

Audit & Governance Committee

7th December 2016

Report of the Deputy Chief Executive/Director of Customer & Corporate Services

Sickness Absence Management

Summary

1. This report responds to the specific issues identified in the Attendance Management (follow-up) memo dated 18th January 2016. It also outlines the wider actions and plans in place to manage sickness absence in the council, including the implementation of iTrent absence management, which is a recommendation of the audit and will improve the recording of sickness absence across the council.
2. In addition, this report provides an update on the Workplace Wellbeing Charter; a statement of intent showing the council's commitment to improving the health and wellbeing of the people who work for us.

Background

3. In March 2013 the Corporate and Scrutiny Management Committee concluded a review of the council's sickness absence policy and its recommendations for improvement were approved by Cabinet in May 2013. The recommendations made in that report were enshrined within the revised policies finalised in October 2013 that the council has in place today.
4. On 9th July 2014 Veritau issued an internal audit report on Attendance Management. The overall opinion gave limited assurance and four findings were raised including one priority finding relating to the council not recording all items of sickness on iTrent (the council's payroll / human resources (HR) management information system).

Absence Management in CYC

5. In response the HR service undertook a number of actions in order to address the issues identified in that audit. These include:

- the issuing of a monthly payroll email that goes to all staff and includes a reminder to managers asking them to complete a sickness absence return (a copy is attached to the email) and for it to be returned to the HR Business Centre even if this was a nil return;
 - an email was sent to Assistant Directors (ADs) and Heads of Service (HoS) to remind them of the responsibility to ensure absence returns were sent for their services;
 - a record was kept for two months which showed which teams had submitted returns to baseline how many returns are expected to be received each month;
 - a report was taken to Council Management Team (CMT) on the issues identified in the audit and the actions being taken;
 - regular management information continues to be provided to CMT and Directorate Management Teams (DMTs) showing the levels of sickness absence;
 - absence management training is provided on an ongoing basis via the council's Workforce Development Unit.
6. In line with Veritau's follow-up procedure, re-testing was carried out and on 18th January 2016 an internal audit memo was issued highlighting continuing inconsistencies in the recording of sickness on iTrent and evidence of supporting documentation.
7. The audit priority was to look at how sickness absence was recorded. Each month managers are required to complete monthly absence returns recording instances of sickness within their service area. These returns are sent to the HR Business Centre (HRBC) where the details are then input into iTrent, the HR and Payroll system. Managers are also required to complete self-certification forms when the member of staff return to work; these forms are then also sent to the HRBC for scanning onto the employee's personal file.
8. The auditors were reviewing reporting mechanisms and not making a judgement on how individual staff absences are being managed in the council. However, the audit follow-up confirmed that there were differences between the sickness records on iTrent and the number of self-certification forms; this highlights the risk that absence figures are not accurate. This inconsistency could be removed if instances of sickness were input directly on to iTrent by managers.

Absence Management Project

9. Our current priority is the implementation of the iTrent Absence Management module to allow managers to record sickness into iTrent. This module is an extension of the People Manager module already used by most managers across the council to authorise time and expense claims for staff. Following implementation all managers will record all sickness absence and other absences such as industrial action and dependent care leave.
10. The recording of absence in this way will automate the production of robust management information at both a council and at service / departmental level, which will support the management of sickness absence.
11. Work is already underway to prepare for the implementation of these changes and during January / February 2017 HR colleagues, supported by MHR (the iTrent software supplier) will build and test the Absence Management module.
12. During February / March the absence management module and new processes will be piloted by members of the Project Working Group together with a group of volunteer managers; these managers will then be on hand to support the full roll-out to the wider organisation by the end of March 2017.
13. Throughout February / March a number of drop-in sessions will be arranged to allow managers to input absence via iTrent People Manager with the support of HR colleagues.
14. These process changes should deal with the issues which have led to inconsistencies of sickness absence reporting. The changes also mean that the iTrent system will also automatically produce email alerts so that each stage of the absence policy and 'trigger points' can easily be followed by managers. Managers will also be automatically provided with web links to detailed information and resources to help manage absences.
15. In addition to addressing the specific audit issues the Project Working Group will ensure that we maximise the opportunity to promote the benefits of taking a proactive approach to managing absence and will support managers so that they have the skills, confidence and access to advice and resources to address issues at a local level. This will

have longer term organisational benefits if we can reduce absence and increase productivity and employee wellbeing.

