

# Procedure



**Health**  
Northern Sydney  
Local Health District

## Restructuring in Northern Sydney Local Health District

<b>Document Number</b>	PR2014_016
<b>Publication Date</b>	17 October 2019
<b>Intranet location/s</b>	Area PPG Library – Workforce - Change Management, Restructures, Redeployment
<b>Summary</b>	This procedure sets out the steps that apply when implementing a restructure at Northern Sydney Local Health District.
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<b>Sector/Service</b>	NSLHD
<b>Audience</b>	All NSLHD employees
<b>Date Created</b>	May 2014; Reviewed October 2019
<b>Review date</b>	October 2023
<b>Previous Reference No.</b>	PR2014_016 v.2, PR2011_300
<b>Related Policy/s</b>	PD2013_042 Restructuring Policy and Procedures – NSW Ministry of Health PD2012_021 Managing Excess Staff of the NSW Health Service PD2011_002 Industrial Consultative Arrangements PD2017_040 Recruitment and Selection of Staff to the NSW Health Service
<b>Key Words</b>	Reform, restructure, change management, reorganise, streamline, redundancy, affected, excess, management, human resources, Union consultation, Establishment.
<b>Status</b>	Active

# Restructuring in Northern Sydney Local Health District

## Contents

- 1. Scope of Practice ..... 3
- 2. Expected Outcome..... 3
- 3. Definitions ..... 3
- 4. Procedure ..... 4
  - 4.1 Policy Statement/Rationale ..... 4
  - 4.2 Requirements..... 5
  - 4.3 Actions ..... 5
    - 4.3.1 Stage One – Scope, Plan and Approval ..... 5
    - 4.3.2 Stage Two - Consultation ..... 7
    - 4.3.3 Stage Three - Implementation .....10
    - 4.3.4 Stage Four – Review and Evaluation.....12
    - 4.3.5 Record Keeping .....12
- 5. References.....12

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	2 of 12

## 1. Scope of Practice

Northern Sydney Local Health District (NSLHD) is a dynamic organisation that aims to provide the best health service to the communities we serve. This means that the organisation needs to be flexible and responsive to change. This may result in reforms and restructures that impact on the whole organisation or on a single department.

Any reforms, whether a restructure or minor work flow alterations, must occur with a view to creating an improved and sustainable health service. All reform undertaken should be consistent with the NSLHD Change Management Framework.

This document sets out the process for managing the restructure of individual services and defines the responsibilities of managers and employees involved in the restructure. It outlines the four stages of the restructure process and provides guidance to managers on how to develop a restructure plan, business plan, seek approvals, establish new structures, consult with employees and unions and implement a restructure.

It is important that a consistent and co-ordinated approach to reform and restructuring is taken across NSLHD to ensure a smooth and transparent transition process for employees, management and unions.

Employees affected by or declared excess as a result of a restructure will be managed in accordance with [PD2012\\_021 Managing Excess Staff of the NSW Health Service](#).

## 2. Expected Outcome

Application of this procedure will ensure that NSLHD restructures are compliant with legislative, Award and Ministry of Health requirements.

This procedure is intended to be a practical guide for managers who restructure in NSLHD. It sets the standards and expectations for employees when a restructure occurs.

Application of the procedure will ensure all restructures within NSLHD are conducted in accordance with the principles of merit, fairness and transparency and that they provide a fiscally responsible framework for improved performance.

Compliance with this procedure will ensure managers and employees work co-operatively to minimise disruptions to individuals and the work of the areas affected, as far as possible.

## 3. Definitions

The following definitions apply in this document:

### **Affected Employees:**

Permanent employees whose position has been deleted, substantially altered, regraded or relocated as a result of organisational change and who may become excess if they are unable to be placed in a position within the new structure.

### **Consultation:**

The process where the intent to restructure is communicated to employees and relevant stakeholders, which may include unions, and their views are sought and considered. Consultation must occur before implementing a restructure.

