

Brighton & Hove Council

For general release

Meeting: **Scrutiny Board on Corporate Resource Allocation**

Date: **16 October 2000**

Report of: **Scrutiny Board Member Working Party**

Subject: **Staff Sickness**

Wards: **All**

1. Background

1.1 The Working Party was formally established on 27 March 2000 by the Scrutiny Board on Corporate Resource Allocation, with the prior agreement of the Scrutiny Management Committee on 28 February 2000.

1.2 The remit of the Working Party has been:

in 'to gather and analyse information and report back to the Scrutiny Board
due course on staff sickness levels and proposed measures to address
high sickness levels across service departments.'

2. Membership

2.1 The members appointed by the Scrutiny Board to serve on the Working Party have been:

Councillor Betsy Brewer (Chair)
Councillor Mrs Pat Drake
Councillor Roy Pennington

3. Officer support

3.1 A number of officers have undertaken research, prepared reports and made presentations in support of our work. In particular we would like to thank Bill Brown (Head of Personnel Services), Helen le Feuvre (Senior Policy Executive, Performance and Resources), Steve Dillow (Personnel Manager), Mary van Beinum (Scrutiny Support Officer) and John Williams (Principal Officer, Scrutiny) for the work which they have undertaken.

4. Meetings and work programme.

4.1 We have met on two occasions since the last meeting of the Scrutiny Board - on 26 June 2000 and 27 July 2000. At our first meeting we reviewed the current situation regarding sickness levels, monitoring and reporting procedures and the arrangements in place to address any problems identified. In the light of this we discussed the scope and timetable for our work, and identified further information and comparative data to be submitted to subsequent meetings.

4.2 At our second meeting we received further information on the current procedures in place, together with details of the draft Sickness Absence Policy and the proposed new Human Resources computer system, and identified key information needs and other issues which we felt would need to be addressed as part of these initiatives.

4.3 This report pulls together the information and issues which we have discussed over the course of these two meetings. It draws on the officer reports which we have received as well as the input which the members of the Working Party have made. **Our key areas of concern and the specific proposals which we have made during our discussions are highlighted in bold throughout the text. Our overall conclusions and recommendations are set out at sections 14 and 15 of the report respectively.**

5. THE IMPORTANCE OF SICKNESS ABSENCE MONITORING - NATIONAL RESEARCH AND GOOD PRACTICE

5.1 **Effective management of sickness absence levels is important to the Council for a number of reasons:**

- to ensure the highest quality of service provision
- to avoid wasting resources, achieve efficiency and reduce the impact of staff sickness on other employees
- to enable the Council to fulfil its legal requirement to record and report sickness performance indicators
- to ensure the availability of consistent information and to enable problem areas, trends and patterns to be identified and addressed
- to enable support to be given to employees in appropriate cases
- to enable all employees to have confidence that the Council adopts a consistent and fair approach across all departments.

5.2 The officers carried out research on sickness management, including reference to:

- (a) a recent report "Employee Absence - a Survey of Management Policy and Practice" by the Institute of Personnel & Development (IPD);
- (b) the book "From Absences to Attendance" by Evans & Palmer; and
- (c) contact with the London Borough of Lewisham, who have a good track record in reducing absence.

5.3 Improved attendance will impact upon productivity and budgets. Research by the IPD suggests that the average cost of sickness per employee per year in local government is £533. On this basis, with some 8200 employees the cost for Brighton and Hove Council could be over £4 million per annum (this is not inconsistent with the Council's own estimates – see paragraph 6.2 below). The analysis of replies to the IPD's research amongst 1,684 organisations shows that Human Resource Managers think that 23% of sickness absence in local government is not due to ill health.

5.4 The IPD's report on Employee Absence concludes that a tightening of policies for reviewing attendance is the most common reason given for a decrease in absence levels, and also that return to work interviews are the most effective way of dealing with short-term absences. The London Borough of Lewisham has reduced its sickness absence levels from an average of 13 days per employee p.a. in 1997 to 8 days in 1999/00, with a target of 6 days by 2004/5. Key to this success has been the introduction of a properly managed and monitored sickness policy, the consistent high profile given to the issue and the conscious promotion of an attendance culture.

6. SICKNESS ABSENCE AT BRIGHTON & HOVE - THE CURRENT SITUATION

6.1 The Working Party was set up as a result of concerns expressed by Scrutiny Board members regarding sickness levels in service departments. Reports to the Scrutiny Board in January 2000 appeared to show that sickness levels in the Environment & Housing and Social Care & Health departments were continuing to rise (copies of reports attached at Annex 'A').

