

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO**

Cabinet
19 September 2023

Report Title: Future Delivery Occupational Health Service

Submitted by: Chief Executive

Portfolios: One Council, People and Partnerships

Ward(s) affected: All

Purpose of the Report

In line with the Council's commitment to the health and wellbeing of our workforce, and our Sickness Action Plan; we continue to work to improve support mechanisms and access to clinical services for our staff. Occupational Health services provide a multi purpose resource which support staff and managers through the employee lifecycle. Our current service contract is reaching the end of its term; and therefore this report provides rationale as to the need for a robust and support service model and asks cabinet for authority to procure a renewed Occupational Health Service.

Recommendation

That Cabinet:

- 1. Note the multi stranded requirement for a robust, support and accessible service to support staff and maintain their own wellbeing and that of their colleagues**
- 2. That the council conduct a procurement exercise to re-tender for a service to provide the service**
- 3. That authorisation to award contract following tender evaluation is delegated to the Chief Executive in conjunction with the Service Director of Strategy, People and Performance**

Reasons

To continue to provide support to staff regarding health matters and maintain our commitment to reduce sickness absence across the Council. Also to ensure compliance with Health and Safety obligations.

1. Background

1.1 NULBC currently engages an outsourced Occupational Health service. The service performs a number of functions including:

Recipient of Support	OH input	Outcome
Person offered a job	Health Assessment	Workers who can perform their job safely considering any health issues of disabilities may have e.g. drivers, operatives, office workers

		People with a disability or health condition can perform the offered work effectively through suitable work and / or workplace adjustments
Employees exposed to hazards at work e.g. noise, vibration etc	Health Surveillance	Early identification of any health changes to ensure the cause is investigated and improvements made in the workplace to prevent progression to disease and permanent ill health in that worker and in co-workers
Employees with a work related health concern	Consultation	Employees are supported to address work-related health concerns e.g. stress at work or to cope when they have stresses outside of work
Employees with a health condition	Health Assessment	Maintained employment through workplace adjustment or suitable alternative work / where a worker cannot perform their normal job either temporarily or on a permanent basis. Clear guidance to the organisation to ensure fair practices are applied should no alternative be found.
Employees on long term sick leave/ experiencing regular sickness absence	Case management / Health Assessment	Assessment of ability to return to work/maintain work contract and advising on adjustments recommended to support. Where ill health retirement is in the employees best interest where they meet pension fund rules.

3.2 OH services are currently commissioned in order to support the organisation to source expert advice and guidance on matters of health with respect to work. In this respect the service directly impacts on the health and wellbeing of our workforce.

Trained occupational health professionals have expert knowledge regarding the interaction between work and health and:

- The effects of health on the ability to work safely; and
- The effects of work on health

The effects of health on work consider any health condition that an employee has or might develop and which might affect their fitness for certain jobs either because of increased risk from exposure; or if they present a risk to others from performing safety critical work.

Ill health may mean that a person's ability to work becomes impaired requiring workplace adjustments.

People are more likely to develop at least one long-term health condition as they get older and this can lead to sickness absenteeism and/or presenteeism (people attending work when they are not at their most productive). This is ever more important for NULBC and in particular our Sustainable Environment services in which over 55% of the workforce are aged 50+ and where sickness absence is highest within the organisation.

3.3 Employee health and wellbeing contributes to directly to overall performance of services and therefore resident experience within the Borough. Ensuring the wellbeing of our workforce is a significant reputational factor, and investment in Occupational Health Services will support achievement/ attainment of :

- Legal Obligations (Health and Safety at work, disability and reasonable adjustments)
- Moral duty of care to employees
- Financial Incentives
- Assisting recruitment
- Reduce sickness absence (both length and frequency)

3.3.1 Legal Obligations

Robust Occupational Health provision provides the Council with assurance around internal processes which may impact on both our own staff and wider afield. Health Assessments will support us to ensure we meet our obligations under the Equality Act; Health surveillance programmes support compliance for operatives in line with The Control of Noise at Work Regulations 2005, The Control of Substances Hazardous to Health Regulations 2002; The Control of Vibration at work Regulations 2005 amongst others.

Where these obligations are not met, the organisation is left open to litigation and adverse publicity.

3.3.2 Moral duty of care to employees

Supporting, protecting and promoting employee health aligns to the organisational value “we create a supportive environment where our people can grow and innovate”. The health of our officers is and should be paramount and considering how best we support physical and mental health in the organisation is the right thing to do and has a positive impact on both our reputation as a provider of services, but also as an employer of choice.

3.3.3 Financial Incentives

Poor employee health is associated with significant costs to employers with the most visible avoidable adverse costs are those related to sickness absence. However, worker productivity is impacted by a combination of sickness absence i.e., time off work and presenteeism i.e., being at work but with reduced levels of productivity. Provision of a robust Occupational Health service mitigates these costs as long as absence is managed appropriately at service level.

