

OVERVIEW AND SCRUTINY COMMITTEE 1

REVIEW OF SICKNESS MANAGEMENT

REPORT OF THE REVIEW GROUP

Members of the Review Group

Councillor B. Hall (Chair)

Councillor Mrs K Conroy

Councillor D.M. Hancock

Councillor Mrs I Jackson-Smith

Councillor G. Morgan

Councillor K. Thompson

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CHAIRMAN'S INTRODUCTION

Efficient management of Sickness Absence could lead to a reduction in sickness absence levels within the Council. The purpose of this review is to investigate what the Council is doing now and to determine what can be done in the future in relation to the management and control of sickness absence.

The Review has been carried out by a small group of Councillors, supported by Officers from the Council's Democratic Services Section who have gathered the detailed information for the review. Information has also been obtained from the Council's Principal Human Resources Officer together with an input from Directors, Heads of Service, Employees and Trade Unions. Following a wide ranging review, a number of recommendations have been made for consideration by Cabinet.

I would like to thank all who have contributed to the review and look forward to developments arising from its conclusions and recommendations.

Councillor Brian Hall
Chairman of the Sickness Management Review Group

SUMMARY

Membership of the Review Group

Councillor B. Hall (Chairman) and
Councillors Mrs I Jackson-Smith, Mrs K Conroy, K Thompson, G. Morgan and
D.M. Hancock

Objectives of the Review

To investigate what the Council is doing now and to determine what can be done in the future in relation to the management and control of sickness absence.

Contribution to the Council's Ambitions and Community Outcomes

The Council's Ambitions and Community Outcomes are shown in its Annual Corporate Plan. This Review contributes towards the Council's Corporate Values of Investing in Our People (Employees), Be responsible with and accountable for public finances and Being open, accessible, equitable, fair and responsive to the public.

Process/Methodology

The Review Group gathered information and evidence as follows:

- a) Through meetings between May 2006 and October 2006.
- b) Through presentations by
Mr A Boddy, Head of Organisational Development
Mr P Brennan, Principal Human Resource Officer (Strategy)
Mrs H Darby, Principal Human Resource Officer (Strategy)
Mr J Thompson, Health & Safety Manager
Ms D Carr, Company Health
Ms S Davison, Company Health
Mrs L. Hope, Senior Payments Officer
- c) Through meetings with
Brian Allen, Chief Executive
Phil Ball, Director of Leisure Services
Glyn Hall, Director of Neighbourhood Services
Colin Steel, Director of Housing
Harold Moses, Head of Financial Services
Pat McCourt, Amalgamated Engineering & Electrical Union (AEEU)
Ian Lowery, Union of Construction, Allied Trades and Technicians
Bob Kent, GMB
Malcolm Gray, Unison
Focus Group of Sedgfield Borough Council Staff

- d) Through analysis of responses to a Questionnaire which was issued to a sample of 250 members of staff from all Services within the Council.
- e) Comparing experiences from Scrutiny Reviews carried out by the following Local Authorities:
Birmingham City Council
Cardiff City Council
Darlington Borough Council
Durham County Council
- f) Chartered Institute of Personnel Development, Absence Management Tools.
- g) Visit to Sickness Management Event at 3M, Newton Aycliffe.

Conclusions and Recommendations

An extensive review has been carried out to establish what the Council is doing now and to determine what can be done in the future in relation to the management and control of sickness absence.

The Review Group has made a number of recommendations, that if delivered, may improve the Management of Sickness Absence and lead to a reduction in sickness levels.

Recommendations

Code of Practice and Procedures

The Employee Survey reported that staff have a good understanding of absence procedures. The Review Group acknowledges work that has been undertaken over recent years to update the Code of Practice and the introduction of Company Health to provide Occupational Health Services. The Review Group considered in detail proposed procedures contained within a revised Code of Practice for sickness management.

Management of Sickness Absence within the Council requires focus on early intervention and procedures that are applied consistently throughout the Council.

- 1. The proposed procedures for the Management of Sickness Absence, Occupational Health Referrals and Occupational Sick Pay be supported.***

Roles and Responsibilities

Management of Sickness absence is a priority and requires expertise to proactively monitor absence rates, deal with Occupational Health referrals

and provide performance information on a monthly basis. This expertise lies within Human Resources rather than Payments Section.

2. Specific elements of Sickness Management administration be transferred to Human Resources in order to better enable Occupational Health referrals and performance monitoring.

