

BROMSGROVE DISTRICT COUNCIL
PERFORMANCE MANAGEMENT BOARD

20 JULY 2009

INTEGRATED SICKNESS ABSENCE PERFORMANCE and HEALTH & SAFETY
REPORT – FOR PERIOD ENDING 31ST MAY 2009

Responsible Portfolio Holder	Cllr Geoff Denaro
Responsible Head of Service	Jo Pitman, Head of Human Resources & Organisational Development
Non Key Decision	

1. SUMMARY

- 1.1 To report to the Performance Management Board on the Council's performance at 31 May 2009 in relation to sickness absence and Health & Safety/Wellbeing.

The report is presented in two parts:

Part A - Sickness Absence and Part B – Health and Safety/Wellbeing.

Part A is broken down to address:

- Statistical data for the period ending 31st May 2009
- Analysis of Departmental Performance
- Government "Fit for Work" Initiative - Update
- H1N1 (Swine Flu) - Update
- Strategic Interventions to reduce sickness absence
- Legislative Changes

Part B is broken down to address:

- Work Place Accidents
- Health and Wellbeing Programme
- "Wellness Works"
- Working with the PCT

2. RECOMMENDATIONS

- 2.1 That the contents of the report be noted.
- 2.2 That PMB considers the need for contingency plans regarding possible H1N1-related absences.
- 2.3 That PMB awaits further advice from the National/Regional Employers on how to deal with the implications of the Stringer judgment on the payment of occupational sick pay but in the meantime, ensure that the Council acts lawfully.

PART A - SICKNESS ABSENCE

3. **STATISTICAL DATA**

- 3.1 Sickness Absence is **RED** on the traffic light system for performance management for 2009/10 with the out-turn figure being **10.54** against a year-end target of 8.75 days per full-time equivalent.
- 3.2 The overall trend for May was **upward, for the third month after four consecutive months of overall sickness absence reducing**. Sickness Absence did however **decrease** in two departments (CEO & Policy and Planning & Environment Services) and remain the same in one department (HR&OD) compared to April 2009.
- 3.3 Compared to the second month of 2008/09, there has been a significant increase in the overall sickness absence levels across the Council during 2009/10 (of 123.5 days). Three service areas are, however, in a better position than the same time last year (Legal, Equalities and Democratic Services, Financial Services and HR&OD).
- 3.4 There has been a slight increase in overall short-term sickness absence in the second month of 2009/10 in comparison to the same month last year (0.34 per FTE in 2009/10 in comparison to 0.30 per FTE in 2008/09).
- 3.5 Overall, long-term sickness absence continues to be much higher in comparison to the same month last year (0.59 per FTE in 2009/10 in comparison to 0.25 per FTE during 2008/09).
- 3.6 Four out of the seven departments are **RED** against their departmental targets for the year, (CEO & Policy, EGovernment & Customer Services, Planning & Environment Services and Street Scene and Community Services), with the other three departments being **GREEN** (Legal, Equalities & Democratic, Financial Services and HR&OD).
- 3.7 Three departments (Legal, Equalities & Democratic Services, Financial Services and HR&OD) are **GREEN** against the **Council's overall corporate target of 8.75 days sickness absence for the year**. The remaining four departments are **RED against the corporate target**.
- 3.8 **Month by Month Comparison to 2008/09 and 2007/08**
The attached Appendix 3 shows month by month figures per FTE for the year to date.
- 3.9 **Cumulative Comparison to 2008/09 and 2007/08**
The attached Appendix 4 shows the Council's overall cumulative sickness per FTE for the year to date.

4 **COMMENTARY**

4.1 **Long Term Sickness**

The total number of people on long term sick leave at the end of May decreased by 3, with 9 cases in comparison to 12 at the end of April.

The number of long term absentees in Planning & Environment decreased from 3 to 2 and from 7 to 5 in Street Scene & Community. CEO and E-Government & Customer Services have remained the same with 1 in each service area.

The absence within CEO will have ended by the end of June, but one other member of staff in Finance has recently gone on prolonged absence. The prognosis is poor and may result in an ill-health retirement.

