

**MANAGING ATTENDANCE 2011/12**

---

**1. Summary**

- 1.1. The following report provides details of the Council's sickness absence levels for the financial year 2011/12.
- 1.2. Note that, where average figures and costs are used in the course of this report, allowances should be made for rounding of decimal points.
- 1.3. Human Resources have continued to work with both the Strategic Management Team and the Trades Unions to improve absence recording mechanisms and introduce new initiatives. In April 2012 the new Maximising Attendance Policy (copy attached) which was developed in consultation with the Trades Unions was agreed by the Executive and is now being rolled out.
  - The new Maximising Attendance at Work Policy ensures that managers are prompted to review the cases of those who reach the triggers so that suitable action can be taken. This could include occupational health referrals, phased return to work, redeployment and, where appropriate, dismissal and/or disciplinary action.
  - The main change in the policy is in relation to triggers which are now 3 instances of absence in a rolling 12 month period.
- 1.4. Whilst it is pleasing to see the average number of days sickness per employee has fallen from 9.53 to 8.77 days per year, further improvements are still possible and each individual has a part to play in this. Managers continue to carry out Return to Work interviews:
  - Return-to-work interviews are held for all staff who have been off however long or short their absence period. Robust monitoring arrangements are now in place to ensure return to work interviews are carried out on the employee's return to work after every single instance of sickness. Meetings of this type are widely regarded as the single most effective action that can be taken to reduce sickness absence.
  - Each Head of Service has agreed a specific target for their service. Monthly absence reports are submitted to DMT and HR continue to provide coaching and mentoring as well as obtaining support and advice from the Council's occupational health advisers to ensure that each individual is managed in accordance with advice provided by the Occupational Health Physician.

- 1.5. Significant improvements have been made to the recording of absence with the roll out of the Direct Reporting of Absence Line. Information is recorded in real time into Resourcelink, the Council's integrated HR & B Payroll System, which allows HR to provide managers with up to date information.

## 2. Recommendations

2.1. It is recommended the Audit Committee:

- Note the statistics for the full financial year 2011/12 and read the report in conjunction with the figures in Pyramid to enable further analysis by section and area.
- Note the targets agreed for 2012/13.
- Note the contents of the new Maximising Attendance Policy.
- Confirm level of detail required for future reports to Audit on Attendance.

## 3. Detail

### 3.1. Current Absence Statistics

3.1.1. The current absence for 2011/12 is shown in Table 1.

**Table 1 – Average Number of Days Lost Per Employee by Service**

Section	Service	Overall	2011/12 Target	% of Target
Community	Adult Care	13.91	11.0	-26.47%
	Children & Families	12.25	9.0	-36.16%
	Education -Primary	6.26	5.8	-8.94%
	Education –Secondary	9.02	8.5	-6.15%
	Community and Culture	7.59	9.0	15.64%
Customer	Facility	8.89	9.5	6.39%
	Governance & Law	6.76	5.5	-22.86%
	Customer & Support	6.92	7.0	1.18%
Dev & Infra	Roads & Amenity	8.30	9.9	15.79%
	Economic Development	7.28	7.9	7.83%
	Planning & Regulatory	7.54	9.9	23.48%
Chief Exec	Improvement & HR	6.21	6.5	4.41%
	Strategic Finance	4.20	5.5	23.64%
Total		9.11		
Teachers				
Community	Education -Primary	6.59	6.25	-5.49%
	Education -Secondary	8.49	6.5	-30.64%
Total		7.62		

For the purposes of the Statutory performance Indicator, the average number of days sickness per employee reported to Audit Scotland for 2010/11 was:

- Local Government Employees – 10.01 days
- Teachers – 7.85 days

The corresponding 2011/12 figures are:

- Local Government Employees – 9.11 days
- Teachers – 7.62 days

Comparing these improved figures to Audit Scotland's 2011/12 tables would put Argyll and Bute at Number 3 for Local Government employees, well within the upper quartile target. The Teaching figures would only improve Argyll and Bute's ranking one place to 24<sup>th</sup>, leaving a significant improvement to be made to reach the upper quartile.