Performance Information

Throughout the review, Chief Officers and Trade Unions identified reducing sickness absence as a priority. Detailed performance information is available and should be reported to Members on a regular basis to effectively monitor sickness absence within the Council and be made available to managers as necessary so they can effectively manage sickness.

- 3. Sickness Absence statistics, by department and overall, be reported to:**
- **The Leaders Meetings – Quarterly Basis**
 - **Strategic Leadership Group – every meeting**
 - **Management Team - monthly basis**
 - **Heads of Service – monthly basis**
- 4. Detailed information relating to sickness absence be made available to managers as necessary to assist them to effectively manage sickness.**
- 5. Section-based sickness absence statistics be incorporated into service plans.**

Training

It was reported to the Review Group that there is a need for training for managers to be undertaken to ensure that sickness management procedures are delivered consistently and enable managers to have the relevant skills to carry out their role.

6. The Organisational Development Plan specifically includes training for appropriate managers relating to 'Absence Management'.

Occupational Health

There is evidence of proactive working between Occupational Health, Human Resources and Council Departments. Company Health Limited have a fundamental role to play in proactively managing sickness absence. Their key objectives should be monitored and the services they provide promoted to employees of the Council.

- 7. Quarterly progress meetings be held between Human Resources, Payments and Occupational Health to monitor Sickness Management.***
- 8. Information on services provided by Occupational Health be publicised and communicated to employees and managers.***

BACKGROUND

History

A Code of Practice relating to Sickness Management was introduced in 1999 together with new reporting procedures. Training was provided for all relevant managers. A number of reviews have been undertaken since 1999.

The introduction of Best Value Performance Indicators (BVPI) in 2000 required Sickness Absence performance to be reported in the Council's Best Value Performance Plan. A Sickness Working Group was established to monitor performance within the Council.

A Best Value Review of Human Resources and Payments Section was carried out during 2002/03. This review involved the Council's Human Resources Section carrying out a benchmarking exercise comparing existing policies and procedures with top performing authorities, other public sector organisations and private companies. Following the Best Value Review, a revised Code of Practice and reporting procedures were introduced in line with best practice models.

The most recent review of Sickness Absence, carried out in 2005, gave focus on a proactive approach known as 'Wellness Management'. This approach included the procurement of Occupational Health Services, approval of an Occupational Health and Safety Strategy, introduction of a Stress Management Policy and identified links to Family Friendly Policies.

Additional funding was invested into proactive methods of sickness management that included introducing a health surveillance programme, counselling and physiotherapy services.

The Code of Practice for Sickness Management was updated to reflect outcomes of this review.

Taking account of previous reviews, this scrutiny review aims to focus on what the Council is doing now and to determine what can be done in the future in relation to the management and control of sickness absence.

Performance Management

The Council has the duty to report sickness absence performance on an annual basis. This is measured through the Department for Communities and Local Government's Best Value Performance Indicator 12 (BV12) 'The number of working days/shifts lost to the Local Authority due to sickness absence'.

The purpose of this indicator is to monitor the level of sickness absence within Local Authorities.

