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The Good Practice Exchange
Y Gyfnewidfa Arfer Da

Occupational Health

Tools, policy and guidance

www.wao.gov.uk/goodpractice

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For employees and employers, there is increasing evidence that working is generally good for health.

Effective occupational health services can improve employee health, wellbeing and business performance. A 2004 study concluded that investment in workplace health promotion can bring about cost savings of £10 for every £1 spent.

This guide provides guidance for public services when setting up an occupational health service. It sets out the business benefits and some useful links to other relevant sources of information.

What is occupational health?

What is Occupational Health?

Traditionally, occupational health was a distinct branch of medicine. It was concerned with how an employee's health can affect their ability to do the job and how work and the working environment can affect an employee's health. Today, occupational health is more wide-ranging. It is still concerned with employees' health but can also include health promotion, risk assessment and well-being. It sometimes addresses lifestyle issues such as smoking, fitness, stress management, nutrition and obesity.

In the UK, employers must choose how they will fulfil their duty of care towards employees. They have a legal obligation to provide adequate management systems and services to deal effectively with occupational health risks. Employers need to decide the level of occupational health provision they need to achieve this. They also need to be clear on the role that they want occupational health advisors to have in helping them manage sickness absence. Many employers include a clause within their sick pay policy to the effect that an employee may be required to visit the OH service as a condition for continuation of sick pay. Many also promote employee wellbeing.

One of the main differences between a good and a not-so-good occupational health service is the level of knowledge the occupational health advisors have of the employer's workplace. This ranges from the office environment to the manual labour in the works depots and everything in between.

An occupational health service can include:

- General guidance and advice
- Dealing with health issues
- Dealing with health and safety issues, and
- Health promotion

General guidance and advice

- Developing occupational health policies and standards in collaboration with all stakeholders;
- Monitoring employees' health, including work-related stress;
- Identifying hazards and assessing risks in the workplace; and
- Advising employers on the implications of legislation, including the Disability Discrimination Acts of 1995 and 2005. Click here for an easy-to-read guide to the implications of the Act for employees. It is produced by the Disability Rights Commission (Now the Equalities and Human Rights Commission).

Health issues

- Pre-employment screening ensures that people with health conditions or disabilities are not unreasonably prevented from taking up jobs. It also ensures that organisations avoid recruiting employees whose health will prevent them doing the job for which they have been selected;
- Providing occupational immunisation programmes, where appropriate;
- Introducing suitable control measures to prevent ill-health**,** such as back pain, arising from working conditions or practices;
- Reducing sickness absence and ill-health retirement by:
    - assessing fitness for work and the suitability of available jobs;
    - enabling access to interventions such as physiotherapy or counselling. Employers can consider using occupational health services to provide a faster route to services than currently available through the NHS;
    - advising on adaptations to the working environment or retraining to retain employees who might otherwise be unable to continue in their current role; and
    - reviewing occupational accident, ill-health and sickness records to identify the root cause of problems.
- Supporting rehabilitation back to work**.** Steps to rehabilitation might include a phased return to work, adjusting working hours, providing transport support, allowing employees reasonable time to attend for treatment and making adjustments to the job and/or premises;
- Managing an 'Intervention' budget to facilitate reduction in waiting time for consultation, diagnostics or treatment.
- Helping organisations comply with their legal duty to ensure an adequate management system and provision to deal with occupational health risks. The systems introduced will be geared to the specific needs of the organisation. Employers need to carry out an informed risk assessment on each job to identify whether any part of it is likely to cause or contribute to ill-health in the workplace and determine the action required to prevent people being made ill by work;
- Supporting first aid, either through direct provision, by training first aiders, or providing back-up.

Health and Safety Issues

An occupational health service may, through direct provision or in a supporting capacity, depending on the organisation's safety arrangements, have a role in the following:

- Assessing and reducing risks for example through workplace/workstation assessments, by assisting with job design or providing advice on the correct aids and procedures for manual handling; and
- Monitoring ill-health and accident statistics to contribute to the managing absence and understanding the working environment.

Health Promotion

- Providing or arranging health education in the workplace and teaching employees how to adhere to health and safety legislation;
- Providing health screening, for example blood pressure, cholesterol and health checks; and
- Assisting the organisation's employee wellbeing strategy, for example through the Welsh Assembly Government's Corporate Health Standard**.**

The business case

The business case

There is a strong business case for providing occupational health services. A 2004 study concluded that investment in workplace health promotion can bring about cost savings of £10 for every £1 spent.

