

**For General Release**

<b>REPORT TO:</b>	<b>Cabinet Member for Finance and Resources</b>
<b>SUBJECT:</b>	<b>Occupational Health Services Contract</b>
<b>LEAD OFFICER:</b>	<b>Susan Moorman, Director of HR</b>
<b>CABINET MEMBER:</b>	<b>Cllr Simon Hall Cabinet Member for Finance and Resources</b>
<b>WARDS:</b>	<b>'All'</b>

**CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON**

**Croydon Council Workforce Strategy alignment:**

The provision of an occupational health service (OH) supports the health, wellbeing and fitness of the Council's workforce. It aligns with the workforce strategy which is the Council's promise to staff.

The five priorities below of the workforce strategy are supported by Occupational Health

1. How we attract and keep great people
2. Improving well-being and giving everyone a chance to have their say
3. Improving equality, diversity and inclusion
4. Developing and growing great managers and leaders
5. Developing a high performance, creative and innovative culture

Occupational health services provides staff and managers rapid access to professional specialist advice which helps to protect, maintain and support staff with health issues in the workplace. Managers receive the support they need to manage absence in order to meet goals and objectives. The OH provider recommends adjustments and provides support to the Council to promote an inclusive environment. Supporting employee mental health at work is crucial to enable employers to attract and retain committed employees

**FINANCIAL IMPACT**

The financial impact of this award is detailed in Part B.

Apart from the contract cost there will income from schools and academies that sign up to the contract and from the provider for renting the occupational health suite in BWH.

There is budget available for this contract.

**FORWARD PLAN KEY DECISION REFERENCE NO.: n/a**

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below:

## **1. RECOMMENDATIONS**

- 1.1 The Cabinet Member for Finance & Resources, in consultation with the Leader, is recommended to approve the award of a Call Off Contract under the Yorkshire Purchasing Organisation (YPO) Framework Agreement for Occupational Health Services for a term of 4 years to the contractor named, and for the contract prices specified, in the associated Part B report.

## **2. EXECUTIVE SUMMARY**

- 2.1 The Council's occupational health service supports managers by providing advice on an individual's fitness to work, helping to prevent ill-health at work and advising when work may be impacting on an employees' health.
- 2.2 The Council's current contract for occupational health services is provided by Medigold Ltd via Havering Council's Framework Agreement and the contract expires on 30<sup>th</sup> April 2020.
- 2.3 This report recommends a contract award to the preferred supplier named in Part B of this report.
- 2.4 The content of this award report has been endorsed by the Contracts and Commissioning Board.

<b>CCB Approval Date</b>	<b>CCB Ref. Number</b>
14/04/2020	CCB1569/20-21

## **3. DETAIL**

- 3.1 The Yorkshire Purchasing Organisation has an Occupational Health and Employee Assistance Programme Framework Agreement ref no 899 which is open to public sector bodies to use. (OJEU Award notice Number 2018/S 145-332105). The framework consists of 2 lots and this report is seeking approval to call off from Lot 1 – Occupational Health and directly award to the supplier named in the part B report
- 3.2 There are 3 providers on Lot 1 and the option to run a mini competition was considered but discounted as the framework allows for a direct award providing the participating customer can demonstrate the preferred provider offers the most economically advantageous offer.
- 3.3 A price comparison between the 3 providers was undertaken based on an employee headcount of 3200, the results of which are Part B of this report.
- 3.4 The Council is able to demonstrate that the preferred provider offers the most

economically advantageous offer as the price comparison demonstrates that they offer the services required at the lowest price.

- 3.5 In accordance with regulation 9.1 of the Tenders and Contracts Regulations, the preferred provider submitted, via the Council's e-tendering portal, a Tender Response Document with answers to a number of quality questions on how they will deliver the services against the Council's specification and they confirmed their prices. The questions were pass/fail and they passed on all questions. The price submitted was as per the framework and the price comparison.
  - 3.6 Therefore the Council has assurance that the preferred provider can deliver the services, and as the proposed term is for 4 years price increases will be avoided which allows the Council to budget over the term of the contract.
  - 3.7 There is a termination clause in the framework with a notice period of 3 months.
  - 3.8 In addition to the Council, the main clients of OH services are, schools and academies.
  - 3.9 Schools & academies sign up to an annual SLA for OH Services which begins in April each year. The Council has been receiving, on average, £70,000 income per annum from this SLA over the past 2 years. This is based on a school / academy headcount of 2500. There is an urgency to inform schools about the award of this contract so we can offer the service for 2020 - 21 via an SLA.
- 3.10 Service provided
- Online referrals
  - Triage of referral to allocate to either a Doctor or Nurse and either a face to face or telephone consultation
  - A Doctor and Nurse attend an onsite clinic in BWH at least 4 times a week
  - A report with recommendations is issued to managers in order to manage absence and the health and wellbeing of staff members
  - Vaccinations related to health and safety requirements are provide as are work related surveillance checks such as Driver Medicals
  - Pre-employment health checks for new starters
  - Employees and ex-employees are assessed for access to pensions benefit due to an ill health retirement

