



*Health Education England*

**Local Education and Training Board**

**Authorisation Framework**

**10 September 2012**

## LETB Authorisation Summary and clarification of terminology

This summary provides a high-level overview of the key steps in the process for Local Education and Training Boards (LETBs) to prepare and complete the authorisation process to set up governing bodies of LETBs by the end of March 2013.

The term LETB in this document means a grouping of local providers of NHS services that must co-operate with HEE in HEE's performance of its functions. All providers of NHS services must be a member of a LETB.

A LETB governing body (referred to in this document as "Boards") represents the members of the LETB and is the body that has legal status. The Board will be a committee of HEE and will be made up of a small number of people which will include representatives of local providers in the LETB. The Board will determine the local education and training strategy and take decisions on behalf of the LETB.

This document refers to 'authorisation'. This is the process by which the criteria for establishing the Board as committees of HEE, outlined in this framework, are used.

The process will be iterative and is designed to support Boards successfully through authorisation, whilst ensuring the assessment is a rigorous test of each Board's ability to deliver its responsibilities. During the authorisation process, Boards will move through three distinct phases, as shown in the table below:

Key dates, timetables, phases and activities	Timing
<b>Phase 1: Pre-application period</b> <ul style="list-style-type: none"><li>○ Framework guidance issued &amp; self-assessment</li></ul>	<b>July 2012 onwards</b>
<b>Phase 2: Application process</b> <ul style="list-style-type: none"><li>○ Assessment planning meeting</li><li>○ Submission of evidence</li></ul>	<b>October 2012 onwards</b>
<b>Phase 3: HEE assessment</b> <ul style="list-style-type: none"><li>○ Desk top review</li><li>○ Assurance visit</li></ul>	<b>October 2012 - March 2013</b>
<b>Authorised (Fully established)</b>	<b>From April 2013</b>

The authorisation criteria are built around six domains:

1. Vision and leadership
2. Meaningful engagement with key partners
3. Good governance
4. Effective financial control
5. Organisational capacity
6. Outcome led improvements

The criteria thresholds have been set to provide assurance that Boards are fit for purpose to take on responsibility for leading local healthcare education and training and the associated expenditure. By meeting the thresholds, Boards will be able to operate with autonomy to

innovate how they deliver improved outcomes through the effective commissioning of healthcare education and training.

The process has a strong focus on risk assessment and enabling Health Education England (HEE) to understand whether a Board has reached the necessary thresholds to take on its responsibilities by demonstrating:

- That effective arrangements have been put in place and have potential to enable the Board to successfully discharge its functions;
- That the Board meets the requirements for authorisation;
- Risk areas that may impair local provision, or prevent the Board or HEE from meeting national priorities; and
- A deep understanding of the risks and challenges that it faces and the plans and arrangements it has in place to manage these.

Accordingly the criteria in relation to leadership, risk, quality, safety and financial management have relatively higher thresholds than those relating to longer term plans which will emerge as LETBs mature.

The authorisation process proposes that the assessment of Boards will be based on the evidence gained from several components including:

#### Methods of assessment

##### Board Self-assessment

- Planning and organisation
- Self-assessment
- Board action plan and risk analysis

##### HEE led assessment

- Desk top review
- Assurance visit to meet the Board
- Case scenarios

##### External feedback from third parties

- Direct contact
- Web-based surveys
- Letters of support, minutes of meetings etc

The submission of evidence is likely to take place at different times due to the differing pace of development of LETBs, but is planned to start from October 2012. Not all documents and evidence may be complete at the start of the process and the applications will include a summary of the key tasks to be completed before April 2013 together with the proposals and timeline associated with their completion.

Before submitting an application, Boards are required to assess themselves against the criteria. HEE is seeking an open and honest discussion of any weaknesses and potential risks identified, and is committed to supporting Boards so they can meet the criteria and be the best they can be.

As part of the application, the self-assessment will be summarised identifying key issues, challenges and areas for development and submitted with supporting evidence, including plans, budgets and organisation structures. Key information to be supplied is set out below:

Evidence to be submitted
Pre-evidence submission documents
Self Certification of business readiness assessment
Profile of LETB, and summary of key issues and challenges facing the LETB
Vision and operating principles
LETB primary evidence documents
Annual Business Plan outline (for future submission post 2012/13 – the ABP will include investment plans, workforce plans and education commissioning plans)
Investment plan
Development plan
Outline for the development of the Five Year Workforce Skills & Development Strategy
LETB supporting evidence documents
Relevant minutes, third party feedback, case studies
LETB Constitution- The principles and structures that define the governance of the LETB
Organisation structure diagram
Risk register with associated analysis and mitigation

# Contents

## Contents

1. Purpose of this document.....	1
2. Health Education England and Local Education and Training Board (LETB).....	3
3. Domains of authorisation .....	6
4. The authorisation process & timetable .....	9
5. Authorisation outcomes .....	15
6. Domain Criteria.....	18
Annex A.....	58
Application form for authorisation as a Board .....	58
Annex B.....	63
(i) Legal requirements for a Board .....	63
(ii) Annual Agreements .....	64
Annex C.....	72
(i) Core functions of HEE and a Board.....	72
(ii) The ten operating principles .....	74
Annex D.....	77
LETB scheme of delegation .....	77
Annex E .....	82
External resources for support .....	82
Annex F .....	83
Glossary and Definitions .....	83
Abbreviations.....	86

# Section 1

---

## 1. Purpose of this document

**1.1** This guidance outlines the process for authorisation of Local Education and Training Boards (**LETBs**) to form LETB governing bodies and prepare for taking on education and training functions from April 2013.

## 1.2 Authorisation

Authorisation is the process that enables the **LETB governing bodies** (referred to as 'Boards' throughout this document) to be formally established as a committee of HEE and to take on education and training functions in accordance with the agreed criteria set out in this document. These criteria are the 'establishment criteria' for the Boards, however these are referred to as Authorisation Criteria throughout this document. The LETB may also be referred to as an 'organisation' in this document but this does not alter its status as a committee of HEE. To establish a Board, HEE must be satisfied that these functions will be carried out effectively. This guidance builds on *Liberating the NHS; Developing the Healthcare Workforce – From Design to Delivery*<sup>1</sup> and sets out how HEE will assess whether the a criteria that are described in this document have been met. This is the start of the journey for LETBs as they build capacity and move from transition and their Boards take on greater accountability. It should not be seen as an end in itself. The expectation is that all LETBs will be supported so that they are ready to have authorised Boards by April 2013.

Some Boards may not fully meet all the authorisation criteria immediately. Where they do not they will still be able to carry out those functions where they have demonstrated capacity and will be supported to build their capabilities. In the interim, HEE will provide greater support and oversight until they are ready to take on their full accountabilities. In the unlikely event that a Board was not able to take on any of the functions effectively, HEE would then have a duty to step in and make alternative arrangements until that Board could be taken through the process for a second time.

This guidance sets out in section four the information that must accompany an application for authorisation. It is recognised that all the evidence requested may not be available at the time of submission and that some documents, such as the Five Year Workforce Skills and Development Strategy can only be submitted in outline form. Sections four and five describe how this information will be used in the assessment process. The process is focused on delivering a personalised assessment that provides the basis for a shared vision of development. Therefore, it is expected that the evidence required for authorisation will predominantly be limited to the few documents listed in Annex A.

Section six provides a detailed description of the six domains, underlying criteria, thresholds and evidence for authorisation. Sources of evidence are also identified to assist Boards as

---

1

[http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_132076](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_132076)

they progress their application. The outcomes of authorisation and the process to arrive at these are detailed in sections four and five. Annexes to the guidance include legislative requirements, contractual arrangements, LETB core functions, operating principles, the application form, key submissions and support available. Throughout this document, the terms 'authorise' and 'authorisation' will be used to describe the establishment of the Boards as committees of HEE. They will be supported locally in education and training commissioning by staff employed by HEE.

# Section 2

---

## 2. Health Education England and Local Education and Training Boards

### 2.1 Health Education England

HEE is the new national leadership organisation responsible for ensuring that the education, training and development of the healthcare workforce support the highest quality public health and patient outcomes. It will lead the new system to support employers and professionals in addressing key workforce challenges, so that the right numbers of staff with the right skills are available at the right time.

HEE was established as a Special Health Authority in June 2012 and will assume full operational responsibilities from 1 April 2013. Prior to 1 April 2013, accountability for the education and training system and budget (MPET), remains with the Department of Health (DH) and Strategic Health Authorities (SHAs). HEE will report annually to the Secretary of State who, from 1st April 2013, has a duty to secure an effective system for the planning and delivery of education and training for healthcare workers.

### 2.2 Local Education and Training Boards

LETBs will be the forum for providers and professionals to work collectively to improve the quality of education and training outcomes within their local area, and to meet the needs of service providers, patients and the public. LETBs will have significant input into the development of national strategies and priorities so education and training can adapt quickly to new ways of working and new models of service. They may also have leadership roles for particular professional groups, such as the smaller professions and specialist commissioning.

A Board will provide strategic oversight and direction. The nature of this Board is different to the 'unitary boards' that lead most NHS organisations:

- This Board is a committee of Health Education England.
- This Board determines the strategic direction and commissioning plans for the LETB on behalf of local providers of NHS services.
- The Managing Director of the LETB is accountable to the Board for the performance of the LETB and will be an employee of HEE.
- The Independent Chair of the Board has the primary concern to ensure that the effectiveness of the LETB, as well as the quality and value of the education and training commissioned, is not diminished by conflicts of interest. The Independent Chair will represent the Board in the objective setting and appraisal of the Managing Director.
- The Board should comprise local healthcare providers and other key stakeholders. Local Healthcare providers must be in the majority and the recommendation is that they make up to two-thirds of members.
- Local healthcare provider representatives should be drawn from primary, secondary and community care to represent the full range of local health services.
- Board membership should include representatives from the education sector.



- Members of the Board are there to promote the interests of the LETB and not to represent the interests of any single organisation.
- The Board will be supported by the LETB Executive Team and their staff. The Managing Director, Director of Education and Quality and LETB Head of Finance shall attend Board meetings. The Post-Graduate Medical Dean may also attend if this is a separate post.
- The Boards will be committees of HEE and as such will be made up of a small number of people who are not employees of HEE (such as the Providers of NHS services who sit on the Board) in addition to HEE employees. The transfer of staff from SHAs will be in to HEE as employees, who will do local commissioning at the instruction of the Board

Risk management underpins all plans and activities that the Board will perform. While HEE holds the risk as the statutory body, the Board should be able to demonstrate that they have given appropriate consideration of the risks that they, HEE and members may be exposed to and that risk management is an on-going activity that ensures long-term viability.

### 2.3 A Safe Transition to April 2013

HEE is operating alongside the SHA clusters to work with local employers to support the development of the LETBs so that their Boards can take on education and training functions and plans from April 2013. Retaining strong relationships between healthcare and education, both at undergraduate and postgraduate levels, and with professional partners, including Royal Colleges, faculties and the professional regulators, will be important during transition, as well as provide the bedrock for future transformation. This will also support the ongoing need for quality improvement, with these key relationships, as well as national standards, acting as drivers of quality.

A safe transition builds on the skills and knowledge that already exist, to secure continuity of current training provision and financial governance standards.

Authorisation will test whether Boards have achieved a first step: a safe threshold to discharge their duties, and that they have the ambition and plans for the longer journey of transformation and continuous improvement in education outcomes. The authorisation guidance is based on “Local Education and Training Boards: Operating Principles - From Design to Delivery – Developing the LETBs” which sets out the objectives, core functions and ten principles that will enable locally arrangements within a nationally consistent framework. Annex C sets out these Operating Principles.

### 2.4 Measuring outcomes

The Education Outcomes Framework (**EOF**) sets out the outcomes and national indicators that DH will use to measure the progress of HEE and Boards in delivering and improving patient outcomes across five key areas (excellent education; competent and capable staff; a flexible workforce receptive to research and innovation; NHS values and behaviours; and widening participation).

HEE will use the indicators from the EOF (see Annex B) together with other metrics currently used by the DH, SHAs, regulators, professional bodies, employers and providers to hold Boards to account.

## **2.5 Continuing Quality**

In addition, there is an ongoing statutory responsibility of the regulators to ensure national professional standards are met. There is a key role for Boards to work locally with other key bodies including Royal Colleges and Professional Bodies to contribute to the Regulators' Quality Assurance Frameworks. In Medicine this is often facilitated through specialty schools, where Royal Colleges and Deaneries work together to fulfil this key role.

# Section 3

---

## 3. Domains of authorisation

### 3.1 The principles underpinning the authorisation process

The authorisation process is designed to support Boards through the process of transitioning and transforming the quality of health education, based on principles developed jointly with stakeholders:

<b>Safe Transfer</b>	Supports a safe transfer of functions from SHAs to Boards
<b>Transformational Outlook</b>	Boards must demonstrate intent to deliver material improvements to education and training outcomes
<b>Outcome Led</b>	Boards must be focused on delivering outcomes in line with the EOF and relevant to their local area
<b>Robustness</b>	The process must be robust in genuinely assessing a Board's capability and capacity
<b>Proportionality</b>	The process must recognise the evolving nature of the LETBs and be proportionate to the risks
<b>Equitable</b>	A fair and equitable process that delivers outcomes appropriate for differing Boards readiness for authorisation

### 3.2 Development of the domains and criteria

The domains and criteria have been developed through co-production with shadow Boards, national organisations and key stakeholders. They have been designed to encourage Boards to be thriving groups that are outcome focused.

### 3.3 Thresholds

Thresholds for authorisation are consistent with ongoing standards for accountability and should be maintained on an ongoing basis by Boards.

The criteria in relation to leadership, risk on quality, safety and financial management have relatively higher thresholds than those relating to longer term strategic plans which are expected to emerge as LETBs mature.

**3.4** Section six sets out the criteria and thresholds that HEE will use to determine whether the requirements for the authorisation of Boards have been met. The criteria allow LETBs to develop their own operating model within a common framework which will include governance arrangements, structures and a description of how the LETBs will undertake their work and organisational arrangements.

**3.5** HEE is committed to focusing on the outcomes and impact of LETB action rather than prescribing how the LETB achieves those outcomes. Authorisation will require Board applicants to demonstrate their emerging capability to deliver improvements in quality and outcomes.

**3.6** The tables in section six set out the detail of the requirements for authorisation. These requirements are divided into the six domains:

1. Vision and leadership
2. Meaningful engagement with key partners
3. Good governance
4. Effective financial control
5. Organisational capability
6. Outcome led improvements

A more detailed summary is set out in Table one below, with the criteria against which Board applicants will be assessed listed in the final column.

**3.7** In section six, guidance is given on the criteria, thresholds and evidence sources required for authorisation in each domain. The thresholds described are those that must be met for an applicant to be authorised in respect of each domain.

**3.8** Each domain includes sections with descriptions of “Accountability Expectation (Maturity level two)” and “Best practice – what does success look like? (Maturity level three)”. These descriptions do not form part of the authorisation assessment. Their purpose is to offer Boards with vision and support in their ambitions to become organisations that are transformational as they mature over the longer term. They ensure that authorisation is not seen as a single discrete event and that progress will continue beyond 2014.

Boards should demonstrate that they are on a development journey predicated on local needs. If all the evidence is not available at the initial checkpoint, the Board can set out the plans underway to deliver on specific requirements within an agreed timeframe.

**Table one: Domains of Authorisation**

Domains	Descriptions	Criteria
<b>Vision and Leadership</b>	An effective Board will have a clear direction based on a shared and widely supported vision that is embedded in its short to long term strategies and plans. The Board and management arrangements provide strong leadership that will deliver against its stated ambition and goals.	<b>1.1 Shared vision and understanding</b> <b>1.2 Effective leadership capability</b> <b>1.3 Strategies and plans</b>
<b>Meaningful engagement with key partners</b>	The Board needs to demonstrate proportionate and representative engagement and involvement of local and national level stakeholders impacted by the Board's decisions in workforce and education. There must be effective and sustainable mechanisms for communication, information sharing, joint working and the continual involvement of stakeholders in the development of education and training plans, workforce development strategies and their decision making processes that encompass all sector employers, patients groups, students and trainees, medical and non-medical professional bodies and regulators, local government and social care, education providers including HEIs, Colleges of Further Education and the Royal Colleges, providers of other NHS funded services in primary, secondary and other parts of the NHS, employee representation (including trade unions, where appropriate), third and independent sectors, Health & Well-being Boards, AHSC/ Ns, Clinical Commissioning Groups, NHSCB and HEE.	<b>2.1. Meaningful, collaborative working relationships with stakeholders</b> <b>2.2. Establish robust and sustainable arrangements for working with other LETBs</b>
<b>Good Governance</b>	The Board must have the right constitutional and governance arrangements in place to be able to deliver all their [statutory/mandatory] functions, provide strategic oversight, financial control and probity, as well as driving quality, promoting innovation and managing conflicts of interest and risk. Appropriate arrangements must be in place for the operational management and governance of the Board.	<b>3.1 Constitutional and governance arrangements</b> <b>3.2 Effective risk management &amp; internal controls</b> <b>3.3 Conflicts of interests</b>
<b>Effective Financial Control</b>	The LETB needs to demonstrate that it is able to manage its budget according to local and national priorities and has a comprehensive system of internal financial control. The Board needs to show effective financial strategic leadership and a clear focus on delivering value for money whilst also ensuring educational outcomes, quality excellence and transformational changes within the financial envelope available. The distribution of funding must be transparent and justified, with the right accountabilities, incentives and sanctions in place.	<b>4.1 Financial control</b> <b>4.2 Financial plan</b> <b>4.3 Financial control, capacity and capability</b>
<b>Organisational Capability</b>	The Board needs to be operationally robust in order to deliver effective workforce planning and education commissioning within their local budget. They must have the organisational functionality, capacity and capability to commission and sustainably deliver high value, high quality and value for money educational services and workforce interventions.	<b>5.1 The Board has well defined functions, roles and responsibilities and the skills to deliver against them</b> <b>5.2 Organisational viability: The Board has successfully tested that it is viable both geographically and financially</b> <b>5.3 Workforce development planning</b>
<b>Outcome Led Improvement</b>	LETBs must ensure that improvements in the quality of education and training are at the heart of everything they do. They must identify, prioritise and manage the delivery of competing opportunities for year on year improvement of the quality of education and training, ensure they are aligned to the LETB strategic direction, fit with the Education Outcomes Framework (both for enhanced quality outcomes and improved value for money) and support the three outcomes frameworks of NHS, public health and social care. This must be apparent and measurable at all levels of the education and training system and must be reflected in the activities between LETBs and all of their providers.	<b>6.1 Prioritise workforce change and educational outcomes improvements</b> <b>6.2 Robust mechanisms to deliver identified year on year educational outcome improvements</b>

## Section 4

---

### 4. The authorisation process & timetable

- 4.1** This section provides guidance on the process and timetable LETBs will be required to go through in order to have their Boards authorised together with illustrations of what HEE will be assessing during the authorisation process and an explanation of the different stages.

