

Report to	Executive
From	(Acting) Head of Human Resources
Date	3 rd December 2002
Title	Report Back: Sickness Management Update

1. Purpose

- 1.1 To update Executive on the progress made in managing sickness absence and creating the foundation of an attendance culture.

2. Key Issues

- 2.1 Studies have shown that there is no quick fix to sickness management.
- 2.2 Excluding schools, level of sickness absence remains higher than BVPI targets.
- 2.3 Problems continue in obtaining complete data from Schools and they have been excluded from this report. Collection of HR data was a criticism in the recent OFSTED report and resulted in the BVPIs being reserved. The Director of Education & Culture along with Atkins are consulting Headteachers on resolving this problem.
- 2.4 Overall, a 10% reduction in sickness has not been achieved in the last year though there is now fewer staff with continuing long absences, which may suggest an underlying downward trend.
- 2.5 Reasons for sickness are not conclusive, though indicators suggest stress is a major contributor and that generally accidents do not significantly impact on absence figures.
- 2.6 The outcomes of the Quick Best Value Review on sickness focus on the needs to ensure better local implementation of policy and support to manage sickness, rather than a need to change direction or amend procedures.
- 2.7 Significant work on sickness has been undertaken at both corporate and departmental levels. The revised approaches need time to bed in and to be enforced at a local level (e.g. through performance management).

3. Background

- 3.1 In summary –
- Ratification Committee considered an item "*Sickness Management*", 25th September 2001, on the management of sickness to achieve BVPI targets, increase productivity, while maintaining Southwark as an employer of choice.
 - COT, 10th October 2001, further debated sickness management and the need to shift employees' consciousness to an attendance culture. Strategies to tackle sickness were subsequently developed at corporate & departmental levels. A report back on progress was presented to COT at the end of March 2002.
- 3.2 Sickness absence management needs to be put in context: -
- ALG reported early this year that between 1994/95 & 2000/01 the average sickness absence of all London Boroughs had only ranged from; 10.5 days (95/96) to 11 days (which occurred in 2000/01).

- CIPD absence survey 2002, noted a 7% increase in the cost of sickness absence in 2000/01.
- But the ALG, CIPD survey and Southwark's previous experience confirm that sickness absence will be contained and will reduce through management action. In 1988 Southwark had an average of 21.8 days.

4. Targets & Sickness Statistics

- 4.1 The BVPI targets for sickness are: -
- | | |
|-------|----------------------------|
| 01/02 | 10.3 days |
| 02/03 | 9.9 days |
| 03/04 | 9.5 days |
| 04/05 | 9.1 days (National target) |

With the inclusion of the schools data the target for '01/02 was achieved (although reserved by the District Audit), but schools data was very low and unlikely to be maintained. The rest of the Council (non schools) is not close to these targets (see 4.3).

- 4.2 Chief Officer Team in October 2001 set an aim for 10% reduction over the following year. This has not been achieved.
- 4.3 Using the most recent data available (August 2002) the **Council wide** position (excluding schools) is as the table below.

Full year to March 02	Projected full year April 02 – March 03
12.91	12.15

All departments show a reduction, none achieved 10% reduction.

- 4.5 Long term sickness has been identified as the major contributor to raising the overall sickness average.

In December 2001, 234 staff were recorded as having over 50 days sickness in a year. In August 2002, this number had reduced to 226. However, of those employees with over 150 days' sickness recorded (52), only 42% showed continuing absence into October - although this figure needs to be viewed with some caution because of potential late entry of data.

- 4.6 The decisions of the Ratification Committee 25th September 2001 included the temporary removal of mini sick pay. Mini sick pay applied to Housing Contractor, Refuse and a very small number of staff in Fleet Services. It was introduced at the time of CCT contracts and meant that for the first 3 days of sickness staff received a reduced rate equivalent to SSP, rather than normal pay. Over the following year the average sickness rates in Housing contractor & Refuse have increased but analysis indicates that this primarily arises from long term sickness.

As well as doubts on its continuing ability to reduce sickness, potential reinstatement of mini sick pay may raise equal pay implications and will create serious industrial problems. Reintroduction is therefore not recommended.

5. Reasons for Sickness

- 5.1 Since November 2001 it has been possible to record reasons for sickness on SAP, though take up has been slow. Over 35% of sickness absence had no reason attached. Of the remainder the reasons resulting in the largest amount of

sickness were Neurological/Psychological (which includes stress) 19% & Muscular skeletal 13%.

- 5.2 Anecdotally, managers, Kings (OHS) and HR staff believe that stress related illness is a major cause of sickness absence although this may be certified in a number of ways, and therefore hidden. External studies bear this out, e.g. the CIPD report (noted earlier) recorded that “stress” is the leading cause of long term absence amongst non manual employees, with back pain remaining the principal cause of absence for manual employees.

