers for the area, persons who have clinical experience of a type specified in regulations and a person who will represent the interests of patients, come together and fulfil the requirements of the appointment criteria. HEE will set appointment criteria will be contained in a document that will primarily assess potential LETB's potential to carry out HEE's functions at a local level. They will assess the LETBs capacity and capability to carry out those functions, their ability to secure financial control and the proposed local governance arrangements. Schedule 6 makes further detailed provision about the area of LETBs, the appointment criteria and the exercise of HEE's functions.
625. HEE will assess potential LETB applicants and there will be three possible outcomes from the application process. Firstly, as set out in *subsection (1)* the applicants may meet all the criteria set by HEE and HEE is therefore satisfied that the LETB is capable of taking on all functions delegated to it. In this case the LETB will be appointed without any further conditions. Secondly, as set out in *subsection (2)* the applicants may meet some of the criteria set by HEE and HEE is satisfied that they are capable of taking on some, but not all of the functions delegated to them. In this case, the LETB will be appointed with conditions attached to their appointment. The third outcome is that the applicants meet some of the criteria but not all, and HEE is not satisfied that they can take on functions delegated to them, or that they do not meet any of the criteria. In this case, the LETB will not be appointed. In such circumstances HEE may, under *subsection (8)*, appoint its own employees as members of the LETB to take on responsibility for the education and training functions in that area until an application meets sufficient criteria.
626. *Subsections (3) to (8)* provide more detail on eligibility for LETB membership and the required composition of its membership. *Subsection (3)* sets out types of person who must be represented on a LETB. *Subsection (4)* specifies that regulations may set out the required numbers of persons with clinical expertise. *Subsection (5)* confirms that persons involved in the provision of education and training may also be members of a LETB and *subsection (5)(b)* allows HEE to specify other persons who are eligible to be appointed. *Subsection (6)* confirms that non-executive and executive members of HEE are not eligible for membership. *Subsection (7)* confirms that the majority of the members of the LETB must be drawn from providers of NHS and public health services in the LETB geographical area. This is important. Whilst LETBs will rightly include other partners as members, for example, from the education sector or commissioning organisations, their primary purpose is to plan and commission on behalf of local healthcare providers.
627. *Subsection (9)* requires HEE to appoint the chair of the LETB. The chair may not be a provider of NHS or public health services in the LETB's geographical area or a representative from a further or higher education institution in the LETB's geographical area.
628. *Subsection (10)* requires HEE to notify applicants in writing of the outcome of its decision, and any reasons for rejection. HEE will then publish the decision as set out in *subsection (11)*.
629. *Subsection (12)* provides that the members of the LETB must not use information obtained in that capacity for any other purposes.
630. *Subsection (13)* gives the Secretary of State a regulation making power to make further provision on the appointment of members of the LETB, the removal by HEE of members of a LETB and the suspension by HEE of members of a LETB.

## **Schedule 6 – Local Education and Training Boards**

### **The area for which a LETB is appointed**

631. *Paragraph 1* makes provision for the geographical area covered by the LETB. Sub-paragraph (1) requires HEE to ensure that the areas covered by all LETBs together cover the whole of England and do not overlap or coincide geographically.
632. Sub-paragraph (2) gives HEE a power to vary the area of a LETB. This may be required if there are changes in the area of neighbouring LETBs which lead to part of England being unrepresented by a LETB. HEE must also keep an up to date record of the geographical areas and publish that record.

