



Report to Policy Committee

Author/Lead Officer of Report: Peter White, HR Service Manager – Systems & Performance

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Report of: Eugene Walker
Report to: Strategy & Resources Committee
Date of Decision: 12th October 2022
Subject: Occupational Health Provision

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? EIA1240				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: -				
<p><i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>				

Purpose of Report:

To gain approval for the commissioning of an Occupational Health (including Health Surveillance) service contract and an Employee Assistance Programme services contract via a framework agreement at the expiry of the current contract in June 2023.

Recommendations:

That the Strategy and Resources Committee:

- 1) Approves the commissioning of the Occupational Health service by way of service contract with a term of 4 years and estimated value of £1.2 million, as set out in this report; and
- 2) Approves the commissioning of the Employee Assistance Programme by way of a service contract with a term of 4 years and an estimated value of £250,000, as set out in this report.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

The following background papers were used in the compilation of this report and can be made available on request:

- Resources Leadership Team Briefing Paper
- Health & Wellbeing Strategy
- Assessment of Provision
- Equalities Impact Assessment
- Climate Impact Assessment

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Liz Gough
		Legal: Richard Marik
		Equalities & Consultation: Richard Bartlett
		Climate: Jessica Rick
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission:	Eugene Walker (James Henderson deputising)
3	Committee Chair consulted:	Cllr Terry Fox

4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Peter White	Job Title: HR Service Manager – Systems & Performance
	Date: 01/09/22	

1. PROPOSAL

- 1.1 The commissioning of a new Occupational Health (OH) contract and Employee Assistance Programme (EAP) contract is proposed in this report.
- 1.2 The current Occupational Health and Employee Assistance Programme contract delivered by People Asset Management (PAM), is accessed via the Crown Commercial Services Occupational Health framework agreement and is due to expire on 30 June 2023. Both the Occupational Health element and Employee Assistance Programme element are delivered under one contract with PAM.
- 1.3 As an employer, the Council has a duty of care under the common law to promote the mental health and wellbeing of its employees and, under the [Health and Safety at Work Act 1974](#) and the [Management of Health and Safety at Work Regulations 1999](#), to do all they reasonably can to support the health, safety, and wellbeing of their employees.
- 1.4 An important part of ‘occupational health’ is concerned with how work and the work environment can impact on workers’ health, both physical and mental. It also includes how workers’ health can affect their ability to do their job. Put simply this means the effect of work on health and that of health on work.
- 1.5 In health and safety law, there are things the Council must do to make sure workers’ health is not adversely affected by their work and that workers are medically fit to carry out their work safely. This includes:
 - implementing health or medical surveillance when necessary
 - ensuring workers are medically fit to undertake the role required
 - reviewing risk assessment when a worker is returning to work following sickness absence or declares a health condition.
- 1.6 The current contract with PAM is split into two key areas, Occupational Health (including Health Surveillance) and an Employee Assistance Programme:
 - Occupational Health
 - The Occupational Health service delivers over 80 types of support to

- 1.7 SCC employees predominantly through manager referral, some of the most well used are listed below:
- Management referral/triage – employee assessment/report
 - Musculoskeletal Assessment/Physio Treatment
 - Psychiatric Assessment/Counselling Sessions
 - Ill Health Retirement Consultation
 - Driver Medical
 - Dyslexia Workplace Assessment
 - Ergonomic Work-Station Assessment
 - Needle Incident Review
 - Health Surveillance Checks (Audio/Lung Function/Skin/Hand Arm Vibration)

1.8 Employee Assistance Programme

The Employee Assistance Programme is a completely confidential life management and personal support telephone service available 24 hours a day, 365 days a year to employees, their immediate family and Councillor's. The offer includes:

