



THE SCOTTISH OFFICE

Department of Health

**NHS Management Executive
St Andrew's House
Edinburgh EH1 3DG**

Dear Colleague

29th January 1999

TRUST RECONFIGURATION ORGANISATIONAL CHANGE POLICY DOCUMENT

Addressees

For action

Chairs, Health Boards, Common Services Agency,
and NHS 'trusts and Shadow Trusts

For information

Chairs,
State Hospital,
Health Education Board for Scotland,
Scottish Council for Post Graduate Medical and Dental Education,

General Managers,
Health Boards and Common Services Agency

Chief Executives of NHS Trusts and Shadow Trusts

Enquiries to:

W G Welsh
Room 61A
Directorate of Human Resources
St Andrew's House
EDINBURGH
EH1 3DG

Tel: 0131-244 2492
Fax: 0131-244 2837

Summary

1. This letter announces the introduction of the Trust Reconfiguration Organisational Change Policy Statement. This is the first document to be drawn up and agreed in partnership within the Scottish Partnership Forum and to be signed jointly on behalf of the Management Executive and the Partnership Forum. The Policy Statement fulfils the commitment made in the Human Resources Strategy "Towards a new way of working."

2. It is essential for everyone with an interest in the NHSiS to recognise that as it takes up the challenges ahead arising from the modernisation of the Service that these cannot all be achieved overnight. Much is already being achieved through the partnership approach and it is vital that this is continued.

3. Chairs designate of the reconfigured trusts have a central role in promoting partnership and we are relying on them to ensure that the new service is delivered fairly and equitably during the period of change that is upon us.

Main Issues

4. The main issues arising out of the Policy Statement are:

4.1 NHSiS commitment to the key principles of openness, fairness and equity;

4.2 the document applies to changes in structures affecting staff which are as a direct consequence of Trust reconfiguration (it will not apply to service changes);

4.3 the employment of all staff in post at 31 March 1999 will be secured by a Staff Transfer Order which

will transfer them to the employment of the new Trust;

4.4 all NHSiS employers, working together, will seek to avoid compulsory redundancy arising from Trust reconfiguration;

4.5 all statutory and contractual obligations will be met in full;

4.6 staff will suffer no detriment as a result of organisational change associated with Trust reconfiguration.

Action

5. Chairs of Trusts, Shadow Trusts and Health Boards are asked to note the key principles and ensure action is taken on the following:

5.1 The principles of limited competition established in the procedure for the appointment of chief executives and executive directors must continue to apply during the shadow period and to appointments made after 1 April 1999.

5.2 During the shadow period Trusts must jointly with trade unions and professional organisations develop arrangements for managing the process for appointments to posts in the new Trusts. Such appointment arrangements must give priority to displaced staff from former trusts and from health boards. Where there is competition the process must be open and transparent.

5.3 Separate transitional arrangements are to be made for Chief Executives, Executive Directors of Human Resources, Nursing and Finance them in place of section 4 "Principles of Protection on Trust Reconfiguration". The arrangements proposed will accord with the principles established in this Organisational Change Policy Statement and will overall be no more favourable. The arrangements for these staff will reviewed in the light of the ongoing development of new pay and terms and conditions of service arrangements to be introduced from 1 April 1999. Further information will be provided as soon as possible.

Review of the Policy Statement

6. This Policy Statement will be reviewed by the Scottish Partnership Forum no later than September 1999. This will take the form of a review of the process of the Trust Reconfiguration and its implications for the principles. Individual entitlements under the policy Statement will not be affected by the review.

Yours sincerely

G MARR
Director of Human Resources

**TRUST RECONFIGURATION: PERIOD OF CHANGE
1 NOVEMBER 1998 TO 30 SEPTEMBER 1999
NHSiS POLICY STATEMENT ON TRUST RECONFIGURATION**

1. Background to Trust Reconfiguration

1.1 The Government's vision is a National Health Service for the people of Scotland that offers them the treatment they need, where they want it, and when: a modern, "designed" health service putting patients first. To deliver their vision the Government have concluded that a partnership approach based on co-operation, not competition, is the way ahead for Scotland's Health Service. Two principal types of Trust: Primary Care Trusts and Acute Hospital Trusts (with the retention of an integrated Trust where this is appropriate) are being created on 1 April 1999.

