

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

POLICY AND RESOURCES SCRUTINY COMMITTEE

6th January 2017

Report of the Head of Human Resources – Sheenagh Rees

Matter for Information

Wards Affected: All Wards

LONG TERM SICKNESS TASKFORCE UPDATE

1. Purpose of Report

1.1 The purpose of this report is to provide Members with an update in relation to the work of the Long Term Sickness Taskforce and the early intervention methodology pilot.

2. Background to the Long Term Sickness Taskforce Project

2.1 In September 2014, members of this Committee endorsed the establishment of the Sickness Taskforce to undertake an examination of long term sickness absence [over 28 days absent] to understand what actions would be needed to reduce the incidences of absence and / or the length of absences with the aim of reducing the costs of absence.

2.2 The initial phase of the Taskforce Project was a **Research Phase**. The Taskforce plotted all current cases of long term absence within identified hot spot areas to establish barriers, constraints and consider employee patterns and behaviours. Research of best practice nationally and across industries led to the development of a good practice strategy, evidence based on the principles of early intervention. Research identified that absent rates can potentially be halved over time with immediate intervention strategies that include informal contact maintained through absence. This strategy was developed with the support and input of the trade unions.

2.3 The Early Intervention and Effective Communication Strategy combines the following:

- **Early intervention**
- **Effective communication**
- **Informal Return to Work Plan Meetings** with a clear focus on the return to work

- Additional HR resources utilised for **rigorous case management** and **manager prompting** at each key stage
- **Clear roles and responsibilities** - managers retain responsibility and accountability for managing absence
- Personal **manager briefings**
- **Stress risk assessments** to be carried out for every instance of identified work related stress (even where employee is not absent)
- **How to Guides** on managing long term absence
- **Occupational Health Referral Hotline** to ensure referrals are necessary and add value

2.4 In February 2015, the Taskforce began a **Pilot Phase**, piloting the early intervention and effective communication strategy initially within the Environment Directorate, and have since then rolled out the strategy to the rest of the Council with the exception of Schools. A separate Schools Project has been developed by the Director of Education, Leisure & Lifelong Learning, drawing on the work of the Sickness Taskforce. The Director of ELLL will report separately on this initiative at CYPE.

2.5 Members of this Committee have received six monthly updates in relation to the ongoing implementation of the early intervention and effective communication strategy and the lessons learnt. This report provides the latest update.

4. **Summary of Findings**

4.1 **Taskforce Activity for Quarter 1 and Quarter 2 2016/17**

4.1 Data in relation to each service area has been analysed, excluding schools which are subject to a separate taskforce project, established by the Director of Education, Leisure and Lifelong Learning.

4.1.2 Over the course of the 6 month period, 1st April 2016 31st September 2016, the Long Term Sickness Absence Taskforce Team (the Taskforce team) managed the long term absence of 274 employees. This figure excludes school employees who may have been long term absent during this period as well as 10 employees who were absent for 28 days exactly, returning to work before case management could commence.

4.2 **Cost benefits**

4.2.1 In order to determine whether or not the Sickness Taskforce is producing tangible cost benefits, sick pay costs in 2016 /17 have been compared to the same period in 2014/15 period, prior to the establishment of the taskforce. 214 employees were identified as long term absent in Quarters 1 and 2 of 2014/15.

Please note that these figures exclude long term absence amongst school employees.

4.2.2 The cost of long term sickness absence in Quarters 1 and 2 of 2014/15 (excluding school employees) equated to £1,057,621. The total cost of long term sickness absence in the same period in 2016/17 equated to £920,007. This reflects a saving of £137,614, or 13%.

4.2.2 The additional HR resources required to case manage equate to a cost of £34,000 for the 6 month period. Off set against the reduction in sick pay costs, **this equates to a net reduction of £103,614**. It is important to note, however, that historical data shows that Quarters 1 and 2 (Spring and Summer months) have lower levels of absence compared to Quarter 3 and Quarter 4 (Autumn and Winter Months), it is therefore unlikely that the same level of achievement will be seen in Quarters 3 and 4.

4.2.3 Since the introduction of the early intervention methodology, whilst the numbers of employees who are long term sick has actually increased, the length of long term absences has reduced. In Quarters 1 and 2 of 2014/15 **41%** of those on long term sick were absent for more than 3 months or 65 working days. In 2015/16 this reduced to **29%**, and in 2016/17, this reduced to **15%**.

5. Presentation

5.1 At committee the Taskforce will provide Members with a presentation setting out the activity of the Taskforce during Quarters 1 and 2. Members will of course have noted in the Quarter 2 Monitoring Report that there has been mixed success in reducing overall absence rates across the Council, and the presentation will focus on the story behind the data in each directorate, highlighting both success stories, some of the barriers to reducing absence, and how those barriers have been tackled.

6. Next steps

6.1 Funding is to be identified to support the additional resources based in the HR team to continue the work of the Taskforce.

6.2 It is suggest to Members that going forward, rather than producing stand-alone reports feeding back on the work of the sickness taskforce, that feedback in relation to initiatives to support the management of sickness absence be included in the regular quarterly monitoring reports which Members now receive. Members are asked to consider this and feedback at committee.

7. Risk Management

Sickness absence must continue to be managed effectively or there is the risk that sickness rates will increase with associated loss of productivity and budgetary impact.

8. Financial Impact

Excluding the School workforce, sick pay linked to long term sickness absence reduced by £137,614 in Quarters 1 and 2 of 2016/2017.

9. Consultation

There is no requirement under the Constitution for external consultation on this item.

10. Equality Impact Assessment

There is no requirement for an Equality Impact Assessment in relation to this item.

11. Workforce Impacts

This report will be shared with recognised trade unions in respective consultative forums for discussion and consideration.

12. Legal Impacts

The management of absence must be fair and reasonable, and managers should ensure compliance with the Council's Maximising Attendance at Work and related policies.

13. Recommendation

It is RECOMMENDED that Members NOTE the update report.

14. Background Papers

The Maximising Attendance Policy and Procedure.

15. Officer Contact

For further information on this report item, please contact Sheenagh Rees, Head of Human Resources on extension 3315 or e-mail s.rees5@npt.gov.uk