

ABERDEEN CITY COUNCIL

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| COMMITTEE | Staff Governance |
| DATE | 29 June 2018 |
| REPORT TITLE | OHP Annual report: April 2017 – March 2018 |
| REPORT NUMBER | GOV/18/035 |
| DIRECTOR | N/A |
| CHIEF OFFICER | Fraser Bell |
| REPORT AUTHOR | Mary Agnew |
| TERMS OF REFERENCE | 5.2 |

1. PURPOSE OF REPORT

- 1.1 This report updates the Committee on utilisation of the Occupation Health Service contract provided by OH Assist during the last 12 month period April 2017 – March 2018.

2. RECOMMENDATIONS

That Committee:

- 2.1 considers the contents of the report; and
- 2.2 instructs the Chief Officer - Governance to share the information with Functions, request that actions are taken to support individuals and address trends (usage and root causes) as detailed in the report.

3. BACKGROUND

- 3.1 Following a joint tender evaluation process with Aberdeenshire, OH Assist were awarded the Occupational Health Service contract. The contract commenced on 3 August 2015 and has since been novated to OH Assist Limited. The original contract was for 18 months with an option to extend for up to a further 24 months. A 12 month extension followed by a further 6 month extension has been agreed. A European Union (EU) compliant tender exercise is currently being undertaken for the Provision of Occupational Health Services.
- 3.2 Since the transfer of the occupational health service onto a new IT platform in July 2017 the service delivery to the organisation has been impacted. Owing to the lack of automated workflow the provision of Management Information (MI's) and Key Performance Indicators (KPI's) has been limited. This has been challenging in terms of providing valid utilisation management information.

Improvements have been seen over this reporting period although the service has not fully met the required KPI's which has been reflected in the application of service credits (financial penalties for poor performance).

- 3.2 This report contains limited utilisation information on the 12 month reporting period (April 2017 – March 2018). The reporting period was for previous Directorate structure; future reports will follow the new structure approved by Full Council in December 2017.

3.3 Utilisation (April 2017 – March 2018)

- 3.4 A total of 1620 employee referrals were made in the period April 2017 – March 2018; there were 1867 referrals in the previous reporting period. A breakdown of utilisation has been issued to Services. The usage of the services provided by occupational health is reflective of the related size of the work areas with Communities Housing and Infrastructure accounting for the majority of the referrals.
- 3.5 During this period OH Assist received a high volume of calls to the Administration helpdesk. Calls are logged, answered and passed to the OH Assist Medical helpdesk as appropriate.
- 3.6 The table below provides a summary of occupational health services delivered during this reporting period.

| Directorate | OH referral | Pre-employment | Ill-health retirement | Health Surveillance | Health Assessment | Specialist services |
|-------------|-------------|----------------|-----------------------|---------------------|-------------------|---------------------|
| AH&SC | 56 (10%) | 64 (21%) | - | - | - | 2 (2%) |
| CH&I | 248 (42%) | 184 (62%) | - | 644 (100%) | 2 (100%) | 49 (54%) |
| OCE | - | 7 (2%) | - | - | - | - |
| CG | 41 (7%) | - | - | - | - | 6 (7%) |
| E&CS | 240 (41%) | 44 (15%) | 1 | - | - | 34 (37%) |

- 3.7 The top 3 Services with the highest volume of employee occupational health management referrals were:
- ED&CS – Education Service – 167 (29% of referrals)
 - CHI - Communities and Housing – 83 (14% of referrals)
 - CHI -Public Infrastructure and Environment – 81 (14% of referrals)
- 3.8 The top 3 reasons for clinical outcomes of the occupational health referrals were:
- Musculoskeletal Disorders – 19% (109 cases) of referrals
 - Stress/Anxiety/ Depression (Mental and Behavioural disorder) – 23% (135 cases) of referrals
 - Circulatory – 3% (16 cases) of referrals
- 3.9 The clinical outcomes of the occupational health referrals made during this period continue to highlight musculoskeletal disorders (19% compared to 31%

in the last reporting period) and mental health and behavioural disorders (23% compared to 28% in the last reporting period) as two of the top reasons for absence for the last reporting period.