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	3 of 12

### **Excess Employees:**

Permanent employees who have been declared excess as the substantive position they held, within the LHD, has been deleted or substantially changed. Such employees are declared excess at the completion of a restructure if they cannot be placed into an alternative position.

### **Impact on Employees:**

For the purposes of this procedure 'impact on employees' is defined as organisation change which may result in any position being deleted or substantially altered. It also includes any changes which may result in a change in composition, operation, service delivery, promotional opportunities, need for training, transfer of role to another location, change in work hours or change in skills required to perform a role.

### **Multi-disciplinary Positions:**

Multi-disciplinary positions refer to positions which have multiple Award classifications. For example a position which could be filled by a Registered Nurse or an Allied Health Professional.

### **Restructure:**

Organisational change that affects a Ward, Unit, Department, Portfolio, Directorate or Service and results in changes to staffing. These changes may include the creation and deletion of positions, changes to the duties or grading of positions, or a review of skill mix to meet organisational service needs.

### **Restructure Plan:**

A restructuring plan must be developed where the restructure will have a significant impact on whole units or groups of employees or where employees are likely to be affected or made excess.

### **Restructure Process:**

In NSLHD, restructures are managed in a four stage process;

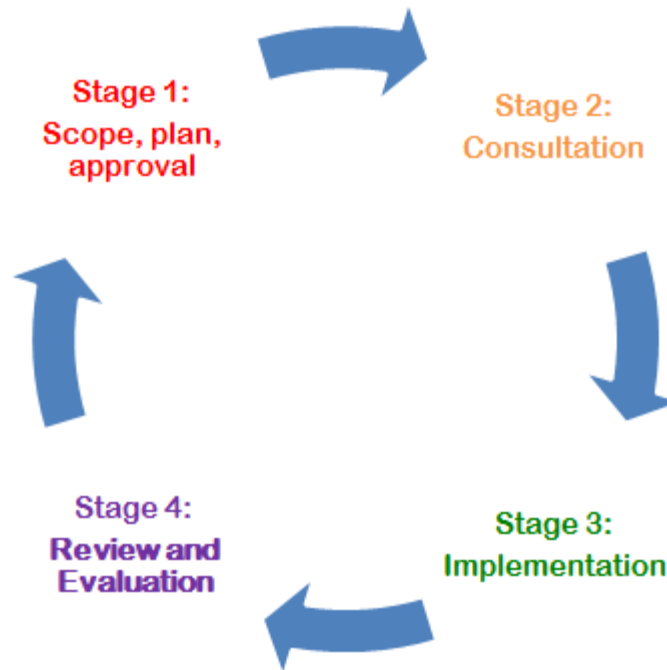
1. scope, restructure plan and approvals;
2. consultation;
3. implementation; and
4. review.

## **4. Procedure**

### **4.1 Policy Statement/Rationale**

Restructures in NSLHD should occur in four distinct stages. This will assist in delivering clear and consistent messages to employees and unions and to manage expectations. The consultation and implementation stages should take place within appropriate timeframes. However, the timing for restructuring services varies - and the time it takes to consult and bring about the change will also differ according to the particular service and the complexity of the reform.

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	4 of 12



## 4.2 Requirements

No specific requirements.

## 4.3 Actions

### 4.3.1 Stage One – Scope, Plan and Approval

#### Scope the need for change:

NSLHD is committed to an ongoing process of quality improvement to achieve an improved and sustainable health service. Restructuring is often necessary to ensure NSLHD meets service, operational and strategic demands.

Change may be required for a multitude of reasons including as a result of recommendations from audits, investigations or performance reviews, changes in organisational priorities, budget and funding changes or legislative and Award variations.

A restructure must focus on what positions the service requires in order to achieve optimal service delivery, not individual employees. Unsatisfactory performance or allegations of unsatisfactory performance are not grounds for abolishing positions. Poor performance should be managed in accordance with the [Resolving Unsatisfactory Performance of Staff – NSLHD Procedure \(PR2017\\_023\)](#).