1.2 The commitment of all staff is fundamental to the achievement of the strategic aims of the NHSiS: the NHSiS will endeavour to provide a secure future for all its staff. This policy relates to the management of organisational change which will result from the reconfiguration from 47 to 28 Trusts and the creation of new Trusts and including those Health Board Primary Care staff transferring to the new Primary Care Trusts.

1.3 It provides the NHSiS with the principles and guidance to enable the reconfiguration to take place smoothly and in accord with the intentions of "Towards a New Way of Working - The Plan for Managing People in the NHS in Scotland."

1.4 To ensure that valuable skills are not lost to the NHSiS, Health Boards and Trusts are asked to consider providing displaced GP Fundholding staff with the opportunity to apply for posts in the newly formed Local Health Care Co-operatives prior to external advertisement.

2. The Principles for Managing Trust Reconfiguration

2.1 The NHSiS is committed to the key principles of openness, fairness and equity in managing change as a

direct result of Trust reconfiguration. The principles apply to **changes in structures affecting staff which are a direct consequence of Trust reconfiguration.**

3. The Principles of Trust Reconfiguration

3.1 The employment of all staff in post at 31 March 1999 is secured by the Staff Transfer Order that will transfer them to the employment of the new Trust(s) on 1 April 1999.

3.2 During the shadow period (from November 1998 - to 31 March 1999), Trusts will jointly with trade unions and professional organisations develop arrangements for managing the process for appointments to posts in the new Trusts. Where there is competition for a post the process will be open and transparent.

3.3 Such appointment arrangements will give priority to displaced staff from the former Trusts and from Health Boards.

3.4 Consultation with trade unions and professional organisations and staff must take place at the beginning of any discussion which has a bearing on the work and security of employment of staff.

3.5 Staff affected by the process of reconfiguration will be treated in the same way irrespective of seniority, position or profession.

3.6 All NHSiS employers, working together, will seek to avoid compulsory redundancy arising from Trust reconfiguration.

4. General Principles that will apply to Trust Reconfiguration:

4.1 Provision of a secure working future for all staff to ensure excellent health care services for the people of Scotland now and for future generations.

4.2 Redeployment and retraining opportunities will be available to staff displaced as a result of Trust reconfiguration.

4.3 All statutory obligations will be met in full.

4.4 All contractual obligations will be met in full.

5. The process for Managing Trust Reconfiguration follows.

1. The Process for Managing Trust Reconfiguration

1.1 It is part of the philosophy of "Towards a New Way of Working" that the NHSiS in partnership with trade unions and professional organisations develops a common set of values and that change will be managed consistently. To assist with this process the following must be used by the NHSiS as the foundation on which to base their approach to the Process for Managing Trust Reconfiguration.

2. Managing Change: Security of Employment

2.1 The NHSiS wishes to provide a secure future for all its staff. In the current reconfiguration of Trusts the vast majority of staff will not be directly affected by the changes. Contractual rights of staff will be protected by the Staff Transfer Order (STO) which will ensure the transfer of all staff employed by existing Trusts on 31 March 1999 to the employment of the new Trusts on 1 April 1999, on their current terms and conditions of service. This STO will comply with the Transfer of Undertakings Acquired Rights Directive (TUPE).

2.2. In addition, the NHSiS undertakes to ensure that every opportunity will be taken to provide job security, and, where necessary, to redeploy staff and retain their skills in the NHSiS This will include:

2.2.1 seeking employment opportunities within the employer;

2.2.2 giving consideration to alternative posts/working in co-operation with other NHSiS employers.

2.2.3 ceasing to recruit externally to appropriate posts to assist in redeployment;

2.2.4 reducing or stopping non-contractual overtime;

2.2.5 stopping the inappropriate use of temporary or agency staff,

2.2.6 providing training to assist those who are undertaking a changed role or who move to a new post; this will include, where possible, the training to enable staff to move to a different branch of their profession;

2.2.7 providing a "trial period" in the new post to ensure that it is suitable;

2.2.8 providing full information about available posts and clear procedures for applications and acceptance within a given timescale.

