

**MANAGING ATTENDANCE 2009/10**

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**1. Summary**

- 1.1 The following report details the sickness absence figures for the financial year 2009/10, provides a comparison, where appropriate, with the figures from 2008/09, and is an update to the report which was considered by the Audit Committee in December 2009.

**2. Recommendations**

- 2.1. It is recommended that the Audit Committee:

- Note the current position and statistics for 2009/2010
- Note the initiatives that have been implemented since December 2009 and endorse the ongoing management of sickness absence in a consistent way to promote an attendance culture within Argyll and Bute Council.

**3. Detail**

3.1 Attendance Management

- 3.1.1 Absence figures are recorded quarterly on Pyramid, the Council's performance management system, as average days lost per employee per quarter and per year. An improvement target of 7.6 days was set for the 2009/10 financial year based on the difference between the Council's performance last year and the average figure for the UK as a whole from the Chartered Institute of Personnel and Development. This equates to 1.9 days lost per employee per quarter.
- 3.1.2 The Council has not met the target in 2009/10 and absence levels are actually higher than last year. Table 1 provides a comparison of the average number of days lost per employee between 2008/09 and 2009/10.

**Table 1 – Average Number of Days Lost Per Employee, Per Year by Employee Type**

	Teachers		Local Government Staff	
	2008/09	2009/10	2008/09	2009/10
FTE Employees	<b>879.64</b>	<b>941</b>	<b>3029.46</b>	<b>3231</b>
FTE Days Lost	<b>4928.42</b>	<b>7007</b>	<b>28411.94</b>	<b>33817</b>
Average Number of Days Lost per Employee	<b>5.6</b>	<b>7.4</b>	<b>9.4</b>	<b>10.5</b>

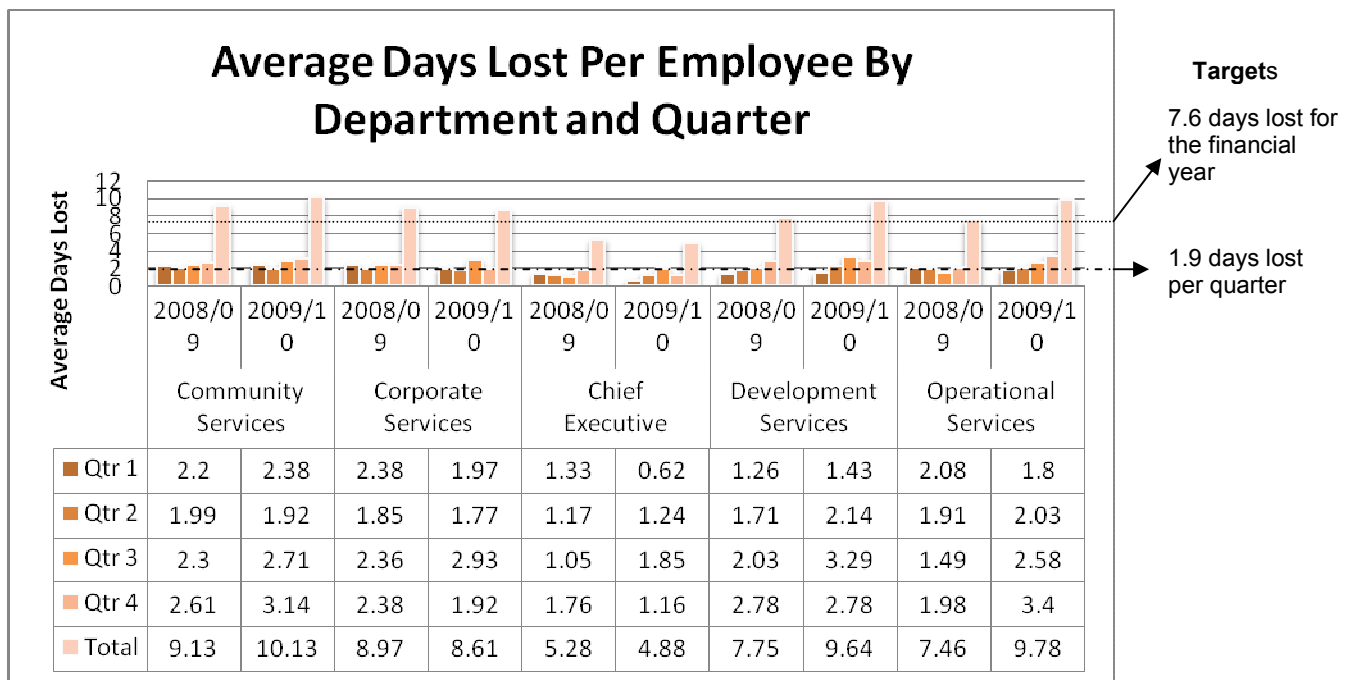
The data is reported to Audit Scotland on an annual basis for the national statutory performance indicator. In previous years the Council has performed relatively well and had the third lowest sickness absence of all Councils in 2008/09. The Council will not know it's ranking for 2009/10 until the figures are published later on in the year.

