

Executive

22 November 2022

Report of the Chief Operating Officer

Portfolio of the Executive Member for Finance and Performance

Occupational Health and Day One Absence Management Provision

Summary

1. This report seeks permission to re-procure an Occupational Health and Day One Absence Management Service for the Council, key in ensuring employees are able to fulfil their duties safely with their health and wellbeing supported. It summarises the current occupational health and day one absence management provision and notes the preferred procurement approach of using an approved framework.
2. Executive agreed in June 2021, to extend the Medigold (One Day Absence Management provision) contract for one year. Work has taken place to look at alternative options for assisting managers to manage employee absence. It was hoped in June 2021 that a full year without pandemic restrictions would be available to assess Medigold as a system and review impact on 'normal' absence levels, but this has not been possible. As the Executive will be aware, pandemic restrictions were not fully lifted until the end of March 2022 and there are now 'after effects' of the pandemic which are impacting on staff absence, for example, delayed hospital admissions and treatments. Notwithstanding absence levels, the ability for managers to manage employee absence is paramount, this needs to be via a swift, easy and reliable system that is not cumbersome and resource intensive.
3. Work has been undertaken in the last year to review the capabilities of the inhouse HR system to undertake a similar recording process to that of Medigold. The outcome is there is nothing comparable that can be created. This paper therefore, seeks approval to re-procure a day one absence system alongside and jointly with the occupational health contract to take advantage of a joined-up service.

Recommendations

4. The Executive are asked to
 - a) Agree to procure an occupational health and day one provision effective from May 2023.
 - b) To delegate to the Chief Operating Officer power to select the appropriate procurement route and award the contract to the successful bidder.
 - c) To consider future procurement of a contract of this nature as 'routine' on the basis that this is a re-procurement of existing arrangements.

Reasons: To ensure managers continue to be provided with the tools to facilitate proactive absence management; ensure professional occupational health advice is available at the earliest opportunity with the supplier able to work with the Council to develop solutions to keep employees with health issues at work and safe.

Background

5. Occupational Health is the branch of medicine dealing with the prevention and treatment of job-related injury and illness and plays a vital role in the overall programme of support to the wellbeing of staff across the Council. It also helps the Council meet its statutory obligations in relation to health surveillance, workplace safety and the Equality Act 2010.
6. Day one absence is an external service that captures the start of an employee's absence and the real reasons for it, provides the employee with initial immediate support from occupational health professionals; provides a suite of online tools to assist managers in pro-actively supporting the wellbeing of their employees as well as providing the organisation with real time data to inform appropriate interventions.
7. The Council currently sources its OH provision and day one absence through two separate commercial providers. Health Management Limited ('HML') has been providing occupational health services to the Council since 2014 (re-procured in 2019) through the Crown Commercial Services Framework¹. Whilst the current contract is due to end in November 2022 an extension is being secured to take it up to May 23. Day one provision is contracted

¹ Crown Commercial Service Occupational Health Services, Employee Assistance Programmes and Eye Care Services Framework RM3795,

through Medigold who have supplied the service since September 2019 (Executive approved in June 2021 to extend the contract for one year so that a full assessment of the benefits of the Medigold system can be considered).

8. This exercise has been undertaken including the review of the Council's current HR system (iTrent) and the capabilities of the absence module.
9. In order to align the end dates of both contracts an interim contract is currently being arranged to take the Day One provision up to the same date. Permission is now sought to go through a procurement process for a single provider to deliver an occupational health and day one provision for a further 4-5 years as per our previous commitment in June 2021 to bring occupational health and sickness processes under the same supplier.

Occupational Health

10. The current occupational health contract, at an average annual cost of £113,000 per year (£566,000 over 5 years) provides for a range of occupational health services. Day one has cost circa £90k per annum. It is envisaged that by bringing both provisions together greater efficiencies in the delivery of the contracts can be achieved with a more holistic approach to absence and wellbeing realised.
11. The Council's current use of the occupational health contract and a summary of the current provision can be found in **Annex A**, but in brief this includes:

Type of Provision	Examples of what this includes
Work Health Assessments	<p>Undertaking and interpreting pre-employment health assessments.</p> <p>Assessing fitness to work regarding ill-health capability dismissal or ill health retirement</p>
Assessment and provision of professional advice	<p>Assessing employees on long term sick leave or with short term intermittent health issues and advising on likely timescale of absence and promoting an effective return to work.</p> <p>Advising on temporary or permanent changes to the work or workplace ('reasonable adjustments') to enable an employee with a physical or mental health condition or disability to work effectively and safely.</p>
Health Surveillance and prevention	<p>Undertaking ongoing health checks to prevent health problems occurring and fulfilling the Councils legal obligations</p> <p>Assessing where a person's work has affected their health-giving advice as to what action should be taken both to support the individual and prevent recurrence in other workers.</p> <p>Provision of an osteopath service integrated into the current occupational health contract enabling the OH contractor to provide clinical oversight and management of this element of the Council's preventative health and wellbeing provision.</p>

	Particularly important as the OH referral data from 2021 tells us that 27% of OH referrals within that reporting period were musculoskeletal related with 23% being perceived as work related symptoms.
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 with their wellbeing.