Benchmarking our figures against the CIPD 2011 Absence Management Survey, average days lost per employee for the public sector was 9.1 and 7.1 for the private sector. Combining our teaching and Local Government figures gives an overall measure of 8.77 which compares favourably to the CIPD local Government figure. It should be noted that many other organisations will not be utilising a DAR process and may well be under-reporting absence.

### 3.2. Council overall figures for FTE Days and Number Employees

Table 2 lists the working days lost per year against the average FTE headcount per Service. Note that the FTE value is averaged for each quarterly report, the table shows the total of the four quarters divided by four.

**Table 2 - Working Days lost and number Employees per Service**

Section	Service	Working Days Lost	FTE
Community	Adult Care	7558	543
	Children & Families	2247	183
	Education -Primary	1875	299
	Education -Secondary	1849	205
	Community and Culture	1502	198
Customer	Facility	2771	312
	Governance & Law	378	56
	Customer & Support	1481	214
Dev & Infra	Roads & Amenity	4630	558
	Economic Development	627	86
	Planning & Regulatory	1031	137
Chief Exec	Improvement & HR	554	89
	Strategic Finance	227	54
Total		26731	2934
Teachers			
Community	Education -Primary	2616	397
	Education -Secondary	4006	472
Total		60085	6737

### 3.3. Cost Of Absence

Costs are calculated based on the absent employee's daily salary multiplied by the number of working days that the person is off. Based on these calculations, sickness absence was estimated to cost the Council almost £3.15m in 2011/12, representing a substantial expense to the organisation. However, the senior management focus on attendance management has generated potential efficiency savings of £350,000 on the previous year.

## 4. Proposed Targets for 2012/13

- 4.1. The Direct Absence Reporting (DAR) process has increased the accuracy of absence reporting. Data gathered via DAR was utilised for the final quarter of the 2011/12 attendance figures. All Services had been rolled out to the DAR process from the period that the DAR data was utilised.
- 4.2. Analysis of the increased absence reported following the implementation of DAR indicates a requirement to adjust the absence targets for each service. The estimated impact of the increased accuracy of reporting is 11.1%. Details of this are contained in Report to SMT: Managing Attendance Figures for 2011/12.
- 4.3. Table 4 illustrates a proposed target structure for 2012/13. I have used a simple approach to targets:

- For areas that have not met their previous target by over 30% and are above the Council Average Figure of 9.82 for non-teaching and 8.16 for teaching it is proposed a 15% improvement over the factored up figures.
- For areas that have below 7, i.e. a very low figure no improvement target is set as they are exceeding realistic targets. This is only the case in two small departments where one case of serious illness would lead to failure.
- I have proposed a 5% improvement target to all other sections. This was discussed with the Chief Executive and some Heads of Service and a number of targets revised.

If these targets are met it will lead to an improvement over the current under reported figures: Non-Teaching going from 9.11 to 9.0 and 7.62 to 7.5 for teaching.

**Table 4 – Figures factored up with proposed new Targets 2012/13**

Section	Service	Overall corrected 2011/12	Proposed % improvement	Proposed Target 2012/13
Community	Adult Care	15.07	15	12.8
	Children & Families	13.22	10	11.9
	Education -Primary	6.70	5	6.4
	Education -Secondary	9.62	5	9.0
	Community and Culture	8.19	5	7.8
Customer	Facility	9.60	6	9.0
	Governance & Law	7.31	5	6.9
	Customer & Support	7.41	5	7.0
Dev & Infra	Roads & Amenity	8.95	5	8.5
	Economic Development	7.66	5	7.3
	Planning & Regulatory	8.19	5	7.8
Chief Exec	Improvement & HR	6.63	2	6.5
	Strategic Finance	4.51	0	5.5
Total		9.82		9.0
Teachers				
Community	Education -Primary	7.07	5	6.7
	Education -Secondary	9.07	10	8.2
Total		8.16		7.5
			Council Overall	8.7

