REPORT of
DIRECTOR OF RESOURCES

to
OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL MEETING)
17 JULY 2018

ATTENDANCE MANAGEMENT UPDATE 2017 / 18 AND QUARTER ONE 2018 / 19

1.   PURPOSE OF THE REPORT

1.1   The main purpose of the report is to provide an update on attendance management levels for the 2017 / 18 financial year and quarter one of 2018 / 19.

2.   RECOMMENDATION
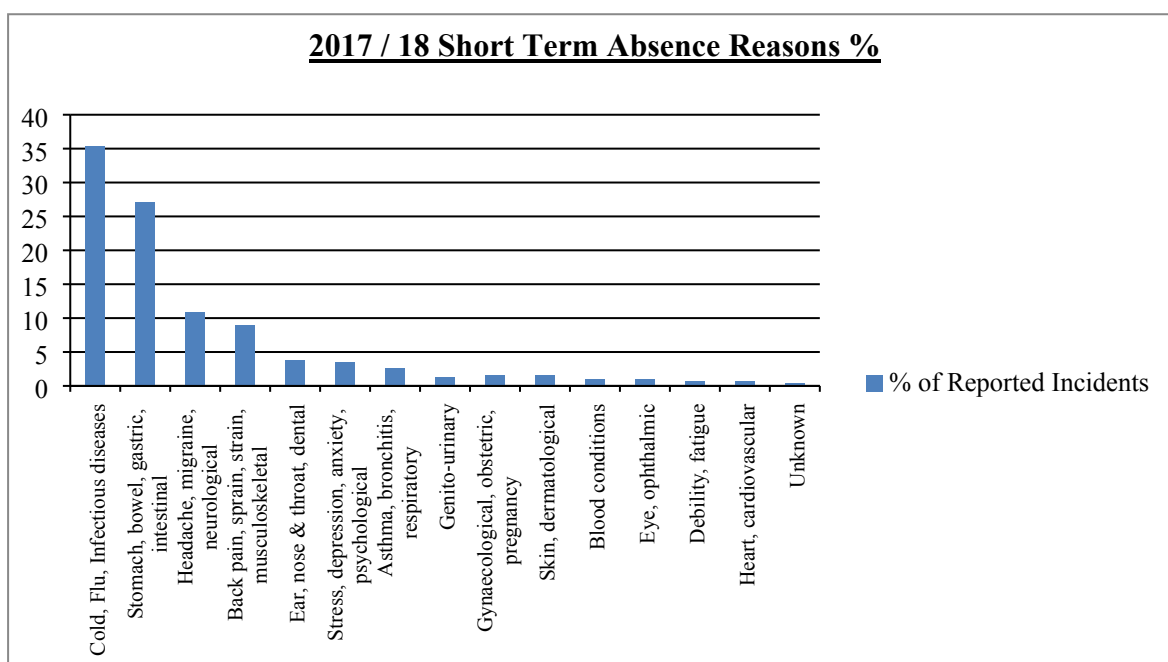
That Members review and comment on this report.

3.   SUMMARY OF KEY ISSUES

3.1   The annual total days lost per Full Time Equivalent (FTE) for the 2017 / 18 financial year is **10.86**, compared to **12.4** for the 2016 / 17 financial year, a reduction of 1.54 total days lost per FTE. The target figure for the 2017 / 18 financial year is 8, and therefore progress has been made on achieving a reduction closer to this figure.

3.2   8.8 FTE days per employee were lost on average by local authority workers in 2016/17[1], therefore attendance levels at the Council are not significantly higher than average (2.06 FTE days greater).

3.3   It should also be noted that the Council has an almost 100% rate of sickness absence recorded due to the proactive approach taken to manage attendance. Other local authorities may not have such high levels of recorded sickness absence and therefore their levels of reported absence may not be as accurate, and may appear lower than they actually are.

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[1] Local Government Association Workforce Survey 2015/16, published March 2017.