The assessment is designed to be robust and challenging but the overriding emphasis will be for HEE to support LETBs in their development journey. This process is not a fixed point in time but the start of a continuous process that will form the foundation for a long term partnership relationship between HEE and LETBs.

The Board should be aware at an early stage, from its own self-assessment and shadow operation, of the risks and issues that are likely to be of concern to both it and HEE and during the assessment process.

LETBs are expected to be reasonably confident of their ability to achieve Board authorisation before submitting to the process, though it is acknowledged that all evidence requested may not be complete at the time of submission. The application should include a summary of the key tasks to be completed before March 2013 together with the proposals and timeline and any support required for their completion. The gaps in evidence caused by submission deadlines will be tested further during the evidence review phase and assurance visits, as outlined later in this chapter.

- 4.2** Authorisation will test whether Boards have achieved the first two steps of achieving safe transition and having begun to lay out the plans and arrangements for the longer journey of transformation and continuous improvement (described in more detail in section three). The evidence collected in authorisation will also inform HEE's understanding of LETB development and the ongoing support they require as they mature.

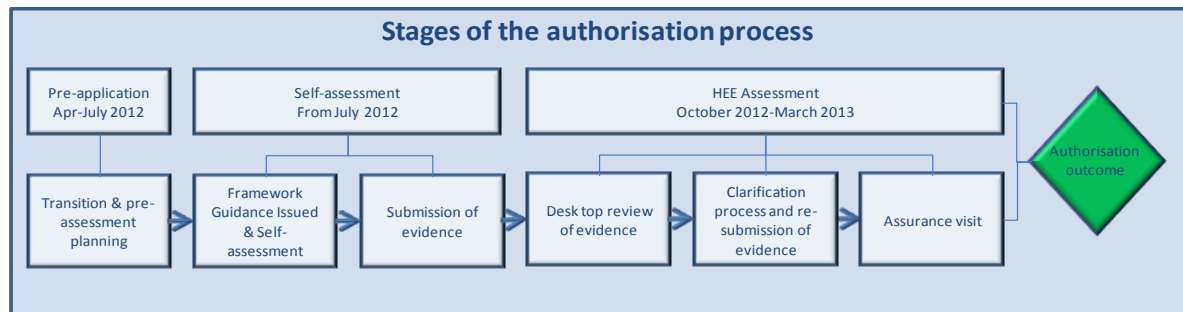
There will also be a strong recognition of the risks involved in transitioning to and developing the new model, which Boards will need to manage. This will form part of the overall assessment as well as a significant part of the review at the final process stage, the Assurance visit. The Assurance visits will also only take place when the desktop review indicates a high level of confidence of a successful outcome to the application for authorisation.

Whilst the authorisation process is designed to be rigorous and challenging the emphasis is on supporting each Board to reach the level required to deliver their functions to an agreed standard. With this in mind, the testing will not be based purely on the evidence provided but may include a review of perceived areas of risks, the strength of local relationships and engagement through feedback and the use of case studies.

#### Phases of authorisation

- 4.3** Applicants will move through three distinct phases of activity during the authorisation process between June 2012 and March 2013, each of which contains a number of activities, which are outlined in the sections below.

## Phases of the authorisation process



### Pre-application period - pre-July 2012

- 4.4** Since 1 April 2012, most Boards have been operating in shadow form with delegated authority from the SHA; final geographies, scale and scope to be determined by July 2012.

In this time, it is expected that Boards will be formulating their operating models and building the mechanisms to deliver their core functions. This will be coupled with planning for Board authorisation and further development of stakeholder engagement.

### Application process- July 2012 onwards

- 4.5** By September 2012 preparation for HEE assessment should be underway in all LETBs. Starting with a self-assessment of the existing systems, process and activities being transitioned from the SHAs, Boards will need to make an assessment of the consequences of any immediate changes required, such as the existing risks, challenges and issues that are likely to be inherited from the SHA as well as addressing the potential future risks that the new model may face. Inclusion of a self-assessment as part of the process is intended to encourage an honest and transparent submission by applicant Boards and should include the proposals to manage any outstanding tasks together with additional support that may be required to achieve authorisation. For some Boards parts of this work are likely to continue in parallel with self-assessment. For practical completion, Boards are encouraged to submit their application by December 2012 in order to ensure that all necessary tasks are completed by the end of the year.

As part of the assessment planning Boards will be required to provide a profile, at least one month before their application giving the following data:

- Geography and analysis of demographic and socio-economic profile
  - Population
  - Healthcare workforce
  - NHS organisations
  - Local Authorities (including social care, public health and local needs)
- Those functions that will be undertaken in-house or provided by external service providers
- Specialist centres operating on behalf of other Boards
- Performance data, e.g. number of placements, attrition rates

- Financial data including existing and historic data anticipated future MPET and management allocations
- Risk register with associated analysis and mitigation

**4.6** These LETB profiles will be used by the HEE assessor team to understand the challenges facing the individual LETBs and their Boards and will form part of the data triangulation on current position, planning, prioritisation and financial management. The nature of this submission will be based on the format HEE supply in guidance prior to the start of the process but it is expected that all documents could be potentially uploaded to HEE via a secure database or alternative mechanism.

As part of their preparation, Applicant Boards should begin to assemble the evidence required for submission. The timing of the submission will vary depending on local plans and LETBs readiness. This may have an impact on the completeness of the evidence, such as budget setting or delays in making key appointments. The iterative nature of the HEE review and the chance for validation at the Assurance visit will give applicant Boards opportunities to demonstrate further progress in their submissions at later stages of the authorisation process.

In undertaking the self-assessment of their proposed operating structures and governance arrangements applicant Boards should consider their state of readiness to be able to react should any challenge, risk or issue arise in the run up to and immediately following authorisation.

**4.7** There are a range of support tools available to support applicant Boards in this period. Details of these are set out in Annex E. Applicant Boards will also put in place the preparatory work to underpin the self-certification declarations to be made at the point of application. All evidence will be assessed as part of the HEE authorisation desktop review.

**4.8** Boards can formally begin the application process by self-assessing based on the criteria and authorisation thresholds listed in section six and developing and collating the detailed evidence required for submission. This stage of the process will take different lengths of time depending on local plans and the readiness of the Board, but it is expected that Boards will be ready to submit evidence from October 2012. There will be opportunities for Boards to update and enhance their submissions during this iterative stage and at the Assurance visit.

The authorisation process proposes that the assessment of Boards will be based on the evidence gained from several key components including:

- Self-assessment and certification including:
  - Summary of key tasks to be completed before March 2013 and support required
  - risk analysis and mitigation to reflect how the Board is addressing operational and delivery risks both in transition and beyond
- Third party feedback
- Desk-top reviews
- Case Studies
- Site Visits
- Assurance visit



## HEE assessment- October 2012-March 2013

- 4.9** The process has three steps and will contain two main elements of assessment. The stages of assessment will include:
- Assessment planning meeting based around Self-assessment and submission of evidence
  - Desk top review of evidence
  - Assurance visit

Further information on each of these stages is provided below.

### Self-assessment

- 4.10** The issue of this guidance marks the first formal stage of the process. The criteria and evidence listed in section six should have sufficient detail to enable applicant Boards to identify gaps and gather evidence. The self-assessment may form part of the HEE assessment, including a possible review of issues at the Assurance visit. To assist applicant Boards, in conducting self-assessment, Boards will have the opportunity to submit clarifications on the criteria and evidence required to HEE during this period.

### Submission of evidence

During this period applicant Boards will be required to gather evidence ready for submission to HEE. Guidelines on the structure of submission are outlined in Annex A.

An assessment planning meeting will be held between each Board and HEE during which arrangements and timetables for submitting evidence and planning the desk top review will be made. This will include a discussion of the LETB profile previously submitted and a summary of the status of its current development and a high level overview highlighting the key issues and challenges it faces.

As part of the application, the self-assessment will be summarised and self certified identifying key risk, issues, challenges and areas for development and a variety of supporting evidence, including plans, budgets and organisation structures submitted.

### Desk top review

- 4.11** Once evidence has been submitted, HEE will begin a review process. To support the process Boards will be required to provide contacts for reviewers to seek clarifications or respond to challenges.

The desk top review may not start immediately after submission, but once commenced it is expected to be conducted within three weeks. After the formal review is complete the Board will be informed of the areas where it may require further support to satisfy the threshold and whether they will go through directly to the Assurance visit or whether they will need to submit additional evidence before they can progress to that stage.

If a Board is required to submit additional evidence before progressing to the Assurance visit, details of what they will need to submit and time frames for submission will be agreed between HEE and the Board following the desk top review. This process will continue until both the Board and the HEE review team are satisfied that the Board is ready for the Assurance visit.

The interim feedback from the initial desk top review will highlight those areas that have been identified as likely to be of concern to HEE. It will summarise any gaps and omissions in the evidence base and the areas where further development is required.

### Assurance visit

The process culminates with an Assurance visit by HEE. Whilst the Assurance visit will probably be the last visit pre-authorisation, it should be regarded as the first of many that will underpin the development of the long term partnership with HEE.

The Assurance visit will only happen once both the Board and HEE are satisfied that the Board is ready for this phase. This is expected to be a one day, on site review session which will include a series of validation meetings on specific, previously identified areas and a main group meeting to discuss:

- Areas of perceived risk, weakness or concern
- Stakeholder and relationships
- Case studies (provided in advance. Further detail in given in the next section)

The visit will involve members of the board and executive team and the HEE Chair and executive team. Dates for this will be agreed during the assessment planning session.

This is not designed to be an over onerous process, but rather an opportunity for HEE to be reassured that the Board has in place all the key components required to be authorised and mitigation against the **key risks** that may prevent it from meeting the minimum threshold outlined in section 5.8.

The feedback from the Assurance visit will build upon the earlier findings and focus on the areas that are of continuing concern and / or may present a risk to HEE. The outcome from this will include agreed areas for development to be included in the Annual Agreement between HEE and Boards (the agreement that will govern the relationship between HEE and Boards and the functions they will be required to perform), or depending on the significance of these, the basis of conditions or restrictions that could be imposed or alternative arrangements need to be made by HEE to support the operation of the LETB.

### Case scenarios

As part of the Assurance visit, case scenarios will be used to examine and assess the Board's risk, quality management and governance arrangements. The following is an illustration of the type of scenario that may be used that cuts across all domains and links through several criteria:

*“A major local NHS Employer submits the annual Education, Training and Workforce Development section of their Business Plan to the Board late, after having been chased. The workforce need projections submitted, on examination, are identical to those in the last year's submission”.*

- What would be your response as a Board?
- Who would do what, by when?

Case studies will be used predominantly in the group meeting stage of the Assurance visit and will be provided in advance of the visit to allow Boards to prepare their response.

## Section 5

---

### 5 Authorisation outcomes

**5.1** This section outlines the different possible outcomes of authorisation and the process that will be followed to arrive at these.

#### 5.2 Outcomes of authorisation

The Board will receive their outcome of authorisation based on the level of progress demonstrated during the authorisation process. A Board will be constituted as authorised (or authorised with conditions) by signing the Annual Agreement with HEE.

This Agreement will include:

- The delegated authority for the Board to undertake its core functions (this will also be reflected in the LETB Scheme of Delegation – see Annex D).
- Areas for development and the agreed plans for addressing these, which is consistent with the maturity model.
- The basis for its interaction and reporting to HEE.
- The basis for intervention by HEE in the event of non performance.

If by April 2013 a Board is not ready to undertake its full functions HEE may do some or all of the following:

- Provide support to the Board and / or impose conditions on the grant of its authorisation.
- Place restrictions on what functions it exercises or how it exercises them.
- Some or all of its functions may be directly managed by the HEE, other Boards or alternative arrangements. *(In many instances this may be the decision making / approval process as opposed to carrying out the function).*

If a Board is authorised with conditions, or interim alternative support has been arranged then it will agree with the HEE a time-limited recovery plan for removal of those specific conditions or support arrangements.

Once established all Boards will have on-going monitoring and an annual review as part of the 'Annual Agreement' between HEE and the Board themselves.

The threshold for authorisation will be the same for all Boards. However the Annual Agreement will reflect the different stage of each LETBs development, its individual challenges, inherited issues from the SHA and the impact of reconfiguration of services (e.g. where the former SHA geography does not match that of the LETB).

#### 5.3 Notification of outcomes

HEE will notify the Board of the outcome and will publish the results.

If any conditions are proposed, the notification will set out what these are, the reason why they have been imposed and the agreed improvement plan. The process is designed to avoid surprises, so that the issues raised should be familiar and have been discussed fully during the authorisation process. HEE will share a draft letter of notification with the Board for comment before publishing it.

## **5.4 Authorised**

An authorised Board will be constituted by the signing of the Annual Agreement between the HEE and the Board that does not contain any significant conditions that restrict the decision making ability of the Board in relation to its core functions. The annual agreement may still include areas for development and action plans that have been agreed with HEE.

## **5.5 Authorised with conditions**

Recognising that LETBs face different challenges, some Boards may need further support to be in a position to demonstrate readiness for full delegated authority. In these circumstances the Boards may be authorised with conditions.

The conditions will be specific to the particular authorisation criteria where the Board has not yet been able to evidence full capacity and capability and will be proportionate to the level of risk associated with the relevant function.

HEE will work with the Board to agree the support they need to take forward an improvement plan with a clear timetable for removal of all conditions and hence for full authorisation.

There may be a wide variation within this category, as there is no upper or lower limit on the number of conditions. For example, if the Board mainly meets the criteria for authorisation, and the Board assesses that it is very close to meeting all of them, there may be very few minor conditions.

## **5.6 Not authorised**

A Board will not be authorised in the unlikely event that it does not meet the authorisation threshold, is not able to take responsibility for its core functions and could present a financial or operational risk to HEE if it did so.

HEE, in discussion with providers, will determine the most effective source of support and may appoint a representative to the Board to provide oversight and assurance or make other temporary, alternative arrangements, as may be necessary to ensure that basic education and training functions can continue effectively.

## **5.7 The authorisation threshold**

The fundamental areas of authorisation that Boards will need to provide evidence on to provide assurance to HEE are that the proposed Board:

- Is properly established, has appointed the Board and mandatory posts and has robust governance, financial management and engagement processes in place;
- Is capable of providing education and training commissioning services for its entire local region (and national commissioning where required);
- Has the capability and capacity to carry out workforce planning activities;

- Will enable there to be a safe transition from the SHA with no disruption in service or increased in the risk exposure for HEE (financial or otherwise); and
- Has the leadership in place with the vision to deliver improvements in the quality of education and training in its geography.

If the areas above are achieved by each LETB to the satisfaction of HEE (through the submission of evidence) the respective LETB will be able to be authorised as part of this process. However, the degree to which LETBs are able to satisfy the detailed criteria will determine the conditions (see section 5.5 above) that are attached to this authorisation. If a LETB is unable to demonstrate that their arrangements achieve the threshold above they will not be authorised to any degree until such point as they can provide the requisite evidence.

The minimum level for each domain is given in the Authorisation threshold for each sub-criterion. This is Maturity level one. Assessment of the minimum threshold will be a judgement made by HEE, who will assess the cumulative impact of issues arising from the assessment.

Maturity levels two and three do not form part of the minimum level for authorisation but provide a guide to the level required by the end of the first year of operation and beyond. They also provide a guide for future performance but this is non-prescriptive as LETBs are expected to be self-improving bodies.

Indicators of likely risk areas are:

- Uncertainty over LETB arrangements;
- Lack of clarity as to how the Board will address concerns over security of supply;
- A lack of clarity over the proposed organisation structure;
- The ease of transition of SHA functions to the Board(s) and any fragmentation / disaggregation / gaps of services that may arise, including loss of key staff and expertise;
- The maturity of shadow LETB operating arrangements;
- The effectiveness of engagement and representation to date; and
- The long term viability and value for money propositions.

## Section 6

---

### 6. Domain Criteria

- 6.1** In this section guidance is given on the criteria, thresholds and evidence sources required for authorisation in each domain. The thresholds described are those that must be met for an applicant Board to be authorised without conditions (see section 5). Where the Board's self-assessment is listed as a phase of submission, this does not preclude this evidence from being included in the HEE assessment or Assurance visit.
- 6.2** Footnotes have been included to illustrate or cross-reference to more detailed information that sit below the main criteria and will be required to support the application or illustrate examples of additional evidence that Boards may provide.

### The Maturity Model

- 6.3** The Authorisation Framework is predicated on setting LETBs off on a long-term development journey of continuous improvement. This journey can be referred to as the ***maturity model***, similar to the proposed development journey for CCGs, where all LETBs reach their optimal level within the first five years, across three key stages of development:
- **Level one - Authorisation threshold:** this is the minimum level of evidence required to assure HEE that a proposed Board is capable of providing education and training commissioning services for its local region (and national commissioning where required). This includes assurance that there will be a safe transition of services to the new LETB model, with no disruptions to services and minimum exposure risk to HEE.
  - **Level two - Accountability threshold:** this is the minimum level of performance expected within the first year of operation, **i.e. by 31/03/2014**. This threshold is intended to assure the HEE that the Board is working towards both the expected level of progress within the first year and also any existing conditions identified during the authorisation process.
  - **Level three - Best practice:** this level is intended to reflect what 'success looks like', with continued year-on-year improvement. This is the anticipated state of the LETB in the short to medium term (**within two to five years post Board authorisation**). This is a sustainable operating unit, evidencing demonstrable improvement in delivery, with the ability to function with the minimum required oversight from HEE and has the potential to operate as a stand-alone unit.

