

Report of the Corporate Director Corporate and Adult Social Services

## Review of the Employee Welfare Service - EWS

### RECOMMENDATION

- 1.1 The existing Employee Welfare Service – EWS - be closed with effect from 31 March 2007.
- 1.2 Procurement be commenced for the provision of an Employee Assistance Programme – EAP - to cover all employees except those employed in schools to be priced on a modular basis and take effect from 1 April 2007.

### REASONS FOR RECOMMENDATION

- 2.1 Cost reductions in Corporate HR are required to comply with the requirement to reduce the Council's expenditure by 10%; and,
- 2.2 The capacity of the EWS is insufficient to offer support to all employees; an EAP can offer a service to all employees at less cost than the EWS.

### SUPPORTING INFORMATION

- 3.1 In light of the requirement to reduce the costs of Corporate HR, I commissioned a review of the EWS to see whether it provided the best value for money and to examine whether a better service could be provided more cheaply by using an EAP.
- 3.2 David Bryan, the City Council's former interim head of HR, carried out the review. A copy of his report is appended.
- 3.3 The report shows that an EAP would be cheaper and would provide a service that is available to all employees.
- 3.4 Consultation with the staff affected by the recommendations and with the trade unions was carried out from 6 November to 5 December 2006. The views expressed in the consultation were uniformly supportive of the EWS but did not alter the principal findings of the review, that an EAP would be cheaper and provide better coverage.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Review of the EWS by David Bryan

<b>IMPLICATIONS</b>
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**Financial**

1. A saving of £28,000 a year can be made by closing the EWS and procuring an EAP.

**Legal**

2. The implications of TUPE will be discussed with the staff of the EWS and their trade union representative.

**Personnel**

3. The Council is not obliged to provide welfare or counselling services to staff but provision of an EAP by the employer is a significant factor in discharging the duty of care in respect of stress.

**Equalities impact**

4. None directly arising from the report.

**Corporate priorities**

5. The proposal to switch from the EWS to an EAP is consistent with the Council's commitment to value for money.

DRAFT 2

**EMPLOYEE WELFARE PROVISION  
REVIEW BY DAVID BRYAN INDEPENDENT HR CONSULTANT**

**SUMMARY**

- 1 This report sets out the results of my review of the Employee Welfare Service (EWS), considers options for the future provision of the service and makes recommendations for changes to the service which reflect the future needs of the Council and its employees plus the requirement to achieve value for money and meet budget imperatives

**METHODOLOGY**

- 2.1 Meetings with the Employee Welfare Officers both individually and as a group which included a SWOT Analysis.
- 2.2 Discussions with key stakeholders to obtain a range of views about the operation of the service
- 2.3 Analysis of available performance statistics and customer feedback
- 2.4 Research into the type of service available from Employee Assistance Programme (EAP) providers
- 2.5 Discussion with the Head of Personnel at Derby Homes
- 2.6 An analysis of all the Council's policies procedures and guides which make reference to the EWS.
- 2.7 Research into the approach taken by other large local authorities in the East Midlands

**THE PRESENT WELFARE SERVICE**

**3.1 DESCRIPTION**

The EWS aims to provide a confidential, impartial support service for all employees in times of personal crisis or concern. This might be because of ill health, bereavement, relationship problems, work related stress, disciplinary action or a traumatic incident

The EWS aims to give employees the practical support they need to stay at work during difficult times or to return quickly and safely after periods of absence

Exactly how support is given depends on individual needs and circumstances. The EWS Annual Report 2004/5 identifies that this might include:

- giving telephone advice and support

- making home visits or offering appointments at the Council House as appropriate.
- giving employees time to talk confidentially about their concerns.
- providing impartial advice on corporate policies and procedures
- acting as a facilitator to make sure procedures run smoothly
- liaising with departments on behalf of employees
- referring employees to other sources of help and advice
- supporting employees if they feel vulnerable or isolated
- attending meetings with employees.
- Giving support and advice to managers, departmental Personnel and Staffing teams and trade union representatives

The service offers face to face support but does not provide counselling.