Managers should scope the reasons for change and the expected benefits. Managers should utilise team meetings, working parties, Human Resources advice and discussions with peers and other LHDs to gather information as part of an evidence-based decision making process.

Managers should seek the advice or assistance of Human Resources at this stage of the restructure process.

#### Restructure Plan:

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	5 of 12

A restructuring plan must be developed for all proposed restructures. A restructure plan is compulsory to gain approval for a restructure.

The restructure plan must include:

- a) Reason and purpose of the restructure, linking to the NSLHD Strategic or Clinical Plan;
- b) Cost benefit analysis;
- c) Likely impact on services and functions;
- d) Likely impact on budget and funding;
- e) Likely impact on employees;
- f) Current and proposed organisational chart, including StaffLink position numbers/employees/assignment numbers;
- g) Current and proposed FTE establishment;
- h) If possible, current and proposed position descriptions – assessed and graded by Human Resources;
- i) List of classifications, grades and locations of affected employees, including numbers of employees likely to be redeployed and/or declared excess – developed in conjunction with Human Resources;
- j) Proposed method of filling positions in the new structure;
- k) Consultation and communication strategy;
- l) Timetable for implementation;
- m) Review and evaluation methodology and timeframes including success indicators; and
- n) Final audit of overall plan by management accountant.

If the restructure will not impact on positions, then the restructure plan is not required to address items f –j above.

It may be the case that position descriptions are not complete at the planning stage. However, they will be required for the consultation stage.

#### **Grading of positions:**

Prepare position descriptions for all new positions in the proposed structure. Positions which have been modified require a new position description. Human Resources Business Partners will provide assistance to the manager to develop new position descriptions, conduct job analyses and provide advice on appropriate position classifications.

Positions that are created or regraded as part of a restructure are not required to be approved by a NSLHD Grading Committee. However, to ensure consistency across NSLHD, final position descriptions and recommended grades (except for Staff Specialists & for Career Medical Officers) should be endorsed by the Workplace Relations and Policy Unit within the Workforce & Culture Directorate. Allow 3 days for this endorsement.

Managers should be aware there are a number of positions and classifications which require specific assessments to be undertaken:

- Health Manager (HM) positions require a Cullen Egan Dell (CED) evaluation conducted by at least 2 Workforce assessors;
- Administrative positions are to be assessed against the Award criteria by Work Level statements;
- The NSLHD Director Allied Health and NSLHD Principal Psychologist should be consulted for allied health and psychologist positions respectively and for any multi-disciplinary positions requiring a professional of either discipline;

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	6 of 12

- The NSLHD Director of Nursing and Midwifery or delegate should be consulted for any above base nursing / multi-disciplinary positions;
- A number of Health Awards require new positions to be determined by a joint Health Services Union/LHD grading committee, e.g. medical superintendents, hospital engineers, biomedical engineers, medical record librarians, library staff, social workers and dietitians. Human Resources will provide advice on whether a specific grading committee is required;
- Creation of all Staff Specialist positions need to be approved by Medical and Dental Appointments and Advisory Committee (MDAAC), and creation of new senior Career Medical Officer (CMO) positions require approval by the Ministry of Health Senior CMO Committee. Advice should be sought from the Senior Medical Staff Unit (SMSU).

#### **Approval to commence:**

Once the restructure plan is complete, the proposal must be submitted to a Director or General Manager (Tier 2 or 3) to obtain approval for the restructure. Approval to proceed to the consultation phase must be obtained before commencing a restructure and notifying employees of the intent to restructure.

Approval to proceed to the consultation phase should only be granted if Human Resources and the Management Accountant have been consulted on the restructure plan. It should be noted, from time to time the final restructure proposal may change following the consultation phase.

Additional approval by the Chief Executive or delegate may be required, if there are employees who will be declared affected or excess as a result of the restructure.

