

CENTRAL SERVICES CABINET MEMBER MEETING

Agenda Item 27

Brighton & Hove City Council

Subject:	Occupational Health Procurement		
Date of Meeting:	12 October 2009		
Report of:	Director of Strategy & Governance		
Contact Officer:	Name	Hilary Ellis	Tel: 29-1305
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Key Decision:	Yes	Forward Plan No.: CS12854	
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To comply with EU legislation, Brighton & Hove City Council Occupational Health service must be subject to a robust procurement process.
- 1.2 This process should ensure that an effective and efficient occupational health service is provided, which will:
 - create organisational savings by reducing staff absence
 - improve service delivery for the residents of Brighton & Hove by promoting an early return to work following sickness absence or injury thereby achieving best value through effective use of resources
 - improve the health and wellbeing of employees, which is essential to organisational success.

2. RECOMMENDATIONS:

- 2.1 The Cabinet Member to agree to delegate the award of the Occupational Health contract to officers.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

Legal Background

- 3.1 There is a legal requirement under the Health and Safety at Work Act (1974) for Brighton & Hove City Council as the employer to provide a healthy and safe workplace to ensure the physical and mental well-being of staff.

Historical Background to Contract

- 3.2 A contract for an OH service has existed with ESCC since 1997.
- 3.3 Initially the contract was only for the Education & Social Services departments; an historical continuation from the County Council.
- 3.4 The service has developed over the last 12 years to include the whole council.
- 3.5 A one year waiver was signed to extend the contract for 2008/09 and again for 2009/10. A further 6 month waiver is currently being sought to extend the contract to September 2010.
- 3.6 During 2009, closer partnership working with East Sussex County Council has enabled the identification of service improvements and cost savings. These are:-
- savings in relation to administrative aspects of the contract
 - delays reduced, as patient/staff files are now immediately accessible via file storage in Kings House not in County Hall, Lewes,
 - increased number of clinics,
 - home visits / site visits by Occupational Health Physician (OHP) & Occupational Health Adviser (OHA),
 - on-site physiotherapy services,
 - reduction of risk from loss of confidential information in post, previously files sent between ESCC and Brighton & Hove City Council,
 - Occupational Health staff having more involvement with Health Safety and Wellbeing and Human Resources teams, increasing their local control and involvement.

The Current Service

- 3.7 The current OH service ensures that Brighton & Hove City Council employees receive support during periods of ill-health or injury enabling an earlier return to work, to ensure smooth running and efficient service provision for the public.
- 3.8 The service consists of a number of different elements, which are;
- Pre-employment health screening for prospective staff;
 - Health enquiry appointments (for staff whose health, fitness and/or capability may affect their ability to fulfil their contract of employment and may be off-sick);
 - Workplace and home visits by the Occupational Health Physician or Adviser;
 - Ergonomic assessments of the work-station
 - Audiometry (health surveillance activity to test hearing)
 - Ill-health retirement (including under the Teachers' Pension Scheme);
 - Professional return to work advice / guidance for staff and managers;
 - Accessible and detailed medical reports;
 - Specific health advice for formal hearings ;
 - Occupational Health Physician attendance at formal hearings;
 - Professional medical advice enabling efficient, effective and proportionate responses to health issues and or other related situations such as pandemics or emergencies;

- Confidential counselling referral service for individual employees and couples (where one or both are employees);
- Group counselling;
- Mediation (for example where dignity at work issues have arisen);
- Trauma / post traumatic stress counselling such as debriefs following a disturbing or distressing incident of violence / sudden bereavement;
- Physiotherapy
- Management information to assess usage of the OH service and assist planning

The procurement process

- 3.9 A procurement process must be undertaken to comply with legislation, to ensure that the Council is achieving Best Value and is providing a high quality service.
- 3.10 Procurement and Legal have indicated that officers will be available to commit time to this process, if approved.

Benchmarking

- 3.11 A recent benchmark exercise illustrated that Brighton & Hove City Council's spend on occupational health of £20 per head is within the lowest quartile of those surveyed (Portsmouth City Council, Southampton City Council, Luton City Council and Derby City Council).

New Contract

- 3.12 The specification for the new contract will include all the elements in the existing contract as agreed by the OH Steering Group.
- 3.13 Suggestions from the Group to be included in the new contract are:
- Dedicated website to promote health and wellbeing
 - Dyslexia testing and signposting for support
 - Evening appointments / extended opening hours
 - Vaccinations
 - Occupational Health clinics at different locations across the Council's sites
 - Occupational Health referrals to be managed through both face to face appointments and telephone calls
 - The use of technology to remind staff and managers of Occupational Health appointments to reduce non attendance
 - Measuring satisfaction in relation to the quality of the service provided

4. CONSULTATION

- 4.1 A cross council steering group has been set up to ensure the service being procured meets organisational needs. The membership list is at Appendix 1.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications

- 5.1 The current Occupational Health service costs £206,000 per annum.

- 5.1.1 The contract will be awarded for 5 years and the total spend is expected to range between £1,000,000 – £1,160,000
- 5.1.2 In 07-08 staff absence BV12 days lost per head = 10.12. Target set is 9.2.
- 5.1.3 Hidden costs include backfill arrangements and possible service disruption to residents.
- 5.1.4 Indirect costs from insurance claims, etc.

Finance Officer Consulted: Patrick Rice

Date: 25/09/2009

Legal Implications:

- 5.2 OH/staff counselling services are 'Part B' services for the purpose of the EU Procurement Directives (and corresponding UK Regulations).
- 5.2.1 However, the council still remains under a duty to achieve 'best value' in the award and also to apply the general EU principles of non-discrimination, transparency, proportionality and the maintenance of competition in the award of all contracts, whether they are Part B or not.
- 5.2.2 There are possible TUPE implications for the individuals involved in delivering the contract.

Lawyer Consulted: Alison Leitch

Date: 25/09/2009

Equalities Implications:

- 5.3 The OH service provides expertise in ensuring that the council meets its legal duty under the DDA

The Equalities and Inclusion officer is a member of the Occupational Health Procurement Steering Group.

The Occupational Health service provides a service to all staff.

Sustainability Implications:

- 5.4 None identified.

Crime & Disorder Implications:

- 5.5 None identified.

Risk & Opportunity Management Implications:

- 5.6 To be advised following the Pre tender risk appraisal

Corporate/Citywide Implications:

- 5.7 None identified.

6 EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 To be achieved through the procurement process.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 To seek agreement from Cabinet Members for the delegation of the award of the Occupational Health contract, to officers.

SUPPORTING DOCUMENTATION

Appendices:

1. Members of the Occupational Health Steering Group

Documents In Members' Rooms

1. None

Background Documents

1. Business cases for individual projects

