

Appendix 4.0

Implementation of a Single Management Team for the PCTs in North Central London

Report of the staff consultation process

(This is an extract. Full report available online at <http://www.islington.nhs.uk/board-papers.htm>)

1. Background and national context

This report outlines the final proposals for establishing a single management team for the commissioning PCTs in North Central London (NHS Barnet, NHS Camden, NHS Enfield, NHS Haringey and NHS Islington). This follows a 90 day consultation with commissioning staff from the five PCTs and the current NCL Sector team.

Change is necessary to meet the national requirement to make significant management cost savings by 2012/13. Across North Central London (NCL) we have to make approximately 54% management cost savings by 2011/12, which equates to around £28 million.

In order to meet these savings, the five PCTs in NCL proposed to create a single transitional organisation across all five NCL PCTs, led by a single management team. There would also be a local presence retained in each of the five boroughs. These arrangements would come into effect from 1 April 2011.

This proposal was primarily designed to meet the management cost savings target. However, the single management team arrangement will also allow our PCTs the flexibility to transition to the future commissioning arrangements set out in the Government's July 2010 White Paper (*Equity and Excellence: Liberating the NHS*). It is anticipated that PCTs will be abolished by April 2013 when commissioning responsibility will hand over to GP consortia, the National Commissioning Board or local authorities.

Arrangements for public health services are changing too, as set out in the Public Health White Paper released in December 2010. The single management team proposal recognises that future public health structures will be determined by further national guidance and discussion with local authorities.

The five PCT Boards agreed in November 2010 that an integrated single management team structure was the best solution for the transition period from 1 April 2011 – 31 March 2013 and to achieve the management cost savings target.

This approach has been reinforced by David Nicholson, NHS Chief Executive. In a letter to all NHS chief executives across the country (December 2010), he proposed the establishment of PCT clusters, with a single management team, to:

- Deliver PCT statutory functions until April 2013
- Support emerging GP commissioning consortia
- Develop commissioning support providers to support consortia post April 2013.

This report outlines the consultation process conducted, the key issues arising from the consultation, the main comments received from staff and responses to them, and the final proposals for the single management structure.

2. Consultation

Formal consultation on draft proposals for a single management team was undertaken between 22 November 2010 – 21 February 2011 (90 days), following the principles set out in the London Change Management Policy. This policy is NHS London's change management policy which was adopted by all PCTs in NCL for use during this change process and made available to staff on intranets.

Consultation took place with staff and their representatives from the five commissioning PCTs in NCL, as well as staff working in the current NCL Sector team who are also affected by these changes. Other key stakeholders were engaged during the 90 day consultation period, including PCT non-executive directors, local authorities and GPs.

2.1 Consultation principles

The principles that have underpinned this consultation were set out in the consultation document and have been followed to ensure meaningful consultation with staff. These are:

- Provision of information for meaningful consultation
- Openness and transparency
- Informing all affected staff
- Treating staff as individuals
- Right of representation
- Taking steps to reduce number of compulsory redundancies
- Support through the process and to obtain future employment

2.2 Structure design workshops and consultation documents

Formal consultation was based on a consultation document which contained the proposed structures for a single management team comprising a central team and five teams based in each of the NCL boroughs.

The draft structures were put together prior to consultation in a series of design workshops held with PCT and Sector directors, chief executives and senior staff. Staff were invited to comment on the draft structures throughout the consultation period.

Throughout the consultation, new versions of the consultation document were released to staff to reflect refined information or changes to the structures made in light of comments received. Appendix 4.1 shows the chronology of consultation activities and release of information to staff during consultation, including revisions to the original consultation document.

2.3 The consultation process (staff)

Consultation took place between individuals and their employing PCT. This meant that PCT HR and communications leads took responsibility for managing their consultation process locally. However, there were a number of centrally produced resources for all staff and central guidance for PCTs on managing the consultation. This included ensuring that all staff in the five PCTs and current Sector team received new information at the same time and had similar opportunities to comment and express their views throughout the consultation period.

During the consultation period, across the cluster:

- 23 staff briefing sessions took place with chief executives and HR leads;
- 14 all staff consultation update emails were sent out;
- 138 questions were answered through the central online intranet portal;
- 18 partnership or local joint staffside meetings took place.

2.4 The consultation process (staffside)

Staffside have played a key role in this consultation and their input has shaped many aspects of the consultation process and supporting documentation. Before formal consultation began, managers and staffside formed a partnership group. This group comprised key managers and staffside representatives who worked together during the change process. This group met regularly during consultation.

2.5 The wider consultation process

PCT non-executive directors (NEDs) were engaged during the consultation period. A NEDs transition group, with representation from each PCT, worked closely with the transition project team to offer support, input and challenge throughout consultation. Meetings took place fortnightly during the consultation period and their input fed into several areas of the consultation process including voluntary redundancy processes, proposed structures, the appointments process and staff communication activities.

3. Other key decisions and changes throughout the consultation process

3.1 Office location

NHS NCL staff will move to offices at Stephenson House, 75 Hampstead Road, NW1 2PL. Local Borough teams and local Public Health teams will continue to be based in their local boroughs for the foreseeable future. The process of agreeing any change to the local borough presence locations can be shared with local Overview & Scrutiny Committees.

3.2 Number of posts affected

Appendix 4.3 shows a revised number of affected posts (764 wtes), together with an estimated number of compulsory redundancies that are expected as a result of these changes. Our best estimate of the number of compulsory redundancies is within the range of 80 to 120 wtes. We are unable to be more precise until the appointments process has been concluded because redeployment of staff at-risk into the posts available for recruitment cannot be predicted.

It should be noted that the final estimated number of compulsory redundancies is much lower than originally estimated. The lower estimate arises from the reduction in staffing numbers as a result of steps taken to avoid compulsory redundancy:

- Restricted recruitment has been in place across all NCL PCTs for the last 12 months.
- PCTs have been reducing interim and agency usage.
- Natural turnover of staff.
- Following agreement with staffside and in line with the London Voluntary Redundancy Policy, voluntary redundancy has been offered twice to staff affected by this change during the consultation period.

4. Final proposed structures

The final proposed structure for the single senior management team is shown in appendix 4.2.

5. Next steps

The next steps to implement the proposals include:

- Completing the staff appointment process
- A programme of work focused on business continuity is underway to ensure that knowledge and information is not lost during the transition from six organisations into one. Significant work has gone into producing comprehensive handover guidance for any staff leaving the Sector or changing roles. This handover guidance is being championed by chief executives and directors and has been communicated widely to all staff and managers.
- A Transition Board has been established to oversee all transition programme activities that are not related to HR. This includes office relocation, business continuity, IT, organisation development and governance.
- Outplacement services to support staff who have been unable to be redeployed are being developed and will be promoted to affected staff.
- The new organisational structures will be operational from 1 April 2011.

6. Appendices

4.1 Chronology of consultation activities

4.2 Final NCL structure chart

4.3 Number of posts affected by the consultation and changes

4.4 The appointments process