

Item No: 2	Classification: OPEN	Date: 15 June 2005	Meeting Name: Regeneration & Resources Scrutiny Sub-Committee
Report Title:		Request for Scrutiny of Sickness Absence [Regeneration & Resources Scrutiny Sub- Committee, 2 nd February 2005]	
Ward(s) or Group affected:		N/A	
From:		Head of Human Resources	

Recommendation

1. That Members note the overall improvement in sickness absence levels for 2004/05 and the measures to further reduce sickness, particular in the worst performing departments.

Background

2. At the meeting of Regeneration & Resources Scrutiny Sub-Committee on 2nd February 2005 Members received a report on sickness absence levels across the Council. Members requested a further report back in June/July 2005, once full year data was available, noting the two departments with the worst sickness statistics, to look at trends in this area. Members also requested that Officers report on suggestions for how extra resources could reduce sickness levels and save the money on lost productivity.

Absence Levels and Trends

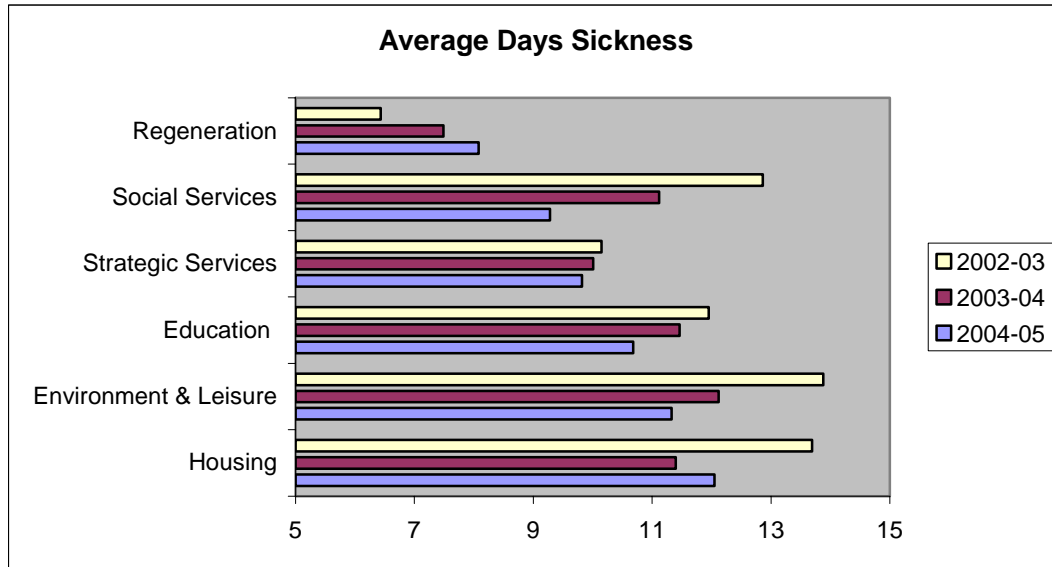
3. Overall, sickness absence in 2004-05 reduced to an average of 10.63 days. This is over 5% decrease compared to 2003-04 (11.25 days).
4. The average days per person at a departmental level is -

Year 2004-05	Average days per person
Council Wide	10.63
Housing	12.05
Environment & Leisure	11.33
Education	10.68
Strategic Services	9.82
Social Services	9.28
Regeneration	8.08

5. Whilst Housing and Environment & Leisure have the highest averages it is valuable to look at departments' starting points and to consider trends before determining good and bad performers.

	2004-05	2003-04	2002-03
Housing	12.05	11.40	13.69
Environment & Leisure	11.33	12.12	13.88
Education	10.68	11.46	11.95
Strategic Services	9.82	10.01	10.15
Social Services	9.28	11.12	12.86
Regeneration	8.08	7.49	6.43

Graphically:



The Council reorganisations affecting Environment & Leisure, Education & Regeneration makes comparison at a departmental level prior to 2002-03 invalid.

6. Whilst sickness absence in Environment & Leisure remains higher than the Council's average they are to be congratulated on year on year improvements - particularly as they have retained a high proportion of blue-collar workers where sickness absence will commonly be greatest. Housing and Regeneration are considered the two departments whose trends show increases in average absence. Housing have the highest absences in 2004-05 and their position has worsened since 2003-04. Absence in Regeneration is low statistically but has increased yearly. All other departments have shown annual improvement since 2002-03.
7. Looking at potential seasonal trends in Housing, the monthly total during 2004-05 was higher each month than the same period in the previous year, (e.g. June 2004 was higher than June 2003 etc), with the exception of April and December 2004. The trend is, therefore, fairly smooth and not particularly impacted by one-off activity. Housing Department has faced difficult management challenges which have both detrimentally affected staff motivation and diverted management's attention away from other people management activity, i.e. absence management. In particular the implementation of Housing Management's Best Value Review was time consuming and a stressful period for

staff, consuming vast energy from the HR and line management resource. At the same time other smaller re-organisations in Community Housing were in train adding to this burden. It is worth mentioning that from January 2005 especial efforts have been made to recapture management attention and activity to reverse the trends are starting to bear fruit.