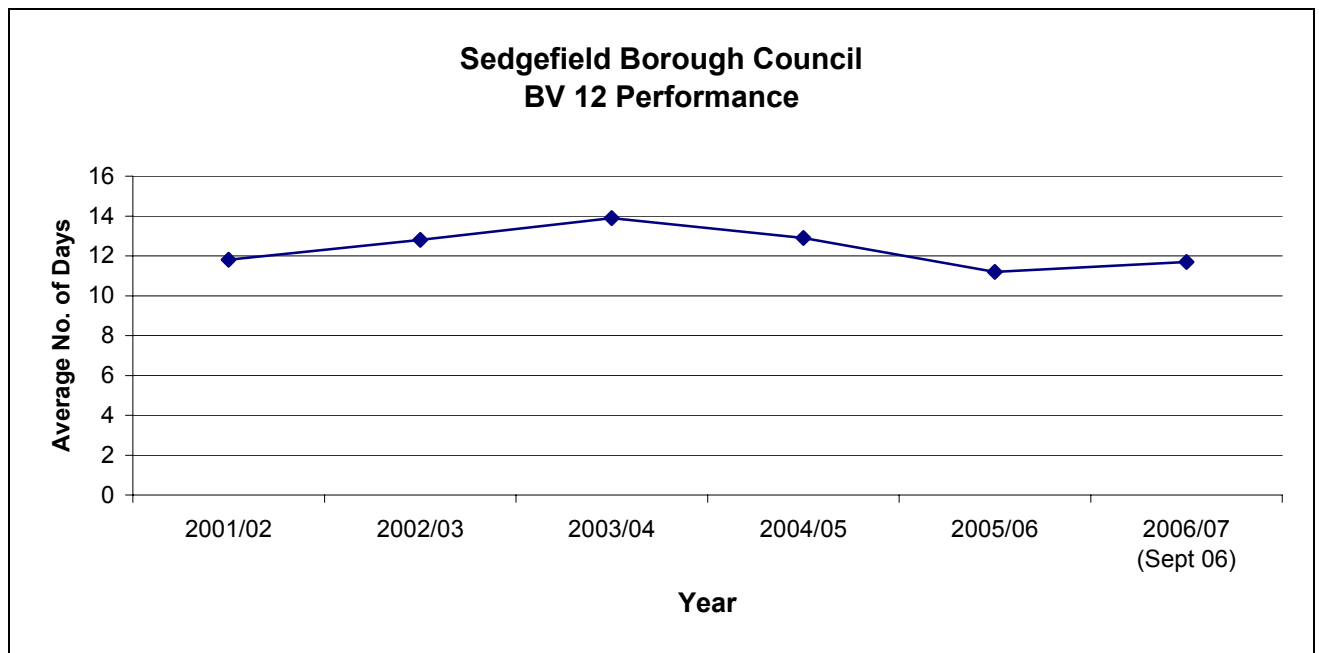


Chart 1

Chart 1, identifies that performance has fluctuated since 2001/02 to 2005/06. Performance at year-end improved during 2004/05 and 2005/06 resulting with an average of 11.2 days per employee. However, the graph has identified that sickness absence has increased to an average of 11.7 days per employee for the first six months of 2006/07.

Top Quartile Targets

Local authorities should aim to reach top quartile targets. These are based on the performance level of the top performers from the previous financial year.

For 2004/05 District Council Performance Quartiles are as follows:

Top Quartile	8.48 days
Average	9.78 days
Median	9.59 days
Lower Quartile	11.10 days

Performance Quartiles for 2005/06 are not released until Autumn 2006. It is anticipated that overall performance has improved nationally, therefore the Council is likely to remain in the lower quartile. It was reported to the Review Group that 65% of North East Councils are also in the lower quartile for performance.

These findings reflect a survey carried out by The Employers' Organisation that reported the North East of England has the highest rates of Sickness Absence within England.

Sickness Absence performance is a priority for Chief Officers and has been identified as a key message within the Annual Audit and Inspection Letter, that identified action is needed by the Council to *'Build upon and sustain efforts to reduce sickness absence'*¹.

Gershon Efficiencies

In 2003, Sir Peter Gershon conducted a review on Public Sector Efficiency to identify opportunities and proposals to deliver sustainable efficiencies in the use of resources in central and local government.

The Council is expected to achieve Gershon efficiency savings of 2.5% per annum during the period 2005-06 to 2007-08, compared to their 2004-05 baseline. A reduction in sickness absence will contribute to Gershon efficiency savings. These savings can arise from an increase in productive time, reduced cost of managing sickness absence and reduced need for temporary or agency workers. During 2005-06 the reduction of sickness absence from 12.9 days to 11.2 days, resulted in a notional efficiency saving of £106,890.

¹ Audit Commission – Annual Audit and Inspection Letter 2005

RESEARCH

The Review Group gathered evidence from presentations and discussions with Human Resources, Company Health and Payments Section. A series of meetings with Chief Officers and focus group sessions with Staff and Trade Unions was carried out to undertake research relating to sickness management procedures within the Council. A survey was issued to 250 members of staff. The Review Group was invited to attend an event on proactive measures to deal with Sickness Management and General Health and Safety at 3M in Newton Aycliffe.

Presentations & Discussions

The purpose of the presentations and discussions held with Human Resources, Company Health and Payments section was to inform members of the Review Group of the existing:

- Management of Sickness Absence
- Code of Practice and Procedures
- Performance Levels
- Occupational Health services provided by Company Health Ltd.