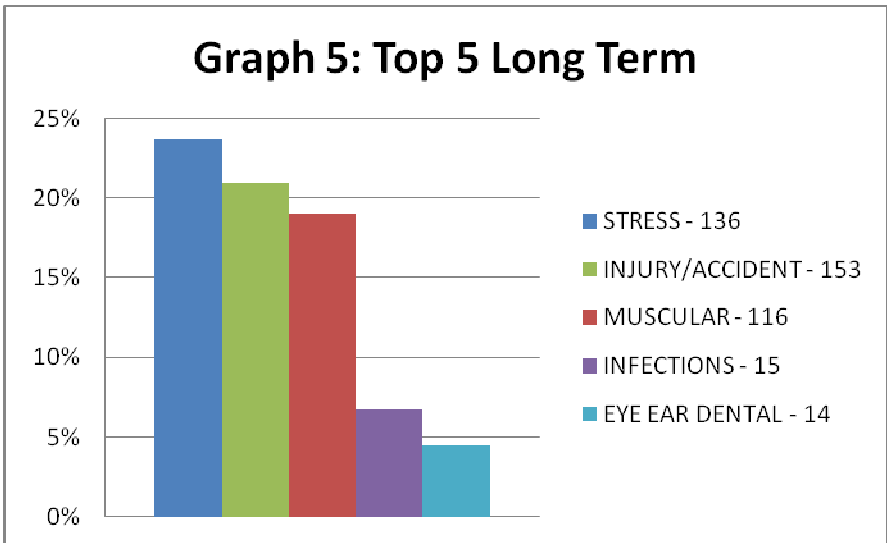
4.8.1 The Strategic Management Team have agreed that it will be more beneficial to move from an overall Council target to individual Service targets to recognise differences in jobs such as variations in physical and mental demands, health and safety requirements etc. Service targets also encourage greater ownership and therefore greater chances of achieving their target in conjunction with the proactive measures outlined earlier in this report.

4.8.2 Targets have been calculated with reference to the average number of days lost per employee to improve on the outturn for 2011/12 which was set following analysis of the top 8 performing Scottish Councils in 20 as opposed to national statistics. The intention is to improve attendance so that Argyll and Bute Council will be placed in the top upper quartile of the best performing local authorities. Audit Scotland do not specify targets for Councils. It is likely that we are currently meeting this target for Local Authority Employees, though considerable improvement is required in Education to move from the lowest quartile, an appropriate timescale is likely to be 3 to 5 years.

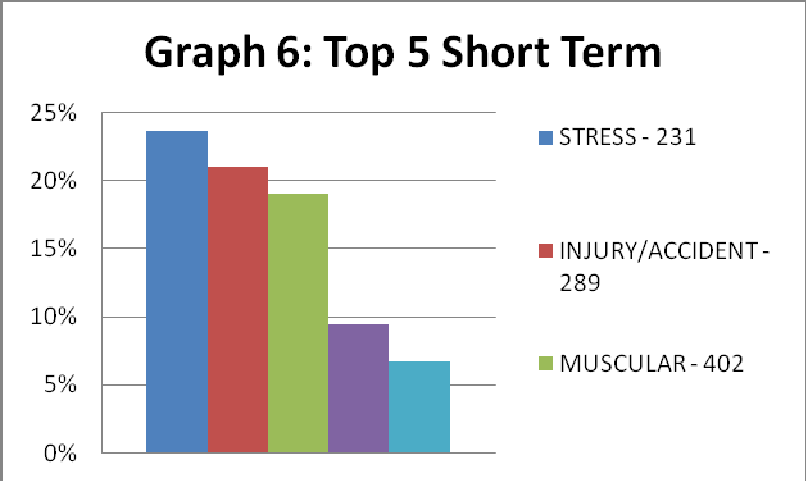
**5 IMPLICATIONS**

5.1.1 Long-term absence continued to account for more than three-quarters (78%) of all days lost due to sickness across the Council. It is noted that the CIPD annual absence survey 2011 puts an average long term absence across organisations at one third. This indicates that as an organisation, the Council is not effective in managing long term absence compared to other organisations. To address this, the new maximising attendance policy gives a robust framework for the management of long term absence and can be used to accelerate the process to redeployment, ill health retirement or termination. This links to training of managers, the proactive use of the new Occupational Health contract and working closely with HR. HR have set up a regular meeting with Serco, the Council’s Occupational Health providers, to review the cases of employees currently on long-term sickness. As a result the Council has a better understanding of the effect of each individual’s medical condition on their work and HR Officers are working closely with line managers to ensure each case is managed in accordance with the medical advice received.

