



Safest People, Safest Places

Human Resources Committee

5 September 2023

Additional Health Care Benefit

Report of Director of People and Organisational Development

Purpose of report

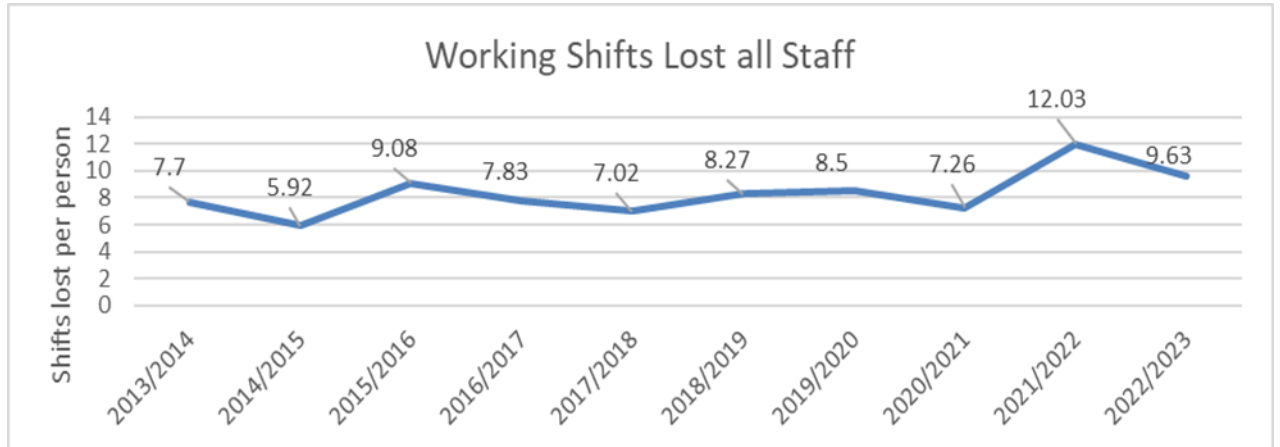
1. The purpose of this report is to present to the Human Resources Committee (HRC) a proposed enhanced wellbeing offering in the form of a trial of an additional workforce healthcare benefit that is complementary to NHS provision and our existing Occupational Health Service.

Background

2. The effective management of absence is a key performance issue for any organisation. This is particularly important when operating in a climate of reduced financial and human resources. Sickness absence can have a significant impact on the functionality of the Service in certain areas and is becoming increasingly difficult to cover in the current environment. Long term sickness absence is particularly challenging to reduce especially in those cases where staff are employed as operational firefighters.
3. There are currently delays in diagnosis and treatment plans because of waiting lists in the NHS as well as significant waiting times for surgery following on from the impacts of Covid-19. Support is being given to those who are awaiting medical intervention however, the impact of these delays can be seen in our increasing levels of long-term absence. Delays in diagnosis and treatment further impact on the ill health retirement process and subsequent capability process.
4. The proposal would be an enhancement to the existing wellbeing offering, and in addition to the Occupational Health Provision which is going out for tender this year. This would further demonstrate that the Service is investing in its staff to provide quicker access to healthcare services and the potential for staff to return to work more quickly.
5. A paper was presented to the HRC on the 19 May 2023 outlining the Service's current approach to ad hoc private medical interventions however access to this is restricted primarily due to cost. Cases where an early intervention would promote a rapid return to work or where the employee had key skills; whether the employee is employed in an operational or support role, that would be lost during a prolonged absence would be considered. This has been recently utilised to support an MRI for an employee to speed up a diagnosis and support a longer-term strategy for the individual.