# Domain 1: Vision and Leadership

An effective Board will have a clear direction based on a shared and widely supported vision that is embedded in its short to long-term strategies and plans. The Board and management arrangements provide strong leadership that will deliver against its stated ambition and goals.

- 1.1 Shared vision and understanding
- 1.2 Effective leadership capability
- 1.3 Strategies and plans

## Criteria 1.1: Shared vision and understanding

Domain 1 Vision and leadership	
Criteria	
1.1 Shared vision and understanding:	
There is a clear vision and shared understanding of the aims, objectives and priorities of the LETB, in both the short and long term. Meeting these objectives are planned and able to be realised.	
<b>Threshold for authorisation (Maturity level 1)</b>	
The vision, aims and objectives are locally endorsed by stakeholders and the Board.	
Evidence for authorisation	Evidence source & phase for submissions
1.1.1 The LETB vision demonstrates alignment of local and national priorities and is clearly aligned with HEE vision and operating principles.	Publication of plans/ statements of intent including budget allocations, outline Five year skills and workforce development strategy and 2013-14 investment plans. <b>HEE led assessment: Desk top review and Assurance visit</b>
The vision has been approved by the Board and is understood, owned and championed by the Executive Team and supported by the leadership team.	Demonstrable understanding and ownership within the Board and Executive team around the plan and alignment with the Education Outcomes Framework. <b>HEE led assessment: Assurance Visit</b>
1.1.2 The vision is endorsed by leaders of local stakeholder groups following comprehensive efforts to engage the local stakeholders in its formulation and agreement.	Evidence of stakeholder engagement, support and endorsement of plans. <b>HEE led assessment: Desk top review &amp; Third party feedback</b>
1.1.3 The LETB plans identify (if any) specific leadership roles it is to take on for particular professional groups, such as acting on behalf of smaller professions and commissioning, and has key stakeholder support for the plans. Boards agree the role that professional groups, such as Royal Colleges, faculties and regulators, can play in supporting and delivering core function of the LB.	Evidence of HEE, other Boards and other key stakeholder support and endorsement of plans. Arrangements/ agreements in place between Boards and HEE. Evidence of arrangements with professional groups. <b>HEE led assessment: Desk top review</b>



*Supplementary information*

*Key questions supporting 1.1: The Board plans demonstrate:*

- *They put employers and professionals in the driving seat.*
- *Multi professional employer and provider representation, leadership and engagement.*
- *Understanding of and alignment to local needs and plans informed by the national Strategic Education Operating Framework.*
- *How the Board will move from the present to the future with a clear translation of that in the five year strategy and into a deliverable financial strategy.*
- *There is a practical and implementable strategy, developed collaboratively, which will not destabilise services and clearly sets out the priorities for the LETB and how those priorities are likely to ensure security of supply of the skills and people providing public health services.*

### **Criteria 1.1: Maturity levels two & three**

The maturity levels listed below are designed to give an indication of what LETBs should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- Demonstration that mechanisms exist to measure performance against plan and ensure the vision, aims and objectives remain current or can be updated to reflect local LETB needs e.g. via a rolling five year operational plan, refreshed annually.

Maturity level three

- LETB vision and principles underpinning its formulation are understood, comprehensively endorsed by all local and national level stakeholders.
- LETB principles are incorporated into stakeholders own direction setting
- Progress against delivering the vision is openly reported and supported by a collective focus on tackling development challenges.

## Criteria 1.2: Effective leadership capability

Criteria	
<p>1.2 Effective leadership capability: The LETB has effective leadership capability and capacity through its Board with the mix of skills and representation of local stakeholder groups.</p>	
<p>Threshold for authorisation (Maturity level 1) A working Board and management team is in place with clear, documented ways of working and governance arrangements, including agreed lines of accountability. Mechanisms have been put in place to identify and support ongoing Board and management development.</p>	
Evidence for authorisation	Evidence source & phase for submissions
<p><b>1.2.1</b> The Board has a means of providing a balanced view from a diverse range of local stakeholder groups in decision making.</p> <p>The Board has been constituted in a way that supports the principles of partnership working, so that all providers are engaged to work together effectively in an open and transparent way.</p>	<p>There is evidence of cross sector representation/ organisational responsibility on the Board and within operating processes, structures and committees. Evidence of arrangements to be put in place within the Board to cover the full range of health professions and also to ensure professional regulators standards are met. This will be referenced in a number of places including in the organisational development plan. Patient, workforce, employer and provider engagement is embedded into the organisation and the full commissioning process. The Board can provide evidence of collaborative engagement and partnership working. CV's of Board members, case studies.</p> <p><b>HEE led assessment: Desk top review</b></p>
<p><b>1.2.2</b> The Board has the skills and expertise to make difficult, informed commissioning decisions and can understand the organisational relationships required to be good commissioners, to get the most out of partnership relationships and represent providers fairly, and with adequate confidentiality. The Board should only ask local providers to cooperate insofar as is proportionate, to ensure fair representation.</p>	<p>The Board has the appropriate mix of backgrounds, qualifications, skills and experience. These are aligned with the LETBs' aims and operating structure, the competencies of individuals were included in the selection process and the leadership is able to manage competing interests.</p> <p><b>HEE led assessment: Desk top review</b></p>

### **Supplementary information**

*Key questions supporting 1.2: The LETB plans demonstrate:*

- 1.2.1
- *The Board has in place, mandatory posts appointed and in place, support staff in post.*
  - *The Board's constitutional and governance arrangements are documented.*
  - *The Board shows evidence of clinical leadership and engagement.*
  - *The leadership team in place has sufficient knowledge of commissioning processes to be able to ensure effective delivery.*  
*This knowledge includes how and where to acquire additional knowledge and skills, and to enable sufficient challenge advice provided, if required.*
  - *There is access to the specialist skills and capacity to actively manage supplier relationships and clinical engagement.*
  - *Robust equality strategy and action plan in place*
  - *This criteria is also relevant to domain 3.1.*
  - *Evidence used to demonstrate collaborative working could be the same evidence as used in 2A non-exhaustive list of key stakeholder groups is included in the description of domain two*

## **Criteria 1.2: Maturity levels two & three**

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- The LETB development plan identifies ongoing Board development needs and action plans for improvement. The Board has demonstrated collaborative working with a wide range of stakeholders.

Maturity level 3

- The LETB regularly ensures that the constitution of its Board continues to be fit for purpose, reflects an appropriate balance of skills and representation and the actions it takes deliver significant impact.
- The Board has mechanisms in place with all stakeholders that are fair and proportionate; it initiates, receives and reports feedback, openly measures performance and acts on matter identified.

## Criteria 1.3: Strategies and plans

Criteria		
<p>1.3 Strategies and plans</p> <p>The Board has an emerging long term strategy centred on delivering its agreed vision. It can describe how it will achieve its vision and demonstrates understanding of the local labour market issues it needs to resolve.</p>		
<p><b>Threshold for authorisation (Maturity level 1)</b></p> <p>The vision, aims and objectives are clearly integrated and central to the long term strategy and short to medium term plans.</p>		
	Evidence for authorisation	Evidence source & phase for submissions
1.3.1	The strategy and plans are clearly based on the long term vision, aims and objectives of the LETB and will help steer its operations and decision making.	<p>The emerging plans show how the LETB will move from the short to the long term with a clear translation of its vision, aims and objectives aligned with the five year plan (based on reasonable assumptions) and into deliverable financial and operating strategies.</p> <p><b>HEE led assessment: Desk top review and Assurance Visit</b></p>
1.3.2	The emerging plans have been approved by the Board and demonstrate engagement and endorsement of the LETB.	<p>The LETB has open and transparent processes and information is readily available and communicated with stakeholders.</p> <p>The LETB has wide-reaching stakeholder communications and engagement plans and information is clearly and consistently displayed.</p> <p><b>HEE led assessment: Desk top review and Assurance Visit</b></p>

### **Supplementary information**

*Definitions of strategy and plans, short, medium and long term are in Annexes A and G of this guidance*

*Key questions supporting 1.3: The Board plans demonstrate:*

*The presence of an agreed plan to ensure continuity with a clear road-map for transition from SHA to the Board.*

*There are clear, consistent and communicated reasons for the things that the LETB is going to do, and how success will be tracked.*

*These reasons are understood, supported and accepted by workforce, employers and providers.*

*A detailed plan focussed on 2013/14 transfer and transformation.*

*The LETB plans reflect and are aligned with the EOF.*

*The workforce plans and workforce forecasts have been informed by the commissioning intentions of the NHS Commissioning Board and local Clinical Commissioning Groups. The plans demonstrate how they contribute to QIPP.*

*Evidence of organisational readiness assessment.*

*Proposed key performance measures and metrics reflect the EOF and other quality frameworks.*

*Evidence that existing {transitioned} commissioning processes are fully understood and controlled.*

*The LETB has adopted appropriate commissioning and procurement policies.  
The plans recognise Key Performance Indicators and outputs to be derived from its plans  
and have well articulated strategies that demonstrate how these will be delivered.*

### **Criteria 1.3: Maturity levels two & three**

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- Integrated strategies and plans provide clear organisational direction with respect to commissioning, finance and operational development. Timely review and self-assessment of progress and priorities informs next steps.

Maturity level three

- The Board and local stakeholder plans are aligned with an understanding of agreed priorities, reporting metrics and KPI's to measure progress.
- Regular reviews of strategy and plans include an assessment of current status, progress made, risk and issue mitigation and an understanding of how the strategic priorities are reflected in individual stakeholder plans. The Board can demonstrate effective collaborative working in the development of their long-term vision.

## Domain 2: Meaningful Engagement with Partners

The LETB needs to demonstrate proportionate and representative engagement and involvement of local and national level stakeholders impacted by the Board's decisions in workforce and education. There must be effective and sustainable mechanisms for communication, information sharing, joint working and the continual involvement of stakeholders in the development of education and training plans, workforce development strategies and their decision making processes that encompass: all sector employers, patients groups, students and trainees, medical and non-medical professional bodies and regulators, local government and social care, education providers including HEIs, Colleges of Further Education and the Royal Colleges, providers of other NHS funded services in primary, secondary and other parts of the NHS, employee representation (including trade unions), third and independent sectors, Health & Well-being Boards, AHSC/ Ns, Clinical Commissioning Groups, NHSCB and HEE.

N.B. A definition of both stakeholders and third party feedback can be found in Annex F. Evidence of stakeholder engagement could include letters of support as well as communications audits, metrics on stakeholder events, nomination and election processes, etc. This list is not exhaustive.

- 2.1. Meaningful, collaborative working relationships with stakeholders
- 2.2. Establish robust and sustainable arrangements for working with other LETBs

### Criteria 2.1: Meaningful, collaborative working relationships with stakeholders

<p><b>Criteria</b></p> <p>2.1. Meaningful, collaborative working relationships with stakeholders: Establish, maintain and develop strong collaborative and productive relationships with those local partner &amp; stakeholder groups and professional organisations impacted by workforce development and education in the LETB. Stakeholders include (but not exclusively) patients groups, clinicians, students and trainees, medical and non-medical professional bodies, Royal Colleges, regulators, public health bodies, local government and social care, education providers/ HEIs, providers of other NHS funded services in primary, secondary and other parts of the NHS, employee representation (including trade unions, where appropriate, third and independent sectors, Health &amp; Well-being Boards, AHSC/ Ns, Clinical Commissioning Groups, NHSCB and HEE.</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b></p> <p>The Board has clear mechanisms in place for continued engagement and joint working with relevant stakeholders, as referenced in the criteria.</p>	
Evidence for authorisation	Evidence source & phase for submissions

2.1.1	<p>The Board has identified and understands the perspectives and needs of the full breadth and depth of its members and local and national stakeholders, and has a clear rationale for engagement. There is a structured understanding at organisation level of the stakeholders that will be impacted by the decisions of the Board and engagement with individuals in these organisations has been established.</p>	<p>Documented stakeholder management plans, governance arrangements, local relationship management information, stakeholder feedback, in particular with HEIs, ‘small’ providers of NHS services such as nursing homes, Local Authorities, public health, the professions, etc.</p> <p><b>LETB Self certification &amp; Third party feedback</b></p>
2.1.2	<p>Stakeholders have been appropriately consulted and their views considered in the development of the LETB vision, direction, operational design and future way of working to ensure the Board can prioritise the needs of all stakeholders.</p> <p>Appropriate partnerships with professional groups, such as the Royal Colleges, clinicians, regulators, public health bodies and trade unions have been developed to support delivery of core Board functions.</p> <p>The Board will work with the relevant Academic Health Sciences Networks, and with individual health and social care providers, to identify and develop the skills needed by the workforce so that it is receptive to research and innovation, enabling patients and the public to receive the best quality and most cost-effective care.</p>	<p>Stakeholder engagement documentation, such as letters of support on the vision, direction and operational design, working group and/or Board minutes, evidence of consultation, stakeholder and lay voice feedback.</p> <p>Joint working and partnership arrangements with specific stakeholder groups.</p> <p><b>Third party feedback</b></p>
2.1.3	<p>The Board has mechanisms and plans in place to communicate and engage with stakeholders of all sizes, on a regular and timely basis. The engagement activities provide stakeholders with confidence in the purpose, direction, management and activities of the LETB. Through the LETB engagement activities, the Board is transparent and clear on its activities and plans.</p>	<p>Written evidence that describes the governance arrangements of stakeholder engagement. A communications strategy and plans, programme management arrangements, websites, examples of communication channels, products used and stakeholder feedback.</p> <p>Review and monitoring arrangements to regularly ascertain the effectiveness of stakeholder engagement.</p> <p><b>LETB self certification &amp; Third party feedback</b></p>
	<p>Board plans, processes and resources are in place to initiate, capture, measure and use insight from all stakeholder groups in the design and development of the LETB.</p> <p>Embedded stakeholder engagement and communication activities are clearly linked into the development process and ongoing operational management of the LETB. This includes input to the design of the operating</p>	<p>Arrangements for stakeholder engagement and communication strategy and plans, stakeholder feedback.</p> <p><b>Third party feedback</b></p>

	model and delivery plans.	
2.1.4	The Board can demonstrate that education commissioning intentions align with service commissioning intentions at a local level through appropriate working relationships with LETB members, the local CCGs, Health and Wellbeing Boards and NHSCB as appropriate.	Local/ national stakeholder engagement plans describing how the LETB will work with CCGs and NHSCB, programme management arrangements; stakeholder feedback. <b>Third party feedback</b>
	The Board can demonstrate that it has used feedback transparently and can demonstrate how stakeholder engagement has contributed to decisions made and actions taken.	Operational model and plans; long term stakeholder engagement management, key meeting minutes, communications between LETBs and stakeholders and communications strategy.  <b>HEE led assessment: Desk top review</b>
2.1.5	The Board is confident that the direction and intentions align with HEE national priorities and strategic needs. HEE are fully sighted on the development of the Board's operational and investment intentions and outcomes and are satisfied that local providers are fairly and proportionately represented.	Evidence of Board plans reflecting national priorities of HEE. <b>HEE led assessment: Desk top review</b>

## Criteria 2.1: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two: LETB can demonstrate that:

- The Board demonstrates their ability to engage the full spectrum of stakeholders involved in the delivery and management of healthcare workforce and education provision.
- The Board has a sustainable and regular programme of communication tailored to the needs and interests of different local stakeholder groups.
- The Board is seen by local stakeholders as the leaders of the healthcare workforce and education agendas and the first port of call for questions or issues on that agenda.
- There is support from local and national stakeholders of their long term strategy and plans on a regular basis. There is a strong relationship based on regular and systematic interaction and feedback between parties.
- Future iterations of the Board plans are based on the feedback, insights and challenges presented across the full spectrum of local stakeholders.



- A clear rationale of changes to plans is articulated and linked to the feedback from stakeholders

Maturity level three:

- The Board demonstrates that there is engagement and support of their long term strategy and deliver of education outcomes based on a high level of interaction and two-way communication, with sign-off by relevant stakeholders.
- The Board has referenced stakeholder feedback and reaction to the feedback in long term plans and decisions.
- The Board can evidence they have positive, working relationships with stakeholders locally and nationally.
- The Board is an active participant in stakeholder-led engagement activities, and take a significant leadership role on the workforce and education agendas where appropriate.
- The Board has robust, fit for purpose formal agreements in place for the use of shared or outsourced services and delivery of services on behalf of others.
- The Board routinely publishes a summary of feedback-driven changes in operational practices and commissioning decisions. This will demonstrate the benefit of stakeholder interaction in meeting and responding to local needs.

## Criteria 2.2: Establish robust and sustainable arrangements for working with other LETBs

Criteria	
<p>2.2. Establish robust and sustainable arrangements for working with other LETBs The Board must engage fully with other LETBs that influence their decision making to ensure consistent and robust delivery of workforce and education requirements outside their immediate geographies.</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b> Participation in local/ national LETB working groups, with support from HEE where necessary. The LETB has arrangements in place for any formal agreements to share services and agreement for specific leadership roles Boards are to take on behalf of other LETBs e.g. for particular professional groups, such as the smaller professions, or commissioning specialist skills.</p>	
Evidence for authorisation	Evidence source & phase for submissions
<p>2.2.1 Clear roles and responsibilities have been agreed between Boards choosing to commission any services on behalf of one another. Arrangements for delegated commissioning have been appropriately formalised, including details of scale, scope of activity, performance management and reporting, governance and decision making agreements. Boards should be able to demonstrate appropriate consultation with national stakeholders, including professional groups, as part of their decision making.</p>	<p>Principles of service level agreements completed, such as specialist commissioning agreements.</p> <p><b>LETB Self certification, Desktop review and Assurance Visit</b></p>
<p>2.2.2 Where arrangements with other Boards have been made to use shared services, the Board has formal agreements in place detailing roles, responsibilities, governance, operational management, reporting, performance management arrangements and covering legal issues arising.</p> <p>It is recognised that some shared services will not be operational before April 2013 but arrangements may be drafted in advance of this date.</p>	<p>Formal Service Level Agreements signed.</p> <p><b>LETB Self certification, Desktop review and Assurance Visit</b></p>
<p>2.2.3 The Board has mechanisms established to build on existing collaboration, communication and joint work between LETBs as appropriate. Opportunities for cross boundary working are actively identified, particularly where patient, student, trainee and workforce flows across LETB boundaries need ownership and collaborative management.</p>	<p>Operational management plans; governance arrangements, ways of working and programme management arrangements, LETB feedback.</p> <p><b>LETB Self certification &amp; third party feedback</b></p>

## Criteria 2.2: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two: LETB:

- Arrangements for shared/ collaborative working are implemented, peer assessed and undergoing continual improvement.
- The LETB shares good practice both locally and nationally.