- **Personal Crisis** (Divorce, Separation, Infertility, Miscarriage, Abuse, Stress/Anxiety and Trauma Care, Discrimination)
- **Family Crisis** (Bereavement, Caring for Relatives, Family Conflict, Abuse, Mental Health Issues, Relationships)
- **Illness** (Understanding the Diagnosis, Terminal Illness, losing a loved one, Funeral arrangements, Depression, Drug & Alcohol Abuse, Living with Long Term Illness, Support following an Accident, Telling the family, Addiction, Ill Health Retirement Support, Sickness Absence Support)

1.9 PAM deliver these services using an online portal for managers to refer employees. Employees then receive OH services through face to face, telephone or video appointments. Access to the EAP is via a 24/7, 365 days a year telephone line, supported by a website offering employee self help information.

1.10 During the 2022/23 financial year it is anticipated the Council will spend in the region of £310k on Occupational Health (OH), Employee Assistance Programme (EAP) and Health Surveillance (HS) services delivered by PAM. This is broken down into £230k OH costs, £54k EAP costs and £26k HS costs.

1.11 The demand for these services has increased during the term of the contract in part due to an expanding workforce but also due to the Covid

19 pandemic, subsequent long Covid and associated mental health issues employees are experiencing. This increased demand will no doubt continue as sickness levels remain high and the cost-of-living crisis starts to impact on the physical and mental health of our employees.

- 1.12 The proposal is call-off a contract for the Occupational Health service and to call-off a contract for the Employee Assistance Programme from the Crown Commercial Services' framework (Occupational Health, Employee Assistance Programmes and Eye Care Services RM6182) to ensure service continuity following the expiry of the current contract with PAM. Both contracts will be for a 4-year period with breaks at the end of years 2 and 3 (2 years +1 +1). Based on this approach and access to a similar level of provision the overall estimated value for the commissioning of both an Occupational Health (inc Health Surveillance) and Employee Assistance Programme would be £1.4 million (OH = £1.15m / EAP = £0.25m) for the full term.
- 1.13 The decision to access a framework rather than go out to open tender has been discussed with the Trade Unions as part of an OH Project Group and this is seen as the most viable option. The Crown Commercial Services' framework gives access to a number of OH and EAP providers that have already met the required benchmark at a highly competitive price ensuring the Council can focus its procurement process on the exact needs of Council employees.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The delivery of Occupational Health Services and an Employee Assistance Programme via a highly competent provider supports the Council's employee's health & wellbeing which in turn enable the delivery of Council services.
- 2.2 The services delivered by a contractual arrangement underpins the Council's Health & Wellbeing framework setting out how we will prioritise the health and wellness of our staff and will aim to promote a culture of self-care and care of others.
- 2.3 The Equalities Impact Assessment carried out as part of this proposal clearly demonstrates an equitable use by all characteristics within the Council's workforce of the current Occupational Health contract.
- 2.4 Whilst the data demonstrates access and usage by all characteristics is largely in line with the Council's workforce profile, the awarding of a new contract will give the opportunity to continue ensuring these services are accessible to all.

- 2.5 The Climate Impact Assessment focusses on the movement of Council staff around the city/region to attend Occupational Health appointments. The current provider makes appointments available through the nearest premises to the employee's home address or if circumstances permit uses video/telephone consultation as a method for employees to connect remotely.
- 2.6 The use of digital technology to reduce the need for travel needs to be explored further as part of setting the contract specification, as this impacts on the climate, costs to our employees and costs to the Council.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Although there has been no requirement for public consultation, Human Resources and Commercial Services started regular consultation on the future of Occupational Health provision with the Trade Unions via fortnightly meeting in April 2021. The meetings focused on the future Occupational Health needs of the Council while assessing the options for future delivery.
- 3.2 The meetings membership continued this work until December 2021 when most of the participants either left or moved to other roles within the organisation. The Council's Health, Safety and Wellbeing Manager continued this engagement through discussion at the Corporate Health and Safety meeting, with TU Representatives from GMB, Unison and Unite with agreement that they are involved in any future tender process.
- 3.3 The original meetings were wide ranging, looking at all aspects of OH delivery with more recent work focussing on the analysis of current contract spend and usage to develop documentation that gives clarity about what OH services could be delivered in-house or by an external provider.
- 3.4 A new OH project group chaired by the Health, Safety and Wellbeing Manager including Human Resources officers, Commercial Services officers and Trade Union representatives has recently been formed to continue this work.
- 3.5 In addition to this the HR Service are about to launch an employee consultation via the use of a questionnaire, ensuring we capture our employee's perspective on what a future provider may offer.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 The Equalities Lead for the Resources Portfolio has reviewed the Occupational Health Provision documentation and EIA1240 that has