### **Assessment of whether the members of LETBs meet the appointment criteria**

633. *Paragraph 2* requires HEE to continue to assess LETBs to ensure they are compliant with the appointment criteria set by HEE. If a LETB in question is not meeting the criteria HEE must assess whether it is still able to exercise its functions. HEE will undertake such an assessment whenever it considers this appropriate. Sub-paragraph (2) requires HEE to notify the LETB of the outcome of the assessment and where HEE is not satisfied that it meets the appointment criteria HEE is required to give the reasons for this and publish these.
634. Sub-paragraph (3) provides that where a LETB is continuing to meet some but not all appointment criteria and HEE determines that it can still exercise its functions, HEE may impose conditions on the LETB relating to its operation.
635. Sub-paragraph (4) stipulates that where a LETB fails to meet sufficient appointment criteria to enable it to exercise its functions, HEE may do one or more of the following: appoint new members of the LETB; exercise the functions on behalf of the LETB; arrange for another LETB to take responsibility for the area.
636. Sub-paragraph (5) requires HEE to notify the LETB of the conditions it proposes to impose or action it proposes to take, and the reasons for doing so, before it may impose the conditions at sub-paragraph (3) or take actions described under sub-paragraph (4).
637. Sub-paragraph (6) requires HEE to publish the details of these conditions and the reasons for imposing them or taking that action.
638. Sub-paragraph (7) requires HEE to obtain the approval of a LETB before asking it to take on another LETB's functions as described in sub-paragraph (4)(c).
639. Sub-paragraph (8) provides that regulations must require specified commissioners of health services to include in the arrangements under the National Health Service Act 2006 for the provision of such services terms to ensure that the provider complies with requirements mentioned in sub-paragraphs (8)(a) and (b). Sub-paragraph (8)(a) states that providers must co-operate with any LETB which represents that provider because it has been appointed by HEE to represent it by virtue of sub-paragraph (4)(c). This obliges providers to co-operate with any LETB that represents both its interests and the interests of providers from a different geographical area that the LETB originally represented before it was appointed to additionally represent the interests of another LETB. Sub-paragraph (8)(b) states that providers must provide LETBs with such information as they may request.
640. Sub-paragraph (9) allows the Secretary of State to make regulations specifying other circumstances where HEE may intervene in the operation of the LETB.

### **Publication and review of the appointment criteria**

641. Sub-paragraph (1) requires HEE to publish the appointment criteria that persons applying to be appointed as a LETB must meet. HEE is required to obtain the approval

of the Secretary of State before publishing this criteria. Sub-paragraph (2) requires HEE to keep the appointment criteria under review and make any necessary revisions. HEE is required to obtain the approval of the Secretary of State for any revisions that HEE considers significant.

### **Exercise of functions**

- 642. *Paragraph 4* enables the Secretary of State, through regulations, to give the LETBs additional functions relating to education and training and impose requirements about how those functions should be exercised.
- 643. Sub-paragraph (2) allows a LETB to do anything which it considers necessary or desirable to enable it to carry out its functions.
- 644. Sub-paragraph (3) provides that where HEE considers that a LETB is failing to exercise one or more of its functions, or there is a significant risk that it may do so, HEE must direct the LETB on the exercise of such functions.
- 645. Sub-paragraph (4) stipulates that where a LETB fails to comply with the direction under sub-paragraph (3), HEE may intervene as described under paragraph 2(4) of this Schedule, which means that HEE may appoint new members of the LETB, exercise functions on behalf of the LETB, or arrange for another LETB to represent providers of services in the area.

### ***Section 105 – LETBs: co-operation by providers of health services***

- 646. *Subsection (1)* provides that regulations must require specified commissioners of health services to include in the arrangements under the National Health Service Act 2006 (the 2006 Act) for the provision of such services terms to ensure that the provider complies with requirements imposed under paragraphs (a), (b) and (c). Paragraph (a) states that providers must co-operate with any LETB in which it provides services. Paragraph (b) requires providers to provide LETBs with such information as they may request and paragraph (c) requires providers to comply with other obligations that may be specified. The regulations will seek to ensure that providers of NHS and public health services co-operate with the LETB in their area to support the planning, commissioning and provision of education and training. This may include the provision of workforce information to support such activities. Such regulations will support the duty imposed on commissioners by section 1F(2) of the 2006 Act.
- 647. *Subsection (3)* provides that the regulations may specify matters that the LETB must have regard to when considering the reasonableness of requesting a provider to cooperate with it, or to provide it with information.