Our Vision: To make Maldon District a better place to live, work and enjoy

3.4   The reasons for short term absence by percentage of reported incidents for 2017 / 18 are shown below:

2017 / 18 Short Term Absence Reasons %

A bar chart titled "2017 / 18 Short Term Absence Reasons %" showing the percentage of reported incidents for various absence reasons. The y-axis ranges from 0 to 40. Categories from left to right: Cold, Flu, Infectious diseases (approximately 35); Stomach, bowel, gastric, intestinal (approximately 27); Headache, migraine, neurological (approximately 11); Back pain, sprain, strain, musculoskeletal (approximately 9); Ear, nose & throat, dental (approximately 4); Stress, depression, anxiety, psychological (approximately 3.5); Asthma, bronchitis, respiratory (approximately 2.5); Genito-urinary (approximately 1.5); Gynaecological, obstetric, pregnancy (approximately 1.5); Skin, dermatological (approximately 1.5); Blood conditions (approximately 1); Eye, ophthalmic (approximately 1); Debility, fatigue (approximately 0.5); Heart, cardiovascular (approximately 0.5); Unknown (approximately 0.5). Legend: % of Reported Incidents.

3.5   Managers are continuing to receive a monthly report showing sickness absence trigger information via a 'Bradford Score' report generated by the Human Resources (HR) system. This shows the manager where action must be taken to instigate the formal absence management process with their staff. Other interventions that have been introduced to reduce sickness absence include the mandatory introduction of return to work interviews, the completion of which is monitored, and the provision of a highly responsive occupational health service. HR continues to work closely with and support managers to ensure that all absence cases are managed appropriately and in accordance with policy. Line managers are also required to report back on their actions taken to manage attendance on a monthly basis to HR, and case meetings are frequently held between HR and managers in order to discuss the best way of managing specific cases. HR also operates an open-door policy where managers are free to seek support and discuss cases on an on-going basis.

3.6   The Chartered Institute of Personnel and Development (CIPD) reports that the top two most effective approaches for managing short and long term absence include line managers having primary responsibility for managing absence and providing sickness absence information to managers.

3.7   Managers continue to be kept informed of progress against the Council's attendance Key Performance Indicator (KPI) target figure and the importance of them taking responsibility to manage attendance levels in their teams and to undertake the appropriate actions under the policy. Attendance levels will continue to be reported at future Manager's Forums.

3.8   **Audit of the Attendance Management Policy and Procedure**

3.8.1   Internal Audit recently carried out an audit on the Attendance Management policy and procedure and assessed the design as giving '**significant assurance'**. This is a

positive achievement and demonstrates that the Council is aligned to best practice. The operational effectiveness of the process was assessed as giving 'moderate assurance' – areas of non-compliance with the Managing Attendance policy and procedure across the Council were identified, with key requirements such as self-certification, Return To Work (RTW) meetings and formal 'stage' meetings not being completed by managers or within an appropriate timeframe by managers.

3.8.2 The following areas of good practice were identified in the audit:

- Regular in-depth reporting of sickness absence levels to both the Finance and Corporate Services Committee (F&CS) and the Corporate Leadership Team (CLT).

- An up to date Managing Attendance Policy with associated Toolkits is in place to ensure consistency and awareness across the Council with roles and responsibilities clearly defined, appropriate thresholds for formal meetings recorded and appropriate and relevant guidance provided to staff.

- Regular monitoring of required controls as per the Policy with HR having a good awareness of outstanding items and using this to chase staff to ensure completion of forms and recording meetings.

- There are a number of wellbeing initiatives within the Council including recently winning an award for the Active Essex Workplace of the Year.

3.8.3 The following areas for improvement were identified:

- The levels of compliance with the Managing Attendance Policy varies across the Council with services taking too long to complete self-certification, Return to Work meetings and formal meetings.

- The Council is recommended to sign up to the Workplace Wellbeing Charter which acts as a form of best practice.

3.8.4 As a consequence and further to audit recommendations HR will be undertaking regular monitoring of compliance against the controls within the Policy with these reported to Committee and CLT to ensure that areas of poor performance are held to account. These will be reported in the F&CS Strategic HR Reports from Quarter One 2018 / 19.

3.8.5 The audit recognised the significant work and achievement of the Council's Mind Body and Soul group, in contributing to the wellbeing agenda across the Council, and the Council's achievement of the 'Active Essex Workplace of the Year'. The links between employment and improved health are well documented and there is also strong evidence to show how having a healthy workforce can reduce sickness absence, lower staff turnover and boost productivity.