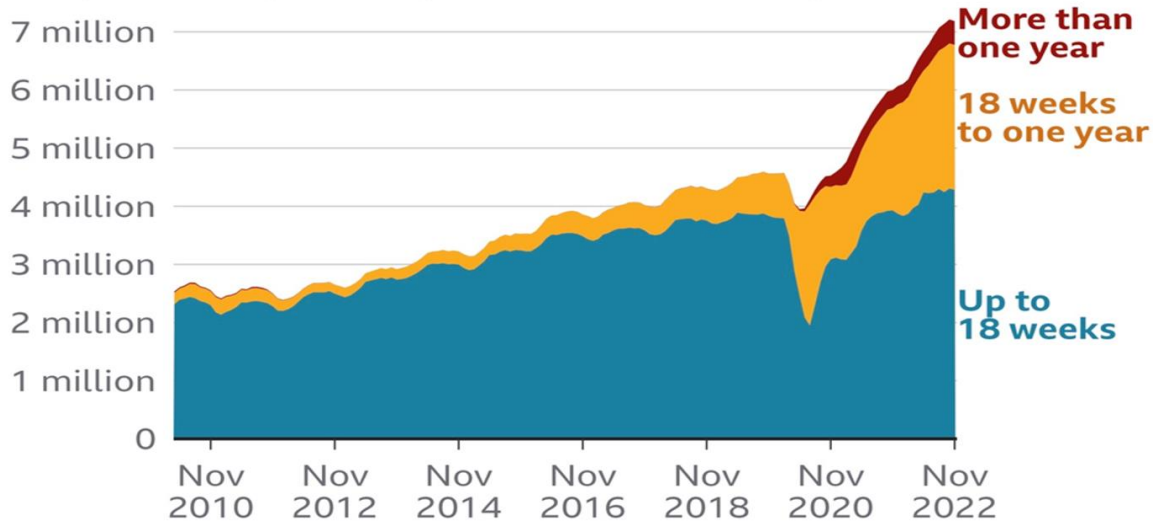
Current Position

6. Sickness figures across the Service over recent years have been steadily increasing and are above the target for the number of shifts lost, per person, in a year. The target set by the service is currently 7 shifts per person, and the average over the last three years is 9.5 shifts, with current projected statistics for 23/24 based on Q1 results remaining at 9.5 shifts per person. Performance over the last 10 years is summarised in the graph below:



7. Musculoskeletal (MSK and mental health account for a significant amount of all absence with MSK just under 42% and mental health just over 14%. Long term sickness still accounts for approximately 67% of the Service's total absence. Longer delays for treatment are impacting on the length of absences.
8. The Service is aware of the current longer than average waiting lists for routine procedures and minor operations. This has further increased over the past year due to additional pressures on the NHS.

People waiting for hospital treatment in England



9. There have also been further wellbeing issues for employees who are signed off sick for minor procedures where they want to work but are unable to do so due to waiting times, and how this negatively affects their mental health.

10. For every week that an employee is off-sick, in addition to the employee's pay, NI and pension, the average additional cost to the Service in overtime (time +10%) is £682, plus the cost of NI and pension contributions (based on competent FF salary at £620 p/week).

11. A calculation based on salary alone is made each year as part of sickness reporting. These are outlined below for the previous 5 years. It is apparent costs are rising in line with increased sickness levels and rising salaries.

- 2022/23 £768,712
- 2021/22 £945,596
- 2020/21 £551,566
- 2019/20 £542,908
- 2018/19 £459,713

Benenden Services

12. Benenden Services is a not-for-profit healthcare provider which is complementary to the NHS, where NHS waiting times are longer than 5 weeks. It allows for pre-existing conditions (which is contra to private healthcare providers), with some services being immediately accessible upon joining where the Service opt for a fully funded provision.

13. The scheme provides for diagnostic treatment up to £2,500 per condition. There is the ability for an employee to pay any excess above this level if necessary although in liaising with Royal Berkshire FRS who are members of Benenden Healthcare this has not happened in the 6 years, they have operated the scheme. There is also an option for staff to add family members to their membership at the same membership rate as CDDFRS employees, that will be at the expense of individuals.

14. Once the diagnostics have been completed, the individual then enters the treatment part of the health care provision and there is no limit on the cost of treatments. As this is not a private healthcare scheme there are some procedures and treatments that are excluded, such as cancer, heart, reconstruction, brain and replacement joints.

15. Quarterly reporting is provided to outline which services have been accessed and total corporate usage per period.

16. As an employer, the Service would be assigned a dedicated Account Manager to help set up the process, there are no medical questionnaires for employees to complete, and employers receive posters, leaflets, and resources such as videos, imagery, and information for internal communications to help launch and promote the benefit. Employers can manage memberships through an online portal to assist with reducing administration time.

