

**REPORT OF THE SERVICE DIRECTOR – CUSTOMERS AND HUMAN
RESOURCES****EMPLOYEE HEALTH AND WELLBEING AND SICKNESS ABSENCE
PERFORMANCE UPDATE AS AT 30th JUNE 2015****Purpose of the Report**

1. To update Members about Nottinghamshire County Council's performance in relation to levels of sickness absence across its wider workforce and the current and planned measures being taken to further improve the health and wellbeing of its direct employees.

Information and Advice**Background**

2. The Council's managers are critical to the effective prevention and management of sickness absence and are supported in this through a range of eLearning and web based materials, complemented by workshops to guide managers through more complex absence management issues. Targeted HR support and advice is also available to all managers to enable them to manage and reduce sickness absence in their service areas.
3. Sickness absence data, reasons reporting and associated trend analysis is drawn down at regular quarterly intervals from the data input by line managers into the corporate Business Management System (BMS). This report represents the position as at the end of the first quarter of 2015 -16, that is **as at 30th June 2015**.
4. This information is 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.
5. An updated Employee Health and Wellbeing Action Plan for 2015 -18 which was considered by Members at the 11th May 2015 meeting of this Committee, identifies a series of actions which are currently being implemented to effectively address the actual and potential impact of ongoing and significant organisational change on employee wellbeing.

Benchmarking

6. 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.
7. Since the previous report the Local Government Association (LGA), has published its latest Workforce Survey Data which retrospectively reflects the situation as at 31st March 2014. The Chartered Institute of Personnel and Development (CIPD) has also recently updated its annual survey report on Absence Management across all UK employers to reflect the situation as at the end of 2014.
8. The latest available comparable benchmark data now indicates that nationally, on average, absence levels are reducing across all sectors but remains highest in the public and not for profit sectors:
 - Absence levels across the whole public sector are on average have fallen from **8.70 days** per employee per annum in 2013 to **7.90days** in 2014 (source CIPD)
 - 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 LGA)
 - 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 CIPFA HR Value For Money indicators 2013/14)
 - In addition available year end 2014/15 out turn for comparable East Midlands Shire Counties was as follows:
 - Derbyshire **8.16 days**
 - Leicestershire **9.60 days**
 - Lincolnshire **7.80 days**

Current performance

9. 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. Organisational transformation and the associated uncertainty arising makes it essential to retain a focus on employee wellbeing and resilience in order to sustain this progress.
10. As set out in **Appendix A** of this report, average overall reported sickness levels stood at **6.60 days** as at 30th June 2015, an improvement by a further decrease of **0.08 days** on the previous quarter of the year and remains significantly lower than the local government or wider public sector average.
11. Based on a yearend turnout of 6.68 days for 2014/15, a sustainable 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.

12. 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. The transfer out of some substantial functions within the authority into alternative service delivery models is likely to impact on the relative overall performance outcome.
13. Absence remains consistently highest in the ASCHPP department although there has been a decrease of **0.05 days** on the previous quarter and this now stands at **10.94 days**.
14. 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.
15. The level of reported absence in schools alone is currently **5.21 days** on average per employee.

Reasons for absence:

16. 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.
17. Reasons for absence in NCC as at 30th June 2015 are set out in **Appendix B** of this report:
 - **Stress:**
18. 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.
19. 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 .
20. 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.
21. 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 **18.28%** of all reported absence as indicated in **Appendix B** compared with **17.78%** at the previous quarter.

22. The Council has a range of established and well embedded provision 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
- Support for managers from HR Business Partners work 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.

23. 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.

- **Other reasons:**

24. The next most prevalent reason for absence across the Council remains surgical operations and post-operative recovery, and during quarter 1 of 2015/16 this rose from **16.95%** to **17.42%**.

25. 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 improvement on the previous quarter of **0.42 percentage points** from **15.21%** to **14.79%** with room for further improvement.

26. 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

27. Across the local government sector absence caused by musculo-skeletal problems is currently reported as **14.40%**. In the first quarter of 2015/16 the NCC percentage was **11.76%**, a further decrease of **0.48 percentage points** on the previous quarter.

Long term absence:

28. 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.

29. As set out in **Appendix C** of this report, for the final quarter of the year data indicates that overall **58.73%** of all reported absence across the Council is long term.

30. Whilst this is a further improvement from **58.97 %** at the previous quarter, a priority for the Council continues to aim to reduce long term absence to **50%** or below, in line with the national average.

31. HR 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.

Actions for Improvement:

32. Supporting the Council to be a Healthy Organisation is a key priority of the Council's new Workforce Strategy which supports the delivery of the Workforce Development Programme of the Council's cross cutting transformation portfolio. The Employee Health and Wellbeing Action Plan sets out the measures identified to achieve this.

33. In order for the Council to transform effectively, organisational and individual resilience must be maximised and all employees supported to personally cope with change and perform their best at work. The Leadership cohort had the opportunity, as part of the Leadership Development Programme, to participate in a workshop on the manager's role in resilience to enable them to cope with the pressures of change and support their staff through change. This will be rolled out to the wider workforce as an eLearning resource on personal resilience by the end of the year.

34. The Council remains committed to enabling all NCC managers to monitor workloads, support their staff through change and offer appropriate support on an individual basis which is reflected more clearly in a revised EPDR process. This will be set in the context of embedding a Coaching Culture across the Council and, as part of the Council's wider Coaching framework, a learning intervention "Manager as Coach" was launched in early July for all Team Managers and above.

Future Reporting:

35. Subsequent reports will reflect the interim change to the Council's organisational structure at senior level, as agreed at Policy Committee on 15th July 2015, which following enabling from 1st September 2015 will reassign some Service Directors and Group Managers and their structural reports to different service headings or departments.

36. The next performance update to members at Personnel Committee on 18th November 2015 will cover the 2 month period 1st July to 31st August 2015 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.

37. 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.

38. The changes on 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.
39. 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.
40. The normal quarterly reporting cycle will then resume and be reflected in the report setting out the situation as at 31st March 2016.

Other Options Considered

41. 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

42. 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

43. 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

44. 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

45. 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 (SMG 24/08/15)

46. Because this report is for noting only, Constitutional Comments are not required.

Financial Comments (CSB 25/08/15)

47. There are no specific financial implications arising directly from this report.

Human Resources Comments (CLG 01/08/15)

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

Background Papers

Trades union side comments dated 10th September 2015.

Electoral Division(s) and Member(s) Affected

All