

BOARD MEETING: 5 FEBRUARY 2016

PROGRESS REVIEW OF ORGANISATIONAL FUNCTIONAL ALIGNMENT

Recommendation/action required:

The Board is asked to note this update paper which provides an overview of recent organisational alignment programmes within Health Scotland, concentrating specifically on the following directorates/teams - Health Equity, Health and Work and Finance.

Author:

Sponsoring Director:

Shonaidh Dyer - HR Team Manager

**Cath Denholm
Director of Strategy**

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Purpose of Paper

1. The purpose of this paper is to provide an update to the Board on the current realignment programme. Significant work is currently underway in three directorates/teams - Health Equity, Health and Work and Finance, within the CEO Directorate. The paper also provides a brief update on Strategy, Public Health Science and the Executive Governance Team, within the CEO Directorate.

Background

2. In December 2013, the Partnership Forum agreed that, given a number of changes, the time was right to undertake a review of organisational structures. The drivers contributing to that decision included:
 - Bringing structure and function fully into line with AFHS.
 - Enabling better alignment of functions within Directorates.
 - Absorbing the reduction of one Director and Directorate.
 - Continuing to improve both the effectiveness and efficiency of our workforce resource.
3. Phase 1 of the review was completed in April 2014. Phase 2 of the Review (to work in detail with each affected team or group of teams to determine optimal team structures and ways of working) has been ongoing since April 2014. As was anticipated, the process of working through engagement and formulation towards formal consultation and implementation has proceeded at different speeds with size of teams, complexity of change and other background all being factors.
4. There have also been two particular features of the way that we have implemented the change that have influenced the time over which this programme has run:
 - A consistent focus on staff engagement and effective consultation, we believe to bring a better quality and long term impact to the end result.
 - A number of quality improvements that the programme has prompted and which will again deliver lasting benefits to the organisation - but have also taken additional time to do well. The planned re-design of all job descriptions in the organisation is a principle example.

Current Progress

5. The following narrative provides a summary update of not only each directorate currently involved in a realignment process but also directorates who have recently completed a realignment process.

Strategy

6. The realignment within Strategy is now complete and there are no current vacancies as a result of realignment.

7. On completion of the realignment a review was conducted with staff involved to gain valuable feedback regarding the process. Feedback received from staff within Strategy has been used within further realignment programmes in alternative directorates.

Health Equity

8. Work is continuing on implementation of the agreed structure for Health Equity.
9. The Heads of Service are all in post and the Organisational Lead slot-ins have all been finalised and concluded. There are now four heads of service, where previously there were six. Numbers of organisational leads remain broadly equivalent to the programme managers in place before, but portfolios have changed significantly in design and scope from previous programme management roles and are now far more closely aligned with AFHS priorities and programmes.
10. There has been a short delay in being able to finalise the next set of job descriptions prior to the Christmas break. In particular, the digital and project teams have been involved in a further mini consultation concerning the possible introduction of a 'project office' to support improved project coordination and management. The outcome and response to this mini consultation is due in January 2016.
11. Work has now commenced on band 7 posts and is scheduled to continue through the grades. Overall, Health Equity are on track to conclude prior to 31st March 2016.

Health and Work (formerly Healthy Working Lives)

12. The consultation on revised structure was concluded in December 2015. In response to staff feedback on the proposal to integrate the teams running the Healthy Working Lives and Healthy Living Awards respectively, a further mini consultation is currently taking place on further specific detailed proposals concerning that aspect. Staff engagement around this further consultation has been constructive and positive.
13. The Head of Health and Work Services is currently being recruited to. Consistent with other new service head roles, this post has been advertised externally as well as internally.
14. Work is commenced on the job descriptions for all other roles in the directorate. As with Strategy and Health Equity, the concept of generic roles and job descriptions is being utilised as far as possible and common 'core' templates for each grade are being used.
15. Overall, Health and Work are on track to conclude implementation by the end of June 2016.

