2002 and licensed as the health Sector Skills Council in July 2004), the new role of the NHS Modernisation Agency and the reconfiguration arising out of the Arms Length Bodies (ALB) Review, including a fundamental reshaping of NHS procurement, are relevant.

2.7 Finally, the analysis needs to take account of the five principles behind the ALB Review – devolution, closer working between health and social care, appropriate impact for minimal burden, public sector efficiency, and relocation.

2.8 These different drivers are set out below.

ANALYSIS OF SYSTEM NEEDS

2.9 We have identified the following key needs –

- a national capability to develop and maintain an overview of NHS education and training needs which is owned by DH and the NHS and includes robust outcome / feedback measures. Such an overview would inform and help ensure consistency in local training strategies and procurement decisions. NHSU's Learning Needs Observatory provides a helpful model which, with development, could deliver such an overview for the NHS. As a Sector Skills Council, Skills for Health has a closely related remit to identify health sector skills needs. We believe that there is a continuing, complementary need for an NHS-wide overview, linking closely with Skills for Health's work (and with clear boundaries between the functions), which takes account of corporate issues and policy, and then enables NHS bodies to set training priorities in a consistent way

- developing specifications for education and training provision in a way which meets the needs of SHAs, Trusts and NHS regulatory and standard-setting bodies (e.g. the Healthcare Commission, the FTs Regulator and the National Patient Safety Agency). Such specifications would take into account the needs identified, the key areas of content to be covered, the preferred delivery mechanisms (for example the need for training to be predominantly work-based) and measures of effectiveness, linked to the competence frameworks developed by Skills for Health. They would provide SHAs, Trusts and others who procure training with a key, expert