The staffing consists of one full-time and two part time Welfare Officers (2 FTEs) graded S01/2 of which 15 hours is currently vacant and one full time Administrative Assistant graded S4.

### 3.2 SERVICE USE STATISTICS

Detailed service use statistics are collected and an analysis of the last 3 full years figures show year on year increases in the number of referrals to the service.

2003/4	389
2004/5	485
2005/6	556

The majority of these referrals are made by departments rather than by individual members of staff. In 2005/6 self referrals by employees numbered 85.

Reference to Welfare and/or counselling is made in 32 of the Council's policies, procedures or guides set out in the Personnel Handbook. These mostly signpost the availability of the service but in six cases there are triggers for automatic referral to EWS. For example, in the Ill Health Procedure, employees are automatically referred to EWS after 5 weeks of continuing absence regardless of the reason for absence. In the Stress Policy, any employee who is absent from work for 3 weeks due to stress must be referred to the EWS. These referrals are followed up by a phone call from the Administrative Assistant in the EWS to establish if the employee considers they need Welfare assistance. In approximately 22% of cases in 2005/6 Welfare Assistance was declined.

Although the last 3 years statistics show year on year increases in referrals to Welfare, it is open to question whether these figures are unnecessarily inflated by automatic referrals when in fact Welfare assistance is not required. On the other hand, the comparatively low level of self referrals is possibly in part explained by the decision not to proactively promote the service to employees as a result of fears that it could be overwhelmed.

Since October 2004, clients have been given the option of a welfare support appointment in the Council House as opposed to a home visit. In 2005/6, 43% of appointments were home visits.

There were 234 active cases at the end of March 2006.

### 3.3 SERVICE PERFORMANCE

Information on service performance has been gleaned from the Welfare Service Annual Report 2004/5, statistics on service use in 2005/6, customer feedback reports and interviews with a range of stakeholders including the trade unions and discussions with EWS staff.

The 2005/6 Annual Report paints a picture of increasing workloads, differing expectations of the service, the need for improved consultation and communication mechanisms with stakeholders and a concern that the predicted continued increase in workload could not be contained within existing staffing resources. Client feedback was identified as overwhelmingly positive with 92% of employees who had accessed the service rating it as good or excellent.

In the last year further developments have been the transfer of EWS from the Occupational Health and Safety Team to the Operations team under the line management of the Occupational Health Manager, the implementation in July 2006 of a new case management system in Vision and a continued increase in the Welfare referral rate.

Overall feedback on service performance can be described as mixed and at times contradictory. I have therefore set out below some of the comments about the service under the headings "positives" and "concerns"

#### **Positives**

Feedback from clients overwhelmingly positive

Good at keeping people at work/getting them back to work – give people a focus and an aim.

New case management system in Vision has improved efficiency.

Staff demonstrate an impartial and professional approach.

Very helpful in Fairness at Work cases.

Work closely with the trade unions.

Staff highly committed and passionate about the service.

Some opt out schools buy in.

#### **Concerns**

Not clear/confused about the role of welfare. Each staff member has their own style of working.

Doesn't seem to advance anything for us.

Can lead to managers abdicating their responsibilities to Welfare (such as in absence management and stress cases).

Automatic referrals in procedures should go.

Automatic referrals can delay the progression of cases

Home visits not appropriate (in the vast majority of cases) Reasonable to expect employees to come in.

Need to extend the service to offer counselling.

As most referrals are activated by management linked to time off, employees lack trust in its impartiality/confidentiality.

Service doesn't include dependants.

Service only available in office hours – not 24/7.

Concern about how service meets equality obligations

Two common themes emerged upon which there was broad agreement amongst stakeholders. These were that the provisions within procedures for automatic referral should go and that home visits should not take place other than in very exceptional circumstances.