Restructures which affect a significant number of employees which includes a proposed voluntary redundancy program or which require financial assistance require Ministry of Health approval. A voluntary redundancy program is where expressions of interest for a voluntary redundancy are sought from a group of employees. In these cases, the restructure plan must also be approved by the Chief Executive who will then submit the restructure plan to the Ministry of Health.

#### **4.3.2 Stage Two - Consultation**

Once appropriate approval has been granted, the consultation phase can commence. The manager must consult with employees and the relevant union/s on all restructures which may have an impact on employees, before the changes are implemented. Consultation with employees and unions should occur as soon as approval for the restructure has been obtained from the relevant Director or General Manager. The manager should consult with employees at the same time as consultation occurs with the union.

The level and length of consultation will depend on the scale of the restructure. It is recommended that the minimum period for a response to a request for consultation is two weeks. However, all restructures which have any impact on employees require managers, in conjunction with Human Resources, to complete the following steps:

#### **Notify Employees**

Advise all employees in writing of the restructure and invite all employees to a consultation meeting. The letter to employees should include:

- The time and date for a staff consultation meeting;
- An outline of the Restructuring Plan proposal;

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	7 of 12

- The likely impact on positions (e.g., position not affected, position may be affected or position may be deleted);
- Timeframe for the consultation period; and
- Employee Assistance Program (EAP) contact details.

The manager should ensure that employees who are on leave are made aware of the restructure immediately upon their return to work. If an employee is on leave for an extended period of time then they should be notified of the restructure by email or other appropriate method of communication and be invited to provide feedback.

### **Meet with individual Employees**

The manager should seek to meet with individual employees affected by the restructure as soon as possible. Managers should use discretion whether to advise affected individuals before the rest of the team/unit/service is advised of the restructure. Managers should further make themselves available to meet with employees individually throughout the consultation period to discuss the restructure and potential impact, if any, on the employee's position.

### **Staff consultation meeting/s**

Where appropriate, the manager should hold a staff consultation meeting. The purpose of this meeting is for the manager to explain the proposed restructure to employees and detail the reasons for the restructure and its objectives.

The staff consultation meeting is an opportunity to discuss the restructure with employees and seek comments and feedback. The manager should be prepared to answer questions on the restructure.

The manager should clearly outline the timeframes for the consultation period and the closing date for the consultation period in which all comments must be received.

The number of meetings through the consultation process should be appropriate to the complexity of the reform or restructure. It may be necessary for the manager to hold additional staff consultation meetings or discussions to ensure all employees have the opportunity to fully understand the restructure and provide comments and feedback.

The manager may wish to invite the union to the staff consultation meeting and allow the union time after the meeting to meet with members. This decision should be made in consultation with Human Resources. If the restructure will significantly impact on a whole unit or group of employees (that is, five positions or more) the manager should hold a Union Specific Consultation Meeting.

### **Notify Union/s**

Unions need to be notified and consulted about restructures which may have an impact on employees. At the same time as employees are advised of the restructure, the union/s should be advised in writing of the restructure.

The letter to the union/s should include:

- An outline of the restructure and its objectives;
- Potential impact on service delivery;
- Current and proposed organisational charts;
- Current and proposed position descriptions for affected positions;
- Timeframe for union/s and its members to comment on the proposed restructure (minimum two weeks);
- Closing date for the consultation period; and

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	8 of 12



- The method for how feedback on the restructure is to be provided, for example, in writing to the manager.

No confidential or private information should be released to the relevant union/s. The information provided to unions is to be limited to position details only. The union/s may later seek to represent its members' interests individually.

All correspondence to unions must be sent from the Workforce and Culture Directorate. Managers must contact Human Resources before corresponding in writing with unions.

### **Holding a Union Specific Consultation Meeting (USCC)**

If the restructure will significantly impact on a whole unit or group of employees, the union may request a Union Specific Consultation Committee (USCC) with the manager and Human Resources. A USCC is a formal meeting for answering questions, hearing (and responding) to concerns and considering the comments of employees and the union. Human Resources will partner with the manager to conduct these meetings. The [PD2011\\_002 Industrial Consultation Arrangements policy directive](#) should be referred to when setting up these meetings.

