




Haringey Council

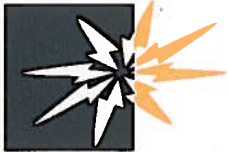
Report for:	Cabinet – 16 September 2014	Item Number:	
Title:	Occupational Health Review		
Report Authorised by:	Tracie Evans - Interim Chief Operating Officer 		
Lead Officer:	Jacquie McGeachie – Interim Assistant Director for Human Resources & Organisation Development		
Ward(s) affected: n/a	Report for: Key Decision		

1. Describe the issue under consideration

To agree funding over three years and to award a contract for the external provision of Occupational Health and Wellbeing (OHW) service to Haringey Council and Homes for Haringey staff.

2. Cabinet Member introduction

This report sets out a proposal to enter into a partnership with an external provider the provision of an Occupational Health service for Haringey Employees as well as partner organisations including Homes for Haringey and many of our schools. The proposal represents both an improvement in service offering and financial efficiencies.



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3. Recommendations

3.1 To approve a waiver of Contract Standing Order 9.01 (requirement to publish an appropriate tender advertisement); and

3.2 To award a contract to the NHS provider as specified in Appendix A of this report to provide a dedicated Occupational Health and Wellbeing service over a three year period and transition OHW services to the new provider as soon as practicable.

4. Alternative options considered

For the current OHW service to remain in-house and continue to provide a higher level of service, more investment would be necessary. To continue to provide this service within the Council would cost £930,000 for the same period.

5. Background information

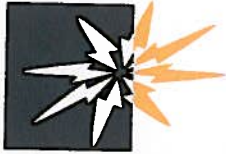
5.1 Introduction

The OHW team provide a service to around 9,000 staff comprises of Haringey Council, Haringey Schools, Homes for Haringey and other smaller external contracts.

Currently the team are based in Tulip House, 38-46 Station Road, Wood Green and the current accommodation lease expires in August 2014. Relocating this service into Council offices is difficult as there is a need for specialist clinical rooms which are expensive to set up and maintain.

The table below outlines the current cost of service (excludes corporate overheads):

Post	FTE	Grade
Nurse Manager	1	PO8
Wellbeing Adviser	1	PO5
Administrator	1	Sc 6
Sessional OH Physicians	2 (7 days a month)	
Counselling Services	As & when	
Vaccinations & other medical (GP/Specialist reports etc)	As required	
Other running costs		
		Total cost £310,522



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The service is currently running on a low staff basis and recent long-term sickness, holidays and increasing workloads has led to a reduction in service performance and timeframes (current OH management referrals are taking 20 working days). There is also a difficulty recruiting qualified OH Nurse Advisers with the relevant clinical experience. If the service was to remain in-house and continue to provide a higher level of service, more investment would be necessary.

The service also runs a basic Employee Assistance Programme (EAP) which helps employees deal with personal problems that might adversely affect their job performance, health, and well-being. This includes short-term counselling, referral services, legal and financial advice. Unlike many employers, Haringey currently does not provide a 24 hour EAP for staff and to have this in place would cost around £22k per year over a three year period.

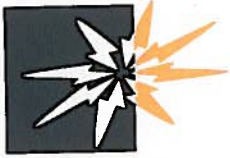
As part of the Human Resources (HR) Improvement Programme a review was undertaken into the Occupational Health, Safety and Wellbeing Service (OHSW) between February and March 2014. The aim was to establish the best and most appropriate way to deliver occupational health services.

The scope of the review focused specifically on proposals for OHW provision and in particular:

- a. Accommodation
- b. Resourcing
- c. 24hr Employee Assistance Programmes
- d. Potential for sharing services with New Provider NHS Hospital
- e. Procurement & contract implications

It was agreed by the HR Improvement Programme Board that the Health & Safety service was delivering well for such a small team and that there was little reason to consider other forms of delivery. Given this, management have decided that this service should remain within the Council. This paper therefore concentrates on a new delivery model for the OHW service.

Following an options appraisal it is now proposed to enter into a contract with a new Occupational Health Service provider. The full details of the appraisal are set out in Appendix A of this report.



