

**REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN
RESOURCES****EMPLOYEE HEALTH AND WELLBEING AND SICKNESS ABSENCE
PERFORMANCE UPDATE AS AT 31st AUGUST 2015****Purpose of the Report**

1. As part of a regular reporting regime, to update Members about Nottinghamshire County Council's current performance in relation to levels of sickness absence across its wider workforce and the current actions being taken to further improve the health and wellbeing of its direct employees.

Information and Advice**Background**

2. Sickness absence data, reasons reporting and associated trend analysis is drawn down and is usually reported at regular quarterly intervals from the data input by line managers into the corporate Business Management System (BMS).
3. This information continues to be used to inform the development of measures to ensure that, working with and through managers, the ongoing trend of improvement in attendance is maintained, and to identify additional corporate responses to further improve the health and wellbeing of the Council's workforce.
4. The Council's Employee Health and Wellbeing Action Plan for 2015 -18, which was considered by Members at Personnel Committee on 11th May 2015, identifies a series of actions to effectively address the actual and potential impact of ongoing and significant organisational change on employee wellbeing. These are developed and added to on an ongoing basis.
5. It was agreed at this meeting to provide half yearly updates on the development and implementation of the plan. An update indicating progress against current actions as at September 2015 is attached as **appendix D** of this report.

Reporting cycle

6. The interim change to the Council's organisational structure at senior level from 1st September 2015 reassigned some Service Directors and Group Managers, their functions and structural reports to different service headings or departments.

7. The changes to the breakdown of data by department and service areas will impact on the Council's short term ability to report accurately on comparative trend information at departmental level until sufficient time has elapsed to look back over a rolling period.
8. There will also be an impact on the Council's capacity for consistent year on year comparative trend analysis of sickness by department. To mitigate this impact reports will continue to reflect specific service areas.
9. Therefore to ensure continuity of comparison as far as possible this update report covers **the 2 month period 1st July to 31st August 2015 only** in order to reflect performance trends under the previous organisational departmental structure over a rolling 12 month period as per the existing practice, as reflected in **appendix A** of this report.
10. The subsequent report to Personnel Committee on the 10th March 2016 will be the first to reflect the revised organisational structure and will cover the **4 month period 1st September to 31st December 2015**.
11. The normal quarterly reporting cycle will resume and be reflected in the report setting out the year end situation as at 31st March 2016.

Benchmarking

12. The Council continues to aspire for its performance relating to the number of days absence attributable to sickness per employee per annum to be better than the national average for comparable organisations. On average, absence levels are reducing across all sectors but remain highest in the public and not for profit sectors.
13. The latest comparable national benchmarking data indicates that NCC's overall performance continues to be considerably better than the national average for the local government sector and the wider public sector and the overall trend remains one of incremental improvement:
 - Absence levels across the whole public sector have on average fallen from **8.70 days** per employee per annum in 2013 to **7.90days** in 2014 (source: Chartered Institute of Personnel and Development (CIPD) - Absence Management report 2013)
 - Across the whole Local Government sector the figure is higher, however the average sickness per fte employee per annum has reduced from **8.80 days** in 2012/13 to **8.40 days** in 2013/14 (source: Local Government Association (LGA) - Local Government Workforce Survey 2013/14)
 - Average performance against all the comparable County Councils in the Chartered Institute of Public Finance and Accountancy benchmarking group is currently **8.50 days** and **9.40 days** for all Councils (source: Chartered Institute of Public Finance Accountants (CIPFA) - HR Value For Money Indicators 2013/14).

Current performance

14. The Council continues to see an ongoing trend of continuous improvement in relation to employee absence levels. As set out in **Appendix A** of this report, average overall reported sickness levels stood at **6.51 days** as at 31st August 2015, a further decrease of **0.09 days** on the previous quarter of the year which remains significantly lower than the local government or wider public sector average.

