

MANAGING ATTENDANCE 2009/10 and 2010/11

1. Summary

- 1.1. The following report provides details of the Council's sickness absence levels for the first three quarters of financial year 2010/11 and is a follow-up to the report considered in June 2010. Comparisons have been drawn where possible with the Council's absence levels in financial year 2009/10. The report is divided into two parts with statistics in the first half, and an update on initiatives to manage attendance in the second.
- 1.2. The Council is undergoing a major transformation exercise which has resulted in the restructuring of all departments. This has brought benefits such as the centralisation of the HR function making the recording of absence easier, and enabling better reporting. It does however prevent departmental comparisons with 2009/10.
- 1.3. There have been some substantial developments in Attendance Management since June 2010 including the commencement of a physiotherapy service in the Helensburgh and Lomond area, training for payroll and HR staff in preparation for the start of the Direct Absence Reporting Telephone line and preparation of the portfolio of evidence for the Bronze Healthy Working Lives Award. There has also been a renewed focus on attendance by the Strategic Management Team together with ongoing initiatives such as audiometry testing, manual handling training and promotion of support services such as the Employee Counselling Service.
- 1.4. Major research into employee engagement by the Chartered Institute of Personnel and Development found substantial evidence to suggest that high levels of employee engagement result in high levels of performance, raised levels of personal well-being, greater innovation and a perception that workload is more sustainable. During 2010 the Council increased the variety of internal communication and feedback methods available by introducing new mechanisms including the Chief Executive's Blog and structured fortnightly team briefings known as Cascade. The Intranet was also relaunched making information easier to access and complementing traditional channels such as Workforce, the quarterly staff newsletter.
- 1.5. In Autumn 2010 the Strategic Management Team held seven roadshows for staff across Argyll and Bute providing employees with information on the Modernisation process and the challenges for the future. Employees were given the opportunity to ask questions and to put forward their own ideas on how services could be delivered more effectively.

2. Recommendations

2.1. It is recommended the Audit Committee:

- Note the statistics for the first three quarters of financial year 2010/11 and recognise the progress made on initiatives to promote and improve the ongoing management of sickness absence within the Council since the last report.

3. Detail

3.1. Absence Statistics

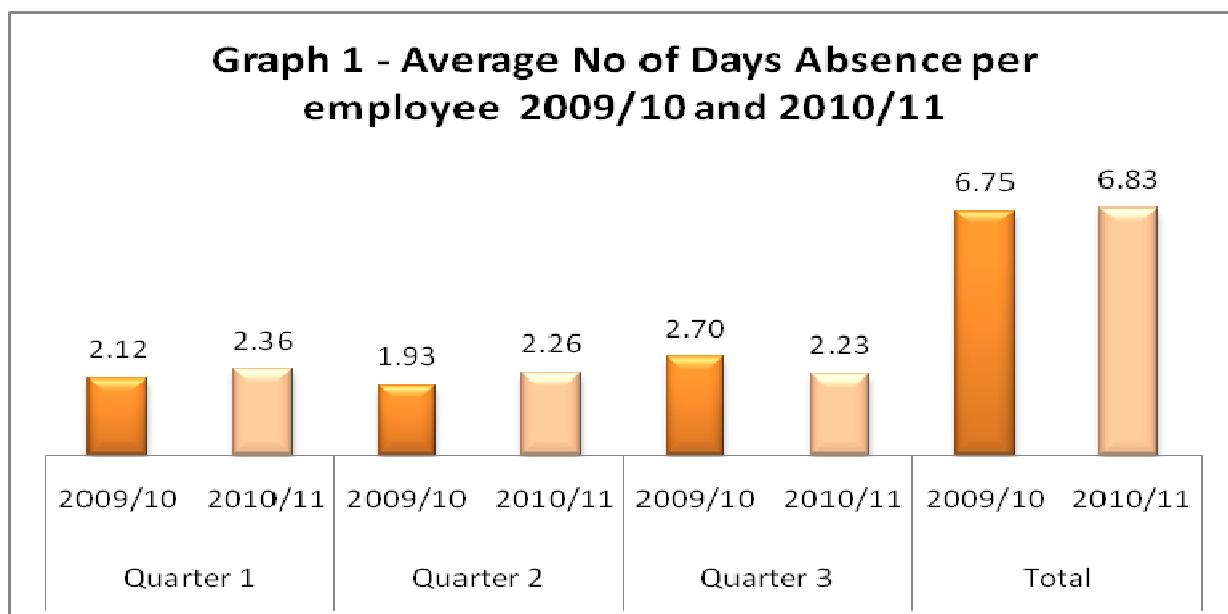
3.1.1. Figures recently released by Audit Scotland show Argyll and Bute was ranked tenth overall for sickness absence levels in 2009/10. This represents a fall of seven places compared with the previous year but may be due to better reporting within the Council together with improvements in attendance levels within other local authorities. This equated to an average of 9.79 days sickness absence per employee, per year.

3.1.2. A comparison of overall absence levels between 1st April 2010 – 31st December 2010 with the corresponding nine month period last year shows the average number of days absence per employee per year is currently a fraction higher than in 2009/10 although Quarter 3 on its own is down on last year. Sickness absence within the Council is generally at its highest between October to December, and to a lesser extent between January and March. It is therefore still possible that by the end of the 2010/11 financial year, sickness levels will be lower than previously.

3.1.3. It should be noted that where average figures and costs are used in the course of this report, allowances should be made for rounding of decimal points.

Table 1 – Average Number of Days Lost Per Employee, April – December 2009/10 and 2010/11

	Quarter 1		Quarter 2		Quarter 3		Total	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
FTE Employees	4148.99	4095.49	4239.06	3841.15	4157.73	4564.3	4181.93	4169.98
FTE Days Lost	8812.41	9679.93	8192.93	8666.25	11218.32	10178.38	28223.66	28542.56
Average No of Days lost per employee	2.12	2.36	1.93	2.26	2.70	2.23	6.75	6.83



3.1.4. The figures provided to Audit Scotland for the annual statutory performance indicator are broken down by category of staff. In 2009/10 the Council was ranked 10th and =17th out of 32 local authorities for local government staff and teachers' absence respectively.

