

**CITY AND COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

Employment Conditions Committee: 17 July 2006

Report of the Assistant Chief Executive

In-House Occupational Health Service

Background

1. It was recommended at the Employment Conditions Committee on 24 April 2006 that a report would be submitted to the July meeting of the same Committee, detailing progress on setting up the Council's new in-house Occupational Health Service and highlighting conclusions from the York City Council piloting of a sickness absence reporting arrangement within their Adult Services Department.

Issues

Current In-house Occupational Health Service

2. The Council's in-house Occupational Health Service is based in the Financial Services building in Bessemer Close. It is currently staffed by two Occupational Health Advisers (Nurses) and a Medical Secretary (to be appointed shortly).
3. The objectives of the Occupational Health Service are:
 - To reduce sickness absence through improved management referral and by addressing underlying causes of sickness
 - To assist managers and Health and Safety Advisers in minimizing risks arising from working practices and the working environment and ensure compliance with health and safety legislation
 - To improve employees' health and wellbeing, productivity and morale
 - To enhance the image of Cardiff Council as an "employer of choice"
4. In order to achieve these objectives, the Occupational Health Service needs to be proactive in preventing ill health absence, inefficiency and low morale as well as being reactive once absence has occurred.
5. Initially the Service will be providing the following activities:
 - Pre-employment screening
 - Sickness absence referrals/consultations
 - Health surveillance eg hand arm vibration and noise
 - Provision of medical advice to managers and employees as and when required
 - Fitness for work assessments
 - Provision of advice on rehabilitation and redeployment

- Infection prevention/control and advice
 - Health promotion and health education in conjunction with the Health and Safety Team, Human Resources with particular reference to the Welsh Assembly Government Corporate Health Standard.
 - Self request consultations.
 - Counselling of employees to supplement the Employee Counselling Service as required
 - Post critical incident support
 - Stress control training e.g. following violent or major incidents
6. Whilst most of the activities can be carried out by the Occupational Health Advisers, it will be necessary in some cases to refer to third party providers some sickness absence referrals, and all decisions on ill health retirement, to external Occupational Health Physicians. Sessional Health Physicians are being appointed for this purpose and will work from the Bessemer Close Occupational Health Rooms.
 7. In order to ensure an adequate service can be provided to meet demands, it maybe necessary to procure the services of sessional Occupational Health Advisers to assist the in-house staff. The need of this will be monitored over coming months as the demands on the service and its capability with current staffing becomes apparent.
 8. The cost of referral to sessional Physicians and Advisers and any cost incurred by the in-house Occupational Health Service in attaining reports, etc from GPs and other medical professionals will be met by the employing Service Areas.

Future Development Areas

9. Whilst it is important to establish and concentrate on the initial services to be delivered, in order to effectively address the objectives outlined earlier, there are further innovative initiatives which may be implemented in the future and need to be considered by the Council. These initiatives have been successful in other organisations e.g Carmarthen Council, Rhondda Cynon Taff Council and South Wales Fire Service.
10. The following interventions could be considered which will maximise the opportunity for the proactive use of the Council's Occupational Health Services:
 - (a) The Council could fund self referral of employees for voluntary health checks by the Occupational Health Service. For areas with a high incidence of sickness absence, further consideration could be given to implementing routine periodical health and wellbeing consultations to all employees. These health assessments would address past medical history, lifestyle assessment, blood pressure, weight, body fat analysis, aerobic fitness and advice on diet, smoking, alcohol and exercise.
 - (b) Early access to physiotherapy services for employees affected by musculoskeletal injuries. Appropriate cases will be assessed and referred by the Occupational Health Advisers. Cost of sessions to be met by employing Service Areas unless alternative arrangements for centralised funding can be secured.
 - (c) All absences due to stress, musculoskeletal disorders and accidents reportable to the Health and Safety Executive (i.e. major injuries or absences of over 3 days) could be referred to the Occupational Health Service after 5 working days of absence. This could be considered as part of the Sickness Absence Policy

Review, following 6 months of operational experience, (as agreed by this Committee in January).

- (d) It is likely that the Council encounters cost inefficiencies in long term sickness which are exacerbated by NHS delays in the treatment of employees. The establishment within the Council of an effective contingency measure for the prevention of cost inefficient NHS delays should be considered where prioritising and sourcing non NHS diagnostic and treatment services may be appropriate to minimise long term sickness costs. It should be taken into account that there is need to avoid the potential for misinterpretation of such a contingency measure as a private treatment 'perk' for Council staff rather than a public interest cost saving initiative. Costs could be met by employing Service Areas unless other arrangements for centralised funding can be secured
 - (e) The current trigger point for referral of long term sickness absences to the Occupational Health Service be reduced from 8 weeks to 4 weeks. This could be considered as part of the review of the Sickness Absence Policy following 6 months of operational experience (as agreed by this Committee in January).
 - (f) There may be an opportunity to pursue a partnership initiative with specialist mental health services to address the psychological needs of certain staff who are affected by stress, anxiety, depression or other forms of mental illness.
11. It is worth noting that Service Areas will incur less occupational health referral costs under the new in house arrangements. Based on information currently available it is anticipated that Service Areas will save in the region of 55% of what they were previously spending on Occupational Health referrals.

