Further information regarding this report can be obtained from:

Lead Review Officer: Rebecca Short

tel: 0121 303 7770

e-mail: rebecca.short@birmingham.gov.uk

Reports that have been submitted to Council can be downloaded from www.birmingham.gov.uk/scrutiny.

NOTE: Section 2.4.1 and Table 2 have been amended on 12/05/2011 to correct an error.

Preface

By Councillor Keith Barton, Chairman of the Equalities and Human Resources Overview and Scrutiny Committee

It is inevitable that people become ill and will sometimes need to take time away from work, but the City Council rightly expects a high level of attendance from its employees and needs to be in a position to support that.

High sickness absence levels can lead to reductions in service delivery and effectiveness, increased costs and undue pressure on colleagues, all of which are untenable in the current climate. The high sickness absence levels across the organisation have been a cause for concern for some time, with the number of days taken off sick per employee each year regularly above the City Council target.

Prompted by this - and with the recent introduction of a new Managing Attendance policy – the Equalities and HR O&S Committee undertook this review to assess the position on sickness absence across the Council and investigate what more can be done to ensure a reduction in absence rates over time. Members looked to ensure that managers were responding to the new policy and that they were working towards realistic goals.

I would like to thank the range of officers who gave evidence for this review for providing an open and honest picture of sickness in their service areas. Members received encouraging feedback around the adoption of the new policy, which is broadly considered a positive improvement both in the eyes of managers and employees.

The Committee were struck by the commitment and enthusiasm of managers to make a difference to absence rates in their services. This should be harnessed and built upon. One of the ways this can be supported is through the development of specific and realistic targets for service areas. The reporting capability of the new People Solutions system, which allows for better and more detailed information on the workforce, should assist in this. The ability to build a strong evidence base on the workforce is something which the Council has not previously had and provides an opportunity to rethink and refine the goals which directorates work towards based on a range of factors, as well as identify appropriate interventions to prevent sickness.

I hope that this review will provide Members with an insight into the current climate of sickness within the Council, and highlight the areas which can be improved upon to promote a reduction in sickness absence. Change will naturally take time and as such the Committee will continue to monitor this issue as the policy and associated tools embed themselves into the organisation.

Summary

For any organisation it is vital that

sickness absence policy, as well as providing up to date and more reliable absence information from a single source. This is a significant and welcome improvement for the City Council. From the evidence gathered, EPM and People Solutions allows for information on attendance to be maintained regularly, for the entire organisation, in a consistent way. Relevant information is accessible faster and is available by managerial unit. This has allowed for more significant analysis to be undertaken and this will improve as more data is added over time.

The current climate and sickness absence

Summary of Recommendations

	Recommendation	Responsibility	Completion Date
R01			

1   Review Outline

1.1   Introduction

1.1.1   Sickness absence from the workplace is a high profile topic, of interest to business, the media and the wider public. How local authorities manage this type of absence continues to be an area of concern, as high levels of absence could mean that some services cannot be delivered as 8 3   5

2.2.3   Whilst some of these figures appear high, the survey has recorded some of its lowest levels of employee absence. For example in 2008 public sector absence averaged at 9.8 days per employee, whilst the UK average in 2008 was 8 days, dropping from 8.4 days in 2007.

2.2.4   The average annual cost of employee absence per employee varied across sectors; however the median cost of absence stood at £600 per empl

2.3   Sickness absence in the City Council

2.3.1   The E&HR Overview and Scrutiny Committee regularly receives an update on the levels of sickness in the Council, included in a wider report on the workforce profile. At the end of the previous financial year (2009/10), sickness levels remained high at an average 11.17 days per Full Time Equivalent (FTE) employee, above the set target.

2.3.2   Appendix 2 outlines the sickness figures as at December 2010. The table shows that from April to December the average number of days taken per FTE employee was 7.45. When extrapolated out to the end of the financial year the prediction is that the average days lost per FTE employee per year will be 9.89. This is slightly higher than the target of 9.25 days per year for 2010/11, but is an improvement on previous years. From the table it is clear that there are particular sickness absence issues in both the Housing and Adults and Communities Directorates.