- 3.10 It is critical that line management focus on the root causes of ill health so that appropriate measures can be implemented to support and prevent absence. In line with corporate policy and procedures for psychological issues Quality of Working Lives (QWL's) risk assessments must be completed, line management behaviours reviewed against the HSE Management Standards and attendance and completion of appropriate available training. Equally manual handling risk assessments require to be completed and work practices reviewed to minimise such activities alongside suitable information, instruction, training and supervision.
- 3.11 There were 644 Health Surveillance appointments undertaken for CH&I colleagues.
- 3.12 During this reporting period there have been 32 physiotherapy assessments delivered to individual employees compared to 223 in the last reporting period.
- 3.13 There were 143 short notice cancelled appointments over this period compared to 298 in the last reporting period.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial consequences resulting from this report. The total current contract sum over 5 years is £739,132.15.. The award price has been calculated on the expected usage. Through improved management of work related root causes the level of support required would be less resulting in reduced future tender costs.
- 4.2 The contract core cost is covered in monthly utilisation figures. Any service delivery over and above these volumes incur additional expenditure, these are kept to a minimum.
- 4.3 Sickness absence is a key business issue, in terms of direct and indirect costs. Examples of tangible elements include reduced absence costs, less disruption as a result of employees being absent, reduced overtime/agency staff costs, early return to work by employees, increased productivity, reduced insurance costs, reduced industrial tribunals / claims, reduced staff turnover and thus recruitment costs. Uninsured costs can be greater than insured costs, this can have a significant impact on Service budgets. Examples of less tangible benefits include improved quality of workplace experience, improved wellbeing, employees feel more valued, increased employee morale and engagement.
- 4.4 There are savings to be realised in early intervention to support employees in the workplace. The involvement of independent specialist's increases legal compliance of statutory requirements such as health surveillance and can reduce costs in the event of legal challenge, for example, enforcement action from the Health and Safety Executive (HSE) and industrial tribunals.

- 4.5 The longer an employee is off work the more challenging it becomes to manage their health problems and less likely that they will return to work. Long-term absence is costly. There is mutual benefit if we can proactively support employees in the workplace through reasonable adjustments.

5. LEGAL IMPLICATIONS

- 5.1 Under the Health & Safety at Work Act 1974 etc. and Equality Act 2010 there is a legal requirement to ensure the health safety and welfare at work of our employees and consider any health issues that might affect an employee's ability to safely fulfil their job. There is a requirement to ensure that an organisation has access to competent advice such as occupational health. This provides line management with independent advice to enable them to make an informed decision on any recommended employee adjustments or adaptations.
- 5.2 The provision of or access to an occupational health service is in line with guidance produced by the HSE as one of the measures to control that risk and ensure legal compliance with health surveillance.
- 5.3 Failure to comply with legislation in ensuring a safe and healthy workplace has the potential to result in enforcement action by the HSE. This includes fines, imprisonment and remedial orders. There is also the possibility of employee claims (civil) these are more likely to succeed following a successful HSE prosecution. Access to competent occupational health service can be used as mitigation against prosecution and potential claims from employees for unfair dismissal or exposure to work related ill health.

6. MANAGEMENT OF RISK

- 6.1 The risks with the potential to impact the decision being sought from the Committee are categorised as:

| | Risk | Low (L), Medium (M), High (H) | Mitigation |
|------------------|--|-------------------------------|--|
| Financial | If no action is taken to support individuals and address trends then the organisation will incur both direct and indirect costs. | M | Implementation of corporate health and safety policy and related procedures to ensure a safe and mentally healthy workplace. Identification of and address of root causes and trends. Review and identification of Service use, trends and related absence to act on |

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| | | | lessons learned to prevent reoccurrence. |
| Legal | Non-compliance with legal requirements if specialist occupational health recommendations and referral trends are not acted upon. No mitigation of potential challenge and subsequent claims. Poor management of the work related risks has the potential to attract enforcement action (Criminal and Civil) fines and claims. | M | <p>As above.</p> <p>Provision of specialist clinical support / advice via competent occupational health service providing clinical based recommendations to enable informed decisions on workplace employee support.</p> <p>Undertaking of employee occupational referrals in relation to work related issues and acting on clinical recommendations.</p> <p>Implementation and completion of health surveillance programme.</p> |
| Employee | If the right support is not provided it can lead to ill health and further employee absence incurring direct and indirect costs. The longer an employee is absent the more likely it will impact on an employee's health and wellbeing and the less likely that they will return to the workplace. | M | <p>As above.</p> <p>Proactive approach to managing workplace risk and supporting employees with adjustments to comply with legislation.</p> <p>Provision of information, instruction and training as identified in Job Profiles, skills and training matrices and in risk assessment. Open and clear two way communication at all levels within the organisation.</p> |