Maturity level three: Stakeholder engagement requirement is a single proposition where:

- The Board is an active participant in shared stakeholder-led engagement activities, and take a significant leadership role on the workforce and education agendas where appropriate.
- The Board has robust, fit for purpose formal agreements in place for the use of shared or outsourced services and delivery of services on behalf of others.

## Domain 3: Good Governance

The Board must have the right constitutional and governance arrangements in place to be able to deliver all their statutory/mandatory functions, provide strategic oversight, financial control and probity, as well as driving quality, promoting innovation and managing conflicts of interest and risk. Appropriate arrangements must be in place for the operational management and governance of the LETB.

3.1 Constitutional and governance arrangements

3.2 Effective risk management & internal controls

3.3 Conflicts of interests

### Criteria 3.1: Constitutional and governance arrangements

Criteria	
<p>3.1 Constitutional and governance arrangements: The Board has in place constitutional and governance arrangements to meet statutory, HEE requirements and ensure an effective and inclusive governance and decision making process.</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b> The Board has governance arrangements in place that demonstrates it complies with the NHS Constitution. The Board has governance arrangements in place that demonstrates it complies with HEE mandatory requirements. The Board has a documented transparent process for effective decision making.</p>	
Evidence for authorisation	Evidence source & phase for submissions
<p><b>3.1.1</b> The Board's constitutional and governance arrangements are compliant with requirements set out in the NHS Constitution and other statutory legislation the LETB is required to meet.</p>	<p>Documented evidence in constitution and governance arrangements that statutory requirements are met and that the LETBs values align with NHS core principles and values.  <b>HEE Led assessment: Desk top review</b></p>
<p><b>3.1.2</b> The Board's constitutional and governance arrangements are consistent with the scheme of delegation set out by HEE.</p>	<p>Evidence that the constitution and governance arrangements are consistent with the scheme of delegation laid down by HEE.  <b>HEE led assessment: Desk top review</b></p>
<p>The Board arrangements are compliant with HEE requirements and have given consideration to arrangements set out in HEE Guidance, including: The Board will have an independent chair. The LETB has fully mapped out its membership and have put in place appropriate local advisory groups &amp; committees and operating arrangements that are shown to be acceptable</p>	<p>Chair is in post.  <b>HEE led assessment: Desk top review</b>  The LETB confirms full membership (core members and wider partners) of the LETB and list of advisory groups in place.  <b>HEE led assessment: Desk top review &amp; Third party feedback</b></p>

	to all its members.	
	<p>There is a rationale for why the Board is constituted how it is and that it is compliant with HEE requirements.</p> <p>The description and rationale of the process for appointing the Board is clear and understood by members.</p> <p>The Board has in place or has plans to have in place all mandatory posts laid down by HEE (Managing Director, Head of Finance &amp; Director Quality &amp; Education.</p>	<p>Written evidence of the rationale for the makeup of the Board and the process for selection and appointment, which can be explained in the assurance visit.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>
3.1.3	The Board has a documented, transparent decision making process.	<p>Documented process for Board level decision making demonstrating rules for accountability, transparency and (if appropriate) voting procedures, which could be evidenced from the LETB terms of reference and meeting minutes.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>

**Supplementary information**

3.1.2

*Local advisory arrangements reflect the breadth of local stakeholders, as per the description suggested in criteria 2.1. Primary care-based registered professionals should have proportionate membership of the board. I.e. at least 10% of provider members are GPs or other primary care registered professionals.*

*The governance arrangements being consistent with the HEE scheme of delegation links to criteria 4.1.3.*

**Criteria 3.1: Maturity levels two & three**

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

#### Maturity level two

- The Board can evidence that it is an effective and transparent decision making body, which is capable of reviewing and scrutinising decisions and learning lessons from past decisions and experiences.
- The Boards reviews and if required can adapt constitutional and governance arrangements as required and acts in accordance with HEE standing orders and schemes of delegation.

#### Maturity level three

- The Board evidences that it has not only an efficient decision making body, but that those decisions are communicated effectively with relevant parts of the LETB and other relevant stakeholders.
- Internal and external audit and third party feedback indicate high level of compliance and best practice.
- Third party feedback demonstrates that its working arrangements through advisory groups and committees appropriately represent and involve members in decision making.

## Criteria 3.2: Effective risk management and internal controls

Criteria	
<p>3.2 Effective risk management and internal control: Boards have an effective system of internal control to ensure the Board can identify and manage risk, specifically how they will discharge their accountability for the security of supply of an appropriately skilled workforce that is fit for purpose, meets patient need and public health requirements.</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b></p> <p>The LETB has a robust and integrated approach to risk that includes clinical, financial and operational risk management. The LETB has arrangements in place to proactively identify risks to supply (volume and quality) and clear plans for turnaround and/ or alternative provision.</p> <p>The LETB has arrangements in place to monitor and effectively manage quality issues, including security of supply and fitness for purpose.</p>	
Evidence for authorisation	Evidence source & phase for submissions
<p><b>3.2.1</b> The Board has governance arrangements and processes in place to identify and actively manage different types of risk (see footnotes).</p> <p>Risk management structures are clear with allocated ownership of risks, defined roles and responsibilities, decision making, reporting and compliance processes.</p> <p>Risk identification, categorisation, management and escalation policies and processes are clear and are widely communicated to the Board, the LETB staff and LETB members.</p> <p>The governance arrangements include an effective and integrated system of risk reporting that informs the Board, HEE and other stakeholders as required.</p>	<p>Documented programme management arrangements, such as the LETB risk register in place, minutes of meetings demonstrating active identification of risks and the Constitution or other documents detailing risk management arrangements; organisation structure, Board terms of reference, relevant Board and committees minutes.</p> <p>Clear documented process for identifying, assessing and notifying risks / potential risks, including where they are likely to occur.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>
<p>The Board should demonstrate how they have identified their most critical risks (i.e. the Top 5 risks) and how they plan to mitigate for them.</p>	<p>The Board should be able to demonstrate their most serious identified risks that can be tested during the authorisation process, with mitigation.</p> <p><b>LETB Self certification</b> <b>HEE led assessment: Assurance Visit</b></p>
<p>Provide evidence that the Board has identified, quantified, and understood the risk analysis across the full scope of transition and</p>	<p>The LETB risk registers and risk reports. Transitional arrangements to deliver services with the SHA. Evidence of risk analysis within all plans</p>

	<p>authorisation (see Footnotes for guidance).</p> <p>Provide assurance that there is a consistent risk management process in place that can continuously support the mitigation of operational risk.</p>	<p>and planning activities</p> <p>Relevant minutes of Board and committee.</p> <p>Risk mitigation process outline (possibly within the LETB risk register)</p> <p><b>HEE led assessment: Desk top review</b></p>
3.2.2	<p>Arrangements are in place to monitor and proactively manage quality of service including educational training, security of supply and fitness for purpose on a continual basis. Issues raised by this monitoring are discussed regularly by the Board with clear outcomes from the discussions.</p>	<p>Documented arrangements in place to monitor quality and security of supply. Tests of fitness for purpose. Evidence of discussions with conclusions drawn.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>
3.2.3	<p>The Board is compliant and able to implement HEE mandatory requirements regarding risk management, data security and handling of sensitive and confidential information and has considered any additional escalation arrangements, which are required to minimise the effect of risk.</p>	<p>Data security policy and supporting arrangements in place and in accordance with the HEE scheme of delegation.</p> <p><b>HEE led assessment: Desk top review</b></p>

#### **Supplementary information**

*All policies relating to risk management should be consistent with the HEE scheme of delegation. It is expected that a Board will either have started its own risk register from scratch or adopting a risk register from an SHA Workforce Directorate that the Board has adapted the risk register to the specific risks associated with the LETB.*

*This includes the roles that have accountability for different types of risk e.g. quality, finance, workforce planning controls and quality of training.*

*This criteria, as a minimum, includes the following areas of risk:*

- *Inherited: from the SHA and that transition arrangements are in place for the ownership and management of these going forward.*
- *Transitional: arising from the change from the current system to a Board. For example the changes to service configuration, accommodation issues or the loss of key staff that may compromise service delivery.*
- *Strategic: the impact that proposed changes emanating from their plans may have financially or operationally.*
- *Geographic: the implications of activities / funding that flow across the LETB borders.*
- *Engagement: the impact that a lack of comprehensive and balanced stakeholder engagement may have.*
- *Operational: that are likely to arise on an ongoing day to day basis and the risks associated with LETB functions.*
- *National: risks of concern to HEE nationally and the Board's role in contributing to the management of these at a local level.*

3.2.1

*Specific data security arrangements work workforce planning data has also been requested in 5.3, in some instances the evidence for these will overlap.*

3.2.3



## Criteria 3.2: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- The Board has an integrated risk management framework in place with evidence of its effective operation.
- The Board can demonstrate it has plans to monitor quality on an ongoing basis and demonstrates case studies of doing so.
- The LETB has in place monitoring arrangements and indicators of quality delivery and acts appropriately based on those indicators.

Maturity level three

- The Board will be able to demonstrate that it has not only plans in place for effective internal control, but experience of utilising them effectively to deliver a change in direction or where controls have mitigated potential quality issues. Internal and external indicators and reviews and feedback support that the internal controls are effective.

### Criteria 3.3: Conflicts of interest

Criteria	
<p>3.3 Conflicts of interest: The Board has appropriate and proportionate processes and safeguards in place to effectively identify and manage conflicts of interest.</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b> Adequate arrangements in place to identify conflicts of interests, such as those between the commissioning of, and provision of, education services. Arrangements are in place to avoid known conflicts, manage conflicts when they occur and resolve conflicts satisfactorily when they do arise.</p>	
Evidence for authorisation	Evidence source & phase for submissions
3.3.1 The Board has a conflict of interest identification and management processes, which is clear and transparent, widely communicated to all stakeholders, including its Board members and meet the requirements of HEE policies.	Documented process for identifying conflicts of interest, including where they are likely to occur. <b>HEE led assessment: Desk top review &amp; Assurance Visit</b>
3.3.2 There is active engagement with LETB staff and Board members to ensure that conflict of interest principles and procedures are understood and applied.	Documented evidence from meeting minutes that LETB staff (i.e. the operational teams) and Board members have engaged in understanding conflict of interest. <b>HEE led assessment: Desk top review</b>
3.3.3 Arrangements are in place to identify and openly disclose any conflicts of interests that arise are applied and acted upon.	Evidence of a regular review of the declarations of interest by having a standing item at the beginning of each meeting and a register of interests. <b>HEE led assessment: Desk top review &amp; Assurance Visit</b>
Arrangements are in place to manage the conflict, including a plan to identify when the conflict requires escalation and a clear escalation route to the Board and HEE.	Evidence of a process for dealing with conflicts of interest, including a clear escalation route to the appropriate levels including Board level and HEE if necessary. Arrangements in place with regulators. <b>HEE led assessment: Desk top review &amp; Assurance Visit</b>
3.3.4 Specific consideration has been given to arrangements for working with and dealing with quality delivery issues for LETB member providers that are represented on the Board in the event of them failing to cooperate with the LETB and / or meet the meet the minimum requirements of the LETB and HEE.	Arrangements in place to identify and manage this specific conflict of interest, including evidence of Board understanding of the conflicts of interest.

**Supplementary information**

- *Individual committee members must act in the interest of those the Board represents.*
- *Information must be kept by governing body members for use by the Board only.*
- 3.3 • *Confidentiality includes commercial confidentiality e.g. workforce information*

### Criteria 3.3: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- The Board has case studies demonstrating that their arrangements for preventing, managing and resolving conflicts of interest is working in reality with evidence of an ability to adapt the process as necessary.

Maturity level three

- A transparent process for identifying and managing conflicts of interest with strong evidence that this is both effective and widely endorsed in identifying and managing conflicts.

## Domain 4: Effective Financial Control

The Board needs to demonstrate that it is able to manage its budget according to local and national priorities and has a comprehensive system of internal financial control. The Board needs to show effective financial strategic leadership and a clear focus on delivering value for money whilst also ensuring educational outcomes, quality excellence and transformational changes within the financial envelope available. The distribution of funding must be transparent and justified, with the right accountabilities, incentives and sanctions in place.

4.1 Financial control

4.2 Financial plan

4.3 Financial control, capacity and capability

### Criteria 4.1: Financial function

Domain: Financial Control	
Criteria	
<p><b>4.1 Financial function:</b> The Board has an effective approach to financial management, is appropriately organised and resourced to deliver value for money and is operating within a transparent and agreed financial management framework.</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b> The Board has financial governance arrangements in place that demonstrate the strategic financial leadership that will enable it to manage its budget allocations, effectively plan and commission value for money services and deliver improved outcomes in a fair and transparent way across all areas of its responsibilities.</p>	
Evidence for authorisation	Evidence source & phase for submissions
<p><b>4.1.1</b> The Board must demonstrate that it can operate locally in full compliance with the central HEE-hosted finance function, using staff directly accountable to them. The local finance function will have compliant financial management arrangements with HEE in place.</p>	<p>Documented operating arrangements and agreements in place between HEE and the Board. Financial management arrangements are compliant with national requirements. <b>Board Self certification</b></p>
<p><b>4.1.2</b> The Board must demonstrate the ability to effectively and transparently allocate funding according to the education and training priorities and plans set out in the five year workforce development and skills strategy. The Board will be accountable to HEE for investments in workforce and education measured against national priorities, strategic initiatives and the Education Outcomes Framework.</p>	<p>Approved LETB commissioning plans. Agreements of commissions with education and training providers. <b>HEE led assessment: Desk top review</b>  Annual agreement with HEE. <b>Board Self certification</b></p>

	<p>The Board fully understands and has incorporated into plans the financial commitments and any financial issues inherited from the SHA, some of which may be managed nationally. The Board has reflected the financial realities of the NHS operating environment, both internally and across the local stakeholder community that it serves in its investment plans.</p>	<p>Financial transition plan moving from 2012-13 to 2013-14. In year Board/ financial reports and 2013-14 business plans and budgets.</p> <p><b>HEE led assessment: Assurance Visit</b></p>
	<p>The Board can articulate how its five year workforce skills and development strategy, and plans will be achieved within the budget allocation, how these address both the national priorities set out in the Strategic Education Operating Framework and the LETBs local priorities.</p>	<p>Five year workforce skills and development strategy and 2013-14 business and investment plans.</p> <p><b>HEE led assessment: Assurance Visit</b></p>
4.1.3	<p>The Board has financial governance structures that are clear and transparent with agreed schemes of delegation, defined roles, responsibilities, financial decision making policies, risk, reporting and compliance processes.</p>	<p>Constitution and any other documents detailing financial governance arrangements.</p> <p><b>HEE led assessment: Assurance Visit</b></p>
	<p>The role of the Board, the Managing Director, Head of Finance and the overall scheme of financial delegation are clearly articulated. There is an appropriately experienced and skilled financial team with defined roles and responsibilities.</p>	<p>Constitution and any other documents detailing financial governance arrangements, organisation structure, Board terms of reference, relevant minutes of the Board and committees.</p> <p><b>HEE led assessment: Desk top review</b></p>
	<p>The Board has arrangements in place with appropriate high level skills to provide, oversight, strategic financial leadership and advice to the Head of Finance.</p>	<p>Organisation structure, Board terms of reference, relevant minutes of Board and committees.</p> <p><b>HEE led assessment: Desk top review</b></p>
	<p>There is an effective and integrated system of financial reporting as part of the governance arrangements/ process to inform HEE, the Board and other stakeholders on the state of finances on a timely basis.</p>	<p>Arrangements for annual reports, Board management reports, HEE contractual reports, stakeholder communications and reporting; Freedom of Information processes and procedures.</p> <p><b>HEE led assessment: Desk top review including evidence from operation of LETB</b></p>
4.1.4	<p>The Board can justify its spending of public funds based on evidence demonstrating value for money and quality outcomes that stand up to public scrutiny and are consistent with the DH code of conduct and accountability.</p>	<p>Provide evidence that the Board is fully compliant with both HEE and DH allocations policy. The arrangements for publishing the LETB annual report and source and application of funds statement are clear.</p> <p><b>HEE led assessment: Desk top review and Assurance Visit</b></p>

## Criteria 4.1: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

### Maturity level two

- The Board can demonstrate it is able to control and manage commissioning in line with its financial allocation and is compliant with its financial governance arrangements. No evidence of significant contracting, outcomes, accounting or audit issues.
- Publication of annual report detailing KPIs and progress against priorities includes transparency of spending and available funding to provide clarity to all stakeholders on how the budget allocation is being spent.
- The Board should demonstrate through the report the added financial and operational value they have brought to the local education & training environment.

### Maturity level three

- The Board is operating within its financial envelope and fully compliant with the financial governance arrangements, with no contracting, outcomes, accounting or audit issues.
- Publication of annual report detailing KPIs, progress against priorities includes transparency of spending and available funding to provide clarity to all stakeholders on how the budget allocation is being spent.
- The Board continue to demonstrate through the report the added financial and operational value they have brought to the local education & training environment.
- The annual report describes the year on year achievements, how key issues have been addressed, articulate the ongoing priorities and demonstrably show the value for money delivered. The annual report includes a section evidencing how the LETB has used innovation to drive meaningful change.