2.3.3   The most recent sickness figures presented to the Committee show a slight improvement on the previous year, with 2010/11 figures for each month below the levels of the previous year (see chart below). There are parallel reductions in sickness from July to September, which could be explained by the number of employees who will take annual leave over the summer period. Peaks towards the end of the calendar year can be explained in part by the regular flu season and outbreaks such as swine flu.
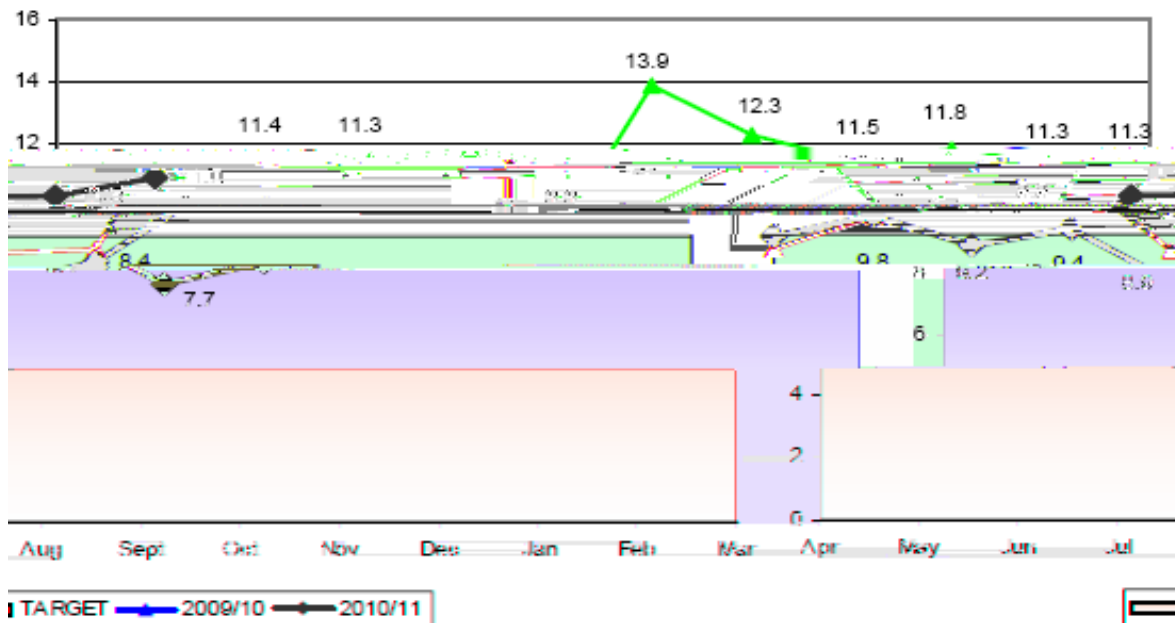

Chart 1: Annual sickness trend comparison – days per FTE per year

Causes of absence

2.3.4   The reasons for sickness absence, as at December 2010, remain largely unchanged from previous years. Extracted from the workforce report, these can be found in Appendix 3. Absence due to stress / anxiety and depression remains one of the biggest contributory factors to the City Council's absence figures, however it is unclear from the data available whether the majority of this absence is made up of work or non work related stress.

2.3.5

Average Sickness Absence Rates in Days per FTE- Core Cities (including

3 Findings: Attendance Management in the City Council

3.1 Introduction

3.1.1

Relate to maintaining a declining number of days or episodes of sickness absence within specified time periods. The use of such targets may be used to prompt further discussion/action and/or to also discuss where there is a concern that an employee is sometimes making the choice not to attend for work. For example some individuals would alleviate the symptoms of a headache, cold, stomach upset etc with over the counter preparations and then attend for work, whilst others might not.

3.3 The Executive review of sickness absence

3.3.1   In October 2010 the E&HR Overview and Scrutiny Committee was presented with the recommendations and an action plan emerging from the Executive review on sickness absence. This review involved consultation with a range of key stakeholders within directorates and more widely on the subject of sickness, including:

The Strategic Director of Environment and Culture, (who also chairs the Corporate Wellbeing Steering Group);

The HR Community (including specialists and leads on Workforce Planning);

Various teams including EPM reporting, HR Operations, Work-Related Stress, Leadership and Development, Disability Advice, Occupational Health, Schools HR, and Finance teams;

The Trade Unions via the Corporate Trade Unions meetings.

3.3.2   The four themes which the review focused on included corporate strategy, data, managing absence and workforce health. The review found that at the time the Managing Absence Procedure was not embedded and there was little coordinated monitoring and analysis of sickness and no clear understanding of the reasons for past trends. The review also found different practices when applying the current procedure and there was perceived deficits in managerial x9hply

e itipati

3.3.4   The actions undertaken are monitored and progressed through the Corporate Managing Attendance Group, with regular updates on progress presented to Corporate Management Team and the Executive Management Team.

4 Findings: Are Managers well equipped to tackle sickness?

4.1 Introduction

4.1.1 To ensure that any reduction in sickness is achieved and sustained the policy which supports managers needs to be the right one, and in addition managers need to have the skills, confidence and tools to drive forward change. It is this which Members chose to look at initially in the investigation.

4.1.2 The Committee chose to speak to managers representing front line services and back office functions across the organisation, to hear how they are tackling sickness absence within their service areas. Members also felt this was an issue which the Trade Unions would have a strong view on and as such invited them to provide evidence. The aim of the discussion was:

To identify the initial success of the managing attendance policy;

To identify areas of change managers would like to see put in place; and

To highlight any difficulties in implementing the policy.