5. ANALYSIS OF DEPARTMENTAL PERFORMANCE

The following is a summary of each service's current sickness absence levels:

5.1 Legal, Equalities & Democratic Services

- Overall sickness absence **increased** from April to May;
- Compared to the end of May last year, there has been a significant **decrease** in overall sickness absence levels so far during 2009/10;
- Based on the year to date, the departmental target of 5.5 days for the year will be met with the projected 4.6 days for the year. This is comfortably within the Council's overall target of 8.75 days, making the department **GREEN against both targets**;
- There was one case of long-term sickness absence during the reporting period but the individual returned to work in-month.

5.2 Chief Executive Office

- There was a slight **decrease** in overall absence from April to May;
- Compared to the end of May last year, there has been a slight **increase** in overall sickness absence levels so far during 2009/10;
- Based on the year to date, the departmental target of 6 days for the year will be exceeded, with the projected 34.47 days for the year also exceeding the Council's overall target of 8.75 days, making the department **RED against both targets**;
- There was one case of long-term sickness absence during the reporting period.

5.3 E-Government & Customer Services

- There was an **increase** in overall absence from April to May;
- Compared to the end of May last year, there has been a **slight increase** in overall sickness absence levels so far during 2009/10;
- Based on the year to date, the departmental target of 5 days for the year will be exceeded, with the projected 9.96 days for the year also exceeding the Council's overall target of 8.75 days, making the department **RED against both targets**;
- There was one case of long-term sickness absence during the reporting period.

5.4 Financial Services

- There was an **increase** in overall sickness absence from April to May;
- Compared to the end of May last year, there has been a **significant decrease** in overall sickness absence levels so far during 2009/10;
- Based on the year to date, the departmental target of 9 days for the year will be met with the projected 4.65 days for the year remaining comfortably within the Council's overall target of 8.75 days, making the department **GREEN against both targets**;
- There were no cases of long-term sickness absence during the reporting period.

5.5 HR&OD

- There was **no change** in overall sickness absence from April to May, there being no absences in either month;
- Compared to the end of May last year, there has been a further **decrease** in overall sickness absence levels so far during 2009/10;
- Based on the year to date, the departmental target of 4.25 days for the year will be met with the projected 0 days for the year remaining comfortably within the

Council's overall target of 8.75 days, making the department **GREEN against both targets;**

- There were no cases of long-term sickness absence during the reporting period.

5.6 Planning & Environment

- There was a **decrease** in overall sickness absence from April to May;
- Compared to the end of May last year, there has been a **significant increase** in overall sickness absence levels so far during 2009/10;
- Based on the year to date, the departmental target of 7.25 days for the year will be exceeded, with the projected 36.35 days for the year also exceeding the Council's overall target of 8.75 days, making the department **RED against both targets;**
- There were three cases of long-term sickness absence during the reporting period.

5.7 Street Scene & Community Services

- There was a slight **increase** in sickness absence from April to May;
- Compared to the end of May last year, there has been a **significant increase** in overall sickness absence levels so far during 2009/10;
- Based on the year to date, the departmental target of 11 days for the year will be exceeded, with the projected 24.66 days for the year exceeding the Council's overall target of 8.75 days, making the department **RED against both targets;**
- There were seven cases of long-term sickness absence during the reporting period but two periods of absence ended during the reporting month.

5.8 Lessons Learned

Recent experience within the HR&OD service area has demonstrated that, by adopting a proactive approach to health issues, it is sometimes possible to avoid sickness absence. With a temporary adjustment to working hours and the support of PTH, a potentially long-term absence within the department was averted. Both the Council and the individual benefited from this: productivity was greater than would have been the case had the individual taken sick leave and the experience of the individual (within the circumstances at the time) was positive.

6. FIT FOR WORK INITIATIVE

Following on from the response to Dame Carol Black's proposals 'Improving Health and Work: Changing Lives', the Government has pledged to help support local areas to develop Fit For Work Services (FFWS) designed to help people to stay in or return to work more quickly when they develop a health condition or impairment. These will be evaluated in a programme of pilots lasting until at least 2011. Applications from organisations to become providers closed on April 20.

