

# WIRRAL COUNCIL

## EMPLOYMENTS & APPOINTMENTS COMMITTEE

14 FEBRUARY 2013

<b>SUBJECT:</b>	<b><i>OCCUPATIONAL HEALTH CONTRACT 2013 - 15</i></b>
<b>WARD/S AFFECTED:</b>	<b><i>ALL</i></b>
<b>REPORT OF:</b>	<b><i>ACTING DIRECTOR OF LAW, HR &amp; ASSET MANAGEMENT</i></b>
<b>KEY DECISION?</b>	<b><i>YES</i></b>

### 1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to inform the Employment and Appointments Committee of the new provider of Occupational Health Services to the Council.

### 2.0 BACKGROUND

2.1 In July 2012 Members agreed to the Council creating a mixed service delivery model for its Occupational Health Service including the transfer of the on site Nurse and administration team to the Council under TUPE regulations and other associated medical services being tendered under 4 separate lots:

- Lot 1 Occupational Health Physician
- Lot 2 Employee Assistance Programme (EAP)
- Lot 3 Counselling
- Lot 4 Physiotherapy

2.2 In previous years the Council had contracted with various external occupational health and well being providers, including the NHS, Norwich Union/Aviva and more latterly Capita Health & Wellbeing, who provided services based on a price per unit/appointment basis. This has proved not only less effective in terms of proactive occupational health provision, but more importantly has seen unit costs increase considerably over the previous 12-24 months. The Council's spend on occupational health provision for the previous 3 years has been:

2009-2010	£427,790
2010 -2011	£231,889
2011-2012	£291,307

It is forecasted that the spend for 2012-2013 will be around £300,000.

2.3 The committee supported the view that the Council could deliver a more cost effective and integrated occupational health service that matched the health risks faced by the workforce.

2.4 Members will be aware that a further report was presented to this committee in November 2012 explaining that due to changes in the procurement processes the new contract for Occupational Health provision would not be in place until 1 February 2013.

### **3.0 NEW OCCUPATIONAL HEALTH SERVICE**

- 3.1 The Occupational Nurse and the 2 administrators transferred into the Council in December 2012 under TUPE and are line managed under the Health, Safety and Resilience Operations Manager.
- 3.2 The procurement exercise for the associated medical professionals has also now been completed, with the successful provider for lots 1-3 being awarded to People Asset Management (PAM) on the 1<sup>st</sup> February 2013 under delegated authority.
- 3.3 PAM is a nationally recognised occupational health provider with headquarters based in the North West at Warrington. They currently provide services to over 50,000 public sector workers, including a number of local authorities.
- 3.4 The contract was awarded on a 70/30 price/quality basis and not only was PAM the lowest priced tender but they also demonstrated an exceptional quality submission. The evaluation team were particularly impressed by their offer to work with the existing Occupational Health Staff in developing clinical governance assurance and also by the fact that PAM currently operate a practice at St Catherine's hospital in Birkenhead. This offers the Council support in terms of business continuity, staff cover, and alternative locations for appointments.
- 3.5 The 4<sup>th</sup> lot for Physiotherapy Services will also be awarded to PAM, although they were the second placed tender. The lowest priced tender for this Lot did not fulfil the requirements of the tender exercise and the evaluation team had serious concerns about their resources to deliver the contract. Due to the 10-day Standstill Period, this element of the contract will begin on the 18<sup>th</sup> February 2013.
- 3.6 Lots 1 (Physician) and 3 (Counselling) will begin being delivered by PAM within the next 2-3 weeks. There are some legacy cases and reviews which, for continuity of treatment or assessment will require completion by the previous Occupational Health Provider, Capita Health & Wellbeing (CH&W).
- 3.7 Given that the Council is about to undergo a significant period of change, it was felt necessary to ensure the continuity of the existing Employment Assistance Programme (EAP) to its employees. Therefore the actual change over date for the provision of the new EAP (Lot 3) will be the 31<sup>st</sup> March 2013. This will not only support employees currently engaged in a course of treatment via the EAP to complete it with their existing provider, but will also allow for a major advertising and staff awareness campaign from the new EAP provider.

### **4.0 RELEVANT RISKS**

- 4.1 Failure to have an effective and cost effective Occupational Health provision would leave the Council at risk from litigation and would mean it could not meet its own policy requirements to support staff's well being.

### **5.0 OTHER OPTIONS CONSIDERED**

- 5.1 A range of other options were considered, including the exploration of sharing other public sector partners' occupational health resources. Whilst there was potential for savings, these arrangements would take some time to put in place and for savings to be realised. Other organisations approached also had their own procurement practices to work through. There were also logistical issues which would potentially leave the Council vulnerable.

## **6.0 COUNSULTATION**

6.1 Trade Unions, Council departments and schools have been consulted as the tender process has progressed.

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 None.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 The anticipated annual savings for 2013/14 are expected to be in the region of £50,000 against existing spend.

## **9.0 LEGAL IMPLICATIONS**

9.1 None.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 An EIA has previously been completed in relation to Occupational Health Contract. This is available at:

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversitycohesion/equality-impact-assessments/eias-2010/law-hr-asset-management>

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 Not applicable.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 Not relevant.

## **13.0 RECOMMENDATION/S**

13.1 That the Employment and Appointments Committee Members note the report and support the decision to award the occupational health contract to People Asset Management for a period of 2 years with an option to extend for a further year.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 The procurement process for an occupational health provider was undertaken in accordance with the Council's procurement policy and People Asset Management was the successful tenderer.

**REPORT AUTHOR:** **Mark Camborne**  
Health, Safety & Resilience Manager  
telephone: (0151) 606 2071  
email: [markcamborne@wirral.gov.uk](mailto:markcamborne@wirral.gov.uk)

## **APPENDICES**

There are no appendices to this report.

## REFERENCE MATERIAL

There is no reference material to this report.

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
<b>Employments and Appointments Committee</b>	<b>23 November 2010</b>
	<b>27 January 2011</b>
	<b>23 March 2011</b>
	<b>11 August 2011</b>
	<b>23 November 2011</b>
	<b>27 January 2012</b>
	<b>12 July 2012</b>
	<b>15 November 2012</b>