**Table 2 - Average Number of days Lost per Employee, per Department, per Year**

	Community Svs		Corporate Svs		Chief Exec		Development Svs		Operational Svs	
	08/09	09/10	08/09	09/10	08/09	09/10	08/09	09/10	08/09	09/10
FTE Employees	<b>2322</b>	<b>2520.99</b>	<b>313.20</b>	<b>318</b>	<b>93.67</b>	<b>96.75</b>	<b>138.88</b>	<b>152.15</b>	<b>1040.36</b>	<b>1083.77</b>
FTE Days Lost	<b>21189.9</b>	<b>25546.9</b>	<b>2810.09</b>	<b>2737</b>	<b>494.79</b>	<b>472.58</b>	<b>1084.4</b>	<b>1467.35</b>	<b>7761.20</b>	<b>10600.52</b>
Average Number of Days Lost per Employee	<b>9.13</b>	<b>10.13</b>	<b>8.97</b>	<b>8.61</b>	<b>5.28</b>	<b>4.88</b>	<b>7.75</b>	<b>9.64</b>	<b>7.46</b>	<b>9.78</b>
<b>Cost £</b>	<b>1,869,307</b>	<b>2,403,295</b>	<b>251,659</b>	<b>236,445</b>	<b>44,722</b>	<b>51,592</b>	<b>102,253</b>	<b>148,414</b>	<b>637,927</b>	<b>670,644</b>

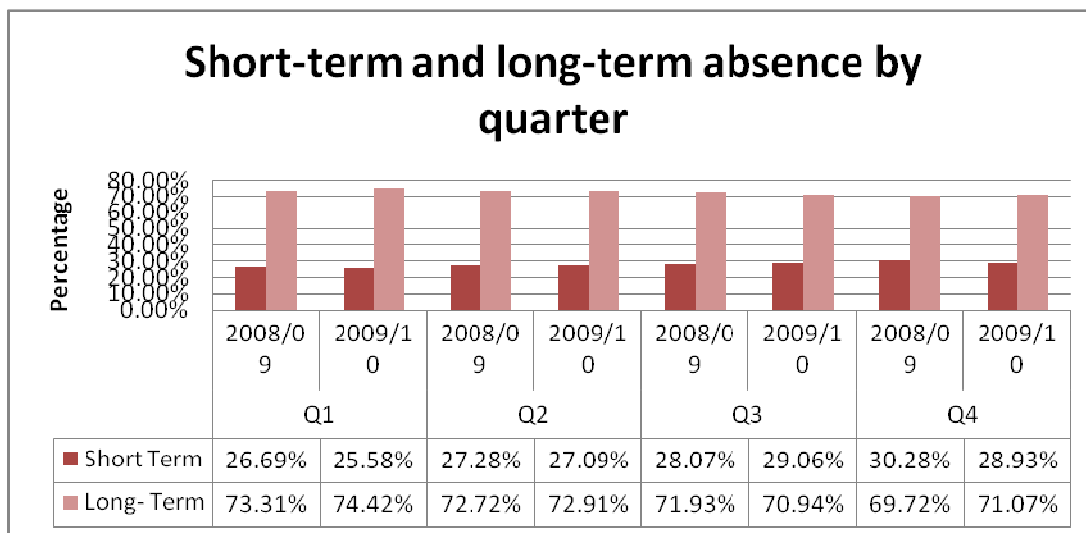
Table 2 provides a summary of the average number of days lost per employee, by department by year. A fuller breakdown of sickness absence by Head of Service is available in Pyramid for both 2008/09 and 2009/10.