Chief Officer Meetings

The Review Group held individual meetings with the Council's Chief Executive, Directors, and Head of Financial Services. The purpose and aims of these meetings was to obtain their views and opinions with regard to:

Chief Executive

- Levels of Sickness Absence
- Existing Policy and Procedures
- Reporting Mechanisms for Sickness Absence
- Commitment from Management Team to reduce levels of Sickness Absence
- Raising the Profile of Sickness Absence.

Directors and Head of Financial Services

- Information regarding sickness absence levels within their department
- Establish whether existing policies and practices are effective and are operating effectively to monitor and control sickness absence
- Performance management of Sickness Absence within their Department
- Reducing absence referral period, reviewing trigger points and return to work discussions following each period of absence.

Sedgefield Borough Council Staff Focus Group Meeting

A focus group meeting was held with staff from all departments within the Council. The purpose of the focus group meeting was to obtain staff views in relation to:

- Knowledge of the Council's Policy and Procedures
- Management of Sickness Absence within the Council
- Trigger Points and reducing long term sickness
- Services Provided by Occupational Health.

Trade Union Focus Group Meetings

Focus group meetings were held with representatives from AEEU, GMB, UCATT and Unison. The purpose of these meetings was to obtain the views and opinions of Trade Union representatives with regard to:

- The Council's Code of Practice and Procedures for Sickness Absence
- Establish whether the existing Code of Practice and Procedures are effective and are operating effectively to monitor and control sickness absence
- Trigger Points and reducing long term sickness
- Suggestions to improve sickness absence rates.

Employee Survey

In June 2006, a survey was issued to a sample of 250 members of staff from all Services within the Council which was to be completed anonymously. The objectives of the Survey were to receive feedback from members of staff with regard to:

- Knowledge of Occupational Health and services provided
- Knowledge of sickness absence procedures.

A total of 86 completed surveys were received giving at response rate of 34%.

Sickness Management Event

Members of the Review Group were invited to attend an event on proactive measures to deal with Sickness Management and General Health and Safety at 3M in Newton Aycliffe.

The Event was hosted by 3M included advice and information on:

- Alcohol & Drug Abuse
- Blood Pressure and Cholesterol Tests
- Body Mass Index Scores
- Physiotherapy.

MAIN FINDINGS

The Main findings from research gathered by the Review Group are identified below as either positive findings or issues to be addressed.

Positive Findings

The Employee Survey reported that staff have a good understanding of absence procedures, 96% of respondents reported that they were 'Aware of the Council's Sickness Absence Code of Practice'. All responses to the survey said they would 'contact their manager or designated person at work on the first day of absence' and 99% replied that 'they had to make contact on each day of work before 10.00a.m.' with 96% responding that they felt 'obliged to give their employer a reason for absence'.

The survey also reported that 94% of respondents said they 'will send in a medical certificate to cover absence from day 8 and 85% replied that they 'would be happy to be referred to Occupational Health beyond day 14'.

Information received from presentations and meetings with Staff, Chief Officers and Trade Unions reported that the Council is a 'caring employer' and supports the principles of 'Investors in People'. The Council has adopted sixteen of the twenty Chartered Institute of Personnel Development absence management tools, the remaining four are not in keeping with the Investors in People philosophy.

Throughout the Review, Chief Officers and Trade Unions have identified reducing Sickness absence as a priority. Detailed performance information is available and is discussed at Strategic Leadership Group, Overview and Scrutiny Committee 1 and Management Team.

Trade Union representatives attend a health and safety group where preventative measures to avoid injury at work are considered. This not only benefits the employee but also helped reduce and prevent claims against the Council.

There is evidence of proactive working between Occupational Health, Human Resources and Council Departments.

Trade Union representatives gave full support to revisions to existing procedures that would result in reducing sickness absence and encouraging employees to return to work. The proposed procedures within the revised Code of Practice will be discussed with Trade Unions through the Joint Consultative Group prior to a decision being made.

Issues to be addressed

Information was reported to the Review Group to consider what the Council could do to improve the management and control of sickness absence. The Review Group highlighted the following issues:

- Code of Practice and Procedures
- Roles and Responsibilities
- Information
- Training
- Occupational Health.

Code of Practice and Procedures

The Council regards regular attendance at work as essential in order to optimise organisational performance. There are currently two documents relating to sickness management, these are the Sickness Code of Practice and the Sickness Absence Management information sheet.

