

WIRRAL COUNCIL

EMPLOYMENT AND APPOINTMENTS COMMITTEE

27 JANUARY 2011

SUBJECT:	OCCUPATIONAL HEALTH CONTRACT
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF LAW, HR AND ASSET MANAGEMENT
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR SIMON HOLBROOK
KEY DECISION? (<i>Defined in paragraph 13.3 of Article 13 'Decision Making' in the Council's Constitution.</i>)	NO

1.0 EXECUTIVE SUMMARY

1.1 Further to the report to Employment and Appointment Committee of 23 November 2010 (minute 45), this report updates The Committee on the progress of the future service provision for the Occupational Health (OH) service for Wirral Council.

2.0 RECOMMENDATION/S

- 2.1 To continue to explore the options to take forward the future delivery of the Occupational Health service.
- 2.2 To continue to work with the Merseyside Fire Service to deliver OH services as a partnership.
- 2.3 To continue the re-tendering process to ensure effective service continuity.
- 2.4 To reduce the current expenditure on the contract in place through managing demand and accessing more cost effective delivery methods.

3.0 REASON/S FOR RECOMMENDATION/S

3.1 To ensure that the Council has access to the best quality and lowest cost occupational health services to support the effective management of and support for employees.

4.0 BACKGROUND AND KEY ISSUES

4.1 Wirral Occupational Health service is currently provided by Aviva Healthcare. The current contract is in its final year and is subject to a tender process. The Employment and Appointments Committee agreed a contract extension until 31 March 2011. The current and any new service will be available to all Council employees, teaching and school based staff.

4.2 Key Issues

In re-tendering the service we need to ensure that the service to meets our requirements. These can be summarised as follows:

- To comply with our legislative requirements with advice on meeting the needs of employees as defined in the Equality Act 2010
- Assessment of Ill Health retirements cases
- Advice to managers on more complex ill health cases
- To provide via a range of activities which support employees to enable them to be in work and perform effectively e.g. counselling, physiotherapy

5.0 RELEVANT RISKS

5.1 To reduce the current expenditure on the contract some request for referrals to Occupational Health will be refused. However, to ensure that this is implemented consistency and safely this will be managed through the screening process as referred to in Paragraph 6.6 below.

6.0 OTHER OPTIONS CONSIDERED

6.1 Over the past year work has been carried out to explore the options for future service delivery. Visits to other organisations and consideration of different models have been explored, including the benchmarking of costs. The progress on moving forward on the future options and reducing the cost of the service are outlined below:

6.2 **Working with Merseyside Fire Service (MFS)**

Discussions have been ongoing with the Fire Service to explore the option of working in partnership to provide the service. The Fire Service Occupational Health Service has attracted National awards for their service. The service requirements and structure of delivery are similar, but the scale of delivery is different. The Fire Service employs approximately 1400 employees and Wirral Council will be seeking to provide a service for approximately 11000 employees.

We are currently working through the procurement issues for this option.

6.3 Re Tendering with NHS Wirral for an alternative service provider

We are continuing to tender as planned with Wirral NHS to ensure that if we are not able to move ahead with the partnership approach with MFS a formal tendering process will still go ahead. The OJEU notice has been placed jointly with the NHS. The tender timescales are outlined at Appendix A. This would mean the requirement for a Cabinet decision in June 2011 to award a new contract from July 2011. The agreed extension of contract with the current provider runs to 31 March 2011. A further update will need to be brought to The Employment and Appointments Committee by March 2011.

6.4 Reducing costs of current service

The report to The Employment and Appointments Committee in November 2011, reported the current annual cost of the contract to be approximately £400,000. This contract currently provides a service to approximately 12,000 employees. The schools purchase this service through the SLA with the Council. Whilst the re - provision will seek to ensure that the unit costs are as efficient as possible, we also need to manage the demand for the service to ensure that it is effective, whilst reducing the overall cost to The Council. We will report back to this Committee on the effectiveness of the demand management measures. The actions that have been taken are set out in the following paragraphs.

