

Report to: Council Functions Committee

Date of meeting: 28th February 2008

Report of: Head of Human Resources

Title: Proposed Sickness Policy and Related Matters

1. Summary

This report considers possible new options to reduce current levels of sickness absence and attaches at appendix 1 a proposed new Sickness Management Policy. This policy has been agreed with UNISON.

2. RECOMMENDATION

- a) that the proposed policy be approved
- b) the possible options on sickness management be considered.

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Report approved by Tricia Taylor, Corporate Director

3.0 Detailed Proposal

3.1 Introduction

Good attendance is vital in enabling the Council to provide effective and efficient services to the community. The Council recognises that many staff meet the standards it expects in attending work. However although progress has been made in reducing absence from a high point of 15 days per fte to 10.75 days per fte, absence levels remain high. Indeed in the current financial year they have increased, therefore further measures are required to achieve the desired ultimate target of 8 days per fte.

3.2 Progress to date

A new sickness policy was introduced in 2003/4 with sickness trigger levels to provide a policy framework for managing sickness absence. In addition, in late 2004/early 2005 tracking systems were set up for both long and short-term absence and monthly sickness data sent out to all Heads of Service specifying which staff exceeded trigger levels and needed to be seen.

A temporary HR Officer was recruited on an 18 month fixed term contract to focus on case management of long-term sickness cases and to support managers in dealing with sickness. This work has now been mainstreamed. . It was identified that the Occupational Health Service received from the West Hertfordshire Health Authority was not providing a customer focussed service to the authority and was replaced by BUPA. It was decided to base a BUPA Occupational Health Advisor on site for 2 days per week. The quality and efficiency of Occupational Health Service has greatly improved as a consequence.

HR have also started to promote positive health initiatives to raise awareness of lifestyle issues which impact on staff attendance. This included the Fit for Life programme and the Stress Awareness Day which focussed on tackling stress, the largest single cause of long term absence. The latest initiative 'Look after your heart' is being held on 22nd February, 2008.

An analysis of stress related absence was conducted and Stress Management Guidelines developed to try to reduce absences caused by stress. A new employee counselling service (i.e. BUPA) was sourced and launched.

Management training on Sickness and Stress Management has been commissioned to commence in March.

A new Disability Policy was developed to provide guidance and advice for managers in handling disability and sickness issues.

As part of a review of how to move forward in the council's strategy to reduce sickness absence, the sickness procedures have been modernised and a new policy (which will be utilised with sample letters and new forms) was considered at CMB on 7th January, 2008. It was identified that there was a need to split the policy into two - a process and guidance on handling short term absence and advice on the different approach required in handling long-term absence. The new policy sets out more guidance on handling the various stages of each process. In addition, a flow chart and standard letters will be placed on the intranet for managers to use.

Muscular-skeletal absence is the second most common cause of absence, particularly long-term absence. The median waiting time for an appointment with a physiotherapist is 60 days which elongates the duration of such absences and is very expensive therefore in terms of sick pay and coverage costs. Similarly the waiting times for employees to see consultants before they can receive the most appropriate treatment can significantly increase the potential duration of absence.

The new policy therefore also includes provision for the council to pay for employees to see consultants or physiotherapists where delays were elongating their sickness absence.

Both initiatives should reduce the duration of long term sickness absence. This policy has been agreed by UNISON and is submitted to Committee for approval.

3.3 The Way Forward

The level of sickness absence in the Council cannot be dis-associated from the level of change within the Council, events and situations at work and pressures on staff from their lives outside work. However if we are to make significant further inroads into reducing sickness a more radical approach may be required. Absence needs to be tackled in a multi-dimensional way to cover the range of issues involved.

3.4 Initial Contact

There are three main types of absence:-

- Short term (odd days or short periods which are often unrelated)
- Short to medium term absences linked, in part, to chronic conditions
- Long term absence

The most controllable form of absence is short-term absence. Many of these absences are genuine and caused by short illnesses such as colds/stomach bugs/headaches etc. which are naturally occurring. Other

short term absences can be linked to avoidance of problems at work, personal problems, lack of motivation/commitment or absenteeism.

One approach which has proved effective in both the private and public sector which can reduce sickness absence typically by 30% is to utilise a nurse contact centre.

The process followed is that instead of phoning their line manager the employee reports their absence to an Occupational Health Nurse at a 24 hour contact centre. They ask a series of questions to ascertain the cause of absence, give health advice to the employee and record the absence and reasons electronically. The line manager then receives immediate notification of the absence and reasons for absence by email with an estimate of the potential duration of absence. He/she can then follow up by talking to the employee if they wish.

Because employees have to detail symptoms to an Occupational Health nurse, this approach assists employees who are genuinely ill and acts as an effective deterrent to employees who are not. The quality of management information to deal with the absence is also enhanced. Managers can view sickness data for their section in 'real time' (excluding confidential medical information). The costs of this approach are in the region of £30k per annum which is small in terms of the overall cost of absence which was estimated as £671,830 as at 31st March 2007(excluding the cost of paying for coverage by temps in the case of long term absence. The cost of agency staff in the last financial year in total was £3 million, part of which related to coverage for long term sickness absence). Based on the estimate for sick pay alone, a 30% reduction in absence would save c. £201,549. One option would be to pilot this service for six months to a year and evaluate the impact on absence levels. This option was regarded very favourably at both Better Council and Better Watford and supported subject to committee approval by CMB. As a consequence this approach has been incorporated in the attached proposed sickness policy.

