

ABERDEEN CITY COUNCIL

COMMITTEE	Staff Governance
DATE	03 September 2018
REPORT TITLE	OHP Quarterly report: April 2018 – June 2018
REPORT NUMBER	GOV/18/067
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 Council wide utilisation of the Occupation Health Service contract provided by OH Assist during the 3 month period April 2018 – June 2018.

2. RECOMMENDATION

- 2.1 That Committee considers the contents of 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 03 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.
- 3.2 An EU compliant tender exercise has been undertaken, a new occupational health supplier will commence on 02 August 2018.
- 3.3 This report contains limited utilisation information on the 3-month reporting period (April 2018 – June 2018). The provided figures do not reflect the new Function structure, this has been requested from the supplier.
- 3.4 Utilisation (April 2018 – June 2018)**
- 3.5 A total of 379 employee referrals were made in the period April – May 2018; there were 411 referrals in the January to March reporting period. The usage

of the services provided by occupational health (OH) is reflective of the related size of the work areas. The programme of health surveillance continues for manual employees.

3.6 The table below provides a summary of occupational health services delivered during this reporting period.

OH service	OH referral	Pre-employment	Ill-health retirement	Health Surveillance	Health Assessment	Specialist services
Volumes	116	84	-	137	9	33

3.7 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.

3.8 There were 137 Health Surveillance appointments undertaken compared to 163 in the last reporting period.

3.9 During this reporting period there have been 5 physiotherapy assessments delivered to individual employees compared to 12 in the last reporting period.

3.10 There were 98 short notice cancelled appointments over this period. There were 55 for the previous 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 due to 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 employees making a civil claim; civil claims 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

			<p>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 lessons learned to prevent reoccurrence.</p>
Legal	<p>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.</p>	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. Implementation and completion of health surveillance programme.</p>
Employee	<p>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.</p>	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</p>

			communication at all levels within the organisation.
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	
	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

	<p>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 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>
<p>Prosperous People</p>	<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>
<p>Prosperous Place</p>	<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</p>

	visitors and businesses seeking to inwardly invest. Through early intervention absence the impact on the local economy and drain on other public sector 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	
	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
Equality & Human Rights Impact Assessment	Not required

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

9. BACKGROUND PAPERS

ACC Quarterly Executive Summary – OH Assist: April 2018 – June 2018.

10. APPENDICES

N/A

11. REPORT AUTHOR CONTACT DETAILS

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