Information/Discussion Paper

E&BI Overview & Scrutiny - 23 May 2011

Absence Management

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1. Why has this come to scrutiny?

1.1 To provide an overview of Cheltenham Borough Council's approach to managing and monitoring sickness absence.

2. Summary of the Issue

2.1 Cheltenham Borough Council is committed to delivering effectively and efficiently all its services. Quality customer service can only be achieved through committed employees who form its most valuable resource. High attendance levels are therefore vital in enabling the Council to meet its objectives. It is extremely important that employee attendance is managed properly, as poor levels of attendance can lead to loss of service delivery, reduced effectiveness, increased costs and increased pressures on colleagues to cover workloads.

2.2 In recent years the issue of public sector sickness absence levels has been raised frequently, both nationally and in the local media. This is due to the apparently generally higher levels of sickness local authorities and other public organisations have in comparison to private and other sector organisations.

2.3 The Council's Sickness Absence Management policy was approved in February 2006 and its aim is to promote a consistent approach towards managing sickness absence across the authority.

2.4 The over-arching aim of the policy is to provide a framework for reducing the level of sickness absence, whilst supporting employees to return to work following a period of absence.

2.5 Significant work has already been carried out by HR colleagues to improve sickness reporting to ensures that the Council has accurate, reliable and timely data which is evidenced from sound systems and reporting processes for performance management purposes. It is also essential that sickness is administered, managed and reported in a consistent way.

2.6 The Council's Sickness Absence Management Policy & Procedure is a step by step guide to managing sickness absence. The policy & procedure includes detailed support and guidance on:-

- o Short and long term absence and the process for managing the absence (including Sickness Absence Interviews and recording the information on the relevant documentation)

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o Referrals to Occupational Health Service and advice on termination of employment if appropriate

o Advice on fit notes and the implications of GP's advice including managing a phased return to work.

o Detailed guidance for managers considering referring employees to an Ill Health Final Case Review Hearing and the procedure to follow

2.7 For consistency, the Council has continued to use the old Best Value Performance Indicator method for calculating sickness absence data. This was a formula based on measuring absence over a 12 month period for staff employed in local government. This BVPI has been discontinued by the Government.

2.8 The Chartered Institute of Personnel and Development (CIPD) released their Annual Absence Management survey report in October 2010. The report sets out the key findings on absence management trends, policy and practice. The analysis is based on feedback from 573 organisations across the UK employing a total of more than 1.5 million employees over the period 1 January to 31 December 2009.

2.9 The report finds that the average level of absence from work across the UK for that year *(1 January to 31 December 2009) was **7.7 days per employee,** similar to the previous year. Sickness absence remains highest in the **public sector at 9.6 days per employee per year**. Absence is also high in the not for profit sector at an average of 8.3 days per employee per year. Unsurprisingly sickness absence remains lowest in the private sector – manufacturing and production organisations reported an average of 6.9 days lost per employee per year while private companies providing services reported an average absence of 6.6 days per employee per year.

2.10 In the latest CIPD Survey the average annual cost of employee absence per employee varied across sectors; however the **median cost of absence stood at £600 per employee per year.** The average cost of absence is much higher in the **public sector than in the private sector – the median cost is £889 per employee compared with £600 for private sector service organisations,** £400 for the manufacturing and production sector and £600 for non-profit organisations.

2.11 The survey highlighted that fewer than half of employers monitor the cost of absence, while only a third benchmark themselves against other organisations. Although a cost analysis can be undertaken to identify the costs associated with sickness absence with regard to estimating productivity costs, this generates only rudimentary statistics. There are significant costs associated with sickness absence which also need to be addressed and can often be difficult to quantify, for example:-

o Costs of management time associated with managing sickness absence

o Costs to the service to replace the absent employee e.g. recruitment exercise and additional salary costs

o Possible training for the employee to cover the workload of the absent employee

o Low morale of employees covering the workload of the absent employee

2.8 Therefore, any model used to cost the financial implications associated with sickness

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absence in productivity terms may not accurately reflect the true costs for the council in managing sickness absence for employees. The most straightforward method would involve a calculation based on the total bill alongside the number of days lost in terms of a percentage of the time lost. However, this is a crude method, doesn't really highlight a true cost as it excludes the elements detailed above, does not allow for benchmarking.

3.   Summary of evidence/information

3.1   The Council had a corporate target to reduce sickness absence to 8.00 days per full time equivalent employee (FTE) for the financial year 2010/2011.   An agreed quarterly reporting schedule is in place to collect results by divisions. An annual corporate total is also reported against this target. ***The absence rate out turn for the 12-month period to 31st March 2011 was below target at 9.45 days,*** *an increase over the previous year of 0.45 days.*

3.2   The Council works in partnership with the recognised trade unions to ensure employee absence is managed effectively and in line with the current policy. Proposed changes to the sickness absence policy, targets and trigger levels are discussed and agreed with local and regional TU representatives.

3.3   The table below shows the comparison of sickness absence each quarter for the last 10 years. (10 years period being 2001/2 to 2010/2011).

