

WIRRAL COUNCIL

EMPLOYMENT AND APPOINTMENTS COMMITTEE – 23 NOVEMBER 2010

REPORT OF THE DIRECTOR OF LAW, HR AND ASSET MANAGEMENT

OCCUPATIONAL HEALTH CONTRACT-EXTENSION TO CURRENT CONTRACT.

1. EXECUTIVE SUMMARY

This report seeks approval to extend the current Occupational Health Contract with Aviva Healthcare.

This will allow time for the option for a shared service with Wirral NHS to be tendered for. The Employment and Appointments Committee is asked to extend the current arrangements with Aviva Healthcare for a further six months, with options if needed to extend on a month by month basis.

2. BACKGROUND

2.1 Wirral's Occupational Health Service is currently provided by Aviva Healthcare and has been since 2007. The existing contract was for three years with options for a further two years. Employment and Appointments Committee agreed last year to extend the current contract for a fourth year to explore the option for a shared services.

2.2 The current provision is delivered by Aviva Healthcare in a dedicated Occupational Health Unit in Treasury Building, Birkenhead. The contract covers all departments and schools and is managed by Human Resources through a Service Level Agreement, liaising with an account manager at Aviva Healthcare. The Occupational Health Board meets quarterly to review the performance of the contract and membership includes representatives from all departments, Human Resources and the Aviva Healthcare account manager.

2.3 Following a difficult second year of the contract, the last two years have seen the service stabilize and provide 'overall' a good service to the authority. However it was decided last year that it was a good time for the Council to look at the options available particularly in the light of the need to reduce costs and consider a option of a shared service arrangement.

2.4 Opportunity for a Shared Service approach

During the last twelve months discussions have taken place with a range of public sector organisations looking at the possibility of a shared service. The outcome of these discussions has led to 'expressions of interest' of shared services from Wirral NHS and Wirral Hospitals Trust (however the Trust have yet to formally agree to take part in any shared services discussion as they may also wish to tender for the contract). Wirral NHS and the Council are continuing with

those discussions to develop a specification appropriate to service needs for each organisation, and this will be developed through a joint project group.

2.5 The Council will still need to re-tender the contract by the end of 2012 irrespective of the shared services option.

2.6 I would propose an extension to the current Aviva Healthcare contract initially for six months with an option to extend on a month by month basis beyond that if necessary

3. FINANCIAL IMPLICATIONS

3.1 In discussions with Aviva's Healthcare account manager we have been able to negotiate a price freeze for 2010 which means that we have had no price increase since 2007, however it is expected that there will be a price increase in 2011.

3.2 The current contract is Wirral specific and covers all employees including schools. The contract also gives access to the Employee Assistance Programme the current expenditure for Occupational Health is approximately £400,000 per annum.

4 STAFFING, LOCAL AGENDA 21, PLANNING, SOCIAL INCLUSION AND LOCAL MEMBER IMPLICATIONS

There are no Staffing, Local Agenda 21, Planning, Social Inclusion and Local Member Implications arising from this report.

5. EQUAL OPPORTUNITIES, COMMUNITY SAFETY IMPLICATIONS

There are no specific implication arising out of this report..

6. BACKGROUND PAPERS

There are no background papers

7. RECOMMENDATIONS

7.1 That the Employment and Appointment Committee notes this report on the Council's shared service option for the Occupational Health Contract.

7.2 That the Employment and Appointments Committee approves the extension of the current Aviva Occupational Health contract initially for a further six months but with an option to extend on a month by month basis if necessary.

BILL NORMAN
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