

## Absence Management – FirstCare Overview and Future Models Options Appraisal

Since its introduction in 2017 the FirstCare service and the detailed absence data it provides has played a key role in helping to pro-actively support the wellbeing of BHCC employees. The completion of effective and targeted Return to Work Interviews has risen steadily; from approximately 60 % in one month to a Council-wide average of 70% in one week.

As well as being effective in assisting managers and HR with the consistent and robust management of individual absence cases, FirstCare reports are used to monitor absence trends on a monthly and quarterly basis. This data informs the development of Council-wide wellbeing strategies and training as well as enabling HR to support teams and departments to target specific wellbeing and attendance interventions where they're needed.

The FirstCare service has removed from all managers, including those in operational frontline roles, the administrative burden of recording and notifying HR of staff sickness absence as well as providing managers with real time absence notifications and meaningful data. Back-office support savings have also been achieved through the removal of the need to resource the administrative and payroll processes related to sickness absence recording. Current absence recording processes and resourcing levels are heavily predicated on the FirstCare model.

There are however other possible models for the management of absence that could be adopted in future and any analysis of these with supporting comments is set out below:

Option	Model Description	Estimated costs per annum	Pros	Cons
1	Continue with full nurse led absence management services provided by FirstCare  <b>(Recommended)</b>	FirstCare use a monthly headcount model. The unit rate per employee per month = £2.82  <b>Total cost for 2019/20 = £150,433</b>	<ul style="list-style-type: none"> <li>Leaders in the market for nurse-led absence management</li> <li>Staff have access to 24/7 medical advice from nurses at point of absence and for any health-related queries</li> <li>Managers have immediate access to real time data for their team which enables identification of trends, generates alerts when absence triggers have been reached and informs future strategies</li> <li>Dynamic return to work forms linked to absence reasons</li> <li>Detailed reporting for HR and managers</li> <li>Security and verification processes for reporting absence</li> <li>Experts in the field – e.g. for Coronavirus they have issued us with advice very swiftly</li> <li>Established processes are in place to integrate with i-trent (PIER) to upload absences</li> <li>Removes the need to manually enter absence forms on i-trent (PIER) which improves service delivery, reduces errors and potential overpayments</li> <li>Available to direct contract award via established frameworks</li> </ul>	<ul style="list-style-type: none"> <li>Internal admin processes are required to maintain structure of absence notification set ups</li> <li>Ongoing contract management</li> <li>Potential of cost increases through re-procurement process</li> <li>This increase has been indicated at a 3% increase to £2.90 unit rate</li> <li>This is lower than their standard rate of £3.60</li> </ul>
Comments:				

## Appendix 2

Option	Model Description	Estimated costs per annum	Pros	Cons
2	Continue with an external nurse led absence management model similar to FirstCare but test the market through a full competitive tender process	<p>FirstCare use a monthly headcount model. The unit rate per employee per month = £2.82</p> <p>Total cost for 2019/20 = £150,443 pa</p> <p>An initial quote received from the only other provider with a comparable service offered a basic unit rate of £3.20 per employee per month</p> <p><b>Total cost =c.170k pa</b> (as at April 2020 headcount)</p>	<ul style="list-style-type: none"> <li>Tests the market for other providers</li> <li>Could secure more competitive pricing but the very limited supplier market is anticipated to lessen the likelihood of this</li> </ul>	<ul style="list-style-type: none"> <li>Cost and impact of change vs. benefits if ultimately moving to the other available provider for a very comparable cost for a very similar service – limited value for money</li> <li>Disruption to managers, staff and existing integrations with current service through the need to implement, communicate and embed new processes</li> </ul>

### Comments:

- Market testing demonstrates that there is only one other comparable provider to FirstCare. It is likely that a competitive tender process would return our incumbent supplier, FirstCare, as the winning bidder. When the relative benefits therefore of conducting such an exercise are weighed against the time, resource and cost implications of doing so there is not a compelling case to proceed in this way if this model of service remains the preferred option.

Option	Model Description	Estimated costs per annum	Pros	Cons
3	Adopt a scaled back absence reporting only model delivered by an external provider	<p>Quotes for this type of service emerging from initial high-level market testing range from <b>c.80k – c.£140k pa</b></p>	<ul style="list-style-type: none"> <li>24/7-day one absence reporting and recording line</li> <li>Automated absence notifications for managers</li> </ul>	<ul style="list-style-type: none"> <li>Not a nurse led service – no access to medical or wellbeing advice and guidance for staff</li> <li>Would require the implementation of new processes and procedures for managers and employees</li> <li>Much reduced absence data insights and reporting capability</li> </ul>

### Comments:

- Initial market research indicates that whilst providers of alternative outsourced models are available, they are few in number and primarily offer scaled back absence recording and/or reporting services without any of the nurse led advice and wider services that FirstCare provide. A decision to pursue this kind of model will first require a Request For Information (RFI) to be issued to the market. This would provide a more detailed understanding of the services on offer from which an evaluation of if and how these might meet the needs of BHCC and proposals for a future model could then be developed, prior to the requirement to then conduct a full competitive tender process.
- Costs and time to evaluate the market, subsequently procure and implement a service are likely to be considerable - need to consider if this would represent value for money.

Option	Model Description	Estimated costs per annum	Pros	Cons
4 A	Staff report absence to managers who are responsible for submitting absence open and close notifications to an in-house team for recording	3 x FTE – Admin Support 1 x FTE – Manager  = c.£100k approx. (Inc. on costs)  Procurement of and investment in absence recording system – exact costs currently unknown but estimated not less than £30k per annum plus one-off costs of procurement project/expansion to scope of MBOS project requirements	<ul style="list-style-type: none"> <li>Total in-house control of absence reporting and recording processes</li> <li>Absences would be reported directly to this team, as with the FirstCare model</li> <li>Resource is employed by BHCC</li> </ul>	<ul style="list-style-type: none"> <li>Significant ongoing workload for frontline managers to record and complete notifications for staff absence upon commencement and return</li> <li>Retrograde step and requirement to change long established processes for both managers and staff</li> <li>Loss of external expertise and nurse led advice</li> <li>RFI and full procurement process required for any new recording system</li> <li>Recruitment, resourcing and technology implications</li> <li>Manual data capture and entry required – room for human error at multiple points</li> <li>Absence reporting line only available in core business hours</li> <li>Cost of change</li> <li>Anticipated reduction in the depth, quality and potential frequency of absence data reporting and trigger notifications</li> </ul>
4 B	Establish an in-house team to record absences directly notified to them by staff, issue manager notifications and undertake data reporting	Total cost = <b>c.£130k pa</b> + the ongoing cost of manager time for option 4A		

**Comments:**

- Any reversion to an in-house model could re-introduce tasks for frontline managers to undertake require new investment in additional staff resources and procurement of a system with which to record sickness absences and generate absence related data unless the production of absence data was no longer wanted. This would however remove the ability to track individual and organisational absence trends and make evidence-based decisions about relevant interventions. The system eventually procured through the MBOS project could be utilised to meet this need, but this requirement is not currently within the scope of the project and the gap between 2021 and anticipated rollout of any new system would need to be bridged in any case.
- Other benefits may be identified through further market testing of any available software reporting systems
- Neither of the options outlined here are likely to deliver a significant differential in cost compared to the current FirstCare provision and should also be weighed against other negatives such as, in the case of Option 4A, the impact of re-introducing the requirement for frontline service managers to be responsible for and directly involved in the absence recording process.