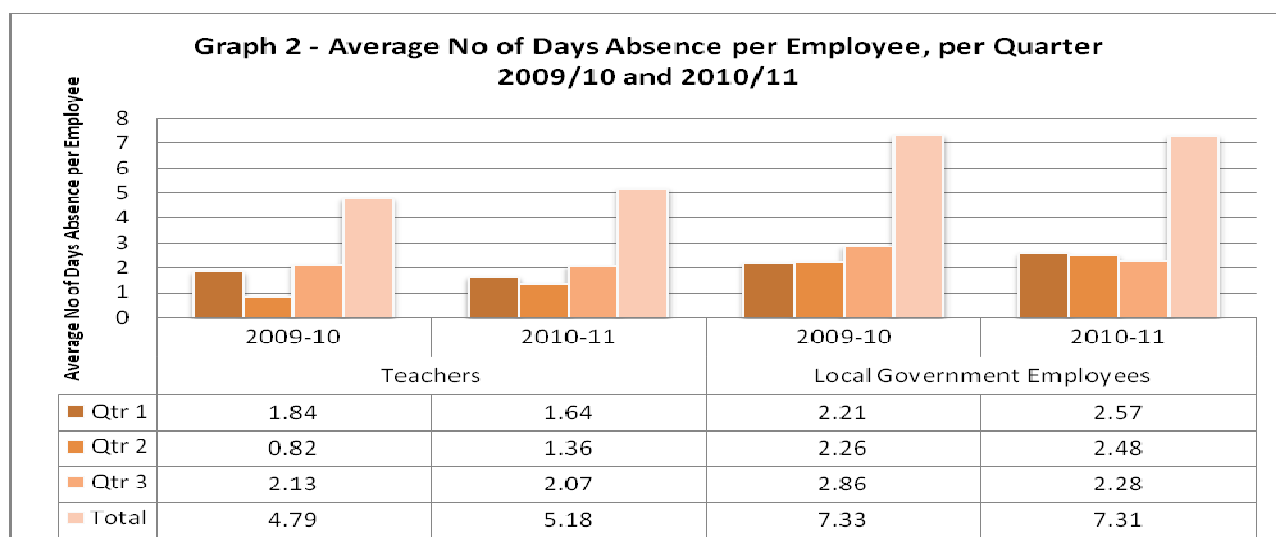
Table 2 – Statutory Performance Indicator 2009/10

	Teachers	Local Government Employees
FTE Employees	941	3231
FTE Days Lost	7007	33817
Average Number of Days Absence per Employee	7.4	10.5

3.1.5. Table 3 shows a detailed breakdown by category of staff per quarter enabling assessment of absence levels between April – December over a 2 year period. Whilst teachers' absence has increased overall by an average of 0.39 days per employee, per year, local government employees have remained virtually static.

Table 3 – Absence by Category of Employee, 2009/10 and 2010/11

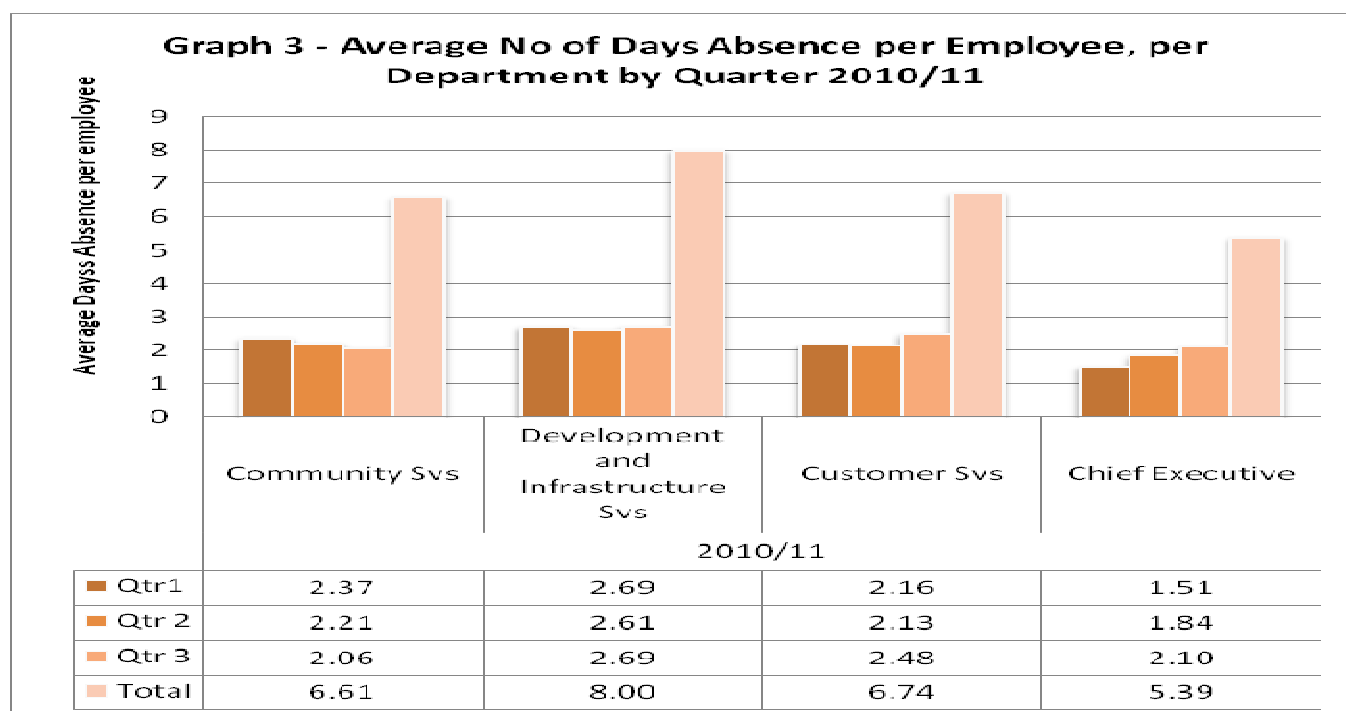
	Teachers						Local Government Employees					
	2009/10			2010/11			2009/10			2010/11		
	Qtr 1	Qtr 2	Qtr 3	Qtr 1	Qtr 2	Qtr 3	Qtr 1	Qtr 2	Qtr 3	Qtr 1	Qtr 2	Qtr 3
FTE Employees	944.05	962.06	935.58	904.66	783.25	1087.07	3204.94	3277	3222.15	3188.96	3061.35	3477.23
FTE Days Lost	1737.89	791.13	1995.44	1483.8	1066.35	2245.83	7074.52	7401.8	9222.88	8196.36	7602.45	7932.55
Av No of Days absence per employee	1.84	0.82	2.13	1.64	1.36	2.07	2.21	2.26	2.86	2.57	2.48	2.28



