

REPORT OF THE SERVICE DIRECTOR HR AND CUSTOMER SERVICE**SICKNESS ABSENCE PERFORMANCE AS AT 30th SEPTEMBER 2013****Purpose of the Report**

1. To provide a further quarterly update for Members about Nottinghamshire County Council's performance in relation to current levels of sickness absence across its workforce.

Information and Advice**Background:**

2. One of the Council's strategic priorities continues to be to reduce the number of working days lost to employee sickness absence.
3. At the Personnel Committee meeting on 11th September 2013 Members received updated data and analysis of the Council's performance against this key corporate performance indicator. This set out that the level of absence at the end of the initial quarter of 2013/14 was **8.14 days** absence on average, per employee, per annum.
4. This level of performance exceeded the County Council's in year target of **8.17 days** by **0.03 days** and placed it well below the national average for local authority employers which is **8.40 days** overall and for comparable County authorities, **9.10 days**.
5. Continual improvement has been achieved since 2010, when NCC absence rates stood at an average of **10.50 days**, through the adoption of a strategic approach which refocused absence management onto proactive, preventative employee health and wellbeing and the delivery of key actions for improvement.
6. The on-going priority is to maintain and continue to improve on this level of performance whilst building in sustainability through increased employee engagement which will be reflected in a refreshed Workforce Health and Wellbeing action plan for the Council's direct employees.

Performance:

7. The data set out in detail in **Appendix A and B** to this report reflects the position at the end of the second quarter of the current financial year, that is the period 1st July to 30th September 2013.

8. The validated data for Q2 indicates that the current level of sickness absence is **8.19 days** sickness per employee on average per annum, a slight increase of **0.05 days** on the previous quarter and just below the in-year target by **0.2 days**. This trend is most marked in schools.
9. The charts attached to this report (**Appendix A and B**), continue to illustrate a variation across departments and service areas within departments in respect of performance against the Council's overall in-year target.
10. The next update report to Personnel Committee will set out the known situation as at the end of the third quarter of 2013/14, that is as at 31st December 2013.

Reasons for absence:

11. The current LGA Workforce Survey reports that the top three causes of reported sickness absence across local authorities are stress, depression, anxiety; mental health and fatigue (**21.70%**) followed by other muscular skeletal problems (**14.70%**) and back and neck problems (**12.30%**).
12. Absence reported as being attributable to stress and stress related illness is, for the first time since 2010, no longer the most prevalent reason for absence in this Council. Currently, it is now surgical operations and post-operative recovery. This is potentially reflective of the age profile of the Council's employees, and is particularly significant in Public Health, Schools and Environment and Resources (**see Appendix C**).
13. However stress related absence remains significant and is the second most prevalent reported cause of absence, followed by illness attributable to "other" reasons. In CFCS and ASCHPP stress related absence remains the prevalent reason and reported levels exceed the Council average (**see Appendix C**).
14. HR Business Partners are working with managers in hot spot areas to identify causes and solutions which will include promoting the use of the Councils stress audit tool to engage with staff to identify actual and potential stressors and action plan accordingly.
15. Whilst levels of absence attributable to stress in PPCS appear extremely high, this is a significantly smaller department in terms of headcount in comparison to all others therefore one or two cases can considerably distort the average percentage.
16. It is possible that the trends highlighted in paragraphs 12, 13 and 14 above reflect to some extent the relative age profile of the departments concerned. It is proposed to drill down into workforce information data in order to undertake further, detailed analysis of this to inform the future focus of action planning for improvement as part of the 2013/14 Employee Health and Wellbeing action plan.
17. HR are currently developing management guidance to address the relatively high level of non-specific reason reporting under the "other" category in order to ensure a more accurate reflection of actual reasons for absence.

Stress:

18. As set out in paragraph 12, the absence reasons report for Quarter 2 2013/14 (**Appendix C**), shows that, absence attributed to stress and stress related illness continues to a significant cause of sickness absence in the Council.
19. Relatively high levels of stress related absence across the local authority sector reflect the operating environment of budget reductions and change which have resulted in post reductions and increased demands on those who remain in the service; over the past few years levels of stress related absence in the Council have been as high as **21%** of all recorded absence, in line with the reported national average for County Councils.
20. The positive and improving trend reported in Q1 of 2013/14 is perpetuated into Q2 with stress and stress related illness now accounting for **18.17%** of all recorded absence, compared to **18.31%** at the previous quarter, an improvement of **0.14** percentage points and well below the reported local government average of **21.70%**. It is essential that this positive trend is maintained and that levels of stress and stress related illness continue to decline.
21. A refreshed Workforce Strategy for 2014-18 is being developed to underpin the Council's new Strategic Plan with regard to its ambition to be a good employer and encourage other employers in the County to adopt good employment practice. Engaging managers and employees in proactive and preventative workforce health and wellbeing, with a focus on the prevention, reduction and management of stress through early intervention will form a key element of the new Workforce Strategy.
22. This approach will include assisting individual employees to maximise their capacity to find solutions in response to challenges and changing demands at work, balanced against an appropriate organisational response with a particular focus on "hot spot" service areas, such as Children's Social Care, where stress is a particular issue.
23. Achievements made in delivering the Employee Health and Wellbeing Action Plan for 2012/2013 gained the Council accreditation against the silver level of the "Wellbeing at Work" Workplace Health Scheme. Building on progress made, a specific plan for 2013/14 will be developed which will be matched against the criteria for achieving the highest gold level award.
24. Discussions are progressing positively with Public Health colleagues and the trade unions to develop resource and deliver specific approaches and activities to support the development and delivery of this plan.

Long term absence:

25. The Q2 2013/14 data indicates that **44.89%** of all absence is currently long term, that is of four weeks or more in duration (**Appendix D**), indicating that the Council continues to exceed its performance against a target of **50.00%** or less.
26. Overall the position compared with the previous quarter is further improved by **0.57** percentage points when it stood at **45.46%**, evidencing that HR working with managers to

ensure early intervention to ensure that absent employees are facilitated to return to work at the earliest possible opportunity continues to have a positive impact.

Other Options Considered

27. The council's approach to employee health and wellbeing is the subject of ongoing discussions with trade union colleagues in order to consider a wide range of potential options for continued improvement.

Reasons for Recommendations

28. The recommendations in this report will enable 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

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

29. The human resources implications are implicit in the body of the report. The trade unions are engaged in the further development of employee health and wellbeing initiatives through the Joint Wellbeing and Attendance Management Steering Group

Equalities Implications

30. The Council's Attendance Management policy and procedure applies equally to all directly employed staff. There is 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.

Financial Implications

31. The financial cost of sickness is significant and, along with increased productivity and engagement, there are significant savings to be drawn down from further reducing absence rates.
32. Establishing the true cost of absence to the Council is a complex calculation which needs to take into account a range of related factors, including the cost of providing cover in front line service areas.

33. Following the successful migration of all employee data into the Business Management System, during 2013/14, active consideration is being given to a mechanism for undertaking detailed analysis and accurate breakdown of the actual cost of absence to the authority.

RECOMMENDATIONS

It is recommended that Members note:

1. the on-going trend of continuous improvement
2. the current level of performance in respect of sickness absence levels.

Marjorie Toward
Service Director HR and Customer Service

For any enquiries about this report please contact:
Claire Gollin, Group Manager HR, on 0115 9773837 or claire.gollin@nottsc.gov.uk

Constitutional Comments (KK 07/10/13)

33. The proposals in this report are within the remit of the Personnel Committee.

Financial Comments (SEM 08/10/13)

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

Background Papers

None

Electoral Division(s) and Member(s) Affected

All