3. Consultation and Communication

3.1 It is recognised that the reconfiguration of Trusts places additional emphasis on the need to keep staff informed of what is happening on a regular basis and to be mindful of their interests. A key to this is the development of effective consultation and communication strategies.

3.2 "Towards a New Way of Working" requires employers to develop effective partnership agreements by

October 1999. As part of the process of change associated with the Trust reconfiguration, Trusts must involve trade unions and professional organisations at the beginning of the planning process as part of their ongoing involvement in the work of the Trust. Such systems will enable early identification of changes which may have an impact on staff and ensure that staff input and concerns are considered at an early stage in the planning process.

3.3 Employers already have a statutory obligation to consult with trade unions and professional organisations where there is the potential for redundancy. This consultation must be undertaken by the employer "with a view to reaching agreement with the trade union representatives". To ensure compliance with this, it will be preferable that staff representatives are advised first of proposals and given any associated written information. This will always be with the proviso that staff directly affected will be advised of proposals at the same time.

4. Principles of Protection on Trust Reconfiguration

4.1 Staff will suffer no detriment as a result of organisational change associated with Trust reconfiguration, to current terms and conditions of service, including income and earnings levels, which will be fully protected should staff be compelled to change job, responsibilities, location or hours of working as a direct result of Trust reconfiguration. Contractual obligations will be met.

4.2 In the interests of the individual and all staff the employer will, as a matter of policy, offer/bring to the attention of staff on protected earnings, suitable posts on the appropriate grade/terms and conditions of service. A procedure for matching people to posts will be agreed locally with trade unions and professional organisations.

4.3 Protection will not be continued if such an offer is unreasonably refused.

4.4 This section applies to all staff except chief executives and executive directors of human resources, finance and nursing of the current 47 Trusts for whom alternative transition arrangements will apply. Arrangements for these staff will overall, be no more favourable.

5. Superannuation Preservation of Benefits : Reduction of Earnings

5.1 If an individual suffers a reduction in earnings because their salary rate has dropped, they may opt to take a preserved pension in respect of their pensionable service before the reduction took place if:

5.1.1 they have at least 2 years' qualifying service and are transferred to other employment with an employing authority;

5.1.2 they choose to transfer to other employment with an employing authority in circumstances that The Secretary of State has approved;

5.1.3 there is a change in the nature of the duties of employment and the change is not at the individual's request.

5.2 "A Guide to the Scheme for NHS Employees in Scotland" was issued in May 1998 to all NHS employers and will be available locally. Page 16 of the Guide explains how benefits would be calculated using this option.

NOTE

(To take up this option an individual must give notice in writing to SOPA within 3 months of the reduction taking place.)

6. Redundancy Policy for Trust Reconfiguration - Design Principles

6.1 The principal objective of the Organisational Change Policy is that all NHS employers in Scotland work within the principles that all employers should take all measures outlined in this document to ensure that compulsory redundancy is avoided. Every effort should be made to ensure continued employment in the NHSiS for those affected by the organisational change, subject to their acceptance of any agreed changes in duties, responsibilities, and/or location.

7. Premature Retirement - Entitlement to Early Payment of Superannuation Benefits

7.1 NHSiS staff who are members of the NHSiS Superannuation scheme who have at least five year's service and are aged 50 and over will be entitled to immediate payment of superannuation and compensation benefits on redundancy in accordance with the superannuation arrangements currently in place. The May 1998 booklet "A Guide to the Scheme for NHS Employees in Scotland" will be available locally. Pages 20 and 21 of the Guide deal with Premature Retirement.

8. Review of the Policy Statement

8.1 This Policy Statement will be reviewed by the Scottish Partnership Forum no later than September 1999. This will take the form of a review of the process of Trust Reconfiguration and its implications for the principles in this Statement, and will in no way affect any individual entitlements under this Policy Statement.

Agreed unanimously by the
Organisational Change Group
December 1998

Signed G MARR
on behalf of the NHSiS
Management Executive

Signed J LAMBIE
on behalf of the
Partnership Forum

Signed J HUMPHRIES
on behalf of the
Partnership Forum