Bolton Council

Report to:	**CORPORATE ISSUES SCRUTINY COMMITTEE**		
Date:	**MONDAY 15TH OCTOBER 2007**		
Report of:	**ASSISTANT CHIEF EXECUTIVE**	**Report No:**	**14**
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Report Title: **SICKNESS ABSENCE MONITORING**
1st April 2006 to 31st March 2007

Non Confidential: This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose:
To report and comment on the sickness absence statistics for 2006/7
To report on the reasons for sickness absence.
To report on the costs of sickness absence.

Recommendations: The Corporate Issues Scrutiny Committee is asked to note the contents of the report.

Decision:

Background Doc(s):

(for use on Exec Rep)
Signed:

Leader / Executive Member | Monitoring Officer

Date:

Summary:

1. Overall sickness absence levels (including Teachers) have reduced in 2006/7 to 4.98% from 5.14% in 2005/6.

2. The overall absence levels (excluding Teachers) is recorded as 5.33% (12.14 days per FTE) which represents a decrease of 0.33% on the previous years figures of 5.66% and 12.9 days per FTE. The latest available data from the Local Government Employers Organisation (2004/5) shows a median performance of 5.5% and a lower quartile (best 25%) of 5.2% indicating that there is still room for improvement within Bolton.

3. Long term absence accounted for 53.54% of all absences which is an increase on the 2005/6 figure of 50.85%. Correspondingly, short term absence accounted for 46.46% which is a decrease on the previous year's figure of 49.15%.

4. Absence due to stress and depression and musculo skeletal disorders remain the principal causes of absence at 23.02% and 22.17% respectively although these remain consistent with the available figures for larger local authorities generally.

5. The majority of employees had very few absences with approximately 78% having 2 or less absences in the year and 37.49% who had none. These figures remain consistent with those reported in 2005/6.

6. The total amount paid to employees due to sickness, calculated on the basis of average employee costs, including on costs, increased from £10.27m to £11.5m which is around 4.48% of the pay bill.

1. INTRODUCTION

1.1 The purpose of this report is to:

- Report and comment on the sickness absence statistics for 2006/7.
- Report on the reasons for absence.
- Report on the cost of sickness absence.

2. OVERALL SICKNESS ABSENCE LEVELS 2006/2007

2.1 The BVPI Sickness Absence figures provided by Departments for 2006/7 are detailed at Appendix 1.

2.2 As can be seen the overall absence level, including Teachers, is 4.98% (10.98 days per F.T.E. employee) and is a 0.16% reduction on absence levels reported in 2005/6.

2.3 The overall absence level, excluding Teachers, is recorded as 5.33% (12.14 days) which represents a decrease on 2005/2006, when the absence level was 5.66% (12.90 days). The Local Government Employers Organisation has not compiled data for all Metropolitan Authorities in recent years and the latest available comparative figures (2004/05) shows a median performance of 5.5% and a lower quartile (best 25%) performance of 5.2% indicating that there is still room for improvement for Bolton Council.

Departmental Trends

2.4 All departments have shown a reduction in the percentage of sickness absence in this reporting year compared with that of 2005/6. Previously Chief Executives and Legal & Democratic Services figures were reported together as Chief Executives/Central Services. In 2005/6 their combined figure was 3.82%. The combined figure for 2006/7 is 3.28%. The figures are shown separately on the attached Appendix 1. Care should be taken when comparing the Chief Executives figure in isolation as the 3.9% figure would appear to be an increase this year when compared to 2005/6 and although not significantly high the majority of absence in this department is attributed to long term sickness absence of a small number of employees who have now left the Authority under VER.

2.5 As in previous years absence rates varied considerably between Departments from 2.77% (Legal & Democratic Services) to 6.9% with only Chief Executive's, Children's Services and Development and Regeneration departments remaining below the 5% target rate at 3.82% and 4.24% respectively. However, it should be noted that the highest absence figure of 6.9% is considerably less than that reported in 2005/6 which was 8.04%.

