

## Commissioning and Procurement Executive Committee – 30 May 2023

<b>Subject:</b>	Employee Wellbeing Service contracts		
<b>Corporate Director:</b> <b>Director:</b>	Ross Brown, Finance & Resources Richard Henderson, HR & EDI		
<b>Portfolio Holder:</b>	Finance and Resources		
<b>Report author and contact details:</b>	Jacqueline Armand, Employee Wellbeing Manager <a href="mailto:Jacqueline.armand@nottinghamcity.gov.uk">Jacqueline.armand@nottinghamcity.gov.uk</a> 0115 876 2563		
<b>Other colleagues who have provided input:</b>	Tania Clayton Pérez – Senior Commercial Business Partner Anthony Heath, Senior Solicitor, Contracts and Commercial Louise Dobson, Lead Procurement Officer Steve Oakley, Head of Procurement		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Total value of the decision:</b> £1,050,000			
<b>Wards affected:</b> All			
<b>Date of consultation with Portfolio Holder:</b> TBC			
<b>Relevant Council Plan Key Outcome:</b>			
Green, Clean and Connected Communities		<input type="checkbox"/>	
Keeping Nottingham Working		<input checked="" type="checkbox"/>	
Carbon Neutral by 2028		<input type="checkbox"/>	
Safer Nottingham		<input type="checkbox"/>	
Child-Friendly Nottingham		<input type="checkbox"/>	
Living Well in our Communities		<input checked="" type="checkbox"/>	
Keeping Nottingham Moving		<input type="checkbox"/>	
Improve the City Centre		<input type="checkbox"/>	
Better Housing		<input type="checkbox"/>	
Serving People Well		<input checked="" type="checkbox"/>	
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The Council is required to have in place a comprehensive range of occupational health services in order to be able to meet its common law and statutory duties of care for the health, safety and welfare of our employees in their working environment and to provide advice and medical assessments in relation to sickness management. This includes and is not limited to the Health and Safety at Work Act 1974 and Health and Safety regulations.</p> <p>The benefit to service users is that by having effective wellbeing contracts in place the Council can reduce sickness absence and improve service delivery by looking after their employee's health and wellbeing. This service should also mitigate the risks, as far as is possible, of staff making a successful claim against the Council for breach of the legal obligations referred to in the report.</p> <p>The Council currently has an Employee wellbeing service which encompasses an internal Occupational Health Services (OHS). Employing Occupational Health Advisors and wellbeing practitioners. Additional support to the service is currently provided through procured contracts</p>			

for Occupational Health Physicians (OHPs), Physiotherapy services and a comprehensive Employee Assistance Programme which provides confidential counselling services for employees 24/7 365 days per year.

It is proposed that a procurement exercise is undertaken requesting tenders for each support service as outlined above. The services will support wellbeing of colleagues and help them remain in, or achieve a successful return to work, which supports economic wellbeing.

The services will also enable NCC to meet the contractual obligations that it has to third parties, where NCC provides a full range of Occupational Health services.

By having three distinct contracts it is envisaged that this will attract smaller local suppliers to tender driving local spend and jobs and achieve best value.

**Exempt information:** None

**Recommendations:**

1. To approve the planned commercial strategy to secure Employee Wellbeing services from September 2023, as detailed in the report.
2. To approval going out to tender for the three services outlined, for contracts of 3 years plus optional extension periods of 1+1 years, in accordance with the Council's constitution and legal requirements, including compliance with the Public Contract Regulations 2015.
3. To delegate authority to the Director of HR and EDI to approve the outcome of the tender and award contracts to the successful bidders.

## 1. Reasons for recommendations

- 1.1 The Council has three core Employee Wellbeing Contracts that provide a range of Occupational Health Services to all NCC Employees as well as academies, schools and two district councils (via a formal legal contract –see below for further details). These services support the Council by focusing on prevention, intervention and rehabilitation to enable colleague to remain fit for work.
- 1.2 It is recognised that a range of wellbeing initiatives can add value to attendance management; help improve performance and provide valuable support to managers and employees. Nottingham City Council is looking for a provider/s that can promote wellbeing and effect a reduction in sickness around the following:
  - Prevention – assisting the Council with fit for work type activities;
  - Early Intervention – bringing about an improvement in absence figures;
  - Rehabilitation – enabling a safe and prompt return to work.
- 1.3 To enable Employee Wellbeing to deliver key health and wellbeing support to our employees the following services are recommended:
  - Employee Assistance Programme – provides confidential support to colleagues 24/7 365 days a year. Providing advice and support on mental health issues, bereavement, financial and debt advice. As well as signposting to services and providing some therapy such as Cognitive Behaviour Therapy and Counselling;

- Physiotherapy provision – early intervention for musculoskeletal conditions being suffered by employees. It includes assessment and treatment to keep employees at work or get them back as soon as possible;
- Occupational Health Physician – Access to Occupational Health Physicians is critical to the service as they undertake complex case appointments, high level health surveillance assessments related to health and safety and ill health retirement options.