The manager should request a list of concerns from the relevant union in order to prepare a USCC agenda.

The dispute resolution procedure within the relevant award may be utilised where one of the parties deems it necessary.

### **Notification to other interested parties**

There may be groups, services or individuals who are not directly or significantly affected that may have a professional interest in the reform. The manager should ensure that interested parties are made aware of the restructure and given the opportunity to provide input.

### **Assessment of Employee Stakeholder and Union Comments**

The manager must review and consider any comments provided by employees, stakeholders and the union/s.

Managers should consider a change in approach and be flexible and responsive to the suggestions offered by employees and or unions. Consultation must be genuine, however consultation is not a negotiation or joint decision making process, and the decisions around structure and services are made by the NSLHD.

Where comments are considered but not accepted, the manager, with support from Human Resources, must inform the unions and employees and provide a response to employees and union comments.

Where comments are accepted and the manager has agreed to modify the restructure, additional approval will required from the Director/General Manager. The manager will also be required to update relevant staffing and financial information.

### **Closing the consultation**

The process should not be unnecessarily delayed due to disagreement around minor or irrelevant issues.

The timeframes for the consultation period and consultation end date must be made clear to all parties at the commencement of the consultation stage. Extensions to the

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	9 of 12

consultation period may be needed however, it is important to close the consultation process at the appropriate point to avoid delays in implementation leading to extended uncertainty, possible disruption to service delivery or anxiety among employees.

### **Potential Further Approval of Restructure**

If any changes have been made to the original approved restructure, as a result of the consultation process, the modified restructure must be again approved by the Director and, where necessary, the Chief Executive.

If there are no alterations to the original restructure proposal, notify the Director of this progress and provide evidence of consultation with employees and the relevant union/s. If appropriate, seek confirmation of approval to commence implementation.

### **Outcome of the Consultation**

Once the consultation has been completed and if required, additional approval has been obtained, the manager must advise employees and union of the outcome of consultation, final structure and implementation timetable.

### **4.3.3 Stage Three - Implementation**

Implementation of a restructure should also be a staged approach, the below steps are the recommended process for implementing a restructure. Every effort should be made to place current employees in the new structure. Before any employees are declared excess, all positions within the new structure must be filled.

#### **Establishment**

Before appointing any employees to positions in the new structure, these must first be set up in StaffLink by the Employee Services Unit. A [Manage Organisational Change – Positions Form](#) can be emailed to Employee Services, outlining the details of the approved restructure and any positions to be created, frozen or deleted.

#### **Direct Appointments**

All attempts should be taken to minimise the impact on employees in the implementation of the restructure. Before declaring employees affected, the manager should look at directly appointing employees to suitable positions in the new structure. Where there are none, or only minor changes to a position and no change in the classification or grading, the substantive incumbent of the position may be directly appointed to the new position. A position will not be considered to have changed simply because it has moved to another

Division, Branch or Unit, has been renamed, or has moved to another geographical location. The significance of a change to the position will be determined by assessing the specific capabilities (knowledge, skill and ability) needed to do the job.

Employees are to be matched to positions of equivalent salary. Equivalent salary is within 5% of the staff member's existing salary.

To directly appoint an employee, the maximum salary in the award classification salary range of the matched position must be within 5% of the maximum salary of the award classification salary range of the affected staff member's former substantive position.

#### **Declaring Staff Affected**

During a restructure there are often employees whose positions have been deleted, but who may yet be placed within the new structure. These employees should be informed in writing that they are affected, and that they will be granted priority access to suitable vacancies across NSW Health. Affected employees are not to be declared excess until

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	10 of 12

all suitable vacant positions within the new structure have been filled. Declaring staff excess must be done in partnership with Human Resources.

