

Beyond Transition:

A sustainable future for Health Education England - Realising Our Potential

(Version – 13/5/14)

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1. The purpose of this document is to outline a number of changes proposed to the structure and ways of working at Health Education England in order to meet a number of challenges outlined in the case for change. It ends by asking colleagues to answer five questions and respond by June 15th to hee.beyondtransition@nhs.net
2. Now, one year old and preparing for a new organisational form as a Non Departmental Public Body (NDPB), is the right time for **Health Education England** (HEE) to examine its functions, structures and processes to ensure it is delivering its tasks in the most efficient and effective way possible.
3. HEE has had a successful first year. We will make change to our organisational structure and ways of working from a position of strength, designed to enhance and improve our delivery as the single body responsible for the education and training of the Public Health and Healthcare Workforce. We need to take the opportunity now, outlined in the case for change later in this document, to build One HEE placing quality of care, training and education at the heart of every decision we take, delivering locally and nationally for patients and trainees by building on our accomplishments to date. We need to ensure we preserve what is good and has worked in the current whilst building and improving for the future..
4. This evolution is given further impetus by the Government mandated requirement to reduce running costs by 20% by April 2015 and reduce the number of posts paid over £100k per annum by at least the same amount. The new model needs to be sustainable and affordable, enabling us to live within our means.
5. This document is designed to engage HEE staff and stakeholders in how HEE can be the most successful organisation it can be, realising its potential to deliver higher quality care for patients, within a reduced running cost budget and with fewer senior leaders. It makes the case for change and the principles by which HEE will make those changes, before setting out the organisational model for the future.
6. It is important to say that this process is not driven by failure; HEE has made a successful start to its life in the new NHS landscape. LETB's have delivered five year strategies and their first annual workforce plans through engagement with employers unheard of in the NHS previously. The first ever National Workforce Plan for England was welcomed across the system and our decision to open up the process and invite submissions in advance of creating the national plan proved popular with stakeholders. On top of this we delivered a safe transition for students, staff and patients; we delivered across our first ever HEE Mandate; and we started the process of transformation in

how we recruit and train students for values as well as skills. We take these steps from a position of strength.

7. HEE is a Special Health Authority created by the Secretary of State for Health under Directions in June 2012 which, in turn, took on its full functions on April 1 2013. It was created to “*exercise on behalf of the Secretary of State the education and training function [for health care workers].*”¹ As a result of the Care Bill which is about to receive Royal Assent HEE will become a statutory “*body corporate called Health Education England*”². i.e. a Non-Departmental Public Body (NDPB) which will bring stability to the organisation as a full statutory body and improve our ability to make long term changes for the better more confident of our status in the wider NHS.
8. This process creating HEE and Local Education and Training Boards (LETBs) was outlined in the January 2012 DH publication *Liberating the NHS: Developing the Healthcare Workforce; From Design to Delivery*. It said the reason for the SpHA leading to an NDPB process was “... *a deliberate and cautious approach so that we can secure continuity and a safe transfer of essential skills and staff from Strategic Health Authorities and protect individuals currently undertaking training*”³.
9. As a result of the process outlined above and the implicit policy decision in Design to Delivery the LETBs of HEE were largely, though not exclusively, created through a “lift and shift” exercise where existing SHA Workforce and Deanery staff were transferred wholesale to HEE as a single employer. This ensured the safe transition and protected the individuals undertaking training as proposed, but as shown by Design to Delivery, this was never envisaged to be the end of the process for HEE.
10. This document seeks comments on the next stage of evolution for HEE.

¹ HEE Directions March 2013

² The Care Bill

³ *Liberating the NHS: Developing the Healthcare Workforce; from Design to Delivery* January 2012

Our vision for HEE

11. HEE exists for one purpose only: to improve the quality of care for patients by delivering a better health and healthcare workforce for England, through the education, training and personal development of every member of staff and recruiting for values. We live by the values of the NHS Constitution and are committed to playing our full role across the NHS as a vital part of the quality and delivery infrastructure locally and nationally. And we are avowedly a multi-professional organisation, focusing on the whole workforce current and future.
12. HEE's Business Plan for 2014/15 sets out the core tasks of HEE and how it delivers on its vision, as we seek to meet the challenges for the NHS outlined in our soon to be published fifteen year strategic framework.