15. A performance target for 2015/16 was considered and agreed by Members at the May Personnel Committee meeting and set at **7.00 days** per employee per annum by 1st April 2016. This reflects the need for a target that is stretching whilst also being both realistic and sustainable if reporting levels increase. This took into account that the Council's performance in relation to staff absence is most influenced and impacted on by the performance of its largest direct services.
16. The transfer out of some services currently provided directly by the authority into alternative service delivery models during 2016/17, with an associated reduction in the size of the Council's direct workforce and a fundamental change in the nature of the remaining workforce, will have an impact on the relative overall performance outcome. Moving forward this will need to be taken into due consideration when setting a new target for the next financial year.
17. Absence currently remains consistently highest in the ASCHPP department although there is an improving trend with a further decrease of **0.29 days** on the previous quarter and this now stands at **10.65 days**.
18. The Council's sickness absence reporting continues to include schools under County Council control (excluding Academies which are independent employers); in order to enable the Council to make consistent year on year comparison to identify performance trends and to benchmark this authority's performance against other local authorities using national benchmarking data, including CIPFA, whose definitions include schools.
19. The level of reported absence in schools alone is currently **5.25 days** on average per employee, a slight increase of **0.04 days** from **5.21 days** in the previous quarter.

Reasons for absence:

20. The 14 categories adopted by the Council for managers to attribute a reason for each occurrence of employee sickness absence when recording the absence on the Business Management System reflect those used by the LGA. This allows for comparison with other local authorities and national performance benchmarking.
21. Reasons for absence in NCC as at 31st August 2015 are set out in **Appendix B** of this report:
 - **Stress:**
22. Relatively high levels of stress related absence across the wider local authority sector reflect the operating environment of budget reductions and organisational change which have resulted in post reductions and increased demands on those who remain in the service. This also raises the potential for "presenteeism" to occur which needs to be identified and managed at source.
23. The current LGA data continues to highlight that the most common overall cause of all absence across the local government sector is stress, depression, anxiety, mental health and fatigue. This has increased to comprise of **22.80%** of all absence across the sector compared to **21.90%** in the previous year.

24. This position is less pronounced within the NCC workforce having improved over recent years in line with the adoption of a more strategic and proactive approach to employee wellbeing, from a position when stress and stress related illness constituted as much as **21%** of all recorded absence.
25. Stress however remains the most prevalent cause of sickness absence in the County Council. Reported absence attributed to stress and related conditions has increased from the previous quarter and currently stands at **18.65%** of all reported absence as indicated in **Appendix B** compared with **18.28%** at the previous quarter.
26. The Council continues to provide an established and well embedded package of measures aimed at reducing work related stress and maintaining employees at work including:
- An established and well received employee counselling service, delivered through an external provider “Care First”
 - The inclusion of stress management in absence management learning resources for managers
 - A wide range of flexible working provisions to help employees manage their work/life balance
 - An on-line stress audit tool, “Well Worker” which enables managers to engage with their staff to identify actual and potential stressors and action plan accordingly
 - Additional support for managers from HR Business Partners in stress “hot spot” areas to identify causes and solutions which might include any of the above
 - Effective joint working with the trade unions through the Joint Wellbeing and Attendance Management Steering Group with a focus on supporting staff through change.
27. As reported to the previous meeting of this Committee, further action to build individual and organisation resilience to prevent, proactively respond to and manage stress, with a particular focus on mental health awareness, is the priority reflected in the Council’s Employee Health and Wellbeing Action Plan for 2015-18 (**appendix D**).
- **Other reasons:**
28. The next most prevalent reason for absence across the Council continues to be surgical operations and post-operative recovery; up to 31st August this had fallen from **17.42% to 16.95%**.
29. It is important for the purposes of accurate monitoring that, wherever possible, managers attribute the reported reason for absence against one of the 14 categories in the BMS system. Following the issue of a reminder to managers, there has been a steadily improving trend in the number of managers reporting attributable absence against the category of “Other” as a default, with a further overall improvement on the previous quarter from **14.79% to 14.41%**.
30. The previous quarters report highlighted that the percentage of managers recording the reason for absence as “Other” is significantly higher in Public Health than in all other departments standing at **58.65%** in quarter 1. This has increased to **65.68%** in quarter 2. This needs to be considered in the context that Public Health is a comparatively small function with an overall workforce of only 55 fte. Discussion has taken place with the

Director of Public Health which has identified that this relates to a very small number of cases (2 people) with long term health issues.

31. Within this Council the level of absence attributable to muscular skeletal problems reflects the comparatively high proportion of physically demanding frontline services currently provided in-house. As these services move into alternative service delivery models this is likely to decrease further.
32. Across the local government sector absence caused by musculo-skeletal problems is currently reported as **14.40%**. In the second quarter of 2015/16 the NCC percentage was **11.96%**, an increase of **0.20 percentage points** from **11.76 %** in the previous quarter.