8. The annual comparisons in Regeneration are less straightforward with some months higher, some lower. The notable differences in Regeneration between years are the instances of long-term sickness. Comparison shows that in 2004 there were 2 people with 50 or more days sickness over the previous 12 months, in March 2005 this had risen to 9 people with 50 or more days sickness over the previous 12 months (it should be noted that four of these staff had returned to work by year end). In previous years, Regeneration has enjoyed the lowest levels of sickness absence. Because of this low starting point, and considering Regeneration is the smallest department, any increase in cases of long-term sickness absence will skew the figures markedly (44% of Regeneration's sickness relates to people with over 50 days sickness). Such occurrences require sharp management monitoring and scrutiny, diligent application of procedures, with prompt corrective action. Because of the severe challenges faced by Regeneration over recent months coupled with a temporary shortfall in HR capacity this had not been addressed. Corrective action is now in place. It is also fair to say that Regeneration managers had not previously had experience of these types of difficulties and as a result would never have been as alert as other departmental line managers.

Action and Resources

9. Annually there is a corporate plan (under the auspices of the Head of HR), with each department having a local sickness management plan co-ordinated by their Departmental HR Manager, managed through regular monitoring reports to senior management teams. For Housing and Regeneration, plans for 2005/6 will reflect their worsened position and resolving problems which have occurred.
10. Reducing sickness absence requires a blended variety of approaches: -
 - a. Employee Health Promotion, to help prevent sickness occurring. The Council is working with the DPP (Developing Partnerships) to give staff clear advice on preventing ill health and how to deal with minor medical problems when they occur (colds, etc). Information includes booklets to staff and regular updates on the Council's Wellbeing site. This site was introduced in 2004 and provides information on healthy living and is a gateway to other resources, e.g. NHS Direct. Health promotion days have been held over the last 2-3 years, they remain popular and provide health checks (weight, blood pressure etc) as well as face-to-face advice. To address issues around stress the Council has produced a resource pack for HR staff and set up workshops for staff on managing their stress, whether work or home related.
 - b. Support for managers. All new managers receive training on managing sickness absence, the Council's procedural advice is comprehensive and accessible. Managers are also supported when dealing with individual cases. This will normally include advice from occupational health on the potential duration of

absence, and medical issues to be considered in planning a return to work. For more complex or long-term cases HR provides one to one support.

- c. Establishing standards and providing support to staff. This will be through the appropriate use of procedures, (e.g. performance management, sickness absence, capability) the use of specialist resources; occupational health, access to some treatments to fast track recovery, and return to work strategies. Whilst it has taken time to bed in, creating a clear link between performance management / the payment of increments / and sickness is achieving results. The sickness procedure, and where necessary the use of capability process, creates clarity on targets and ensures that both employees and managers fully explore the options to return an employee to work quickly and safely; phased return, temporary relocation or amendment to duties etc. Where the only obstacle preventing an employee returning to work is the delay in receiving treatment, the Council has used Kings services to fast track referrals, e.g. physiotherapy and counseling services.
 - d. Monitoring levels of absence to identify problem areas and propose solutions; through use of statistics, corporate and departmental case conferences to look at difficult or long-term cases etc. Research into new ways of approaching the problem, bench-marking with other organisations etc.
11. Given the availability of additional resources, it has been established that the biggest impact would derive from dedicated HR resources providing one to one support to managers on individual sickness cases. In previous years this was used to deal with the most difficult long-term sickness cases. As averages decrease attention can now be given to those with medium levels of sickness where the absence has potential to persist. However previous exercises where new resource has been drafted in for short periods have not proved wholly successful. It is better to re-prioritise existing resource and backfill as necessary.
 12. Housing have already diverted resources to HR to ensure clear sources of help and support on sickness absence. At the beginning of the year Regeneration went through critical changes in HR personnel. The situation has settled and again targeted work is being done to address sickness problems alongside a range of other people management issues. It is envisaged that both departments will be back on track during 2005-06 and that all departments have aims to reduce absence further which are reasonable to achieve. It is important that a variety of techniques are employed (described in paragraph 10) many without the need for additional resources.

Resource Implications

13. A professional HR resource for a sickness management project would cost from around £25k (6 months practitioner + running / support costs).
14. In terms of sickness cost, the only way to calculate this is through productivity loss. All sickness across the Council is equivalent to over £7M in productivity terms. In reality though a best target for sickness in the public sector would be around 8.5 days per person, therefore Southwark's current position is about £1.3M above that; about 45 staff.

Equalities & Diversity

15. At a local level sickness management responds to the presenting needs of the individual and the job that they hold, regardless of the individual's profile. Where people incur long term and serious illness, however, the Council must make a judgment whether their condition falls under the provisions of the Disability Discrimination Act and ensure that related employer responsibilities are fulfilled.

Background Papers	Held At	Contact
Sickness Data 2003/04 & 2004/05	Town Hall, Peckham Road, London. SE5 8UB	Jill Seymour Corporate Personnel 020 7525 7066

APPENDIX A

Audit Trail

Lead Officer	Bernard Nawrat, Head of HR	
Report Author	Jill Seymour, Corporate Personnel	
Version	Final	
Dated	June 2005	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	No	
Chief Finance Officer	No	
Executive Member	No	
Date final report sent to Constitutional Support Services		6/06/05