## 2. **Background (including outcomes of consultation)**

- 2.1 The Employee Wellbeing Service has supported employees with the use of procured specialist services to date. Due to the contracts now coming to an end a tender exercise is required. The service provision aims to enhance our Occupational Health provision and provide valuable support and advice to employees and managers to help prevent sickness absence and support early returns to work
- 2.2 Provision of Occupational Health Physician services is necessary to support our Occupational Health service delivery. Undertaking complex case appointments, high level health surveillance assessments to diagnose Hand arm vibration as required by health and safety legislation and Ill Health retirement opinions. It is important to have access to a range of Occupational Health physicians to enable all of the above to be completed.
- 2.3 The Physiotherapy service provides early intervention for musculoskeletal conditions being suffered by our employees. It includes assessment and treatment in order to keep employees at work or get them back to work as soon as possible. They also provide professional functional capacity assessments to advise if an employee can continue to do their job role and if adjustments are required.

Musculoskeletal and back injuries account for the largest proportion of employee sickness absence. In order to reduce sickness absence, the Musculoskeletal Support and Rehabilitation programme, based upon early intervention, is seen as a valuable tool to improve the health and wellbeing of employees. Currently waiting lists for physiotherapy treatment are around 12 weeks in Nottingham and delays in being seen can have a dramatic impact upon an employee's recovery and return to work. The service is required to provide an early intervention programme, giving access to suitable advice and treatment, to employees who have musculoskeletal injuries or conditions. Providing treatment of the injury and/or condition, as well as providing rehabilitative exercises and advice, to enable the employee to reduce the risk of the injury reoccurring and to manage a chronic injury better. Supporting and aiding employees with their recovery from these injuries and conditions and remain fit and active both in and outside of work.

- 2.4 The Employee Assistance Programme (EAP) is a service that provides a confidential counselling and support service to our employees. The service requirements are to have experienced and professional advisors who are there 24 hours a day, 7 days a week and 365 days a year to answer calls from our employees. This confidential service advises on mental health issues, bereavement, financial and benefits advice and signposting, provision of online, face to face and telephone support, and counselling and Cognitive Behaviour Therapy. The service provision that we wish to procure needs to be

able to offer psychotherapist appointments for staff where reports are provided to managers, as well as neurodiversity assessments and workplace needs assessments.

- 2.5 Consultation has taken place with a number of interested parties including the Trade Unions, meetings have taken place with managers and staff regarding the OH service completed in early 2022, and Human Resources and Equality and Diversity management team. Feedback has been taken into account when considering the services to be procured.

### 3. **Other options considered in making recommendations**

- 3.1 Consideration was given to the local impact of going out to tender for one supplier to provide all 3 services. However, by having three distinct contracts it is envisaged that this will attract smaller local suppliers to tender driving local spend and jobs
- 3.2 An option of employing staff directly to deliver all aspects of the services outlined within the report was considered. Taking into account the current external provision NCC has in place and the evaluations undertaken of the service delivery, the ability to use external provider's knowledge and expertise the opinion was that the most effective and beneficial option was to continue to procure the services.

### 4. **Consideration of Risk**

- 4.1 As the Council is required to have in place a comprehensive range of occupational health services in order to be able to meet its common law and statutory duties of care for the health, safety and welfare of employees in their working environment and to provide advice and medical assessments in relation to sickness management there is a risk of not meeting these requirements without the specialist services being procured.
- 4.2 An important part of occupational health delivery is concerned with how work and the work environment can impact on workers' health, both physical and mental. It also includes how workers' health can affect their ability to do their job. In health and safety law, there are things NCC must do to make sure workers' health is not adversely affected by their work and that workers are medically fit to carry out their work safely.

This includes:

- Implementing statutory health or medical surveillance when necessary;
- ensuring workers are medically fit to undertake the role required.

The services outlined within this report will ensure continued compliance.

- 4.3 As the Employee Wellbeing Service provides an Occupational Health service to Mansfield DC and Ashfield DC through a legal contract, (which commenced in November 2022 and continues for 2 years with an option to extend), there is a risk of breaching this if the Council cannot provide all of the services that have been contracted.
- 4.4 The above risks can be mitigated by procuring the services outlined within this report and successfully operating those services in accordance with terms of the contracts.

## 5. Best Value Considerations

5.1 Various options were considered taking into account the number of appointments that have been utilised over the past 12 months and demands for the services, including.