**Graph 1 – Average Days Lost per Employee by Department and Quarter**



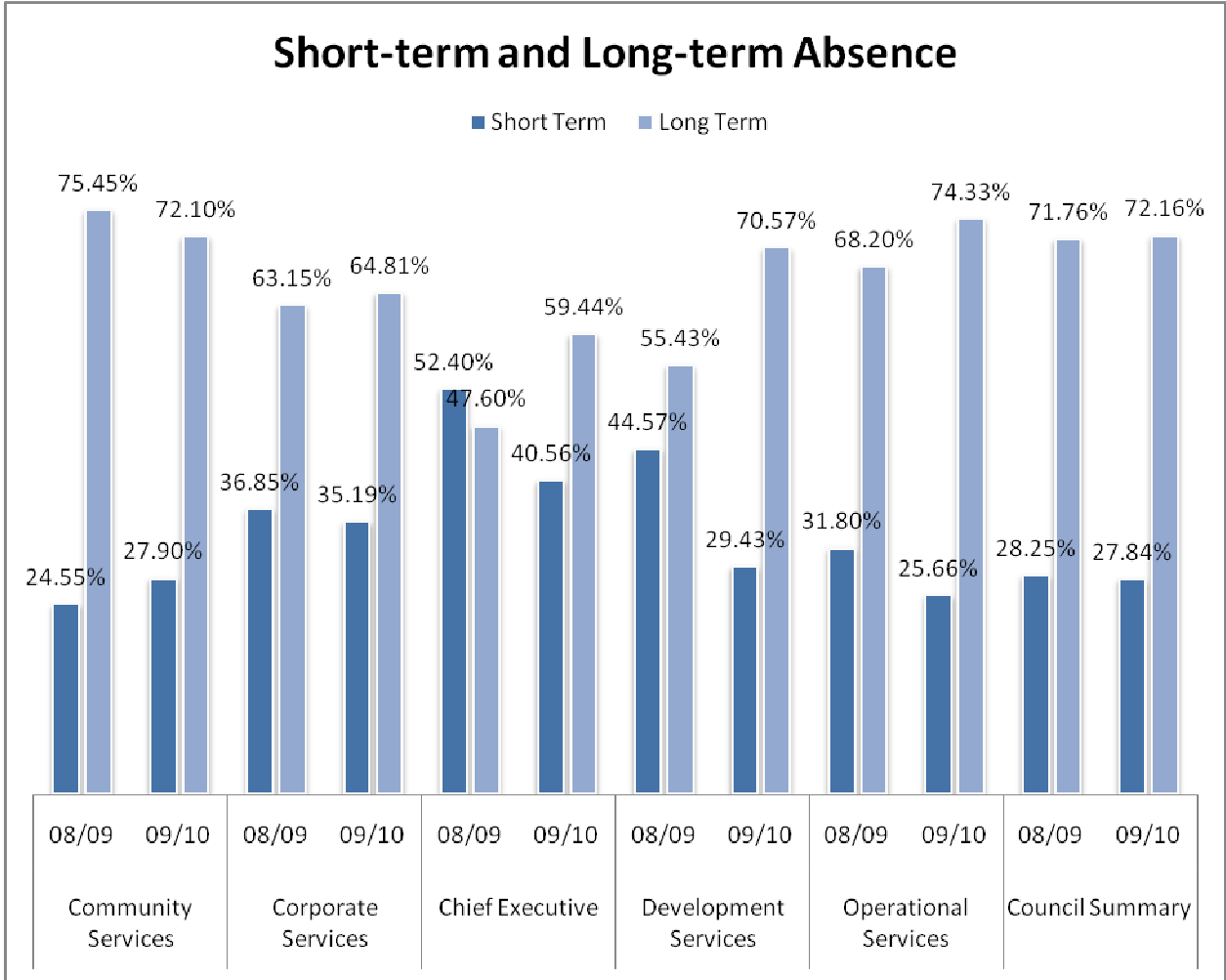
Graph 1 shows the average days lost per employee by department and quarter. Generally there is an increase in absence levels between October and December, and to a lesser extent between January and March.

**Graph 2 – Short-term and Long-term absence by quarter**



The graph above shows the absence percentage between short and long term absence is relatively stable for each quarter. The figures show that long-term absence accounts for approximately three quarters of all sickness absence within the Council. Short term absence tends to increase slightly between October and March because of higher incidences of infections such as cough, colds and flu.

**Graph 3 – Short-term and Long-term absence by department for 2008/09 and 2009/10**



Short and long-term absence levels by department are relatively stable from one year to the next except in the smaller departments like the Chief Executive’s Unit and Development Services where the long-term absence of a small number of staff can make a significant difference to the figures in any one year.

**3.2. Managing Absence**

3.2.1. The top 5 methods of managing short-term absence according to the 2009 CIPD survey are:

1. Return to Work Interviews
2. Trigger mechanisms to review attendance
3. Absence reviews which could ultimately result in termination of employment.
4. Suspending sick pay
5. Occupational Health Referrals

The Council’s Managing Attendance Policy utilises all of these.

3.2.2. Return to Work Interviews are at the forefront of tackling any absence issues early, saving time as well as additional absence costs. Line managers are required to carry out a Return to Work Interview each time an employee returns from absence, either face to face, or by telephone.