Former Manual and APT&C Employees

2.6 The rate of absence for former manual employees represents a significant decrease from 7.31% to 5.51% and for the first time is below the median for Metropolitan Authorities of 7.0%. The absence rate for former APT&C employees shows a slight increase to 5.28% from 5.05 and remains above the median for Metropolitan Authorities of 4.7%.

2.7 It should be noted however that a large number of former manual worker employees have now moved over to monthly pay. The system used for recording and reporting of sickness absence distinguishes only between the frequency of payroll (weekly and monthly) therefore it is no longer appropriate to draw comparisons between former manual workers and former APT&C employees.

Certified Absence

2.8 Overall 77.25% of all absences were covered by a doctor's note, the remaining 22.75% being self certified by the employee. This represents a dramatic change from last year's figures of 68.20% and 31.08% respectively.

3. REASONS FOR SICKNESS ABSENCE

3.1 Departments have provided information against twelve broad categories of sickness absence which are based upon those recommended in the 'Sickness Absence in Local Government' survey carried out by the Employers Organisation. A summary analysis is provided at Appendix 2.

3.2 In this reporting year the category of 'Other' contains information on absences that genuinely cannot be allocated to one of the other eleven substantive categories. The majority of this absence is "post operative recovery" were it is not possible to ascertain the relevant category to assign the absence. In most cases this information is amended following the return to work interview with the Manager when further details are obtained however this still high at 11.89%

3.3 In this reporting year we have introduced an additional category entitled "No Reason". This category is reserved for instances when the reason for the absence is not known because appropriate documentation showing details, dates and duration of absence were not completed following the period of absence, (a PU29, Self Certification Form, should be completed by an employee and his/her Manager after every period of absence. The form details the dates, duration of and reason(s) for absence along with details of the Return to Work Interview undertaken). Absence assigned to this category totalled 7.02%.

3.4 The combined total for "Other" and "No Reason" equates to 18.91% and is unacceptable. More effort needs to be made in obtaining the true reason for sickness absence and the principal responsibility for this lies with the Manager undertaking appropriate review meetings and completing the relevant documentation.

3.5 Absence due to stress and depression remains one of the main causes of sickness absence within the Council and accounted for 23.02% of all sickness absence, although the figures are comparable with larger Authorities generally and the previous years reported figure of 22.26%

3.6 The other most significant cause of absence, in this reporting period, is back, neck and other musculo-skeletal problems at 22.17%, which again is broadly in line with the figure for local Authorities generally but is showing an increasing trend within Bolton over the last year when the figure reported was 21.47%

3.7 The incidence and reasons for absence have also been analysed in respect of both long term and short term sickness absence (see Appendix 3 and 4).

Long Term Absence

3.8 Long term absence (defined as 20+ working days) accounted for 53.54% of all absences which is higher than last year when the proportion was only 50.85%. An analysis of the reasons for long term absence is provided at Appendix 3.

3.9 Stress and depression are the greatest cause of absence, i.e. 32.07%, however, this is 2.35% less than last year when the figure was reported at 34.42%. The proportion of long term absence attributable to stress and depression varies significantly between Departments with the highest level being recorded in Adult Services where 27.84% of the total absence for the department was attributed to stress related illnesses. Overall stress and depression related absence remains a major cause for concern but it should be noted that this is not just an issue for Bolton. The latest available data for Local Authorities generally is 31% in 2004/5, however, because of the unavailability of more recent information this figure should be used with caution when making comparisons as it is not possible to identify if there is an increase or decreasing trend.

3.10 Muscular-skeletal problems are the next highest reported cause of long term absence at around 27.65% overall. This figure has decreased from the 2005/6 figure of 29.26% and is the second year of reporting a significant decrease. This figure is now below the last reported LGE figure for larger local Authorities generally which was 28.3%. There are significant differences between Departments with Environmental Services reporting the highest at 41.47% of total long term absence which reflects the nature of the work undertaken.

3.11 Instances of absences related to stress, and muscular-skeletal disorders have automatically been referred to Occupational Health since the introduction of the new Managing Sickness Absence Framework. This proactive measure combined with fast tracked access to physiotherapy treatments has contributed to the decreasing trend in the last two years.