17. All employees who join are issued with a personalised welcome pack and Benenden encourages all members to install their mobile Health App, which gives employees access to their healthcare benefits as well as The Wellbeing Hub which has a range of articles, videos, live and on demand classes and recordings to support mental, fitness and nutritional needs.

Occupational Health Provision

18. There are some overlaps with our current OH Services in that there is already a provision to support physiotherapy for staff. This is a pay as you go service and so there will not be any duplication of cost should someone chose to receive their treatment from Benenden. It is possible that provision through Benenden may reduce spend on physiotherapy and Counselling services resulting in savings and this will be monitored as part of the trial.

19. Procurement has confirmed that Benenden Health Care is not on a current framework, however we are able to apply for a waiver for the first 18 months to trial this proposal via a direct award under the Procurement rules.
20. It will be an expectation that staff within CDDFRS will continue to engage with the OH provision and the first step will still be for a management referral to be undertaken to ensure that all relevant reporting can be sent to line managers.

Case Study – Royal Berkshire FRS

21. Royal Berkshire Fire & Rescue Service (RBFRS) adopted the Benenden scheme in March 2017 with 390 employees taking up membership within the first 9 months. This represented 66% of their workforce of 591.
22. In December 2017 a cost benefit analysis was presented to the Management Committee which provided evidence that the cost of the scheme was outweighed by the monetary and non-monetary benefits to staff, with a request for the Committee to approve Benenden as a permanent employee benefit.
23. The first 12 months' usage data provided by Benenden detailed the services used:

Table 1

Serviced used	Number of cases
Diagnostic consultations and tests	19
Treatment and surgery	10
Physiotherapy	17
Psychological wellbeing 24/7 helpline	4
24-hour GP advice line	1
Financial assistance	0
Total	51

24. In addition to the 51 cases receiving services above there were an additional 13 potential cases pending. RBFRS was also provided with a comparison of NHS waiting time versus Benenden waiting times, the difference being the days saved to access diagnostic services, treatment, or physiotherapy. The information in Table 2 relates to cases that have been booked; some cases included in the services used (in Table 1 above) have been approved but not yet booked by the employee at the time of writing.

Table 2

Service used	NHS wait (days)	Benenden wait (days)	Days difference (authorised to treatment)	Average days difference per case
Diagnostic consultations and tests	819	176	643	42
Treatment and surgery	1474	184	1290	161
Physiotherapy	784	18	766	153
Total	3077	378	2699	96

25. There were a further 9 cases to be booked which could result in a saving of anything up to 871 days.
26. The minutes of the Management Committee meeting on 21 November 2016 determined that if the Benenden scheme was cost neutral it would be extended for a second year. Due to confidentiality the management information received from Benenden is anonymous so calculating return on investment for every single case is not possible. However, accessing treatment and surgery through Benenden, for which employees are most likely to be out of the workplace, saved a total of 1,290 days versus the waiting times on the NHS. Using their average daily pay rate at that time of £162 (for a competent Firefighter) the savings if all these cases were out of the workplace would have been £208,980, exceeding their year one investment of £39,291.04 over five times. Staff feedback was also undertaken and found to be excellent with only 1 issue being reported within the period.
27. The table below demonstrates the year-on-year service usage information dated October 2021 ahead of renewing the scheme for a further 2 years, to February 2024.

Service Used	Number of Cases				
	Year 1	Year 2	Year 3	Year 4 (to March 21)	Total
Physiotherapy	27	34	40	26	127
Diagnostic consultations and tests	26	23	34	12	95
Treatment and surgery	12	7	3	4	26
Psychological wellbeing (24/7 helpline)	7	6	2	0	15
24 Hour GP advice line	5	6	6	7	24
Seamless Treatment at Benenden Hospital**	4	6	13	6	29
Total	81	82	98	55	316