There has been no progress as yet on the planned introduction of the electronic fit note though these have been tested by more than 500 GPs across a range of practice types and have been well-received. It appears that this remains on track for 2010.

7. H1N1 VIRUS (SWINE FLU)

Two suspected cases have been reported within the Council so far – one at the Dolphin Centre, which has tested negative – and one at the Council House. As the testing regime has now changed, it is unlikely that the virus will be definitively ruled out in the second case (or in any future cases). The individual has now returned to work.

Given the Council's proximity to the West Midlands, which has the largest concentration

of cases in the UK, it is reasonable to expect future cases of the virus among staff ahead of a probable outbreak of seasonal flu from October onwards, which will impact on service delivery due to both illness of individuals and the need to care for dependents who are affected.

8. **STRATEGIC INTERVENTIONS TO REDUCE SICKNESS ABSENCE**

8.1 **Return to Work Interview Training Programme**

The programme has been designed by the HR team but a focus group of managers will ensure that we have the programme content right (aiming to deliver first class customer service to our internal customers).

From there we will commission a training provider to deliver the course. The intention is for the course to be interactive – mirroring the template of some Equalities Training that we delivered a couple of years ago whereby the delegates are able to observe examples of displaying good and bad practice in a mock return to work interview situation.

The delegates will be able to influence the “drama” of the situation by directing it in a particular way and learning from what they see.

It is intended that the course will be opened and closed by the Head of HR&OD to emphasise the strategic reasons for the training and followed by the opportunity for 1-2-1 coaching in how to deal with real life situations for managers who require it.

This programme will be a significant investment on the part of the Council both in terms of time and money. We will fund out of the corporate OD budget.

At present, it is expected that training will be delivered towards the end of September – before the annual Management Conference so the return on investment may not be seen until the end of quarter 3 and into quarter 4 of the current performance year.

8.2 **Improved Communication with staff**

To raise awareness of sickness absence levels we have developed a technique/logo that comes in the form of a large thermometer which shows how good – or bad – we are performing on sickness absence. The thermometer is included in every monthly edition of the staff “Connect” newsletter.

8.3 **Performance Clinics**

Performance clinics with the Assistant Chief Executive continue – we will be holding the next one in July and will be looking closely to see if the improved approach to communication is having the the desired effect.

8.4 **Comparative Sickness Absence Data**

The Worcestershire Personnel Officers’ Group has agreed to collate and share data on absence levels.

In future, this will appear as part of this report on a quarterly basis.

9. **LEGISLATIVE CHANGES**

Following a protracted journey through various UK and EU courts, the House of Lords

has handed down its judgment on the question of paid sick leave during sick absence. The decision has financial implications for the Council.

The case, now known simply as the Stringer case (Stringer v HM Revenue and Customs), has established that workers continue to accrue, and can take, statutory holiday during sick leave and that workers deprived of this right can pursue a claim against their employer. The judgment does not address certain other holiday pay questions but CMT is asked to note the following outcomes:

- In any leave year, workers on sick leave can accrue and take **statutory** annual leave under the Working Time Regulations (WTR), even if they are not at work, and are entitled to be paid at their normal rate of pay.
- Workers are entitled to be paid in lieu of accrued **statutory** annual leave when they leave employment, even if they have been on sick leave for part or all of the leave year.
- That such costs will need to be met by individual service budgets.

The emphasis of the legislation is upon statutory annual leave, not contractual annual leave (as highlighted above). It is for employers to decide their position on occupational (contractual) sick pay and it is recommended that CMT wait until further guidance is issued by either WMLGA or the LGE on the implications of this judgement upon the occupational sick pay scheme before any further action is taken at local level. However, experience within HR indicates that leave within the Council is already accrued during sick leave, but carry-over into the next year is limited to the 5 days laid down in the Leave Policy.

