PERSONNEL COMMITTEE

11 March 2013

CONCLUSIONS OF THE SICKNESS AND APPRAISAL INFORMAL GROUP

REPORT OF CHIEF EXECUTIVE AND HEAD OF ORGANISATIONAL DEVELOPMENT

Contact Officer: Alison Gavin   Tel No: 01962 848233

RECENT REFERENCES:

PER0224 - Organisational Development Performance Monitoring - Quarter 2 2012/13 – 3 January 2013

EXECUTIVE SUMMARY:

At its meeting held on 3 January 2013, the Personnel Committee agreed to establish a Sickness and Appraisal Informal Group to consider reasons and possible remedies for relatively high sickness rates and non completion of appraisals.

The Informal Group's membership was Councillors Sanders (Chair) Achwal, Byrnes, Cook, Warwick, the Chief Executive and the Head of Organisational Development.

The Informal Group met on 7 February 2013. It was agreed that one meeting of the Informal Group was sufficient to prepare a Report for consideration at this Committee.

RECOMMENDATIONS

That the Committee endorses the proposed actions to address sickness rates and non completion of appraisals.

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REPORT OF CHIEF EXECUTIVE

DETAIL:

1   Introduction

1.1   At its meeting held on 3 January 2013, the Personnel Committee agreed to establish a Sickness and Appraisal Informal Group to consider reasons and possible remedies for relatively high sickness rates and non completion of appraisals. The Informal Group met on 7 February 2013 with Councillors Sanders (Chair) Cook and Warwick in attendance.

1.2   At this meeting the Informal Group agreed its Terms of Reference as follows:

- To review Sickness and Absence Management at Winchester City Council.

- To compare sickness and absence within other public organisations and the private sector to identify further good practice, which can be adopted.

- To review the recommendations of the Employment Terms and Conditions Informal Group held on 30 September 2010 and ensure their implementation.

- To consider Recommendation 4 of the final Report of the Employment Terms and Conditions Informal Group held on 30 September 2010 (Report PER181 refers): "That managers be encouraged to take a proactive approach to managing sickness and absence, and in particular take measures which are best suited to their own services" and to review steps taken to reduce sickness by managers.

- To review the Chief Executive's proposals for ways in which sickness and absence can be reduced.

- Review steps taken to ensure full completion of appraisals.

- Report findings and recommendations to Personnel Committee.

2   Consideration of Sickness and Appraisals by the Informal Group

2.1   The Informal Group gave consideration to each of the Terms of Reference as detailed above in paragraph 1.2.

3   To Review Sickness and Absence Management at Winchester City Council

3.1   Since the report of the Employment Terms and Conditions Informal Group in September 2010, a number of changes to policies and procedures had taken place. One of these changes was a revised policy and procedure for the management of sickness absence issued in April 2012 which strengthened management action, including more formal procedures in taking the disciplinary route.

3.2   The Informal Group considered the revised policy and procedure and concluded that the City Council had robust procedures for dealing with sickness and absence but noted that sickness levels were close to the local government average and in excess of those in the private sector. The Informal Group considered whether the culture of the organisation supported reduced sickness levels and supplemented the procedures that were in place. A possible reason for the variation in sickness levels was that the local government workforce had a different demographic to that of the private sector, employing a higher proportion of women and with an older workforce. Both tended to lead to higher levels of sickness.

4   To compare sickness and absence within other public organisations and the private sector to identify further good practice, which can be adopted.

4.1   The Informal Group gave consideration to the overall table for sickness absence 2011/12 (BVPI 12), which contained comparator information with other Hampshire authorities; the Local Government Association figures for the comparison of Winchester with other local authorities in the southeast; Sickness Absence in the Labour Market April 2012 as published by the Office for National Statistics, and the City Council's attendance and sickness indicators for quarter 3 2012/13.

4.2   It was noted that Winchester's sickness absence was slightly above average compared to all local authorities in the south east. The figure in 2010/11 was 8.8 days per employee FTE and the southeast average was 8.46 days, and in 2011/12 8.3 days per employee FTE and the southeast average was 7.26 days based on a smaller sample.

4.3   There had been a gradual decline in the average number of days of sickness per person per rolling year up until the winter period quarter 3 where the number of days of sickness had increased to 9.2. The number of days sickness totalled 4,189 in quarter 3 2012/13 (out of

total number of days working days of approximately 118,000). An analysis of staff sickness absence of less than 20 days (full-time and part-time staff) for full-time staff in the year ending 30 November 2012 provided a figure of 5.12 average number of working days taken as sick, and for part-time staff 4.57. These figures were close to those achieved in the private sector. However, an analysis of staff sickness absence of 20 days or more for the year ended 30 November 2012 totalled 50.53 average number of working days taken as sick for fulltime staff and 64.88 for part-time staff.