CEO Directorate – Executive Governance Team, Procurement and Finance

16. The realignment within the Executive Governance Team is now complete and there are no current vacancies as a result of the realignment.
17. The realignment of Procurement involved a review of the procurement function in 2014/15. Senior management in procurement at both NHS Health Scotland and the Scottish Ambulance Service worked together with HR and staffside representatives to discuss and agree the TUPE transfer of staff to the Scottish Ambulance Service which allows for the provision of procurement services through a service level agreement. The staff involved were transferred via TUPE on 1st April 2015. All indications are that the new arrangement is working well.
18. Finance are currently within the initial stages of the realignment process, with formal consultation on some minor changes to structure with the team about to begin. The option of a joint finance service with Healthcare Improvement Scotland has been considered by both finance teams. Subject to formal agreement by the CEOs of both organisations, formal integration of the teams will no longer be pursued although joint working to improve efficiency and resilience through more common systems will continue.
19. There are five staff in the Finance function of the CEO directorate that will be affected by the change, and one staff member whose role is shared between the Executive Finance and Procurement Manager and Director of Public Health Science. It has been agreed to include this member of staff in the realignment process due to the close working relationship with the Executive Finance and Procurement Manager.
20. Overall, we expect the restructure of the Finance function to be complete by 31 March 2016, if not before.

Public Health Science (PHS)

21. In line with AFHS it was decided PHS did not require a full realignment process. However, as detailed in paragraph 31 below, one of the most important improvement programmes that has arisen from the realignment is the work to review and refresh all job descriptions across the organisation to support alignment with AFHS, consistency and fairness. It has therefore been agreed that PHS will participate in the same programme of job description review and refresh.
22. We expect this work to be complete by 31 December 2016, if not before.

Communications and Engagement

23. We have been very mindful of the feedback received from staff through multiple sources with regard to their experience of change within this organisation. Regular staff engagement and communication continues to ensure staff are updated with progress. This ranges from individual meetings, written communications and group meetings where staffside have been involved throughout.
24. The Change Advisory Group (CAG), a sub group of the Partnership Forum, continues to meet and provide an update to all staff weekly via e-mail and the Source. Its purpose

is to maintain an overview of the whole realignment process in order to ensure consistency of policy application and good change management practice across the organisation. The group comprises of a lead Director or senior manager, HR and staffside reps for each team/directorate undergoing the changes. The benefits of peer review, shared thinking, consistency of approach and strong partnership working that are afforded by CAG cannot be overemphasised.

25. The following table provides an updated progress chart by Directorate/Team.

Phase 1:	Completion Date		
Agreement on overall Alignment of Functions across Directorates	April 2014		
Phase 2: Engagement and Consultation with Staff in Individual Teams/Directorates to agree structural and other changes required to fully implement new functions and/or respond to other change drivers			
Directorate/Team	Indicative Date	Completion	Comment
Executive Governance Team	March 2015		Completed
Strategy	March 2015		Completed
Health Equity	March 2016 (estimated)		Band 7 process currently being finalised. On target to complete full implementation by the end of March 2016.
Health and Work	June 2016 (estimated)		Consultation period to be confirmed in early January 2016 and implementation to commence after consultation period.
Procurement	April 2015		Completed
Finance	April 2016		Consultation period to be confirmed early January 2016.
Public Health Science	December 2016		Not a realignment process but a refresh of job descriptions in line with other directorates.

Strategic Alignment

26. The process of working through realignment programmes has proceeded at different speeds with size of teams and complexity of change all being factors. Appendix 1 provides a diagram detailing the NHS Health Scotland overall allocation of functions on completion of the realignment process including, Health Equity, Health and Work, Strategy, Public Health Science and the Executive Governance directorates.
27. The completion of the realignment programmes is only part of the journey for NHS Health Scotland to be as well positioned as possible to deliver AFHS. However, it is a significant one. Early signs and anecdotal feedback from staff are that roles are better aligned and have provided clarity to staff on their roles and how they fit into delivering AFHS.
28. The specific mention of AFHS within every job description has provided clarity to how each role is strategically linked to delivering AFHS. This has also been seen with the introduction of portfolios which run in parallel with specific job descriptions. This ensures more than one person can have the same job description but a different portfolio. The introduction of portfolios ensures that they can be changed and adapted easily as delivery priorities change in line with AFHS.