6.2 The District Auditor has highlighted the levels of sickness absence in the authority as part of the management letter. In addition, the Internal Audit and Consultancy Team has produced a draft report on Absence Management. Measuring and monitoring sickness is a key performance indicator and the Council estimates the cost of sickness absence is around £3.4m per annum. The Government has set a target for reducing sickness absence by 20% by 2003.

6.3 We reviewed this information and sought further details. However, we have acknowledged that the existing data on staff sickness is difficult to interpret and sometimes unreliable, as it is collected in different departments using various techniques and is not always complete. **We will therefore be unable to draw firm conclusions regarding the precise situation in each department, and the Council's overall comparative performance, until consistent information is available over a longer period.**

6.4 **Because of this we have identified the development of adequate information systems and regular monitoring of staff sickness levels on a common basis as an early priority.**

7. STATUTORY PERFORMANCE INDICATOR ON SICKNESS

7.1 We have noted that from April 2000 the Government has introduced new statutory responsibilities which require local authorities to report on the proportion of working days/shifts lost due to sickness absence.

7.2 A proposed template for cross-service monitoring has been developed and is attached at Annex 'B'. **The opportunity has been taken to incorporate additional non-statutory information to provide Departmental Management Teams with more qualitative information, in particular regarding long-term sickness.**

8. THE CURRENT PROCEDURES FOR SICKNESS MONITORING

8.1 The officers contacted representatives from each department who have knowledge of, or responsibility for, sickness monitoring and reported to us current practice in the respective departments on four key areas:-

- Methods of recording sickness
- The use of return to work interviews
- The level of follow up on long term sickness
- The sharing of statistical information on sickness

8.2 This research shows significant variations in approaches to sickness absence. For example there are currently two methods of recording sickness, Education & Lifelong Learning and Social Care & Health have continued to use two forms, one to be completed at the start of a spell of sickness and a second for when the person returns. All other departments use a weekly absence recording form.

8.3 Return to work interviews are used to varying degrees. All departments agreed that ideally return to work interviews should be carried out after each absence, some were confident that these were carried out on most occasions, but most considered their use inconsistent and dependant on the importance attached to them by individual managers. Return to Work forms were completed by some managers. None of the departments monitor the completion of return to work interviews or forms.

8.4 All departments carried out home visits to those on long term sick leave. Managers took guidance from Personnel colleagues as to the appropriate timing of visits.

8.5 All departments report on levels of absence to the Senior Management Group on a quarterly basis. However up until the end of the financial year 1999/00 this was not done on a like for like basis, some departments counted numbers of people, and others full time equivalents.

8.6 Some departments discuss their monthly or quarterly absence levels at Departmental Management Team meetings. One department also discusses

long term absences at DMT in order to identify problems and determine what action to take quickly.

9. THE NEED FOR IMPROVED PROCEDURES AND SYSTEMS

9.1 In view of the above information we have identified a clear need for a more co-ordinated and consistent approach to sickness absence across all Council departments, providing both better management information and an agreed and appropriate framework for action to address the issue, identify problems and provide appropriate support to staff as necessary. **Above all we feel that there is a need to move from administration of sickness absence to proactive management of the issue.**

9.2 The benefits of such a proactive, co-ordinated approach would be felt by staff, managers and Council Tax payers alike, as management could be enhanced, sickness levels reduced and efficiency improved. The Council would also be better able to fulfil its duties in respect of the Best Value initiatives and reporting of the required performance information.

9.3 In order to achieve this, we believe that three areas of improvement are required:

- **An overall Council policy on sickness absence**
- **A new information system to provide consistent and accurate data**
- **A cultural shift in the way in which sickness absence is seen and managed.**

9.4 We have addressed each of these in turn and received information on the action underway to progress each area. As part of this work we have been able to discuss the proposed enhancements with the officers responsible and input our priority concerns to be addressed in the developing work.

10. THE DRAFT ABSENCE POLICY

10.1 It is clear that a Council-wide sickness absence policy is required to highlight the importance of this issue, clarify expectations and procedures and enable a consistent and effective management approach to be taken.

10.2 This draft policy has been prepared (attached at Annex 'C') and has been under consultation with departmental management and the trade unions. Once agreed the policy will draw together and clarify best practice and provide a clear framework and advice for all aspects of the management of absence. This will enable effective support for staff as necessary and problem areas to be identified and addressed. The policy will be a further mechanism to ensure that the Council can at all times carry out its legal duty to behave in a fair, consistent and reasonable manner.

10.3 We welcome the draft policy and the development of a consistent approach to managing this issue. It is also important that the policy is seen in the overall context of the full range of personnel policies (covering aspects including bullying, harassment etc.) which together will ensure a fair approach and good practice throughout the personnel management function.