12. As part of the procurement exercise in 2019 changes were introduced into the contract, one of which was a move to a more telephonic delivery model. Whilst referrals continued to be triaged to the appropriate clinician, with face-to-face appointments' taking place where clinically appropriate, the majority (91%) have been conducted by telephone. This has not only increased flexibility of nurse and doctor appointment scheduling but increased resilience of the service, particularly useful during the lock down phases of the pandemic and keeping contacts to a minimum.
13. With the introduction of an occupational health advice line for managers, enabling them to seek generic health advice on any health issues affecting staff including pre-referral advice, improvements have been made to get the best out of clinical assessments.
14. The pandemic has exacerbated rather than alleviated most of the challenges around identifying and managing wider risks to peoples' health. A preventative approach to keeping employees' safe and well at work both physically and mentally remains important. A complimentary occupational health provision that provides clinical oversight continues to be essential.

One Day Attendance Management

15. The Council currently purchases Day One attendance management from Absentia, part of Medigold Health. It logs all unplanned absences of Sickness, Compassionate and Dependant Care Leave on behalf of the Council and reports this back to the business for absence reporting and payroll purposes. The service is managed by both trained professionals and medically qualified personnel, who are able to support employees get back to health and work quicker.
16. The introduction of Day One absence management has created the circumstances for a greater tracking and performance culture of longer-term sickness cases with real time information, reduction in burden on managers to complete paperwork as the system allows more automation and linkages to payroll. It also enables managers to track short term absences and helps to

improve the quality of return-to-work conversations as a result of prompting and recording more fully.

17. The introduction of Day One, has enabled managers, to complete all transactions in relation to recording of absence within one system, minimising the burden of administration and working within a stepped process of supporting staff wellbeing and attendance management.
18. It is helpful to note that the current format of the Medigold reporting supports around 20 reports within the system and allows a greater oversight of absence, reasons for absence and the associated management. Some of these reports are underutilised by managers and have recently been developed with greater instant access to absence data and it is envisaged that the roll out of new screens and training will be available to managers very soon.
19. The introduction of the system, the associated training and ongoing focus on attendance and wellbeing is a constant feature of the day of a manager as a result of the workflow they need to comply with.
20. The creation of any alternative inhouse system would be at a significant cost in terms of staff time, configuration, staff training and embedding a new model when 'Day One' is now embedded within the organisation.
21. Bringing both services together under one provider should result in a more holistic approach to manage the health and wellbeing of staff with a seamless transition between health professionals at the earliest opportunity.

Consultation

22. We continue to work with a range of stakeholders across the organisation to help refine the Councils wellbeing offer. The provision moving forward will continue to provide, real time data, professional advice where an employee is absent and work with the organisation to develop solutions to keep employees with/without health issues at work.

The stakeholder groups include:

- Joint Health and Safety Committee
- Workplace Wellbeing Group
- Trade Unions and a
- Cross Directorate working group.

The intention is to continue to have one contract to cover the whole provision.

Options

23. **Option 1:** To agree to procure a day one absence and occupational health contract effective from May 23 via an approved framework with the best combination of services that are affordable.

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.

This option is likely to create the least disruption to the organisation. Depending upon the supplier there is likely to be changes in process, but these should be minimal and limited to designing processes for matching hierarchies, data transfer and training on the new providers' systems only.

This option will see the continued provision of real time sickness data to support the performance management of attendance at work and by combining the two contracts the aim of achieving a more seamless transfer between an employee reporting absence through to the Council receiving occupational health advice can be realised. Comprehensive data will be available through this model providing a co-ordinated approach against which the Council can better inform and build a holistic wellbeing offer to support employee remain at work.

This is the preferred and recommended Option from Officers alongside continuous improvement of processes and consistent application of the policy.

24. **Option 2:** Put in place a contract for occupational health provision only and return to the council's original model around ITrent with additional resource in HR and payroll.

Analysis

This option would see a return to the manager driven paper processes that previously existed whereby managers would be responsible for managing sickness cases with little corporate oversight and supporting workflow processes.