Over the last year the Council has taken proactive steps to enable employees to manage stress and the adverse health aspects that may arise.

6. Sickness Management & Mini BV Review

- 6.1 There has been extensive work over the last year at corporate & departmental levels to tackle sickness absence. Actions taken/ being taken are summarised in the Appendix.
- 6.2 A Quick Best Value Review of Sickness Management has recently concluded and been considered by Chief Officer Team. Overall –
- Council policy was viewed as robust; with many areas of best practice.
 - Target setting & accountability (e.g. through performance management) was generally better than external comparators.
 - Concerns were raised at the consistent application of all elements of the policy & it is felt that there should be a more hands on approach by Personnel in monitoring compliance.
 - Failure by managers to take up training options in sickness management and risk assessment were identified as problems, and Chief Officers determined that all appropriate managers should be so trained in the next 6 months.
- 6.3 It was also concluded that sickness absence management should be taken into account as part of the Council’s performance management scheme for staff. An audit is currently being undertaken on the implementation of performance management, which will also report whether sickness is being considered as part of this process. The successful management of staff will be a performance indicator for all supervisory / management posts.

7. What next?

- 7.1 Sickness absence has not been resolved and the reduction over the last year has been less successful than planned. The upward trend has, however, stopped (both years ending 2000 & 2001 showed increases) and there are some signs of minor improvements, though it is difficult to judge whether these will be maintained over the winter months. All departments are now taking positive steps to tackle long term sickness and are more positively promoting an attendance culture – through events &/or active use of performance management scheme.

Taking account of the work that has been put in place and the findings of the Best Value Review it is proposed specifically that: -

- a) The (Acting) Head of HR –

- Continues to monitor the achievement of departmental sickness strategies and actions arising through the monthly meeting with HR Managers and periodic audits.
 - Discusses with HRMs how to monitor management actions more thoroughly and provide better support to managers to make appropriate & comprehensive use of the Council's procedures.
 - Ensures that all HR Managers monitor the actions being taken to ensure the return to work of all staff with over 100 days absence in last year.
 - Manages the letting of the Occupational Health contract to ensure that the future provider is able to respond to the Council's needs.
 - Commissions CLD to investigate non-attendance rates for health related courses and how attendance may be improved.
 - Investigates further promotion of health initiatives and how to communicate effectively with staff and managers on current progress and new initiatives.
- b) Each Chief Officer –
- Continues to regularly review the implementation of their departmental sickness strategy and monitors HR activity through SMTs at least quarterly and at DMTs monthly. Sickness Targets to be included in Managers performance objectives.
 - Ensures Managers attend sickness management and risk assessment training over the next 6 months.

8. Resource Implications

- 8.1 There are no resources implications directly arising from this report, although poor absence management is a self-evident drain on resources. Any investment leading to improvement of absence levels will reap rewards either in productivity terms or through direct savings.

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Background Documents	ALG Sickness Survey 200/01 Monthly Sickness Statistics IRS Article on CIPD survey
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Actions at a Corporate Level

November 2001- October 2002

- The (Acting) Head of HR has co-ordinated the development of a sickness strategy for each department, including the development of targets. This is monitored monthly through meetings with the HR Managers and has been dealt with in discussion with all SMTs.
- A protocol has been developed which sets standards on HR Monitoring. This includes the need for reports at least quarterly to SMTs on a range of data including sickness.
- SAP has been altered to allow reasons for sickness to be entered.
- Two corporate Employee Health Promotion days have been held at Peckham Pulse, 9th November and 24th May 2002. Both were publicised through Staff Voice.
- The Council's stress management policy has been reviewed and distributed to all departments, in October 2002, publicised through Staff Voice.
- The role of Health & Safety in reducing sickness has been agreed through Central Safety Committee, to be rolled out by departmental Health & Safety advisors.
- An article was placed in Staff Voice (December) communicating Chief Officer Team's aims on sickness, but also encouraging employee health promotion.
- The Management Bulletin (July 2002) gave managers an update on progress and data on full year averages for 2001/02.
- A number of work life policies were introduced from September 2002, e.g. Homeworking, Term Time working.
- An extra Occupational Health Physician has been funded since the beginning of 2002. There has been a significant improvement in Kings' turnaround times and the regular OHP has been able to be involved in more proactive work e.g. case conferences.
- The Occupational Health contract is currently being re-let, representatives have been drawn from across the Council to participate.
- A blue print for a Training workshop has been prepared for use by Departments.
- Six ½ day workshops on Disability Awareness have been run, free of charge, with a very high attendance rates.
- The relationship between sickness and performance management was monitored centrally. Awards of increments to staff with significant levels of sickness were brought to the attention of departments so that they could be challenged.