



Northern NSW Local Health District

Procurement and Legal Services Structure – Changes to be Implemented

Purpose

This document outlines the change that will be made to the Procurement and Legal services NNSWLHD organisational structure following the recent staff consultation process.

Note that the changes outlined in this document are the same as those outlined in the consultation paper issued in February 2023.

Background

The NNSWLHD Corporate Services Directorate was formed in 2017, with the Manager Commercial and Contracts role recruited to in 2018. This role managed a small team of staff with the following range of responsibilities:

- Strategic procurement advice and support;
- Clinical products procurement advice;
- Drafting of contracts and leases;
- Corporate records management;
- Requests for Information (GIPA) processing and advice.

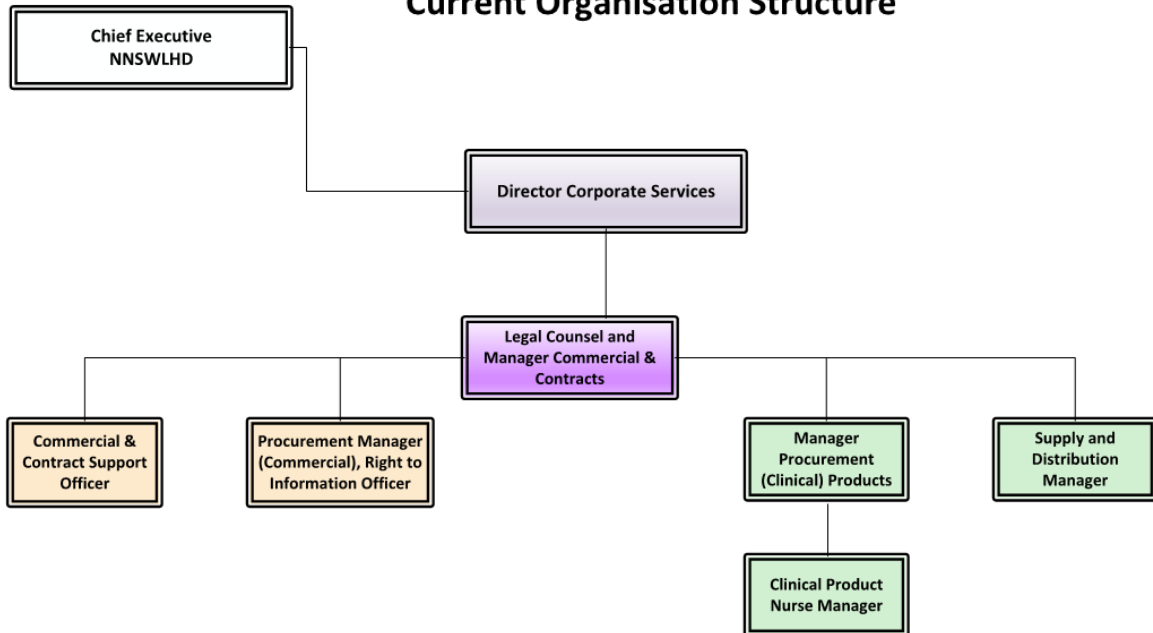
Note that transactional procurement functions such as purchasing systems support are performed by members of a small team in the NNSWLHD Finance directorate.

In 2019 NNSWLHD expanded the role of Manager Commercial and Contracts, to include Legal Counsel. Demand for in-house legal advice has grown in volume and scope to consume a significant portion of the working time of this role. The Commercial and Contracts element of this role includes responsibility for leading NNSWLHD strategic and clinical products procurement (general transactional procurement is currently managed by Finance).

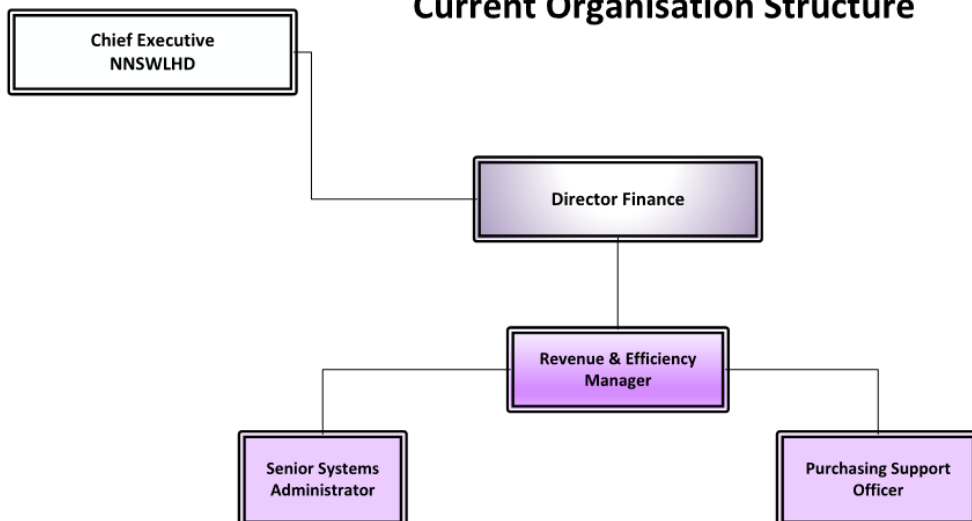
A Strategic Procurement Review conducted in 2022, identified a range of improvements to enhance the procurement processes. It was recommended that NNSWLHD considered structural realignment to simplify responsibilities and drive greater consistency. The implementation of this recommendation for improvement primarily meant bringing staff from the teams that perform procurement functions into a single team led by a senior manager focused purely on procurement.

