

report



meeting	CORPORATE STRATEGY AND COORDINATION SELECT COMMITTEE	
date	21 JUNE 2004	agenda item number

REPORT OF THE ACTING ASSISTANT DIRECTOR – HUMAN RESOURCES

SICKNESS ABSENCE

1. Purpose of Report

- 1.1 At its meeting on 9th February 2004 the Committee decided to commission some follow up scrutiny activity, in respect of sickness absence within the County Council.
- 1.2 Firstly, the committee sought reassurance from all departments that improvements in the management of attendance were being maintained. Secondly, the committee requested an assessment be made of any impact that implementation of Phase 1, of the new pay and grading structure may have had on attendance levels.
- 1.3 In addition, as part of its remit to scrutinise performance across the council, the Committee requested information on the number of ill health retirements, and whether any links could be established between this and more effective attendance management.

2. Background

- 2.1 As reported to this Committee previously, it has been acknowledged that since 2001 the Council has made determined efforts to improve the management of attendance.
- 2.2 Improvement measures introduced have included;
 - Improved sickness absence recording and computerised monitoring systems
 - Implementation of a Corporate Sickness Absence Policy
 - Programme of training and guidance for managers
 - Establishment of Corporate and departmental targets for reducing sickness levels

- Introduction of trigger levels and return to work interviews
- Provision to dismiss employees for unacceptable levels of absence
- Improved and proactive Occupational Health Service

3. Sickness Absence Levels

- 3.1 Since April 2001, the Authority has been collecting information on its levels of sickness absence, at a corporate and departmental level. Through the Best Value regime, Central Government has challenged all local authorities to improve their sickness absence levels to the best 25% of performing authorities. An annual improvement target has to be set by each Authority, and has recently become an element of the Comprehensive Performance Assessment.
- 3.2 The levels of sickness absence recorded by Nottinghamshire County Council since corporate monitoring began are as follows;

	2000/1	2001/2	2002/3	2003/4
ACTUAL	13 days	14.04 days	11.45 days	12 days
TARGET	NA	13 days	11.50 days	10.12 days

- 3.3 According to local authority surveys, the best performing authorities are recording levels of sickness absence of between 8 and 9 days per employee per annum. The lower quartile are reporting absence levels of between 11 and 12 days. Within Nottinghamshire County Council, despite some improvement in sickness absence levels recorded in 2002/3, last year (2003/4) performance slipped into the lower quartile. In part this will be due to increases in absence levels in the Education Department. Within schools the number of recorded working days lost to sickness has increased significantly. This is partly due to better recording and reporting systems but also in the number of long term absences which has a disproportionate effect on overall absence levels. The department is engaging with individual schools as appropriate to address these issues.

4. Progress in Managing attendance across Departments

- 4.1 Improving attendance levels across a large, and diverse organisation, requires effort and commitment at a number of levels.
- 4.2 Corporately it requires top level commitment, consistent monitoring and reporting arrangements, and strategic improvement strategies to tackle the main causes of ill health.

4.3 At a departmental level it is about ensuring that managers with 'people' responsibilities, are equipped with the necessary skills knowledge and support to manage attendance.

4.4 Outlined in the following sections is a summary of progress in managing attendance within each department;

4.4(i) SOCIAL SERVICES

SICKNESS ABSENCE LEVELS	
YEAR	Days Lost per FTE pa
2001/2	19.2 8.43% of working time
2002/3	19.2 8.43% of working time
2003/4 * (up to and including Dec 2003)	16.9 7.60% of working time

The department has increased the profile of this key performance indicator with all managers
Main recorded reasons for absence include, back (musculoskeletal) approx 24%, and stress/depression approx 21% of all absences.

Improvement measures include;

- Managers Workshops – Jan 2003 to discuss improvement strategies and agree an 'Attendance Management Strategy' for 2003/4
- Introduction of Flexible Working Arrangement Pilots. Over 70% of respondents reported a reduction in stress levels
- Physiotherapy service utilised to achieve quicker returns to work following absence
- Stress Action Projects
- Long Term Sickness Absence Protocol introduced to define managers responsibilities with resultant reduction in long term sickness cases
- Attendance Management Training Sessions
- Improved Absence Reports
- Promotion and expansion of Influenza Immunisation 2003/4

Priorities for 2004/5

- 15% reduction in sickness levels
- Quarterly trigger reports for managers
- Reintroduction of absence audits
- Increasing personnel support to Managers
- Further management training

- Action Plans from Stress Action Projects

4.4 (ii) RESOURCES DEPARTMENT

SICKNESS ABSENCE LEVELS	
YEAR	DAYS LOST per FTE pa
2001/2	10.2
2002/3	9.8
2003/4	10.3

Improvement measures include;

- Provision of regular absence reports to management team and trigger level reports to managers
- Training for managers
- Absence 'hot spots' targeted and managed through joint efforts with Occupational Health Service
- Plan to raise the profile of absence management within the department

4.4 (iii) CULTURE AND COMMUNITY

SICKNESS ABSENCE LEVELS	
YEAR	DAYS LOST per FTE pa
2001/2	7.8 days
2002/3	11.9 days
2003/4	9.9 days

Improvement measures include

- Comprehensive training programme for all managers
- Further management briefings and courses for all new managers
- Improved management reports to management team, analysing trends and performance against targets
- Plans to undertake audits during 2004/5 to establish how well the policy is embedded within management practice.
- Promotion of the Physiotherapy Service

4.4 (iv) ENVIRONMENT

SICKNESS ABSENCE LEVELS	
YEAR	DAYS LOST per FTE pa
2001/2	Dept total 14.5
2002/3	Ex APT&C 11.3 Front line 17.8 Dept Total 15.6
2003/4	Ex APT&C 11.3 Front line 17.6 Dept Total 15.5