3.2.3. The Council has the following trigger points in place to prompt a more detailed review of an individual’s absence levels:-

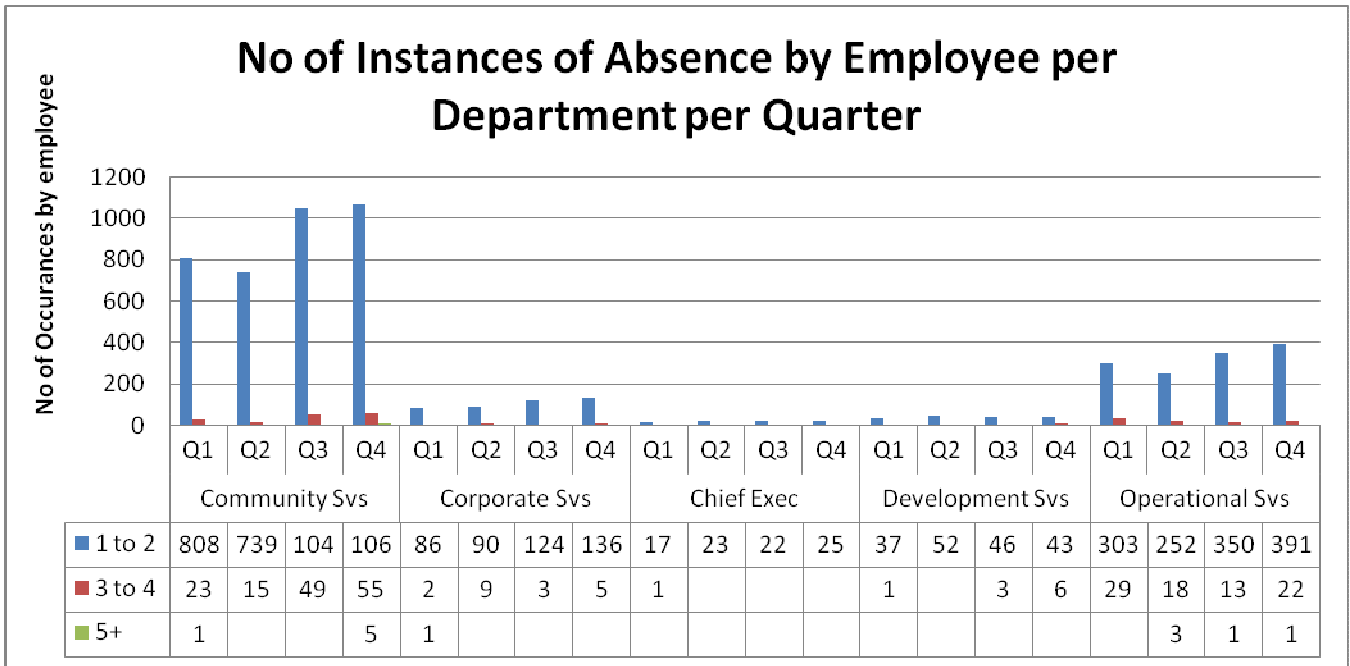
- Three or more instances of sickness absence in any three month period.
- Ten or more days broken periods of absence within any three month period.
- Noticeable patterns such as persistent Monday and Friday absence.

3.2.4 Follow-up review meetings are organised if an employee has reached one of the above trigger points. Absence reviews could result in an Occupational Health referral. If there are no underlying causes and the employee’s absence has not improved, this could ultimately result in termination of employment.

3.2.5 Conditions of Service require employees to adhere to the Councils reporting procedures each time they are absent. Sick pay may be suspended if the employee fails to comply with the notification and certification procedures, or engage in an activity which is prejudicial to their recovery.

3.2.6 Occupational health referrals can be used to identify steps which can help improve employee’s attendance e.g. temporary adjustments to work duties.

**Graph 4 – Number of Absence Occurrences by Department**



Graph 4 shows the number of instances of absence by department for 2009/10. One to two absence occurrences contributed to 94% of the Councils total for the

financial year. The Council may wish to review the current triggers, particularly three instances of absences in a three month period, and change this to three instances within a rolling twelve month period. This would enable line managers to instigate action for persistent short-term absence sooner, and to pick up early signs of longer term problems and issues.

3.2.7. Managing Attendance Policy and procedures are in place however implementation at management level may be inconsistent due to geographical reasons.

3.2.8. Line managers have an important role to play to help reduce absence levels by influencing wellbeing and performance within their section. This includes:-

- Creating a positive work culture by ensuring the presence of positive aspects of work such as job satisfaction, enjoyment, interesting and challenging work.
- Regularly communicate to employees to ensure clarity and not ambiguity.
- Demonstrating flexibility, trust and control within their section.
- Dealing immediately, fairly and sensitively with employees when they are ill and providing support to encourage attendance
- Stress Risk Management – identifying problems where practicable and providing/facilitating support as needed.

3.2.9. Refresher training is available to line managers for Managing Attendance and Stress Management as well as developing management skills to deal with -

- Trigger points and absence management
- Occupational health referrals
- Return to work discussions.
- Identifying problems early and dealing sensitively and flexibly with arrangements for individual support

3.2.10. An e-learning module is available on the Council's e-learning site and all line managers should be encouraged to complete this if they have not already done so.

