

## SERVICES SELECT COMMITTEE – 19 JUNE 2012

### SICKNESS ABSENCE

Report of the: Deputy Chief Executive and Director of Corporate Resources

Status: For Consideration

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**Executive Summary:** This report updates Members on the levels of sickness absence across the council in response to a concern identified by the Performance & Governance Committee. The report sets out an analysis of sickness absence levels across the council, incorporating trends from previous years and available benchmarking. The strategy and actions to reduce sickness absence levels is also included for Members consideration.

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**This report supports the Key Aim of Corporate Performance Plan “Effective Management of Council Resources”**

**Portfolio Holder** Cllr. Ramsay

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**Recommendation:** It be RESOLVED that the levels of sickness absence be noted and the planned action to reduce the levels of sickness absence be endorsed.

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### Background

- 1 At its meeting of the 13 March 2012 the Performance and Governance Committee considered a Performance Monitoring report which highlights areas across the council where performance is not meeting target. Due to Members concerns surrounding the levels of sickness absence it was resolved that the matter be referred to the Services Select Committee to review.

### Introduction

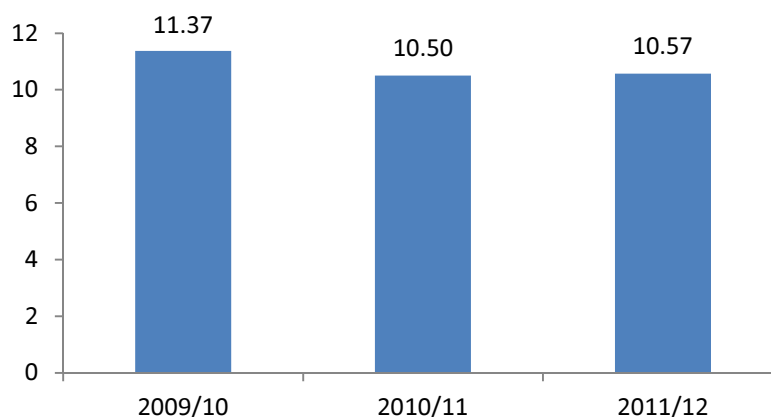
- 2 This report provides Members with an analysis of the levels of sickness absence across the council and highlights actions taken in the last year and actions already planned for 2012/13 that are aimed to reduce sickness absence levels further.
- 3 The Human Resources (HR) team play a critical role in developing the council’s policies and procedures for the management of its staff, including Managing Attendance and policies surrounding staff wellbeing. The HR team also ensure that sickness absence is accurately and thoroughly recorded and that managers are supported in managing sickness absence within their departments. Resources such as occupational health and employee support programmes that are available to staff are also procured and managed by HR.

## Managing Attendance

- 4 The Council's Managing Attendance policy recognises that "the Council is committed to both the health and welfare of employees, as well providing excellent services to the community". It sets out clear procedures for the monitoring of employee absence, taking appropriate action to ensure a prompt return to work, and encouraging the promotion of good health.
- 5 The council defines procedures for the management of both short term and long term absence. Short term absence is considered to be a continuous period of absence less than 20 calendar days and long term absence a continuous period of absence of 20 calendar days or more. Within these periods there are trigger points that ensure that managers discuss, and if issues arise, address absence from work at pre-determined points.
- 6 The council will always work to support employees to return to work in the first instance. Measures such as referral to occupational health, phased returns to work and making reasonable adjustments to the work required or the hours worked are common. Redeployment will also be considered where an appropriate vacancy exists. But ultimately if an employee is unable to return to work and carry out their duties capably they may be dismissed.

## Sickness Absence

- 7 Sickness absence is measured as the average number of days absence per full time equivalent (FTE) member of staff. The following chart sets out the total level of sickness absence since 2009/10.

