

Notice of Non-Key Executive Decision

Subject Heading:	Procurement of New Occupational Health and Employee Assistance Programme Provider
Decision Maker:	Kathy Freeman – Strategic Director of Resources
Cabinet Member:	Councillor Gillian Ford – Member for Adults and Wellbeing
SLT Lead:	Joanne Budden – Assistant HR & Organisational Development Director
Report Author and contact details:	Ross Marshall – HR Wellbeing, Reward and Recognition Lead Ross.marshall@havering.gov.uk 01708 431 570
Policy context:	<p>Procurement of new provision of an Occupational Health Service and Employee Assistance Programme which is key to enable the Council to effectively manage employee absence which needs to be robust innovative and adaptable to the fluctuating needs of the Council while also minimising the time employees are absent from work.</p> <p>The Council have a responsibility to ensure that health surveillance is carried out for specific job roles, as well as health assessments for night workers.</p> <p>The Employee Assistance Programme provides telephone and face to face counselling and advice on a range of issues for employees including law and rights, work, money, emotional support and family issues</p>
Financial summary:	Duration of new contract will be 3 years plus 12-month extension option if required. Cost

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	<p>of new contract will be based on current head count of organisation.</p> <p>The estimated contract value is £390,000.</p>
Relevant Overview & Scrutiny Sub Committee:	O & S Board
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision

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The subject matter of this report deals with the following Council Objectives

Resources - A well run Council that delivers for People and Place.

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

- For the reasons detailed in this report the Strategic Director of Resources Kathy Freeman is recommended to agree to:
 1. The commencement of a procurement in collaboration with Newham Council, via a further competition in accordance with Eastern Shires Purchasing Organisation (ESPO) framework agreement 985B_23 to procure Occupational Health Services and Employee Assistance Programmes. The contract will be for a period of 3 years plus a 12-month extension option if required at an annual cost of £130,000 to Havering.

AUTHORITY UNDER WHICH DECISION IS MADE

Scheme 3.3.3

Powers common to all Strategic Directors

4. Contracts

4.1 To approve commencement of a tendering process for all contracts below a total contract value £1,000,000.

STATEMENT OF THE REASONS FOR THE DECISION

This report seeks approval for a competitive tender exercise in accordance with ESPO framework Lot 1 - General Occupational Health Services and lot 2 - Employee Assistance Programmes.

This ESPO framework offers a comprehensive range of occupational health services that allows organisations to meet their statutory duties of care for the health, safety and welfare of their employees in their working environment. This includes but is not limited to Pre-Employment Screening, Medicals & Enquiries Pensions and Ill Health Retirement Workstation/ Workplace Assessments (incl. Redeployment) Immunisation Programmes Health Promotion Treatments Drug & Alcohol Testing Specialist Health Surveillance.

The ESPO framework has suppliers who have been vetted and approved, so by using this framework to run a further competition and potentially award a call-off contract this

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saves the Council time and resource. Both councils have a good relationship and have decided to collaborate on this procurement ensuring economies of scale.

The aim of this approach is to secure the best possible price and quality for both boroughs, however respective boroughs will have independent contracts with the new named provider with London Borough of Newham being lead authority.

This report also seeks approval to change the award criteria from Price 70% / Quality 30% to Price 50% / Quality 40% / Social Value 10% in line with the ESPO Framework and by running a mini-competition we would be using the framework provider's award criteria.

This is to ensure the quality of the services of the proposals has a higher weighting and importance in the tender evaluation and to maximise cost efficiencies for the Council.

OTHER OPTIONS CONSIDERED AND REJECTED

Do not retender the service – Occupational Health is a statutory requirement; however, Employee Assistance Programme is not. Failure to not provide Occupational Health could be detrimental to the Council and its employees. Lack of EAP system will detrimental to employee's health and wellbeing.

Open Tender Exercise – This was considered, and although this would promote competition and the number of bids received, it would take more time and resources to complete.

Further Competition via ESPO Framework - After seeking advice from the Procurement Team, the ESPO Framework was considered to be the best route to market because utilising an existing framework, by way of further competition, will allow us to have access to suppliers who have already been vetted prior to being admitted onto the framework and have agreed to the specification and conditions set by the framework. This will result in reductions in procurement and management's time and costs.

PRE-DECISION CONSULTATION

No formal consultation is required with respect to the recommendations in this report.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Ross Marshall

Designation: HR Wellbeing, Reward and Recognition Lead

Signature



Date: 23.09.2024

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Council has a general duty under Section 2 of the Health and Safety at Work Act 1974 to ensure, as far as reasonably practicable, the health, safety and welfare of all their employees. This duty includes the need to assess and manage risks, which can involve occupational health services. The Council adheres to this duty by seeking to procure a contractor to provide its Occupational Health Services and Employee Assistance Programmes.
2. Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything an individual can do. The recommendations in this report are in keeping with this power.
3. The proposed value of the Contract is estimated to be £130,000 per year for a period of 3+1 years which falls under the light touch services under schedule 3, Public Contracts Regulations 2015 (PCR). The collective cost between the two Councils would determine if the matter is above threshold and subject to the full PCR regime. In any event, the use of a Framework is compliant with Regulation 33 of the PCR. The ESPO framework allows participating authorities to call-off from this framework.
4. The Council proposes to change the price/quality weighting split from 70% Price and 30% Quality to 50% Price, 40% Quality and 10% Social Value for this procurement and may do so under the Council's contract procedure rules where it is in the best interest of the Council.
5. It is noted that the Councils will jointly share any liability arising out of its procurement activities should these materialise.
6. For the reasons set out above, the Council may procure a contractor for its Occupational Health Services and Employee Assistance Programmes

FINANCIAL IMPLICATIONS AND RISKS

The estimated cost is £130k per year over 3 years, total contract value being £390K and spend will be funded from A47050-Occupational Health costcentre.

The new procured contract will be based on staff numbers rather than usage/uptake which mitigates against the risk of price fluctuations. Staff number variability over the current contract to date has not been significant enough to trigger any pricing changes.

There is a risk that if the Council did not offer staff these services at all levels of sickness and absence would increase.

Decision to begin a competitive tender exercise is to ensure value for money having explored potential alternative providers for Occupational Health and Employee Assistance Programmes.

HUMAN RESOURCES IMPLICATIONS AND RISKS

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(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The new contract would be managed by Human Resources, there will not be changes/risk on the current HR processes if the current contract is extended. If, however a competitive tender exercise is not started, then the council could potentially be left without Occupational Health and Employee Assistance Programme provision.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

Havering has a diverse community made up of many different groups and individuals. The Council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:

- I. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- II. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- III. Foster good relations between those who have protected characteristics and those who do not.

Note: 'protected characteristics' are: age, gender, race and disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

N/A

BACKGROUND PAPER

None

APPENDICES

N/A

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed



Name: Kathy Freeman – Strategic Director of Resources.

Date: 23.09.24

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____