### ***Section 106 – Education and training plans***

- 648. *Subsection (1)* requires LETBs to publish an education and training plan for each financial year. The education and training plan will set out, amongst other matters, the LETB's proposed investment in their current and future workforce. *Subsection (2)* makes provision for the content of the education and training plan. In developing their plans, the LETB must have regard to national objectives, priorities and outcomes set by the Secretary of State and HEE (under section 100), alongside the local priorities of the NHS and public health providers represented by the LETB.
- 649. *Subsection (3)* lists matters that a LETB must have regard to in the preparation of the plan.
- 650. *Subsection (4)* places a duty on the LETB to involve the providers it represents in the preparation of its education and training plans, along with commissioners of health services, Health and Wellbeing Boards and such other organisations that either it or HEE considers appropriate. It is important that education and training plans are informed by the local needs of the health and public health system.

651. *Subsection (5)* requires the LETB to submit its education and training plan to HEE for approval prior to publication. *Subsection (6)* enables HEE to direct LETBs to amend their education and training plans prior to approval. By operation of *subsection (7)*, in the case of LETBs which meet all appointment criteria, HEE's power is restricted to amendments that HEE considers necessary to ensure that the LETB will achieve the outcomes set by HEE under section 100(4)(b). This is intended to respect the autonomy of the LETB and therefore restricts any amendments to issues linked to nationally agreed priorities, objectives and outcomes. HEE must publish the amendments and the reasons for making them as described in *subsection (8)*.

### ***Section 107 – Commissioning education and training***

652. This section requires each LETB to commission education and training activity that will support their plans for that year. HEE has a duty to allocate appropriate funding to each LETB in order to commission the necessary education and training activity.
653. There may be some circumstances where it is advantageous to have nationally coordinated provision of education and training, rather than leaving it to the discretion of LETBs. For example, some professions and medical specialties may require only very small numbers to be commissioned across England, so national level commissioning may be more appropriate. In such cases, *subsection (2)* gives HEE a power to make arrangements itself for the provision of education and training, or to direct a lead LETB to do so on behalf of itself (but the latter is subject to consultation with the LETB in question (*subsection (3)*)).
654. *Subsection (4)* requires HEE to allocate to the LETB the resources that are required to deliver its education and training plan for that year.
655. *Subsection (5)* requires HEE to take account of any requirements placed on the LETB by section 108 – which requires an LETB to make payments by reference to an approved tariff price or price varied under a specified procedure – when making such an allocation.
656. *Subsection (6)* allows the LETB to arrange for another person to assist in the exercise of its commissioning functions.
657. *Subsection (7)* places a duty on LETBs to keep under review the quality of the education and training provision that it commissions, and imposes a duty on them to report its findings to such bodies that the LETB considers may be interested. This could include, for example, the relevant professional regulatory body.
658. *Subsection (8)* requires the LETB to produce such reports on the commissioning of education and training as HEE may require.

## **Tariffs**

### ***Section 108 – Tariffs***

659. This section establishes a tariff-based system for funding clinical education and training – whereby providers receive the same payment for the same activity. This will enable a national approach to the funding of clinical placements, and provides for equality of treatment between different providers. The Secretary of State will set the tariff price.
660. One of the functions of HEE is to determine the way in which education and training activities are grouped together for the purposes of payment. *Subsection (2)* recognises that different tariffs will need to be set by the Secretary of State, depending on the groups developed by HEE.
661. *Subsection (4)* allows the Secretary of State to specify a procedure for making variations to a published tariff. This could either be a variation to the price of the tariff itself, or

*These notes refer to the Care Act 2014 (c.23)  
which received Royal Assent on 14 May 2014*

a variation to the price being paid to a particular provider (or group of providers) on a case-by-case basis.

662. *Subsection (6)* allows the Secretary of State to revise or revoke any such variations. It also allows the Secretary of State to make any revisions or revocations to the tariff itself.
663. *Subsection (9)(a)* stipulates that where a tariff has been published by the Secretary of State, HEE – through their LETBs – will be required to make payments to providers at the published tariff price. *Subsection (9)(b)* confirms that – where there has been a variation to an approved price – that this new price should be used by HEE.