

**Agenda Item: 6****REPORT OF THE SERVICE DIRECTOR HR AND CUSTOMER SERVICE****SICKNESS ABSENCE PERFORMANCE AS AT 31<sup>st</sup> MARCH 2014****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 priorities continues to be to reduce the number of working days lost to employee sickness absence. The role of the line manager in managing absence and promoting wellbeing and attendance is critical to this.
3. Since 2009 there has been a steady trend of ongoing improvement in absence levels which has been sustained through the adoption of a strategic approach which refocused absence management onto proactive, preventative employee health and wellbeing and the delivery of a Workforce Health and Wellbeing action plan with key actions for improvement.
4. Despite a further, significant, decrease in sickness absence levels in the final quarter of 2013-14, 1<sup>st</sup> January to 31<sup>st</sup> March 2014, as reported below, the unprecedented level of organisational change proposed for 2014 /15 and the associated uncertainty makes it essential to retain a focus on employee wellbeing.

**Current performance**

5. HR support and advice is provided to both managers of direct employees of NCC and Head teachers of those NCC schools which buy back the service to manage and reduce sickness absence amongst their staff. The Council's sickness absence reporting has therefore historically included reported absence in NCC schools in which levels of reported absence have generally been lower than the NCC average.
6. The validated data for quarter 4 2013/14 indicates that the current level of days lost to sickness, including NCC schools, has fallen significantly from **8.18 days**, on average per employee, per annum, at the previous quarter to **7.39 days** sickness per employee on average per annum, a decrease of **0.78 days** overall.

7. Whilst managers have recently been reminded of their responsibility to record all absence in a timely and consistent manner using the Manager Self Service element of the Business Management System, there is potential that this outcome may reflect an increase in the degree of under-reporting; however the general trend remains one of improvement.
8. The reported data as set out in **Appendix A** to this report, indicates that marked improvement has been achieved since the previous quarter in all NCC departments, with a particular impact apparent in levels in NCC schools where absence has declined by **1.33 days** from **7.62 days** in the previous quarter to **6.29 days**. This may reflect the increasing academisation of schools as Academies, as independent entities, are not included in NCC owned data.
9. The performance of schools is included in this year-end data set to ensure continuity of comparison with previous reporting periods. The available data indicates that the established in-year performance improvement target of **8.17 days**, including schools, has been met and exceeded by **0.78 days**.
10. The next update report to Personnel Committee will set out the known situation as at the end of the first quarter of 2014/15 that is as at 30<sup>th</sup> June 2014.

## **Benchmarking**

11. A revised target which is meaningful to the current level of performance and scope of reporting will need to be identified and agreed for 2014/15.
12. In February 2014, the Local Government Association (LGA), updated their **Local Government Workforce Survey** to reflect the position for the year 2012/13. This most current benchmarking survey reports the local government average sickness FTE employee per annum as **8.80 days** for all Councils.
13. The Council has recently adopted the **CIPFA Value for Money Indicator benchmarking data** to underpin the identification of priorities for service review as part of its proposed organisational remodelling programme. The most recently available CIPFA data, which **includes schools** and is for 2012/13, indicates average performance against all the County Councils in the benchmarking group is **also 8.80 days**, whilst across all local authorities who are members of the benchmarking network, it is **9.5 days**. The lower quartile (best) performers being at **7.4 days** for County Councils and at **7.1 days** for all authorities.
14. Both sets of benchmarking data demonstrate that NCC's overall performance is now considerably better than the national average for the local government sector. In order to continue to effect ongoing improvement the Council will need to identify a meaningful, target for 2014/15.
15. To reflect the Council's selection of the CIPFA data to inform its overall change programme, it is proposed that if schools are to continue to be included in the Council's reported data set, a realistic revised target of maintaining performance at, or below, **7.4 days by 1<sup>st</sup> April 2015** is set. This reflects current levels of performance; the variance in the data from quarter to quarter and allows for work to address any under-recording. If

sustained over a period of time this would place the Council as the top performer in its comparable County Council benchmarking group.