3.2.11. In addition, the recent restructuring of the Council's HR section has led to the creation of a specialist attendance team who will be responsible for coaching and mentoring line managers in absence management, as well as ensuring that a consistent approach is taken across the Council.

3.2.12. The top 5 methods of managing long-term absence according to the 2009 CIPD Survey are as follows:

1. Maintaining contact with employees
2. Occupational Health Referrals
3. Phased return, redeployment, reasonable adjustments
4. Return to work interviews
5. Absence reviews which could ultimately result in termination of employment.

The Council's Managing Attendance Policy makes use of all of these.

3.2.13. Line managers are required to stay in contact with employees on a regular basis

in order to keep up to date with progress, identify areas for support and determine whether any other actions should be taken.

3.2.14 The role of the Occupational Health Physician is to provide advice and guidance to the Council and its employees on the impact of an employee's ill health on their ability to undertake their duties, and what measures can be put in place to support the employee, where appropriate. Based on the Occupational Health Physician advice, this may lead to:-

- Phased Return (normally up to 4 weeks, allows employees to transition back to work)
- Redeployment (Suitable alternative employment within the Council)
- Reasonable adjustments (e.g. changes to work patterns, duties, place of work etc)
- Workplace risk assessments by suitably qualified staff
- Termination of employment due to ill health

### 3.3 Causes of Absence

3.3.1 The tables below show the top 3 reasons for short and long term absence within Argyll and Bute Council.

Short-term Absence	%	Long-term Absence	%
Infections (e.g. cold, cough, chicken pox)	25%	Stress - (e.g. depression, exhaustion/fatigue, grief reaction, stress etc)	28%
Back and neck/other musculoskeletal problems – (e.g. sprains, strains, whiplash)	16%	Back and neck/other musculoskeletal problems – (e.g. sprains, strains, whiplash)	27%
Stomach, liver, kidney, digestion – (e.g. stomach upsets, vomiting, kidney infections etc)	16%	Not identified – (reasons not entered into HR/Payroll system)	10%

3.3.2 Minor illnesses such as colds, flu and stomach upsets are the main cause for short-term absence, whilst stress is the biggest cause for long-term absence. According to a recent CIPD survey, stress is most commonly found amongst teachers and social care employees.

#### Musculoskeletal Absence

3.3.3 Musculoskeletal absence consistently ranks in the Councils top three reasons for short and long term absence. In 2009-2010, musculoskeletal absence alone accounted for 24% of all the days lost due to sickness within the Council. This breaks down into 27% of all long-term, and 16% of all short-term absence. It cost an estimated £918,442.00 These figures do not take into account the cost to the

Council of paying overtime, bringing in bank or supply staff, or disruption to services caused by sickness absence.

- 3.3.4 Medical evidence produced by the National Institute of Clinical Excellence (NICE) suggests that early intervention for musculoskeletal conditions can improve patient recovery times enabling employees to return to work sooner, or preventing them from being absent in the first place. This has been re-affirmed by empirical and anecdotal evidence received from those local authorities who are currently offering physiotherapy to their staff. One Council which has been providing a physiotherapy service for two years witnessed a 18.5% reduction in musculoskeletal-related absence in the first year of providing the service, and a 27% reduction in the second year. Musculoskeletal related absence in this particular local authority has decreased from within the top three causes of absence, to fourth. Another Council has provided individual examples of employees who have returned to work much sooner than their GP anticipated having received prompt treatment from a physiotherapist. Education, Social Work and operational staff have made greatest use of the service within that particular local authority.
- 3.3.5 Argyll and Bute Council has the option to pilot Physiotherapy provision within the Helensburgh and Lomond area in conjunction with West Dunbartonshire Council and a report on the proposals is being considered by the Strategic Management Team in June 2010. The estimated cost of the pilot is £9,000 per annum excluding Tax, National Insurance, travel and publicity costs.
- 3.3.6 In addition, NICE guidelines suggest that physical activity may be beneficial for many patients or conditions, including non-specific lower back pain. The Council is using the Healthy Working Lives initiative to encourage employees to take up new activities and adopt healthier lifestyles and has recently set up a project team, lead by the Council's Health Improvement Officer, with a view to achieving the Healthy Working Lives Bronze Award. In order to achieve this, the first in a series of awards, the Council will need to satisfy ten criteria. Some, such as meeting health and safety requirements and a workplace policy on smoking, have already been met. Council departments will be expected to assist in the delivery of the action plan, and to contribute to a portfolio of evidence.
- 3.3.7 The Council will continue to deliver manual handling training to help reduce the risk of musculoskeletal injuries. In addition, risk and workstation assessments will be carried out to ensure that newer ways of working such as mobile and home working do not inadvertently lead to an increased risk of musculoskeletal conditions. This may include the provision of trolleys etc for mobile workers who are required to transport equipment from one place to another.