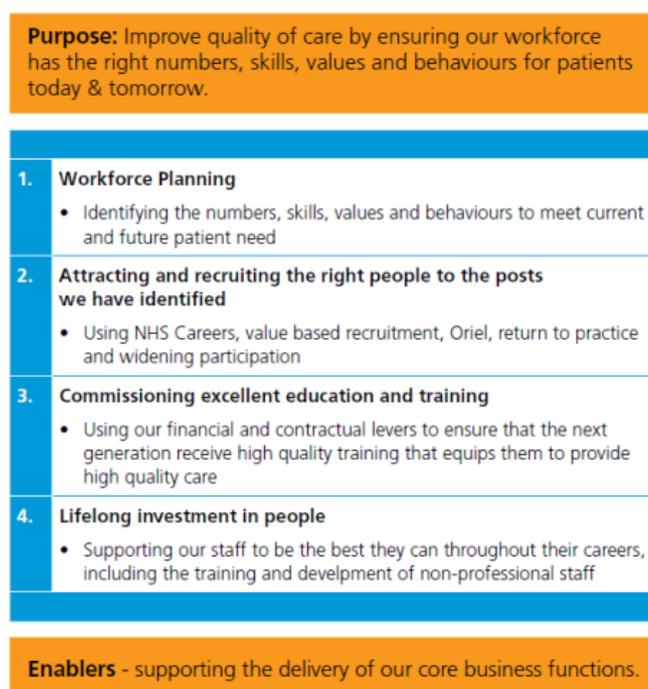


Figure 1⁴

13. How HEE delivers its core work and how the enablers support most effectively is the touchstone of this change. We need to ensure each function is delivered as effectively, or better, than now with reduced running costs and senior leadership. The engagement and continuing design work will test each of these functions against the preferred model

⁴ HEE Business Plan 2014/15

The case for change

14. HEE is one; one year old and one organisation. It has delivered its first National Workforce Plan for England; each LETB has produced its first local education and training plan and five year strategy; it has worked to meet its first Mandate and prepares for its next; it is about to publish its fifteen year strategic framework; and it is has commissioned its first year of new education and training places.
15. HEE and its LETBs have found their place as key players in the new NHS landscape, making a huge contribution to patients and the system already. Year one is a success and all who work for HEE should take pride and credit in that first year. To put it bluntly, HEE has delivered what we said we would deliver.
16. The objective now, as money for investment in training and education and running costs gets tighter and as the organisation learns more about where it needs to focus its time and energy, is to ensure a sustainable future for HEE as a NDPB, allowing it to build on a successful first year and reach its full potential.
17. The case for change can be summarised into four areas:
 1. We must create One HEE, one statutory body with a clear vision, purpose, and culture enabling greater alignment between the local and the national; so that we can accelerate our activity and impact at scale and pace;
 2. Our operating model must allow HEE to focus on the whole workforce and transformation, allowing each member of staff and team to work together across the country to make the difference we need to make;
 3. We must ensure HEE meets the standards of governance and process expected of a single statutory NDPB and create greater alignment with the rest of the system;
 4. We must deliver the DH requirements to reduce running costs by 20% and the number of senior posts paid over £100k by at least the same amount.

One HEE

18. HEE is a single organisation. Yet HEE does not always act or feel like a single organisation. It often feels to staff and stakeholders like fourteen organisations with a national body called HEE and thirteen local bodies called LETBs, each

separate with their own identities; leadership; processes; governance; culture; organisational development and ways of working.

19. The current situation is partly driven by authorisation and maturity levels as HEE was being created and in its first year as we attempted to embed as much local autonomy as possible alongside core common aims, objectives, structures and processes within a single body with a unique model of organisation and governance. This model led to completely reasonable and coherent behaviours when thinking about one part of HEE, be it the national part or a LETB, creating a wholly different issue for the body corporate e.g. multiple small orders from the same company adds up to one big order on behalf of the body corporate. No blame can be attached for making these orders in isolation; it was the nature of the structure and the system that led to those decisions, which is why the structure has to change.
20. This leads to a number of functions of HEE being carried out fourteen times, differently, which is not financially or culturally sustainable. Examples are staff engagement; contracts with external suppliers (which is a significant risk in audit and accounting terms); multi-million pound contracts with some 50 Universities providing similar courses but each with slightly different variations to contract; estates and assets management; campaigns and communications; approaches to risk; and recruitment practices for students and trainees
21. Therefore we need to focus the organisation more effectively around a single vision and set of priorities that allows local leadership and flexibility but also ensures the structures and ways of working allow HEE to deliver across the whole country on a number of issues, specifically the Mandate. By bringing staff and leaders closer together we can increase our impact and pace of delivery whilst ensuring the best of what we currently do is transferred into the new model and deliver a shorter, more effective alignment between the local and the national. This model accepts that some decisions by their very nature are local and will be made thirteen times in different ways, such as CPD allocations, but the Mandate drives the need for consistency in many areas. Equally Workforce planning is a two way street with the local building to the national, and the national sometimes driving change locally.