Current organisational structure

**Northern NSW Local Health District - Corporate Services Procurement
Current Organisation Structure**



**Northern NSW Local Health District – Finance Revenue & Efficiency
Current Organisation Structure**



Weaknesses of current structure

The current organisational structures have the following weaknesses:

1. Our procurement functions span two distinct directorates, therefore there is a lack of clear overall responsibility for driving procurement strategies;
2. Our *Legal, Commercial and Contracts* team has a very broad set of responsibilities for a relatively small team, which leads to:
 - a. A lack of capacity to meet the full scope of work required by NNSWLHD;
 - b. Roles covering a diverse set of accountabilities (e.g. Manager Procurement and Right to Information Officer) will likely be challenged in finding suitable applicants to fill these positions, should they be vacated in the future.

Overview of changes

Changes to the organisational structures such that:

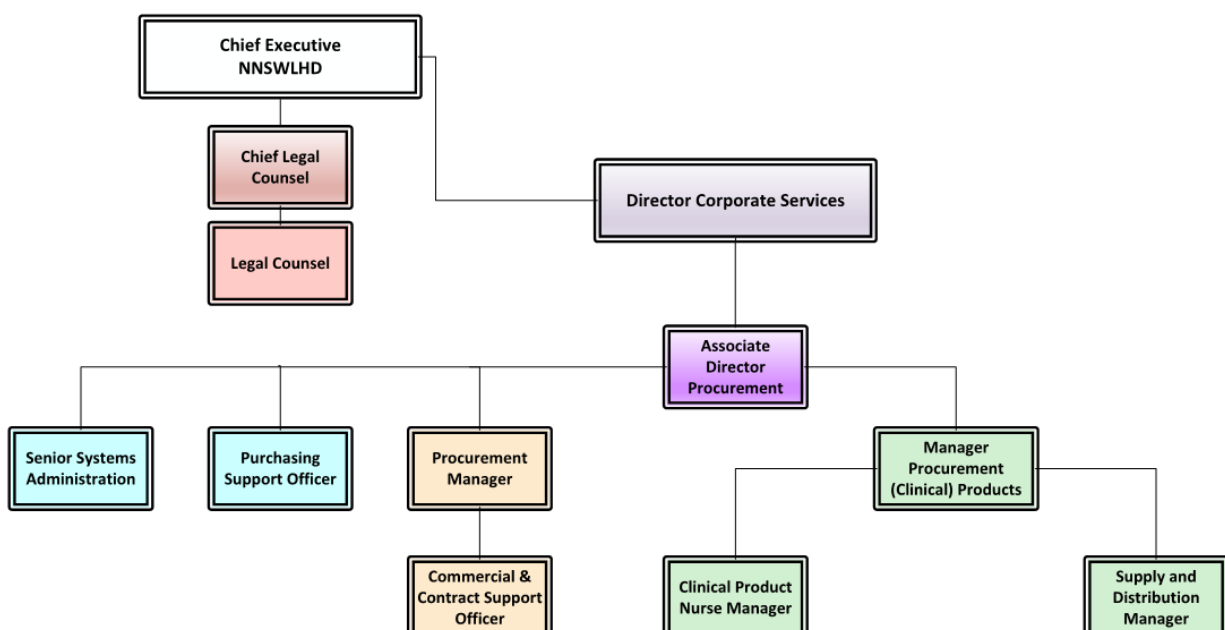
1. Procurement

There is a single team of all staff responsible for procurement, led by a senior manager (Associate Director Procurement). This team will be located in the Corporate Services directorate, which is the directorate responsible for the majority of the current roles. Two of the procurement staff will transfer across from our Finance directorate.

2. Legal Services

A small legal services unit will be established comprising a Chief Legal Counsel, and Legal Counsel. The Chief Legal Counsel will report directly to the Chief Executive, reflecting that most of work this team will perform for, or at the approval of, the Chief Executive. The establishment of this team will enable most of the non-procurement activities previously performed by the Legal, Commercial and Contracts team (such as Right-to-Information processing) to be transferred to the legal services unit, and hence facilitate greater focus by the procurement team on matters relating directly to procurement.

New organisational structure



Benefits of new structure

The key driver of the new structure is to create units and roles with more focussed sets of responsibilities, to enable greater capacity and greater levels of expertise. The anticipated benefits that will be derived from the new structure are:

- Enhance procurement functions across NNSWLHD by creating a single team responsible for procurement processes under the leadership of a dedicated senior manager;
- Create greater capacity for the provision of expert procurement and legal advice to NNSWLHD by addressing the capacity constraints impacting the existing Legal, Commercial and Contracts team.