3.1.6. Table 4 highlights differences in absence levels by department and quarter. Customer Services, Chief Executive’s Unit and Development and Infrastructure Services are typical in that the Council generally experiences an increase in sickness levels between October and December, and to a lesser extent between January and March due to a higher incidence of minor ailments such as coughs, colds and flu. Sickness absence within Community Services is down in Quarter 3 although estimated costs have risen.

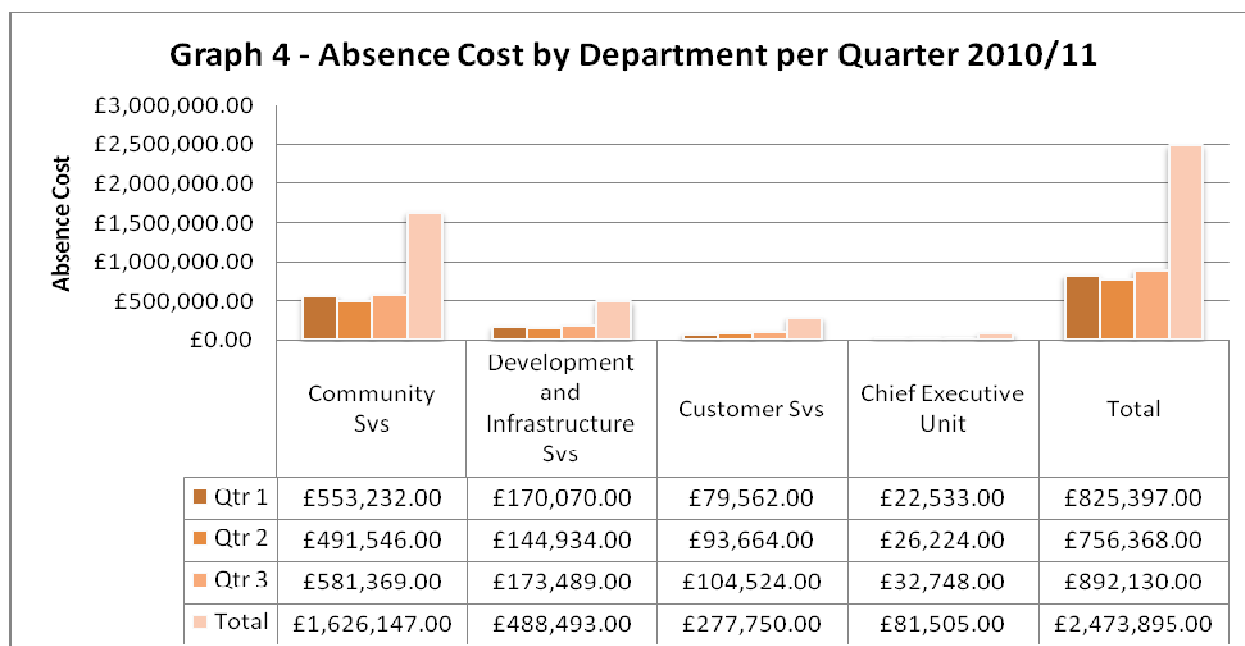
Table 4 Average number of days Absence per employee by department, April – December 2010

	2010/11											
	Community Svs			Development and Infrastructure Svs			Customer Svs			Chief Executive's Unit		
	Qtr 1	Qtr 2	Qtr 3	Qtr 1	Qtr 2	Qtr 3	Qtr 1	Qtr 2	Qtr 3	Qtr 1	Qtr 2	Qtr 3
FTE Employee	2477	2343	2987	800.6	706.8	781.3	656.3	627.5	646.4	158.7	163.3	149.8
FTE Days Lost	5870	5186	6154	2154.6	1844.58	2104.84	1415.66	1333.85	1605.52	239.07	301.15	314.10
Av No Days Absence per employee	2.37	2.21	2.06	2.69	2.61	2.69	2.16	2.13	2.48	1.51	1.84	2.10
Cost £	£553,232	£491,546	£581,369	£170,070	£144,934	£173,489	£79,562	£93,664	£104,524	£22,533	£26,224	£32,748



3.1.7. A fuller breakdown of sickness absence by Head of Service is available in Pyramid.

3.1.8. Graph 4 shows the cost of absence by department per quarter. In Pyramid this information is also available by Service.