Short Term Absence

3.12 Short term absence accounted for 46.46% of all absence which is a decrease on the proportion of 49.15% reported last year. An analysis of the reasons given for short term absence is provided at Appendix 4.

3.13 Back, neck and other musculo-skeletal problems are the most significant cause of short term absence at 15.86% and is an increase on the previous year's figure of 13.42%. This figure remains in line with the LGE 2004/5 figure of 15.9%. The increase in percentage absence for this type of illness is worrying, however, when combined with the long term figures it would appear that the length of absences of this type are reducing.

3.14 Infections are reported as the second highest cause of short term absence which accounted for 15.62% of all short term absences and has shown only a 0.37% reduction from the figure of 15.99% reported in the previous year. However this figure remains considerably lower than the LGE figure of 24.8% in 2004/5 for this type of absence.

3.15 The incidence of repeat absence by employees is also a key indicator. An analysis of this (excluding Teachers for whom the information is not available) showed that the great majority of employees have either no absences of very few, i.e. approximately 78% of employees have 2 absences or less during the year, including 37.49% who have none. These figures have remained consistent with those reported last year.

4. MANAGEMENT OF SICKNESS ABSENCE

4.1 The revised Managing Sickness Absence Framework, May 2006, introduced stricter reporting requirements for employees and greater management accountability for dealing with absence levels within business areas. In addition, Attendance Advisors work alongside Managers to proactively co-ordinate sickness absence management and are also responsible for recording and reporting absence data through the Sickness Absence Management Information System (SAMI). This reporting year is the first opportunity to utilise a full 12 months of data to analyse trends within the Council.

4.2 With the improvement in the gathering of sickness absence data it is not unusual for sickness absence levels to increase. Attendance Advisors are more proactive in chasing information regarding reasons for absence (PU29's) and actions taken by Managers (Return to Work forms) however there is still a long way to go before this type of information reaches a 100% return rate.

4.3 The Council has a number of initiatives in place to mange sickness absence but the key to real improvement is the role of Line Managers and their accountability and their commitment to managing absence issues. The sample information provided by the Top Ten Worst Cases of Short Term Absence provides a good indication of how Managers see their role in reducing absence levels within their business areas.

Management of Repeat Short Term Absence

4.4 Departments report on a sample of employees with the most incidences of absence each year. Each Department send out returns to the Managers of the top ten employees with the highest number of incidences of short term sickness absence. The sample for 2006/7 disappointingly had a 78.57% return rate which is only a slight improvement on the previous year's figure of 74.28%. The Attendance Advisors who collate the information on this sample of employees reported difficulties in obtaining details from Managers of the action taken with regard to these employees. Only Environmental Services had all 10 forms returned and completed appropriately with Corporate Resources returning only 5 out of 10 forms. Development and Regeneration returned 8 forms but had the highest incidence of no action taken by Managers.

4.5 The figures reported for the period 2006/2007 and a comparison of the results is shown at Appendix 5.

4.6 The data for this sample reporting group during this period indicates:

- The number of Return to Work interviews undertaken by Managers increased 50.69% to 83.38%.
- Monitoring in accordance with the Medical Incapacity Procedure decreased from 71.15% to 22.43%.
- The number of cases referred to the Occupational Health Unit decreased from 32.69% to 8.38%.
- The number of PU29's received increased 69.95% to 83.11%.
- The number of absences where 'No Further Action' was taken by the Manager decreased from 17.30% to 12.66%.

4.7 It should be noted that the actions taken are relevant to the types of illness covered by the representative sample under scrutiny at the time the monitoring took place.

4.8 Whilst several of these figures appear to be disappointing particularly those relating to the actions taken under the medical incapacity procedure and referrals to OHU, there is a clear indication that more incidents of absence are dealt with at the initial stages during the return to work interview and alternative methods of dealing with absence such as flexible working patterns are utilised to resolve the issues. It should also be noted that there were over 306 employees managed under the Medical Incapacity Procedure during the same reporting year and this remains the most effective tool for managing sickness absence.

4.9 The decrease in the number of cases being referred to OHU is also an indicator that the emphasis has moved towards more management intervention in tackling short term absence issues rather that referring on to OHU for action.