#### **4. CONSULTATION**

- 4.1 There are no statutory consultation requirements for this type of system.

#### **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

##### **5.1 Revenue and Capital consequences of report recommendations**

Budget details and financial considerations are in Part B of this report.

## 5.2 The effect of the decision

The Council will enter into a call off contract with the preferred provider for term of 4 years with a maximum value as set out in Part B of this report.

## 5.3 Risks

Risk/ Consideration	Mitigation
We are not able to decrease the demand for referrals. Costs will therefore remain towards the maximum level rather than the minimum levels	<p>There will be quarterly review meetings with the provider to track demand. If the demand is deemed very high then the contract manager will investigate.</p> <p>The contract manager will support managers to make only necessary, comprehensive and robust referrals to reduce costs</p> <p>The new stress management risk assessment should work towards reducing referrals due to work place stress. It is relatively new but once embedded should have a positive effect.</p>
Schools / academies sign an annual SLA for OH services that begins in April each year. The new cost to the schools will need to increase in line with the increased cost. This may lead to a lesser number of school signing up to the service	<p>The contract manager will determine an acceptable cost to maintain the level of income</p> <p>There is a communication plan in place to market the service to schools and academies</p>
Lower income than expected from schools / academies if fewer of them buy the service	Costs are per employee therefore if less schools /academies sign up income will decrease

## 5.4 Options

No other options are being considered.

## 5.5 Future savings/efficiencies

It is proposed to:

- Reduce the demand on the service by supporting managers
- Increase the number of schools that buy the service by effective communication
- Reduce the need for preplacement checks

Approved by: Ian Geary, Head of Finance - Resources

## 6. LEGAL CONSIDERATIONS

6.1 There are no additional legal considerations directly arising from this report.

Approved by Sonia Likhari, on behalf of the Director of Law and Governance, and Monitoring Officer.

## **7. HUMAN RESOURCES IMPACT**

- 7.1 This contract award does not have any HR implications in relation to staffing levels, restructuring/regrading, recruitment, employee relations, or any other human resources matters.

Approved by Jennifer Sankar, Head of HR, Place & GSE, for and on behalf of Sue Moorman, Director of Human Resources.

## **8. EQUALITIES IMPACT**

- 8.1 A new Equalities analysis has not been undertaken as this is continuation of existing services and one has been completed and approved previously. In compliance with Equality legislation and Tender and Contract Regulations, the preferred supplier will be asked to include equalities monitoring as part of the referral process.

Approved by Yvonne Okiyo, Equalities Manager

## **9. ENVIRONMENTAL IMPACT**

- 9.1 There is no adverse environmental impact.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There are no direct crime and disorder reduction impacts arising from this piece of work.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

The direct award to Company A follows a comparison between the 3 providers on Lot 1 of the Framework and Company A was assessed as offering the best value for money option.

## **12. OPTIONS CONSIDERED AND REJECTED**

- Carry out a mini competition from the YPO framework this option was considered and rejected as the framework allows for a direct award process.
- Insourcing was considered but the Council moved away from this model 2017. The in-house model had higher costs, lack of consistency of

service, inefficient storing of records and lack of cover in case of absence. Outsourcing the provision of OH services has remedied the above mentioned shortfalls.

- ESPO has an OH framework however it is 'pay as you go' and the decision was it would not be possible to control costs or budget effectively, therefore this option was rejected

### **13. DATA PROTECTION IMPLICATIONS**

A DPIA has been completed and sent to the DPIA Team who have reviewed.

#### **13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

Yes

#### **13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

Yes

Approved by: Susan Moorman, Director of HR

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**CONTACT OFFICER:** Ritika Singh, HR Specialist Consultant

**BACKGROUND DOCUMENTS:** None