## Criteria 4.2: Financial plan

Criteria	
<p><b>4.2 Financial plan:</b> The Board has plans that deliver financial balance which set out how it will manage its operations within the funding allowance, deliver value for money, prioritise investments and are integrated with commissioning plans and contracting arrangements.</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b> The Board has approved the LETB financial strategy and plans which have been developed with open debate and consultation with all service providers and other stakeholders.</p>	
Evidence for authorisation	Evidence source & phase for submissions
4.2.1 The Board has a clear and credible financial strategy and plans that integrate operations and commissioning over both the short and long term.	Five year workforce skills and development strategy and 2013-2014 integrated plans. <b>HEE led assessment: Desk top review</b>
4.2.2 The annual operating plan delivers financial balance, sets out how the LETB will manage within its funding allowance, administers the MPET allocation and is integrated with the commissioning and investment plans (including matters listed in footnotes).	Annual operating plans, budgets, investment plans. <b>HEE led assessment: Desk top review</b>
4.2.3 The Board have a financial strategy and plans that demonstrate multi professional stakeholder engagement and working.	Five year workforce skills and development strategy and 2013-2014 integrated plans. <b>HEE led assessment: Desk top review</b>
The Board has developed its investment plans with open debate and consultation, particularly through a stakeholder advisory structure, and can demonstrate clear stakeholder support/endorsement.	Details of collaborative working arrangements. Evidence of stakeholder engagement, support and endorsement of plans. Commissioning plan and contract arrangements in place between Boards, providers and employers reflect its investment plans. <b>HEE led assessment: Desk top review</b>

### *Supplementary information*

*The financial strategy must be consistent with the operating model and organisation structure to deliver the functions assessed in domain 5.1.*

4.2.1 *The financial strategy must be consistent with the drive to deliver outcome led improvement assessed in domain 6.*

4.2.2 *Funding assumptions align to HEE advice and guidance.  
Business strategy and financial investment plan meet those agreed with HEE including value for money.  
Spending assumptions are consistent with training volumes, attrition rates and strategic commissioning intentions over the next five years.  
Commissioning plans are based on education tariffs.  
The financial strategy addresses the downside risk for education tariffs and activity to ensure financial control and value for money.  
The commissioning plan is underpinned by a detailed financial model and operating budgets.  
The plans demonstrate an understanding of financial risks and an assessment of risks related to any changes in the way education and training is commissioned and funded.  
Use the funds only for the purpose intended.*

## **Criteria 4.2: Maturity levels two & three**

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- The Board can demonstrate that the financial plan continually delivers improved value for money. This should be tied in to the regular refresh of all financial planning, including the annual review process, based on self-assessment of progress, achievements and key priorities.
- Plans integrate aims and priorities across LETB operations and commissioning, reflecting the progress made, links to the strategic direction and delivery of value for money.
- All plans demonstrate ongoing engagement of stakeholders and alignment to service providers' financial plans.

Maturity level three

- Through a robust and comprehensive financial planning process integrated into operational and commissioning decision making, the Board is able to demonstrate excellent value for money with strategic reinvestment of savings in local priority areas.



## Criteria 4.3: Financial control, capacity and capability

### Criteria

#### 4.3 Financial Control, Capacity and Capability:

The LETB is able to effectively plan, allocate and manage its budget and has in place a system of internal financial control that is endorsed by the Board. Effective strategic financial leadership delivers value for money and ensures transformational change is affordable and financially sustainable. The distribution of funding must be transparent to service providers and other stakeholders, with the right accountabilities, incentives and sanctions in place.

#### Threshold for authorisation (Maturity level 1)

The LETB has the financial controls, skills, capacity and capability for financial planning and management of budgets. There are planning and reporting measures to report achievement against the performance measures set by HEE and other stakeholders.

	Evidence for authorisation	Evidence source & phase for submissions
4.3.1	<p>The LETB must have Board-endorsed effective financial controls, including financial procedures and processes, Standing Financial Instructions, compliance with Standing Orders and roles and responsibilities.</p> <p><i>This includes: Budgetary control, accounting and reporting, procurement compliance, cooperate with HEE internal audit requirements value for money tracking and management, clear policy and rationale for staff pay and reward</i></p>	<p>Defined financial operating model outlining procedures and processes with roles and responsibilities that align with HEE central finance function. Constitution and other documents detailing financial governance arrangements.</p> <p><b>HEE led assessment: Desk top review</b></p>
4.3.2	<p>There is capacity and capability in the organisation for financial planning and management of budgets.</p>	<p>All key financial posts are filled or cover has been arranged, capability meets organisational needs as defined by the roles and responsibilities.</p> <p><b>HEE led assessment: Assurance Visit</b></p>
	<p>The Board has a financial planning process that allows prioritisation and control of resources to effectively manage the commissioning of education and training services that ensures the funds are spent appropriately.</p>	<p>Operational processes and procedures documented.</p> <p><b>HEE led assessment: Desk top review</b></p>
	<p>The allocation of funding is transparent and provide for the right accountabilities, quality incentives and sanctions against those allocations.</p>	<p>Commissioning plans, financial governance arrangements.</p> <p><b>HEE led assessment: Desk top review</b></p>

	The LETB is able to effectively negotiate and manage the full range of agreements with all types of education provider, including dispute resolution.	Contracting model, organisational structure, processes and procedures documented; negotiation/ contract award policy. <b>HEE led assessment: Desk top review</b>
	The Board has the capacity and capability to correctly make and account for the required payments to all types of education and training providers, complying with required accounting standards.	Financial operating processes and procedures, financial governance arrangements. <b>HEE led assessment: Desk top review</b>
	Changes to training programmes are affordable and sustainable financially, with assurance from service providers of acceptable financial and operational impacts on service delivery.	Financial operating processes, procedures and financial governance arrangements. <b>HEE led assessment: Desk top review</b>
<b>4.3.3</b>	Financial reporting measures are in place to monitor achievement against the performance measures set by HEE, and by the Board, on behalf of members.	Financial operating processes and procedures; financial governance arrangements. <b>HEE led assessment: Desk top review</b>

### Criteria 4.3: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what LETBs should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

#### Maturity level two

- The Board has demonstrated strong financial governance as evidenced through achieving financial balance, meeting or exceeding KPI's, no significant accounting issues, clear and timely reporting and unqualified audit and self-assessment reports.
- Planning and budgetary controls have proved to be effective with no material unplanned variances, early identification and management of variances to plans.

#### Maturity level three

- Strong financial governance and capability is evidenced through external reviews and is supported by feedback from stakeholders.
- There is a continuous improvement in the value for money demonstrated year-on-year by the Board.

## Domain 5: Organisational Capability

The Board needs to be operationally robust in order to deliver effective workforce planning and education commissioning within their local budget. They must have the organisational functionality, capacity and capability to commission and sustainably deliver high value, high quality and value for money educational services and workforce interventions.

### Criteria 5.1: The Board has well defined functions, roles and responsibilities and the skills to deliver against them

Criteria	
5.1 Boards have well defined functions, roles and responsibilities and the skills to deliver against them to deliver its responsibilities in an effective and sustainable way.	
Threshold for authorisation (Maturity level 1)	
The Board can describe the rationale for its organisational structure to deliver the functions of the LETB, based on operational efficiency, effectiveness and value for money.	
Evidence for authorisation	Evidence source & phase for submissions
5.1.1 Provide evidence that the Board has evaluated the most effective way to organise the functions that are required to enable the LETB to carry out its desired activities and responsibilities.	<p>Documented evidence of the functions required, including an organisation chart which is expected to be signed off by the Board.</p> <p>The Board and the LETB executive team (Managing director, Head of Finance, Director of Education and Quality and Independent Chair) can explain the rationale for them at the Assurance Visit.  <b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>
5.1.2 Provide evidence that the Board has the capability, capacity and organisation structure to deliver the its functions and that these are based on the needs of the local public organisations, professions and wider workforce and the ability to deliver quality workforce and education outcomes. The Board will demonstrate how it will ensure that the skills are available throughout the workforce to support the increased, safe and ethical engagement of patients in clinical research.	<p>Documented evidence demonstrating the rationale for selecting the operating model, and organisation structure, demonstrating that it deliver quality against all Board functions, including clinical research.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>

5.1.3	The Board has assessed the different types and volume of skills required in its staff to deliver the LETB functions and has made arrangements or has a timetable for making arrangements to deliver its required functions based on its workforce needs.	Evidence of analysis of skills to deliver each function, linked to roles and responsibilities outlined set out in the development plan. Evidence of arrangements being made to access the skills required, such as data on key employees hired/interviewed or a timetable outlining when such arrangements will be made. <b>HEE led assessment: Desk top review &amp; Assurance Visit</b>
5.1.4	Demonstrate that the organisational structures are affordable within the agreed running cost envelope for 2013-14 and 2014-15, including any contingency and restructuring costs.	Resources in organisation structure are costed as being achievable in the running cost ceilings for 2013-14 and 2014-15, including associated risk and sensitivity analysis. <b>HEE led assessment: Desk top review</b>
5.1.5	Provide evidence that the Board understands and can implement HEE's staff performance management, development, appraisal processes and other staff related organisational policies.	Evidence of understanding of HEE and compliance with HEE policies. <b>HEE led assessment Desk top review &amp; Assurance Visit</b>

### Criteria 5.1: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- The Board has implemented and refined a well defined operating structure with clear rationale underpinning the functions the LETB has selected to deliver and how it will deliver them. The model is flexible enough to meet any change in demand or functions that occur within the first year of operation.
- Evidence can be provided for how the operating model assures the provision of quality outcomes within the financial envelope available and mechanisms are in place to adapt the operating model as desired/ required.
- The Board demonstrates that it has reviewed the current skills mix and determined that it is correct to deliver its functions effectively in the long term.

Maturity level three

- The Board has demonstrated that it continuously assesses whether it is delivering its core functions in the most effective manner.
- The Board can demonstrate examples of successful implementation of change and a rationale for maintaining the status quo in other areas.
- The rationale for the functional set up is clearly understood within the organisation and individuals understand their roles within it.

## Criteria 5.2: Organisational viability

Criteria	
5.2 Organisational viability: The LETB has successfully tested that it is viable both geographically and financially.	
<b>Threshold for authorisation (Maturity level 1)</b> The Board has a strong rationale for its geography and is of sufficient scale to deliver its functions and operational economies.	
Evidence for authorisation	Evidence source & phase for submissions
<p><b>5.2.1</b> The rationale for its geography is based on population, trainee, and workforce needs, aligns with natural patient services and employment catchment areas and has good provider and educational organisation coverage.</p> <p>Arrangements are in place with neighbouring LETBs where population and provider services overlap, and in respect of nationally led speciality services, to continue to deliver these services during transition.</p>	<p>Confirmation of the geographical boundary of the LETB, evidence of the rationale for the geography and any arrangements in place to deliver services outside of the LETBs boundary.</p> <p><b>HEE led assessment: Desk top review</b></p>
<p><b>5.2.2</b> Financial planning confirms that the LETB is of sufficient scale to enable genuine choice across all areas of NHS Education and training provision and will have the ability to deliver operational economies.</p>	<p>Evidence in the investment plan that the LETBs operating model is financially sustainable, delivers value for money and enables genuine choice.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>
<p><b>5.2.3</b> The rationale for the organisational design of the LETB is supported by and ensures efficient operating processes with other organisations in the wider LETB stakeholder group (e.g. AHSCs, AHSNs, clinical senates etc).</p>	<p>Evidence of participation and support from the wider LETB stakeholder group for the organisational design of the LETB.</p> <p><b>HEE led assessment: Desk top review &amp; Third party feedback</b></p>
<p><b>5.2.4</b> The Board has identified, quantified and understood the inheritance from the SHA and have taken all steps to ensure that transition arrangements to deliver core functions are in place.</p>	<p>Transitional arrangements to effectively manage the handover process.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>

5.2.5	The Board has the capacity and capability to integrate and manage Deanery functions and ensure a multi-professional approach to its work. This should include involvement of professional groups, such as the Royal Colleges and regulators, in its approach	Evidence of how the Deanery is an integral part of the LETB.  <b>HEE led assessment: Desk top review &amp; Assurance Visit.</b>
-------	--	---

**Supplementary information**  
 Boards with an annual income / budgets below £150m are considered to have a high degree of risk that they will not be financially sustainable.

### Criteria 5.2: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- The Board has reviewed whether its assumption made in the transition phase about the rationale for its geography and its ability to deliver operational economies and has either adapted or is planning to adapt those assumptions as necessary.

Maturity level three

- The Board has shown it is able to adapt to changes in the way education and training is commissioned and funded that could affect its organisational structure and viability.

## Criteria 5.3: Workforce development planning

Criteria	
<p>5.3 Workforce development planning</p> <p>The Board has the capability and capacity to plan and deliver service that meet the development needs of the healthcare workforce in both the short and long term</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b></p> <p>The Board has a workforce planning strategy with the appropriate skills mix to deliver its workforce planning needs, which align with the overall strategy of the LETB and security arrangements to handle confidential workforce planning information.</p>	
Evidence for authorisation	Evidence source & phase for submissions
<p>5.3.1 The Board has the capability and capacity to perform its workforce planning functions, which are aligned with the overall LETB strategy and vision and has defined the arrangements for workforce planning with LETB members, commissioners of NHS services, social care and public health bodies, including appropriate input from clinical and clinically related education and training expertise to maintain national standards.</p>	<p>Evidence of understanding of workforce planning strategy in five year workforce development strategy and capacity required to deliver the strategy. Arrangements in place with LETB members and stakeholders to implement the workforce planning strategy.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>
<p>5.3.2 The Board can demonstrate that they have systems and processes to identify, capture and carry out a thorough analysis of the workforce. This should result in the LETB identifying the current and future risks the LETB needs to address and developing the plans for how it will manage these risks.</p>	<p>Workforce development strategy includes evidence of the analysis and the development of plans aligned to identified risks.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>
<p>5.3.3 Arrangements are in place for developing high quality workforce plans for the primary, public health and community care workforce, which demonstrate understanding of the particular complexities of primary, public health and community care.</p>	<p>Arrangements for developing primary and community care specific workforce plans in the workforce development strategy.</p> <p><b>HEE led assessment: Desk top review &amp; Assurance Visit</b></p>
<p>5.3.4 Security arrangements are in place and aligned with HEE policies for the handling of commercially sensitive and confidential information and have working and data sharing arrangements with other bodies as necessary.</p>	<p>Governance arrangements for handling and transferring of sensitive and confidential information related to workforce planning.</p> <p><b>HEE led assessment: Desk top review</b></p>
<p>5.3.5 The Board has made arrangements with providers who are aware of, and acknowledged they will comply with their responsibilities to provide data which is of high quality and accessible to support workforce planning activities.</p>	<p>An outline of arrangements that have been or will be made with providers for the provision of workforce planning data.</p> <p><b>HEE led assessment: Desk top review</b></p>

### Criteria 5.3: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what the LETB should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

#### Maturity level two

- The Board has successfully implemented its workforce planning strategy at a local level and taken on any national workforce planning roles.
- Data security arrangements have been proven to work in practice and been amended as necessary.
- The strategy has been reviewed and amended as capable of being adapted as and when demands require it to.

#### Maturity level three

- The workforce planning arrangements are embedded in the organisation and are proven to deliver results with feedback from stakeholders demonstrating this.
- The Board can evidence strong working relationships with providers with high quality and accurate data being provided on a timely basis.
- The LETB and HEE demonstrate their contribution to national workforce planning through published data for stakeholders.
- The Board has been able to anticipate workforce trends and has also been able to react to short term pressures.



## Domain 6: Outcome Led Improvements

Boards must ensure that improvements in the quality of education and training are at the heart of everything they do. They must identify, prioritise and manage the delivery of competing opportunities for year on year improvement of the quality of education and training, ensure they are aligned to the LETB strategic direction, fit with the Education Outcomes Framework (both for enhanced quality outcomes and improved value for money) and support the three outcomes frameworks of NHS, public health and social care. This must be apparent and measurable at all levels of the education and training system and must be reflected in the activities between LETBs and all of their providers.

6.1 Prioritise workforce change and educational outcomes improvements

6.2 Robust mechanisms to deliver identified year on year educational outcome improvements

### Criteria 6.1 Prioritise workforce change and educational outcomes improvements

Criteria	
<p>6.1 Prioritise workforce development and education outcome improvements Boards should demonstrate that they have identified and prioritised opportunities for year on year improvement in the quality of education and training across all professions. These must be aligned to the LETB strategic direction and plans to secure of supply of the workforce and improve value for money, to meet local needs. LETBs must demonstrate that they have the mechanisms in place to deliver the requirements of existing quality frameworks, the Education Outcomes Framework and any relevant parts of national frameworks, such as the NHS, Public Health Outcomes, and Social Care Outcome, and to comply with national standards set by the regulators, which are in turn informed by medical Royal Colleges and Professional Bodies.</p>	
<p><b>Threshold for authorisation (Maturity level 1)</b> The Board has clear and transparent processes for working with stakeholders (including HEIs, professional bodies and regulators) to identify and prioritise opportunities for developing the workforce and improved education outcomes. LETBs should ensure that these opportunities for improvement reflect the interests of, and will deliver benefits to patients, all learners and stakeholders.</p>	
Evidence for authorisation	Evidence source & phase for submissions
<p><b>6.1.1</b> Priorities for the improvement of education and training must be aligned to existing quality frameworks, the Education Outcomes Framework (expected Summer / Autumn 2012) as well as the NHS, Public Health Outcomes and Social Care Outcomes Frameworks.</p> <p>LETB should ensure that all identified and prioritised opportunities for improvement are aligned to its strategic direction and the</p>	<p>Evidence could include a method for prioritising opportunities, LETB vision and strategy, existing quality framework metrics (including EOF metrics once published), programme management documentation showing strategic alignment of outcomes, etc.</p> <p><b>HEE led assessment: Desk top review and HEE Assurance Visit</b></p>

	EOF, thereby ensuring that any benefits delivered support the development of high quality training outcomes in the region.	
6.1.2	LETB should be able to demonstrate it has the appropriate mechanisms to identify, prioritise, develop, measure and deliver opportunities for improvements in the quality of education outcomes. This should also include mechanisms to change or reprioritise opportunities based on performance or delivery issues.	Evidence for this criterion could include programme management arrangements, organisational development plans and governance structures. List of proposed metrics to measure quality, value for money and a collaborative approach taken with stakeholders. (See footnotes for key questions). <b>HEE led assessment: Desk top review and Assurance Visit</b>
6.1.3	LETB should identify the data needed to develop and prioritise opportunities and have made appropriate arrangements to obtain the data sources required to support the assessment of local workforce needs.	Evidence for these criteria could include formal and/or informal arrangements with data providers to ensure workforce metrics are appropriately incorporated in planning, internal data sources within the LETB, agreements with providers to share datasets, etc. <b>HEE led assessment: Desk top review</b>
6.1.4	LETB has engaged with local and national stakeholders to identify, develop and share opportunities and outcomes.  LETB has made arrangements to share programmes, projects, commissioning and opportunities within the LETB community to ensure best practice and key learning are shared.	Evidence could include a stakeholder engagement process which includes the involvement of stakeholders in opportunity identification as well as a mechanism for stakeholders to see progress within each opportunity.  There should be evidence of good working relationships with the medical Royal Colleges and understanding of their role in assuring and improving quality.  Evidence could include stakeholder engagement processes through which the LETB promotes sharing best practice. <b>HEE led assessment: Desk top review</b>
6.1.5	Boards short and long term planning will reflect innovation in skills mix, inter-professional education and practice to meet projected changing population and patient needs.	Boards must be able to provide evidence of alignment against both short and longer term workforce and skills development plans. <b>HEE led assessment: Desk top review</b>
6.1	<b>Supplementary information</b>	
6.1.2	<p><i>The medical Royal Colleges work to develop curricula for approval by the GMC for post-graduate medical training and set assessments and examinations in with the standards of the regulator to ensure fitness to practise</i></p> <p><i>Key questions LETBs will need to evidence are:</i></p> <ul style="list-style-type: none"> <li>- <i>What are the metrics that Boards will use to measure quality and value of education and training it has commissioned?</i></li> <li>- <i>What arrangements does the LETB have to incentivise quality improvements with its</i></li> </ul>	

*providers?*

*- How does LETB hold providers to account for delivery?*

*The postgraduate dean will have professional accountability to the national Medical Director in HEE*

*6.1.4 Boards should also consider relevant frameworks produced by stakeholders e.g. GMC's Quality Improvement Framework (Link in Annex E).*

*Best practice Maturity level three- examples of feedback could include:*

*- Reduced dropout rates from training courses.*

*- Increased percentage of trainees taking up posts in the profession to which they trained.*

*General LETB has a clear and transparent process for prioritising spend across the identified opportunities, which supports the need to deliver value for money. Evidence could include:*

*-the financial governance around decision making and budget setting.*

*-programme monitoring arrangements, etc.*

## **Criteria 6.1: Maturity levels two & three**

The maturity levels listed below are designed to give an indication of what LETBs should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- The Board reporting and planning cycle should be updated to show the outcomes of implemented opportunities, performance and highlights since the implementation and a plan for the roll-out of opportunities in the next financial year.