4.10 Although this would appear to be encouraging there is still more that needs to be done by Managers and Supervisors to reduce the levels of sickness absence. Ownership of the issues relating to sickness rests firmly with Managers and there needs to be a clear understanding of responsibilities in this area.

5. COST OF SICKNESS ABSENCE

5.1 The total amount paid to employees absent due to sickness during 2006/2007, calculated on the basis of 'average' employee costs, including on-costs, was approximately £11.5m out of a total pay bill of approximately £268.86 million, i.e. around 4.48%. (Of this, £4m relates to Teachers and £7.5m to former APT&C/Manual employees).

5.2 In 2005/2006, the amount was £10.27m which represented 4.49% of the pay bill. Direct comparison between years is difficult, however, given the impact of changing staff numbers and the annual pay awards.

5.3 These figures can, however, be misleading and need to be considered in an operational and budgetary context, as outlined below.

5.4 **In operational terms** for Teachers there is little comparative performance data available, but given that absence levels are low, i.e. at 3.63%, the scope for significant improvement would appear to be limited. With regard to former APT&C/Manual employees, if absence levels were reduced from their present levels of 5.33% to the median for the best performing Metropolitan Authorities, i.e. 5.2% (based upon the latest available figure for 2004/5), costs would be approximately £7.4m, i.e. a reduction of up to £200k p.a. This is a more realistic figure to focus on in seeking to effect operational improvement.

5.5 **In budget terms** of the £200k p.a. operational 'cost' of sickness absence identified in Paragraph 5.4 above, it is estimated that up to approximately 40%, i.e. only £80k has a direct impact on budgets (because other employees must be paid to carry out that work). The remaining 60% has only an indirect impact on budgets as no direct replacement costs are incurred. In considering the potential for real budget savings, therefore, then a target for achievement relating to the direct cost of £80k per annum is a more realistic figure.

6. THE WAY FORWARD

6.1 The overall figures for 2006/7 are encouraging and the downward trend appears to be continuing, given the first quarter for 2007/8, which shows an average days sickness per person of 2.35 days, compared to 2.5 days in 2006/7, and 2.9 days in 2005/6 for the same quarter. However, there is still a significant way to go and certainly room for complacency given our overall target for 2006/7 was 10.03 days as against the actual 10.98 days achieved.

6.2 Given that long term sickness accounts for 53.54% of absence, then a reasonable reduction in this area would have a significant impact on our overall figures. The Table A below, shows the average length of a period of long term sickness absence, based on 20 days or more. Table B shows the number of employees taking long term sickness absences of varying lengths, the figures are for the period 1st April, 2006 to 31st March, 2007.

Table A

Average Length of Sickness per Department

	Days	People	Average
Adults	9793	268	36.541
Chief Executives	301	13	23.154
Children's	29531	707	41.769
Corporate Resources	2120	58	36.552
Development & Regeneration	1328	31	42.839
Environment	6526	117	55.778
Legal & Democratic	586	17	34.471
Totals	**50185**	**1211**	**41.441**

Table B

Length of Long Term Sickness Absence

	No of People
up to 1 Month	671
up to 2 Months	245
up to 3 Months	129
up to 4 Months	51
up to 5 Months	35
up to 6 Months	16
6 Months & Over	46
Total	**1193**

6.3 However, what is obvious, is that if we can make inroads into the reduction of long term absence, then the results in relation to our overall figures are well worth achieving. I would wish to emphasise, that concentration on the long term problem does in no way mean that we take our eye off the short term issue. Management of short term absences is very much focused around the buy-in of Line Managers and the need for increased accountability, as well as using more punitive action if necessary.

6.4 If the view concerning long term sickness absence is accepted, then the two areas on which we should be concentrating, are stress and depression which accounted for 32.07% of long term absence during the period April 2006 to March 2007 and muscular-skeletal problem which accounted for 27.65% over the same period. The question, therefore, is what has been done in these areas and what are the future proposal, so that a real difference can be made. The next Section addresses these two specific areas.

7. STRESS & DEPRESSION

7.1 During the previous eighteen months, a significant amount of research has been undertaken in the relation to the management of stress, including its risk assessment and control and effective treatment options.

