

<b>Subject:</b>	<b>Procurement of an Occupational Health &amp; Employee Assistance Programme service contract</b>		
<b>Date of Meeting:</b>	<b>9<sup>th</sup> July 2020</b>		
<b>Report of:</b>	<b>The Chief Executive</b>		
<b>Contact Officer:</b>	<b>Alison Mcmanamon</b>	<b>Tel: 01273 290511</b>	
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The council currently utilises the Surrey County Council (SCC) Employee Health & Wellbeing Framework Agreement for its arrangements with Team Prevent UK for the supply of Occupational Health (OH) services and with Optima Health for the supply of Employee Assistance Programme (EAP) services. These services are due to expire on 31 March 2021.
- 1.2 This report recommends a joint procurement with our Orbis partners for these services to better achieve economies of scale and reduce the administration resources needed.
- 1.3 The provision of these services ensures that the Council complies with legal responsibilities, and helps keep Our People Promise in providing a duty of care to staff and to help maintain a healthy workforce. These services provide early interventions to prevent sickness absence, support for staff in their return to work after sickness absence, help for staff to recover from illness whilst at work, counselling and advice on a wide range of matters.

**2. RECOMMENDATIONS:**

That Policy & Resources Committee:

- 2.1 Grants delegated authority to the Assistant Director – Human Resources and Organisational Development to take all necessary steps to:
  - (i) Procure and award a contract for occupational health and employee assistance programme services with a term of three (3) years; and
  - (ii) Approve an extension(s) to the contract referred to in 2.1(i) above for a period of up to two years following the initial three-year term, subject to satisfactory performance by the provider.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The OH service provides a full range of services to ensure the council is provided with appropriate medical advice to support employees, including pre-employment checks, medicals during periods of ill-health and bespoke interventions such as support for health surveillance and specialist DSE assessment.
- 3.2 The EAP service is the main route through which staff can access individual counselling, but also offers a wide range of services including health advice, financial advice, bespoke counselling such as for bereavement and a wide range of information and support available through an employee portal. The procurement of these services will seek to maintain this wide range of services available to employees.
- 3.3 The recommended procurement approach to contract award is to run a mini-competition with suppliers via an existing Eastern Shires Purchasing Organisation (ESPO) framework (985\_19). The Council will have access to multiple providers of both OH and EAP services and the ability to run a mini-competition under the framework. This approach is likely to secure more favourable pricing terms from suppliers than the pricing they offer as standard under the framework and would enable us to present a more bespoke specification of our requirements to potential bidders.
- 3.4 At present the Council is considering applying a 40/60 cost/quality weighting to the evaluation criteria for the mini competition process. This is because the quality of these services is a higher priority than cost given the importance of supporting the wellbeing of our staff and maintaining a healthy workforce. Social Value and sustainability will also feature in the qualitative evaluation.
- 3.5 The ESPO framework (985\_19) pricing structure for OH and the pricing structure of the current contract are not directly comparable. Initial estimated cost comparisons using the standard pricing information that suppliers have submitted to ESPO indicate it is likely that there will be some inflationary uplift in the future cost of this service of approximately £20k - £40k.
- 3.6 EAP costs are expected to remain consistent with the current contract spend per annum.

### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Orbis Procurement have undertaken scoping work in order to work up an appraisal with supporting recommendations.
- 4.2 An alternative route to market for procuring these services is by setting up an Orbis framework. This would require a significant amount of upfront officer work and may not offer the benefits of accessing an established and robust framework for services which are commonly used by many Local Authorities.
- 4.3 Direct awarding to a provider under the ESPO framework (985\_19) was considered but a mini competition is likely to secure more favourable pricing terms from suppliers and enable the Council to present a more bespoke

specification of requirements to potential bidders.

- 4.4 These services provide a wide range of services that would be complex and costly to provide in-house. As the customer we can utilise to maximum advantage the unique skills and resources of the providers as well as benefiting from better value for money given economies of scale compared to providing these specialist services in-house services.
- 4.5 The Council can also benefit from the provider's infrastructure and data management systems to lower costs. The pool of OH advisers (OHA) is not large across the country and therefore finding a suitable OHA with sufficient skill and putting in place the necessary clinical supervision could be problematic. In addition the EAP service provides access to a wide range of counselling and specialist advisory support that would not be possible to replicate in-house.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 User engagement in relation to the services provided by the ESPO Framework (985\_19) will be undertaken with Council wide representatives, schools and unions to ensure the services being procured meet organisational needs and are fully inclusive and accessible in relation to staff who share legally protected characteristics.
- 5.2 Trade Union colleagues have been notified of the proposed approach, and engagement and consultation will take place with them throughout the process. We will also engage with our staff forums to ensure these services meet the needs of the council's diverse staff.

## **6. CONCLUSION**

- 6.1 This report recommends that Policy & Resources Committee delegates authority for the procurement and award of a contract to deliver occupational health and employee assistance services. Officers will collaborate with Orbis partners in order to secure value for money and a robust OH and EAP service for our staff.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The current cost to BHCC of the contract for these services is in the region of £0.163m. It is hoped that the joint procurement approach, via a mini competition, will help keep costs down, but it is not anticipated to provide significant savings to help towards the council's budget position.

*Finance Officer Consulted: James Hengeveld*

*Date: 01/06/20*

### Legal Implications:

- 7.2 In accordance with Part 4 of the council's Constitution, Policy & Resources Committee is the appropriate decision-making body in respect of the recommendations set out in paragraph 2 above. In addition, in order to comply

with CSO 3.1, authority to enter into contracts in excess of £500,000 must be obtained from the relevant committee.

- 7.3 Orbis Public Law officers will advise on the proposed framework agreement and procurement of a call off contract for the services with reference to the relevant public procurement legislation as well as the council's Contract Standing Orders (CSOs).

*Lawyer Consulted:*

Isabella Sidoli

*Date: 02/-06/2020*

Equalities Implications:

- 7.4 An Equality Impact Assessment (EIA) has previously been carried out for these services. The EIA will be reviewed and updated as necessary. Equality impacts will be assessed throughout the procurement process to inform the criteria and selection process.
- 7.5 The EIA aims to ensure that all staff are able to access and benefit from the services. The focus is on staff who share protected characteristics to ensure that any real or potential barriers and gaps are eliminated, or minimised and alternative measures considered.

Sustainability Implications:

- 7.6 We do not envisage any direct sustainability implications arising from this tender, however we will be asking bidders to provide their own sustainability policies as part of the tender process (for information only) and asking that they adhere to our own sustainability policy when working on Council premises.
- 7.7 As we intend to use an established Framework it is worth noting that providers are not obliged to offer Social Value/Community Wealth Building commitments, however officers can incorporate a question in the mini competition in order to address this.
- 7.8 An appropriate question will therefore be devised based on common outcomes from both the Brighton and Hove Social Value Framework and Orbis Social Value Charter (used by ESCC & SCC) with responses being evaluated by the panel.