3.5 Electronic Forms

HR will work with IT to put weekly attendance sheets, self certificates and other sickness forms online as far as possible.

3.6 Increased use of Home Visits

Maintaining contact with employees who are ill has a number of benefits. It demonstrates that the employee's welfare and attendance matters to the organisation. This can be done by regular telephone contact or home visits. Currently home visits tend to be used largely in cases of long term absence. Their use could be effectively extended to cover

cases of absence for more than 3 days or where employees have suspicious absences.

3.7 Tendering for physiotherapy services

Muscular-skeletal absences are the second most common cause of long-term absence. The median waiting time for physiotherapy on the NHS is 60 days. To reduce the duration of muscular-skeletal long term absences, the Council could tender for physio-therapy services to be used selectively on referral from the Occupational Health Advisor and the employee's GP where the employee cannot be seen at a sufficiently early stage by the NHS. Costs have been obtained from local physiotherapy clinics. The average number of sessions is 6-8 and typical costs for such a programme of physio-therapy is £230. This costs compares favourably with the costs of long-term sick pay. Tendering should reduce the costs charged per session/programme. This facility has been incorporated in the proposed policy as a constructive measure to reduce the duration and costs of long term muscular-skeletal absence cases.

3.8 Case Conferences

Greater use of case conferences between the line manager, Occupational Health and HR organised on a more systematic basis would assist in reducing the duration of absences.

3.9 Training

Subject to the approval by Functions Committee of the new Sickness Policy in, management training of all managers and supervisors on the new policy, case management and sickness interviewing techniques, followed by training on stress management should help to give managers additional practical skills, confidence and "know how" to utilise these processes.

4.0 Managerial Issues

A proposed induction course for new managers would cover training on discipline, capability, grievance handling and sickness management.

As part of the appraisal process, it is proposed that managers are assessed by their line manager on their skills and effectiveness in managing sickness within their teams as a competency. The line manager conducting the appraisal should set a target for sickness reduction as a standard part of the appraisal process in areas where sickness absence levels are a cause for concern.

4.1 Positive Health Initiatives

Pro-active health awareness events/campaigns such as 'Look after your Heart', 'Alcohol awareness', 'Look after your Weight' etc could raise the profile of a healthy lifestyle in preventing sickness absence. We could consider "hosting" Weight-watchers or similar bodies who deal with specific health issues at lunchtimes to assist employees in working towards healthier lifestyles.

4.2 Rewards

Many staff do have little or no sickness absence. Good attendance needs to be encouraged therefore clear messages that high attendance levels will be recognised and valued need to be made.

This could involve, for example, sending out a letter of appreciation to all staff who had no absence in the previous financial year at the end of that year from the Managing Director (prepared by HR).

Sickness statistics by section can be published every quarter on the intranet. Consideration could also be given to the issue of individual or team awards for good attendance. For example, rewarding the team with the least sickness absence in every service area under a Head of Service. Each quarter those teams could perhaps be rewarded with a £10 Harlequin voucher each or theatre vouchers perhaps. Publicity could be given to successful teams through WATS UP, the intranet and on departmental notice boards. Clearly there are advantages and disadvantages to team rewards. In cases of short-term absence, peer pressure could help to reduce it. However in cases of chronic conditions or individual long-term absences for genuine medical reasons a team reward approach could be regarded as unfair.

An alternative incentive might be the award of a day's extra leave for the year following a leave year where no sickness absence had occurred.

5.0 Summary

Sickness absence can only be reduced further by consistent management action, the use of employee counselling and Occupational Health, where appropriate, and effective case management of absences. Some of the initiatives listed above could also make significant inroads to the further reduction of sickness levels but some of these require, limited financial investment on an 'invest to save' basis.

Members comments of on these ideas are requested.

6.0 **IMPLICATIONS**

6.1 Financial

The Director of Finance comments that the proposals do have cost implications which will be controlled through tendering. However it is anticipated that these proposals if effective will result in reduced costs in sickness pay.

6.2 Legal Issues (Monitoring Officer)

The Head of Legal comments that the legal implications have been included in the Sickness Management Policy.

6.3 Staffing

The new policy sets out clearly the different procedures which apply to long and short-term absence. The Nurse contact centre is generally regarded as an employee benefit as well as a tool which helps to control sickness absence.

6.4 Accommodation

There are no accommodation implications

6.5 Equalities

The implications have been taken into account in the preparation of the Sickness Management Policy and are included in the Equalities Impact Assessment.

6.6 Community Safety

There are no implications in this report

6.7 Sustainability

There are no implications in this report

6.8 Potential Risks

The purpose of the Sickness Management Policy is to reduce sickness absence but with a policy which is legally valid. The purpose of using a

Nurse contact centre for a trial period is so that if it does not have the anticipated effect of reducing absence it can be stopped.

Appendices

The proposed Sickness Management Policy is at Appendix 1