been created in relation to this proposal. He is satisfied that we have fully considered the equality impacts of the proposal at this stage in the process. The likely impacts are positive and could further the engagement of many protected characteristics with a future OH service. The EIA is a live document so should the criteria for the tender change during this process then the EIA will be updated and resubmitted for further approval.

4.2 Financial and Commercial Implications

4.2.1 There is budgetary provision for this activity within the budget allocation for the HR service. The re-procurement of the contract will be undertaken within the Councils procurement arrangements.

4.3 Legal Implications

4.3.1 As an employer, the Council has a duty of care under the common law to promote the mental health and wellbeing of its employees and, under the Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations 1999, to do all they reasonably can to support the health, safety, and wellbeing of their employees.

4.3.2 The contracting arrangements are permitted by the Local Government (Contracts) Act 1997 and should ensure the Council can meet their statutory duties.

4.3.3 Further, when the Council delivers services, it is subject to the 'best value duty'. This requires the Council to 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.'

4.4 Climate Implications

4.4.1 A Sustainability Programme Officer from the Investment and Climate Change Team has reviewed the Occupational Health Provision documentation and Climate Impact Assessment that has been created in relation to this proposal. She is satisfied that we have fully considered the Climate impacts of the proposal at this stage in the process. The CIA will be reviewed regularly during the term of any future provision.

4.5 Other Implications

There are no other implications.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 In addition to the proposal the following option was considered during the early parts of the Trade Union engagement phase regarding the future provision of Occupational Health services.

- 5.2 **To bring services in-house at the expiry of the contract** – consideration has been given as to whether the service or parts of the service were to be brought back in-house. Several issues make this option challenging and costly including.
- Cost and difficulty of recruitment to OH roles
 - Overall management of a new specialist function.
 - The service must be under the clinical direction of a registered medical practitioner who is a member of the Faculty of Occupational Medicine and has appropriate experience
 - Ongoing cost of Occupational Health (OH) Specialist technicians & nurses, OH Physician, Mental Health/psychological & trauma specialists, MSK specialist, Appointed Doctor Asbestos Medicals, Physiotherapists and Administrators
 - Ongoing Continuous Professional Development time/costs
 - SCC must meet the standards for a Safe Efficient Quality Occupational Health Service (SEQOHS), published by the Faculty of Occupational Medicine (FOM) to ensure Clinical Governance
 - Set up and maintenance of rooms and equipment to OH standards of privacy and care
 - Purchase of an OH referral and record keeping system
 - Provision of a 24/7, 365 days a year Employee Assistance Programme – this element could be purchased separately
 - Engagement of Agency staff to act as standby to ensure an acceptable level of resilience
- 5.3 In general, it was considered that these issues are currently insurmountable, although this does not preclude giving further consideration to some of the services being delivered in-house in the future or by splitting provision between different providers of OH services and EAP services.
- 5.4 An initial assessment of what services should be delivered by an OH provider and what services can be provided in-house has been completed

6. REASONS FOR RECOMMENDATIONS

- 6.1 To ensure continued access to an Occupational Health service and Employee Assistance Programme that supports the Councils employees and members health and wellbeing needs.
- 6.2 To minimise the risks that were identified during the consideration of alternative options.