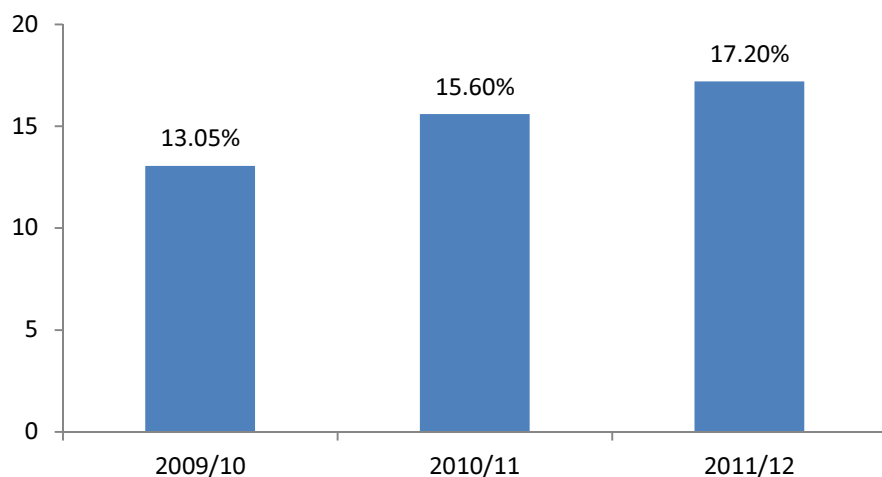


- 8 Sickness absence can also be represented as an absence rate. The absence rate is the proportion of working days lost in the working year. The councils absence rate for 2011/12 was 4.6%. This is against a local government average of 4.2%.
- 9 The Absence Management Survey 2011 carried out by the Chartered Institute for Personnel and Development (CIPD) determined that the average days lost to sickness absence per year in local government was 9.6 days. Across the public sector as a whole the CIPD concluded that sickness absence had decreased between 2010 and 2011 by 0.5 days. Analysis shows that this is as a result of low levels of absence in the education sector. No equivalent benchmark was provided for the local government sector.

10 In 2010 the Council went through a significant period of change. A four year savings plan totalling £4 million was agreed, with £2.5 million delivered in 2011/12. Despite significant effort to limit the number of staff lost, to deliver a sustainable budget the council saw its full time equivalent staff count fall by 11%. This is a fall of 47.5 FTE from 435.2 in 2010/11 to 387.6 in 2011/12.

11 Resultantly the Council's employees are increasingly being expected to deliver more with less resource. The continued demand on staff to seek new ways of working and to be more productive to deliver the high quality services the Council expects has had an impact on well being. It is recognised that high levels of sickness absence increases this pressure further. The impact on staff well being from organisational change is evidenced from an analysis of the causes of sickness absence.

12 In 2011/12 the most common reason for absence from work was Stress, Anxiety or Depression. The chart below shows the marked increase in the proportion sickness absence in Stress, Anxiety or Depression since 2009.



13 Stress, Anxiety or Depression can relate to a work situation or to someone's personal life. In reality the two become intertwined. The council monitors a separate category of absence where sickness is specifically certified as work related stress. In 2011/12 this accounted for just 1.1% of all absence from work (in addition to the 17.2% set out above).

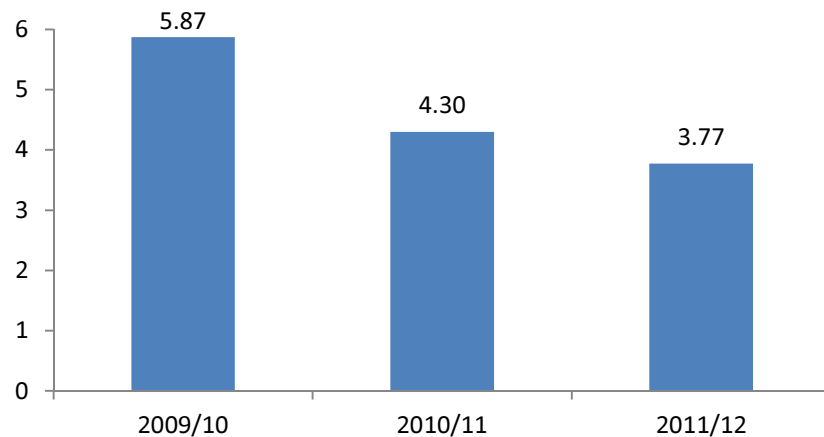
14 The CIPD's Absence Management Survey concluded that stress was the most common cause of long term sickness absence. Where stress was work related workloads or volume of work were the most commonly cited reason. 50% of public sector organisations reported that stress-related absence had increased over the past year.