For employees and employers, there is increasing evidence that working is generally good for health.

Meeting employers' legal obligations

The 1974 Health and Safety at Work Act (strengthened by many subsequent regulations) places a 'duty of care' on every employer to be concerned for the health and safety of its employees.

The specific obligations regarding occupational health are contained in the Management of Health and Safety at Work Regulations (1999). The regulations cover all workers (including mobile and home workers) and include specific requirements to:

- Assess risks. The regulations give guidance on what constitutes a 'suitable and sufficient assessment' of the risks to which employees are exposed at work.
- Record the findings of the risk assessment in a retrievable form available to employers, safety and other employee representatives and visiting inspectors.
- Implement preventative and protective measures. The regulations set out principles underlying the employers' actions and require employers to make 'such arrangements as are appropriate', having regard to the nature of the risks and the size of the undertaking.
- Provide 'such health surveillance as is appropriate'.

There are particular requirements within the regulations for new and expectant mothers and for young workers (aged under 18).

The regulations do not define the precise form of occupational health services. The model used should be designed to ensure that all the requirements are covered within the particular context.

Ignoring the requirements could have serious consequences:

In September 2006, an employment tribunal found that one city council in Scotland (Dundee) breached the Management of Health and Safety at Work Regulations 1999 by having an inadequate management system to deal with occupational health risks and that an 'Improvement Notice' issued by the HSE was justified. The Council didn't have in-house occupational health specialists or a contract with an external occupational health provider. The tribunal ruled that this breached regulation 5 of the management regulations, which states that employers should make arrangements to manage effectively health and safety, even though the regulation makes no specific reference to occupational health. Subsequently, the Council has developed a proactive 'well-being' strategy.

Failure to comply with an Improvement Notice issued by the HSE can result in prosecution, and in the Crown Court, this can result in an unlimited fine.

See: http://www.hse.gov.uk/enforce/enforcementguide/court/sentencing/penalties.htm

Invest to Save

Evidence suggests that money spent wisely on an occupational health service can be a sound investment:

Voluntary influenza vaccinations: Barts and the London NHS Trust saved £217,000 (direct and indirect costs) by offering employees voluntary 'flu vaccinations. Subsequently, immunised staff had less (0.8 days) sick leave than the non-immunised group. In 2001-02 this saved the Trust 540 employee days - or more than two employee years.

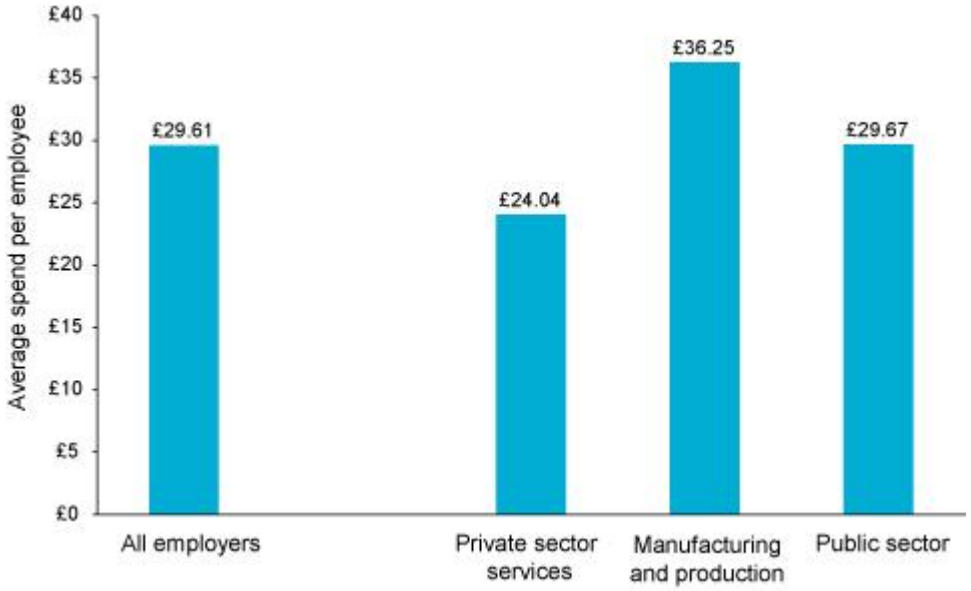
Managing short term absence: HM Prison Service reduced sickness absence by 25% between 2002 and 2006 to 11.5 days per employee per annum. This amounts to a £38 million cost saving.