Organisational Job Descriptions

29. As a result of the realignment programmes and the transition from old structures to the new revised structures, new job descriptions have been created or refreshed for each role. This has provided a positive opportunity to provide clarity in not only leadership roles but also roles at every grade.
30. Changing our approach to generic job descriptions has also allowed us to reduce the number of job descriptions from approximately 257 to 174 in total.
31. As detailed in paragraph 30 above the introduction of portfolios which run in parallel with the revised job descriptions has provided more clarity on not only their personal link to delivering AFHS but also a much clearer expectation of leadership for AFHS.
32. As each organisational structure is developed, new tailored job descriptions have been created. This has allowed Health Scotland to move to an approach to job descriptions which is more generic and organisationally consistent.
33. Key to the development of the job descriptions has been the dedicated support of an HR professional when creating and liaising with not only the job holder themselves but also the relevant managers and staffside. This approach has proved to be extremely successful.
34. In summary, the following has been incorporated into every revised job description:
 - Stronger and more consistent references to leadership
 - Links to AFHS
 - Effective performance and resource management practices

- Specific link to NHS values.
35. There has also been a conscious decision to explicitly design the Service Head and the Organisation Lead roles to support and promote consistent and corporate level leadership. Included also is the expectation of the postholder to be competent in advocating and representing the whole organisation, not just their knowledge area.
36. Concentrated expert knowledge at Band 5, 6 and 7 roles have also been emphasised. The higher the banding of the role there is more focus on consistent good corporate management and leadership. This is a significant change for an organisation that has traditionally valued knowledge and often promoted individuals for specialist knowledge as opposed to leadership skill.
37. The new approach to job descriptions will provide the following benefits to Health Scotland organisationally:
- Bring consistency to job description content across all directorates and grades.
 - Provide a streamlined approach that is more efficient and less time consuming.
 - Improve the efficiency in job description writing and review decreasing the requirement for frequent job evaluation panels.
 - Increase staff and manager understanding of how to structure job descriptions and in turn improving consistency, transparency and fairness.

Specific Issues, Risks, and Considerations

38. Job Evaluation Panels continue to play a key component in the realignment process as job descriptions require to be evaluated initially and then consistency checked by an alternative Panel. There are currently three Job Evaluation Panels scheduled in January 2016, two in February 2016 and two in March 2016.
39. It is also important to note that any employees who are displaced as a result of organisational change will be managed in line with NHS Health Scotland's redeployment policy. The current Redeployment Policy is fully PIN compliant and runs in parallel with Health Scotland's Organisational Change Policy.
40. Significant support will be offered to any employees who find themselves displaced and every opportunity to secure suitable alternative employment will be explored.
41. There is still a significant amount of work to be completed in three directorates.
42. Work is currently ongoing to produce Workforce Planning assumptions for 2016/17. This includes a forecast for 2016/17 at around 266 wte with an assumed vacancy factor of 6.5% (figures as of 27.1.16). This is a minimal increase from 2015/16.
43. There is still a possibility that further changes (e.g. arising from the mini consultations mentioned) or any formal review of job descriptions still to take place will have an impact (most likely inflationary) on staff budget and headcount. This is being closely monitored through appropriate routes. We hope to offset any increases in one part of the organisation with managed decreases elsewhere as far as possible.

Action/Recommendations

44. The Board is asked to note the following:

- The current stage of realignment in each Directorate – Health Equity, Health and Work and Finance within the CEO Directorate.
- The projected end dates and resource implications of this programme, as they are currently understood.
- The benefits that have been or will be achieved as a result of this programme, in particular:
 - Improved practice in staff engagement and partnership working through change
 - The changes implemented that should support fuller alignment of the work of teams and individuals with AFHS
 - A modernised, current and more efficient approach to job design and review, with a number of potential benefits including efficiency of progress and improved career development pathways.

Shonaidh Dyer
27th January 2016