Maturity level three: The Board should:

- develop an integrated plan for system improvement to demonstrate performance and project management of all opportunities. This could be in a similar format to the Cluster System Plans currently used in service commissioning.
- be able to demonstrate that it is receiving strong feedback from employers and regulators showing progress against all quality indicators.

## Criteria 6.2: Robust mechanisms to deliver identified year on year educational outcome improvements

### Criteria

6.2 Transparent and robust mechanisms to deliver identified year on year educational outcome improvements.

Boards should demonstrate that there is thorough planning, robust delivery mechanisms, progressive targets, funding and sufficient capability and capacity to deliver the prioritised opportunities for improvement.

### Threshold for authorisation (Maturity level 1)

The LETB has delivery mechanisms in place to oversee the delivery of the planned outcomes and benefits realisation, including financial management, planning and milestone management, reporting, risk and issue management.

	Evidence for authorisation	Evidence source & phase for submissions
6.2.1	The LETB has capability and arrangements in place to manage the delivery of the identified opportunities to secure quality improvements.	Plans in place to deliver quality improvement opportunities. Evidence for this criterion could include the basis upon which the LETB will introduce its programme management arrangements, organisational development plans and governance structures. <b>HEE led assessment: Desk top review and Assurance visit</b>
6.2.2	Each prioritised opportunity should have the necessary resource allocated to support delivery and, where appropriate, LETB Board-level sponsorship.	Evidence could include governance structures for each opportunity /programme and that the LETB can demonstrate plans for how it will develop and deliver opportunities for improvement. For opportunities that are delivered through service improvement or other mechanisms, evidence of senior sponsorship and engagement from providers (including resource commitment). <b>HEE led assessment: Desk top review and Assurance visit</b>
6.2.3	Stakeholder engagement should underpin all prioritised opportunities, both during inception and assessment of outcome. Programmes and projects that have successful outcomes should also be shared within the LETB community.	The Board must demonstrate evidence to reflect stakeholder input into the delivery of opportunities and their review of performance. <b>HEE led assessment: Desk top review</b>

6.2.4	Provide evidence that the LETB has established mechanisms with a clear rationale to monitor and continuously improve its own service performance and quality, including how their workforce development strategy contributes to the QIPP.	Documented evidence of the mechanisms for monitoring quality performance and continuous improvement e.g. Quality assurance process, which may be demonstrated for example in a quality plan, the organisational development plan or in the Constitution.  <b>HEE led assessment: Desk top review &amp; Assurance visit</b>
6.2.5	Boards have arrangements in place which inform decisions on placements based on the quality of education and training offered by that particular placement. Boards should be able to use this data to model future requirements and horizon scan.  LETBs should work with stakeholders, including professional bodies and regulators, to ensure that all relevant datasets that can support quality metrics and other functions are shared and efforts are not duplicated.	Specific arrangements in place to enable the LETBs Post-Graduate dean, to inform arrangements for placements for junior doctors and dentists based on quality.  <b>HEE led assessment: Desk top review &amp; Third party feedback</b>
6.2.6	Board should be able to demonstrate effective performance and risk monitoring systems that will allow them to evaluate progress against each opportunity.	Evidence could include performance trackers or monitoring systems, risk mitigation plans, etc.  <b>HEE led assessment: Desk top review</b>

## Criteria 6.2: Maturity levels two & three

The maturity levels listed below are designed to give an indication of what LETBs should aspire to achieve by the end of the first year of operation (Maturity level two by 31/03/14) and beyond that (Maturity level three).

**These levels do not form part of the authorisation process.**

Maturity level two

- The programme architecture is a key component of LETB plans and Board reporting.
- Management information and performance data is available to inform future commissioning and organisational development plans.

Maturity level three

- Boards should be able to demonstrate the pursuit of year on year improvement is ingrained within the organisational culture, in investment plans and strategies and the mechanisms for the sharing of best practice are effective both internally and externally.
- Annual reports to HEE and stakeholders demonstrate not only compliance with but the strong contribution of the LETB to national workforce plans and outcomes.

# Annex A

---

## Application form for authorisation as a Governing Body of a Local Education and Training Board

This annex sets out the application form that the Board of the LETB will be required to complete and attach to their formal application for authorisation to show they comply with the authorisation criteria.

### **Instructions on completing this form**

The application form should be completed electronically and submitted to HEE [letb.authorisation@nhs.net]

It is anticipated that application form may initially be submitted in draft form. Similarly that the supporting evidence may be submitted in stages depending on the readiness of the Board and the ability of both it and HEE to finalise certain aspects until later in the process (for example final budget allocations and outcome targets).

### **Statement on the Data Protection Act**

You must sign the statement below. If you do not we will have to return your application.

I understand that HEE will use the information provided on this form (including personal data) and other relevant information that we obtain or receive, for the purposes of assessing this application for authorisation and to support its wider functions including LETB development and oversight. Information (including personal data) may also be shared with other public bodies where necessary or expedient to assist in the exercise of public functions.

Personal data is processed in accordance with the Data Protection Act 1998.

Name of LETB	
LETB Chair name (please specify if this is the interim chair)	
LETB Chair signature	
LETB Managing Director name (please specify if this is the interim post)	
LETB Managing director signature	
Date	

### Application details

Board applying for authorisation	
LETB Name	
Main Address line 1	
Main Address line 2	
Town/City	
County	
Postcode	
Email address	
Website	
Main telephone	
LETB contact responsible for this application	

This address will also be used for all correspondence during the authorisation process. If you want us to use a different address for correspondence regarding this application, please provide further details below. We will use this address to ask for more information, and to return incomplete applications and unnecessary documents.

<b>Contact details of the SHA cluster supporting the Board</b>	
SHA	
Organisation Name	
Main Address line 1	
Main Address line 2	
Town/City	
County	
Postcode	
Main telephone	
SHA Contact	

<b>Contact Details of the LETB Managing Director</b>	
Title	
First name	
Last name	
Main address	
Town/City	
County	
Postcode	
Email address	
Telephone number	



## How to submit this application and accompanying documents

Please submit this application to HEE, making sure that all required additional forms and documents are included. The checklist below lists the documents that you need to include with the application. This list is **not** an exhaustive list of all evidence and we understand that not all documents will be complete at the time of application, but submissions will be expected to contain the following.

Form or Document	Done
Pre-evidence submission documents	
<b>Self Certification of business readiness assessment</b> - declaration that the LETB is ready to submit evidence to be assessed for authorisation (page 57).	
<b>Profile of LETB</b> - To be submitted one month before the LETBs application (section, 4.5, page 8).	
<b>Summary of key issues and challenges facing the LETB</b> - Required for the assessment planning meeting (section 4.9, page 10).	
<b>Vision and operating principles</b> - Statement of intent including summary of budget allocations (domain 1.1.1, page 16).	
LETB primary evidence documents	
<b>Annual operating plan</b> - The plan for how the LETB will carry out its functions over the coming year (all domains, section 6).	
<b>Investment plan</b> - Plans which allow HEE to hold LETBs to account for their investment decisions (all domains, section 6).	
<b>Organisation development plan</b> - A plan demonstrating how the LETBs capacity and capability to carry out its functions will evolve (all domains, section 6).	
Outline for the development of the <b>Five Year Workforce Skills &amp; Development strategy</b> - This document will demonstrate the local workforce needs over the following five years (all domains, section 6). The final document will need to be finalised by March 2013.	
LETB supporting evidence documents	
<b>Relevant minutes</b> of multi professional meetings, Board and other committees- (domains two, three & four).	
<b>Third party feedback</b> - feedback received from stakeholders of the LETB, reports of stakeholder events, etc (domains one, two & three).	
<b>Case studies</b> - Relevant examples to support evidence (all domains, section 6).	
<b>Board Constitution</b> - The principles and structures that define the governance of the LETB (domain three, page28). This could also include a governance / accountability framework, risk plan/ register, etc.	
<b>Organisation structure diagram</b> - A diagram demonstrating the functional structures of the LETB (domain five, page 42).	

## Application declaration

We hereby declare that the information detailed in this application is true and accurate.

We understand that it is our responsibility to inform HEE of any information that is relevant to our application and which may not have been requested, and to update this information accordingly. We have kept a copy of all the information submitted in our application for our records. In making this application for authorisation with HEE, we agree to comply with the Health and Social Care Act 2012 and associated regulations. We understand that non-compliance with the relevant legislation could lead to the refusal of this application or intervention by HEE once authorised.

Board of the LETB Confirmation	Confirmed
Please confirm that the LETBs full Board members have seen and agreed the contents of this submission.	

Business Readiness Self Certification	Confirmed
We declare that we have completed an assessment of the Board's readiness for authorisation and subject to the matters listed in the submission we will be compliant with HEE requirements and will have the systems in place to discharge our duties.	

Board Compliance and Consideration of Requirements & Guidance	Confirmed
We declare that the Board is compliant with the legal requirements of it, listed in Annex B and has acted on HEE Guidance listed in Annex B.	

Transition from SHA	Confirmed
We declare that we have worked with the SHA in completing our assessment and they have informed and confirmed our findings.  Together we have identified, quantified and understood the inheritance from the SHA and have taken all steps to ensure that robust transition arrangements are in place and our plans encompass the management of these going forward.	

Managing Director's signature	
Managing director's name	
Independent Chair signature	
Independent Chair's name	
Date	

# Annex B

---

## (i) Legal requirements for the Board

Applicants will be required to meet the requirements and stipulations found in the following documents:

- HEE Standing Orders
- HEE Standing Financial Instruments
- HEE Reservation of Powers and HEE & LETB Schemes of Delegation (see annex D for LETB Scheme)
- Corporate Governance Framework
- NHS (Primary Care) Act 1997 and other Primary Care legislation
- HMT / Cabinet Office Controls
- Efficiency and Departmental Controls
- NHS Constitution – Boards must adhere to and promote the NHS Constitution
- Health and Social Care Act 2012
- Care and Support Act – specifically requirements for LETB interaction with both HEE and each other, the scope of membership, content for the E&D plan, duties for quality review, the constitution of the Board of the LETB, the provision of financial information to enable HEE to provide a consolidated set of financial accounts for England, requirements for effective use of capital and revenue allocations.
- Duties under the Freedom of Information Act 2000 and the Equality Act 2010 will be directly relevant to both HEE and LETBs, with both required to demonstrate compliance within their operating practices
- Other Acts impacted by the creation of HEE and LETBs include the Public Records Act 1958 and the Public Bodies (Admission to Meetings) Act 1960. LETBs will have a duty to adhere to these Acts, though it is expected that HEE will be directly accountable

## **(ii) Annual Agreements**

There are a variety of agreements proposed to manage the interaction between HEE, LETBs, Higher Education Institutions (HEIs) and service providers. Applicants will be required to meet the requirements and stipulations found in relevant clauses of various annual agreements that will be in place by 1st April 2013, including:

- HEE/LETB Board Annual Agreement;
- DH HEE Framework Agreement;
- National Standard Framework Contract between HEE (in accordance with the LETB Scheme of Delegation) and Education Providers;
- Learning and Development Agreements between Boards (in accordance with the LETB Scheme of Delegation) and service providers / providers of clinical placements; and
- The Education Outcomes Framework (when finalised).

### **Key considerations that must be sufficed in advance of the annual agreement**

With regard to the core activities required of LETBs before establishing a annual agreement, the following are considered key areas to address:

#### **Membership and engagement (Domain criteria two)**

Boards must ensure that every organisation which provides NHS services within the geography is involved and cooperates with the LETB, that they understand the specific duties relating to their role in the LETB and the other duties relating to education and training for care workers.

Boards need to have mapped their membership detailing which institutions (HEIs, NHS healthcare providers (including primary care), Third / Independent sector, local government, science, research and others) are based across their geography and in addition what activities flow in and out across the LETB border. They need to ensure:

- All “members” are engaged in the process (including “small” providers of NHS services e.g. nursing homes, small independent sector hospitals etc.);
- They have identified gaps and overlaps; and
- Arrangements cover all activities that cross in or out of the LETB geography.

#### **The Board of the LETB and Leadership (domain criteria three)**

The membership of the Board must comply with the guidelines developed by HEE in relation to:

- Representation of members and other people entitled to serve (such as HEIs)
- Independent chair;
- Affiliation of Board members, conflict processes and a register of interests;
- Appointment to the mandatory posts;
- Cross Board representation with other bodies such as chairs of Academic Health Science Centres (AHSC) and Academic Health Science Networks (AHSN)

- appointed to the Board of LETB and Chair of LETB to Boards of AHSC and AHSN;  
and
- Local advisory groups and committees and the operating arrangements in place.

### **Geography (domain criteria 5)**

The Geography of the LETB must be such that it does not coincide or overlap with another LETB but collectively LETBs must cover the whole of England.

A LETB must have arrangements with neighbouring LETBs where the population and provider services geography overlaps and with other LETBs in respect of nationally led speciality services.

The LETB must demonstrate a strong rationale for its geography which is based on population, trainee, and workforce needs, enables natural patient services and employment catchment areas and has good provider and educational organisation coverage.

The geography must be of sufficient scale to enable genuine choice and competition across all areas of NHS Education and training provision and the ability to deliver sufficient operational economies.

### **Operational and financial viability (domain criteria 5)**

The proportion of funding directed at delivery of education and training must be maximised with value for money being a key consideration in establishing the LETB and in designing its organisational structure and basis of operation.

The LETB should be of an optimal size financially to ensure long term viability and sustainability. It should be future proofed with the headroom to be able to withstand shocks and continued changes to the future funding regimes. The LETB should be able to map how it intends to make savings that can be reinvested in Education and Training.

The short / medium term financial plan should recognise the running cost savings required by 2014/15 and reflect that liabilities related to redundancies will rest with LETBs after April 2013.

The proportion of fixed corporate overheads (Board, staffing etc) should be at a minimum and so that they do not constrain the funding to deliver the business. The organisation structure should be designed to provide efficient contract management arrangements which maximise value including but not exclusively:

- Back office processes
- Management oversight
- Deanery functions that deliver quality improvements and assurance

In considering these the LETB must consider implications of the organisational design on the whole system and any impacts it may have elsewhere in the NHS and on other organisations in the LETB partnership (HEIs regulators etc) e.g. dealing with multiple LETBs compared to previous arrangements with individual SHAs. Any risk associated with the long term viability of the LETB should be recorded in the risk register.

### (iii) HEE-LETB Annual Agreements

#### 1. Key principles

- 1.1 HEE will enter into the Annual Agreement with Boards to commission learning and development services from local Providers, both in Higher Education Institutions and NHS Providers.
- 1.2 The relationship between HEE and LETBs will be governed by a shared set of principles:
  - Strengthen working relationships throughout the health and social care system by defining common objectives against which LETBs, HEE and DH can hold each other to account;
  - Demonstrate commitment to wider societal goals; and
  - Support the delivery of fairer, more efficient, high quality services.
- 1.3 The Department of Health and Health Education England have agreed to work to a set of principles. These will directly translate to LETBs. These are:
  - Working together in the interests of patients, people who use services and the public to maximise the health and well-being gain for the population, and working to the values set out in the NHS Constitution.
  - Recognition that the Secretary of State is ultimately accountable to Parliament and the public for the system overall. LETBs and HEE will support the Department in the discharge of its accountability duties, and the Department will support Health Education England in the same way.
  - Respect for the importance of autonomy throughout the system. The Department will respect local autonomy, and will not interfere in its day-to-day operations or decision-making.
  - Working together openly and positively. This will include working constructively and collaboratively with other organisations within and beyond the health and social care system.
- 1.4 LETBs will use Learning and Development Agreements (LDAs) to ensure and manage the delivery of education and training services. LDAs will be constructed in such a way that they are relevant to and align with the provision of services and the terms and conditions set out in the Agreement between the Authority and the Education Provider, even though the Placement Providers are not Parties to the Agreement.
- 1.5 The Learning and Development Agreements will specify the duty of the Placement Providers to provide appropriate practice learning for students covered by the Agreement between the Authority and the Education Provider on the basis of the Placement Agreement key principles contained within Schedule two.
- 1.6 The Learning and Development Agreements will be constructed in such a way that they support lead and cross commissioning activities between Authorities without any additional financial burden to the Authorities or any Services provided by Education Providers to the Authorities. As a minimum, the Learning and Development Agreements will enable recognition of Occupational Health and Safeguarding checks undertaken by all Education Providers providing relevant Services through contracts with Authorities.