Carmarthenshire County Council introduced a professional in-house occupational health service in October 2005 which focused on social care and housing divisions. Setting up and running the service for one year cost £109,000. Subsequently, sickness absence has reduced by 1%, which equates to 6,525 employee days or £500,000.

Cost of occupational health services

Research found that the average cost of providing an occupational health service in the public sector is £30 per full-time employee per year.

Figure 1 Public sector organisations spent £30 per full-time employee per year on occupational health



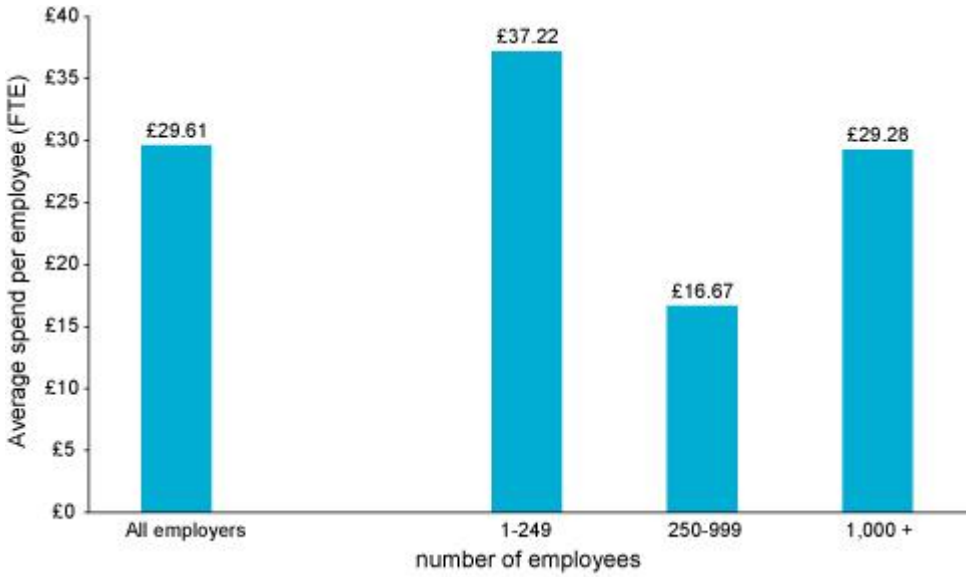
Source: IRS (2007) 'Role of occupational health services in managing absence', IRS Employment Review Issue 878, 30 July 2007.

This echoes the finding of a survey of occupational health provision in NHS Wales in 2001-02, which found that average expenditure per full-time employee was £34. Expenditure ranged between £18 and £65.

The costs depend on the range of services provided as well as the method of delivery. The range reported in the IRS survey (above) went up to £750 per head in one organisation. A survey of 120 private sector firms by consultants Towers Perrin found that 0.59% of payroll was spent on occupational health (See www.towersperrin.com "UK Corporate Healthcare 2005"). If the average employment cost per head in those firms was only £25,000, this would suggest an average spend on occupational health of £147.50.

On average, small employers spend more per head on occupational health than larger organisations.

Figure 2 On average, smaller organisations spend more per head than large ones on occupational health services



Source: IRS (2007) occupational health's role in managing sickness absence' IRS Employment Review Issue 878, 30 July 2007

To avoid the risk of legal action

While the primary purpose of occupational health in the public sector is to promote well-being and good health among employees, it can also help employers avoid the growing risk of prosecution and significant potential penalties. Wherever a risk to the safety of an employee or group of employees has been identified, the organisation has a duty of care to its employees and must take steps to overcome or mitigate that risk.

UNISON has illustrated this risk with examples where UK public sector organisations have been prosecuted for failing to protect employees against stress and have faced punitive awards to the employee, such as:

- £25,000 - macho management;
- £67,000 - failure to support an employee in facing violent members of the public;
- £85,000 - compensation for bullying, harassment and intimidation over a number of years;
- £175,000 - failure to readjust workload which was causing stress; and
- £203,000 - failure to support employee facing violence and abuse from the public.

In addition, employers incurred the legal fees and the cost of time spent dealing with the case. (Source: UNISON (2002) 'Stress at Work, a Guide to Safety reps' http://www.unison.org.uk/acrobat/18596.pdf)

While these are extreme cases, some common factors are apparent:

- in each case, the employee had a prolonged period of sickness absence. Arguably, if those organisations had effective case conference review systems, the awful consequences of stress (which included suicide and permanent disability) could have been avoided along with the prosecutions;
- frequently, absent employees faced a greater-than-normal workload on their return to work as work was not reassigned; and
- several of the high-profile cases have featured individuals who faced verbal aggression from the public.