The top 5 reasons for long term absence are shown in Graph 5. The top 3 significant reasons: stress, injury/accident and muscular follow the same pattern as previous years.



5.1.2 Short-term absence (22%) can have a detrimental effect on service delivery and be exacerbated by mismanagement. If an employee is repeatedly absent for short periods this is likely both to undermine the individual’s own performance and be disruptive to colleagues and the wider organisation. The top 5 reasons for short term absence are shown in Graph 6. The top 3 significant reasons: stress, injury/accident and muscular follow the same pattern as long term.



5.1.3 The Council continues to have a good health and safety record and only a small proportion of the incidents shown in Figures 4 and 5 were sufficiently serious to be reported to the Health and Safety Executive. From 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011 there were 16 reportable accidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1995 placing the Council well below the national average for reportable events.

5.1.4 In 2000 the Council set itself targets to reduce the number of reportable accidents per year in line with the targets set out in the Health & Safety Executive’s publication ‘Revitalising Health & Safety’. Now used as a benchmark, the Council has always performed well in terms of these targets and through investment in Health and Safety, since 2007-08 has achieved year on year reductions in reportable accidents with a slight increase in the last year; though with a significant downward trend as follows:

**Table 7 – Number of Reportable Accidents Per Year**

Financial Year	Number of reportable accidents
2006-07	39
2007-08	37
2008-09	31
2009-10	23
2010-11	12
2011-12	16

5.2 As last year stress is the single highest absence reason. This follows a trend identified in the 2011 CIPD Annual Absence Survey:

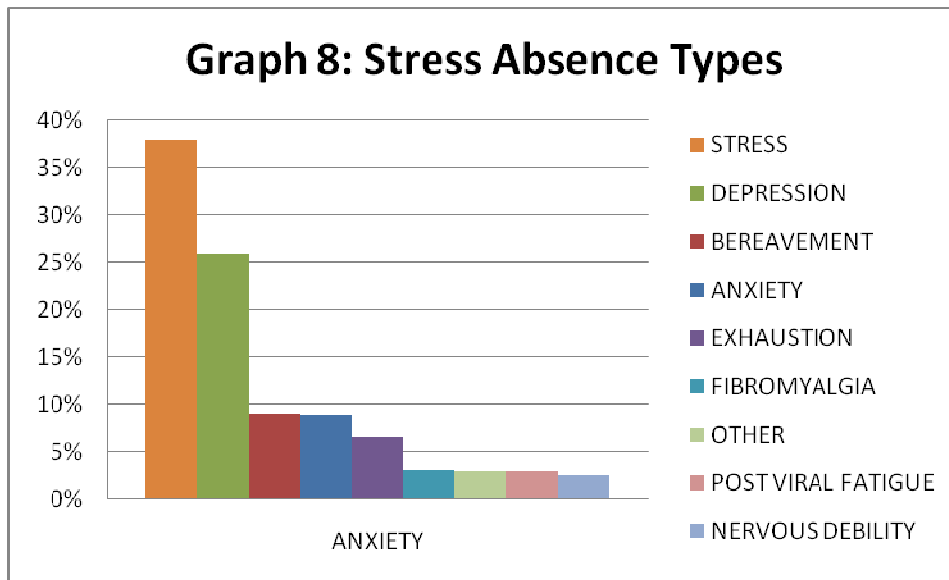
” Nearly two-fifths of employers overall (50% in the public sector) report that stress-related absence has increased over the past year.”

The CIPD 2011 Annual Absence Survey also identifies:

“The top causes of stress at work are workloads, management style, non-work factors such as relationships and family, relationships at work and considerable organisational change/restructuring.