6.5 Managing the demand for the service

The use of the Occupational Health Service is through referrals from line managers. We need to ensure that those referrals are ones where OH will add value and that it is done in the most efficient way. We have re visited that process to ensure that:

- The referral provides full information to prevent wasted time.
- Early referrals for stress continue to ensure that issues are dealt with in a timely way, preventing escalation where possible.
- We more pro- actively signpost employees to the Employee Assistance Programme for services that can be provided via the programme where we pay for the service at a flat rate. This will potentially deliver savings for The Council.

6.6 Screening of referrals

To drive through the changes we have allocated one HR officer to screen all referrals to the OH service.

7.0 CONSULTATION

7.1 Consultation has been ongoing with the Trade Unions and Head Teacher representatives.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 There are no specific implications arising out of this report.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

9.1 There are no specific implications arising out of this report.

10.0 LEGAL IMPLICATIONS

10.1 There are no specific implications arising out of this report.

11.0 EQUALITIES IMPLICATIONS

11.1 There are no discrimination issues; including any social inclusion or human rights implications arising out of this report. All staff will be able to access the occupational health service.

11.2 Equality Impact Assessment (EIA)

- | | |
|---------------------------------------|------------------------|
| (a) Is an EIA required? | Yes |
| (b) If 'yes', has one been completed? | Yes (23 December 2010) |

There are no implications arising from the EIA.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are no specific implications arising out of this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are no specific implications arising out of this report.

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APPENDICES

Appendix A- Occupational Health Contract Details.

REFERENCE MATERIAL

None.

SUBJECT HISTORY

Council Meeting	Date
Employment and Appointment Committee	23 November 2010

APPENDIX A

Contract Details

Contract Title:	Occupational Health
Annual Value:	To be advised
Procurement Process:	OJEU – Restricted Without PIN
Contract Duration:	3 years
Period of Contract:	

Procurement Timetable (Above OJEU Threshold – Restricted Procedure)

Task	Complete by	Action
1 Issue of OJEU Notice – Restrictive Procedure 2-12 days to publication Ask for electronic requests – monitor by use of 'interest' spreadsheet. Must include evaluation criteria Use delivery receipt or recorded delivery when issuing PQQ Issue PQQ within 6 days of the request	17/01/2011	
2 Completion of the PQQ, ready to send, With particular reference to the technical section which should mirror the final tender evaluation. A compliance schedule is useful for evaluation purposes.	17/01/2011	
3 Return Date for Completed PQQ and submission of support information (minimum 37 days) Can be returned electronically – not treated as tender docs as it does not contain any pricing information. Do not ask for supplementary documentation unless necessary.	22/02/2011	
4 Develop Tender Documentation, scoring matrix and evaluation criteria Including additional specification if required, pricing schedule, scoring matrix to include price). Outline plans for contract monitoring, state P.Is if appropriate. More contract specific – relate to each aspect of the specification	04/03/2011	

5	Evaluation of PQQ and support information including financial searches. See Evaluation matrix and standard evaluation criteria in email. Can give more 'weight' to more important criteria for eg Technical.	23/02/2011	
6	Issue of Tender Documents (40 days)	07/03/2011	
7	Issue of Reference Questionnaires to Short List. To nominated referees.	09/03/2011	
8	Return of Reference Questionnaires Allow at least 2 weeks to respond	29/03/2011	
9	Return of Tender Documents Liaise with Anne Beauchamp over receipt and opening of tenders	15/04/2011	
10	Tender Evaluation Use evaluation matrix and award criteria (with weightings) to score providers	18/04/2011	
11	Designated Week for Presentations/ Site Visits. If required site visits and presentations scheduled for specific dates. All key personnel to be made available.	tba	
12	Final Analysis – cabinet report Preparation and posting of report to Cabinet Must sit on server 2 weeks prior to Cabinet	06/06/2011	
13	Award of Contract Clarify Terms and Conditions with Colin Hughes (unless they accept our own). Director of Law, HR & Asset Management to draw up contract. Need to issue successful /	07/06/2011	
14	Alcatel Ruling, 10 Day stand still <small>Cool Off Period</small>	17/06/2011	
15	Award Notice to OJEU	24/06/2011	
16	Hand Over Period – if required	JULY	
17	Contract Start Or a date as soon after evaluation and award as approved by Cabinet/Governors	01/08/2011	