All working together to focus on the whole workforce

22. HEE is proud that we are an organisation that has used its first year to focus on bands 1-4, Dementia training for 100,000 staff at all levels and delivered a workforce plan where the whole workforce was represented in a single document as part of a single plan. Our focus on the whole workforce, current and future, is one of the reasons that HEE was created so the new structure must not dilute that commitment, indeed it must enhance it, making it easier.

23. This means that each part of HEE, geographical and functional will deliver for the whole workforce and functions carried out in the old deaneries will be further aligned to HEE as a whole on a more consistent basis. We want to break down the barriers between the professions allowing each student to make their own choices based on a fuller knowledge of the range of different career options available across the NHS. But we need to do this safely, ensuring the core functions of recruitment and support for students continue effectively. The objective of this change is that no profession gets less focus than now, but most get more.
24. By bringing staff and functions together with one operating model throughout HEE we can build more sustainable teams to focus together on areas of the workforce, the current dilution of resource which sees one or two people in each area makes it more difficult to make a difference for the whole workforce across the country. With this change we can build focused teams drawing on expertise and knowledge of staff within LETBs to create a whole that is greater than the sum of its parts.

Governance and NDPB

25. As stated above HEE has a single board, a single accountable officer, is the sole employer and has a single set of accounts. The current situation of thirteen semi-independent 'corporate' bodies makes it difficult for HEE to operate as effectively as possible as outlined by a number of internal audit reports during our first year. This is especially important as HEE has a single Accounting Officer and has a duty to deliver the functions and principles outlined in Managing Public Money.
26. HEE's internal audit process for this year has already identified a number of areas where improvement is needed including procurement; business continuity; Freedom of Information; and managing risk.
27. The rules that govern public procurement are clear about the levels of expenditure requiring tendering and the use of public money on such external suppliers. As HEE becomes an NDPB it is vital that the single ledger drives its engagement with suppliers and that decisions and processes are not taken or developed in isolation. Thirteen different approaches to dealing with suppliers of services are not possible now or in the future.
28. As one organisation HEE needs to embed single processes and decision making frameworks, which recognise that local decisions taken thirteen times potentially add up to one national decision, which was never taken. Now, and even more so when HEE becomes an NDPB, it is legally accountable as a single organisation and therefore the processes and governance that support the organisation must be based on that reality. Through better systems, more aligned we will be able to deliver better value for money, releasing funds and

resources to deliver our core purpose in supporting students and improving quality for patients.

Reducing running costs and senior posts paid above £100k

29. The DH requirement to reduce running costs by 20% and reduce the number of posts paid over £100,000 by at least the same amount is another driver for change, including establishing the timetable for change.
30. HEE currently spends around £85m a year running the organisation and is required by the beginning of 2015/16 to have reduced that amount to circa £68m, a reduction of £17m. HEE has already identified and is pressing ahead with a number of areas where efficiencies can deliver a proportion of that reduction, including
- a. A vacancy review process recognising that vacancies current run at nearly 5% of our workforce;
 - b. Seeking better use of technology, reducing the numbers of meetings and therefore the costs of travel and accommodation;
 - c. Reducing the amount spent on agency staff which by their very nature cost a premium above directly employed staff;
 - d. An estates review, HEE has leases on over 40 properties and we need to ensure we are getting value for money with our reduced resources;
 - e. Seeking to broaden the operating footprint of VSMs and other senior staff across a greater span of influence thereby making more productive use of people paid significant salaries;
 - f. Reducing spend on external suppliers wherever possible, including consultancy.
31. However the vast majority of any NHS organisation's running costs are the salaries and costs of staff. This is case for HEE at around 70%. The programme identified above will impact significantly on the reduction HEE is required to deliver but it is clear that there will also be less staff working in HEE as a consequence of the requirement to reduce running costs. The reduction in posts over £100k is likely to see the number of very senior people reporting to the Chief Executive reduce by 50%, increasing the efficiency and accountability of those very senior posts.

