

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**6 June 2019**

**Report of the Executive Director for Commissioning, Communities & Policy**

**OUTCOME OF THE REVIEW OF THE COUNCIL'S OCCUPATIONAL HEALTH SERVICES**

**Corporate Services**

**1. Purpose of the report**

To advise Cabinet of the outcome of the review of Occupational Health services as one of the Enterprising Council Early Starts.

**2. Information and analysis**

The Occupational Health Service, was identified as one of the early starts under the Enterprising Council approach. Details of the current services are shown in **appendix 1** however in summary, this service is responsible for the provision of occupational health advice and support to managers and employees within the Council, to some schools in Derbyshire and other Councils and external organisations. There is currently a mixed model of delivery with occupational health nursing services undertaken in house by the occupational health nursing team and the remainder of the services, including the occupational health physician provision, delivered by external contractors.

The counselling function also forms part of the occupational health service however this function has not been considered as part of the review and will be considered as part of the upcoming review of HR & OD.

As well as supporting the wellbeing of employees, the occupational health service provides advice around many of the Council's employment policies. It also plays an essential role in the statutory requirement for the Council to have an appropriate level of resource to ensure the protection of the health and safety of the work force under the management of health and safety at work regulations. This resource does not however have to be provided directly by the council and could be commissioned.

In parallel with this review of Occupational Health services, Derbyshire County Council's Workplace Wellbeing Strategy has been developed to bring together all the wellbeing initiatives currently in place within the council, to highlight areas for

development and to identify measures by which the impact of those initiatives can be assessed. The Workplace Wellbeing Strategy is the subject of a separate report to this Cabinet meeting and where appropriate, is reflected in the outcomes detailed in this report.

The review of Occupational Health commenced with an analysis of the services currently provided, the delivery models in place and the funding and income of the service.

Consultation has taken place with stakeholders including DCC managers, HR teams, Public Health, trade unions and schools who purchase occupational health services. Information has also been sought from other authorities by issuing questionnaires and by accessing the research already undertaken by East Midlands Councils.

Further work has then been undertaken to look at potential benchmarking and any appropriate qualitative measures as well as exploring alternatives to the existing delivery model and is featured later in the report.

### Structure of the Occupational Health Service within DCC

The Council directly employs 3 FTE Occupational Health Nurses (Grade 11) and 1 FTE Senior Occupational Health Nurse (Grade 13), supported by an administrative team of 2 FTE.

In addition to managing the Occupational Health Nurses, the Senior Occupational Health Nurse has wider responsibilities in relation to policy development, the counselling service, consultation with trade unions and the management of the various contracts with external providers.

### Budget, Charging and Income

The annual costs of the Occupational Health team amount to £262 090 funded by a Council budget allocation of £176 000 per annum and by income from trading the service. The service started trading independently with schools and other external organisations in 2018/19, previously it was incorporated in broader HR and payroll trading offers. The income achieved for 2018/19 was £105 000.

Occupational Health also hold a budget of £140 000 to meet the costs of equipment to support reasonable adjustments for employees across the Council.

### Externally commissioned services

The largest commissioned external contract is for Occupational Health Physician Services. This contract is due to expire at the end of September 2019 and therefore a procurement process to ensure continued provision has been undertaken. The costs of the Occupational Health Physician contract are recharged to DCC departments, schools and external organisations based on usage and amounted to £143 000 in 2018/19. The other external contracts are on an “as required” basis,

again with the costs of £77 500 per annum being recharged to the employing department/organisation based on usage.

### Consultation with stakeholders

As part of this review, consultation has taken place with various stakeholders to evaluate and gain feedback on the service they receive. The consultation began with an HR Focus Group which explored whether an OH service was needed, how the effectiveness of the service could be gauged and what was important to the Council in terms of the services provided.

Departmental Management Team members were then invited to submit any views and alongside departmental HR teams, to provide nominations as to which managers were best placed to complete a questionnaire relating to the Occupational Health services. Survey questionnaires were then sent to DCC managers, schools and other councils.

Set out in the table below is a summary of the key views and issues fed back to the review:

Process	Positive	Negative	Benchmarking	Suggestions for change
Referral Process	The referral process is very or fairly easy			Digital process for referrals
Appointment waiting times	Employees referred to the unit are seen within 4 weeks	Some delays reported although it is not clear whether these were due to employees rearranging appointments	Waiting times are in line with other OH departments especially NHS who aim to see staff within 20 working days	Improve timescales for appointments
				Digital appointment booking service
Reports	Reports received within 1 – 2 weeks	Reports could be more concise and clear	East Midlands Councils research reflected similar concerns about the content of occupational health reports that featured in the managers' survey feedback.	Training to managers on completion of Occupational Health referrals.  Clearer requirements specified in the tender for occupational health physician
		Disproportionate focus of employees views in the report and repetition of information provided in the referral.		
		Low level of clinical content		
	Reports received within 2-4 weeks.	Some recommendations not practical to implement		
		Some reports took 4 – 6 weeks. Reports going to employee first and requests for consultant/GP reports contribute to delays.		
		Reports not specific enough		
Response to queries	Ability to quickly phone for advice and have an immediate response			