3.9 **Workplace Wellbeing Charter**

3.9.1 Over the next financial year the Council will be looking to attain the Workplace Wellbeing Charter, which is a voluntary, self-assessment scheme open to all public, private and voluntary sector organisations based in England and is a statement about the way in which the organisation is run and supports the workforce, demonstrated by adherence to a set of standards. To achieve the Charter, the Council will be asked to

demonstrate commitment and support by taking action to deploy any changes which may be necessary in the organisation. By following the Charter, the Council may further improve staff wellbeing, obtain buy-in from staff and management and reduce staff sickness.

3.10   **Management of the Attendance Management Policy and Procedure**

3.10.1 Management and HR continue to work together in order to make successful interventions to help staff manage health conditions through a more flexible working agreement, for example working from home or adjusting the daily hours working pattern which avoids staff taking sick days which could lead to a longer period of absence and maintains productivity. In addition, where an employee has a disability, under the Equalities Act 2010, the employer must consider making reasonable adjustments. Flexible working interventions, particularly in instances where mental health issues have existed, have proved to be a very positive reasonable adjustment.

3.10.2 Whilst a policy and procedure exists, each absence case is managed on a case by case basis and HR has worked with managers to ensure that discretion is applied depending on the situation . At the Manager's Forums in August / September last year, following feedback from Unison, workshop sessions were held for managers which explored case studies and focussed on how discretion could be applied. Positive feedback was received following the sessions.

3.10.3 The reduction in long term absence this financial year is as a consequence of the revised Attendance Management Policy and HR and management implementing interventions, supported by Occupational Health that facilitate a return to work for staff as soon as they are well enough to do so.

3.10.4 Examples of the interventions that have been implemented this year include a number of phased returns – i.e. staff returning on reduced hours, and gradually working up to contracted hours generally over a period of 2 - 4 weeks. Out of the 21 staff who were on long term sick, 11 staff returned on a phased return.

3.10.5 Where medical capability has been an issue this year and the individual is no longer deemed fit for their substantive role, HR and management has worked with the member of staff to re-deploy them into an alternative position - there are three examples of this in the 2017 / 18 financial year. In such circumstances and during the re-deployment period, staff continue to be closely monitored to ensure they settle into their new role, with regular meetings booked in with HR and management to ensure these staff are supported appropriately, with referrals made back to Occupational Health (OH) if further support or adjustments are required. Without such intervention, long term absence can be protracted.

3.10.6 Other interventions to help staff get back to the workplace have include amended duties, flexible working arrangements such as amended daily working hours or working from home, referral for counselling under the employee assistance programme and workplace modifications such as the purchasing of specific equipment where a physical condition exists, amongst many.

3.10.7 Research has identified that after six weeks of sickness absence, an employee is less likely to make an early return to work. In addition if the employee has been absent

for more than six months, they are unlikely to make any return back to the workplace. The Government recommends that a referral is made to OH after an absence has reached four weeks - all staff who are deemed as long term absent in the Council are referred to OH. The rationale for the early involvement of OH is based on evidence indicating that prompt diagnosis and intervention increases the likelihood of an early return to work[2].

3.10.8 In addition to the mandatory attendance management training which was provided to all managers in early 2017 when the revised policy was launched and the further workshop sessions held at managers forums in August / September last year, follow up sessions, where attendance levels were reported to managers, were held at the Managers Forums in November / December 2017 and May 2018. Managers were made aware again of the KPI target figure and the importance of them taking responsibility to manage attendance levels in their teams and to undertake the appropriate actions under the policy. Attendance levels will continue to be reported at future Manager's Forums to ensure that managers are kept informed and therefore continue to engage with the process.

3.10.9 All new managers continue to receive one to one Attendance Management policy training to ensure they are aware of the process for managing staff attendance.

3.10.10 HR and managers continue to promote the Employee Assistance Programme (EAP), Workplace Options, which is offered to both employees and Members. Feedback is generally very positive, particularly regarding the quality of counselling services received. As well as using an EAP to help 'safeguard employees' mental health and wellbeing, employers can also benefit. A healthier, happier workforce means lower sickness absence rates, increased productivity and higher levels of engagement.

3.11 **2017 / 18 Summary**

3.11.1 There has been positive progress in improving this year's attendance figures. It must be noted however, that progress in achieving change following policy implementation does take time. Continuing to manage attendance as a priority within HR coupled with greater manager compliance and compliance reporting should effect a further improvement in overall target figures over the next financial year.

3.11.2 The below table shows the last four financial year's overall attendance figures – **the 2017 / 18 figures are the lowest since the 2014 / 15 financial year**, demonstrating that the new policy, procedure and HR and management interventions are having an impact on the overall figures.