## Reasons for absence

16. The updated Local Government Workforce Survey also reports that the top three causes of reported sickness absence across all local authorities are stress, depression, anxiety, mental health and fatigue (**21.9 %**) followed by other muscular skeletal problems (**15.00%**) and infections (**10.50%**).
17. Stress related absence is currently also the most significant reason at Nottinghamshire County Council, currently representing **18.17%** of the total which is considerably below the national average. The next most prevalent reason is absence for surgical operations and post-operative recovery at **17.33%**, potentially reflecting the age profile of the Council's workforce, currently age 46.6, followed by absence reported against other reasons at **14.91%**. Within this Council absence attributable to muscular skeletal problems stands at **11.32%**, this is above the national average and may reflect the comparatively high proportion of frontline services, where this type of problem can be work related, which are retained in-house compared to other authorities (**see Appendix B**).
18. In the Children's Families and Cultural Services and Adult Social Care, Health and Public Protection departments stress related absence remains the prevalent reason and reported levels exceed the Council average. Levels of absence attributable to stress in Policy, Performance and Corporate Services also appear high, but 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.
19. The percentage of illness not attributed by managers at the point of recording to any specific reason in the reporting categories currently stands at **1.69%** and further work is being undertaken to remind managers of their responsibility to record absence accurately.
20. The third and fourth quarters of each year usually see an increase in absence reported as attributable to colds, sore throats and Flu. **Appendix B** illustrates that, as at 31<sup>st</sup> March 2014 absence attributable to colds, sore throats and Flu stood at **8.48%** of all reported absence, this compares favourably to **9.61%** in the previous quarter and **10.21%** in the equivalent quarter of 2012/13. The fact that reported incidences are markedly lower than what has previously been reported over equivalent quarters in previous years, is likely to be an indication of the fact that there were no widespread Flu epidemics during the mild winter of 2013-14.

## Stress

21. Relatively high levels of stress related absence across the 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; 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.

22. The absence reasons report for quarter 4 2013/14 (**Appendix B**), shows that, against this background, stress continues to be a significant cause of sickness absence in the Council. However, there has been a slight decrease in absence attributed to stress and stress related illness from **18.18%** in the previous quarter to **18.17%** and the general trend continues to be one of considerable improvement against the equivalent reporting period for 2012/13 when it stood at **20.24%**.
23. It is essential that this improvement is maintained and that levels of stress and stress related illness continue to decline. HR Business Partners continue to work with managers in hot spot areas to identify causes and solutions which will include promoting the use of the Council's stress audit tool to engage with staff to identify actual and potential stressors and action plan accordingly.
24. Therefore one of the priorities of the Council's Workforce Strategy for 2014-18 will be to continue to engage 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. This approach will include assisting individual employees to maximise their capacity to find solutions in response to the increasing challenges and changing demands at work, balanced against an appropriate organisational response with a particular focus on "hot spot" service areas.
25. Discussions continue to progress positively with Public Health colleagues and the trades unions to develop resource and deliver specific approaches and activities to support the development and delivery of this plan.

### **Long term absence**

26. The quarter 4 2013/14 data indicates that **46.79%** of all absence is currently long term, that is of four weeks or more in duration (**Appendix C**), although the Council continues to exceed its current performance target of **50.00%** or less.
27. Overall the position compared with the previous quarter shows an overall increase of **3.38** percentage points on the previous quarter when it stood at **43.51%**. The increase is focused in two departments and a **1.54** percentage increase in schools. In Policy, Planning and Corporate Services department long term absence has increased by **7.23** percentage points from **44.73%** at the last quarter to **51.96%**. Given the size of this department, one or two cases can have a significant impact. In the Environment and Resources department it has increased by **4.92** percentage points from **48.30%** at the previous quarter to **53.22%**. In all other departments the proportion has decreased.

### **Future Focus**

28. In April 2014, the Council's achievements to date in improving the health and wellbeing of its workforce and reducing absence were recognised through the achievement of accreditation against the Gold level of the Wellbeing at Work Workplace Health Award Scheme. This also highlights the authority to other employers as an exemplar of good practice.
29. The on-going priority is therefore to maintain and continue to improve on this level of performance whilst building in sustainability through the increased engagement of the

Council's direct workforce in the wellbeing agenda which will be reflected in a refreshed action plan.

30. The Council will continue to use the Wellbeing at Work Workplace Health Award Scheme as a benchmark of effectiveness with the aim of achievement of the newly introduced Platinum level award by April 2015.

### **Other Options Considered**

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

### **Reasons for Recommendations**

32. The recommendations in this report 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**

33. 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**

34. The human resources implications are implicit in the body of the 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.

### **Equalities Implications**

35. 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:

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

2. Note the achievement of the in-year performance target
3. Approve the setting of a revised performance target for 2014/15 as set out in paragraph 15 of the report which if sustained would mean the Council was amongst the best performing County Councils in the Country.
4. Note the achievement of the Gold Wellbeing at Work Workplace Health Award.

**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](mailto:claire.gollin@nottsc.gov.uk)

**Constitutional Comments (KK 01/05/14)**

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

**Financial Comments (SEM 01/05/14)**

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

**Background Papers**

None