3.1.9. The main direct cost components are:-

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

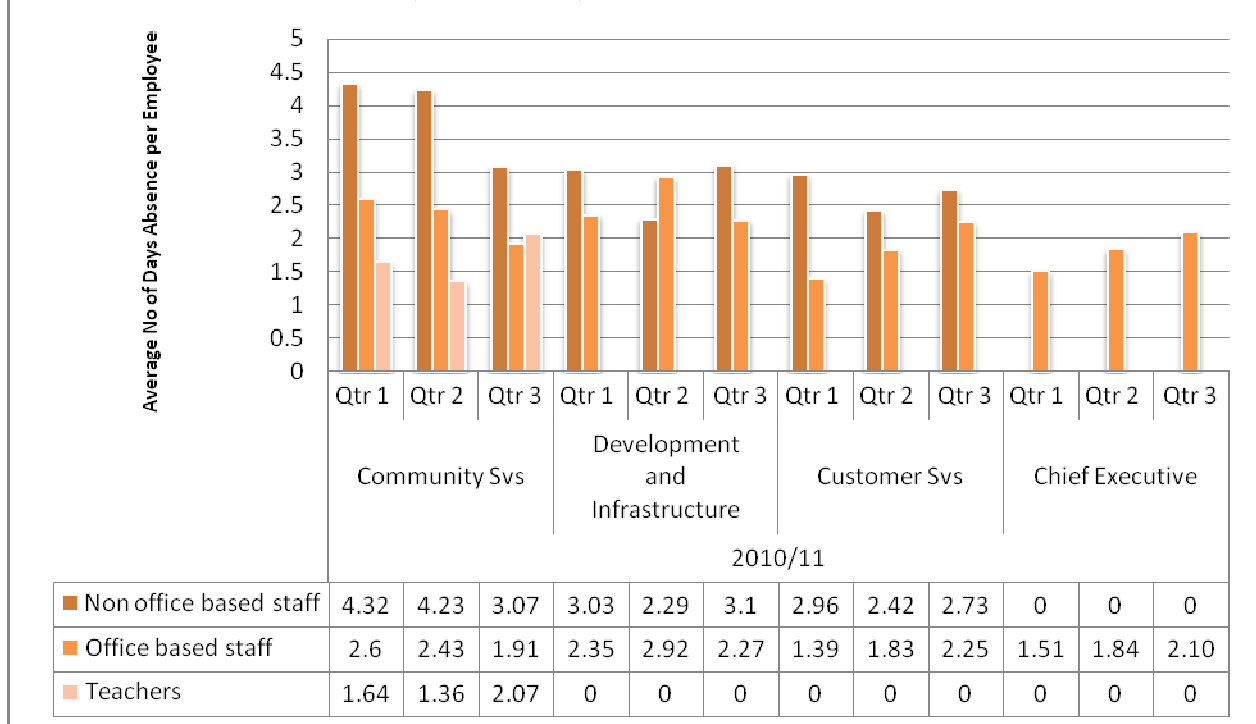
3.1.10. Indirect costs of sickness absence include:-

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

3.1.11. All departments with the exception of the Chief Executive's Unit employ manual workers. Graph 5 shows absence amongst manual/craft workers is higher than for office-based staff which corresponds with previous findings both within the Council and in independent national surveys carried out by organisations such as the CBI and Chartered Institute of Personnel and Development.

3.1.12. The longstanding pattern of higher rates of absence amongst manual workers may be partially explained by the impact illness or injury can have on an employee's ability to carry out a job which may be physically demanding.

Graph 5 Average No of Days Absence per Employee Type, per Department, per Quarter 2010/11



3.1.13. The top three causes of short-term absence within the Council from April to December are provided in Table 5 overleaf.

Table 5 - Top 3 reasons for Short Term Absence

Q1 2010/11		Q2 2010/11		Q3 2010/11		01/04/10 - 31/12/2010	
Reason	%	Reason	%	Reason	%	Reason	%
Musculoskeletal	19	Musculoskeletal	19	Infections (colds, cough, flu)	19	Infections	24
Infections	16	Stress	16	Stress	17	Musculoskeletal	21
Stomach/Liver/Kidney/Digestion	16	Injury/Accident/Infections/Stomach/Liver/Kidney/Digestion	15	Musculoskeletal/Injury/Accident	14	Stress	20

3.1.14. The 3 main causes of long-term absence within the Council between April and December 2010 are shown in Table 6 overleaf. Please note that Injuries/Accidents need not have been sustained whilst at work.

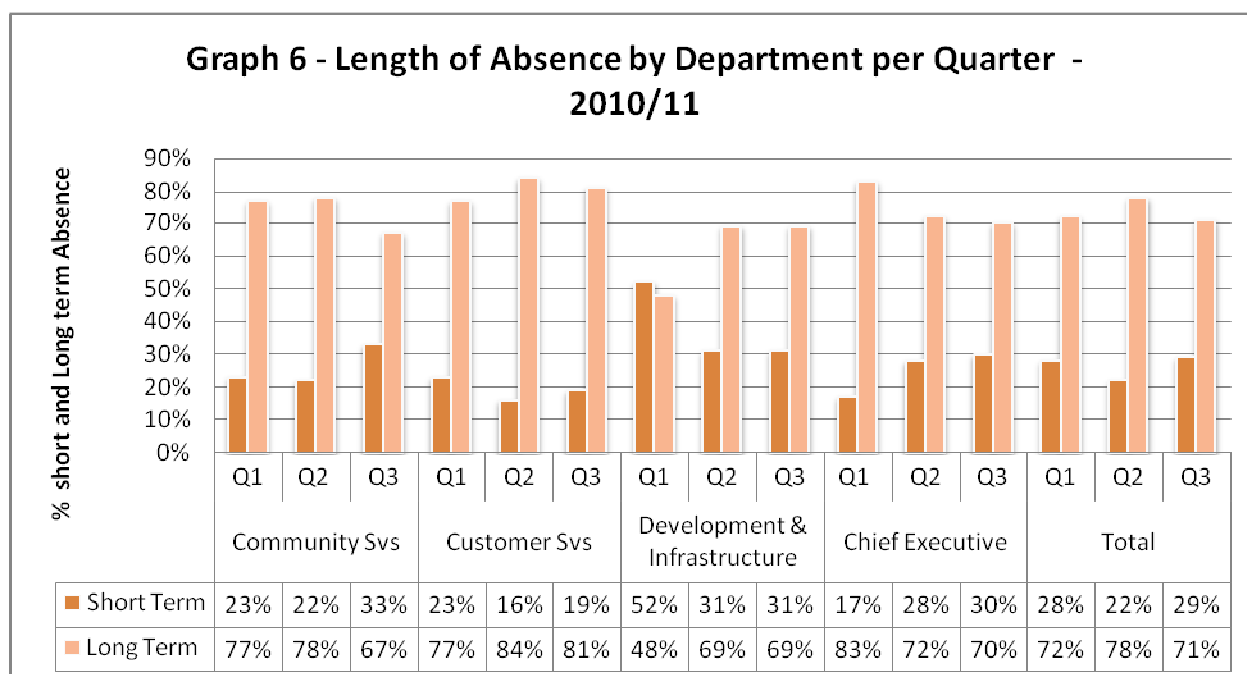
Table 6 - Top 3 reasons for Long Term Absence