### **Expressions of Interest**

Where there are more affected employees than vacant positions within a grade/classification in the new structure, the manager should call for an Expression of Interest (EOI). Only affected employees will be able to submit EOIs. Affected employees may apply for multiple positions in the new structure, as appropriate.

EOIs from affected employees will be assessed using merit-based criteria and priority assessment. The manager may wish to conduct interviews or seek written applications. Employees will be advised in writing as to the outcome of the EOI process, as with any normal recruitment process.

Where any appointments have been made by the manager via direct appointment or EOI, Human Resources must ensure that:

- a new letter of offer is provided to the employee
- new position description provided;
- the employee is correctly set up on StaffLink;
- liaison with management accountants where necessary
- ensure the new letter of offer and position description are placed on employees personnel file.

### **Advertise and Appoint**

If there are still any unfilled positions in the restructure, managers should follow the appropriate advertising and appointment processes. Refer to [PD2017\\_040 Recruitment and Selection of Staff to the NSW Health Service](#)

### **Management of Excess Employees**

An employee is declared excess when:

- the employee's substantive position has been deleted, and
- the employee has not been appointed to a position in the new structure, and
- once all the positions within the new structure have been filled, and
- NSLHD determines that there are no other suitable vacant permanent or temporary positions in the LHD into which the employee may be placed.

Excess employees are to be managed as per [PD2012\\_021 Managing Excess Staff of the NSW Health Service](#).

The Director Workforce and Culture is responsible for notifying employees formally if they are declared excess. Human Resources will provide the leadership and management for this process including sending affected and excess letters, developing redeployment plans, voluntary redundancy estimates, registering excess staff on the NSW Health Redeployment Register, meeting with excess staff on a regular basis, facilitating job matching and monitor the progress of priority assessments using the Priority Assessment form and monitoring the progress of trial placements, and excess employees on temporary contracts.

### **Close Implementation**

Notify the Director/General Manager that implementation has been completed and that formal correspondence has been provided by the Director Workforce and Culture to excess employees.

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	11 of 12

#### 4.3.4 Stage Four – Review and Evaluation

##### Monitor and finalise changes

Managers should ensure that any identified milestones are monitored. There should be a minimum time to finalise the changes and for employees to become comfortable with the new process. Managers should seek to avoid constant workplace change.

It is recommended that managers and Senior Directors attend a team meeting to determine the staff views of the revised service structure.

##### Review and evaluation

Through structured consultation with employees and any other relevant stakeholders, review actual outcomes against the expected outcomes under the restructuring plan. These should be in accordance with timeframes set in the Restructuring Plan and follow up review to ensure expected outcomes are met and / or any implementation difficulties are promptly addressed.

##### Final Sign Off

The HR Business Partner, in consultation with Employee Services Unit, will complete a final evaluation of the restructure plan to ensure all positions are established in line with the new organisational structure, that staff are mapped to the correct positions/classifications, obsolete position numbers and or cost centres are eliminated in StaffLink and obtain final sign off from requesting manager (or Tier 3).

#### 4.3.5 Record Keeping

Restructure plans must be retained for audit and review purposes. Managers should ensure that records of consultation processes are kept. Employment change details must be placed on personnel files. Records must be kept in accordance with the [Corporate Records Management Policy – NSLHD \(PO2011\\_303\)](#).

## 5. References

- PD2011\_002 [Industrial Consultative Arrangements](#)
- PD2017\_040 [Recruitment and Selection of Staff to the NSW Health Service](#)
- PD2012\_021 [Managing Excess Employees of the NSW Health Service](#)
- PR2017\_023 [Resolving Unsatisfactory Performance of Staff – NSLHD Procedure](#)

## 6. Risk of Procedure Non Compliance (list risks)

- Industrial action

<i>Procedure Name</i>	Restructuring in Northern Sydney Local Health District		
<i>Document ID</i>	PR2014_016	<i>Version No.</i>	3
<i>Date Published</i>	17/10/2019	<i>Page No.</i>	12 of 12