- a redesign of the Employee Wellbeing team and providing In house provision and direct employment of clinicians to fulfil the specialist services. Through tendering the services, the contracts will evidence best value using the most economically advantageous tender. Whilst the Council could provide some of the services the range and depth of service required can only be achieved through dedicated specialist provision;
- reduction of the service provision, however this would risk a breach of legal obligations for third party provision and increase the risk of claims from our own employees. In addition, the service receives income which would be reduced if these services were not available from September 2023;
- consideration of having one provider for all services instead of 3 distinct specialist contracts covering each of the key areas above. Whilst it is possible that suppliers can provide more than one part of this service evidence has shown that contracts for separate elements has improved quality.

## 6. Finance colleague comments

6.1 The decision seeks to retender the EAP, Physiotherapy, and OHP contracts within the Wellbeing service impacting from Sep 2023 onwards on a 3+1+1 basis in order to retain Best Value on the provision of these services.

6.2 These services are either:

- currently internally recharged to NCC services; or
- externally charged to outside bodies as part of the cost recovery model within Employee Wellbeing.

6.3 Therefore, any increase to the base cost of these services as detailed in the report will need to be passed on to service users through internal or external recharging.

6.4 The revenue impact on the MTFP is summarised as per **Table 1**:

<b>Table 1: MTFP Impact of Proposal</b>					
<b>Wellbeing Budget breakdown</b>	<b>2023/24</b>			<b>2024/25</b>	
	<b>Current Budget</b>	<b>Proposed MTFP Changes</b>	<b>Revised Budget</b>	<b>Proposed MTFP Changes</b>	<b>Revised Budget</b>
Employee Costs	0.316	0.000	0.316	0.000	0.316
Running Costs	0.013	0.000	0.013	0.000	0.013
EAP	0.043	0.013	0.057	0.013	0.070
Physio/OHP	0.062	0.039	0.101	0.039	0.140
Income (external & internal)	(0.304)	(0.053)	(0.356)	(0.053)	(0.409)
<b>Resource Allocation</b>	<b>0.130</b>	<b>0.000</b>	<b>0.130</b>	<b>0.000</b>	<b>0.130</b>
<i>Assumptions</i>					
Pay award impact in 23/24 and future years not accounted for					

- 6.5 An income review should be undertaken to correctly allocate revised MTFP income targets to appropriate subjectives to assist forecasting and general budget management within the service.
- 6.6 The impact of any increased cost through this decision will be met within NCC through the means of internal recharging, i.e. any cost increase related to the new service providers will pass on to internal Wellbeing service users.

Tania Clayton Pérez, Senior Commercial Business Partner – May 2023

## 7. **Legal colleague comments**

- 7.1 This report seeks approval of the commercial strategy described, including the procurement of service providers.
- 7.2 The references to legal duties in the paper is noted and the Council must continue to be aware of, and comply with the various legal duties it is under as an employer and the provider of services to 3<sup>rd</sup> parties pursuant to formal contractual arrangements.
- 7.3 In undertaking the procurement process, as described, the process must comply with the Public Contract Regulations 2015 and the Council's own constitution. Legal Services will provide legal support for the procurement process including the development of suitable contractual arrangements.

Anthony Heath, Senior Solicitor, Contracts and Commercial - 16 May 2023

## 8. **Procurement Colleague Comments**

- 8.1 This report seeks approval to go out to tender for three individual contracts to encourage local suppliers to bid with contracts being set up for 3-years with two 1-year extensions.
- 8.2 Procurement Team will work alongside the client team to ensure tenders are undertaken in a compliant manner and in keeping with CPRs working to achieve best value and the delivery of effective contracts that support the organisation going forward.

Louise Dobson, Lead Procurement Officer - 17 May 2023

## 9. **Other relevant comments**

- 9.1 The proposed tender process for the three services will be supported by Procurement to ensure best value for Nottingham City Council. It is anticipated that the three separate contracts and term of contract provides the best commercial strategy for these services.

Steve Oakley, Head of Procurement - 15 May 2023

## 10. **Crime and Disorder Implications (If Applicable)**

- 10.1 Not applicable.

**11. Social value considerations (If Applicable)**

11.1 Not applicable.

**12. Regard to the NHS Constitution (If Applicable)**

12.1 Not applicable.

**13. Equality Impact Assessment (EIA)**

13.1 An EIA is attached.

**14. Data Protection Impact Assessment (DPIA)**

14.1 A DPIA finalised copy will be available once we have completed the tender specifications, which influence the DPIA.

**15. Carbon Impact Assessment (CIA)**

15.1 A CIA is attached, which shows there is no impact.

**16. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

16.1 Commercial Strategy document.

**17. Published documents referred to in this report**

17.1 None