The Lords' decision will be challenged fairly swiftly and the effect of their decision on other elements of holiday pay will also be tested. CMT will be advised of developments but, in the meantime, managers and staff should contact the HR Advisors in appropriate cases.

PART B - HEALTH AND SAFETY/EMPLOYEE WELLBEING

10.

Work Place Accidents Contributing to Absence Levels

11.

There was one work-related injury during May at the Dolphin Centre, which resulted in two days' absence. The absence in Street Scene & Community Services in April is continuing.

Health & Wellbeing Programme

12

Promoting Health & Wellbeing to staff by;

- Delivering 4 'positive health days' – through Leap Health Therapy to staff covering 3 main areas:
General Health & Wellbeing (Well Man/Woman Clinics/workshops, nutrition clinics/workshops and healthy eating – supported by CPCatering),
Physical Care & Prevention (Musculo/Skeletal Clinic, physical relaxation zone, Posture and back care workshop, Repetitive strain injury & overuse w'shop, prescription exercise w'shop),
Emotional & Mental Awareness (bite-size counselling, hypnotherapy, Emotional freedom technique, meditation w'shop, T'ai Chi)

Leap Health Therapy have worked with us in previous years and are keen to encourage local businesses to engage with us by way of Health Exhibition stands, local therapists.

The intention is to deliver 1 well man/well woman workshop per quarter – the first one has not yet been delivered because of concerns expressed by the PCT about the fact that such remedial actions are not scientifically proven. There is a conflict between what are, on the one hand, scientifically and clinically proven remedies and those which may not be but nevertheless address the “psychological contract” between employer and employee insofar as they provide the “feel good” factor. It is planned that this will be funded by the Corporate OD budget on the basis of it being a priority to reduce sickness absence levels.

13. **“Wellness Works”**

In addition to our own health and wellbeing programme, “Wellness Works” launched by the Government to promote wellbeing in the workplace and following discussion with them are keen to complement the provision offered by Leap by way of ‘free’ lottery funded training.

14. **Working with the PCT**

The Worcester PCT is keen to promote same through promotion of their Change4life initiative (concentrating on obesity, alcohol, smoking cessation etc) and 5 Year Strategy. We are looking to find ways to work with them on this but:

- The effect of responding to Swine flu has had a detrimental effect on their capacity and they have been unable to progress this agenda as much as they would have liked
- The PCT interventions have longer term successes in mind rather than immediate successes – of the nature that we need.

This programme also links in well with our Stress Survey and subsequent Stress Action Plan conducted by Morpheus Personal Development. From the action plan, we have organised some trained Managers (signs & symptoms) and staff (reducing potential stressors) - something we are reviewing again towards the end of the year.

Ultimately, all health and wellbeing initiatives are designed and intended to support the overall aim of reducing absence levels.

FINANCIAL IMPLICATIONS

With the exception of absences that need to be covered (whether through overtime and/or agency cover), there are no direct financial implications arising from sickness absence. However, indirectly, the financial implications are shown to be associated with loss of productivity and also where successful cases of unfair/constructive dismissal or discrimination are brought against the Council by employees.

The Stringer case may impact financially as workers may effectively extend the period of their sick pay by taking statutory annual leave during a sick absence. Equally, employees who leave the employment of the Council will be entitled to be paid for any untaken (statutory) annual leave that has accrued during a period of sickness absence. Such costs will be met from individual service budgets and will vary significantly depending on the length of absence and salary of the employee concerned.

Financial implications can also arise from early retirements – specifically where they are retirements which are justified/facilitated on the basis of “being in the interests of the efficiency of the council” in order to short circuit lengthy absences that show little prospect of early resolution, but where the absence is considered to be having a detrimental effect upon service – whether because of the actual absence itself or where managers argue that they do not have the time to manage such cases properly. The costs of ill health retirement are met from the LGPS but changes to the LGPS qualifying

criteria for ill health retirement means that ill health retirements are not so easy to facilitate.

There are no firm costings as yet for the training programme on Return To Work interviews, which will be funded from the OD budget. With development and delivery across 5-6 sessions, an estimate of £15k is considered reasonable at this stage. Full details will be available once the training has been procured.