Q1 2010/11		Q2 2010/11		Q3 2010/11		01/04/10 - 31/12/2010	
Reason	%	Reason	%	Reason	%	Reason	%
Stress	32	Stress	26	Stress	23	Stress	37
Musculoskeletal	22	Musculoskeletal	21	Musculoskeletal	22	Musculoskeletal	35
Injury/Accident	12	Injury/Accident	16	Injury/Accident	19	Injury/Accident	27

3.1.15. The percentage split between short and long term absence within the Council is relatively stable from year to year with long-term absence (lasting 20 days or more) accounting for approximately three quarters of all time lost. Slight variations are apparent from quarter to quarter with short term absence tending to increase very slightly between October and March because of higher incidences of infections such as cough, colds and flu.

3.1.16. The substantial costs associated with long-term absence together with analysis of the main causes highlights the Council's need to concentrate resources on helping employees back to work. Early interventions such as physiotherapy and counselling as well as effective use of occupational health services can play a key role in helping employees return to work sooner than otherwise after a period of ill health. More effective management of long-term absence can also benefit employees, reducing the risk of them dropping out of the workplace altogether.

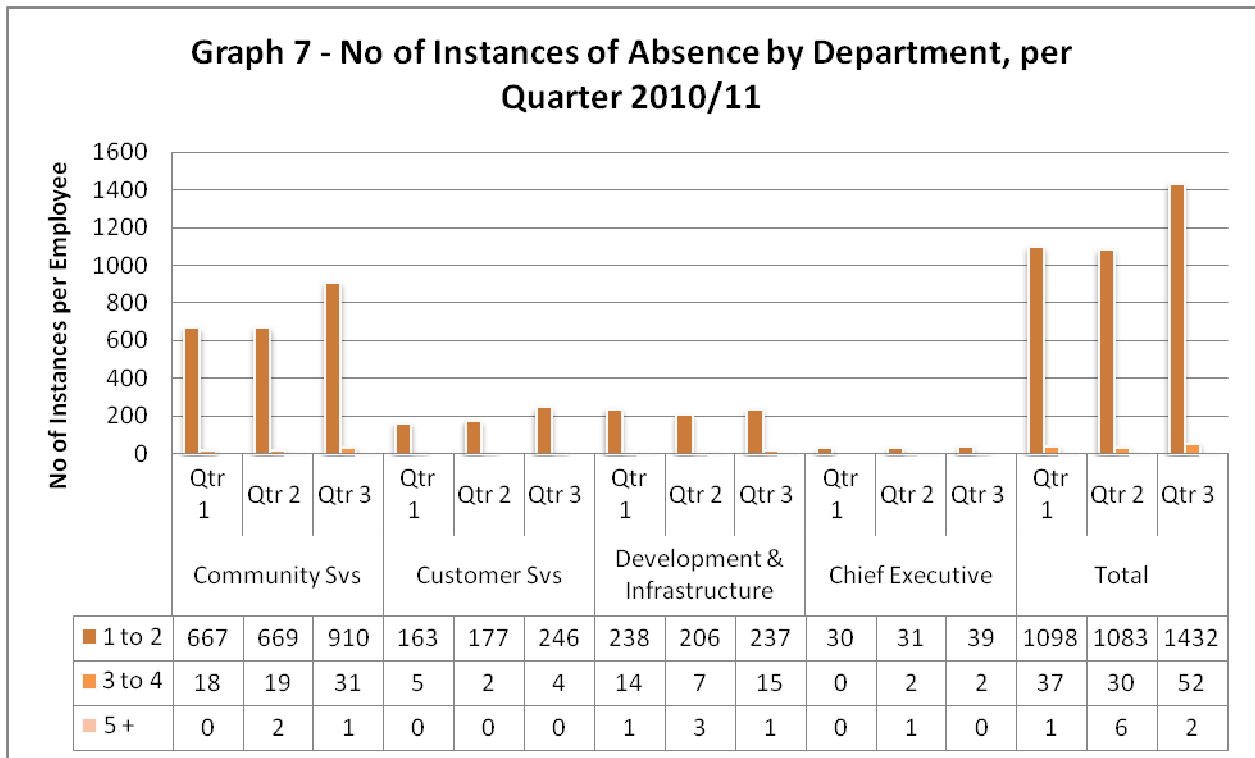
3.1.17. Graph 6 illustrates variations in short and long-term absence by department.



3.1.18. Graph 7 shows the number of instances of absence by department per quarter from April – December 2010. Frequent short-term absence could be highly disruptive to service delivery if not dealt with. The Council is currently reassessing trigger levels as part of a major review of the Attendance Management Policy and is likely to introduce more stringent triggers enabling line

