

**POLICY & RESOURCES
CABINET BOARD**

17th NOVEMBER 2011

CHIEF EXECUTIVE'S OFFICE

**JOINT REPORT OF THE
DIRECTOR OF ENVIRONMENT
J.FLOWER**

AND

**HEAD OF CHANGE MANAGEMENT & INNOVATION
K.JONES**

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SICKNESS ABSENCE PROGRESS REPORT

Purpose of Report

To update Members of the Policy and Resources Scrutiny Committee on the progress that is being made in taking forward further improvement work to reduce sickness absence across the Council.

Background

In June 2011, I presented the committee with a report which summarised the work undertaken during the financial year ended March 2011 and which had reduced sickness absence by some 19.1% compared with the previous financial year.

At that meeting, I also set out a number of areas that were to be the focus for further improvement work during 2011-12. Those areas included:

- Full roll-in of the new approach to all five directorates;
- Enhanced management reports to be designed and available from the new recording system;
- Continued scrutiny of sickness absence patterns by elected Members through the scrutiny process and through directorate management teams;
- Further examination of the referral processes into and out of Occupational Health;
- Further streamlining of reporting procedures to eradicate, as far as possible, unnecessary paper processing;
- Identification of service areas with continued, relatively high sickness absence levels and concentrated support to be provided to the managers of those services to examine the scope for reducing absences further;
- Piloting of a revised approach in the two schools that have been selected and, following the pilot phase, the development of a plan to roll in a new approach to all schools; and
- Review of the Council's existing technologies to determine the long term system solution to support absence management.

Good progress has been made in taking forward the improvement work. That work has been overseen by a Sickness Implementation Board, jointly chaired by the Director of Environment and the Head of Change Management and Innovation. There has been strong and active support for the work by trade union colleagues, service managers, support services and human resources throughout the period.

A summary of the progress made is set out below for Members to scrutinise.

Summary of Progress as at 31st October 2011

Sickness absence has continued to show a downward trend this year, building on the sharp reduction reported last year. At the end of June 2011, sickness absence had reduced from 2.53 days per FTE at end of June 2010 to 2.32 days per FTE at end of June 2011. Further details are shown in Appendix 1. Members may also wish to note that the Council's performance in this area has improved relative to other local authorities in Wales, with the Council moving from 15th position in 2009-10 to 8th position in 2010-11. Further details are attached at Appendix 2.

In terms of the improvement work agreed for attention, progress is as follows:

1. Roll in of new policy and procedures to all service directorates

The new policy and procedures was fully rolled in to all services (except school based staff) by August 2011. The new sickness policy was formally signed off by management and trade unions in October 2011. Five hundred and twenty nine employees of grade 5 and above have been trained in both the new absence policy and the IT system that was designed by our in-house ICT service to underpin the new policy. Forty nine employees remain to be trained and mop up sessions are being arranged to achieve this. In addition to the training undertaken on the policy and ICT system, One hundred and thirty two "super users" have been trained to provide practical day to day support to colleagues on the operation of the new ICT system.

The training programme has been supplemented by communications activity, supported by the Corporate Communications and Marketing

Team. Posters have been displayed since the beginning of the financial year at key points in our main buildings, drawing attention to the overall levels of absence, the associated costs and the main reasons for absence. Similar information is displayed on the front page of the intranet site. All of this information is refreshed monthly. A briefing pack for non-office based employees has been trialled in the Neighbourhood Management Division and is currently being evaluated to assess its potential for wider roll out. Key messages have also been conveyed through the monthly Change Management e-bulletin which is sent to all employees with an e mail address. Future work planned, includes linking the work of the Corporate Health Group more closely with this project to ensure that health promotion and preventative measures are being targeted in the best possible way.

2. Enhanced management reports to be designed and available from the new recording system;

There has been considerable improvement in the range, timeliness and availability of management information to support managers through the new ICT system. In addition to the information directly available from the database, a basket of performance measures has been identified by the Sickness Implementation Board and work is currently ongoing to routinely produce and report these measures. Details of these new measures will be brought to the committee for discussion. Members may wish to consider adopting some of these measures for future reports.

3. Continued scrutiny of sickness absence patterns by elected Members through the scrutiny process and through directorate management teams

All scrutiny committees have included sickness absence monitoring within their forward work programmes. Service managers are attending committees in line with those forward work programmes to discuss the levels of absence within their respective service areas, the management strategies that are being adopted and to answer any questions Members may have about the performance reported upon. In the future, it is planned, subject to the outcome of the task and finish inquiry into performance management being undertaken by this committee, that sickness absence would become embedded in

improved performance reports and thereby become a systematic feature of the council's overall performance management arrangements.

4. Further examination of the referral processes into and out of Occupational Health

This work has recently commenced with an initial report made to the Sickness Implementation Board at its meeting on 27th October 2011. An analysis of referrals being made into the Occupational Health Unit and other demands on the service is being collated. Following this initial phase, work will progress on to consider the flow of work through the Unit and also explore the views of stakeholders. Finally, areas for improvement will be identified and considered for action. My next progress report will provide further details on how this work is progressing.