The Sickness Code of Practice details procedures to be followed by the employee in the event of sickness absence. This includes:

- How, who and when to report an event of Sickness
- Forms to be completed
- Procedure for returning to work
- Information regarding 'repeated short term absence'
- Information on producing medical certification

The Sickness Absence Management information sheet details procedures for Managers/Supervisors to complete, this relates to

- Short Term Sickness
- Long Term Sickness
- Sickness Monitoring

The current Code of Practice details actions taken to address short and long term absence issues but has led to a lack of consistency and poor communication. The Review Group was informed that the existing Code of Practice deals satisfactorily with individual requirements for reporting sickness absence and sick pay arrangements. However, information received from meetings with Chief Officers indicates that the current Code of Practice is not applied consistently throughout the Council.

Following meetings with Chief Officers, the Review Group requested that the existing Code of Practice and procedures be reviewed based on the comments and views put forward.

The Review Group was presented with draft copies of a revised set of procedures to deal with the management of sickness absence. The aim of these procedures is to ensure that a fair and consistent approach to managing

sickness absence is maintained, in order to promote the health and welfare of all employees and ensure overall effectiveness and productivity. The procedures seek to operate within accepted best practice and current legislation. The three proposed procedures are for:

- Management of Sickness Absence
- Occupational Health Referrals
- Occupational Sick Pay

These procedures detail the specific responsibilities, chains of communication and responsibility, support mechanisms, reference points for formal action and a more proactive role for Human Resources. The focus of these procedures is on early intervention that will require more effective procedures for Managers, Human Resources and Occupational Health. The procedures would also assist to the Council's contingency arrangements in the event of an outbreak of Pandemic Flu.

The Review Group agreed that the draft procedures were of best practice and supported their aims and objectives.

Roles and Responsibilities

The Council's Payments Section currently manage sickness absence, their responsibilities include triggering Occupational Health referrals to Human Resources, producing performance reports and ensure staff are paid correctly. At present, a referral to Occupational Health is forwarded to Human Resources after a member of staff has been absent for one month.

The Review Group considered the length of time before a referral was made to Occupational Health. Based on best practice it was suggested it be reduced to 15 days. A reduction was supported by Chief Officers and Trade Unions. The Employee Survey reported that 85% 'would be happy to be referred to Occupational Health beyond day 14'.

Departments are expected to submit accurate absence returns on a weekly basis and information is applied to the payroll system. The Council's Payments Section have responsibility to ensure that correct certification is obtained, i.e. self-certification sick note for the first seven days of absence, and a Doctor's note thereafter. The Review Group noted that it is sometimes difficult to obtain self-certification notes from employees.

Payments Section produced statistics on sickness absence as part of the reporting of the Council's performance indicators. A series of meetings had been held with departments to inform them of information that is available from the payroll system. This system is capable of tailoring and developing reports to assist managers to deal with sickness absence.

The priority for Payments Section is to ensure that staff are paid correctly and on time. The Review Group was informed that sickness information received from Departments sometimes does not include relevant information and, due

to other priorities, Payments Section do not have the resources to remind Departments of their responsibilities for absence returns.

The Review Group acknowledge that sickness absence statistics are important and there is need for a robust system to monitor sickness absence.

Human Resources have the expertise to proactively monitor absence rates, deal with referrals to Occupational Health, provide advice and information to managers, liase with Occupational Health and provide performance information on a monthly basis. This view was supported by Chief Officers and Occupational Health.

Performance Information

Detailed performance information held by Payments Section is available and can be requested. Performance reports can be broken down by department, section, long term and short term sickness absence. However, feedback from meetings with Chief Officers felt that this information is not regularly issued should produced on a monthly basis to enable departments to effectively monitor sickness absence.

Sickness absence is reported at each meeting of the Strategic Leadership Group and included in performance reports to Overview & Scrutiny Committee 1 on a six monthly basis. Performance of sickness absence is reported to officers through Management Team, however, reporting to departmental meetings is inconsistent.

The Review Group was informed that sickness absence reports were not being routinely issued to all departments to monitor performance. This information should be issued to departments on a monthly basis, and could be integrated in the performance management framework via discussions at section meetings and incorporated into Service Plans. Monthly performance reports would enable departments to effectively monitor their sickness levels and may lead to improved performance.

The Review Group recommend that Performance Reports are to be issued to Directors and reported at each meeting of Strategic Leadership Group, Management Team on a monthly basis and to The Leaders meeting on a quarterly basis. Information should be made available to managers as necessary to assist them to effectively manage sickness.