Changes to roles

1. Procurement

New Position (1 FTE)

- Associate Director Procurement (Health Manager Level 5, 1.0 FTE) – This position will lead the development and enhancement of Northern NSW LHDs procurement practices to support the efficient delivery of high-quality services by Northern NSW LHD.

Current Position (1 FTE)

- Procurement Manager (Commercial), Right to Information Officer (Health Manager Level 2, 1.0 FTE) - This position will retain the procurement-related aspects of its accountabilities, but the Right-to-Information (GIPA) related functions will be moved to the Legal Counsel role when that role commences. This position is to be renamed to *Procurement* Manager and has been graded as Health Manager 2 (i.e., unchanged grading).

2. Legal Services

New Positions (2 FTE)

- Chief Legal Counsel (Health Manager Level 5, 1.0 FTE) – This position will lead the development and implementation of strategic and operational legal frameworks, providing expert advice to senior executives and internal and external stakeholders.
- Legal Counsel (Health Manager Level 1, 1.0 FTE) – This position will provide assistance and support to the Chief Legal Officer to enable the efficient and effective delivery of legal services to the NNSWLHD. This position will also be responsible for processing GIPA applications.

Current Position (1 FTE)

- Legal Counsel and Manager, Commercial and Contracts (Health Manager Level 5, 1.0 FTE) – This position which has a broad range of accountabilities spanning procurement and legal advice will not continue.

Once the new structure is established and is operational, further changes may be identified in the Position Descriptions of staff in the Procurement and Legal units. Currently any such changes aren't expected to be significant should they occur. Any such changes will involve appropriate consultation with relevant staff.

Changes in reporting lines

The current and future reporting lines of new staff and any existing staff affected by these changes are tabulated below:

Role	Current Manager	Future Manager
Associate Director Procurement	(New position)	Director Corporate Services
Procurement Manager (Commercial), Right to Information Officer / renamed to Procurement Manager	Legal Counsel and Manager Commercial and Contracts	Associate Director Procurement
Commercial and Contract Support Officer	Legal Counsel and Manager Commercial and Contracts	Procurement Manager
Procurement Manager (Clinical Products)	Legal Counsel and Manager Commercial and Contracts	Associate Director Procurement
Clinical Nurse Consultant Clinical Products	Procurement Manager (Clinical Products)	Procurement Manager (Clinical Products)
Supply and Distribution Manager	Legal Counsel and Manager Commercial and Contracts	Procurement Manager (Clinical Products)
Senior Systems Administrator	Revenue & Efficiency Manager	Associate Director Procurement
Purchasing Support Officer	Revenue & Efficiency Manager	Associate Director Procurement
Chief Legal Counsel	(New position)	Chief Executive
Legal Counsel	(New position)	Chief Legal Counsel
Legal Counsel and Manager Commercial and Contracts	Director Corporate Services	

Changes in accountabilities

The current *Legal, Commercial and Contracts* team performs a broad set of functions that will be distributed amongst roles within the new structure. The majority of the positions and core functions are procurement-related and therefore responsibilities will transition with staff into the Procurement unit. *However*, some of the existing functions and accountabilities of the *Legal, Commercial and Contracts* team will be transferred to other teams. These are tabulated below:

Accountability / responsibility / function performed	Current owner	New owner
Procurement	Commercial, Contracts, & Legal	Procurement
Legal advice	Commercial, Contracts, & Legal	Legal
Request for Information (GIPA)	Commercial, Contracts, & Legal	Legal
Commercial leasing advice	Commercial, Contracts, & Legal	Legal
Equipment service agreements	Commercial, Contracts, & Legal	Procurement
Corporate records management system administration (Content Manager)	Commercial, Contracts, & Legal	Director Corporate Services Office
Corporate records management advice	Commercial, Contracts, & Legal	Digital Health
Purchasing systems support	Finance	Procurement
Salary Packaging	Finance	Finance

Employee Assistance Program (EAP)

As times of change can be stressful, we remind staff of the Employee Assistance Program, available to you online via <http://www.login.lifeworks.com/> (enter User Name: nswlhdeap and Password: NNSWLHD lifeworks) or by telephone 1300 361 008

Next Steps

This restructure will be managed in accordance with NSW Health Policy Directive PD2012_021 Managing Excess Staff of the NSW Health Service.

Many of the changes outlined in this document will NOT take immediate effect. This is because much of the structural change is dependent upon the appointment or recruitment of the two senior roles of Associate Director Procurement and Chief Legal Counsel.

In the coming weeks all staff affected by this restructure will receive correspondence outlining how it affects them. As has been previously advised, for most staff this will simply be notification of their future reporting line, with no change to their role. For a small number of staff whose roles are more significantly affected the correspondence will advise what the next steps are for them.

Conversations with staff who may be formally declared excess in accordance with the PD2012_021 Managing Excess Staff of the NSW Health Service policy will continue to occur, with further consultation and support as the restructure plan is implemented.

Attachments

- Attachment 1 Associate Director Corporate Services Position Description
- Attachment 2 Procurement Manager Position Description
- Attachment 3 Chief Legal Counsel Position Description
- Attachment 4 Legal Counsel Position Description