Models of occupational health provision

Models of Occupational Health Provision

Smaller organisations can find it difficult to provide occupational health services

Small (0-50 employees) and medium-sized (51-249 employees) organisations can find it difficult to provide a comprehensive range of occupational health services. The Health and Safety Executive has identified various solutions:

- Some small organisations have 'good neighbours', where a larger company offers small businesses in their supply chain access to their support services.
- Some go it alone. Some small organisations find it worthwhile to make local partnership arrangements with health professionals. These contacts can also help advise on how to avoid risk in the workplace.
- Some make arrangements through their employer's liability insurance. Most insurers now offer this service.

Source: http://www.hse.gov.uk/msd/backpain/employers.htm

Various sources of help are available to small and medium-sized organisations.

Workboost Wales

Workboost Wales is a free, impartial advice service provided by the Welsh Assembly Government in conjunction with the Health and Safety Executive. It offers tailored advice and help on workplace health, safety and return-to-work issues to small and medium sized businesses. All advice given and visits are confidential, impartial and free.

Workboost Wales provides telephone advice and free workplace visits to help solve problems. It aims to transfer knowledge and skills directly to managers and workers, enabling them to tackle and solve any future workplace health issues themselves. The pilot service runs from the beginning of March 2008 to the end of March 2009.

Callers can get in touch with Workboost Wales by visiting the Workboost Wales website.

NHS occupational health services

In England, NHS Plus is a network of NHS occupational health departments that provide occupation health services for non-NHS employers, especially small to medium enterprises. In Wales, SMEs can buy occupational health services directly from certain NHS trusts.

Occupational Health Extra is a scheme operated within the NHS in Scotland to provide rapid access to services such as physiotherapy and cognitive behavioural therapy with each case managed by a dedicated case manager.

Health and Safety Executive

Advice is also available from the Health and Safety Executive InfoLine.

It should be possible to estimate the level of service required

It should be possible for an employer to estimate the level of service required by looking at the range of functions likely to be handled by different levels of employee. This will depend on decisions taken within the organisation, for example:

- Are workstation assessments included in the occupational health brief or can they be covered from elsewhere (HR, IT or Health and Safety)?
- What is the likely level of recruitment into different occupational groups?
- What is the frequency of common causes of absence: stress, back pain or musculo-skeletal injuries?
- What is the organisation's absence rate and, in particular, the rate of long-term absence and the proportion of absences which are stress-related?

Occupational health services can be provided by a variety of individuals

Employers use a variety of professionals to provide occupational health services.

	% of employers
Occupational health nurses	84
Occupational health physicians *	80
Counsellors	53
Physiotherapists	31
Health and safety practitioners	29
Other NHS specialists	11
GPs as part of their NHS work	10
Company GPs	8
Complementary therapists	5
Occupational hygienist	1
Other	4
Total number of organisations surveyed	97

* Either an occupational health consultant or GP with specialised training

Source: IRS (2007) 'Occupational health's role in managing sickness absence' *IRS Employment review* 30 July 2007

The cost of different staff varies significantly and so employers need to consider who can provide the services required most efficiently:

- The basic NHS salary for a consultant doctor is £69,000-£90,000 per annum (plus excellence /commitment awards and employment costs). A nurse or counsellor's salary will tend to be between £19,000 and £32,000 (Agenda for Change bands 5 and 6). However, the relative scarcity of occupational health advisors (both doctors and nurses) means that salaries can be at the higher end of these scales. Up-to-date information on NHS Wales pay scales is available at http://www.wales.nhs.uk/page.cfm?pid=4269.
- The cost of an occupational health medical practitioner is generally negotiated with the service provider for a defined weekly pattern (for example, two half days). The cost is likely to start at £200 per half-day. It will depend on factors including the experience/qualifications of the advisor; whether the arrangement is personal or through a practice (which affects overheads) and if the consultation takes place on the employer's premises. Previously, fees paid to doctors assisting local authorities directly were negotiated centrally. From April 2008, however, they will be set locally.
- The cost of a physiotherapist varies as many will be employed in the private sector where fees currently start at £30 an hour. In the NHS, most physiotherapists are paid in band 6 -7 (currently £23,000 - £37,000).
- A service manager is likely to be an experienced ex-nurse. His or her salary will need to fit in with other managerial roles within the organisation.
- There may also be administrative employee costs depending on the scale of the occupational health service.