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| Customer | Reduced quality of service delivery owing to the lack of resource. No assurance of a safe and healthy employee workplace. | M | As above. |
| Environment | No risk or impact was identified. | - | - |
| Technology | No risk or impact was identified. | - | - |
| Reputational | Without ensuring suitable employee support there is a risk of the organisation not being seen as an employer of choice and having recruitment and retention issues. | L | As above. |

7. OUTCOMES

| Local Outcome Improvement Plan Themes | |
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| | Impact of Report |
| Prosperous Economy | An occupational health provider will assist in having a workforce which is healthier, happier and better motivated, which is essential to the sustainability of high quality services. This in turn has a corporate social responsibility ripple effect impacting on the health of the wider community. Occupational health is a fundamental part of the process in managing absence. An occupational health service supports keeping people well at work – physically and mentally. They provide critical support to the process of effective absence management and increase the numbers of employees returning to work earlier. This keeps our employees healthy and safe whilst in work while managing any risks in the workplace that are likely to give rise to work-related ill health. This in turn ensures the way that they contribute to the local economy is not affected, both in their ACC role and in their personal lives. Research shows that good health is good for business and better workplaces have better financial results. Early intervention can help prevent staff being absent for health-related reasons and improve opportunities for people to recover from illness while at work. Research shows that the longer people are off sick, the less likely they are to make a |

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| | <p>successful return to work. After six months absence from work, there is only a 50 per cent chance of someone making a successful return. By taking a proactive approach to health, safety and wellbeing the “public pound” will be used effectively reducing lost resource through direct and indirect costs.</p> |
| Prosperous People | <p>As an organisation ACC considers the health of its workforce to be paramount and a key element in service delivery. This focus is one key in having an engaged workforce and all the additional benefits associated with this.</p> <p>An effective occupational health service will assist in providing clinical based timely support reducing long term sickness and related absence. It will provide advice about how work affects a person's health and how someone's health affects their work. Their independent advice will enable line management to make informed decisions on how to prevent work-related illness and make sure someone is fit to work; being in 'good', stable work is beneficial to health and well-being, and for those on long-term sick leave, getting back to work is a very important part of the recovery process. By reducing the impact of work related issues and ill health we can substantially reduce the negative impact of such issues on employee productivity, efficiency and overall behaviour at work resulting in better service delivery.</p> |
| Prosperous Place | <p>ACC require to keep employees healthy and safe whilst in work and manage any risks in the workplace that are likely to give rise to work-related ill health. An occupational health provider fulfils this and the statutory requirement to have access to 'competent' occupational health advice as part of the organisational arrangements. ACC in conjunction with an occupational health service can protect and promote the health and well-being of employees, creating a healthier workplace and a healthier workforce, which will also protect and enhance our image and reputation as a good employer. Any detrimental effects caused through poor health of employees impacts on the provision of public services. An engaged workforce is best-placed to provide good service delivery to the residents of the City. This would result in good public opinion, which would benefit the City, which can extend outwardly to visitors and businesses seeking to inwardly invest.</p> |

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| | Through early intervention absence the impact on the local economy and drain on other publicsector services can be reduced. |
| Enabling Technology | The use of a digital solutions has assisted in delivery of the service. The use of a portal providing an electronic booking system and access to reports improves the speed of accessibility. The majority of appointments are conducted by telephone to remove the need for employees and the medical professionals to travel thus saving the time and additional effort for both parties. Through prompt access to support, early address is provided in reducing absence, work related ill health and employee stress. |

| Design Principles of Target Operating Model | |
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| | Impact of Report |
| Customer Service Design | No impact |
| Organisational Design | No impact |
| Governance | No impact. |
| Workforce | Approval of the recommendation would assist in reducing the risk of lost resource through for example absence, enforcement action and potential claims. Early address of issues has the potential to reduce impact on employees and the wider community reducing demands on other public-sector organisations. |
| Process Design | This can allow the committee to identify where processes are failing to address health and safety risks and improve wellbeing. |
| Technology | No impact |
| Partnerships and Alliances | This allows Trade Unions, elected members and officers to collaborate. |

8. IMPACT ASSESSMENTS

| Assessment | Outcome |
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| Equality & Human Rights Impact Assessment | Not required |

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| Privacy Impact Assessment | Not required |
| Children's Rights Impact Assessment/Duty of Due Regard | Not Applicable |

9. BACKGROUND PAPERS

ACC Annual Executive Summary – OH Assist: April 2017 – March 2018.

10. APPENDICES

N/A

11. REPORT AUTHOR CONTACT DETAILS

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