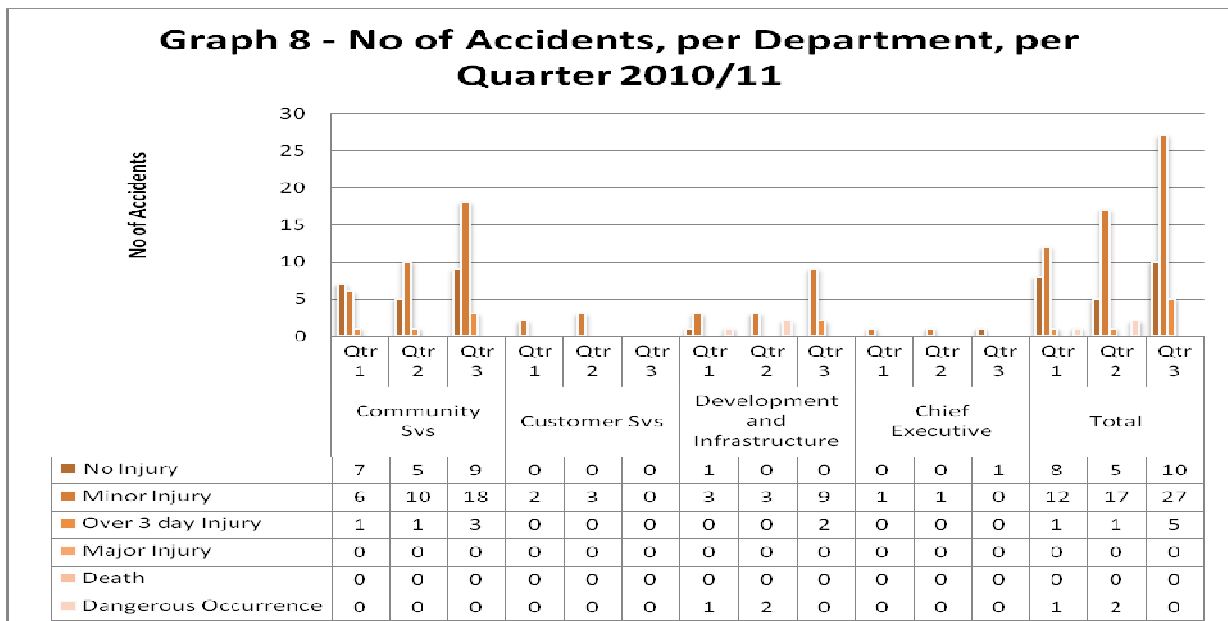
managers to instigate action for persistent short-term absence sooner, and to pick up early signs of longer term problems and issues.

Graph 7 - No of Instances of Absence by Department, per Quarter 2010/11



3.1.19. The Council continues to have a good health and safety record and only a small proportion of the incidents shown in Graph 8 were sufficiently serious to be reported to the Health and Safety Executive. In April to December 2010 there were 12 reportable accidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1995 placing the Council well below the national average for reportable events.

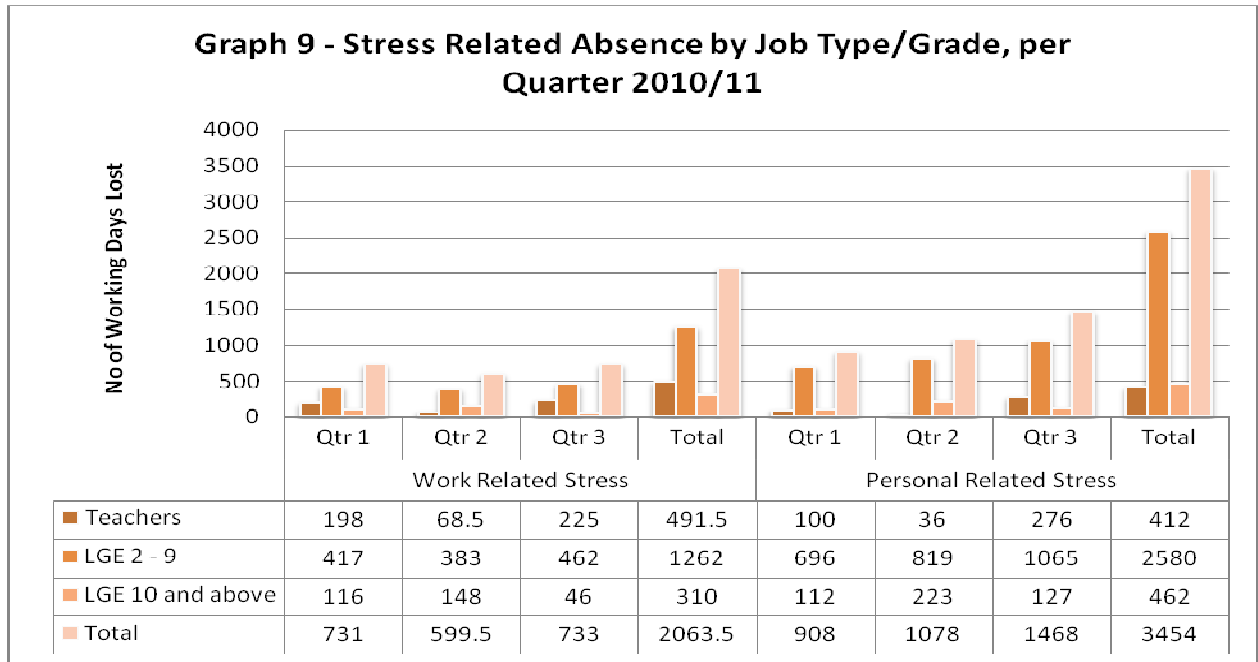
Graph 8 - No of Accidents, per Department, per Quarter 2010/11



3.2. Stress

3.2.1 Two-thirds of all stress related absence within the Council is due to employees' personal circumstances.

3.2.2 Graph 9 shows the number of working days lost due to stress related absence (both personal and work-related) across the Council by Grade/Job Type.

