

Report of the Director for Customer and Corporate Services
Portfolio of the Executive Member for Finance and Performance

Provision for Occupational Health

Summary

1. The Executive on 18 October 2018 considered a report on the council's approach to Attendance Management and Wellbeing in which it was agreed to progress with an external provider to support attendance management. This report is seeking permission to re-procure the Occupational Health provision as the contract is due to expire. Occupational Health plays a vital role in the overall programme of support to the well being of staff across the council.
2. Occupational Health is one element of ensuring employees' health is supported and staff are able to fulfil their duties. This report summarises the current occupational health and osteopath provision and identifies what ideally we would want the contract to deliver in terms of outputs. The procurement approach (whether through an approved framework or full tender process) to be established, with the final service provision ultimately determined by affordability.

Recommendations

2. The Executive are asked to:
 - a) Agree to procure an integrated occupational health contract (including the management or provision of an osteopath service) effective from June 2019.

Reason: To ensure professional occupational health advice is available that can work with the council to develop solutions to keep employees with health issues at work.

b) Delegate to the Deputy Chief Executive and Director of Customer & Corporate Services power to select the appropriate procurement route and award the contract to the successful bidder.

Background

3. The report considered by the Executive on 18 October 2018 summarised the range of activities and interventions in place or being put in place to support employee's health and wellbeing. The Council's Occupational Health service was noted in that report as one element of the overall provision.

Occupational health is the branch of medicine that deals with the prevention and treatment of job related ill health. Occupational health management of employee's health and care issues, early intervention and clinical assistance can contribute to a number of organisational benefits including: performance improvement, a reduction in unacceptable losses associated with ill health and injuries, a lowering of absenteeism, improvement in employee morale as well as a reduction in litigation costs.

The council has been receiving an occupational health service from Health Management Limited (HML) since 2014. The contract, which was procured originally through the Crown Procurement Framework, has been extended by means of a waiver for the last two years with the contract coming to an end on 23 June 2019. Permission is now sought to go through a procurement process to contract with an occupational health provider for a further 4-5 years.

The current occupational health contract, at an average annual cost of £ 135K (totalling £ 541K over the last 4 financial years¹), provides a range of traditional occupational health services including:

- **Work Health Assessments;**
- **Assessment and provision of professional advice**, giving independent and professional diagnosis , prognosis and advice on staff unable to work due to long term or short term intermittent health problems, with a view to enabling the employee's return to work sooner;

¹ The current contract is accessed by schools, WWY and Explore who buy in to the service.

- **Health Surveillance and prevention** i.e. the provision of ongoing checks to prevent health problems occurring ensuring that employees remain safe at work and the council fulfils its legal obligations;
- **Employee Assistance Programme**, providing various support and counselling on a confidential basis to employees on a wide range of topics (both work and home) to assist their wellbeing.

A summary of the council's current use of this service can be found in Annex A.

In addition to the occupational health service, the council has a separate arrangement for an Osteopath service through Ryedale Osteopath Services Ltd (at an average cost of £19k per annum). This arrangement, also due to end on 22 June 19, is part of the council's proactive and preventative health and wellbeing provision. It is proposed to review and integrate this service as part of the wider OH service review to ensure clinical oversight with a more co-ordinated approach.

With an increased focus on employees wellbeing a more preventative approach to occupational health keeping employees safe and well at work, both physically and mentally is needed. The council is currently developing a workplace wellbeing strategy and a more complementary occupational health provision, which provides clinical oversight, will remain a key element of the overall programme.

Consultation

4. A more holistic approach to occupational health is now needed. We have and will continue to work with a range of stakeholders across the organisation to help refine what the council's occupational health provision needs to look like. So the provision moving forward will not only provide professional advice where an employee is off sick but can work with the organisation to develop solutions to keep employees with/without health issues at work.

These stakeholders have included:

- JHSC;
- Workplace Wellbeing Strategy Group;
- Cross Directorate working group;

- Trade Unions

Annex B notes the range of services identified by the stakeholder groups needed to meet the needs of the organisation with the intention of having one contract to cover the whole provision including an osteopath service. Tenders may be sought on a number of different options from a basic like for like provision to a more enhanced option to support employee wellbeing and improve the route cause of absence.

5. Options

- 5.1 **Option 1:** To agree to procure an integrated occupational health (including the management or provision of an osteopath service) effective from June 2019.

Analysis

Through this method the organisation should be in a position to contract with a provider that will not only give independent and professional advice, ensure legal compliance in terms of health surveillance but can also work with the organisation to develop solutions to keep employees with health issues at work. A more proactive approach to health management should in turn reduce the cost of absenteeism, increase productivity and staff retention.

- 5.2 **Option 2** Spot purchase occupational health advice on an ad hoc basis as the needs arise.

Analysis

Whilst medical advice can be sought on an ad hoc basis, those giving the advice may not be occupational health specialists. This approach would not result in a proactive co-ordinated approach to help keep employees at work and could be more costly in terms of managing attendance would not achieve economies of scale in terms of the service bought in nor would it provide a co-ordinated approach focussing on the needs of the organisation .

6. Council Plan

An occupational health provision developed to meet the needs of the organisation to keep the workforce healthy and in work will help the council meet its strategic objective of “a focus on frontline services.” Increasing staff’s wellbeing will also help the Council meet its aim of “building the culture we need and attract, retain and develop colleagues”. Appropriate Occupational Health provision is

key in meeting the strategic aim within the Council's People Plan under Wellbeing and Engagement, "To be an organisation that supports and manages wellbeingWe will manage risks sensibly and proportionately to ensure the levels of accidents and incidents of occupational ill health is as low as possible."

8. Implications

- **Financial**

The 2018/19 net budget for occupational health is £113,200, which takes into account the Schools usage of the service. Therefore the future procurement should evaluate the council element of the contract cost against the current net cost to the council to determine affordability.

- **Human Resources**

Professional occupational health provision and advice is key in keeping people safe and well at work both physically and mentally. A tailored occupational health provision that meet's the needs of the organisation to compliment the Council's overall employee wellbeing strategy is key to ensure a reduction in sickness absence. Lifestyle and Wellbeing services result in an increase in productivity and staff engagement /retention.

- **Equalities**

Occupational Health specialists are able to give recommendations which will assist the organisation make reasonable adjustments to help remove any inequality due to disability.

- **Legal** - Given the level of spend in previous years a procurement process meeting the requirements of the Public Procurement Regulations is likely to be required.

- **Crime and Disorder** N/A

- **Information Technology (IT)**

ICT have been consulted and will be part of the procurement specification and evaluation process to help ensure that any potential technology platforms submitted to use as part of a

referral process, are compatible and able to integrate with the Councils infrastructure.

- **Property**

An assessment will take place as part of and following the procurement process as to the need, if any, to identify appropriate accommodation and or premises.

- **Other**

N/A

Risk Management

9. The provision of appropriate occupational health advice including health surveillance will limit the Councils risks in relation to keeping people healthy and safe at work.

Contact Details

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**Report
Approved**



Date 3/1/19

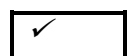
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Wards Affected:

All



For further information please contact the author of the report

Background Papers:

None

Annexes

Annex A - summary of the council's current use of occupational health service from Health Management Limited (HML).

Annex B - range of services identified by the stakeholder groups as needed to meet the needs of the organisation.