

## HAMPSHIRE COUNTY COUNCIL

### Report

<b>Committee:</b>	Policy and Resources Select Committee
<b>Date:</b>	27 October 2011
<b>Title:</b>	Managing Sickness Absence
<b>Reference:</b>	3385
<b>Report From:</b>	Director of Human Resources, Chief Executive's Department

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#### 1. Purpose of Report

- 1.1. The purpose of this report is to provide an update to the Policy and Resources Select Committee on absence management within the Council. The report provides an overview of the current absence management arrangements in place, the current levels of absence within the organisation, the main reasons for these and details of sick pay entitlement. The report also provides a summary of a range of actions which are currently being introduced to reduce absence further.

#### 2. Contextual Information

- 2.1. As at the end of September 2011 absence within the Council was running at 9.6 days per fte (excluding schools). This compares to 10.04 days per fte as at the end of September 2010. Although sickness absence within the Council has therefore decreased, the reduction is relatively small.

- 2.2. The Council currently has a range of measures in place to manage sickness absence;

##### **Managing Attendance Policy and Procedures**

HCC has two policies and procedures for managing sickness absence:

##### **2.2.1. Promoting attendance**

The purpose of this is to resolve absence issues before they become a problem. This deals with issues such as reporting and recording sickness, statements of fitness for work, sickness during annual leave, return to work interviews etc.

##### **2.2.2. Managing unacceptable absence and long term ill health**

This deals with resolving absence which has become an issue. The procedure contains trigger points for managing repeated absence as well

as permitting the use of local trigger points. It provides a three stage warning and dismissal procedure for repeated short term absence. The trigger points are:

Informal stage	After a minimum of 6 days / shifts in the previous 12 month period
First formal meeting	A minimum of 4 occurrences of sickness absence totalling 6 days / shifts in the previous 12 months, or alternatively 9 days / shifts in the previous 12 months

- 2.3. Long term absence cases are referred to Occupational Health to establish the prognosis and anticipated length of absence. Managers then make a decision about how much absence can be tolerated by the Service and cases may then be resolved by ill health retirement or ill health dismissal.
- 2.4. Trigger reports are sent automatically to managers on the first day of each month giving ample warning if an employee is approaching a corporate trigger point and a red warning if the trigger point has been reached.
- 2.5. HR support to managers in managing sickness absences cases is provided by the Employment Practice Centre (EPC). In 2010 EPC dealt with 766 cases. It is clear that intensive HR support and focused attention on absence management has a positive effect. Examples of this can be seen in Adult Services where, through a sustained programme of training and briefing sessions and HR working with managers to develop action plans to support and manage each absence case, resulted in reduction in OP / PD in-house services from 17.85 days absence per fte in 2008/9, to 15.64 days absence per fte in 2010/11. This realised an indicative saving of £435,000 per annum. In addition, HC3s the Council's Catering Service through an intensive absence management programme have reduced absence by 4.05% achieving an annual saving of £124,000.
- 2.6. In addition to case management work HR has also implemented a number of support mechanisms for line managers to manage absence effectively. These include an absence management e-tool which was introduced in June 2011. This answers the most frequently asked management questions about short term, long term and stress related absence. It is interactive and easy to use and to date more than 200 managers have used the tool and feedback has been extremely positive. A range of tailor made workshops and briefing sessions are also provided and to date several hundred managers have benefitted from these in the last twelve months.
- 2.7. When staff are absent from work due to sickness they are contractually entitled to receive occupational sick pay and this is governed by national terms and conditions. Individuals are entitled to receive one months full pay in their first year of service and two months half pay after four months of service. The

maximum entitlement is six months full pay and six months half pay after five years service.

### 3. Limitations of the current approach

3.1. The perceived limitations of the current approach of managing absence within the Council are:

- A Council wide approach has not always been taken but rather, absence has been managed on a department by department basis.
- The absence management policies and trigger points are not always applied consistently across the Council and there is limited sanction if managers fail to manage absence.
- To date there have been no corporate performance management arrangements and no agreed targets for reducing sickness absence.
- Therefore there has been little effective corporate governance with targets against which to measure performance.
- Where proactive HR support is provided, often with additional departmental funding, this is reducing absence but it is not universally provided across HCC.

### 4. Proposed way forward

4.1. Following a detailed discussion by CMT at its meeting on 14 September 2011 regarding the management of sickness absence within the Council, a number of recommendations have been agreed to underpin a more robust approach to absence management. These are:

- **To avoid recruiting staff with a poor sickness record**, unless the problem has been resolved. Work is underway in HR to ensure that simplified policies and processes are in place and that departments are not hampered by restrictive rules. This will ensure that a candidate for a job whose references indicate that she / he has no underlying medical condition, but has taken frequent short term absences from work without good reason, will not be appointed. However, a candidate for a job who has had a serious illness from which they have now recovered and cleared as medically fit for the post will be appointed, if they are the most suitable candidate for the job.

The Council is committed to continue to appoint candidates with a disability when they are the most suitable candidate for the job. Where the needs of the job and / or service permit the Council will also make reasonable adjustments to a post and / or working hours to enable disabled candidates to take up the role.

- **To manage sickness absence from day one of employment.** Sickness absence in year one sets the tone for the whole of the individuals time with the County Council and is not acceptable except in a small number of exceptional cases where the individual is suffering from a serious illness. Absence during the first year of an individuals

employment with the Council will therefore be given extra attention and appropriate action taken where necessary.

- **To manage sickness absence consistently for all Council staff.** 95% of sickness absence at the Council is short term. This places a heavy burden on colleagues and reduces the Council's ability to provide the best possible quality of services. Managers will therefore be asked to take action in respect of all staff meeting the absence trigger points and will be performance managed if they do not do this.
- **Absence reduction targets to be included in the Council's performance management framework.** CMT have agreed specific targets for absence reductions within departments, leading to a proposed overall reduction in absence from 9.56 days per fte to 8.9 days per fte. This would be a percentage reduction of 7%.
- **Review of the Council's Occupational Health Service.** A key component of successfully managing absence is the quality of the Occupational Health service. The Council has reviewed its existing provision and is currently out to tender to appoint a third party provider from early 2012. This is a collaborative arrangement with six other Local Authorities and it is anticipated that the new arrangements will provide a better quality and a more up to date service whilst realising savings through economies of scale.

4.2. The above actions will be supported by a Corporate Communications Plan. The central message of this will be that managers are required to manage absence and that a failure to do so will not be tolerated by DMTs. The Plan will also focus on the key actions for reducing absence and on providing managers with the necessary information and support to take these forward.

4.3. The Trade Unions have been briefed on the proposals and sickness absence is now a standing item on the Corporate Joint Consultative Group agenda.

## 5. Conclusions

- 5.1. It is clear that the Council has the appropriate systems and processes in place to manage absence effectively but it is the way in which these are being used which has led to the current challenges in significantly reducing absence levels. The proposed actions agreed by CMT will place a much greater emphasis on the performance management of absence and it is anticipated that this will provide the catalyst for further reductions.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>OR</b>	
<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:</b>	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

1.1. An Equality Impact on the proposals is currently being undertaken.

### **2. Impact on Crime and Disorder:**

2.1. N/A

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
  
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?