The timing is right

32. A confluence of events and drivers make now the ideal time for HEE to review its structure and make the changes necessary to create a sustainable future for the organisation. The time is now right for change.

33. Firstly HEE will officially change status at some point on or before 1st April 2015 from a Special Health Authority to a Non-Departmental Public Body which requires an even tighter focus on our governance structures as a permanent statutory body.
34. Secondly, one year into a new organisation we know more about our jobs and our functions and our key relationships. We know what has worked well and what requires tweaking and what requires significant change. Further development was always going to be a consequence of the safety first approach to our original transition, and one year in gives us the perspective we need to make the right decisions about our future development.
35. Finally, the imperative to find further efficiencies in running costs and very senior posts before the 1st April 2015 makes it vital we move quickly to deliver change that delivers on the other drivers of change rather than just a piece meal approach to cutting each part of the organisation by 20% and hoping it all still works collectively.

The principles for change

36. It is worth reminding ourselves once more why HEE was created. HEE exists for one reason only, to help improve the quality of care for patients and the public by ensuring our future workforce has the right skills, values and behaviours to meet their needs today and tomorrow. We live by the values of the NHS Constitution and are committed to playing our full role across the NHS in supporting all staff and organisations in delivering training and education for the workforce now and in the future.
37. The case for change is clear, but change can only be carried out effectively in an environment of trust, common understanding and agreement about the principles that govern that change. This section sets out a number of principles that should govern both the process of change and the consequences of change.
38. These principles or stakes in the ground are:
- a. Adherence to living by the values of the NHS Constitution
 - b. One HEE, a single organisation, culture and employer;
 - c. Both Local and National focus within the same structure;
 - d. LETBs, as committees of HEE, remain our local footprint;
 - e. Providers remain the dominant voice locally but partnership with the whole system is vital;
 - f. Staff have a voice and are treated fairly in delivering change
 - g. To underpin it all, our focus is always on how we get the best value for our money and our efforts in order to deliver improved quality for patients now and in the future;

The NHS Constitution

39. Every member of staff in HEE was recruited knowing that the NHS Constitution sat at the heart of what we want our organisation to be. This will remain during change and beyond. This includes abiding by the rights for staff outlined in this Constitution. This is absolutely right for HEE as we seek to recruit students for values across the courses we fund.

One HEE

40. The focus of change will be to create a better functioning, fit for purpose single organisation with a structure and culture that permeates the whole organisation; national and local.

Local and National Aligned

41. Teams and functions will be built to best support the organisation locally and nationally, creating a greater sense of alignment between the local and national to increase efficiency and effectiveness in delivering the Mandate and other priorities. However, we remain committed to being an organisation that serves every corner of the country by maintaining at least one base in each LETB area and continuing to promote flexible working.

LETBs remain our local footprint

42. LETBs, as committees of HEE, remain our local footprint. They will be supported by HEE staff and leadership to deliver high quality workforce plans and to make best use of delegated workforce development funds as statutory responsibilities within the context of One HEE and one overall Workforce Plan and Business Plan. They also act as the voice and ears of HEE in ensuring the local influences the national.

Providers remain to the fore

43. Providers of NHS care will remain the leading voices on the independently chaired LETB and will work together to ensure that the voice of the wider health and social care sector, including commissioners, local government and education is heard when designing plans or investing funds. We will also seek to enhance the role of providers locally and nationally.

Fairness and listening to staff

44. HEE is committed to working with staff and their trades union representatives to deliver change and the required reduction in running costs. It will engage on structures and seek ideas and views to improve them and will seek to support any staff that may leave the organisation as fully as possible.

The focus on our day job

45. HEE exists for one purpose only: to improve the quality of care for patients by delivering a better health and healthcare workforce for England, through the education, training and personal development of every member of staff and recruiting for values. That remains our task even as we discuss and implement change.