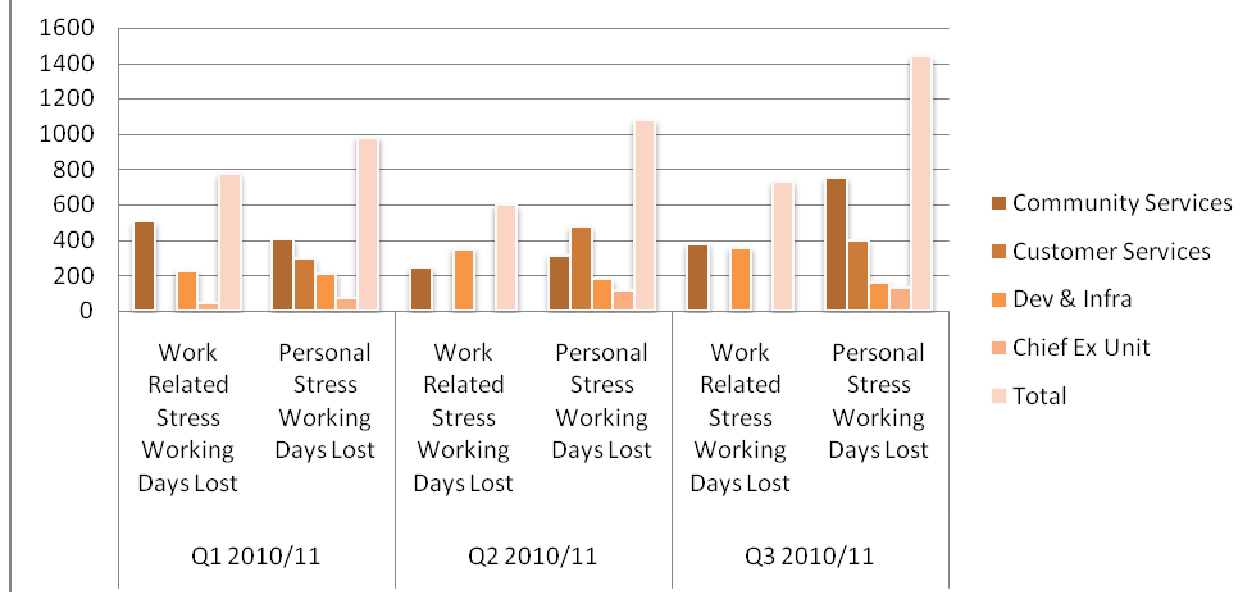


3.2.3 Table 7 and the corresponding graph illustrates how this relates to Department.

Table 7 - % Work and Non-Work related absence by Department, April – December 2010

	Q1 2010/11					Q2 2010/11					Q3 2010/11				
	Work Related Stress Working Days Lost	%	Personal Stress Working Days Lost	%	Total Working Days Lost	Work Related Stress Working Days Lost	%	Personal Stress Working Days Lost	%	Total Working Days Lost	Work Related Stress Working Days Lost	%	Personal Stress Working Days Lost	%	Total Working Days Lost
Community Services	504	56	403	44	907	249	45	308	55	557	379	33	750	67	1129
Customer Services	0	0	294	100	294	0	0	476	100	476	0	0	398	100	398
Dev & Infra	227	52	211	48	438	350	66	180	34	530	354	69	162	31	516
Chief Ex Unit	43	37	72	63	115	0	0	114	100	114	0	0	128	100	128
Total	774	44	980	56	1754	599	36	1078	64	1677	733	34	1438	66	2171

Graph 10 Total Days Lost due to Stress Related Absence by Department, per Quarter 2010/11



3.3. Managing Absence – Major Initiatives

3.3.1. Effective absence management involves finding a balance between providing support to help employees with health problems stay in, and return to work, and taking consistent and firm action against employees that try to take advantage of the Council's occupational sick pay schemes. Now, more than ever, the Council needs to take both a proactive and preventative approach to sickness absence. Like many other public sector bodies, the Council is tasked with making significant budget cuts whilst at the same time trying to maintain productivity and service levels. High absence levels reduce productivity as well as placing other employees under increased pressure and stress.

3.3.2. The Council's Improvement and HR service is actively involved in a number of major initiatives including the following:

- Provision of manual handling training on an ongoing basis
- Ongoing in-house audiometry testing
- Workplace risk assessments carried out by suitably qualified staff
- Promotion of free confidential counselling services to employees together with access to a 24 hour, 7 days a week helpline offering advice and support
- Participation in the Healthy Working Lives Programme
- Physiotherapy Pilot in Helensburgh and Lomond
- Direct Absence Reporting Phonenumber
- Review of Occupational Health arrangements
- Review of the Managing Attendance Policy and Procedures
- Setting of Service specific targets for improvement

3.4. Employee Counselling Service

3.4.1 The Improvement and HR service continue to promote the activities of the Employee Counselling Service to ensure all employees are aware of the information and support available to them. Feedback from Exit Questionnaires returned throughout the year suggests this has been effective, with the message reaching those in even the largest and most geographically dispersed departments. The Employee Counselling Service will continue to be advertised through posters, Work4ce, Cascade, The Hub and News Flash messages. The new interactive self assessment/self-help tools which were launched on the ECS website in August 2010 were promoted to Council employees via News flash, Cascade and payslip messages. This will be an ongoing process.

3.5. Healthy Working Lives Programme

3.5.1. The Council is well on the way to achieving the Bronze Award with the Project Team currently preparing the portfolio of evidence for assessment. The main focus for action is on the provision of information for employees on the topics of stress, musculoskeletal problems, physical activity and stop smoking support. These were identified as priority areas by analysing the causes of sickness absence within the Council together with the results of the Employee Survey conducted in December 2009.

3.6. Physiotherapy Pilot

3.6.1. Musculoskeletal absence consistently ranks in the Council's top three reasons for short and long term absence accounting for almost a quarter of all days lost due to sickness overall. Armed with empirical and anecdotal evidence from other local authorities and medical evidence from the National Institute of Clinical Excellence proving early intervention for musculoskeletal conditions can enable employees to return to work sooner, or prevent them from being absent in the first place, the Council decided to provide a physiotherapy service to employees on a pilot basis in the Helensburgh and Lomond area.

3.6.2. The Council has entered into a Service Level Agreement (SLA) with West Dunbartonshire Council to share their existing physiotherapy service for employees. The pilot began on 17th January 2011 for a twelve month period. The SLA provides access to the following services for a total cost of £12,648 including tax:

- Physiotherapy delivered by a qualified occupational physiotherapist
- Access to a dedicated Occupational Health suite close to Dalreoch train station (Helensburgh line)
- Reception Services
- Appointment management
- Written reports following consultation
- Workplace assessments (local area)

3.6.3. Whilst the pilot is primarily aimed at employees living or working in the Helensburgh and Lomond area, employees in other parts of Argyll and Bute may be able to access the service if there are spare appointments, and they are able to

travel. Information has been provided to employees and managers via team briefings (Cascade), the Council's intranet (The Hub), payslips, posters and leaflets.