## **EMPLOYEE ASSISTANCE PROGRAMMES**

### **4.1 DESCRIPTION**

Since the EWS was established, the market for Employee Assistance Programmes has developed rapidly. Currently around 10% of the UK working population work in organisations which have an EAP. Although EAPs can be delivered “in house” it is more usual for them to be procured from an external supplier. Typically programmes are offered on a modular basis made up of the following components:

#### **Telephone Counselling**

Provides employees and family members with confidential access to a team of qualified professional counsellors normally available 24/7. In addition, some providers are now offering advice on line. A similar service is already available to the Council’s teachers through “Teacher Line” a service provided 24/7 by the Teacher Support Network, an independent charity.

#### **Telephone Advice**

Provides access to a professional team of trained persons who can support and guide on a wide range of subjects. Typical issues are financial ( including debt counselling) legal health family care and consumer issues.

#### **Face to face counselling**

EAP counselling is normally a short term focussed model usually limited to say 5 to 7 sessions per issue. It is usually provided locally by an affiliate network of professional counsellors qualified to Diploma in Counselling standard accredited by the British Association of Counselling and Psychotherapy.

Some examples of the business benefits employers state led them to offer an EAP are:

- promotes a caring and responsible image of the employer which can help in recruitment and staff retention. A growing number of employers are mentioning the availability of an EAP on their websites as a valuable employee benefit.
- it can help to reduce sickness absence. Relationship problems, stress depression and anxiety are increasingly seen as a factor in sickness absence.
- it helps to protect employers from damaging stress related personal injury claims. A 2002 Court of Appeal judgement stated “---an employer who offers a confidential advice service, with referral to appropriate counselling or treatment services, is unlikely to be found in breach of duty (to safeguard their employees health)” (Sutherland v Hatton)

- a well publicised EAP positively promotes a culture of well being in the organisation. Taking a proactive approach is more cost effective than waiting until an employee becomes ill or takes stress/illness related absence.
- it is helpful towards achieving IIP recognition and is viewed positively by Government inspection regimes.

## 4.2 EXAMPLES

### **Derby Homes**

A year ago Derby Homes withdrew from the Council's EWS and bought in an EAP from Right Corecare following a competitive tendering process. The service provides 24/7 freephone access to counselling and advice ( including careers advice) and up to 6 sessions of face to face counselling per issue. The rationale behind this change was described as being that an EAP gave more cost effective and immediate access to a wider range of support including professional counselling which was seen by employees as being independent and impartial. By contrast EWS had been perceived as being activated by management linked to time off which meant that support was provided too late and raised concerns regarding confidentiality and role.

Right Corecare have been very proactive in promoting the service to employees and the referral rate has increased from 4.8% for EWS to a projected rate of over 12% for the EAP in its first year of operation, with around 5% of employees being referred for face to face counselling. A comprehensive utilisation report is provided on a quarterly basis.

### **Derbyshire County Council**

The County Council have bought in to an EAP for a number of years and as a result of their last competitive tendering process they change suppliers to Right Corecare who have a 3 year contract. The service provided is very similar to that provided for Derby Homes but does not include school based staff. The Council's EAP is promoted on it's website as being available to employees and their immediate family.

### **Leicester City Council**

Employees have access to an EAP provided by a company called Amica, which is the internal counselling service for Leicester Hospital. Amica have a contract for 3+1 years which commenced on 1 February 2006. This provides a confidential telephone line staffed by qualified counsellors for at least 12 hours per day 365 days per year. Access to face to face counselling is by referral from an individual's manager, HR or Occupational Health. Costs of the service are recharged to departments. School based staff are not covered. About 5% of employees have accessed the telephone service. The EAP is promoted as a valuable employee benefit on the Council's website. Management data on service usage is provided on a 6 monthly basis.

### **Nottingham City Council**

Since 1 January 1998, the Council has provided an in house EAP called Counsel line which is run in partnership with Relate. Employees and their families have access to a telephone hotline provided by Relate who carry out an initial assessment and where appropriate refer employees on to face to face counselling either with a Relate counsellor or one of the Council's associate counsellors. In 2005/6 3.2% of employees called Counsel line and of

those subsequently referred on for face to face counselling 86% were seen by an associate counsellor and 13% by a Relate counsellor. Up to 10 face to face sessions are available and the average number needed is 7. The service is available to schools although take up is low at 1% of the relevant employee population. A detailed monitoring report is prepared on an annual basis.