10.4 The draft policy sets out the Council's commitment to the health, safety and welfare of its employees, emphasises the individual's responsibility to look after her/his health and safety whilst at work and to comply with the absence reporting procedure and the role of managers in handling sickness absence. The policy is also designed to ensure that the needs of the service are balanced against the needs of the individual member of staff. A code of practice supports the policy with a series of user friendly guidance notes and procedures covering the following areas of absence management:

- Special considerations e.g. disability-, maternity- or industrial injury-related absence, third-party accident related absence, confidentiality
- Pre-employment screening
- Induction
- Probationary procedure
- Doctor, dentist or hospital appointments
- Sickness during annual leave
- Notification of sickness absence
- Recording and monitoring sickness absence
- Appraisal and development
- Occupational Sick Pay
- Self certification
- Managing frequent and short term absence
- Managing long term or chronic sickness absence.

10.5 The policy contains a series of trigger points for management action in the case of repeated or prolonged sickness. Advice on the action to be taken is provided to managers, together with details of good practice, such as return to work interviews, and standard letter and form templates. **With regard to the 'Employee self-certification and return to work interview form', we have suggested that this should also include a section in which the employee can indicate if the sickness absence is disability-related.**

10.6 We have also suggested that the 'Arrangements concerning notification of sickness absence' (Appendix 1 to the draft policy) should require the employee to speak personally to their line manager or, if this is not possible when they telephone to notify their absence, that they should leave a return telephone number to enable the line manager to make personal contact.

10.7 Prior to its formal implementation, all departments will receive briefing sessions on the policy, and training session will be organised. **We have**

requested that this training should be open to both officers and members, in particular recognising the role of members on the appeal panels.

11. NEW HUMAN RESOURCES COMPUTER SYSTEM

11.1 Although a valuable tool in its own right, the Sickness Absence Policy will benefit further through being underpinned by the introduction of an effective and flexible information system. A modern Human Resources Management System could enhance the effectiveness of the policy by providing accurate, timely and consistent information on which managers across the Council could act, assist in the identification of patterns and provide a back-up check to ensure that action is taken as necessary.

11.2 Plans for the introduction of such a system at Brighton & Hove are well advanced. A preferred supplier (Northgate, formerly part of McDonald-Douglas Corporation) has been chosen after an OJEC (Official Journal of the European Communities) tender against a tight specification, and an exhaustive evaluation of the pros and cons of six shortlisted systems. The preferred supplier has experience of installing systems at other unitary local authorities.

11.3 It is proposed that the implementation of the new system will be modular, with a pilot in Social Care and Health from October 2000 being extended to other departments (except Education & Lifelong Learning) during 2001. Because of the urgent need to replace the expensive ESCC MAGPI system, Education & Lifelong Learning have recently purchased (from Capita) a personnel module linked to the existing Schools Information Management System. However, there will be a data feed from that system to the corporate personnel system, so that consistent data is available across the authority. It is also possible that in due course (i.e. once the new system is fully operational and the economies of scale available), the Department may wish to migrate to the corporate system, especially in the light of recent IT initiatives connecting schools to the internet via Council equipment.

11.4 The new Human Resources Management System is intended to provide many benefits across the range of personnel functions. Those particularly relevant to sickness monitoring include

- Far better management information, including analysis of trends and patterns of absence, turnover and other statistics, to enable problem areas to be identified and reasons for absence to be addressed.
- More accurate absence reporting
- Automatic notification of staff reaching 'trigger points' for action under the Sickness Absence Policy
- Automatic prompt to managers to input absence information, and to carry out follow-up action
- Consistent and accurate data to feed into the Council's Best Value Performance Plan and statutory Performance Indicator reports.
- Automatic calculation of occupational sick pay

11.5 Initially the system will be managed centrally, although local managers will be able to access relevant information directly. Departmental Management Teams will be provided with regular reports showing absence levels by section, and the system can produce a range of reports analysing the data by various criteria including days of the week, groups of staff, grades etc.

11.6 Eventually (scheduled for late 2001) there will be devolved 'self-service' access, linked to the intranet, enabling employees to update their personal details and local managers to input absence and annual leave details directly. This will eliminate the need for many of the paper-based returns.

12. CULTURAL/MANAGEMENT ISSUES

12.1 The new policy and computer system, once implemented, will not in themselves ensure that problems around sickness absence are fully addressed. **We consider that in order for the introduction of the policy to have an impact on the culture of the organisation visible senior management commitment is essential.** The support of the Chief Executive and Directors will send an important message to line managers and staff. It is intended that a briefing note from the Chief Executive clearly stating the reasons for the introduction of the policy will add credibility to the work of line managers.