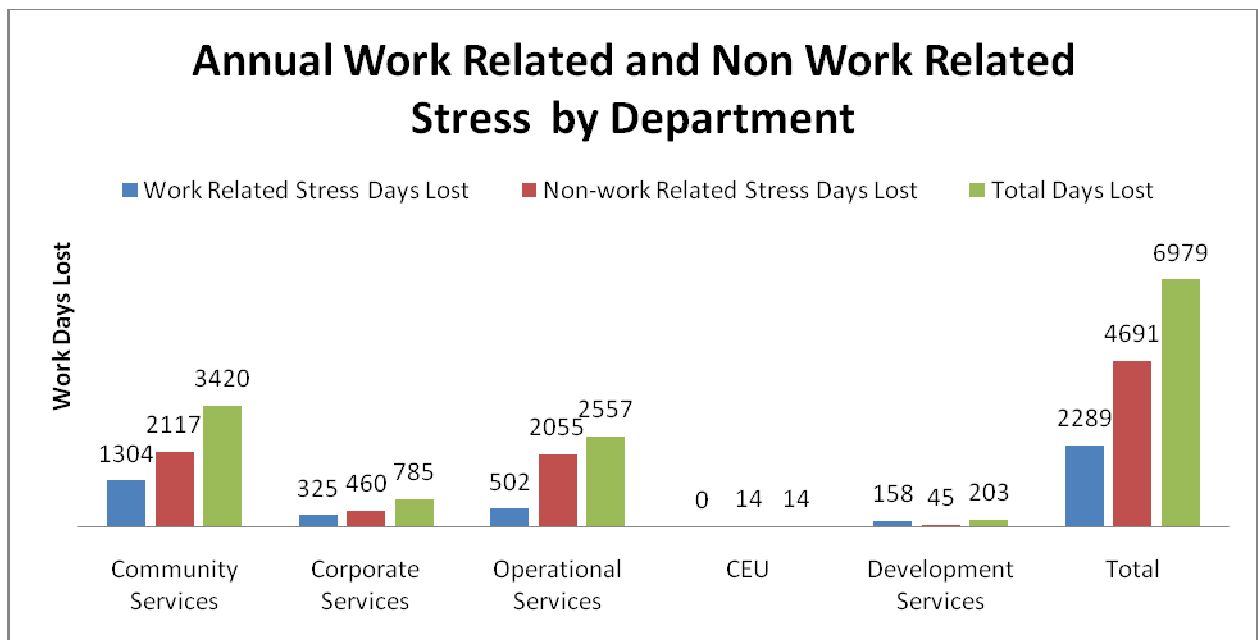


## Work Related Stress

3.3.8 The annual stress figures in Table 3 show a rough split of one-third work related stress to two-thirds non-work related stress absence.

	Work Related Stress	Non-work Related Stress	Total Days Lost
	Days Lost	Days Lost	
Community Services	1304	2117	<b>3420</b>
Corporate Services	325	460	<b>785</b>
Operational Services	502	2055	<b>2557</b>
CEU	0	14	<b>14</b>
Development Services	158	45	<b>203</b>
<b>Total</b>	<b>2289</b>	<b>4691</b>	<b>6979</b>

**Graph 5 – Work Related Stress Figures by Grade and Area**



3.3.9 The current work related stress figures are relatively low. There are no noticeable trends for work related stress by either grade or area, based on figures supplied by HR departments.

3.3.10 In a recent CIPD survey, the top three causes of work related stress are:-

- Workload
- Management style
- Relationships at work

3.3.11 Exit questionnaires are sent to all employees who leave or transfer within the Council. The revised Exit Questionnaire which now includes questions relating to the Health and Safety Executive's Management Standards for Stress has been

issued since September 2009, and can help the Council to identify and manage causes of work-related stress. The Standards refer to six aspects of work that can lead to stress, and these are:

- Demands – workload, work patterns and work environment
- Control – How much say a person has in their work
- Support – Encouragement and resources provided by the Council, line management and colleagues
- Role – Employees understand their role within their service
- Change – How organisational change is managed and communicated within the Council
- Relationships – promoting positive working to avoid conflict and dealing with unacceptable behaviour

3.3.12 Analysis of the returned questionnaires shows a generally positive picture and correlates with the findings of the 2009 Employee Survey. Areas that the Council can still improve in include giving constructive feedback more often, making sure that employees know when their next Performance Development Review is due, and providing opportunities for employees to progress within the Council.

3.3.13 For reasons of confidentiality, the Council only receives very basic and general information about the reasons why employees have contacted the independent counselling service which is available to employees of Argyll and Bute Council, 24 hours a day, 7 days a week. However, analysis of the data available shows that “change”, “demands”, “relationships” and “support” are the most common work related reasons for contacting the Employee Counselling Service.