4.2 The recent policy change

4.2.1 The Committee asked those providing evidence to outline their response to the new policy and whether they considered it to be an improvement on past practice. The response received was encouraging. Managers were generally positive about the changes and felt that it allowed them to be much more supportive of their employees. This view was echoed by Trade Union representatives, who commented that the policy appeared fairer than the previous policy, which they felt had not provided an opportunity for constructive discussion between the employee and the manager.

4.2.2 Almost all whom the Committee spoke to commented on the change in the relationship with Human Resources (HR). HR now deals with less transactional activity and takes on a more strategic role; as such the contact with HR is diminishing. It was reinforced that HR need to be readily available to provide assistance and guidance particularly with the difficult cases of absence, despite more emphasis being put on managers to deal with the issues.

4.2.3 When asked how things might be further enhanced some managers commented that the policy was perhaps not challenging enough with regards to short term absence. They attributed the lack of a direct catalyst for improvement, such as a financial penalty, as a possible reason for this.

4.2.4

People Solutions system should be analysed to highlight areas where they may not be being used, and where they are and the reasons why these plans are created. There is also an opportunity to use AIPs to highlight areas of good practice in the application of the policy.

	Recommendation	Responsibility	Completion Date
R02	That the use of the Attendance Improvement Plan across the organisation is fully monitored, allowing for areas of concern and good practice to be identified.		

case, identifying sickness and hot spot areas has been extremely difficult in the past and we are encouraged by the feedback we have had regarding the use of the new system, which will help support the right kinds of solutions within service areas.

4.4.3   From the evidence gathered, People Solutions now allows for information on attendance to be maintained regularly, for the entire organisation, in a consistent way. Relevant information is more readily accessible and is available by managerial unit. This has allowed for more significant analysis to be undertaken which should improve as more data is added, making it more reliable. For example one manager was able to conclude that over the past year their service area as a whole had lost 1000 days due to sickness absence. This would have been almost impossible to measure under the old system of information capture.

4.4.4   Perhaps one of the most significant outputs from EPM and People Solutions has been the Personal Development Review (PDR) process. This means that every employee is entitled to and should have a record of their performance and progress in the organisation, against their business objectives. Some of those giving evidence mentioned a reluctance of a small minority of managers to deal with difficult people management issues across a range of managerial functions including sickness, but commented that the PDR process is now the mechanism to encourage managers to address those issues and is being utilised. Some service areas now include a discussion around sickness in six weekly catch ups with managers. We believe this mechanism could be increasingly used to address and respond to sickness, as well as other people management issues, and is a common method for doing so across all directorates. As such we would hope to see at the next round of PDRs a clear message that both managers and staff should include sickness management in their wider objectives.

	Recommendation	Responsibility	Completion Date
R03	That at the objective setting stage of the PDR year, it is reinforced that managing attendance should be reflected in all employees' PDRs.	Cabinet Member for Equalities and Human Resources	June 2011

4.5   Other issues

Fit notes

4.5.1   Reference was made during our discussions to the new requirement for GPs to issue 'fit' notes and to assess what work an individual could possibly undertake despite having an illness. Fit notes were introduced in April 2010 with the aim of allowing 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.

ments and rehabilitation;

Site visits where appropriate

Advice on health aspects

Physiotherapy assessment and treat

Health surveillance in accordance with health and safety legislation where indicated by risk assessment;

Case management advice (e.g. in support of the Ma advice on appropriate adjust

4   Managers felt that Occupational Health (OH) support was not always prov be expected and that reports they received back were often unhelpfu informed us that an

The current climate and sickness

4.5.7   The current economic and financial climate in which the City Council and other organisations are currently operating in was a key factor in our   discuss figures can be substantially reduced given the significar includes two aspects; financial and resource issues whi

4

5 Findings: Are the targets being set realistic and achievable?

5.1 Introduction

5.1.1 After being satisfied that the managing attendance policy is broadly supported and identifying areas which could strengthen both managers and employees role in the process, we moved our investigation on to briefly consider the sickness absence target set by the City Council. The aim of our discussion wcy is broadly ussureW*nt4C2011 Tf0 Tc0, The 0h ds,re iT DO008 uss8reW*nt4C2S1A1 Tf0

Known work and non work related stress (People Solutions coding could provide this information).

5.2.5   By moving towards a more analytical method and utilising the reporting tools we have directorates will be able to identify the absence which cannot be anticipated in addition to identifying measures to tackle the known types of absence themselves. As such we would recommend that the information in the new People Solutions system is regularly interrogated in this way and through any other ways which directorates may suggest as helpful, to allow senior managers to gather more insight into their sickness figures.

area targets would be appropriate, but alternatively a target for a particular type of job or group, which span all directorates, may be more appropriate. We would suggest that initially job types or groups are the focus for this piece of work, as this would mean that only a relatively small set of targets would need to be developed.