4.4   The figures for those on long-term sickness (20 days or more) distorted the statistics. A balance needed to be obtained between being considerate in cases of long-term sickness and being more proactive in making early interventions and severance to avoid an absence situation continuing unnecessarily.

5   To consider recommendation 4 of the final Report of the Employment Terms and Conditions Informal Group held on 30 September 2010 (Report PER181 refers): "That managers be encouraged to take a proactive approach to managing sickness and absence, and in particular take measures which are best suited to their own services" and to review steps taken to reduce sickness by managers.

5.1   The Informal Group considered the strength of management to deal with sickness and absence. It was explained that in cases of sickness through stress that were related to questions about capability, the Council's Occupational Health Physician worked closely with the individual's GP to bring the situation to an early conclusion. This approach was strengthened by the recent adoption of the new policy for the management of sickness absence.

5.2   Dealing with frequent and short-term absence required strong management and the Council had now improved procedures to deal with this. A change in culture was also required. The City Council had now introduced new Sickness and Absence Management Policy and training for managers to help tighten monthly reporting and recording on Selima (the HR system). This would assist in applying the Bradford index and the traffic light system used to identify emerging issues.

6   To review the recommendations of the Employment Terms and Conditions Informal Group held on 30 September 2010 and ensure their implementation and to review the Chief Executive's proposals for ways in which sickness and absence can be reduced

6.1   An area of process that could be improved was the tightening up of the recording of notes on Selima, to include further details of return to work interviews. Specific triggers in terms of number of days were not set to ensure that sickness was not seen as a right to be taken but should be for legitimate purposes.

6.2 There was merit in continuing to study trends to identify areas of the Council's work where sickness and absence levels were increasing, so that positive action could be taken at the earliest opportunity. The Council's procedures were good but needed to be better applied by managers with support from Human Resources. More qualitative rather than quantitative management would be of benefit, for example using the Bradford index to identify trends and areas for early intervention. Training in absence management should be organised for Team Leaders and issues surrounding sickness and absence management be raised at appraisals. Managers should be encouraged to be interventionist and to conduct back to work interviews and to liaise closely with Organisational Development to raise capability issues at an early stage leading to appropriate decisive action.

6.3 The procedure for short-term intermittent sickness, as set out in the policy for the management of sickness absence (Point 11 of the policy refers), should be brought to manager's attention to be reinforced so that it became part of horizon scanning. Managers should also be responsible for making and recording their own notes of back to work interviews and other actions for dealing with staff absence in case a disciplinary route should be taken in the future.

6.4 Lessons could be learned from the best performing Teams within the Council in promoting best practice and whether certain operational buildings within the Council had higher sickness levels than others to test the "sick building" syndrome.

6.5 After considering the above matters, the Informal Group agreed the following proposals for implementation by the Chief Executive to reduce sickness and absence:

1. That action taken in the period since the publication of the findings of the Employment Terms and Conditions Informal Group in September 2010 be listed and explained.

2. That the actions in 1. above also include proposals to reduce sickness and absentee levels, for example by improving management competencies to implement robust procedures.

3. That the recording of notes on Selima, to include details of return to work interviews, be reviewed.

4. That it be reinforced with staff that sickness absence is only to be taken in cases of legitimate illness.

5. That further consideration be given to closer management of areas with high levels of sickness absence, including the procedure for short-term intermittent sickness.

6. That trends be identified in areas of the Council's work where sickness and absence levels are increasing, so that positive action can be taken

at the earliest opportunity, for example by using the Bradford Index to identify trends and horizon scan areas for early intervention.

7. That further training in absence management be organised for Team Leaders, to include the procedure for short-term intermittent sickness as set out in the policy for the management of sickness absence (Point 11 of the policy refers).

8. That issues surrounding sickness and absence management be raised at appraisals.

9. That Managers be encouraged to be interventionist and to conduct back to work interviews and to liaise closely with Organisational Development to raise capability issues at an early stage.

10. That Managers be responsible for making and recording their own notes of back to work interviews and other actions of dealing with staff absence in case a disciplinary a route should be taken in the future.

11. That lessons be learnt from the best performing Teams within the Council in promoting best practice

12. That operational buildings within the Council be considered to see if they have higher sickness levels than others to test the "sick building" syndrome.

13. That alternative actions be considered, for example by exercising greater control over the payment of sick pay or incentivising employees not to take sickness.

7   Action taken since the Informal Group meeting

7.1   Subsequent to the Informal Group meeting, the Chief Executive has provided an update on the initiatives in place to deal with sickness absence, in accordance with the actions listed above in paragraph 6.5.