12.2 The roles and responsibilities of line managers and the Personnel Service with regard to attendance and sickness are being looked at within the complex framework of the existing and rapidly evolving employment law, ACAS guidelines, the sick pay provisions etc.. Methods of supporting staff and ways of encouraging attendance are also being considered.

The Role of Managers

12.3 In order to be effective the policy must give very clear guidance to managers as to their role in absence management. It is acknowledged that **training for managers must be provided.** In areas where managers take little or no notice of absence people adjust their behaviour accordingly. Managers must signal a "break with the past", in time this will help a cultural shift. It will be managers' responsibility to :-

- Provide a clear explanation of the sickness absence procedure during induction
- Complete weekly absence return forms every week and return them promptly to Personnel
- Carry out return to work interviews in all cases of absence.
- Complete return to work forms
- Carry out home visits to those on long-term sick-leave in conjunction with Personnel (some of these could be unannounced where appropriate)

- Create a culture of attendance, and ensure that new team members adopt the new group norms.

12.4 We have also stressed the need for managers to be able to take a flexible approach, for example ensuring that Special Discretionary Leave is available to staff in appropriate cases; or allowing consideration of a gradual return to work where it would be beneficial. For instance it may assist an employee to return from sickness to work part time, or to work at home some of the time, to facilitate their transition back to work.

The Role of Departmental Management Teams

12.5 The officers have proposed a statement of the main responsibilities of Departmental Management Teams (DMTs) in respect of sickness absence. DMTs should review sickness absence at least quarterly, and should be provided with details of those on long term sick-leave, or with multiple absences so that steps can be taken earlier to help employees return to work.

12.6 DMTs are expected to set clear annual departmental targets and long term goals for reduced absence, and must support their line managers in upholding the new policy and by showing commitment to reducing sickness absence.

12.7 If certain patterns of sickness are established within particular types of jobs, periods of time etc., we consider that work should be undertaken as a priority to infer the possible reasons for these and appropriate support measures introduced including counselling or Occupational Health techniques; or changes to working practices.

13. OCCUPATIONAL HEALTH SERVICE

13.1 The Council does not currently have a bespoke Occupational Health Service (OHS). Instead we use a mixture of medical advice from G.P.s and the OHS provided to East Sussex County Council. An officer working group is currently researching the establishment of an OHS for the council, this includes the pursuit of government funding to set up the scheme through Partnership at Work funding. The establishment of an OHS will support the council's work in reducing sickness absence.

14. CONCLUSIONS

14.1 The effective management of sickness absence is important to the Council for a range of reasons including service quality and efficiency, performance monitoring and reporting, staff morale and the maintenance of consistent and fair management.

14.2 It is difficult to draw firm conclusions on current sickness levels in each department, or the Council's comparative performance, as consistent and reliable information is not available in all areas.

14.3 There are elements of good practice in all departments but the variety of systems used means that this is not necessarily shared across the Council, and there is not a consistent approach to the management of sickness absence.

14.4 There is need to introduce standard procedures, systems and reporting methods, to provide accurate information and share good practice across all departments, and to move from an administrative to a proactive management approach to the issue of sickness absence.

14.5 Work is in hand to address this need and to raise the profile of sickness absence management across the Council including the draft Sickness Absence Policy, the proposed new Human Resources Management Computer System, and the development of a new management approach backed up by a commitment at the most senior levels.

14.6 The new approach and policy will need to be supported by adequate training for managers to ensure their success.

14.7 The progress of this work will need to be closely monitored to ensure the successful introduction and operation of these new developments.

15. RECOMMENDATIONS

15.1 That the Scrutiny Board note the findings of the Working Party and the need for improved information before a proper examination can be made of sickness levels across Council departments.

15.2 That the Scrutiny Board welcome the draft Sickness Absence Policy and the proposals for the new Human Resources Management Computer System.

15.3 That the issues raised in the body of the report be forwarded to the Lead Councillor for Personnel and the Head of Personnel Services, and taken into account in the implementation of the new policy and systems.

15.4 That the officers report further to the Scrutiny Board setting out:

(a) progress in the implementation of the Sickness Absence Policy and the Human Resources Management System; and subsequently

(b) sickness levels within each of the Council departments, once these figures are available on a consistent and accurate basis - both initial 'starting' figures and subsequent progress reports demonstrating the continuing effects of the new policy.

Councillor Betsy Brewer,
Chair,
Working Party on Staff Sickness
6 October 2000