5. Further streamlining of reporting procedures to eradicate, as far as possible, unnecessary paper processing;

The existing processes have been mapped and a new "perfect flow" has been identified which, if implemented, will considerably streamline and improve the efficiency and effectiveness of current reporting arrangements. The benefits of taking forward this work include: releasing management, administrative and HR time spent on onerous paperwork and more timely and accurate submission of data to payroll and HR which in turn will improve the quality and timeliness of management information and reduce payroll errors created by incomplete, late or missing returns. The next stage of this work will be to explore the extent to which the VISION system can support the revised business processes that have been developed.

Alongside this work, there is additional improvement work being undertaken in Home Care, Cleaning and Catering Services to remove the need for manual timesheets. These improvements will generate additional, similar benefits to the other work mentioned above.

6. Identification of service areas with continued, relatively high sickness absence levels and concentrated support to be provided to the managers of those services to examine the scope for reducing absences further

An analysis of current absence patterns and levels has been undertaken and the services that are displaying the highest number of days lost through short term absences will be receiving additional support to ensure that the new policies and procedures are working in those areas whilst also exploring what more, beyond the change in policy and procedures that have been introduced, might be done to improve attendance. The outcome of this work will be included in my next report.

7. Piloting of a revised approach in the two schools that have been selected and, following the pilot phase, the development of a plan to roll in a new approach to all schools

Since my report in June, a number of additional schools have come forward and asked to be included in the early development work scheduled for schools. Initial briefings have taken place with trade unions, headteachers and other key stakeholders. The first phase of the work will now concentrate upon getting a solid understanding of the pattern of absences in school settings and the underlying causes of those patterns, together with views from key stakeholders as to what needs to change.

8. Review of the Council's existing technologies to determine the long term system solution to support absence management

There has been very good feedback from managers regarding the new ICT system that was designed to underpin the new policy and procedures. However, the system was designed to be a temporary system, pending a permanent solution that would integrate with the Council's existing payroll and human resources system. A demonstration of a sickness absence module available from the existing system supplier has taken place. Further analysis of the product and its ability to satisfy the council's requirements is

underway. This work links to the improvement business process work that has been reported above.

Next Steps

The Sickness Implementation Board will continue to oversee the improvement work highlighted above to ensure momentum is maintained. The aim is to embed a new approach to absence management within the next 12 months or so and to integrate ongoing monitoring into relevant performance management arrangements.

The project continues to benefit from a strong partnership approach between trade unions, service managers, support services and human resources department. However, there are risks to further improvement which include:

- Capacity to maintain a focus on the improvement work given other demands in the council's change programme;
- ICT capacity to specify and commission a permanent replacement sickness absence system that can be integrated with the payroll and human resources systems, given the impending retirement of key ICT and payroll personnel;
- Reliability and accuracy of management information – there continue to be problems with obtaining reliable and accurate management information from the main payroll and human resources database which are being taken up with the system supplier. While the temporary ICT system designed in house is able to compensate for some of these issues, the temporary system is not able to satisfy all reporting requirements and there continues to be a reliance on the main system for other measures. This risk needs to be fully addressed if the council is to migrate to a permanent replacement and then de-commission the temporary system; and
- Maintaining a clear management focus on reducing sickness absence at a time of considerable organisational change.

These risks will be actively managed through the Board. A further progress report will be submitted to the Committee at the end of the current financial year.

List of Background Papers

None

Appendices

Appendix 1 – Council Summary Sickness Totals

Appendix 2 - Chart showing All Wales Comparison for Sickness absence

Wards Affected

All

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NPT - Council Summary sickness Totals (excluding Teachers) - Annual Sickness pattern		Apr 11	May 11	June 11	July 11	
1	Number of employees (posts) with 3 or more instances of sickness within last year	886	985	995	966	
	Number of working days/shifts lost for those employees with 3 or more instances of sick in last year.	21,683	21,198	22,026	21,832	
2	Number of employees (posts) who are consecutively sick for 28 days or more	139	132	131	129	
	Number of working days/shifts lost for those employees who are consecutively sick for 28 days or more	11,631	12,218	12,463	12,180	
3	The number of working days/ shifts per full time equivalent (FTE) local authority employee lost due to sickness absence (including Teachers)	Quarter 1 2010/2011 (see note)	Quarter 1 2011/2012			
	sickness days lost per FTE employee (including teachers)	2.53	2.32			
	Base data - Total number of working days/shifts lost to sickness absence	14,993	13,825			
	Base data - Average number of full-time equivalent (FTE) employees	5,921	5,946			
4	The number of working days/ shifts per full time equivalent (FTE) local authority employee lost due to sickness absence (including teachers)	2007/08	2008/08	2009/10	2010/11	
	Annual Figures					
	sickness days lost per FTE employee (including teachers)	11.80	11.83	11.3	9.53	
	Percentage of sickness days lost per FTE employee (including teachers) <i>see note below</i>	5.4%	5.4%	5.1%	*4.3%	
* - Percentage calculation uses a standard available working days figure of 220 days for the year.						
Note - with effect from 1st April 2011 all monthly reported data will exclude sickness data for those employees transferred to NPT homes. Quarter 1 2010/2011 figure been adjusted down to reflect this change so that comparison can be made with 2011/2012 Quarter 1 data.						
5	Sickness Comparison across Wales 2010/2011					
		NPT figure 2010/2011	All Wales 2010/2011	Welsh Upper quartile 2010/2011	NPT Ranking 2010/2011	NPT Ranking 2009/2010
	The number of working days/ shifts per full time equivalent (FTE) local authority employee lost due to sickness absence	9.53	10.34	9.39	8 th	15 th