LEGAL IMPLICATIONS

Depending on the nature of the illness, cause of the illness and overall management of the absence a number of legal implications may arise from absence and absence management. They are typically associated with unfair and/or constructive dismissal, discrimination (whether disability discrimination or sex discrimination, breach of contract and in some cases breach of health and safety (duty of care as one example). These are rapidly developing and growing areas of litigation and the Council will constantly need to consider where the boundaries of risk management lie versus meeting employment law/contractual obligations.

It should be remembered that the Council is party to national conditions of service which form part of the contract of employment of our staff. A specific term of that contract is the current sick pay provisions, providing benefits of up to 6 months full pay and 6 months half pay. Any variation or proposed variation to this is likely to be met with considerable opposition from the staff and trade unions which could in turn lead to an unstable industrial relations climate.

COUNCIL OBJECTIVES

Council objective Two: Improvement

RISK MANAGEMENT

The main risks associated with the details included in this report are:

- Reducing capacity/performance output as a result of high absence levels.
- Local performance target in respect of sickness absence is not achieved.

These risks are being managed as follows:

- **Reducing capacity/performance output as a result of high absence levels**

Risk Register: HR&OD Services

Key Objective Ref No: 1 (sickness absence)

Actions: 1.1 Training for managers, 1.5 monitoring of Government's agenda, 1.7 Monitor performance monthly.

- **Local performance target in respect of sickness absence is not achieved.**

Risk Register: HR&OD Services

Key Objective Ref No: 1 (sickness absence)

Key Objective Ref No. 4. (Effective Management of Health and Safety)

Actions: 4.1 Target and reduce staff sickness absence levels, 4.3, deliver employee health and wellbeing programme

CUSTOMER IMPLICATIONS

Continued rises in sickness absence will continue to have a negative impact on the

Council's productivity levels and capacity, which in turn impacts on the levels of organisational performance/output.

EQUALITIES AND DIVERSITY IMPLICATIONS

There are no direct implications for the Council's Equalities and Diversity Policies arising from this report. However, consideration should at all times be given to the need to ensure consistency of treatment across the organisation when managing sickness absence so as to avoid claims of unequal treatment/discrimination. Variations in treatment or application of policy can be defended but only in circumstances where they are as a consequence of the need to make "reasonable adjustments" arising from a disability as defined by the Disability Discrimination Act.

Managers will need to be aware of the implications of the Stringer judgement, and ensure that it is acted upon if the Council is to avoid any potential claims of discrimination (whether related to sex, age, disability etc.)

VALUE FOR MONEY IMPLICATIONS

There are no VFM direct implications, but indirectly there is a direct correlation to the level of service received by the residents of Bromsgrove and whether it represents value for money if we are losing a high proportion of available productivity time to absence.

OTHER IMPLICATIONS

Procurement Issues - None
Personnel Issues – As outlined within the body of the report
Governance/Performance Management – As outlined within the body of this report, specifically in relation to organisational capacity and performance.
Community Safety including Section 17 of Crime & Disorder Act 1988 - None
Policy - None
Environmental - None

OTHERS CONSULTED ON THE REPORT

Portfolio Holder	No
Chief Executive	No
Executive Director (Partnerships & Projects)	No
Executive Director (Services)	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	No
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	Yes

WARDS AFFECTED

All Wards.

APPENDICES

Appendix 1 - Overall Sickness Totals Spreadsheet May 2009

Appendix 2 - Overall Sickness Totals Spreadsheet 08/09

Appendix 3 - Comparative data – monthly absence per FTE for 07/08, 08/09 and 09/10

Appendix 4 - Comparative data – cumulative absence per FTE for 07/08, 08/09 and 09/10

Appendix 5 – Accident Statistics

BACKGROUND PAPERS

Stringer judgement 2009

Contact officer

Name: Sarah Graham, HR Advisor/ Dee Severn, HR Advisor

email: s.graham@bromsgrove.gov.uk; d.severn@bromsgrove.gov.uk

Tel: (01527) 881276/881357