	Nurses and doctors understand the jobs at the Council			
Knowledge of services / Additional Services		Not aware of the full range of services that could be accessed		Improved website pages with services information.  Services clearly identified in the new Employee Wellbeing strategy.
Recruitment	Promotes positive image of DCC as employer and OH services seen as a benefit			

The information received from other councils (15 responses) showed that a number of councils commission the majority of their occupational health services, although most retained some form of in house provision to deliver specific services, not dissimilar to DCC. The type of services provided for managers and employees either by, or commissioned by, Occupational Health in DCC are fairly typical of those provided within other authorities. Feedback identified reduced costs and better quality of services as a reason for maintaining services in house but also as a reason for using external providers. The research suggests that there does not appear to be a preferred delivery model adopted across the councils who responded, for the delivery of Occupational Health Services.

Many of the other councils used telephone consultation, although feedback on the effectiveness of this approach was mixed, suggesting that it was only appropriate in certain circumstances.

### Cost Comparison

The occupational health services that are currently externally provided eg. the Occupational Health Physician contract, have been subject to competition through

the Council's usual procurement processes. It is unlikely to be practical to deliver these services internally as it would involve recruiting highly specialist employees and would risk having resources that would not be fully utilised. The feedback from other councils also indicates that these services are mostly sourced externally.

The occupational health nursing service in Derbyshire has always been provided in house and this review has focused on whether the Council should continue with the in-house delivery model or whether an alternative delivery model should be considered that would produce a financial benefit and/or improved quality and outcomes for the council.

A detailed analysis would require external providers to submit prices based on a clear specification however a comparison has been undertaken between the cost of the in house service and the charges levelled for occupational health nursing services by external providers within a purchasing framework. This indicates that the cost of the in house service is broadly comparable with the least costly of those external providers. Further information is shown in **appendix 2**.

### Benchmarking

The Council took part in a CIPFA survey in 2017 which looked at comparative costs of Occupational Health services in a number of participating councils. The survey related to 2016/17 and at that stage, DCC's overall occupational health costs were at £31.59 per employee which was below the average of £49.45 per employee.

The above benchmarking does, however, focus solely on the financial element and does not measure the impact or value of the service. Internally employed nurses are very familiar with the Council structure, job roles, policies and procedures and there is likely to be more flexibility around the appointment schedules. There is also greater consistency as the same nurse usually sees the employee each time and the council retains control and flexibility around the priorities, deployment and duties undertaken by the nurses.

In terms of national benchmarking of DCC's services more generally, it has proved difficult to identify an objective and appropriate measure to assess the impact of an occupational health service. The Chartered Institute of Personnel and Development's (CIPD) view is that effective management of the health and wellbeing of people at work contributes to performance improvement, lowers absenteeism, improves morale etc. and that developing a healthy workplace culture and adopting a systematic approach to occupational health will contribute to an organisation's success. The evidence cited links performance measures like stock market growth to having a strong employee wellbeing programme, however occupational health provision is only one part of that programme.

There is an accreditation body for Occupational Health – Safe Effective Quality Occupational Health Service (SEQOHS) which sets out 6 standards; business probity, information governance, people, facilities and equipment, relationship with purchasers and relationship with workers. These are intended to demonstrate that a

provider is properly qualified, equipped and able to comply with legislation and professional standards but does not include an “outcome” measure.

Similarly, the Institute of occupational safety and health (IOSH) advises organisations to have KPIs for occupational health but these relate to response times and reporting requirements. There is some research from SOM (Society of Occupational Medicine) that suggests that (particularly early) intervention by Occupational Health can reduce periods of absence but each report also qualifies this by stating that the reasons for absence and continuing absence are complex and will vary amongst individuals

The NHS health and wellbeing framework does set out some measures that could be introduced in the future which include manager and employee satisfaction surveys and metrics around the number of employees who have a documented return to work plan in place after a specified period of absence. These measures will be considered as part of the implementation of the Workplace Wellbeing Strategy which identifies establishing effective monitoring processes to enable evaluation of the impact of health, safety and wellbeing programmes as one of the council’s responsibilities.