Improvement measures include;

- Agreement of Departmental Attendance Management Action Plan for 2003/4 which introduced;
- Further management briefings on revised Sickness Policy
- Recruitment of 2 temporary attendance officers to support front line supervisors in managing attendance
- Focussed training, especially for front line managers
- Tailored training to front line supervisors
- All management teams to introduce regular reviews of sickness absence
- Review of long term absence management processes
- A Communications Strategy for staff highlighting importance of attendance and support measures
- All Assistant Directors to establish targets for managers
- Good Practice Guide for managers
- Departmental and divisional absence targets set annually
- All EDPR reviewers receive mandatory training in absence management
- Proposal to undertake more audits to ensure adherence to Policy
- Provision of trigger reports on absence to management teams

Key Priorities for 2004/05

- Improve provision of management information on absence for managers in conjunction with the Employee Services Centre
- Audit compliance/adherence to the absence management procedure and identify key areas for improvement
- Establish a database for tracking absence management meetings to support front line supervisors

4.4 (v) EDUCATION

SICKNESS ABSENCE LEVELS		
YEAR	DAYS LOST per FTE pa	
	Non Schools	Schools
2001/2	8	9.06
2002/3	8.25	7.68
	10.29	12.07

- Increases are due in part to better reporting mechanisms and increase in long term absences which have a disproportionate effect on total days lost.
- Senior management team have agreed a target of 10 days for 2004/5.
- Further training to managers delivered.
- Refining the absence reporting mechanisms.
- Introduction of departmental guidance to complement corporate policy.
- Regular absence reports to Director and Assistant Directors and managers.
- Comparative absence data supplied to similar sized schools.
- Engaging with individual schools as appropriate

5. Corporate Improvement Strategies

5.1 To supplement action taken to improve sickness absence management at a departmental level, a number of corporate measures have been implemented. Specifically within the Occupational Health Unit, there have been significant changes to ensure that the service proactively contributes to better absence management.

5.1.1 Initiatives include;

- Occupational Health Nurse Advisers are dedicated to each department to provide a regular contact point, and ensure regular reviews of absence. This has resulted in earlier referrals of absence cases, and improved dialogue between departments and the unit.
- Increase in “nurse only” referrals to reduce waiting times, and enable the referral of more serious or complex cases, to the Occupational Health doctors.

- All appointments made directly through the OHS, which has resulted in improved communication and reductions in missed appointments.
- Pilot Physiotherapy service has resulted in earlier returns to work from long term absence
- Development of corporate Stress Policy.

6. Corporate Activity Planned for 2004 to further improve absence management

6.1 The County Councils' external auditors Price Waterhouse Coopers, have been commissioned to carry out a review of sickness absence within 3 departments, as part of its performance management audit for 2004. The review aims to;

- Provide an interdepartmental analysis of the levels and types of absence, in 3 departments for the last financial year.
- Identify any discrepancies and investigate the reasons.
- Undertake a benchmarking exercise with other Local Authorities.
- Ensure levels of compliance with provisions in the Corporate Sickness Absence Policy.
- Highlight good practice and any barriers.
- Identify any improvement measures

6.2 Detailed work will begin in June 2004 with a review completion date of September 2004. The findings will be used as the basis to identify further improvement actions.

6.3 As a result of the establishment of the Employee Services Centre in Ruddington, it is hoped that improvements will be made in sickness absence monitoring and reporting systems. For the first time the collection and analysis of the Authority's sickness absence statistics will take place from one point, with improved analysis of corporate trends and absence 'hot spots'. This corporate management information, can then be used in a targeted way to improve sickness absence and its key causes.

7. Ill Health Retirements

7.1 Members of the Committee will be aware that the percentage of employees retiring early on the grounds of ill health, is one of the "corporate health indicators" that all local authorities are obliged to

report as part of the Best Value framework. A request for this information was made by the committee at its meeting on 9th February.

7.2 From 2001, the percentage of ill health retirements reduced from 0.93% to 0.73% in 2002/3. The figure for 2003/4 is 0.68%. Although the reduction is to be welcomed, it still places the authority in the bottom quartile for performance, compared with other local authorities. One of the reasons for the reduction in the number of ill health retirements within Nottinghamshire may be as a result of 3 changes in the Local Government Pension Regulations. These are;

i) The test for eligibility for ill health retirement, has been amended to include “permanent incapacity” to continue in an employee’s existing and comparable employment with the employing Authority

ii) The regulations also clarify that “permanently incapable” means at the earliest, the employees’ 65th birthday.

iii) The regulations now require an independent medical advisor, qualified in Occupational Health medicine, to decide on whether an employee meets the ill health retirement regulations. Independent also refers to a medical advisor not previously directly involved in the case concerned.

8. Possible correlation between implementation of Phase 1 of the new Pay Structure (Hay) and absence levels

8.1 The Committee specifically requested that some analysis be undertaken of the possible links between any increase in sickness absence levels, and implementation of the new pay structure for employees at Principal Officer scales and above.

8.2 Bearing in mind “affected employees” were informed of any changes in the pay and grading attached to their post at end of September 2003, any increase in sickness levels would have been apparent in the returns for the last 6 months i.e. September 2003 – March 2004.

8.3 It is pleasing to report that no such increase in sickness absence levels was evident.

Additionally Departmental Personnel teams have not reported any evidence of this factor being recorded as a reason for significant increases in absence. Across the Authority, only 2 cases of significant long term absence have been linked to implementation of the new pay structure. (one directly)

9. Conclusion

- 9.1 As has been outlined, it is pleasing to note that sickness absence management continues to be a priority, both at a corporate and departmental level. However there is a real need to maintain the momentum in delivering the improvements required to meet the target set for the Authority for 2004/5.

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