7.2   Sickness absence has been discussed at the monthly Performance Management Team (PMT) meeting – which includes Corporate Management Team (CMT), Finance, Organisational Development and Senior Service Heads. This has provided a springboard for the topic to be discussed at all monthly team meetings across the Council, beginning with the March cycle, when key messages will be reinforced about practices and procedures surrounding the management of sickness absence and the Council's expectations of staff.

7.3   Data to the Personnel Committee continues to separate short and long term absence and also specifies those reasons for long term absence that the Council may be able to impact through its occupational health procedures and sickness absence policies, as well as separating part-time and full-time staff and by team. The detail also forms part of (CMT) quarterly update on HR matters. One of the reasons for absence – stress – has recently been investigated through the bi-annual staff stress survey, which is yet to be published.

7.4 The message that Managers are encouraged to take a pro-active approach to managing sickness and absence, and in particular take measures which are best suited to their own service has been discussed at corporate level and reinforced. Areas which are problematic have been the subject of specific actions by HR, in conjunction with Managers.

7.5 Selima will now include notes on back to work interviews and this will be addressed in the next upgrade of Selima (likely to be in early 2013/14), and as part of training on sickness absence management.

7.6 It will be reinforced that staff absence is only acceptable in cases of genuine illness – and this will be done through Team meetings.

7.7 There will be closer management of areas with high sickness. The Bradford index data will be reviewed at the monthly Performance Management Team (PMT) meeting, with a view to Directors/Heads of Team targeting areas where numbers are high – this has already been addressed with Housing and Estates.

7.8 Trends in sickness absence will be kept under scrutiny – corporate data are already reviewed quarterly at CMT. As noted above, the Bradford Index data will also be reviewed at PMT to note and respond to trends.

7.9 There will be further training for Team Leaders – HR will review training offered and attendance, with a view to providing a refresh for those who have not attended recently. Training for new managers is currently under review, and will include sickness and absence management.

7.10 The Sickness and absence be raised at appraisals – This is largely already done where this is an issue for an individual, but will be reinforced in appraisal guidance.

7.11 Managers will be encouraged to be interventionist – This was raised at PMT, and will be part of Team briefing and training.

7.12 Managers should make written records to be recorded on Selima. This is the Council's current expectation, and is being reinforced through PMT and training.

7.13 Organisational Development will monitor performance and look for examples of good practice where lessons can be learnt from best performing teams which can be shared via management meetings or as part of training.

7.14 Data will be analysed to look for evidence of 'sick building syndrome'. It is known that the working environment is poor. Currently officers are

reviewing options for City Office refurbishment/redevelopment, and these will brought to Members shortly.

7.15   In regard to actions be taken to incentivise, it is noted that sick pay is statutory, and the Council are bound by national agreements on the duration and nature of pay. Officers will consider positive reward for zero absence.

7.16   In regard to Statutory Redundancy and reduced statutory redundancy terms, this subject was considered by the Informal Group, who debated whether the terms for redundancy were too generous in comparison with other local authorities or were proportional and fair when encouraging voluntary redundancy or recruiting and retaining a professional workforce and being an employer of choice. The regulations applying to incremental salary progression were also discussed. It was agreed that there was no merit in reconsidering these issues at the present time.

8   <u>Appraisal Review</u>

8.1   A further Term of Reference of the Informal Group was to review steps taken to ensure full completion of appraisals.

8.2   The Informal Group considered that the appraisal process provided the opportunity for a quality discussion to set targets and identify training needs as well as recording information on Selima.

8.3   It was essential that the culture to complete appraisals was set when training managers and monitoring outcomes thereafter.

8.4   It was discussed if there was a correlation between not undertaking appraisals and high levels of sickness and absence. The Chief Executive added that not undertaking appraisals could not necessarily be causally linked to high levels of sickness and absence to give an indicator of poor management, but CMT did look at these matters in their entirety to identify what might be going wrong.

8.5   In cases of long-term sickness, when appraisals could not be undertaken, every effort was taken to catch up on appraisals when that member of staff returned to work.

8.6   The Informal Group were satisfied with the performance management and appraisal scheme and agreed that a tightening of procedures was required only, which included Personnel Committee's existing decision to require Head of Teams with appraisal completion rates of less than 70% to be brought to its meetings to explain underperformance in appraisal completion (Personnel Committee 19 September 2012 refers).

8.7   In conclusion, the Chief Executive and Head of Organisational Development were requested to ensure that the performance management and appraisal scheme was applied fully.

OTHER CONSIDERATIONS:

10 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

10.1   The need to make the best use of all available resources by the continued consistent application of policies and procedures which enable resources to be utilised effectively within the City Council is an integral part of the Corporate Strategy.

11   RESOURCE IMPLICATIONS:

11.1   There are no direct resource implications for the Council in this Report. Sick pay is statutory, and the Council are bound by national agreements on the duration and nature of pay.

BACKGROUND DOCUMENTS:

Head of Organisational Development File.