### Service Improvement Measures

A number of areas for improvement were identified from analysing the feedback provided to the review and include:

- Great use of telephone appointments where appropriate
- Increased use of technology
- Manager briefings on services available and training on effective referrals and on supporting employees with health and attendance issues
- Development of health promotion initiatives
- Development of key performance indicators that better analyse the impacts of the service in improved employee wellbeing and absence rates
- Development of more meaningful occupational health reports that support and promote attendance at work
- Review of pre-employment screening
- Review of contracts with external organisations
- Review of channels used to engage with staff who require occupational health services

These will be progressed as either part of the wider review of the Councils HR & OD delivery model or the implementation of the Workplace Wellbeing Strategy.

### Recommendations from Occupational Health Review

In summary, following consideration of the outcomes of the review, the key recommendations are as follows:

1. A comparison between the cost of the current in house service and the cost of sourcing the same service externally clearly indicated that the internal service is competitive. It is therefore recommended that the current mixed model of delivery be retained in the short term as there is little or no operational or financial benefit in either bringing the current externally provided services in house or in moving to an external supplier for the directly employed nursing service. The future structure and function of occupational health services will need to align with and form part of the wider review of the HR delivery model within the council ensuring that it supports the Workplace Wellbeing Strategy. The most appropriate longer term delivery model will be determined at that point.

2. Further development of manager briefing and training, health promotion initiatives and metrics/ key performance indicators that better analyse the impact of the occupational health service in improved employee wellbeing and absence rates are implemented as soon as possible.

3. The implementation of the service improvement measures set out earlier in the report are progressed.

### **Other Considerations**

In preparing this report the relevance of the following factors have been considered: financial, human resources, legal and human rights, equality of opportunity, health, environmental, transport, property, crime and disorder and social value considerations.

### **4. Key Decision?**

No

### **5. Is it necessary to waive the call-in period?**

No

### **6. Officer Recommendations**

1. Cabinet notes the outcome and recommendations of the Occupational Health review

**Emma Alexander**  
**Executive Director Commissioning, Communities and Policy**



## **Appendix 1**

The Occupational Health service is primarily based at County Hall with clinics being held at Matlock, Buxton, Chesterfield and Derby. The following services are currently provided for DCC employees, schools and a number of external organisations.

### **PRE EMPLOYMENT SCREENING**

**DCC OH Nurses and occasional escalation to OH Physician (external provider)**

**OH Nurses are funded from base budget, OH Physician charges are recharged to the employing department**

Every successful job applicant completes a health questionnaire which is then processed by occupational health. Detailed information on the health status of the prospective employee is assessed by the Occupational Health Nurse (OHN). Fitness to work is either declared at this stage or the prospective employee is offered a medical for further assessment to establish the physical and mental capability to undertake the work offered. The identification of health problems that will require ongoing advice and / or management is also considered at this stage and any baseline Health Surveillance for identified job roles is carried out. Very occasionally a prospective employee may be referred on to our Occupational Health Physician (OHP).

### **IN SERVICE MEDICALS**

**OH Nurses and OH Physician**

Following referral from a manager to OH, a health assessment is carried out by either the OHN or OHP, the aim of which is to develop a medical opinion on an employee's ability to work. It may involve advising on a rehabilitation programme to help the employee back to work or advice regarding possible restrictions/adjustments to an employee's job role to help to sustain their attendance. In some cases, it may be necessary to request further information to help the assessment from GP/Consultant. A report is then provided to management.

### **ASSESSMENT AND CERTIFICATION OF RETIREMENT ON THE GROUNDS OF ILL HEALTH**

**OH Physician**

This is undertaken by the OHP/Independent Doctor. Information is gathered pre assessment by the Occupational Health Practitioner from the referring department and presented to the OHP/ Independent Doctor for their opinion.

### **WORKPLACE ASSESSMENTS**

## **OH Nurses**

These are undertaken by the OHN out in the employee's workplace .The aim is to assess the interface between the work environment and the employee. They are usually conducted when the employee is experiencing difficulties carrying out their role or when they return to work from a period of sickness absence. The OHN assesses the functional capability of the employee which helps to determine what the employee is capable of in relation to their health, what they are unable to do and if role restrictions/ adjustments should be temporarily applied. A report is written by the OHN to the referring manager with their recommendations.

## **HEALTH SURVEILLANCE**

### **Primarily OH Nurses with occasional escalation to OH Physician**

As an employer, DCC are responsible for monitoring and acting upon any health problems that may arise in the workplace to their new employees as a result of their duties. Health Surveillance is a mandatory responsibility for certain roles and it helps to detect work – related ill health at an early stage .Results can then be acted upon, safeguarding the health of the employees and ensuring their fitness to undertake their duties/ work activities .Health Surveillance is undertaken by the OHN with some cases being escalated to the OHP.A full range of Health Surveillance is provided and includes Skin Surveillance, vision screening, lung function testing, audiometry, Hand Arm Vibration screening, blood pressure monitoring and urinalysis.