Training

Meetings with Chief Officers, and focus group meetings with Trade Unions identified a need for absence management training for managers. Delivery of training, thorough the Council's Organisational Development Plan, will ensure responsibilities are delivered consistently and enable managers to have the relevant skills to carry out their role. Any changes identified within the proposed procedures for reporting sickness will be required to be communicated to staff.

Occupational Health

Following a tendering exercise, Company Health Limited were contracted for three years to provide Occupational Health Services for the Council in April 2005. The contract is to provide an Occupational Health Advisor led service and includes monthly input from an Occupational Health Physician. The contract requires Company Health to provide a full remit of Occupational Health interventions. Counselling, training and physiotherapy is available to the Council at an additional cost.

The Occupational Health contract is managed by the Council's Human Resource Department and the key objectives of the arrangement are:

- To establish links with the Councils Human Resource Department
- Develop health surveillance programmes
- Develop working relationships with managers and key personnel
- Participation with key development initiatives.

To develop these objectives, the Review Group recommend that Quarterly progress meetings be held between Human Resources, Payments Section and Occupational Health to monitor and agree actions of Sickness Management.

The Employee Survey reported that 65% of respondents 'know how to contact Occupational Health Services', however, 51% of respondents 'were not aware of services provided by Occupational Health'. The Review Group recommend that information on services provided by Occupational Health are publicised and communicated to employees and managers.

Further information on this review can be obtained from
Jonathan Slee, Scrutiny Support Officer: Tel 01388 816166 ext.4362.

SURVEY RESULTS

Occupational Health Survey June 2006					
86 questionnaires returned					
Response Rate - 34%					
		Agree	Disagree		
Q1.	<i>I know how to contact the Occupational Health Service that my employer provides</i>	65	35		
Q2.	<i>I would be happy to be referred to the Occupational Health Department if I remained absent beyond day 14</i>	85	15		
Q3.	<i>I know it is necessary to provide the Occupational Health Nurse with confidential details related to my absence in order to receive the appropriate OH advice</i>	78	22		
Q4.	<i>I am aware of the service offered by Occupational Health</i>	49	51		
		Yes	No	3	2
Q5.	<i>I have used the services of the Occupational Health Department in the last 12 months</i>	21	79		
Q6.	<i>Please indicate the services you have used and provide a satisfaction rating</i>				
	<i>Medical (Pre-employment)</i>	6			
	<i>General Health Check (weight, blood pressure, advice etc.)</i>	31	19	6	
	<i>In response to a Health Promotion Campaign</i>	6			6
	<i>Referred because of long term illness</i>	6			6
	<i>As part of vaccination programme</i>	38	19	6	6
	<i>Counselling</i>	13			13
	<i>Physiotherapy</i>				
	<i>To undergo a work - related health check (driver screening, hearing test etc.)</i>	38	6	19	6
		Agree	Disagree		
Q7.	<i>I am aware of the Council's Sickness Absence Code of Practice and know what to do when I cannot attend work because I am sick</i>	96	4		
		9am	10am	11am	Noon
Q8.	<i>I know I need to make contact on each day of absence before</i>	33	66	1	

		Agree	Disagree	
Q9.	<i>I am obliged to give my employer a reason for my absence</i>	96	4	
		Always	Sometimes	Never
Q10.	<i>I find it easier to say I am sick than give other reasons for my absence</i>		13	87
		Agree	Disagree	
Q11.	<i>I know that I can ask for special leave rather than sick leave when unable to attend work for non-health related reasons</i>	71	29	
		Always	Sometimes	Never
Q12.	<i>I contact either my manager or the designated person at work on the first day of my absence</i>	100		
Q13.	<i>I ring in every day for my first 3 days of absence</i>	89	4	7
Q14.	<i>I get a friend or relative to ring in on my behalf</i>		22	78
Q15.	<i>I contact either my manager or the designated person at work again on my fourth day of absence</i>	39	31	30
Q16.	<i>I consult my GP immediately when my absence has gone beyond 7 days</i>	94	6	
Q17.	<i>I send in a medical certificate from my GP that should cover my absence starting from day 8</i>	99		1
Q18.	<i>I have a 'return to work' interview with my manager when I come back to work after 3 days of absence</i>	38	24	38
Q19.	<i>When on long absence, either my manager or the Human Resources Section kept in touch with me regularly</i>	50	28	22

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