15 It is also important to recognise the cultural and organisational transformation that the Council has gone through. External assessors, including Investors in People, have cited Sevenoaks District Council as one that has the highest levels of productivity on an individual staff member basis. Through their own analysis and assessment Investors in People has shown that much of this has been achieved through the introduction of empowerment, where individuals at all levels have taken on more responsibility and greater ownership of decision making.

- 16 The consequence of a Sevenoaks District Council member of staff having comparatively high levels of productivity will have an impact on levels of sickness absence. However under these circumstances the Council needs to ensure that whilst making every effort to reduced sickness levels it remains sympathetic in order to avoid impacting on overall productivity levels.

### Short Term Sickness Absence

- 17 The council defines short term sickness absence as less than 20 continuous calendar days absence. Since 2009/10 the Council has made significant progress in reducing the level of short term absence, as shown in the chart below.

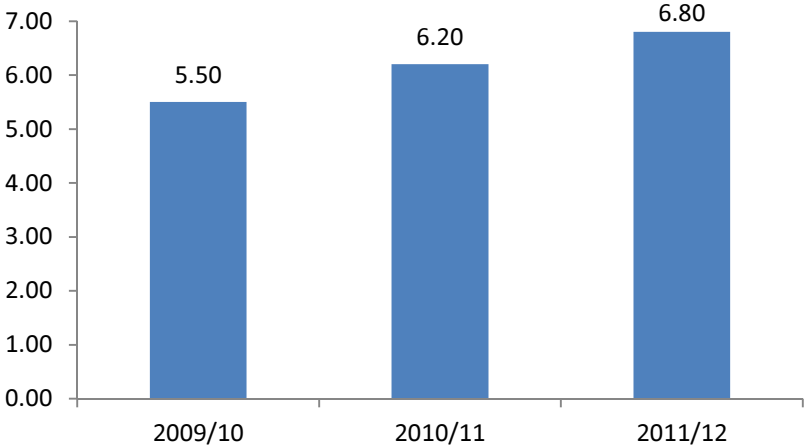


- 18 The CIPD Absence Management Survey concluded that across the private and public sector short term absence accounts for more than 65% of all absence. However by implementing improved monitoring, more stringent trigger points and improved support for managers, short term absence at the council accounts for only 35.6% of all absence.
- 19 The data collected by the HR team shows that a relatively large number of employees require time off work for short term illness. In 2011/12 242 members of staff (64% of the workforce) were absent from work due to short term sickness absence.
- 20 The most common reasons for short term sickness absence in 2011/12 were:
- Cold/Flu, accounting for 14.2% of all short term absence;
  - Stomach upsets, 12% of all short term absence; and
  - Chest / Respiratory pain, 9.3% of all short term absence.
- 21 This is in common with the previous year, when Cold/Flu accounted for 18.4% of short term absence and also in line with the findings of the CIPD Absence Management Survey.
- 22 The HR team will continue to work hard to minimise levels of short term absence. In addition to the best practice initiatives already in place that have reduce short term sickness absence by 36% over the last two years a strategy and action plan is in place for 2012/13 that is explained further from paragraph 34 of this report.

### Long Term Sickness Absence

23 Long term sickness absence was the key area of concern of the Performance & Governance Committee in referring the matter to this Committee. The council defines long term sickness absence as 20 or more continuous calendar days absence. Since December 2011 the level of long term sickness absence has exceeded the targeted level for 2011/12, ending the year at an average of 6.8 days per FTE against a target of 6.1 days per FTE.

24 The table below illustrates that there has been a steady increase in the level of long term sickness absence since 2009.



25 Long term sickness absence accounted for 64.4% of all sickness absence at the council during 2011/12. In terms of staff numbers 48 people required extended absence from work. Therefore two thirds of all absence was attributable to 13% of the workforce.

- 26 The most common reasons for long term sickness absence in 2011/12 were:
- Stress, Anxiety or Depression, accounting for 23.5% of all long term absence;
  - Operations and Recovery, 13.6% of all long term absence; and
  - Chest / Respiratory pain, 9.7% of all long term absence.