A proposal for Change

46. Any new structure for HEE must meet the case for change and adhere tightly to the principles set out in the previous section. Those are the tests of any proposals.
47. Over the last few months there has been a series of discussions and proposals between senior staff in HEE, including the Executive Team and Managing Directors; with Chairs of LETBs and the Board of HEE, and more informal conversations at professional groups such as Heads of Finance and Directors of Education and Quality. There have also been submissions from Managing Directors about how HEE should proceed in delivering the DH requirements regarding running costs.
48. Out of these discussions and submissions came a fair amount of common ground, partly identified in the section earlier in this document about reducing non-staff costs, but also agreeing that functions which look nationally and locally within single teams are vital to creating a sustainable future.
49. There is work still to be done to ensure that all parts of HEE, all its functions and responsibilities find the right place in a revised structure, but as part of the engagement process and beyond we will be using a core process with staff across each team and function to identify where work is most effectively carried out.
50. The model is described in detail below starting from the very local and building to an overall nationwide organisation but in summary, the proposal is that LETBs, as they currently operate, are changed to focus on their legislative description as committees of HEE made up of local stakeholders. The staff and functions currently “in” LETBs are brought together with colleagues in the national teams to deliver greater efficiency, effectiveness and focus on all HEE’s responsibilities to ensure a greater alignment between local and national..

The proposed model

51. LETBs are a core statutory part of HEE as our local footprint, bringing together the local NHS, led by providers and chaired by an independent chair, to discuss workforce issues and to carry out functions on behalf of HEE.
52. LETBs retain the responsibility for producing an annual education and training plan; investing workforce development funds in the current local workforce; bringing together the local NHS to provide advice, support and insight to HEE in the delivery of its priorities; and to help HEE monitor and maintain the quality of education and training locally.

53. LETBs as committees will continue to require support in terms of administration; engagement within and without its membership; relationship with HEE more generally; and in delivering the core functions of an education and training plan on an annual basis. It is also important that HEE staff and senior leadership is available locally for the building of senior relationships and effective partnerships and to support quality management and individual support to trainees, students and juniors in local institutions on a multi-professional basis.

- **One** – Thirteen LETBs remain the local footprint of HEE as committees, but that the current leadership and organisational model of semi-autonomous organisations is replaced by a cross HEE model that provides staff support locally, nationally and nationwide.
- **Two** – To ensure providers and other stakeholders have a very senior resource within HEE to draw upon and support them, as well as to provide support to HEE through local intelligence and relationships it is proposed that each local area has a Local Director as the most senior member of local HEE staff who is also a core member of the LETB, supported by a Post Graduate Dean and chaired by an independent Chair.
- **Three** – We also propose to strengthen provider leadership locally but also to further embed the principle of local and national alignment that each LETB appoint a provider chief executive as Vice Chair. These Vice Chair's would also form the core membership of a new national advisory body called the Provider Advisory Forum.
- **Four** – HEE will further enhance the alignment between local and national by bringing staff together into four National Centres each designed to support work carried out currently in LETBs, but also work currently carried out by HEE National. These Centres will be led a new post, National Director (geography i.e. South) who will sit on the Executive Team accountable to the Chief Executive alongside functional National Directors. They will each be supported by a Director of Education and Quality and a Director of Finance and will also be responsible for the line management of Local Directors in their geographical area.

Both current LETBs and HEE National carry out many functions up to fourteen times, this is not efficient or sustainable. However, the concept of a single HEE headquarters is neither sensible or practical as it would lose its ability to be both local and national and would also be inaccessible to many of the talented people we have working in HEE now.

54. What is needed is a structure that allows leadership and staff to be as close to where they are focusing as possible, but also builds economies of scale and reduces duplication through the creation of nationwide teams and functions

that collectively support locally and nationally. As outlined in the principles there is no single answer to the myriad of responsibilities and functions HEE has so “what works” will be the guiding principle.

- **Five** – Work is being carried out to agree what numbers and types of staff are required to primarily service the LETBs and their functions, including areas such as committee administration and support and management of trainees and those required to support nationally and locally. Once this has been scoped each LETB will receive support based on this local model as part of a wider HEE structure and different functions across HEE will be organised in the most efficient and effective way.