Whilst costs to an external supplier would no longer exist additional staff would be needed to: update iTrent paper forms; train/remind the organisation of previous processes and responsibility; re-establish the self-service recording functions currently offline in iTrent and de-commission current processes. Alternatively purchase or develop a new electronic system to capture the data with CYC support and expertise.

In June 2021 the size of an internal team recommended to provide support to a return to the council's previous system of recording and managing absence proposed the requirement to recruit a grade 6 Wellbeing Officer at 1 FTE and a grade 4 administrator at 0.5 FTE. On reflection this is likely to be under resourced at an estimated cost of £45K and doesn't account for management time in overseeing the team and or CYC expertise in developing systems and support.

It should be noted that any internal support would not be able to replicate the independence that an external day one absence supplier has brought in terms of 24/7 immediate access to occupational health advice. Nor will such a system be able to provide real time data which has helped the performance management of attendance across the council.

Whilst specialist OH advice would still be available under this option the ability to integrate and have a seamless approach to attendance management is lost with multiple data entry required and the benefit of day 1 advice and referral is not available.

There would also be a need for a project to commence to return CYC data from Medigold should this be required. This would require resourcing.

25. **Option 3:** Spot purchase occupational health advice on an ad-hoc basis as the needs arise without an external day one absence provision in place.

Analysis

Whilst medical advice can be sought on an ad hoc basis, those giving the advice may not be occupational health specialists (for example a GP is not a specialist in occupational health). This approach would not result in a proactive co-ordinated approach to help keep employees at work and will be more costly in terms of managing attendance and occupational health provision.

Purchasing ad-hoc occupational health services would not achieve economies of scale and would require the direct employment of additional

resources in HR in order to make appropriate referrals to individual GP's or other clinicians on behalf of managers. There would be no contractual provision in place to ensure quality and timely responses.

The organisation would still be required to source in a limited market independent physicians appropriately qualified in occupational health, in order to meet pension scheme rules around the assessment of ill health retirements.

Secure systems for sharing and storage of medical data would also need to be developed and put in place.

26. **Option 4** procure a day one and occupational health contract separately. Whilst we have managed these contracts separately up until now, the ambition to improve the connection between managing sickness absence with greater occupational health input will not be realised.

Council Plan

27. The information outlined in this report is in line with the Council Plan and the Organisational Development Plan where the Health & Wellbeing of staff is a priority.

Implications

28. **Financial:** The 2022/23 net budget for occupational health is £113,200 and net budget for Day One Absence management is £90,000. Therefore, the future procurement should evaluate the contract cost against the budget to determine affordability.
29. **Human Resources (HR)** 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 meets the needs of the organisation to compliment the Councils overall employee wellbeing approach is key to ensure a reduction in sickness absence. Lifestyle and wellbeing services result in an increase in productivity and staff engagement/retention.
30. **Equalities:** Occupational health specialists are able to give recommendations which will assist the organisation make reasonable adjustments to help remove inequality due to disability.

31. **Legal:** Given the level of spend in previous years, a procurement process meeting the requirements of the Public Contract Regulations 2015 and the Council's Contract Procedure Rules is likely to be required. Subject to further advice on the agreed Procurement Strategy with the Corporate Procurement Team, the Council could either:

- source these services through its own compliant procurement carried out pursuant to the Regulations, or
- by following a further competition process set out under an appropriate, available framework agreement.

For example, it is noted that the current contract was called off from Crown Commercial Service Occupational Health Services, Employee Assistance Programmes and Eye Care Services Framework RM3795 in 2019; a new framework for the same services was set up by Crown Commercial Service pursuant to the Regulations in 2021 until 2025, and is available to the Council – see

<https://www.crowncommercial.gov.uk/agreements/RM6182>.

32. **Crime and Disorder** N/A

33. **Information Technology (IT)** ICT will be part of procurement specification and evaluation process to help ensure that any potential technology platforms submitted to be used as part of a referral process, are compatible and able to integrate with the Council's infrastructure. The ICT Board review and approval process will be part of the governance process for this as with all systems.

34. **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.

35. **Other** N/A

Risk Management

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

Contact Details

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Chief Operating Officer

**Report
Approved**



Date 8/11/22

Specialist Implications Officer(s)**Legal:**

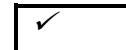
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Wards Affected:

All



For further information please contact the author of the report

Background Papers:

Executive Meeting 24th June 2021 – Future of CYC Sickness process
Relating to Medigold

<https://democracy.york.gov.uk/documents/s150416/Executive%20-%20Future%20of%20CYC%20Sickness%20process%20relating%20to%20Medigold%20-%20June%202021.pdf>

Annexes

Annex A – Summary of current provision and use.