### 4.3 COSTS

Telephone help lines tend to be charged on the basis of the number of employees covered. Face to face counselling can also be charged for on this same basis or alternatively for each counselling session delivered. Typically telephone counselling is charged at a rate of approximately £4.00 per employee per year rising to £12 for a full EAP. Commercial rates for counselling sessions start at around £75.00 an hour. Counsellors are generally paid between £25 and £45 an hour.

Based on an employee population of 8,500 (excluding school based staff) typical costs of an EAP might be:

Telephone counselling only £34000

Full EAP £102000

If school based staff are included this would increase to:

Telephone counselling only £48000

Full EAP £144000

## OPTIONS

### 5.1 COMMENTS

Although there are a range of options which could be considered, for the sake of simplicity I have decided to look at two, retaining the current service and procuring an EAP. I have rejected the option of closing the current service without replacement as I believe this would be irresponsible since it would leave the Council vulnerable to claims for compensation for breaches of its duty of care to ensure the health and welfare of its employees. Similarly I have rejected the option of procuring an EAP in addition to the EWS as there is no budget provision to achieve this and in any case I do not think it would represent good value for money.

### 5.2 RETAIN THE EWS

To pursue this option action would need to be taken to address the concerns set out in paragraph 3.3. This would require:

- Clarification of the role of the EWS and its interface with Occupational Health Personnel Officers and managers.
- Staff training to ensure they understand their role and deliver it consistently
- Review of Council procedures to take out automatic referral to Welfare.
- Action to drastically reduce the number of home visits.
- Dedicated accommodation for welfare support appointments





- Consideration of arrangements to extend the hours of availability of the service.
- A publicity campaign to promote the service to employees and managers and build trust in its independence and impartiality.
- An equality audit of all aspects of the service
- The establishment of effective arrangements including identification of necessary budget for referring employees to professionally qualified counsellors when appropriate as provided for in Council policies.

### **Advantages**

- Builds on an already established service which is well regarded by clients who have used it.
- Retains service staffed by people with good knowledge of the Councils culture and procedures.
- Avoids the inherent risks involved in replacing a service with something new.
- Avoids the negative impact including exit costs from closing down the service.

### **Disadvantages**

- No provision for cost effective access to a professional counselling service.
- A small in house team not sufficiently diverse to meet individual needs.
- Extending the hours of operation to match the best EAPs not realistic.
- Lack of flexibility to meet fluctuations in case load.
- Staff resources and budget provision needed to promote the service not available.
- Requirement for budget readjustments to meet Council targets may compromise the ability to continue to deliver the service in its current form.

## **5.3 ESTABLISH AN EAP**

### **Advantages**

- Promotes the image of the City Council as a caring and responsible employer
- Demonstrates a proactive approach to employee wellbeing which evidence suggests will have a positive impact on motivation and attendance
- Provides a cost effective solution to the issue of giving employees access to professional counselling.
- Addresses the issue of providing a service out of office hours.
- Can give cost effective access to a wide range of advice ( for instance on financial ,legal and family care)
- An important element in ensuring the Council meets its duty of care to employees.
- Proactive promotion of the service is usually included in the contract.
- Support available to the family of employees.

### **Disadvantages**

- budget constraints may mean that it is not possible to procure an appropriate level of service.
- Loss of “in house” expertise and investment made in the service.
- Loss of the “goodwill” the service currently enjoys with some stakeholders.
- Have to meet costs of closing existing service.

## RECOMMENDATIONS

- 6.1 The existing Employee Welfare Service be closed with effect from 31 March 2007.
- 6.2 Tenders be invited for the provision of an Employee Assistance programme to cover all employees except those employed in schools to be priced on a modular basis and take effect from 1 April 2007
- 6.3 Consultations be commenced with the trade Unions and staff affected by these proposals.