

<b>Subject:</b>	<b>Wellbeing and Attendance Support Update</b>		
<b>Date of Meeting:</b>	<b>4 May 2017</b>		
<b>Report of:</b>	<b>Executive Director for Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Sue Moorman</b>	<b>Tel: 293629</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to brief the Committee on FirstCare, a Wellbeing and Attendance Support intervention comprising an occupational health (OH) nurse led sickness service and system, and to seek authority to proceed with its implementation across the whole council.
- 1.2 The report also details how the council currently supports its staff during absence from work, what other wellbeing provision is available, and a general attendance support update.

**2. RECOMMENDATIONS**

That the Committee:

- 2.1 Approves the procurement and award of a contract to FirstCare Ltd for a term of two years with the option to extend for a further period of 1 year to be implemented by the end of August 2017. This contract will be called off from the Surrey County Council Framework Agreement for the Provision of Employee Health and Wellbeing Services for the implementation of an OH nurse-led sickness service together with a new attendance management system.
- 2.2 Notes the content of the report in terms of the council's approach to attendance support and the measures taken to improve the wellbeing of staff.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The council has a number of sources of support for staff with health issues and to promote wellbeing at work:
  - the Occupational Health Provider (Team Prevent).
  - an employee counselling service.
  - a mediation service.
  - advice from Public Health colleagues in our Healthy Lifestyles team.
  - 'Wave' guidance for staff on a variety of issues.

- the staff survey which helps to identify teams which may require additional support.
- 3.2 Between May and July this year the council is piloting an extra wellbeing programme for council staff. Nearly 30 participants across all directorates are being offered a range of activities, from walking and cycling through to structured activity like exercise classes and seafront recreation. The activities will be supported by some formal discussion groups on different subjects including healthy eating and managing stress. The purpose of the pilot is to identify realistic lifestyle changes that will sustain long term benefits, through working with colleagues who wish to improve their wellbeing. Freedom Leisure and our Public Health Lifestyles Team are providing support and evaluation for the programme.
  - 3.3 The council is also working closely with its Orbis partners to introduce a jointly procured staff benefits platform, Aside from other benefits such as discounted shopping, it is likely that this will include low price gym membership. The intention will be for all of this to be available to employees at a single point on the 'Wave'.
  - 3.4 Historically a variety of different measures have been implemented to try to tackle our high absence rates without any sustained improvement in this area. An Attendance Management Action Plan was implemented (following a review in 2014) which has been followed up annually since. Actions included targeting specific teams, reviewing training for managers, introducing an attendance management toolkit on the Wave, and improving absence reports provided to managers.
  - 3.5 The targeted attendance support work was undertaken by an expert team that supported managers in Adult Social Care and Housing to use procedures proactively with a view to getting staff back to work. This led to a short term improvement in sickness levels in the council, but was not sustained once funding for this initiative ended.
  - 3.6 As at the end of quarter 3 in 2016/17 the average absence rate in the council was 10.95 days per employee per annum. In some areas sickness rates are significantly higher, e.g. Adult Social Care and City Infrastructure. Our performance target is 9.7 days against a public sector average of 8.5 days (source: CIPD Absence Survey 2016). Historical data is shown in Table 1 below.
  - 3.7 As in the previous year, the highest cause of absence is stress / mental health conditions which account for 31% of all absences. This is consistent with causes of ill health within the city of Brighton & Hove. In 2015/16, 28.5% of people in the city self-reported a high anxiety score compared to 19% across the South-East (source: Public Health England). Nationally 15 million days were lost due to stress, depression and anxiety in 2014 - an increase of 24% since 2009 (source: Office for National Statistics).