3.3.14 In order to ensure that stress levels are kept to a minimum, the Council should:

- Continue to ensure that training courses for individuals and managers on how to manage stress are promoted and available to all employees
- Continue to provide the Employee Counselling Service and ensure that all employees are aware of it. Recent feedback from returned Exit Questionnaires shows that some employees in Operational and Community Services did not know about the Employee Counselling Service and would have used it if they had. This highlights the difficulties of communication in large and geographically dispersed departments. The Employee Counselling Service will continue to be promoted through Postmaster messages, posters, Work4ce and the Intranet.
- The Council is entering a challenging period and Phase Three of the Modernisation Programme could be unsettling for employees. The Council needs to ensure that communications are relevant, appropriate and consistent, and that suitable support is put in place for those employees who remain, as well as those who leave. It is important for employees to be kept up-to-date with what is happening and how this will affect them and their department/team. Bodies such as Skills Development Scotland may be able to assist by providing advice and guidance to employees who are being displaced.

- The Single Status preservation period for red circled employees is coming to an end in February 2011. Some employees will see reductions in their annual salary and may have financial concerns. The Council may wish to remind these employees about the Employee Counselling Service and the financial advice available within the Council.
- The NHS has done a substantial amount of work on the behaviours and competencies that managers should ideally exhibit in order to limit workplace stress. The Council is currently developing its own management competencies and going forward these will be used to inform recruitment, training, PDR's etc.

### 3.4. Other General Developments

- 3.4.1. In order to obtain advice on how we, as an employer, can support and assist employees who are absent due to sickness, Argyll and Bute Council arranges occupational health assessments for employees. The service is provided by Serco and typically involves individuals travelling to Glasgow for a face to face consultation with an occupational health physician. In addition, if there is an area where a number of employees are waiting to see an occupational health physician, the Council tries to arrange regional clinics at that particular location. The Council has made arrangements to pilot a different type of medical assessment known as remote case management. This will be used to supplement the existing service, and will help address issues which may arise from time to time such as geographical difficulties, time constraints and appointment availability. A member of the occupational health team will telephone the employee at the agreed time, asking the same questions and advising employees in the same way as they would during a face-to-face consultation. The occupational health adviser will then prepare a report in the normal way, focusing on practical issues rather than the employee's medical condition. As the majority of occupational health consultations rely on the individual's history and questioning rather than a physical examination, remote case management is expected to be suitable for around 80% of all referrals although the Council will use it to complement rather than replace the existing service.
- 3.4.2. The review of Resourcelink, the Council's HR and Payroll system is now well underway and some testing of a new absence module has taken place. This is expected to provide a more effective system for recording and monitoring absence. In addition, there has been a marked improvement in the number of undisclosed reasons for long term absence, having decreased from just over 19% in December 2009 to 10% in March 2010. In addition, there are plans to investigate the feasibility of having a single point of contact to report absence to. Although proposals are at an early stage and have still to be tested, this may also lead to further improvements in the recording of absence and ensure that employees are referred to/advised of relevant support mechanisms such as the Employee Counselling Service or physiotherapy as soon as possible.
- 3.4.3. The Council's policy on Attendance Management and Stress Management will continue to be monitored and reviewed. As part of this process the Council will

continue to identify areas of best practice including developments in other Councils and partner organisations.

