

BRIGHTON & HOVE CITY COUNCIL

MEETING: Overview & Scrutiny Organisation Committee

DATE: 18th July 2005

REPORT OF: Director of Human Resources

SUBJECT: Employee Sickness Absence

WARDS AFFECTED: ALL

1 PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 To update the Overview & Scrutiny Organisation Committee on the issues surrounding the management of employee sickness absence within the council.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Overview & Scrutiny Organisation Committee note the contents of the report and monitor the progress of the implementation of the action points arising from the Audit Commission report 'Managing Sickness Absence' in Brighton & Hove City Council.

3 INFORMATION

Information Management Systems

- 3.1 Details of employees within the education area of Children Families & Schools were held until recently on an HR database that formed part of the Schools Information Management System (SIMS) suite of software.
- 3.2 Local Authorities are required to complete returns to the DfES on teachers for statistical purposes. These include details on levels of teachers' sickness absence. Comparative information on sickness absence for the calendar year 2004 is shown below by region (it should be noted that the values for Brighton & Hove are estimates based on the methodology of DfES calculations):

Teachers Sickness Comparison: Jan04 - Dec04

Region	% of staff who took Sickness Absence	Average number of days of sickness absence		Length of Absence as a percentage of all absence		
		By Teacher	By Teachers who took absence	Absences of 5 days or less	Absences of 6 to 20 working days	Absences of more than 20 working days
North East	52	5.2	10.1	30	19	51
North West	54	6.0	11.1	30	18	52
Yorkshire and the Humber	62	6.4	10.3	31	20	49
East Midlands	52	6.1	11.6	34	24	42
West Midlands	59	5.7	9.8	38	18	44
East of England	51	4.6	9.0	40	20	40
London	62	4.7	7.7	48	16	36
South East	52	4.3	8.4	41	20	39
South West	53	5.3	10.0	35	20	45
England	55	5.3	9.6	36	19	44
Brighton & Hove	68	5.3	8.9	43	15	42

- 3.3 Details of the remainder of the council's workforce are held on the Resourcelink HR database. However absence information is held on the Payroll system and management information is produced by exporting data from both systems.
- 3.4 The complexity of producing management information from a variety of information systems, added to the time taken to capture the data from directorates, meant that reports were generally not available for approximately 3 months after the end of the relevant period. The HR division has reviewed systems and procedures and has cut this delay in reporting to six weeks.
- 3.5 Following the in-sourcing of the two-thirds of Payroll services that were previously outsourced, and the subsequent integration of Payroll within the HR directorate, a further review of systems has been undertaken. This has resulted in a major project to integrate both HR systems with the Payroll system. This will improve efficiencies, provide more reliable management information, allow timeframes for production of management information to be further reduced and for devolved access to managers.
- 3.6 The education area of Children Families & Schools records has been transferred to the new integrated system as part of phase 1 of the project. These records are undergoing parallel running to ensure that all functionality of the new system is working as expected. The transfer of data for the remaining records is expected to be completed as part of phase 2 by 31st October 2005.
- 3.7 Devolved access for both input and reporting will form phase 3 of the project and run into 2006.

“Well for Work” Policy

- 3.8 Training for managers is an integral element of the successful implementation of the policy and key to reducing levels of absence within the council. Full day courses have been scheduled as part of the Learning & Development programme for managers and run on a quarterly basis.

Best Value Performance Indicator: Sickness Absence

- 3.9 The Best Value Performance Indicator (BVPI 12), measuring the number of working days/shifts lost to sickness absence, for Brighton & Hove is shown by year below:

Year	Target	Result
2000/01	10.48	10.75
2001/02	10.40	12.85
2002/03	10.35	11.15
2003/04	10.35	11.36
2004/05	10.00	10.27

- 3.10 The analysis of the result for BVPI 12 for the year 2004-05 has been broken down by month and is shown in Appendix 1. Appendix 2 shows the monthly BVPI 12 results for 2004-05 by directorate. The actual year-end result has been statistically adjusted to reflect the exact PI definition rather than the cumulative monthly results.
- 3.11 A summary of how the council's results compare with other local authorities is shown below:

Council	02/03	03/04	04/05	Change 02/03 – 04/05
Medway	6.90	7.52	7.44	+7.8%
Southampton	8.10	9.41	9.57	+18.1%
Brighton & Hove	11.20*	11.36	10.27	-8.3%
Bournemouth	10.60	11.03	10.30	-2.8%
Blackpool	14.40	11.25	11.16	-22.5%
Portsmouth	9.90	10.58	11.70	+18.2%
Coventry	14.60	14.17	13.32	-8.2%
York	12.30	12.20	13.50	+9.8%

*Audit Commission roundings, hence the difference from para 3.9

Audit Commission Report

- 3.12 The Audit Commission conducted a performance audit in 2003 on managing sickness absence within Brighton & Hove City Council, and conducted a review in late 2004 of the implementation of recommendations identified in the 2003 report.