Average Number of Days Lost
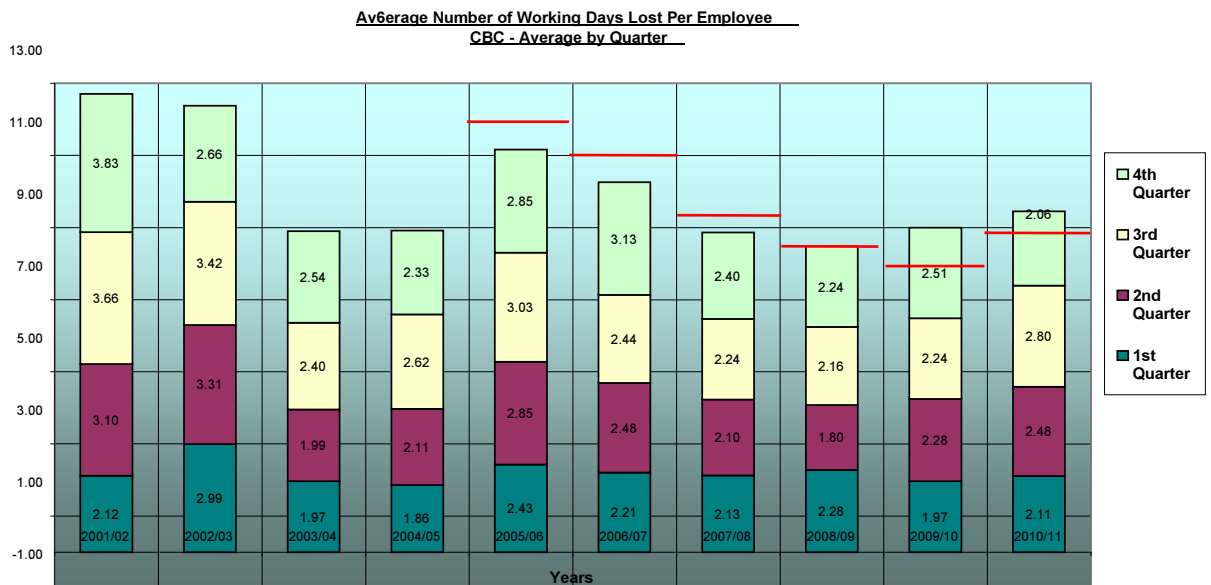
3.4   The table below is a summary of the total FTE days lost per year due to sickness absence at Cheltenham Borough Council for the same 10 year period.

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Year	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 – 2006	2006 – 2007	2007 – 2008	2008 - 2009	2009 - 2010	2010 - 2011
Days	12.71	12.38	8.9	8.89	11.19	10.24	8.87	8.48	9.00	9.45

3.5 The target for 2010/2011 was 8 days. CA&ST and Operations were the only two divisions not to achieve the target.

3.6 The table below details the total number of days lost for the two divisions for the year broken down per quarter. The table also includes the top three reasons for absence in each of the two divisions.

CA&ST Division	Jun-10	Sep-10	Dec-10	Mar-11	Total 10-11
Total Employees	101	100	101	98	
FTE Employees	91.51	90.01	90.47	87.56	
Average Days Lost - Sick					
FTE Days Lost	125.75	265.84	203.31	176.77	**771.67**
Average Days Lost per Employee	**1.37**	**2.95**	**2.25**	**2.02**	**8.59**
Top 3 Reasons for Sickness (FTE Days)					
Stomach, liver, kidney	37.43	66.19	89.81	70.73	**264.16**
Infections, inc cold/flu	8.24	19.70	41.00	48.11	**117.05**
Stress depression anxiety	3.00	45.41	30.65	0.00	**79.06**

Operations Division	Jun-10	Sep-10	Dec-10	Mar-11	Total 10-11
Total Employees	200	201	198	194	
FTE Employees	194.91	194.11	191.14	186.82	
Average Days Lost - Sick					
FTE Days Lost	798.58	741.16	896.91	574.42	**3011.07**
Average Days Lost per Employee	**4.10**	**3.82**	**4.69**	**3.07**	**15.68**
Top 3 Reasons for Sickness (FTE Days)					
Other musculo-skeletal	383.35	269.57	322.35	21.00	**996.27**
Infections, inc cold/flu	38.00	79.67	157.86	118.01	**393.54**
Stress depression anxiety	41.00	60.86	134.08	112.59	**348.53**

3.7 The reason for highest number of days lost in CA&ST is Stomach, liver, kidney. This relates mainly to an individual employee who has a life threatening long term illness. The HR Advisor for CA&ST and the line manager are working with the employee to ensure that a phased return to work programme including adjustments to the employees role are in place for when they are well enough to return.

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3.8 The reason for the highest number of days lost in Operations is musculo-skeletal. On examining the age profile of the Operations team it shows us that over 44% of the Operations workforce are over 50 years of age. Further analysis is required to verify whether it is the older members of the workforce who are suffering most. This analysis will be undertaken to identify who are having problems and why so that we can help prevent further ill health where possible.