Long term absence:

33. It is recognised nationally, backed up by research from the Health and Safety Executive (HSE), that the longer an individual has been absent from work due to illness the less likely it is that a successful return can be facilitated.
34. As set out in **Appendix C** of this report, for the final quarter of the year data indicates that overall **58.67%** of all reported absence across the Council is long term.
35. HR advice and support is available to managers to enable them to respond to long term absence in a timely and proactive manner, working with the individual employee concerned to achieve an effective rehabilitation back into work through the use of reasonable adjustments, including phased return to work.

Employee Health and Wellbeing Action Plan 2015/18:

36. Supporting the Council to be a Healthy Organisation is a key priority of the Council's new Workforce Strategy. The Employee Health and Wellbeing Action Plan sets out the measures identified to achieve this.
37. The action plan is continually refreshed to ensure that it is relevant to the current organisational context and supports the Council's workforce to cope with change and perform their best at work, including enabling all NCC managers to monitor workloads and encourage their staff to raise any potential stressors at an early stage.
38. As the Council embarks on the next phase of its service review there is potential for change to impact adversely on employee wellbeing, it is therefore vital that organisational and individual resilience are maximised and support is available to enable employees to personally maintain good mental and physical health.
39. The updated Employee Health and Wellbeing Action Plan for 2015-18 identifies a series of key priorities around 5 themes:
 - Supporting managers and individual employees to maintain positive mental wellbeing through organisational change
 - Promoting effective workload management and prioritisation to reduce stress and the potential for "presenteeism"

- Raising the awareness of managers and employees about mental ill health and related issues in the workplace
- Monitoring the Council's progress and evidencing achievement by working towards accreditation against the Wellbeing at Work Platinum level award
- Continuing to further develop and promote targeted health and wellbeing activities in the workplace.

40. The specific activities reflected in the plan have been developed with input from both Public Health and the Trade Unions through the Joint Wellbeing and Attendance Management Steering Group.

41. The revised action plan has an emphasis on the promotion of good mental health and the effective management and support of employees experiencing mental health issues is attached as **Appendix D** to this report.

42. Another key area of action within the plan relates to implementation of the Tobacco Declaration Plan in respect of smoke free workplaces. Potential revisions to the Council's existing no smoking policy have been the subject of consultation with the recognised trades unions who have agreed the proposed changes. This now requires formal consideration by members.

43. A further progress update for the year 2015/16 will be provided following year end.

Other Options Considered

44. The Council's approach to employee health and wellbeing is the subject of ongoing discussions with trade union colleagues through the Joint Wellbeing and Attendance Management Steering Group which considers a wide range of potential options for continued improvement.

Reasons for Recommendations

45. The recommendations will enable Elected Members to review the current levels of performance and direction of travel set out in this report and the actions that are in place to maintain a level of performance, which meets the Council's identified targets and supports continuous improvement in levels of attendance across the Council. Regular update reports will be submitted on a quarterly basis.

Statutory and Policy Implications

46. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Human Resources Implications

47. These are set out in the body of this report. The trades unions are engaged in the further development of employee health and wellbeing initiatives through the Joint Wellbeing and Attendance Management Steering Group. Trades union colleagues are supportive of

the priority that is being given to tackling and providing support around the issues of stress and have emphasised the need overall for continuing work with managers.

Equalities Implications

48. The Council's Attendance Management policy and procedure applies equally to all directly employed staff. There is a separate policy which is applicable to all maintained schools and is recommended to all schools with different governance arrangements. These procedures contain guidance which ensures that appropriate management of the sickness absence of employees with a disability complies with the requirements of the Equality Act 2010.

RECOMMENDATIONS

It is recommended that Elected Members note:

1. The current level of performance in respect of sickness absence levels and the on-going overall trend of continuous improvement.
2. The current and proposed actions which continue to be taken to improve employee health and wellbeing.

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For any enquiries about this report please contact:

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Constitutional Comments (SLB 26/10/15))

49. This report is for noting only.

Financial Comments (SES 22/10/15)

50. There are no specific implications arising directly from this report.

Human Resources Comments (CLG 14/09/15)

51. The human resources implications are implicit in the body of the report.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All