27 The most common reasons for long term absence are broadly similar to the previous year. However in 2010/11 Operations and Recovery accounted for 28% of all long term absence, with Stress, Anxiety or Depression the second highest cause at 23.5%, and treatment for serious illness the third highest at 8.5%.

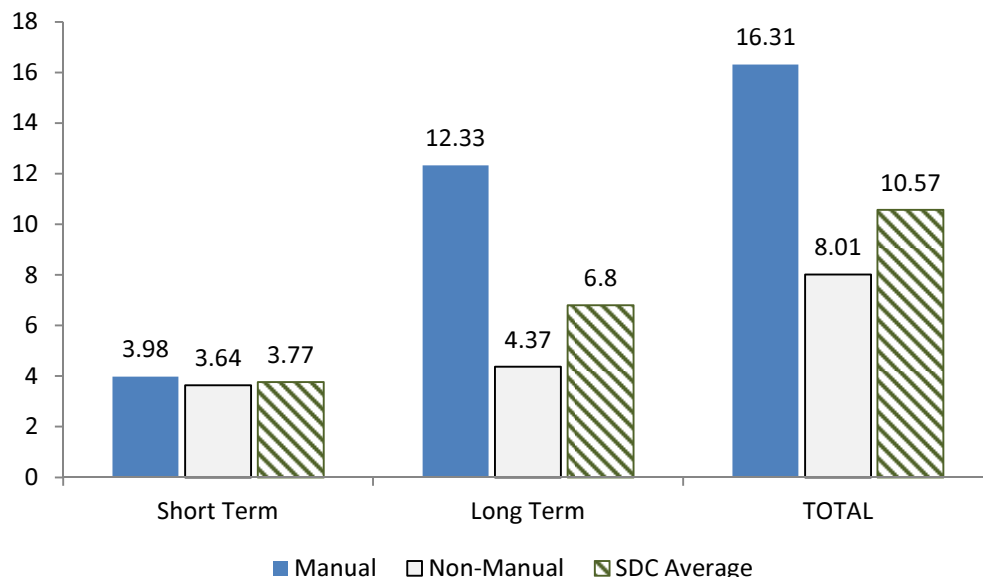
28 The most common causes of long term absence in 2011/12 are also in line with the findings of the CIPD Absence Management Survey, which ranked stress, acute medical conditions and musculoskeletal injuries as the top three causes of long term absence.

29 Addressing the increase in long term sickness absence is a key objective for the HR team in 2012/13. In order to do so a number of actions are planned to be delivered in the coming months, many of which are referred to from paragraph 34 of this report. But specifically to improve the council's ability to address long term sickness absence the HR team will:

- Revise the Managing Attendance Policy to address the need for more contact when officers absent from work due to long term sickness. This will be effective from June 2012;
- Deliver training for all managers on the revised Managing Attendance Policy; and
- Re-launch the successful onsite Occupational Health resource, providing managers with improved support and tools to manage long term sickness absence. This will be effective from June 2012 and more details are provided at paragraph 34 of this report.

### Direct Services

- 30 A high proportion of the staff working within Direct Services are manual workers. Therefore there are some illnesses or injuries that will result in a greater number of days out of work than if they were experienced by a non-manual employee, increasing the levels of long term sickness.
- 31 The council commonly uses phased returns to work to bring staff back in to the workplace as soon as possible. However this is more difficult to achieve with the manual workforce as many of the roles they fulfil are not suitable for phased returns.
- 32 Resultantly the sickness absence levels of the manual workforce are higher than that of the average for the council as a whole. The following chart shows the level of sickness absence for manual and non-manual staff in 2011/12, with the third column showing the average sickness levels for the council as a whole.



- 33 The most common reasons for long term absence amongst the manual workforce relate to acute illnesses such as chest and heart problems, musculoskeletal injuries and operations and recovery.