Job insecurity is a more common cause of stress in the public sector this year compared with last year and is higher there than in the private or non-profit sectors.”

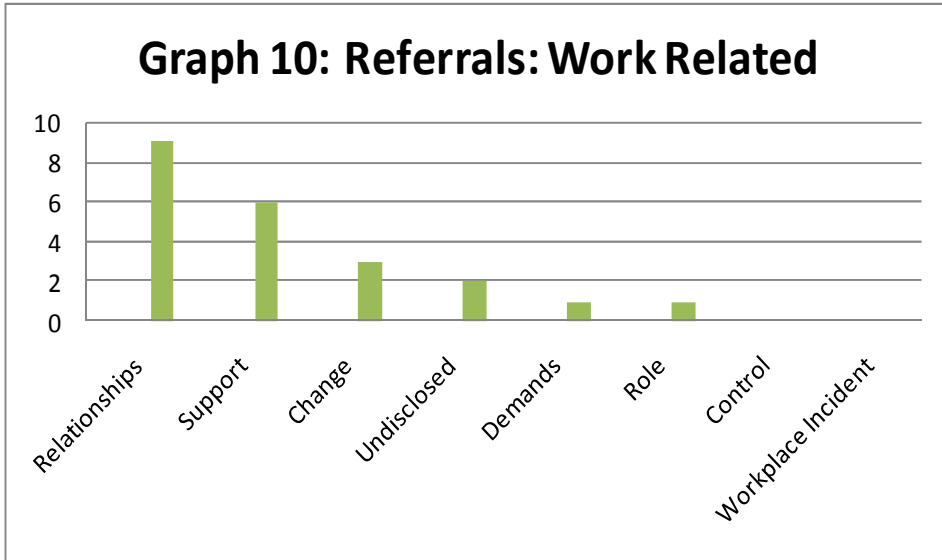
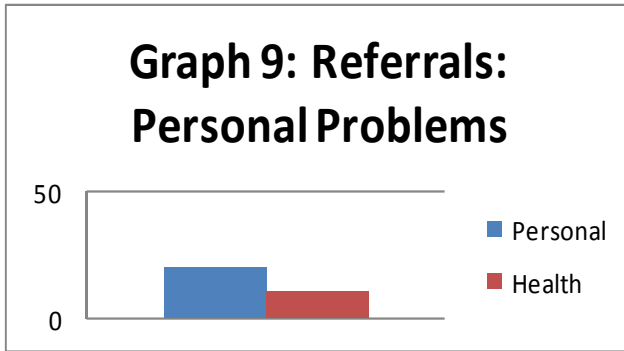
The current round of service reviews and resulting employment insecurity and change is likely to have been a factor in our figures. Graph 8 highlights the main types of absence within stress absence.



5.2.1 One hundred and four employees attended counselling from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011. Of these, 58% cited personal reasons for seeking counselling whilst 42% gave work-related explanations. All but 2 were self-referrals. Graph 9 shows that of the non-work related referrals personal problems were the main reason cited for the referral. Graph 10 shows that “relationships” was the most commonly cited work-related reason given for obtaining counselling, closely followed by “support” and then “change”. These categories refer to the HSE’s Management Standards for work-related stress as outlined below:

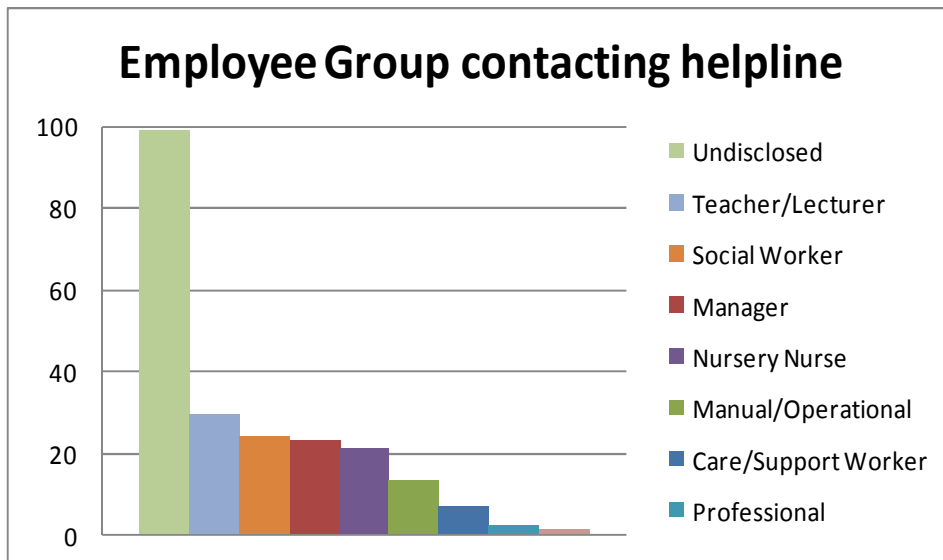
- Demands – workload, work patterns and work environment.
- Control – How much say a person has in their work.
- Support – Encouragement and resources provided by the Council, line management and colleagues.
- Role – Employees understand their role within their service.
- Change – How organisational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





5.2.2 There were a total of 78 return counselling appointments during the year.

5.2.3 In addition to structured counselling, the Employee Counselling Service operates an information helpline, 24 hours a day, 365 days a year. Graph 11 provides additional information with regard to employee type contact with the helpline from 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011.



Graph 11

5.2.4 Human Resources continue to promote the activities of the Employee Counselling Service to ensure all employees are aware of the information and support available to them. Human Resources will continue to promote the activities of the Employee Counselling Service through posters, payslip messages, Cascade, The Hub, News Flash messages and correspondence with employees to ensure the message continues to reach those in even the largest, and most geographically dispersed departments.

### 5.3 Review of Occupational Health Arrangements

5.3.1 A working group consisting of representatives from Human Resources and Health and Safety was formed to review occupational health arrangements and a number of meetings held in order to agree requirements. A tender has been awarded to SERCO. Following last year's pilot of Physiotherapy services this was also put out to Tender and was won by NHS Highland. The pilot was successful in that it did show that there was demand for the service and it is relatively very low cost. The small sample of staff who utilised this service make it difficult to evaluate the impact of the Service on absence figures though case studies within other organisations have shown clear payback and benefits.

## 6 Conclusion

6.1.1 The Authority is taking an increasingly holistic and preventative approach to Attendance Management through 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.

6.2 Cumulatively, absence levels from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 are lower than last year. The Council recognises that further improvements are still possible and is committed to monitoring and reviewing its management practices in light of organisational changes and developments in best practice. This will be an ongoing process and will ensure the Council continues to achieve the reductions in sickness absence costs that are now being generated.

6.2.1 Argyll and Bute Council has made some significant improvement in absence management over 2011/12. Some of this improvement is lost due to increased accuracy of absence reporting introduced over the last quarter of 2011/12.

6.2.2 Absence targets for 1012/13 should be set taking into consideration the impact of the underreporting of absence prior to the introduction of the new DAR process.

6.2.3 Attendance Targets are agreed by Executive Directors and Executive Directors ensure Heads of Service take ownership of their targets.

## 7 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 new Maximising Attendance Policy and Procedures have been communicated to all staff. Promotional activities are in place to advise employees of changes to reporting procedures as the Direct Absence Reporting Phone line is rolled out across the Authority.
FINANCIAL	Failure to properly manage sickness absence can lead to an increase in costs through sick pay and the cost of cover for the absent employee. The Council has, and will continue to face, 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 Human Resources, Employee Counselling Service and Occupational Health (including occupational physiotherapy) are available to all staff within the Council.
LEGAL	Line managers need to be aware of the implications of 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.
RISK	There are significant risks to the council from failing to maximise attendance pro actively. These include people, finance and service delivery risks and should be seen as a corporate priority.
CUSTOMER SERVICES	The unavailability of staff through absence will have significant impacts on the capacity of the council to deliver services to its customers.

Jane Fowler  
Head of Improvement and HR  
Tel: 01546 604466

For further information, please contact:  
Tom Kerr, 01546 604748