Year	Total days lost per FTE
2017 / 18	10.86
2016 / 17	12.4
2015 / 16	12.42
2014 / 15	12.23

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[2] Personnel Today, published 28 April 2015

3.12   **Quarter One 2018 / 19 Latest Attendance Statistics:**

3.12.1 The overall attendance figures (short and long term absence combined) for Quarter One (Q1) 2018 / 19 have decreased from 498.86 total FTE days lost in Quarter Four (Q4) 2017 / 18, to 434.72 total FTE days lost in Q1 2018 / 19 (2.47 total days lost per FTE in Q4 2017 / 18 compared to 2.13 total days lost per FTE in Q1 2018 / 19).

3.12.2 It should be noted that the Q1 total days lost per FTE figure of **2.13** is the **lowest since Q1 2014 / 15.**

3.12.3 The figures for Q1 2018 / 19 with regard to short term sickness have decreased from 300.62 total FTE days lost in Q4 2017 / 18 to 218.80 total FTE days lost in Q1 (1.49 total days lost per FTE in Q4 2017 / 18 compared to 1.07 total FTE days lost in Q1 18/19).

3.12.4 The figures for Q1 2018 / 19 with regard to long term absence have increased slightly from 198.24 total FTE days lost in Q4 17/18 to 215.92 in Q1 (0.98 total days lost per FTE in Q4 17/18 compared to 1.06 total FTE days lost in Q1 2018 / 19). Despite this slight increase however, out of the five long term absence cases in Q1, two staff have returned to work, two have left the organisation and only one remains on long term absence and is expected back to work shortly.

3.12.5 Figure 1, detailed overleaf, shows the quarterly sickness absence figures for the years 2016 / 17, 2017 / 18 and 2018 / 19 and Figure 2 details these by Directorate.
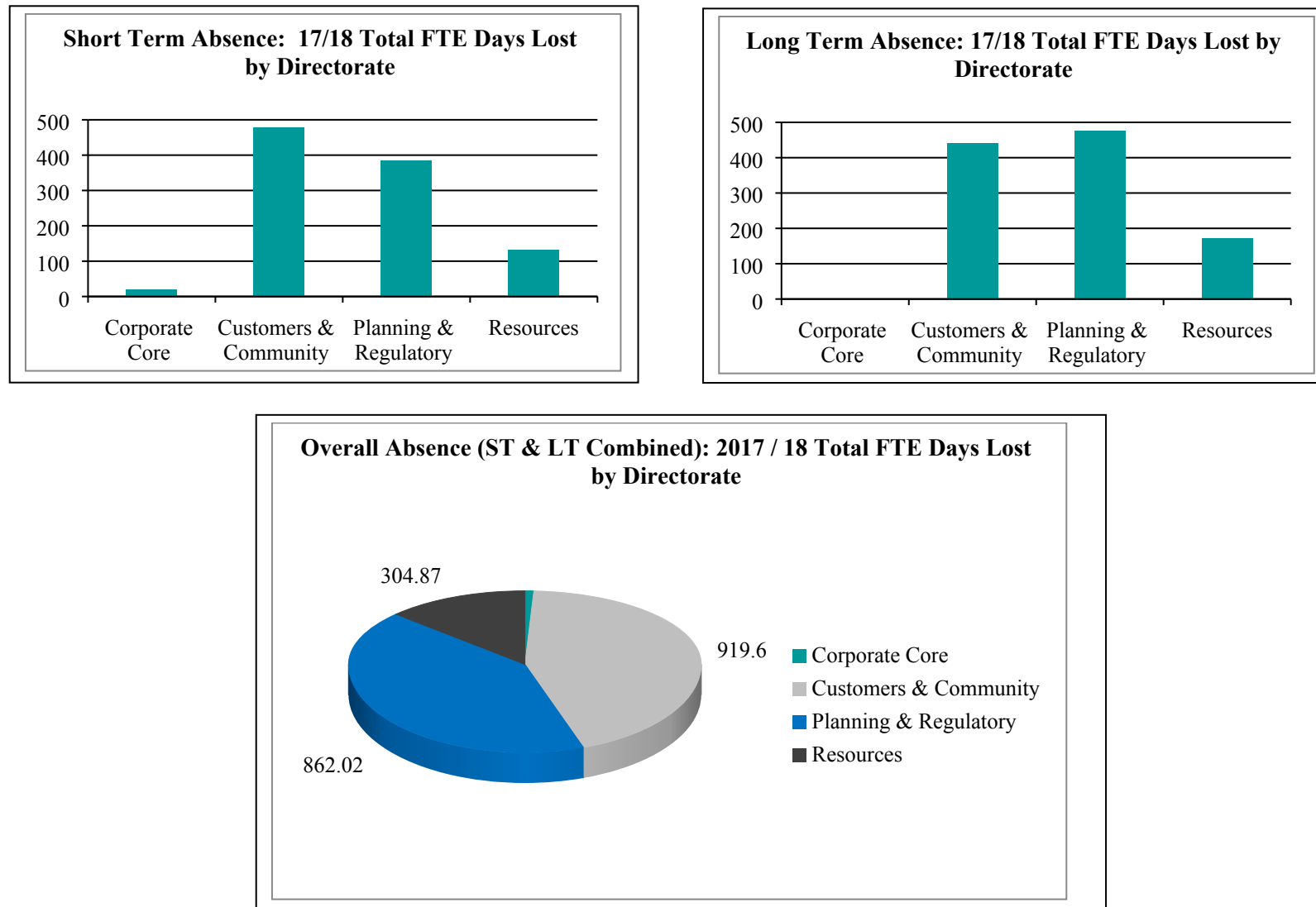
Figure 1 – Quarterly Sickness Absence Figures