Occupational health services can be provided in a variety of ways

Occupational health services can take various forms depending on the organisation's size and requirements.

Full in-house service

A full in-house occupational health service is often found in large organisations such as NHS hospital services where internal occupational health requirements generate sufficient demand to spread the cost of the service.

The advantage of this model is the availability of dedicated specialists who know the employer's business and are able to give authoritative input on any issue. In the NHS, occupational health departments can generate income by selling services to other employers.

However, there are risks created if occupational health services are not adequately managed or monitored through defined service standards and frustration can build up through a lack of clarity about the service's priorities. See 'Making the best use of occupational health services'

Partial in-house service

Partial in-house services generally don't employ a medical practitioner full-time but use regular part-time employees or contract for medical opinion as and when required. This option is less expensive than employing occupational health specialists full-time and can be suitable for smaller organisations and those with a well-defined, limited range of hazards.

Buy-in to someone else's in-house service

Buy-in to another service via a service level agreement (SLA) either for a fixed fee or on a 'per case' basis. It is not uncommon to have a partial in-house service and to buy-in specialist medical advice or interventions through an SLA.

When this model works well, it can offer access to a large and well-resourced set-up. However, there is a risk that the host organisation will give its own needs higher priority and the customer is always last in the queue. This risk can be reduced by managing and monitoring the SLA robustly.

Partnership (shared) service

Partnership (shared) services can be funded by charging pro-rata to the pay bills of the organisations involved. By achieving size, the operation is then able to justify the engagement of occupational health consultants and adopt good practice for employee development. The risk is that the shared 'ownership' generates suspicion within each organisation that preference is being given to another!

Using an external provider

Using an external provider, for example, a local GP or a specialist occupational health company. This is a straightforward, commercial arrangement, with a contract, defined service standards, and reporting/review mechanisms.

The advantages are that the monitoring and review mechanisms and periodic re-tendering drive up performance. The host organisation does not have the challenge of recruiting, and the provider may have resources elsewhere to call upon for cover or to meet a surge in demand.

Making the best use of occupation health services

Making the Best Use of Occupational Health Servicse

Research by the IRS* found that many employers are not as satisfied as they could be with their occupational health services. However, the researchers concluded that many of the problems could be addressed through some basic management techniques:

*Source: IRS (2007) 'occupational health's role in managing sickness absence', *IRS Employment Review* Issue 878, 30 July 2007

Organisations need to develop a partnership approach with the occupational health provider

Organisations should aim to develop a partnership with their occupational health provider (internal or external) in managing absence. A successful partnership depends on a shared understanding of the roles of occupational health advisors, human resource managers, line managers, senior managers, employees and other stakeholders. The partnership could involve regular meetings and training.

Research with employers and occupational health advisors suggests that stakeholders need to understand the codes of conduct and ethics which affect occupational health advisors.

Occupational health services need to be managed effectively

Any occupational health provision requires ongoing management input to make sure that it is fully integrated into operational activities. It is good practice to specify the management framework within the service-level agreement, contract, terms of engagement or other elements of the service framework.

Managers should clearly define the levels of service required from occupational health providers.

As in any area of management, a lack of defined standards or shared expectations of service levels can lead to divergent views about objectives.

A common criticism of occupational health providers is that response times are slow (IRS (2007) 'Occupational health's role in managing absence', IRS Employment Review 30 July 2007). The most effective occupational health services are run within an agreed framework of service-level standards. For example, employees in particular categories will be seen within n days, reports are written within m days, there is a turnaround in pre-employment assessment of y hours (see, for example, Carmarthen County Council's occupational health service).

Managers need to clearly define the reason for all referrals.

A further criticism from managers is that occupational health reports are sometimes too general or fail to demonstrate an understanding of the workplace. Conversely, the same research found that occupational health advisors complained that they did not always know why someone had been referred to them (IRS Employment Review 30 July 2007).

Any referral to occupational health advisors should identify the specific areas of concern. There should be a well recognised channel of communication, for example through the manager of the occupational health service, to avoid misunderstandings.

Managers need to control costs.

Organisations need to set up an effective accounting system to control the cost of occupational health services. The method of referral, whether employees self-refer or managers act as gatekeepers to the service, will affect the volume of demand for services and hence the costs.

Managers need to monitor and evaluate the effectiveness of their occupational health service.

Sometimes there is little monitoring or evaluation of the outcomes of occupational health cases.