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5.2 Benefits of the New Provision

There are a number of advantages to contracting the OHW provision to a local NHS hospital, which are:

- a. Operational: they have 2 clinical sites within the borough
- b. Improved Service Offer
 - A reduced timescale for OH management referrals to 10 working days (current service timescale within 20 working days) and OH medical reports following consultation sent to referring manager within 2 working days.
 - Access to a wider team of OH professionals including OH Screening Nurses, qualified OH Health Nurse Advisers, Senior OH Nurse Managers, OH Physicians at different levels e.g. Consultant, Registrar etc
 - Experience of health care i.e. vaccinations for frontline staff, home carers, etc.
 - Fast track physiotherapy appointments
 - Buying in to their existing Employee Assistance Programme

The implementation to a full service offering by the new provider is not possible by October. As such, the following interim arrangements are envisaged:

- Accommodation: temporary use of 3 rooms in the Civic Centre
- Transition: the Council can commission ad-hoc OH appointments as required from the New Provider and recharge services/contracts as appropriate. This also introduces the new OH provision to Haringey staff and Management in a controlled way.

The new Provider does not require additional managerial or administration staff to undertake work on behalf of Haringey. It is therefore proposed that the two existing employees are redeployed within the Council. The Wellbeing Adviser does not have the appropriate transferable skills required by the New Provider to be considered as part of the transfer of work and therefore will also seek to be redeployed within the Council. The staff concerned have indicated that they would be willing to apply for voluntary redundancy if no suitable alternative employment is found. TUPE therefore will not apply to this contract

Contract management will be put in place to ensure contract compliance.



6. Comments of the Chief Finance Officer and financial implications

The in-house provision of the OH/W service currently costs the Council £310,000 (£365,000 including corporate overheads). Contracting the service to a local NHS hospital will cost £245,000 pa at least for year 1, a saving of £65,000 which will contribute to the HR savings included in the 2014-17 MTFP. Future years' contract costs will be based on usage levels in year 1 however, given that the Council headcount is expected to reduce over this period, the risk of any significant increase is deemed low. Given the identified saving alongside the enhanced service provision this delivery option represents better value for money for the Council. In the event of redundancies these costs will be met from the appropriate corporate reserve.

7. Comments of the Assistant Director of Corporate Governance and legal implications

7.1 This is a Part B service for the purposes of the Public Contracts Regulations 2006 (as amended). Therefore it has not been necessary to following an OJEU tendering procedure.

7.2 Due to the value of this contract it may only be awarded by Cabinet.

7.3 This is a key decision and the Service has confirmed it has been included on the Forward Plan.

Please see additional legal comments in the exempt part of the report.

8. Equalities and Community Cohesion Comments

The Council has a general equality duty to ensure that in all its functions, it has due regard to the need to among other things, advance equality of opportunity for persons and groups who share the characteristics protected by the Equality Act 2010.

OH/W service will continue to be available to all Haringey Council staff whatever their protected characteristics and irrespective of who the provider is. There is no risk of adverse impact on any section of Council staff who use the service.

The current arrangements have three Council employees (two managerial or administrative staff and one Wellbeing Adviser) who potential will be adversely affected by the proposals in this report. In mitigation the report proposes to redeploy all three within the Council. All three have indicated that they would be willing to apply for voluntary redundancy if no suitable employment is found within the Council.



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In regard to both service provision and employment the proposals have no adverse implications for the Council's public sector equality duty.

9. Head of Procurement Comments

- 9.1 This is a Part B service for the purposes of the Public Contracts Regulations 2006 (as amended). Therefore it has not been necessary to following an OJEU tendering procedure.
- 9.2 Contract management will be put in place to ensure that the service delivery meets the stated quality outcomes.
- 9.3 Please see additional information in exempt part of this report.

10. Policy Implication

None

11. Reasons for Decision

- 11.1 An external organization providing a specialist dedicated OHW service, will ensure the council meets its obligations, assists managers in the timely management of absence issues and effectively support our staff.
- 11.2 There is an initial potential saving of £65,000 plus additional benefits (both financial and efficiency) which could be realised over the course of the contract and these will be confirmed as part of the procurement process. A breakdown of our current costs and predicted future costs is shown in appendix A.

12. Use of Appendices

Appendix A: Business Case

13. Local Government (Access to Information) Act 1985

This report contains exempt and non exempt information. Exemption information is contained in Appendix A of this report and is NOT FOR PUBLICATION. The exempt information is under the following categories (identified in the amended Schedule 12A of the Local Government Act 1972): Information relating to the financial or business affairs of any particular person (including the authority holding that information), and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.