## **COGNITIVE BEHAVIOURAL THERAPY (CBT)**

### **Various external providers**

### **Recharged to employing department**

If funding is agreed from the employing department, CBT can be offered to employees if the need has been identified by an OH Practitioner. Externally provided, cognitive behavioural therapy (CBT) is a talking therapy that can help an individual to manage problems by changing the way they think and behave. It is most commonly used to treat anxiety and depression but can be useful for other mental and physical health problems.

## **DYSLEXIA SERVICES**

## **External provider**

### **Costs met from Corporate Access budget**

This includes diagnostic assessment, workplace needs assessment, tuition and training on software.

## **PHYSIOTHERAPY**

### **External provider**

#### **Recharged to employing department**

The service includes assessment and treatment of symptoms/ injury. Various locations are used around the County .There is an emphasis on future prevention of issues.

## **FIRST AID TRAINING/ DEFIBRILLATOR TRAINING**

### **External provider**

#### **Recharged to employing department**

Sessions run throughout the County

## **AIDS TO REHABILITATION/ PROVISION OF REASONABLE ADJUSTMENTS**

### **OH Nurses**

OHN identify employee's requirements and order appropriate equipment.

## **IMMUNISATIONS**

### **External provider**

Mostly for Hepatitis B and Influenza immunisations carried out by the NHS (OH).

## **BLUE BADGE APPEAL MEDICALS**

### **OH Nurses**

#### **Recharge made to Adult Care**

OHN assess Blue Badge appeals at a twice monthly clinic within the county. Application forms which have gone to appeal are visually checked for clearance or referred for medical assessment.

## **SUPPORTING FIRST AIDERS ON DUTY**

### **OH Nurses**

OHN support the First Aiders on duty wherever possible .Advice and support is given especially when First Aiders are called out to complex cases.

## **OCCUPATIONAL HEALTH TELEPHONE ADVICE TO BOTH EMPLOYEE/ EMPLOYER**

### **OH Nurses**

Advice is regularly sought by both employees and managers on a wide range of issues eg. Workplace issues, ill health, return to work. OHN gives advice or signposts enquiry to the relevant agency/ department.

## **SUBSTANCE MISUSE MEDICALS**

### **OH Nurses**

Substance misuse, whether this involves prescription or illegal drugs or alcohol, can cause serious problems in the workplace as well as increasing the risk of absenteeism, low productivity and inappropriate behaviours. Under the DCC Substance Misuse Policy, employees can be referred for support from OH. The OHN with the employee's written consent, undertakes a programme over a 4-6 month period with monthly appointments to help the employee with their addiction.

## **NIGHT WORKER MEDICALS**

### **OH Nurses**

Night workers are offered under the Night Working Regulations, a health assessment to ensure they are fit to work nights without affecting their health issues. An OHN will conduct the assessment after identifying the need from a Night Working health questionnaire.

## **VISION TESTING**

### **OH Nurses**

Yearly visual acuity testing is undertaken by the OHN on mechanics whose work activity involves working on the Police vehicles .Keystone vision testing is carried out in their workplace.

## Appendix 2

### Comparison of annual costs of internal nursing service with those of using external providers

Cost of current internal service is **£262 090** per annum. This includes salaries, oncosts and overheads of 3 FTE OH Nurses, 1 FTE Senior OH Nurse and 2 FTE administrative staff.

The table below sets out the typical annual number of appointments/assessments undertaken by the OH Nurses in for DCC employees/applicants only

Service Provided	Number of appointments/assessments undertaken (excluding schools)
Pre employment assessments	1468
In service medicals	732
Workplace assessments	507
Health surveillance	161

The external providers make additional charges for requesting GP/Consultant reports, attending case conferences, providing telephone advice, undertaking policy work and blue badge assessments. These costs have been added based on an estimate of the amount of time that the OH Nurses currently spend on these tasks

#### Potential cost of using external provider – lowest and highest on framework

Lowest cost provider: £160 118 Health assessments set out in table above

2 255 Admin charge for GP/Consultant reports

2 767 Case conferences

31 627 Telephone advice, policy work etc

3 163 Blue badge assessments

Total £199 930 less 1% rebate = **£197 931**

Highest cost provider: £283 318 Health assessments set out in table above

3 075 Admin charge for GP/Consultant reports

4 116 Case conferences

47 040 Telephone advice, policy work etc

4 704 Blue badge assessments

Total: £342 253 less 3% rebate = **£331 985**

## **Summary**

**Annual cost of internal service = £262 090**

**Annual income from OH Nurses providing services to schools etc = £105 000**

**Net cost = £157 090**

**Lowest cost provider = £197 931 (+ £40 841)**

**Highest cost provider = £331 985 (+ £174 895)**