1.7 The arrangements pertaining to the Learning and Development Agreement will be based on the following principles:

- Transparency;
- Clarity in relation to responsibilities/obligations;
- Promotion of high quality learning in the clinical environment;
- Partnership working in the delivery of education;
- Clear standards that enable performance management in relation to Multi-Professional Education and Training (MPET) funding;
- Support to an education governance model in Placement Providers;
- The content of the Learning and Development Agreement will conform to the following criteria;
- MPET funded activity or where there is an impact on MPET funded activity; and
- Content has an impact on the learning environment.

## **2. Learning and Development Agreement (LDA) - excerpts**

2.1 In order to achieve the principles set out in this Schedule and elsewhere in the Agreement, the LDA should include the following:

- A clear statement of the purpose of the LDA
- Responsibilities for the delivery of the provisions of the LDA and key contacts in the Authority and Provider of NHS commissioned services
- Information to be provided by the Placement Provider including:
  - workforce planning data
  - organisation training plans
  - placement data including placement capacity
  - performance monitoring data in relation to placements
- Relevant policies and procedures in relation to equal opportunities and health and safety
  - Detail of the education services provided by the Placement Provider including:
    - Nursing, Midwifery, Clinical Psychology, Child Psychotherapy, AHP and any other non-medical profession pre-registration clinical placements
    - workplace based learning for HCS and Pharmacy trainees
    - under graduate Medical and Dental clinical placements
    - post graduate Medical and Dental education
    - MPET funded post registration education
    - MPET funded educational infrastructure
    - MPET funded vocational learning
    - other education services funded by MPET
    - library and knowledge services
  - Responsibilities in relation to the Government Skills Pledge, education and training needs assessments and investment in staff development through effective Continuing Professional Development
  - Provider of NHS commissioned services responsibilities in relation to the education provided under the Agreement such as involvement in the recruitment of students and programme review

- Details of the funding provided by the Education Commissioning Authority for the education services including arrangements for payment
- Arrangements for performance management and review of the LDA
- Reference to relevant education governance, quality assurance and contract performance frameworks
- Reference to the Placement Agreement between the Education Provider and Placement Provider

2.2 In addition Authorities may include other requirements providing they conform to the criteria in paragraph 1.6.

LETBs will be established in the first instance as sub-committees of the SHA clusters during 2012/13. From April 2013 the LETBs will be formally established as committees of the HEE Special Health Authority, LETBs:

- Will represent the range of providers in their area providing NHS funded services, and their Board will have an independently appointed chair.
- Will undertake a rigorous process to authorise LETBs to operate. This process will need to be completed by April 2013 so that the LETBs can take on the functions of the SHAs.

### 3. National Standard Contract Framework

This section defines the principles upon which the NSCF is intended to operate as from 1<sup>st</sup> April 2013.

#### Core Principles

The NSCF provides a basis for contracting for health professional education between NHS education commissioners and providers of education. It is not intended to be an 'off the shelf' contract but a framework to enable a standard approach to how education is commissioned for healthcare services across England. It is also recognised as a vehicle that integrates the underpinning elements that contribute to healthcare education commissioning, including quality assurance, alignment with NHS Bursary policy, educational standards and finance activity.

It is intended to support contracting and commissioning whilst continuing to recognise the roles of those responsible for commissioning education for healthcare and their essential responsibilities to manage the processes at local level to meet local need. It is therefore for LETBs to agree programmes and activity levels with their contracted education providers.

Thus there will be two agreements in place:

- The published National Standard Contract Framework agreed between Health Education England and Universities in the United Kingdom to form the basis of contracts between the NHS and Education Institutions. This is not, nor is it intended to be, a legal contract in its own right.
- The actual legal agreements in place between each LETB and its local contracted Education Institutions that are derived from the NSCF, but incorporate the range of schedules and details about the programmes and activity within the contract and any other relevant local factors.

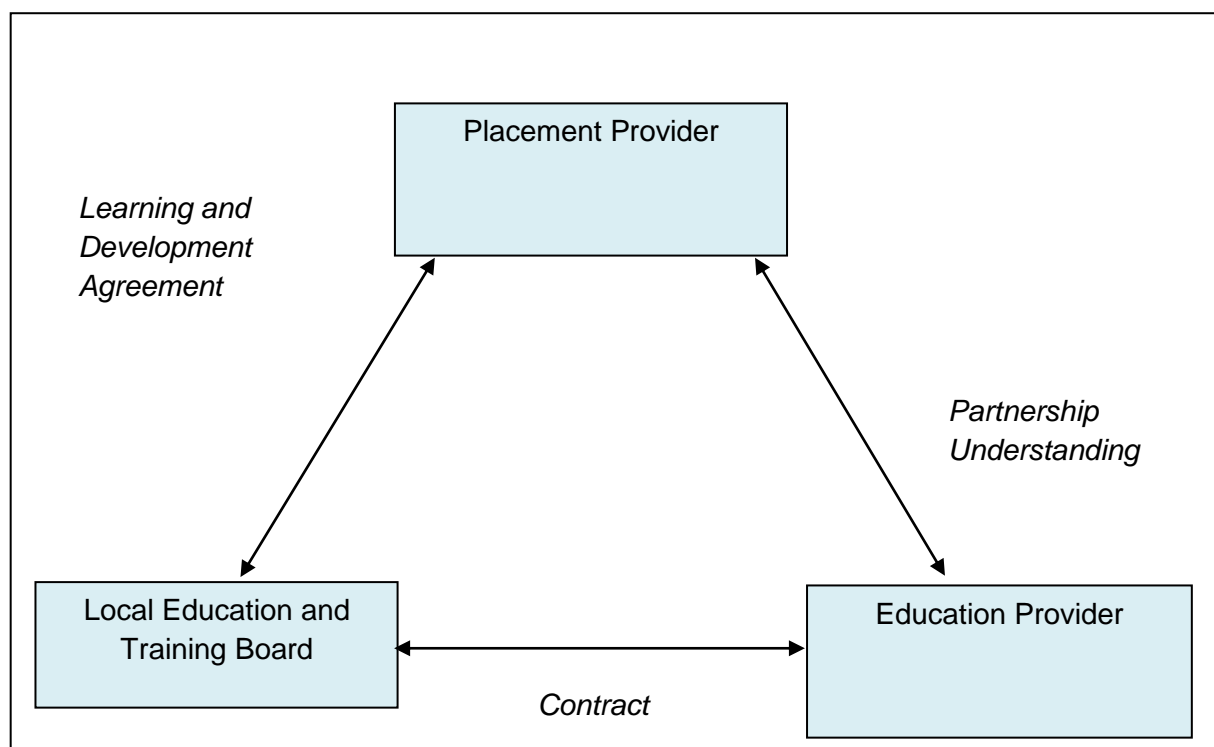


It is mandated that LETBs have contracts in place with education providers for commissioned activity and the contracts must be based on the NSCF.

The NSCF is constructed in such a way that there are two distinct components. Firstly, the core 'front end' of the document which is intended to form the contract itself between the LETB and the education provider. This is supported by the second part of the document which is the series of schedules specifying the more variable elements that may require updating whether on a regular basis or on a less frequent basis. In this way, the NSCF provides a flexible framework that does not impose unnecessary administrative burden on the parties.

Recognising the complex arrangements that support healthcare education commissioning activity, HEE and LETBs are jointly responsible for ensuring that contracting and commissioning infrastructures enable lead LETB commissioning and cross LETB commissioning responsibilities.

The most fundamental principle that must be acknowledged in respect of healthcare education commissioning is the tripartite relationship that is at the core of the system. The figure below provides the overview of this relationship and also introduces the other agreements that need to be in place to support effective working between and across the parties.



Commissioning and delivering education combined with ensuring students benefit from high quality education in the clinical learning environment means having effective working between the three parties, and it is therefore essential that the three agreements linking the tripartite relationship operate in harmony and fully reflect the responsibilities and accountabilities of the three parties. The Learning and Development Agreement has a wider remit than the Contract as it is intended to ensure that all healthcare organisations provide environments that not only support commissioning activity, but also support the learning and development of the existing workforce. This

agreement replaced the former 'wrapper contracts' that were implemented to support education funding for Foundation Trusts.

The Partnership Agreement essentially sets out the responsibilities associated with placement provision and is an important document that ensures patient safety through assurance of appropriate infrastructures.

## 5. Education Outcomes Framework (EOF) – Principles and Indicators

Important principles central to the development of outcome measures and indicators are that they should be:

- Relevant to the improvement of the quality of training, patient safety and outcomes;
  - Developed with input from the patient perspective;
  - Practical to implement and not over burden the providers;
  - Based on evidence of what works best in professional education and training;
  - Aligned with the regulatory standards already in place, and thus do not impose a set of new standards to be met; and
  - Obtained from existing data sets, wherever possible, and limit new data collection e.g. staff survey, patient survey, Professional Regulator surveys, ESR etc.
1. Build on what exists e.g. ECQ framework, the draft medical quality indicators etc, which form a sound basis.
  2. Support two national indicators included in MPET SLA 2012/13, which reflect priorities highlighted in the Francis, Temple and Collins reports
    - a) **Board /Executive Team level engagement in workforce planning, education, training and leadership of all staff:**
      - Provide evidence of an annual education and training plan, linked to workforce development, to meet strategic priorities;
      - Have active Board/Executive team engagement and educational governance in place, to review plans and education and training standards;
      - Demonstrate commitment to CPPD planning; and
      - Illustrate how appraisal and CPPD planning ensures that CPPD activity is targeted to areas of patient care which need to be improved.
    - b) **Safe trainee/student supervision:**
      - Meet standards for learning environment for education and training including LDA, care standards, such as those from the CQC and clinical governance standards;
      - Assure adequate levels of supervision including induction, handover, appropriate access to senior support and graded experience;
      - Meet the standards required by educational curricula set by Professional Standard Regulatory Bodies (PSRB); and
      - Ensure all educational supervisors/mentors are appropriately qualified and all staff engage in supporting students/trainees.

The EOF will build on and integrate with the existing platforms that already exist such as:

- Education Commissioning for Quality (ECQ) – contract performance indicators (CPIs)
- Draft Medical Quality Indicators work
- Equality Delivery System
- National framework contracts for education with Universities

- A wide range of regulatory processes
- Existing survey instruments for staff and patients etc.

# Annex C

---

## (i) Core functions of HEE and a LETB

### 4. Roles, responsibilities and duties

#### 4.1 HEE's key functions are:

- Providing national leadership on planning and developing the healthcare workforce;
- Appointing and supporting the development of Local Education and Training Boards;
- Promoting high quality education and training responsive to the changing needs of patients and local communities. This includes responsibility for ensuring the effective delivery of important national functions such as medical trainee recruitment;
- Allocating and accounting for NHS education and training resources and the outcomes achieved and;
- Ensuring the security of supply of the professionally qualified clinical workforce

In discharging these functions, Health Education England will act economically, efficiently and effectively.

*Liberating the NHS: Developing the Healthcare Workforce – From Design to Delivery* sets out the Government's policy for the new system that will see healthcare providers, taking a lead role in planning and developing their workforce, joining together to form Local Education and Training Boards (LETBs) and taking on many of responsibilities currently carried out by the Strategic Health Authorities (SHAs) when they are abolished, subject to Parliamentary approval, in April 2013.

#### 4.2 Role and purpose of Local Education and Training Boards is:

- Identify and agree local priorities for education and training to ensure security of supply of the skills and people providing health and public health services;
- Plan and commission education and training on behalf of the local health community in the interests of sustainable, high quality service provision and health improvement; and
- Be a forum for developing the whole health and public health workforce.

#### 4.3 The core functions of a LETB are to:

- Bring together all healthcare and public health employers providing NHS funded services with education providers, the professions, local government and the research sector, to develop a skills and development strategy for the local health workforce that meets employer requirements and responds to the plans of commissioners;
- Consult with patients, local communities, and staff to ensure the local skills and development strategy is responsive to their views;

- Aggregate workforce data and plans for the local health economy to inform commissioning decisions ensuring security of supply of the workforce; and share with the CfWI to improve local workforce planning;
- Account for education and training funding allocated by HEE;
- Commission education and training to deliver the LETBs Five-Year Workforce Skills and Development Strategy informed in part by national priorities set out in the Education Operating Framework;
- Improve workforce planning, and use those plans and the Five-Year Workforce Skills and Development Strategy as the basis for commissioning. Aggregate workforce data and plans for the local health economy and share with the Centre for Workforce Intelligence (CfWI);
- Account for education and training funding allocated by HEE, including the publication of an annual report, and a Source and Application of Funds statement;
- Ensure year-on-year improvement in value for money throughout the commissioning of education and training, and for the running costs of the LETB;
- Secure the quality of education and training programmes in accordance with the requirements of professional regulators (as well as other regulators, e.g. QAA, Ofsted etc.) and requirements of ECQ, MQI and the overarching Education Outcomes Framework (EOF);
- Take a multi-professional approach in planning and developing the healthcare and public health workforce and in commissioning education and training;
- Support access to continuing professional development and employer-led systems for the whole health and public health workforce;
- Work in partnership with universities, clinical academics, other education providers and those investing in research and innovation;
- Work with local authorities and health and well-being Boards in taking a joined-up approach across the local health, public health and social care workforce;
- Work with HEE to develop national strategy and priorities.

## **(ii) The ten operating principles**

### **1. Local decision-making**

Boards will determine their own investment plans and take responsibility for the education and training they decide to commission. Such decisions will reflect the priorities determined by providers of NHS services, in partnership with key stakeholders, and informed by HEE's annual strategic EOF.

HEE may directly intervene in the work of the Board in the following five instances:

- There is evidence that public money is not being used effectively
- There are concerns about the quality of education and training, which are not being adequately addressed by the Board
- There is evidence that local plans and delivery may lead to a local or national shortfall in an important part of the professional workforce
- There are concerns about patient safety in connection with training posts or placements
- Non-compliance with authorisation criteria and/or governance framework

### **2. Inclusive approach of providers**

Investment decisions to ensure security of supply of workforce need to take account of all providers and not just primary care, dentistry and large trusts. Decisions must fully support small providers of NHS services (including the nursing home sector), which collectively, can employ large parts of the workforce. Each LETB and their Board needs to fully engage with small providers as well as larger ones and give due weight to their workforce issues in all decisions.

### **3. Good governance**

Governance arrangements for Boards need to be practical, robust and transparent. They should reinforce the collaborative and provider-led arrangements and operate in partnership with healthcare commissioners, the key health professions, the education and research sector, local government and other key stakeholders.

The Board needs to be representative of all providers. It should comprise a majority of providers of NHS funded services. Primary care providers should be represented proportionately. The balance of the voting members of the Board should be two thirds providers of NHS services.

Other members should include representation from the education sector and may include the Chair of the emerging Academic Health Science Network. The governance arrangements should effectively address any conflicts or competing interests that arise from time to time.

All decisions of the LETB must have due regard to the NHS Constitution, including promoting equalities of access to education and training.

Each LETB should appoint an independent chair; guidance on this will be published separately.

#### **4. Sound financial management**

Boards will be responsible for workforce planning and commissioning and the delivery of high quality education and training within set budgets. The financial budget from HEE shall only be used for the purposes of which it is intended.

Boards will make investment decisions within their MPET allocation. They should have an infrastructure that offers value for money and is within the running cost limit.

#### **5. Stakeholder engagement**

Engaging and working with stakeholders is a very important principle which Boards must be able to continually demonstrate. Stakeholders need to be fully engaged in the development of the LETB five-year workforce development strategy. Effective engagement will include identifying priorities to be addressed in the work of the Board and its investment decisions. The stakeholders which Boards will primarily engage with are:

- Providers of NHS services;
- Local authorities;
- Education providers and their regulatory bodies;
- Professional regulation/registration bodies;
- Clinical Commissioning Groups (CCGs);
- NHS Commissioning Board;
- Professional bodies including Royal Colleges;
- Academic Health Science Centres / Networks (AHSC/Ns);
- Patient and public groups;
- Skills Funding Agency / National Apprenticeship Service; and
- Public Health England.

#### **6. Transparency**

Boards will be required to publish a source and application of funds statement each year. The statement will provide clarity to all partners and stakeholders on how the funds received from HEE are used. HEE are ultimately accountable for LETB finances.

Boards should also publish information on the quality of the education and training it has commissioned. This will be in accordance with the Education Outcomes Framework but also describe the extent to which providers of education and training have met the quality specification within the contracts that the board has with its providers, including those hosting trainees and providing placements.

Boards will be publicly accountable through HEE and should produce an annual report that describes achievements over the past year and includes a brief description of key issues it aims to address over the next two years.

## **7. Partnership working**

Boards should develop their partnership arrangements to take account of, and include, providers of NHS services, education providers, local authorities (for social care and public health), professional regulators and professional representatives, CCGs, the NHS Commissioning Board, Academic Health Science Networks (when established) and Academic Health Science Centres (where they exist). LETBs need a clear and accessible approach for engaging and consulting with patient and public stakeholders.

The duty on providers to work with each other reinforces the LETB provider-partnership approach.

## **8. Quality and value-year on year improvement**

The principal purpose of the education and training reforms is to improve the quality of education and training for the future and current NHS workforce. To secure year on year improvement, the engagement of providers will be crucial. The boards will not be immune from the financial constraints facing the NHS and, therefore, need to secure improvement in the quality and value of education and training commissioned.

Boards should ensure that their quality measures and accountability arrangements align with the Education Outcomes Framework.

## **9. Security of supply**

Ensuring security of supply of the workforce in both numbers of staff and their skills and attitudes is central to each LETB. To achieve robust workforce planning it is important that each provider produces good workforce plans. Boards will use the aggregate of the plans as evidence to guide investment decisions.