### 3.5 Absence Cost

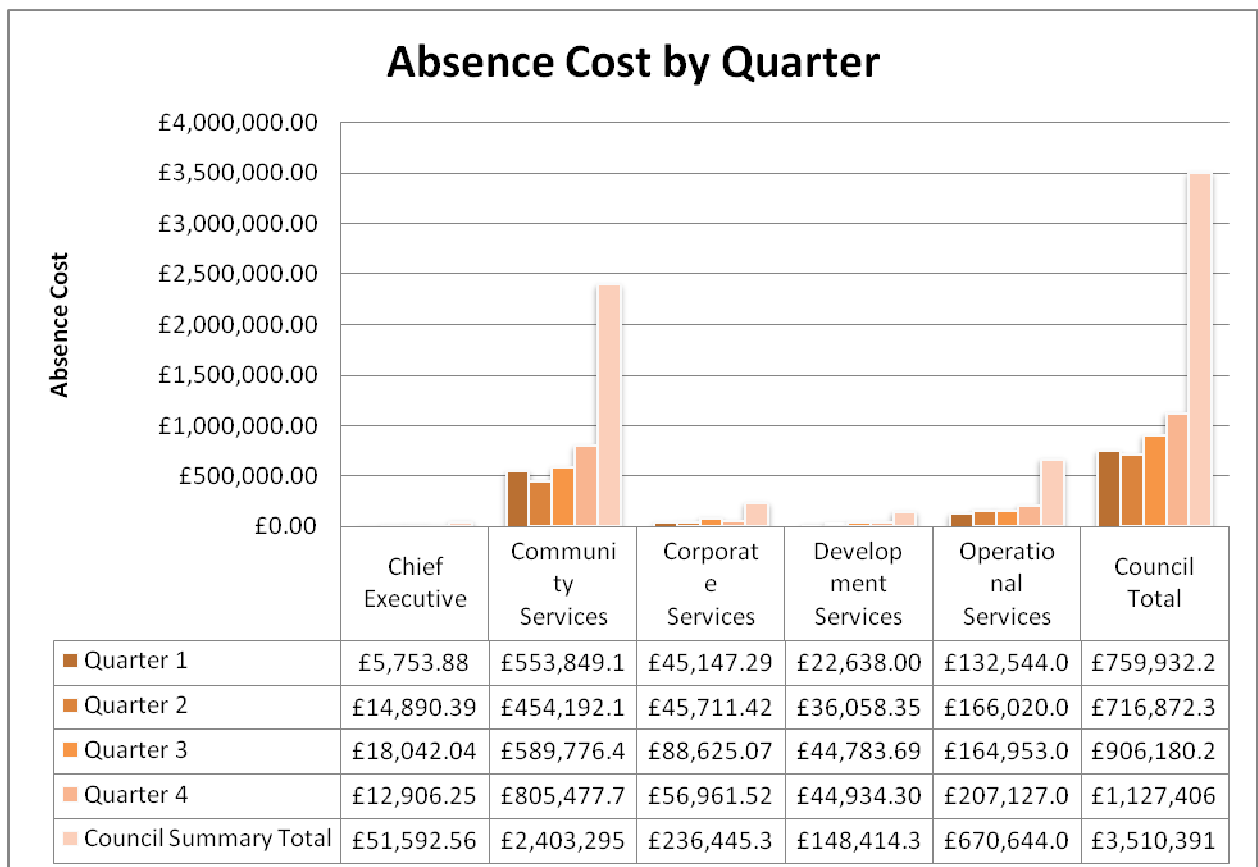
3.5.1 The main direct cost components are:-

- Occupational Sick Pay
- Statutory Sick Pay
- Temporary Cover
- Additional overtime costs

3.5.2 Indirect costs of sickness absence include:-

- Increased management, administrative and clerical time
- Interrupted work flow
- Lower productivity

**Graph 6 – Absence Costs**



In terms of the cost of absence, the annual figure is approximately £600,000 higher than last year, being £3,510,391.66. A fuller breakdown of absence costs is available on Pyramid.

## 4. Conclusion

- 4.1.1 Argyll and Bute Council performed well in the financial year 2008/09 compared with other Scottish Local Authorities. However, in 2009/10 the Council did not meet its target of 7.6 days which may prove to be challenging for some departments to achieve and therefore may need to be reviewed for next year. Absence levels in 2009/10 were also higher than in 2008/09.
- 4.1.2 The Council will continually monitor and review its attendance management practices in light of organisational changes and developments in best practice. Although sickness absence levels are actually higher than last year, progress has been made in terms of absence recording and analysis and the Council is now better placed to ensure that a consistent approach to attendance management is taken across the Council through the establishment of an absence team within HR. Proposals to carry out a physiotherapy pilot have been progressed and will be considered by the Strategic Management Team in June 2010. A project group has also been established to progress the Healthy Working Lives initiative and arrangements have been put in place to trial a new type of occupational health assessment. Longer term there are plans to investigate the feasibility of having a single point of contact to report absence to. Although proposals are at an early stage and have still to be tested, this may also lead to further improvements in the recording of absence and ensure that employees are referred to/advised of relevant support mechanisms such as the Employee Counselling Service or physiotherapy as soon as possible.

## IMPLICATIONS

PERSONNEL	Management Attendance and Stress Management Policies are well established within the Council and should be adhered to in practice, with management receiving adequate training and skills to deal with continued absence. The Council will ensure employees are aware of the support services available to them i.e. Employee Counselling Service, Occupational Health Assessments. Departmental HR together with the absence team will provide support and guidance to managers and employees in dealing with sickness absence and ill-health.
FINANCIAL	Failure to properly manage sickness absence can lead to increased costs to the Council through sick pay and the cost of cover for the absent employee.
EQUALITY	The Managing Attendance Policy and Stress Management Policy are available to all employees within the Council.
LEGAL	Line managers should be aware of the current legislation i.e. Disability Discrimination Act 1995 when making any decisions that affect someone who may be disabled as defined by the Act. Failure to address incidences of work-related stress within the workplace may result in claims being raised against the Council.

For further information, please contact:

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