Example Case Studies – CDDFRS

28. Of the current long-term sick cases, several of these are stress/mental health related. The current service through the Employee Assistance Programme and Occupational Health offer support for stress and mental health, therefore, it is important to note that whilst Benenden also offer services for support of stress and mental health, there is no assurance that this would provide additional benefit from that which is already offered. Therefore, it is more appropriate to use the instances of sickness due to MSK or other surgically treated issues in the CDDFRS example case studies.
29. Waiting times for treatment via the NHS vary; they are currently stable where treatment is a priority. However, waiting times for some members of staff who have illnesses of lesser priority can, at times, be lengthy. Currently the Service has several employees, either working, on sickness absence or on modified duties, who have been awaiting treatment on the NHS for some considerable time, some over 12 months.
30. Example Case Study – Employee 1

Employee 1 is a Wholetime Watch Manager, with a shoulder injury requiring surgery (work related injury).

The table below demonstrates the cost of covering Employee 1:

	NHS wait	Backfill cost	Benenden example	Backfill cost
	52 weeks		5 weeks	
Sick pay	33,683			
T/Watch Manager		£4,750		£950
T/Crew Manager		£3,935		£378
Firefighter (based on OCC cover)		£39,848		£3,831
Total		£48,533		£5,159

In the case of Employee 1, the saving from using Benenden would be £43,374 which would equate to approximately 69% of the cost of the scheme to the Service.

31. Example Case Study – Employee 2

Employee 2 is a Wholetime Firefighter, diagnosed with a hernia and advised that the initial wait to be seen on the NHS was 13-26 weeks, with the lead-in time for an operation an average of a further 13-26 weeks, and a 6-week recovery period.

The table below demonstrates the cost of covering Employee 2 (assuming full pay) and cover costs, based on the date ranges given:

	Min NHS wait	Backfill cost (FF + 10%)	Max NHS wait	Backfill cost (FF + 10%)	Benenden example	Backfill cost (FF + 10%)
First appt	13 weeks	£9,961	26 weeks	£19,922	5 weeks	£3,817
Operation	13 weeks	£9,961	26 weeks	£19,922	0	£3,817
Recovery	6 weeks	£4,597	6 weeks	£4,597	6 weeks	£4,597
Total		£23,919		£44,441		£12,231

In the case of Employee 2, the saving to the Service from using Benenden would have been between £11,688 - £32,210. Taking the mid-point of both scenarios, this saving would equate to approximately 35% of the cost of the scheme to the Service.

32. Neither of the examples above include on costs, nor do they capture the costs to support a return to light duties, retraining or outstanding leave.

Financial Analysis

33. The scheme costs £12.80 per member/per month. If the Service pay the costs in full this would equate to an annual cost of approximately £62,324.

34. Any reduction in sickness absence resulting from the proposed scheme would reduce the cost to the Service (as set out in the examples above). However, it is not possible to forecast what this saving would be and given existing pressures on the whole-time pay budget it is likely to mitigate future overspends rather than deliver a saving.
35. All travel and other expenses will be met by the employee and will not be a cost to the Service.
36. The Service would be able to provide statistics at 6,12 and 18 months to accurately demonstrate the cost differential based on NHS waiting times at the point of requesting treatment.
37. The scheme is likely to be classed as a taxable benefit to employees, the cost of this would need to be explored and determined. A clear communication to staff who take up this provision will be required to ensure there is an understanding of how this will be treated for tax purposes. Staff would have the option to opt out of the scheme should they not wish to be part of it.
38. The Service propose that this initiative will be funded from the savings in running costs identified in the revenue budget linked to the sale of the accommodation buildings at Newton Aycliffe and Seaham.

Conclusion

39. A key theme of the People Strategy is Wellbeing and we have committed to ensuring that we create an environment where our People are physically and emotionally sustained to enable them to give their best and to be able to be at work more of the time to better serve our communities.
40. Improving and contributing to employee and organisational health and wellbeing is a multi-faceted approach to support employees to remain at work, or return more quickly, whilst building individual resilience, embedding positive messaging, and developing healthy lifestyle habits.

Recommendations

41. Members are requested to:
 - a) Approve the proposed trial of this additional healthcare benefit for an 18-month period.
 - b) Review at 18-months with a view to adopting this as a permanent employee benefit.

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