**Table 1 - BHCC average days lost per employee per annum**

Date	Headcount	Av. Days lost - target	Av. Days lost - actual	Agency spend (to cover sickness per annum)	Cost of sick pay during period
End of 2013/14	4,860	10 days	11.23 days	£501,430	c. £6m
End of 2014/15	4,850	10 days	10.91 days	£502,875	c. £5.8m
End of 2015/16	4,545	9.7 days	11.05 days	£514,756	c. £5.6m
Q3 2016/17	4,288	9.7 days	10.95 days	£603,349	c. £5.1m

- 3.8 To facilitate comparison with other local authorities, the council conducted a mini-survey on attendance management via South East Employers in September 2016, and we established from this that our sickness levels are higher than neighbouring authorities. The comparison with Portsmouth is perhaps the most important, given that the two cities share a number of characteristics, and provide broadly the same range of services.

**Table 2 – Comparator data across local authorities**

Name of Local Authority	Days lost per employee, per annum
<b>Brighton &amp; Hove City Council</b>	<b>10.95</b>
East Sussex County Council (a customer of FirstCare)	8.87
Kent County Council	9.3
Milton Keynes (Unitary)	9.49
Portsmouth (Unitary)	8.42
Wealden District Council	7.43
Fareham Borough Council	5.89
Windsor & Maidenhead (Unitary)	6.87
Public Sector Average (source:CIPD 2016)	8.5

- 3.9 It is possible that the new and stronger focus on management accountability, using the Data Insight tool, will improve absence management. However three issues in particular mean further intervention is now required:
- the absence statistics outlined above are poor, and have been for some time.
  - as further budget reductions are made, there is a heightened risk of stress.

- the HR team is aware that managers struggle in particular in dealing effectively with mental health issues, meaning that improved medical support is required.

3.10 A report was considered by Corporate Modernisation Delivery Board (CMDDB) on 1<sup>st</sup> March 2017. This recommended that the FirstCare Attendance Support Approach should be implemented across the whole council. CMDDB requested that this should be contained within a report to PR&G for approval.

3.11 Research shows that while there are a number of different products that promote and support attendance on the market, only FirstCare offers both an Occupational Health nurse-led sickness reporting service together with an attendance management system.

#### FirstCare Attendance Management Solution

3.12 FirstCare provide a '24/7' occupational health nurse-led sickness reporting service and absence management system, which means that staff would be able to speak to a medical professional on their first day of absence from work and so would have immediate access to qualified and expert support. In **Appendix 1** is a presentation about the service that has been prepared for staff.

3.12 This approach complements our existing wellbeing approach (paragraph 3.1) and would help to focus more on early intervention, which could support a reduction in our level of sickness absence and would help provide managers with the tools to manage sickness absence within their teams.

3.13 Customers of FirstCare include 14 NHS Trusts and 17 Local Authorities (including six that are Labour-led). One of our Orbis partners, East Sussex County Council, introduced the approach in 2010 and is still using it today. Sickness levels reduced by 15% over the first 12 months.

3.15 Case studies with local authorities including Watford Borough Council and Somerset County Council are included in **Appendix 2** for information.

3.16 FirstCare would allow an 'opt-out' after 3 months, during the first 6 months of operation. After the first 6 months, we would then join the Surrey Framework and would then be required to give 6 months notice under this framework if we wanted to exit the contract early.

3.17 If the FirstCare approach was rolled out across the council (for all 4,288 employees, excluding schools), this would cost £88k for the first 12 months (due to a negotiated discount) and £150k for the following 12 months. It is proposed that the cost of this service is funded by each Directorate. It is anticipated that costs will be offset by a reduction in agency spend as a result of reduced sickness absence needing to be covered.