- **Feedback:** the IRS researchers suggested that establishing a system for frank and constructive feedback between human resources, occupational health advisers, line managers and other stakeholders could minimise friction and misunderstanding;
- **Regular updates:** managers require regular updates on individual cases at pre-determined intervals;
- **Evaluation:** the role, location, services and cost-effectiveness of the organisation's occupational health service should be evaluated every few years. The evaluations should involve all stakeholders and draw on absence statistics and other data. Where a service is contracted out, the evaluation is likely to form part of the re-tendering process.

Sensitive medical information needs to be handled appropriately

Individuals are required to give a reason if they are absent from work for any period. Without knowing the cause of absence, managers may fail to fulfil their duty of care to the returning employee. Any policy or procedure which ensures that a manager normally remains ignorant of the causes of an individual's absence because of issues of confidentiality is likely to carry larger risks relating to the failure of duty of care (see http://www.unison.org.uk/acrobat/19786_Duty%20of%20care%20rev4.pdf).

Information provided by the employee can be shared with managers to the extent that is necessary for them to carry out their managerial role. No 'league tables' of individual records should be published and managers should be aware of the sensitive nature of sickness and injury records. (Source: Office of the Information Commissioner, Employment Practices Data Protection Code, section 2.3.4)

The Data Protection Act 1988 requires that any information provided is 'adequate, relevant and not excessive to the purpose'. Therefore, it is good practice to state both on the self certification form and in the relevant policy documents that the information provided will be collected and may be used to inform future attendance reviews or case conferences by line managers/team leaders, even though the focus on attendance means that the detailed medical reasons are often not part of such considerations.

Helpful and authoritative information on collecting and storing medical data is available from the Information Commissioner's Office http://www.ico.gov.uk/Home/for_organisations/topic_specific_guides/employment.aspx.

The Welsh Government's Corporate Health Standard sets out criteria for a good occupational health service.

The Welsh Government's Corporate Health Standard* provides a national quality standard for health promotion. It sets out criteria for assessing the quality of an occupational health service.

Staffing

Assessors need evidence that an occupational health service is delivered by competent employees such as:

- a medical advisor with a diploma in occupational medicine;
- a registered nurse with a recognised occupational health qualification; or
- a registered nurse with a defined pathway to specialist advice.

Management

Assessors will want to see evidence that occupational health risks are managed effectively, through, for example:

- preventative intervention strategies;
- monitoring the effectiveness of the service in meeting the needs of the organisation;
- health screening;
- health surveillance;
- immunisation strategies;

- managed return to work strategies;
- work-related health advice;
- access to counselling;
- health promotion; and
- giving the occupational health provision access to a multi-disciplinary team relevant to the needs of the organisation.

Service levels

Assessors will also want to see evidence that:

- the occupational health service has an explicit standard of referral that is both adequate and appropriate to the needs of the organisation;
- employees can self-refer and there is a facility for GPs to refer;
- employees can access a comprehensive, competent and confidential occupational health service; and
- employees can be referred by line management or other appropriate employees, such as the health and safety officer or union officials.

Source: *Welsh Government's Corporate Health Standard

Useful links

Useful links

Institute of Occupational Health And Safety
Information and research on health and safety issues. Publish free online resources.

Faculty of Occupational Medicine
The faculty of Occupational Medicine of the Royal College of Physicians is a professional and academic body for doctors working in the area.

Guidance of holding data on workers health
Information on collecting and holding health data from the Information Commissioner.

Working for Health
Work, health and well being strategy for England and Wales.

Health and Safety Executive
Free leaflets on health and safety topics.

Investors in People
Health and Wellbeing Self Check Tool - to help you monitor and improve your approach to keeping your people healthy and well.

Business Link
Health and safety performance indicator - to help small and medium sized businesses assess and improve their health and safety practices.

Corporate Health & Safety Performance
Health and safety performance index - to help organisations with more than 250 employees assess and improve their health and safety practices.

Health and Safety Executive
Leading health and safety at work - leadership actions for directors and board members. The guidance, written by directors for directors, offers straightforward practical advice on how to plan, deliver, monitor and review health and safety in the workplace.

Local Government Employers (LGE)
LGE works to provide local authorities with the information and support to deliver central government's health and safety requirements.

Chartered Institute of Personnel Development

Sickness absence toolkit - to help managers to manage sickness absence. Produced by the Chartered Institute of Personnel and Development (CIPD).

Institute for Employment Studies

What Works at Work - published November 2007, this report gathers together international evidence to show the importance of the workplace in preventing and managing common health problems.