York Occupational Health Scheme

12. York City Council in 2003/04 identified that there were higher than average levels of sickness absence across the Council but particularly in Adult Services. As a result the Council piloted a scheme in that service. This scheme can be summarised thus:
- On the first day of sickness absence, the employee telephones an external Occupational Health Adviser
 - The Occupational Health Adviser advises the employee on medication available for the condition and an anticipated return to work date is discussed.
 - An automated email/text message is sent by the occupational health provider to 2 contact names within the Council who have line management responsibility for the employee, advising of the absence.
 - When an employee hits a trigger point in respect of sickness absence, automatic referral is generated to the occupational health provider.
13. The cost charged by the external health provider for this service is £5.00 per employee employed by the Council (ie number employed not numbers of employees phoning regarding sickness absence)
14. At the start of the pilot in September 2004, sickness absence in York Adult Services was 28 days per employee. After 12 months, it had reduced to 20 days per employee. The scheme only applied to new sickness from September 2004 and therefore had little impact on long-term sickness absence in York Adult Services. The pilot was in Adult Services and it was possible to realise savings with the reduction in overtime payments and employment of temporary and agency staff.

15. If this Council were to pilot a scheme similar to that utilised in York City Council, a number of issues would need to be considered:
- The service would have to be outsourced as the current in-house Occupational Health Service does not have the capacity to deliver such a scheme.
 - The cost benefits would need to be considered eg there may only be savings in certain Service Areas as in York County Council's experience.
 - Appropriate information technology systems would have to be developed so that any external provider is able to meet existing SAP operator requirements in Cardiff.
 - The resources that would need to be allocated to this initiative could be better used in funding the initiatives detailed in paragraph 10 which would assist in reducing long term sickness absence.
16. An alternative, which could be considered would be the introduction of a system whereby an employee ringing in on the first day of sickness absence has to speak to his/her line manager and the line manager has a series of questions to ask the employee in a similar manner as in the Return to Work Interview. The answers to the questions should be recorded and where appropriate, early referral to the in house Occupational Health Service could be initiated.

Proposals

17. It is proposed that in addition to endorsing the initial services to be delivered by the new in-house service, Members of this committee support the proposal to explore a range of possibilities for future services to be offered as follows:
- Access to physiotherapy services
 - Access to specialist mental health services
 - A contingency initiative to address cost inefficient NHS delays that prolong long term sickness absence.
 - Expanding the availability for employees to self refer for voluntary health assessments.
 - Providing routine health assessments for employees working in Service Areas which high incidence of sickness absence.
 - The cost benefits of introducing a scheme based on the York model.
 - Producing guidance for managers on questions to be asked when an employee reports on the first day of sickness absence and the development of a form to record the responses and agreed plan of action.
18. In relation to these potential new service developments, this Committee should receive and consider full costed proposals at a future meeting.

Investment for Reform/Benefit to service user

19. Reductions in sickness absence would release resources to ensure effective front line services to the benefit of service users. Improved employee health and wellbeing would improve staff morale and service delivery.

Council Policies Supported

20. The content of this report relates directly to the Sickness Absence Policy and supports the health and wellbeing elements of the Corporate Plan.

Advice

21. This report has been prepared in consultation with relevant Corporate Directors and reflects their advice. It contains all the information necessary to allow Members to arrive at a reasonable view, taking into account the following advice.

Legal Implications

22. No further legal implications arise from this report and the proposals are legally achievable.

Financial Implications

23. The in-house Occupational Health Service is funded by existing budgets with the costs of any referrals to sessional physicians and advisors or medical reports met by the employing service areas. The report notes that service areas will incur reduced occupational health referral costs under these arrangements. The report also outlines a number of potential service developments for which future fully costed reports will be provided to the Committee for consideration. Any proposals will need to show how they can be met from within existing budgets or will need to be considered along with other priorities in future budget rounds.

Human Resource Implications

24. The further development of the Occupational Health Services to the Council is key to securing sustained improvements in sickness absence levels and staff health and wellbeing.

Trade Union Comments

25. The Trade Unions welcomed the benefits of setting up an in – house Occupational Health Service. They recognised the difficulties in setting up this service from scratch and acknowledged that the basics would need to be delivered first and that the more specialist services would follow in the future. They were keen that the Council should adequately fund the services to be delivered , both in terms of specialist future services (to ensure consistency) and in resourcing within the Occupational Health Service itself which could potentially be swamped with service area referrals and requests for advice. They suggested that in order that the demands on the service could be monitored , the review of the Council’s revised Sickness Absence Policy , following 6 months operational experience, should also include the Occupational Health Service.

RECOMMENDATION

26. It is recommended that:-

- (i) the initial services to be provided by the new in-house Occupational Health Service be endorsed
- (ii) proposals for future and costed developments for the Service be submitted to a future meeting of this Committee for consideration.

JO FARRAR
ASSISTANT CHIEF EXECUTIVE