- 3.6.4. The pilot will be monitored on a regular basis with the results reported to the Strategic Management Team on a quarterly basis. Effectiveness will be assessed in terms of impact on levels of musculoskeletal absence together with feedback from evaluation questionnaires completed by employees and their line manager.

3.7. Direct Absence Reporting Phonenumber

- 3.7.1. If sickness absence issues are to be addressed early, line managers need to be given accurate and up-to-date information on individual employee's absence levels. Following the centralisation of the HR team, the Council has developed a consistent means of collecting data but this is still a largely manual process meaning information can quickly become out of date.
- 3.7.2. Part of an initiative to improve reporting mechanisms and make sickness absence data available to managers in real time, the Council is introducing a dedicated absence reporting phonenumber to be staffed by existing staff in HR and payroll.
- 3.7.3. Following consultations with trade unions, the Absence Phonenumber will come into effect on 21st February 2011 and be rolled out on a phased basis across the Authority. Phase 1 includes staff in HR, Payroll, Home Care, Piers, Harbours and Ferries as well as residential homes in the Bute and Cowal area. This will also help raise awareness of support mechanisms such as the Employee Counselling Service and the Physiotherapy Pilot. An employee who reports they are suffering from stress for example will be sent information on ECS whilst those advising of a musculoskeletal-related absence may be referred to the physiotherapy pilot. Staff within Payroll and the HR Attendance Team have been trained in the relevant systems and communications will be issued to those included in Phase 1 of the Pilot to advise them of the new absence reporting procedure to follow.
- 3.7.4. The intention is to roll out the direct absence reporting phonenumber to all employees across the Council by August 2011.

3.8. Review of Occupational Health Arrangements

- 3.8.1. The purpose of the Occupational Health service 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 the measures that can be put in place to assist an employee's return to work. Based on the Occupational Health Physician's 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

- 3.8.2. The Council currently makes use of Serco for occupational health assessments which increasingly involves individual face-to-face examinations at regional clinics rather than assessment in Glasgow. The Council has also successfully utilised a new type of medical examination known as remote case management which involves an occupational health assessment by telephone. Though not suitable for diagnosing all medical conditions, it can help address issues which may arise from time to time such as geographical difficulties, time constraints and appointment availability.
- 3.8.3. An internal review of occupational health provision is currently taking place and is expected to result in a tendering exercise for a more comprehensive and proactive service which could include Cognitive Behavioural Therapy, Physiotherapy and advanced audiometry testing. It is also highly likely that employees will be referred to an occupational health nurse for initial assessment thereby dramatically reducing the number of individuals who require to see an occupational health physician which can be more expensive.

3.9. Other General Developments

- 3.9.1 A training session was held with HR staff to raise awareness of the implications of the Equality Act 2010 which came into effect in October 2010 and is particularly relevant to the absence management of employees who may be regarded as disabled under the legislation.
- 3.9.2 Various nationwide studies have shown there is a strong link between financial and psychological wellbeing. With this in mind, Red Circled employees whose salary preservation will end on 17th February 2010 following the implementation of Single Status have been provided with leaflets including budgeting advice obtained from the Consumer Financial Education Body.
- 3.9.3 Phase Three of the Modernisation Programme may have been unsettling for employees but the Council has invested considerable time and effort into ensuring that communications are relevant, appropriate and consistent. The Chief Executive has provided regular updates in her Blog and information has been included in Cascade as well as a dedicated section on The Hub. The Strategic Management Team also held seven road shows on the transformation programme for staff across Argyll and Bute in Autumn 2010. Heads of Service nominated a cross section of employees from their service to attend ensuring a good representation of staff at each event. Similar events will be held in the future giving other employees an opportunity to attend.
- 3.9.4 Meetings have been held with staff at risk of, or affected by redundancy, and in addition, workshops will be organised for any staff who are made either compulsory, or voluntarily, redundant. These will include presentations and assistance from Job Centre Plus and the Consumer Financial Education Body.

4. Conclusion

- 4.1. Argyll and Bute Council was the tenth best performing Council in terms of attendance levels in 2009/10 although absence rates were slightly higher than in 2008/09. In the current economic climate there is a greater need than ever for the Council to make efficient and effective use of it's resources. High absence levels can reduce productivity as well as placing other employees under increased pressure and stress.
- 4.2. Cumulatively, absence levels between April – December 2010 are marginally higher than the corresponding period last year although Quarter 3 on it's own is actually down. The establishment of an Attendance Team within HR together with the support and interest of the Strategic Management Team means the Council is well placed to ensure that a consistent approach to attendance is taken across the Council and will continue to monitor and review it's management practices in light of organisational changes and developments in best practice.
- 4.3. The Authority is taking an increasingly holistic and preventative approach to Attendance Management with the promotion of the Healthy Working Lives initiative and the provision and use of cost effective support services such as Physiotherapy, the Employee Counselling Service and occupational health. These can help to keep employees at work or expedite the return of those who are absent.
- 4.4. Research shows that high levels of employee engagement result in high levels of performance, raised levels of personal well-being, greater innovation and a perception that workload is more sustainable. Since June 2010 the Council has introduced additional communication-sharing mechanisms including Cascade, The Hub and the Chief Executives Blog. Whilst many of these make full use of new technology, more traditional methods such as the SMT Roadshows also give employees the chance to meet the Strategic Management Team face-to-face.

5. IMPLICATIONS

PERSONNEL	Support services will continue to be promoted to employees and reviewed by the Council to ensure they are providing value for money and continue to meet requirements. The Managing Attendance Policy and Procedures are currently subject to a major review and will be communicated to all staff once complete. Employees will be advised of changes to reporting procedures as the Direct Absence Reporting Phonenumber is rolled out across the Authority.
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. The Council is facing significant budgetary constraints and needs to ensure it is making the most effective and efficient use of resources.
EQUALITY	Internal and external support mechanisms such as HR, Employee Counselling Service and Occupational Health are available to all staff within the Council.

LEGAL

Line managers should be aware of the current legislation i.e. The Equality Act 2010 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.

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