6 Conclusions

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

6.1.2 This review has highlighted some of the areas which could be further enhanced to move towards a sustained reduction in sickness absence. This review demonstrated to us that some of the myths related to sickness absence were on the whole not true. Whilst it is inevitable that some people will use the system to their advantage, the perception that employees see sick leave as a right tends not to be true and the new People Solutions system was for the most part not revealing patterns which would suggest that people were using sickness absence as a form of annual leave. The recommendations in this review have clearly focused on how managers can be further supported in their efforts to reduce sickness and how the new tools available mean that the organisation can develop interventions from a so

	Recommendation	Responsibility	Completion Date
R09	That alongside the regular updates on sickness through the workforce profile, the Equalities and Human Resources O&S Committee receives the Corporate Managing Attendance Group update which is regularly reported to Cabinet Member, EMT etc.	Cabinet Member for Equalities and Human Resources	October 2011

	Recommendation	Responsibility	Completion Date
R10	That the Cabinet Member report back on the progress of these recommendations to a future meeting of the E&HR Overview and Scrutiny Committee.	Cabinet Member for Equalities and Human Resources	October 2011

Appendix 1: Executive review of sickness absence recommendations

KEY RECOMMENDATIONS	PROGRESS			STATUS / CONSIDERATIONS
	Already in Some Areas	Planned/ Not Started	New Development	
Define an integrated strategic management framework for the Council				
Define the Occupational Health Service role within the organisation				
Effectively support employee health and well being				A number of stress initiatives in place
Define an evidence based business case approach for 'invest to save' workforce health projects, including a consistent evaluation process				

All Directorates to set up an Attendance Panel

KEY RECOMMENDATIONS	PROGRESS	STATUS / CONSIDERATIONS

Appendix 3: BCC causes of absence

Sickness Reason	FTE days lost to sickness			
	November 2010	December 2010	Year to date	% year to date

Appendix 4: Absence process charts

Long term absence

DAY 1	DAY 4	DAY 8
Initial contact **Employee** must notify manager of absence.	Employee must notify manager of continuing absence and likely return date, where possible.	
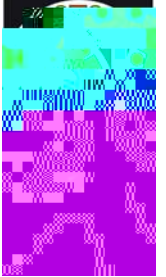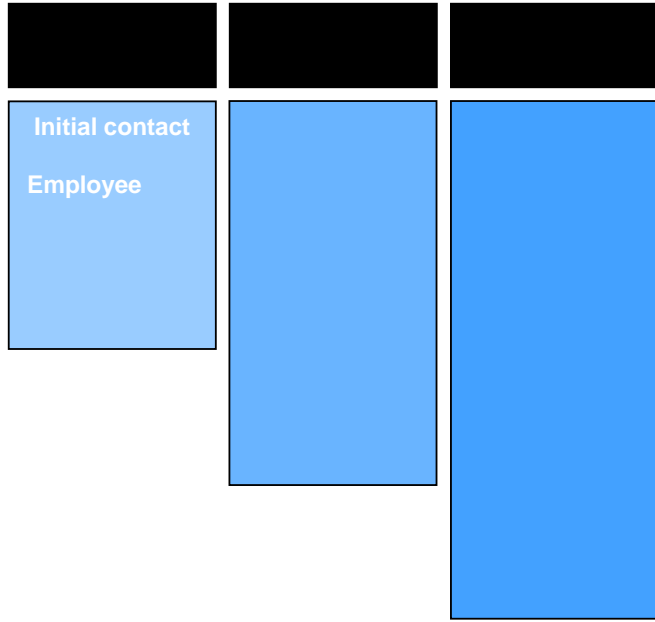
Short term Absence process

STAGE 1

Return to work interview

Triggers
After every episode of sickness absence

Manager conducts Return to Work Interview (RTWI) and completes RTWI form

The Attendance Review Meeting the manager will:
•review previous attendance records and identify support where necessary.
•discuss the attendance pattern with employee (and representative),

No further action is necessary if the manager believes that overall attendance patterns are satisfactory

After reviewing attendance the manager will:
• set a target for improvement if warranted
• record and monitor absence levels within an **Attendance Improvement Plan**.
 NB If an employee has 21 days or more absence (pro-rata for P/T employees) they will automatically go into Stage 3.

At the Attendance Improvement Plan meeting the manager will:

•review previous attendance records and identify support where necessary.
•discuss the attendance pattern with employee (and representative),

After reviewing the attendance the manager will:

Reducing Sickness Absence