2018 / 19	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	218.80	1.07								
Long Term Absence	215.92	1.06								
Total	**434.72**	**2.13**								

2017 / 18	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	163.65	0.85	230.32	1.25	322.64	1.64	300.62	1.49	1017.23	5.23
Long Term Absence	393.05	2.04	198.64	1.08	300.12	1.53	198.24	0.98	1090.05	5.63
Total	**556.70**	**2.89**	**428.96**	**2.33**	**622.76**	**3.17**	**498.86**	**2.47**	2107.28	**10.86**

2016 / 17	Quarter One		Quarter Two		Quarter Three		Quarter Four		Cumulative Figures	
	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE	Total Number of FTE Days Lost	Total Days Lost per FTE
Short Term Absence	237.94	1.25	241.39	1.21	259.46	1.31	306.53	1.55	1045.32	5.32
Long Term Absence	290.83	1.52	372.46	1.89	393.37	1.99	331.78	1.68	1388.44	7.08
Total	528.77	2.77	613.85	3.1	652.83	3.3	638.31	3.23	2433.76	12.4

Figure 2: 2017 / 18 Short Term, Long Term and Overall Absence (short term and long term combined) by Directorate

Short Term Absence: 17/18 Total FTE Days Lost by Directorate

Long Term Absence: 17/18 Total FTE Days Lost by Directorate

Overall Absence (ST & LT Combined): 2017 / 18 Total FTE Days Lost by Directorate

304.87

919.6

862.02

- Corporate Core
- Customers & Community
- Planning & Regulatory
- Resources

4. IMPACT ON CORPORATE GOALS

4.1 The effective implementation of the Attendance Management policy, including high levels of compliance with the policy, is critical to ensure that staff attendance levels are kept at the highest possible level to ensure resourcing is adequate in order to deliver an effective and efficient service for our customers.

5. IMPLICATIONS

(i) **Impact on Customers** – No direct impact on customers from this report, although the wider staff context concerning recruitment, vacancies and sickness has an impact on the ability to deliver services to customers.

(ii) **Impact on Equalities** – More detailed information on the protected characteristics of the Council's workforce, is now available on the new Human Resources system. This will allow the team to consider the needs of those groups when writing new Policies and Procedures and when carrying out its functions.

(iii) **Impact on Risk** – Effective and proactive management of staff sickness and recruitment helps mitigate risk.

(iv) **Impact on Resources (financial)** – The cost of advertisements and other necessary costs related to recruitment are included within current approved budgets.

(v) **Impact on Resources (human)** – HR continues to regularly provide advice and guidance to both employees and managers on how best to manage attendance using the good practice steps outlined within the Managing Attendance Policy and Procedure. Staff absences do affect direct colleagues and this is addressed by the use of the Managing Attendance Policy with individuals.

(vi) **Impact on the Environment** – None.

Background Papers: None.

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