Audit Commission Absence Follow-up Report

- 3.13 The Audit Commission considered that progress in implementing the action plan was mixed. The profile of absence has been raised at senior management level, with greater use of management information reporting and target setting. Modifications in the absence management procedures have been introduced to enable managers to take greater ownership of absence. A training programme is in place for managers to assist them in dealing with absence and initiate trigger interviews in a timely and effective way. There has also been greater integration of HR databases and improved recording of casework details, though as outlined above further improvements are in progress.
- 3.14 However, the Audit Commission found that although there was an improvement the council had not met its targets for reducing sickness absence. The overall level was considered to remain comparatively high.

Recommendations

- 3.15 The Audit Commission recommendations in the follow up review are set out in Appendix 3 together with our comments. An Action Plan has been produced.

Issues affecting the Council's absence levels

- 3.16 The raising of the profile of absence at the highest levels of the organisation has been an influence on the reduction in overall absence rates in the last year. This focus needs to be maintained along with further system improvements in order for future years targets to be met. A department of health grant for HR initiatives within the social care workforce has been used to establish a temporary 'improvement' team. The objectives of this team are to review management information and work with front-line managers to improve effective use of staffing resources and in particular to work with these managers to reduce sickness absence.

Occupational Health and Welfare Service

- 3.17 The council's Occupational Health and Welfare Service has been delivered through East Sussex County Council since November 2002. The service includes pre and post employment screening, advice on health matters and access to a confidential staff counselling network.
- 3.18 The current arrangement has delivered a basic service, at a cost effective rate, but it is becoming increasingly clear that the council needs a more proactive and responsive service if sickness absence levels are to be further reduced and a healthy workforce promoted.
- 3.19 A revised specification has been drafted for both an occupational health service and an employee assistance programme. A draft report has been prepared for TMT outlining our proposals and seeking agreement to final specification requirements.

Health Promotion

- 3.20 The council has agreed to work with Public Sector Benefits to bring a range of new staff benefits to employees of the council. Included within the range of benefits is a workplace health screening programme provided by Prevent plc. The service is very competitively priced and guarantees to refund the cost of the Essential Health Screen if the employee can access the same service through the NHS. The

company is managed and staffed by experienced health professionals who have been managing occupational health strategies for companies and local authorities for many years.

- 3.21 A 'Healthy Day' took place on 5th July with the aim of supporting staff to improve their health and well-being. A series of events and stands at Hove Town Hall was open to staff from noon to 7.00pm. The Management Team agreed that staff could have one hour paid release to participate in this event. The programme is attached as Appendix 4.

The cost of sickness absence

- 3.22 When an employee is absent from work due to sickness then the cost to the council of their absence will depend on the service area in which they work, the length of time and period of their absence.
- 3.23 Under their terms and conditions of employment, contracted employees are entitled to be paid for defined periods of sickness absence based on their level of continuous service.
- 3.24 Employees working in support service areas who are absent due to sickness for short periods of time are unlikely to cause any further costs to the council, other than the payment of their salary. It is likely that their work would have to be either covered by their colleagues or wait for their return depending on the urgency.
- 3.25 Employees in certain front-line service areas, particularly those of a statutory nature such as teaching or social care, will have to be covered by supply, temporary or agency staff. A table of agency costs for all departments for the year 2004/05 is shown in Appendix 5 and a table of directly employed Supply Teacher costs for the year 2004/05 is shown in Appendix 6. It should be noted that these costs will have arisen for a variety of different reasons which include covering vacant posts, increased workloads, as well as covering for colleagues absent due to sickness. HR is currently assessing with colleagues in Finance and external service providers the possibility of providing more detailed and focussed financial information in the future.

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<p>Financial implications If the council's absence rate reduced to the BVPI target for 2005/06 of 9.50 days per employee from last year's 10.27, then the estimated time saving, based on total employee budgets, could be of the order of approximately £770k.</p>
<p>Legal implications The implications of the Disability Discrimination Act 1995 are highlighted in the "Well for Work" code of practice.</p>

<p>Corporate/Citywide implications Above average levels of sickness absence reduce the council's capacity to deliver corporate priorities.</p>	<p>Risk assessment Above average levels of sickness absence reduce the council's capacity to deliver corporate priorities.</p>
<p>Sustainability implications There are no sustainability implications to be considered.</p>	<p>Equalities implications The implications of the Disability Discrimination Act 1995 are highlighted in the "Well for Work" code of practice.</p>
<p>Implications for the prevention of crime and disorder There are no crime and disorder implications to be considered.</p>	

<p>Background papers Audit Commission Report -Managing Sickness Absence March 2003</p>
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