### Strategy for Improvement

- 34 The HR team, in partnership with managers across the council, are determined to minimise the levels of sickness absence experienced by the council. The strategy for improvement incorporates providing staff with the tools they need to manage their own wellbeing and providing managers with the support, tools and confidence to effectively manage their workforce and address absence from work. The strategy applies equally to both the manual and non-manual workforce.
- 35 To deliver on this strategy a number of key actions are planned for 2012/13. These include:
- Improving the Employee Assistance Programme available for all staff by making it available on the internet. This is in addition to the current service where staff can access support over the telephone or access support in person where it is necessary;
  - The HR team will invest more time in management reporting. Each month a member of the team will meet with each Head of Service to ensure they are aware of all sickness issues in their respective areas;
  - Each quarter a member of the team will attend Departmental Management Team meetings, ensuring Directors, alongside their Heads of Service are fully briefed on all sickness issues across their Directorate; and
  - Detailed monthly reports will be sent to all managers on staff absence, helping to ensure immediate action is being taken when an issue with sickness absence has been identified.
- 36 In addition the HR team will be re-launching the already successful onsite Occupational Health resource in June 2012. Following a successful procurement exercise an improved service will be delivered by Health Management. This will include a range of additional services that will assist staff in taking greater responsibility for their own health and greatly improve the resources available to managers to manage any absence in their service areas. New features will include:
- An online portal through which occupational health referrals can be made;
  - Improved response times in relation to referral reports. The report from Occupational Health will now be available on the same day the officer is seen;
  - Access to a physician over the telephone for immediate advice;
  - A website hosted on the Council Intranet on which all officers can read articles and features on a range of health issues; and
  - Health and well being days specifically targeted to tackle issues such as stress, depression, healthy lifestyles and life skills.

## Conclusion

- 37      Sickness absence levels are currently higher than the council would wish them to be. The Council is amongst the few that retains its own Direct Services. This has ensured that the Council's costs have remained low, but due to the nature of the work Direct Services staff carry out sickness absence levels will always be higher than the rest of the organisation.
- 38      Significant progress has been made in reducing the level of short term sickness absence, by 36% since 2009. However long term sickness absence has increased as the council has begun a significant period of organisational change that has seen the number of staff employed fall by 11% in one year alone. A number of teams across the council are striving to deliver high quality services on much reduced resources and may be considered to be working at full capacity. Analysis of sickness absence data suggests this is having an impact on staff wellbeing, with stress, anxiety or depression accounting for the greatest proportion of sickness absence across the council.
- 39      A strategy and action plan are in place to ensure the council is doing all it can to minimise the levels of both short term and long term absence. There will be a strong focus on addressing long term absence in the coming year. However, with the council taking on new services as a result of Government legislation, further reductions being made as a result of the required budget savings, and some departments finding vacancies increasingly difficult to fill there will continue to be high levels of pressure on staff.
- 40      The council has a committed workforce that has a strong recognition of the customer and a desire to deliver services that meet the expectation of the community. Initiatives such as empowerment continue to contribute positively to increasing efficiency and productivity. However, it is recognised that sickness levels need to be reduced further.

## **Key Implications**

### Financial

- 41      Payments to staff related to sickness absence are managed within the Council's salaries budgets and every effort is made to ensure that actual salaries spend does not exceed the allocated budget.

### Community Impact and Outcomes

- 42      To ensure the Council continues to deliver high quality services to the community it is essential that it maximises the potential of its workforce. High levels of sickness absence may have an impact on the quality of service experienced by the community.

### Legal, Human Rights etc.

- 43      None

### Resource (non-financial)



- 44 The staff the council employs are one of its most important resources. It is therefore important that they are given the tools and support to deliver to their full potential. Being supportive at times of sickness absence but recognising when officers are no longer capable of performing their role is essential in delivering an effective workforce.

#### Value For Money

- 45 It is essential that the Council delivers value for money from its workforce. Minimising the levels of sickness absence makes the most cost effective use of the workforce and maximises the value for money delivered.

#### **RISK ASSESSMENT STATEMENT**

- 46 High levels of sickness absence have the potential to place the quality of service delivery and cost effectiveness of the workforce at risk.

#### **Sources of Information:**

SDC Managing Attendance Policy

CIPD Absence Management Survey 2011

Covalent Performance Management Software

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