Tangible Costs		Intangible Costs
Direct	Indirect	
Restricted Duties	Overtime Cover	Presenteeism
Sick Pay	Agency Staff	Lost productivity
Fines	Management Time	Engagement
Legal Costs	HR / Payroll Time	Turnover
Compensation	Cost of Recruitment	Employee / Industrial Relations
Insurance Premiums	Training replacements	Corporate Image and Reputation

3.3.4 Assisting Recruitment

How we treat our colleagues, as outlined in section 1.3.2, impacts on the reputation of the organisation which in turn will impact on how easily we can recruit to our vacancies. NULBC has a number of recruitment challenges due to our size and location and therefore maximising our reputation and benefits provision is a key point in our recruitment strategy. Operationally, a strong Occupational Health service conducting quick and robust pre-employment checks will give a positive impression to candidates and support managers in moving forward the recruitment and on-boarding process quickly and efficiently.

3.3.5 Reduce sickness absence (both length and frequency)

Our sickness absence rates are currently higher than we would like them to be, particularly within our operational teams. A sickness absence action plan is currently in place and a core component of this is robust and timely occupational health referrals.

The CIPD Health and Wellbeing at Work Survey 2021¹ cites referral to occupational health as one of the top-ranking methods for most effectively supporting employees with disabilities and long-term health conditions. Decisions around continued employment, adjustments and redeployments are more robust when backed up with medical opinion and advice thereby allowing for quicker resolution and return to work likely to be more long lasting and supported.

2. **Issues**

2.1 The current service is contracted until May 2024 and although an additional 12 months is possible; there are key performance indicators which require updating due to changes in circumstances and requirements. We have also had feedback from managers and staff that the current provision which does not offer face to face appointments is limiting accessibility.

3. **Proposal**

3.1 That the council conduct a procurement exercise to re-tender for a service to provide the services as outlined in section 1.1

3.2 That authorisation to award contract following tender evaluation is delegated to the Chief Executive in conjunction with the Service Director of Strategy, People and Performance

4. **Reasons for Proposed Solution**

4.1 The provision of Occupational Health services is fundamental to achieving our aims in terms of:

- Legal Obligations (Health and Safety at work, disability and reasonable adjustments)
- Moral duty of care to employees

¹ Chartered Institute of Personnel Development. Health and wellbeing at work 2021: survey report. London. CIPD. 2021.

- Financial Incentives
- Assisting recruitment
- Reduction of sickness absence (both length and frequency)

5. **Options Considered**

- 5.1 Decommission the service and review allocation of funds. However the service has positive outcomes for staff and service delivery. Having no occupational health provision would be a risk in terms of compliance with the equalities act, recruitment and employee relations.
- 5.2 Develop in house provision. However the scale of delivery and expertise required does not make economic or practical sense
- 5.3 Continue with current service. The current contract has provision for a +1 term however there are limitations with the contract as is and a refresh of the SLA could bring forward a more robust and quality service.

6. **Legal and Statutory Implications**

- 6.1 There are no statutory requirements to provide this function, however as outlined in 1.3.1, non-provision could pose a legal risk.
- 6.2 The current contract arrangement ends in May 2024 and should the council decide not to fund this service, officers need to advise the service provider allowing them to review their future options and resourcing.
- 6.3 Depending on the resource model of the current provision, TUPE may apply however this would be a matter between the old and new provider should the current provider be unsuccessful or choose not to bid.

7. **Equality Impact Assessment**

- 7.1 An equalities and risk impact assessment will be produced by the service provider as part of the commissioning and procurement process.

8. **Financial and Resource Implications**

- 8.1 The allocation of funds will continue to be made as part of the council's medium term financial strategy. The current allocation being circa £36, 000 per annum and the contract has potential to run for 3 years

9. **Major Risks**

- 9.1 If funding is not approved and/or a contract not awarded, there will be no contracted service, which will impact locally on service provision and employee wellbeing.

10. **UN Sustainable Development Goals (UNSDG)**

- 10.1 The award of contract and successful delivery of a Debt and Benefit Advice Services supports the delivery of the following Sustainable Development Goals and Climate Change Implications:



11. **Key Decision Information**

11.1 This is a key decision as set out in the Council Constitution under clause 4.1 A Key Decision is any Cabinet Decision (regardless of who takes it) which is likely to:- (a) result in the Council incurring expenditure or making savings of £100,000 or more (revenue).

12. **Earlier Cabinet/Committee Resolutions**

12.1 N/A.

13. **List of Appendices**

13.1 N/A

14. **Background Papers**

14.1 N/A