



Local Education and Training Board

Authorisation: Summary document

10 September 2012

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Contact Details	Lindsey Proctor Quarry House Leeds LS2 7UE 0113 245811	
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Executive summary

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
Phase 1: Pre-application period <ul style="list-style-type: none"> Framework guidance issued & self-assessment 	July 2012 onwards
Phase 2: Application process <ul style="list-style-type: none"> Assessment planning meeting Submission of evidence 	October 2012 onwards
Phase 3: HEE assessment <ul style="list-style-type: none"> Desk top review Assurance visit 	October 2012 - March 2013
Authorised (Fully established)	From April 2013

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

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Section 1

Purpose of this document

1.1 This document provides an overview of the broad process for Local Education and Training Board (LETB) Governing Bodies (see below) to prepare and complete the authorisation process by March 2013. This document summarises the establishment criteria (as they are referred to in The Health Education England Directions 2012) but which are known more widely within these documents as the 'authorisation criteria'. These criteria have been set by Health Education England and will be approved by the Secretary of State. Detailed information on the process, timescales, domains, establishment criteria and evidence can be found in the associated **Authorisation Framework**, which is to be read in conjunction with this document.

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. The full guidance in the Authorisation Framework builds on *Liberating the NHS; Developing the Healthcare Workforce – From Design to Delivery*¹ and sets out how HEE will assess whether the 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.

The full Authorisation Framework 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,

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http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_132076

such as the Five Year Workforce Skills and Development Strategy, can only be submitted in draft form.

The Authorisation Framework provides a detailed description of the six domains, underlying criteria, thresholds and evidence for authorisation. The sources of evidence are also identified to assist LETBs as they progress their application, and the potential outcomes of authorisation, and the process to arrive at these are set out.

Section 2

1. 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

2. ***Domains of authorisation***

2.1 ***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:

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

2.2 ***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.

2.3 ***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.

2.4 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.

2.5 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.

2.6 The full Authorisation Framework sets 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 the table below, with the criteria against which Board applicants will be assessed listed in the final column.

2.7 In the full Authorisation Framework, 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.

2.8 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.

Section 4

3. ***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.

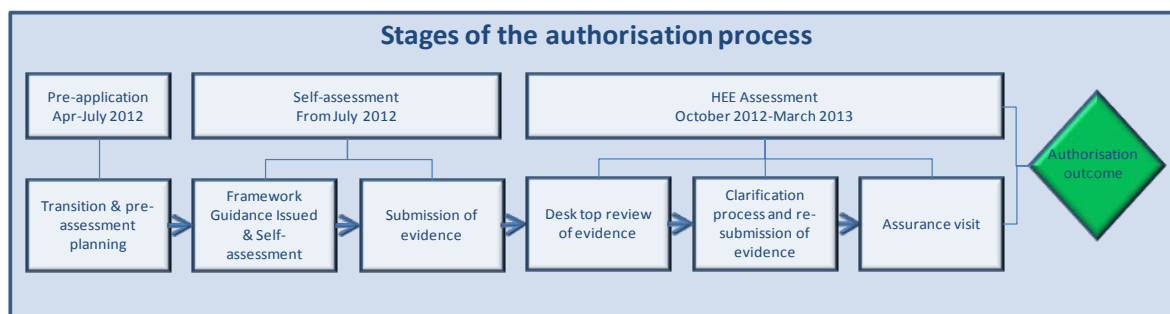
There will also be a strong recognition of the risks involved in transitioning to and developing the new model, which Boards will need to manage. This will form part of the overall assessment as well as a significant part of the review at the final process stage, the Assurance visit. The Assurance visits 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 in the full Authorisation Framework marks the first formal stage of the process.

The criteria and evidence listed in the full Authorisation Framework 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 The full Authorisation Framework outlines the different possible outcomes of authorisation and the process that will be followed to arrive at these. These are set out below.

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.

Domains of Authorisation

Domains	Descriptions	Criteria
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
Meaningful engagement with key partners	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.	2.1. Meaningful, collaborative working relationships with stakeholders 2.2. Establish robust and sustainable arrangements for working with other LETBs
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 Board.	3.1 Constitutional and governance arrangements 3.2 Effective risk management & internal controls 3.3 Conflicts of interests
Effective Financial Control	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.	4.1 Financial control 4.2 Financial plan 4.3 Financial control, capacity and capability
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.	5.1 The Board has well defined functions, roles and responsibilities and the skills to deliver against them 5.2 Organisational viability: The Board has successfully tested that it is viable both geographically and financially 5.3 Workforce development planning
Outcome Led Improvement	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.	6.1 Prioritise workforce change and educational outcomes improvements 6.2 Robust mechanisms to deliver identified year on year educational outcome improvements

Section 6

6. **Domain Criteria**

6.1 In the full Authorisation Framework, 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 in the full Authorisation Framework 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.

The Authorisation Criteria set out by Domain

Domain one – Vision and Leadership

- 1.1 Shared Vision and Understanding
- 1.2 Effective Leadership Capability
- 1.3 Strategies and Plans

Domain two – Meaningful Engagement with Partners

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

Domain three – Good Governance

- 3.1 Constitutional and Governance Arrangements
- 3.2 Effective risk management and internal controls
- 3.3 Conflicts of interest

Domain four – Effective Financial Control

- 4.1 Financial Function
- 4.2 Financial Plan
- 4.3 Financial Control, Capacity and Capability

Domain five – Organisational Capability

- 5.1 The LETB has defined functions, roles and responsibilities and the skills to deliver them.
- 5.2 Organisational Viability

Domain six – Outcome-Led Improvements

- 6.1 Prioritise workforce change and educational outcomes improvements
- 6.2 Robust mechanisms to deliver identified year on year educational outcome improvements