3.9 The table below shows the % breakdown of reasons for absence for Council for 2010 -2011. The top three reasons are in first place; musculo-skeletal, second place; Other (includes the reason for absence which do not fall into the other categories) and in third place; Infections, inc cold/flu.

Cheltenham Borough Council	Jun-10	Sep-10	Dec-10	Mar-11	Total 10-11
Average Days Lost - Sick					
FTE Days Lost	1171.14	1365.89	1530.51	1106.39	**5173.93**
Average Days Lost per Employee	2.11	2.48	2.80	2.06	**9.45**
Reasons for Sickness (FTE Days)					
Back & neck	110.06	107.68	110.15	72.31	**400.20**
Chest & respiratory	31.85	33.22	23.16	41.01	**129.24**
Eye, ear, nose & mouth	84	80.97	35.83	26.16	**226.96**
Genito-uninary	7.49	3	3.41	26	**39.90**
Heart, blood pressure	40	84	29.54	28	**181.54**
Infections, inc cold/flu	76.13	118.78	323.25	243.92	**762.08**
Neurological	25.51	22.81	20.57	50.14	**119.03**
Other (reasons which do not fall into the other categories)	133.97	275.74	278.98	240.21	**928.90**
musculo-skeletal	455.95	304.57	353.35	30.92	**1144.79**
Pregnancy related	0	0	6.41	27.97	**34.38**
Stomach, liver, kidney	85.48	115.17	142.13	161.19	**503.97**
Stress depression anxiety	87.24	136.95	203.73	113.59	**541.51**
Not recorded	33.46	83	0	44.97	**161.43**
	1171.14	**1365.89**	**1530.51**	**1106.39**	**5173.93**

3.10 In 2010-2011 five employees were dismissed for breaching the Councils required level of attendance.

3.11 HR Advisors monitor absence levels within each of their assigned divisions. They work with managers to ensure that employees who breach current trigger points are managed in line with the Councils Sickness Absence Policy.

3.12 H&S Advisors also play an important role in managing sickness absence. They work closely with the HR Advisors and managers to complete health & safely risk assessments and give advice on a number of health related topics.

3.13 Training sessions are available to newly appointed managers or as a re-fresher for existing manager. The sessions provide them with the skills and knowledge to manage sickness absence cases effectively and in accordance with the policy. Sessions are scheduled on an as and when required basis and are delivered in a group or 1-2-1 setting.

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3.14 HR, L&OD and H&S Advisors have also introduced a number of initiatives to improve attendance for example, phased return to work programmes, massage sessions, mini health MOTs, Flu vaccination programme, Pilates sessions at lunchtime, sharing information on healthy living and health awareness campaigns on the Councils intranet and notice boards.

3.15 April 2010 saw the introduction of GP Fit notes. The aim being to allow GPs to categorise employees as 'may be fit for work' as well as 'unfit for work' and to encourage employees to agree with the employer a phased return to work such as alternate duties or reduced hours as part of their rehabilitation.

3.16 However, managers and Occupational Health found that the information provided on a fit note was often limited and unhelpful. There is little practice of encouraging employees to come into work to undertake alternate or light duties where they may have alternately taken time off sick. For areas such as the Operations Division requests for light duties are extremely difficult to accommodate as the majority of the l roles that operate out of the depot involve lifting, carrying, pushing, pulling and walking.

4.   Next Steps

4.1 Refresh of the current Absence Policy and Procedure to include a reduction in the current trigger points of five or more periods of absence in any 12 month period rolling period or 12 days or more in any rolling 12 month period in line with the Council's annual sickness absence reduction target. For 2011-2012 no more than 7.5 days per FTE employee.

4.2 Work with colleagues from leisure@ and IMASS to extend the Cheltenham Borough Council GP referral scheme to employees.

4.3 Complete further analysis on absence levels and reasons for absence. In particular the Operations team to see if the large % of workers over the age of 50 has a direct impact on the high levels of absence in the team.

4.4 Work with IMASS to establish a 'fit for task' test to be used as part of recruitment and ongoing support for employees employed to undertake manual work.

4.5 Bench mark current levels of absence against neighbouring Councils.

4.6 Offer Flu vaccines to all council employees prior to the start of the 'Flu season'.

4.7 Health & Safety Advisors to work closely with Directors to complete a stress audit in each division. On completion, work with HR & L&OD colleagues to put in place interventions to help reduce identified levels of stress within each division.

4.8 Health & Safety Advisors with the support of HR & L&OD Advisors to design and implement a programme of bite size training programmes and/or information and guidance documents to support a range of health and well being topics.

5.   Conclusions

5.1 It is inevitable that employees do become ill and need to be absent from work. However, the Council rightly aims to have a high level of attendance and to deal with

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sickness absence fairly, consistently, and appropriately. With significant change and tough public spending cuts expected over the coming years, there is little room for complacency on this issue.

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