7.2 This was followed by a series of pilot studies to test reported best practice, current theories and methodologies supported by the HSE and Universities of Lancaster and Manchester (who lead in this area).

7.3 As can be expected, some of the pilots were successful and some were not. Of those most effective was the provision of stress advice to both support employees experiencing symptoms and also managers to prevent and manage stressors/problems in the workplace. Additionally cognitive behavioural therapy (CBT) was found to be, by far, the most effective treatment option for supporting employees who have mental ill-health conditions (triggered by stress) to remain in work and/or return to work earlier. For those who have severe mental health conditions, the use of occupational psychiatry was found to be most effective in managing these sickness absence cases, to enable a quick and effective conclusion. This is also essential in building up a case for ill health retirement due to severe mental health conditions, which if dealt with swiftly can significantly reduce long term sickness absence figures.

7.4 In recognition of these outcomes, it is proposed to form a new Psychological Well-Being Service (PWBS), delivered by OSH Shared Service. The service, together with more joined up working with HR in sickness absence case management, will be able to target stress issues more swiftly and effectively and thus reduce overall levels of absence.

8. MUSCULAR-SKELETAL DISORDERS

8.1 Further research to be undertaken in the area of musculoskeletal disorder (MSD) rehabilitation to ensure we can provide the best (research based) employee assistance in this area. The Council works hard to try to avoid MSD's and also to support those employees who are experiencing problems. MSD's tend to occur over time, e.g. through repetitive actions over a prolonged period or due to poor posture. Risk assessment and control is key to this and a number of initiatives have taken place recently to reduce risks further, these include:

a) Improving arrangements for the hiring of plant and equipment so that equipment is suitable for the task(s) and is in a good state of repair so that less vibration etc., is emitted and thus ill-health prevented. This includes increased use of mechanical handling rather than manual handling.

b) Increased health surveillance for staff undertaking manual work so that problems can be identified earlier and action taken to prevent longer term health conditions.

c) 'Designing out' the risk of MSD's through job rotation or increasing variety within tasks; the new neighbourhood teams are one example of how changes in working practices can help to reduce risks.

8.2 Further research and pilots are also planned over the coming year in addressing MSD's following the publication of new findings by the HSE.

9. OTHER PROPOSALS

9.1

- Review the trigger points in relation to sickness absence with a view to making them tighter. Currently, if an employee has three or more absences in any period of three

months then action under the Management of Sickness Absence Framework Policy commences. A proposal for consideration would be to change this to three absences in any period of six months or four separate absences in a twelve month period. If changes are made, then it would be necessary to go through the formal process with the Trade Unions.

- Continue to look for and learn from best practice in Authorities within the region who have significantly lower levels of sickness absence.

- The Employment Framework Sub-Set to pro-actively work with HR Managers and Head of Occupational Safety and Health to ensure that the momentum is maintained.

- Reviewing the key role of Line Managers in the management of sickness absence and their accountability to Departmental Management Teams. Recognising that a strong theme running through most employers' absence initiatives involves strenuous efforts to gain buy-ins from Line Managers.

- Continue to keep sickness absence management high on the agenda of Elected Members, with the Executive Member for HR, Performance and Diversity acting as a high profile champion.

- Regular reports to the Executive Member for HR, Performance and Diversity in order to raise the level of management accountability.

- Examining the more long term issue of changing the culture of the Organisation in relation to sickness absence, through a top-down approach, accountability, effective communication and a high profile champion.

9.2 At a special meeting on 19th September, 2007, of the HR Performance and Diversity PDG, Members considered in detail the issue of managing sickness absence and in particular the suggested way forward, together with the other proposals outlined above. Members were keen to emphasise the importance of accountability and for clear and achievable targets to be allocated to Managers and which would be closely monitored with regular reports going to PDG. At the conclusion of the meeting on 19th September, 2007, Members were satisfied that the proposals detailed above should go to the Executive Member for HR, Performance and Diversity for approval and implementation.

10. RECOMMENDATION

10.1 The Corporate Issues Scrutiny Committee is asked to note the contents of the Report.