55. Examples of possible different approaches to functions based on this model are listed below but it is important to note that each function will be subject to the process outlined in point 47:

- a. **Communications** – this is a nationwide function; HEE must speak with one voice; but local support is needed for Local Directors and Deans. Therefore this team would be created with local staff based in the National Centres taking responsibility for looking after local issues but being part of a single national team.
- b. **Workforce Planning** – this is a nationwide function; there must be a seamless translation between local education and training plans and the National Workforce Plan. Therefore some staff will be primarily responsible, based in the National Centres, for supporting LETBs in producing plans, but will also play a role in delivering the National Workforce Plan and act as a national resource for monitoring delivery of the plan over the year.
- c. **Finance** – is a national function; there is only one ledger and one set of accounts. Staff will be part of a single team that manages the expenditure of the National Centres; the LETBs and HEE as a whole. Each National Centre will have a Director of Finance reporting to the National Director of Finance, with a dotted line of accountability to the relevant National Director (Geography).
- d. **Quality Monitoring** – is a local function that must have the ability to build a national picture and spot trends and issues more widely. Therefore these staff will be focused locally with the Local Directors; Directors of Education and Quality and National Director’s (geography) each playing a role in ensuring a national picture is built.
- e. **Medical and Dental Recruitment** – The development and implementation of the MDRS/Oriel system is managed as a single national project. Medical and dental recruitment is undertaken by LETBs and partner organisations as national exercises based on grades and specialties. The management and

support of training grade doctors and dentists is the responsibility of the Postgraduate Dean and is delivered locally working with healthcare organisations providing the training grade placements.

- f. **Performance Management and Monitoring of Delivery of Mandate** – is a national function which will hold the organisation as a whole to account for delivery of the Mandate and Business Plan.
- g. **LETB relationship management** – is a local function that will be part of the local team led by the Local Director and will be responsible for the effective running of the LETB but also managing relationships across the local health and social care sector.
- h. **Governance** – is a national function with one Board to serve and rules around probity, spending of public money and accountability of structures meaning it must be the ultimate responsibility of the Company Secretary. Rules will need to flow throughout the organisation and be adhered to and monitored, through governance support built into the National Centres as part of a single team.
- i. **Mandate delivery** – is a nationwide function. Each and every team must play its part in delivery of different parts of the Mandate and due to the large number of deliverables leadership and accountability of different deliverables may sit locally with Directors, nationally with functional Directors or with National Directors (geography) acting on a nationwide footprint;
- j. **HR processes** – are already a single set across the organisation, but there is still some concern about historical practices and approaches from previous organisations and the way in which current processes are being implemented so it is likely that the HR function will become a single team that operates on a nationwide footprint.

56. The proposed structure outlined above is shown in Appendix Two.

57. The objective of this change is to prepare HEE for a sustainable future delivering high quality education and training for new generations of health and healthcare staff in such a value for money way for the taxpayer.

- **Conclusion and next steps**

58. This document has set out:

- a. The way HEE currently operates as a baseline for change;
- b. A vision for how HEE meets its challenges and responsibilities as outlined in the HEE Business Plan;
- c. A case for change based on a number of different influences, internal and external;
- d. Principles for change, including the building blocks that are immovable;
- e. A proposed model that meets the challenges set out in the case change;

59. The next step is to test these proposals with staff and stakeholders, change and improve them in response to those tests, and then move forward to implementing the agreed change programme in a way that meets the values of HEE and the NHS Constitution.

60. Each LETB is holding a staff engagement session and a stakeholder engagement session to discuss these issues. Each session will be hosted by a National Director and the local Managing Director. There will also be opportunities for functional and professional groups within HEE to discuss the proposals. This document will also allow stakeholders and individuals to make their voices heard by responding to the questions set out above.

61. The programme of engagement is being taken forward by a Beyond Transition Task Group led by Stephen Welfare, Managing Director Health Education East of England and Beyond Transition Director; and Professor Chris Welsh, ex- Director of Education and Quality and Clinical Director for Beyond Transition. This Task Group is accountable to Professor Ian Cumming, Chief Executive of Health Education England.

62. Below are a series of questions that the Group will be seeking answers to and you are invited to submit your response to hee.beyondtransition@nhs.net by the 15th June:

- a. **What more could be done to strengthen provider and wider system engagement?**
- b. **What further could be done to fully embed the concept and practice of One HEE?**
- c. **What further work could be done to develop the proposed model and ensure the case for change is fully met?**

- d. **What functions, projects or processes should be stopped, started or kept to ensure the delivery of strategic and mandate priorities?**
- e. **HEE is committed to its staff, what more could be done to support them and HEE's aim to be a Top 100 Employer?**



Health Education England

Realising our Potential

Appendix One: One HEE

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