3.18 Based on current headcount, cost per Directorate would be as follows:

**Table 3 – Costs per Directorate**

Directorate	Cost in Year 1	Cost in Year 2
Adult Social Care & Health	£17,582	£26,903
Families, Children & Learning	£32,213	£49,292
Economy, Environment & Culture	£24,760	£37,887
Neighbourhoods, Communities & Housing	£13,856	£21,257
Finance & Resources	£14,056	£21,508
Strategy, Governance & Law	£4,952	£7,577

- 3.19 The introduction of FirstCare could contribute towards cashable savings (through less spend on agency and replacement cover) of approximately £225K gross and substantial productivity savings in terms of less working days lost (approximately 7,500) due to sickness absence (assuming a 15% reduction in sickness absence).
- 3.20 The non-cashable benefits include having a more motivated workforce as less staff will be off sick, staff feeling more supported from day one of their absence, staff having access to earlier intervention and medical advice when needed, and the provision of real-time sickness information to support the management of attendance.

#### **4. COMMUNITY ENGAGEMENT & CONSULTATION**

- 4.1 The implementation of the FirstCare solution has been discussed with the council's recognised trade unions. Currently their position is not supportive because they believe this is a change to the Attendance Management procedure. However, officers have clarified with legal input that what is being proposed is a change to the process rather than the actual procedure. In fact, some services including CityClean already report their sickness by calling a central telephone number and so the only difference some staff will notice is being asked to call a different telephone number to report their absence from work. If this report is approved discussions with the unions will continue. A summary of the questions and issues raised by the unions is attached in **Appendix 3**.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 The new attendance management system and service through FirstCare, will cost the council £88k in year 1 and then £150k in year 2.
- 5.2 The market has been explored and there is no alternative supplier that can meet our requirements. The solution has been offered during the first year at a discounted rate which provides good value for money.

- 5.3 Each Directorate will be asked to pay for this service on a per employee basis for each year. In year 1, this equates to £25.01 per employee per annum and in year 2 £38.27. This is the same payment method used for our current OH service and the cost includes an element to cover the costs of managing this contract.
- 5.4 The projected savings for the council in the first year from reduced agency spend and payment for additional hours is £225k (gross). There are also significant non-cashable savings (paragraph 3.20) to be made from the implementation of this service/system.
- 5.5 The council would like to award a contract for an initial term of two years with the option to extend for a further year, to enable the contract to tie up with Orbis arrangements. This will fix the pricing with the supplier for a term of three years and give us the break option after two if we are not content with the service, or if it is not proving cost effective. Exit terms are however in place and are set out at paragraph 3.16.

Finance Officer Consulted: Peter Francis      Date: 7<sup>th</sup> April 2017

Legal Implications:

- 5.6 At paragraph 9 of the Attendance Management Procedure it provides that arrangements for notifying sickness absence forms part of the employee's contract of employment, and should be followed by all employees. The contract of employment provides at clause 12 (Sickness scheme): "It is important that you comply with the notification provisions, as failure to do so may result in disciplinary action being taken against you or the withholding of payment of sickness allowance." As the notification process will change, the contract of employment will need to be varied to reflect this change. The variation will therefore be undertaken in compliance with paragraph 24 of the contract of employment.
- 5.7 The procurement of contracts through framework arrangements must comply with all relevant European and UK public procurement legislation as well as the council's contract standing orders. The council is entitled to access the framework agreement set up by Surrey County Council, and may use this to award the contract for the implementation of an OH nurse led sickness service, together with a new attendance management system in accordance with its call off arrangements.

Lawyer Consulted: Isabella Sidoli / Carol Haynes      Date: 7<sup>th</sup> April 2017

Equalities Implications:

- 5.8 The equalities impact assessment for the FirstCare attendance management service and system is attached at **Appendix 4**. This service would be an enhancement to our wellbeing approach for staff.

Sustainability Implications:

- 5.9 There are no direct sustainability implications arising from this report.

Any other significant Implications:

- 5.10 The proposal will go to the IT Change Advisory Board (CAB) shortly.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

Appendix 1: Presentation on FirstCare for Directorates

Appendix 2: Case studies from FirstCare

Appendix 3: Summary of Q&A from meetings with the unions

Appendix 4: Equalities Impact Assessment

### **Background Documents:**

None.