## **10. Accountability**

Providers of education and training (both university and employer-based) will be held to account by Boards through contracts and agreements. Boards will be required to comply with the authorisation criteria and will be accountable to both HEE and its membership and local stakeholders.



# Annex D

## LETB scheme of delegation

This document provides reference to areas of delegated responsibility as defined in

Board's Standing Orders and Standing Financial Instructions.

The following abbreviations are used throughout:

- LETB Managing Director (MD)
- LETB Head of Finance (LETB HF)
- Head of Internal Audit (HIA)
- Local Education and Training Board (LETB)
- Audit Committee (AC)

### SCHEME OF DELEGATION IMPLIED BY WAYS OF WORKING (STANDING ORDERS)

SO ref	Delegated to	Powers delegated
3.1	Independent Chair	Urgent decisions on behalf of LETB (subject to report at next meeting).
3.3	Managing Director	Maintain a register of members' interests in any matter relating to the LETB.
3.4.2	Independent Chair	Determine the nature of a formal vote.
3.4.5	Independent Chair	Cast a second and deciding vote in the case of an equal vote.
4	Independent Chair	The decision of the Chair on order, relevancy and regularity and interpretation of Standing Orders shall be final as advised by the MD.
5.1.1 5.1.2	Managing Director	Responsible for formally recording meetings
5.1.2	Independent Chair	Responsible for summarising action points and decisions during the meeting.
5.1.3	MD	Review draft LETB minutes
5.1.4	Independent Chair	Approve LETB minutes
5.1.6	Independent Chair	Sign the minutes at the following meeting creating an official record of the meeting

## DELEGATED FUNCTIONS OF A LOCAL EDUCATION AND TRAINING BOARD

A Local Education and Training Board will undertake the following functions for its geographical area to enable its purpose. It is expected to be able to act with autonomy from the Health Education England Board subject to complying with standing orders, standing financial instructions, the scheme of delegation and its authorisation criteria.

### Purpose

- Identify and agree local priorities for education and training to ensure security of supply of the skills and people providing health and public health services;
- Plan and commission education and training on behalf of the local health community in the interests of sustainable, high quality service provision and health improvement;
- Be a forum for developing the whole health and public health workforce.

### Functions

- Bring together all healthcare and public health employers providing NHS funded services with education providers, the professions, local government and the research sector, to develop a skills and development strategy for the local health workforce that meets employer requirements and responds to the plans of commissioners;
- Consult with patients, local communities, and staff to ensure the local skills and development strategy is responsive to their views;
- Aggregate workforce data and plans for the local health economy and share with the CfWI to improve local workforce planning;
- Account for education and training funding allocated by HEE;
- Commission education and training to deliver the local skills and development strategy and national priorities set out in the Education Operating Framework;
- Ensure value for money throughout the commissioning of education and training and for running costs;
- Secure the quality of education and training programmes in accordance with the requirements of professional regulators and the Education Outcomes Framework;
- Take a multi-professional approach in planning and developing the healthcare and public health workforce and in commissioning education and training;
- Support access to continuing professional development and employer-led systems for the whole health and public health workforce;
- Work in partnership with universities, clinical academics, other education providers and those investing in research and innovation;
- Work with local authorities and health and well-being Boards in taking a joined-up approach across the local health, public health and social care workforce;
- Work with HEE to develop national strategy and priorities.

**SCHEME OF DELEGATION IMPLIED BY STANDING FINANCIAL INSTRUCTIONS**

<b>SFI ref</b>	<b>Delegated to</b>	<b>Powers delegated</b>
1.2.2.1	MD	Overall executive responsibility for LETB's activities and meeting budget limits
1.2.2.2	LETB HF	MD to delegate detailed responsibility for LETB financial activities and controls to HF
1.2.2.3	MD and HF	Responsible for the implementation of the Authority's financial policies and for co-ordinating any corrective action necessary to further these policies at LETB level
1.2.2.4	MD	LETB staff to be notified of SFI responsibilities
1.2.3.2	LETB HF	Provision of financial advice to LETB members and staff
1.2.3.2	LETB HF	Maintenance of proper LETB accounting records
1.2.3.4	LETB HF	Ensure cash is planned for approved expenditure only and only at the time of need
1.2.4.1	Board, members and employees	Responsible for the security of the Authority's property; avoiding loss; exercising economy and efficiency in the use of resources; conforming with SOs, SFIs, Scheme of Delegation and Financial Procedures
1.2.4.1	Any officer	Report any irregularities or impropriety relating to these regulations to the Head of Finance
1.2.4.1	LETB HF	Consider any such suspicions to determine if the case should be referred to the Local Counter Fraud Specialist
1.2.5.1	Directors	Directors responsible for arranging contracts shall ensure that those contracts are correctly monitored and governed
1.2.5.2	MD	Ensure that contractors who are empowered by the Authority to commit the Authority to expenditure are aware that they are covered by the SFIs
1.2.6.1	AC	Provide an independent and objective view of internal control
1.2.6.2	AC Chair	Report evidence of ultra vires transactions, evidence of improper acts or other important matters to the HF and CE. If the matter is not resolved the matter will be raised at a full meeting of the Board
2.1	LETB HF	Prepare and submit financial plans in accordance with DH Requirements to LETB and HEE HF
2.2	LETB HF	Ensure that financial details contained within service agreements of contracts are consistent with the requirement to balance income and expenditure
2.3	MD	Compile and submit annual business plan to LETB
2.4-2.11	LETB HF	Compile financial estimates, forecasts and monitor spending and report on exceptions
2.12-2.15	MD	Establish delegated budgeting control framework within LETB
2.16	LETB HF	Inform MD of financial consequence of change in policy, pay awards and other events affecting budgets and advise on the financial and economic aspects of future plans and projects
2.17	MD	Ensure appropriate financial monitoring forms are submitted to HEE
3	LETB HF	Preparation of supporting information for annual accounts
5.1.1	MD	Ensure adequate appraisal process in place for determining

		capital expenditure priorities
5.1.2	MD	Ensure that a business case is produced in line with guidance
5.1.2	LETB HF	Certify the costs and revenue consequences of businesses cases
5.1.5	LETB HF	Issue procedures for the regular reporting of expenditure and commitment against authorised expenditure
5.1.6	MD	Authorise an officer of the Authority to commit expenditure, proceed to a competitive offer and approval to accept a successful competitive offer
5.1.7	LETB HF	Issue procedures governing financial management within LETB
5.2.1	MD and LETB HF	Maintain LETB Asset Register and Register of Inventory Items
5.2.2	LETB HF	Determine necessary action in the case of persistent breach of agreed security practices
5.2.3	MD	Record the items of equipment to be recorded on either the Capital Asset Register or Inventory Register
5.2.6	LETB HF	Approve procedures for reconciling balances on LETB fixed asset accounts against fixed asset registers

5.2.9	LETB HF	Calculate and account for LETB capital charges
7.1.1	MD	Approve changes to funded establishment where necessary
10.6	MD	Approve orders for which there is not budget provision
10.7	MD	Ensure arrangements are in place to maintain a register of LETB Gifts and Hospitality
14	LETB HF	LETB Losses and special payments arrangements
15.1	MD and LETB HF	Monitor and ensure compliance with NHSCFSMS arrangements
17.1	LETB	Ensure the LETB has a programme of risk management in place
18.1	MD	Maintain archives for all documents required to be retained under DH guidelines
18.2	LETB HF	Authorise individuals to retrieve archived documents

**SCHEME OF FINANCIAL DELEGATION FOR REQUISITIONS AND PAYMENTS IN RESPECT OF GOODS AND SERVICES  
(Administration costs)**

Financial Limit	HEE and LETB
Over £100,000	Board
Up to £100,000	Chief Executive, Managing Director
Up to £50,000	Director or Finance, LETB Head of Finance
Up to £25,000	Executive Directors, LETB Directors
Up to £10,000	Heads of Department
Up to £1000	Budget Holders and other authorised signatories

**SCHEME OF FINANCIAL DELEGATION FOR REQUISITIONS AND PAYMENTS IN RESPECT OF EDUCATION CONTRACTS**

<b>Approval of contractual expenditure</b>	HEE	LETB
Contractual payments in respect of education contracts with Education Institutions	Head of Finance Budget Holders Authorised signatories	Head of Finance Budget Holders Authorised signatories
Contractual payments in respect of education contracts with NHS bodies	Head of Finance Budget Holders Authorised signatories	Head of Finance Budget Holders Authorised signatories
<b>Variations to contractual expenditure or non-contractual payments re. education contracts – authorized limits</b>		
Up to £250,000	Relevant Head of Department	Relevant Head of Department
£250,000 to £500,000	Relevant Executive Director	Relevant LETB Director
£500,000 to £1m	Chief Executive Director of Finance	Managing Director LETB Head of Finance
£1m to £5m	Chief Executive	Managing Director
Over £5m	HEE Board	Board

**AUTHORISATION OF VIREMENT**

Amount of delegated virement	HEE	LETB
£0 - £19,999	Executive Directors	LETB Directors
£20,000 - £249,999	Director of Finance	LETB Head of Finance
£250,000 - £499,999	Chief Executive	Managing Director
Above £500,000	HEE Board	Board

**Variations to Contract terms and conditions**

Managing directors or their authorised delegates will be able to vary terms and conditions to the national education contract and national learning and development contract frameworks within limits such that their effect is within the authorised virement limit.

Where there is any doubt about variation of contract terms and conditions, it will be referred to the Head of Finance for agreement.

# Annex E

## External resources for support

Below is a table outlining some external resources, which can be used for support by LETBs and their Boards.

Form or Document to submit	Resources	Description
Commitment to have regard to and promote the NHS Constitution	NHS Constitution <a href="#">Link</a>	The constitution brings together in one place details of what staff, patients and the public can expect from the NHS. It also explains what individuals can do to help support the NHS, help it work effectively, and help ensure that its resources are used responsibly.
Compliance with the Health and Social Care Act 2012	Health & Social Care Act <a href="#">Link</a>	The Health and Social Care Act places a duty on the Secretary of State to exercise his functions so as to secure an effective system for education and training, for people who are employed or who will be employed in the health service and public health system in the future.
Design to Delivery	Liberating the NHS: Developing the Healthcare workforce – From Design to Delivery	Design to Delivery is the paper from DH outlining the path for developing future health workforce including HEE and governing bodies of LETBs.
Academic Health Science Network Paper	ANSN Guidance, June 2012 <a href="#">Link</a>	This document sets out the draft and establishment process to create Academic Health Science Networks
Education Outcomes Framework	When published	
Equality and Diversity strategy	<a href="#">Link</a>	The Equality Delivery System supports NHS organisations to meet the requirements of the public sector Equality Duty.
NHS Leadership Quality Framework	<a href="#">Link</a>	The NHS Leadership Quality Framework outlines the qualities underpinning leadership in the NHS and is referred to in domain one.
Quality Improvement Framework (GMC)	<a href="#">Link</a>	This document sets out how the GMC will quality assure (QA) medical education and training in the UK.
Social Partnership Forum Principles	<a href="#">Social Partnership Forum Principles</a>	Guideline principles for collaborative working within the NHS.

# Annex F

---

## Glossary and Definitions

**Academic Health Science Centre / Networks** - An academic health science centre (AHSC) is a partnership between a healthcare provider and a university. AHSNs are wider collaborations incorporating multiple providers and universities within a defined geography

**Annual Business Plan** - The plan for how the Board will carry out its functions over the coming year. From 2013/14 onwards, this plan will include the investment plan, workforce plan and education commissioning plan.

**Assurance visit** - The process step through which selected members of the LETB and the HEE Leadership team discuss the findings of the desktop review.

**Authorised**- A Board that is established and that has fully satisfied HEE of the criteria set out in the framework as is necessary in order for an application to be granted without conditions.

**Authorised with conditions** - If the Board has not fully satisfied HEE that it meets all the thresholds for authorisation (but does meet the baseline authorisation threshold), HEE may give it conditional authorisation by setting conditions or directing the Board not to carry out certain functions or about how it carries out any of its functions. Further details will be set out in regulations. Conditions or directions will be specific to the particular requirements that have not been satisfied, and proportionate to the level of risk associated with the relevant function.

**Authorisation** - This is the process by which the criteria for establishing the Board of LETBs as committees of HEE, outlined in this framework, are used to determine whether the LETB is fit to function. Also known as the Establishment Criteria.

**Board** - The decision-making body that will determine the LETB strategy and take decisions on their behalf. The Boards will be committees of HEE and will be made up of a small number of people who are not employees of HEE.

**Care and Support Bill (draft)** - Draft legislation in which HEE and LETBs are defined and their Boards are legally established.

**Clinical senate** - Clinical senates will bring clinical leaders together across broad areas of the country to provide a vehicle for cross speciality collaboration, strategic advice and innovation to support CCGs and other commissioners

**Constitution** - The principles and structures that define the governance of the LETB.

**Design to Delivery** - The paper from DH outlining the path for developing future health workforce including HEE and LETBs.

**Education Outcomes Framework** - The Education Outcomes Framework will set expectations across the whole education and training system so that investment in developing the health and public health workforce supports the delivery of excellent healthcare and health improvement. LETBs and HEE will use the Education Outcomes

Framework as the basis for developing the operating model and working arrangements with partners.

**Geography** - The physical area covered by a LETB.

**Governing body** - This is referred to as 'the Board' in the document. See 'Board' for description.

**Health and Social Care Act** - The Health and Social Care Act places a duty on the Secretary of State to exercise his functions so as to secure an effective system for education and training, for people who are employed or who will be employed in the health service and public health system in the future.

**HEI** - A higher education institution refers to any institution offering courses **above the secondary level**.

**Investment Plan** - Plans which allow HEE to hold Boards to account for their investment decisions in respect of the capacity and skills of current and future health workforce that reflects the needs of patients, carers and local communities as well as delivery against the national priorities set out in the Strategic Education Operating Framework set annually by HEE. In the HEE Directions 2012 these plans are referred to as Education and Training Plans.

**Five year workforce skills and development strategy** - This document will demonstrate the local workforce needs over the following five years, with a clear focus on the priorities of NHS providers and commissioners, any assessment of the local needs of the region and from regional and national bodies, such as the Health and Wellbeing Boards, National Commissioning Board, etc.

**LETB** - The term LETB in this document refers to the LETB membership (any local provider of NHS services). Any specific references e.g. the Board (of LETB) are specifically referred to in the text. A LETB has no legal status. It is a grouping of local providers to form a Board and to co-operate with HEE in HEE's performance of its functions. It also includes the planning, local commissioning and management of E&T contracts by HEE employees who are directed in this role by the Board of the LETB.

**Local** - The term local in this guidance e.g. local stakeholders, refers to the anything inside the LETBs geographical area e.g. any stakeholder who predominantly based inside the LETBs geographical area.

**Long term** - Five years or more from the start of LETB operation on 1 April 2013.

**Managing Director** - The Managing Director of the LETB will provide strategic leadership for the workforce agenda in (LETB area); leading the development and implementation of the new system for education and training as part of the wider programme of reforms. The post holder will be accountable to their LETB and its Independent Chair for the performance of the LETB. He/she will also be accountable to the Chief Executive of HEE, and will be an employee of HEE.

**Medium term** - Between year one and five of operation.



**Member** – A member (of the LETB) is any local provider of NHS services. However, this does not imply that all providers have a governing responsibility in the LETB as the Board will be drawn from members and will participate in a proportionate way.

**National** - The term local in this guidance e.g. local stakeholders, refers to the anything that extends beyond the LETBs geographical area e.g. any stakeholder who predominantly, which has a wider base than the LETBs geographical area.

**NHS Constitution** - The NHS Constitution establishes the principles and values of the NHS England. It sets out rights to which patients, public and staff are entitled, and the pledges which the NHS is committed to achieve, together with the responsibilities which the public, patients and staff owe to one another to ensure that the NHS operates fairly and effectively. All NHS bodies and private and third sector providers supplying NHS services are required by law to take account of this Constitution in their decisions and actions.

**Operating principles** - These are the ten operating principles developed by HEE in conjunction with LETBs, which can be found in Annex C.

**Organisation development plan** - A plan demonstrating how the Board's capacity and capability to carry out its functions will evolve.

**Plan** - This is a document that establishes a given set of actions, determined by the author organisation, to deliver specified outcomes within a specified timeframe.

**Providers** – This is any NHS funded health or care organisation that will supply patient or health education services. They will form part of the LETB membership. Service providers are seen as providers of NHS funded services. Education providers are seen as institutions that focus on the teaching and training of healthcare workers, such as HEIs

**Quality Indicators (from the EOF)** – These are metrics that are relevant to the improvement of the quality of training, patient safety and outcomes, developed with input from the patient perspective, based on evidence of what works best in professional education and training.

**SLA** - A service level agreement is a negotiated agreement between two parties. It is not commonly legally binding although it may form part of a formal contract. SLAs would commonly include definition of services, performance measurement, problem management, and termination of agreement.

**Shortage of supply** – This reflects the circumstance where the current number of specific groups of care workers is less than the demand for them in post. This may also apply to the imbalance in the number of professionals being trained and the number of vacancies expected for them to fulfil.

**Short term** - Within the first year of operation.

**Staff** - The transfer of staff from SHAs will be in to HEE as employees, who will do local commissioning at the instruction of the Board of the LETB.

**Stakeholders** - A stakeholder refers to a person, group, organization, which affects or can be affected by the Board's actions taken to deliver its core functions.

As a minimum these will include the categories included in the LETB Operating Principles (Annex C).

**Third party feedback-** Feedback received from stakeholders of the LETB. This could include 360 degree / multi-source feedback, web-based surveys, letters of support or minutes of meetings.

## Abbreviations

Below is a list of abbreviations that have been used in the framework guidance.

- AHSC - Academic Health Science Centre
- AHSN - Academic Health Science Network
- CCG - Clinical Commissioning Group
- CQUIN - Commissioning for Quality & Innovation
- CfWI – Centre for workforce intelligence
- DH – Department of Health
- HEE - Health Education England
- HEI - Higher Education Institution
- EOF - Education Outcomes Framework
- LETBs - Local Education and Training Boards
- MPET - Multi-Professional Education & Training
- NHSCB - National Health Service Commissioning Board
- QIPP - Quality, Innovation, Productivity & Prevention
- SHA - Strategic Health Authority