16. There is the risk that implementing a new method for recording staff absence could lead to a period of under reporting as managers adjust to the new system. In the months following the implementation of the changes the HR team will closely monitor sickness absence management information and if there any significant changes in the levels of absence at Directorate level, these will be raised and scrutinised through DMTs to ensure that services are complying with these new arrangements. DMTs will continue to receive HR management information on a quarterly basis, an extract of which is supplied to the Corporate and Scrutiny Management Policy and Scrutiny Committee, but will also have access to the real time information on iTrent on their desktops which is currently unavailable to them.
17. It is envisaged that the following benefits will be achieved;
 - Managers will be able to input all sickness input into iTrent in 'real time' when an absence is reported to them;
 - Managers will be sent workflow emails which provide them advice regarding how to deal with absence issues and support the employee;
 - Managers will be sent workflow emails which confirm when an employee has hit a trigger point (and advice with what to do);
 - Managers will be sent MI regarding sickness absence in their area of responsibility to monitor any areas of concern;
 - Staff and managers have a shared understanding of their roles and responsibilities regarding absence management and have an understanding of why and how absence is managed;
 - Staff and managers recognise the benefits of good employee health and wellbeing and know where to go to get support;
 - Absence rates should decrease through better understanding and effective management of absence policy;
 - More accurate reporting and management information (this may identify an increase in absences reported); and
 - The Trade Unions can see the benefits of what we are trying to achieve and will support us in this.
18. Overall the published CYC absence rates are shown to remain relatively stable and are comparable with LGA benchmark data available for other local authorities. For the last three years the absence rates have been as follows:

8.4 days per FTE in 2013/14
9 days per FTE in 2014/15
8.4 days per FTE in 2015/16
3.8 days per FTE in 2016/17 (April – September 2016)

Absence management continues to be proactively managed across the council with the HR team case management system showing that they are currently providing advice to managers for over 90 absence or health related staffing issues.

19. The HR Business Partner and Health and Safety teams provide ongoing advice on strategies to mitigate and manage the impact of absence in services; an example of how effective this has been in Adult Social Care can be found at Annex A.
20. Although much progress has been made already in managing sickness absence, we know there is always more which can be done. Recent improvements include:
 - new occupational health arrangements, providing advice and support to managers to help them address staff health issues early and prevent or minimise the impact of any staff absence. If staff have been absent there is advice available to support the reintegration to the workplace;
 - introduction of employee assistance services a 24/7 advice and support line for all staff;
 - promotion of flexible working to try and ensure that staff are encouraged to optimise their work / life balance, whilst at the same time ensuring the needs of the business are met;
 - ongoing work with managers to help to identify causes of stress related absence and developing strategies to manage these issues;
 - a programme of health and wellbeing promotion activities, such as Tai Chi, Yoga, Zumba and discounted gym memberships;
 - Level 5 Sickness data is now available quarterly on the corporate KPI machine via the “Health-check” scorecards. These scorecards are available to all G12 managers and above (the ‘Leading Together’ distribution list). The amount of work to make this data automatically be available on a monthly basis is currently being scoped.

21. Given the complexity of the individual absence issues this range of different activity needs to be available as they are proven strategies which will help reduce absences.
22. Managers, however also need to understand their role and take responsibility for identifying issues and developing targeted interventions to help manage issues at a local level as and when they arise. When asked for support the HR team will work with that manager to help them to monitor and manage sickness on an ongoing basis. As an employer we have a 'duty of care' to ensure that all employees are capable of fulfilling their contractual duties, and the management of sickness absence is a fundamental contributing factor.
23. To support managers in more effectively managing absence, the Workforce Development Unit have provided specific courses; between March 2015 and May 2016 there have been five Absence Management courses attended by 44 managers.
24. In addition, throughout October and November 2016, Workplace Wellbeing training is being provided to CYC managers. The training will raise awareness about key health and wellbeing topics and support managers to embed and promote employee health and wellbeing within the organisation. The aims of the sessions are to:
 - Enhance managers' understanding of the business case for workforce health and wellbeing;
 - Assist managers to learn to support people with mental health problems in the workplace;
 - Providing managers with the skills to build resilience and coping strategies.

Workplace Wellbeing Charter

25. The council is currently working towards achieving the Workplace Wellbeing Charter; this is a statement of intent showing our commitment to the health of our staff, and provides us, as an employer, with an easy and clear guide on how to make the workplace a supportive and productive environment in which our employees can flourish.
26. The standards, supporting materials have been funded by Public Health England, and are free for all organisations to use. The aim is to support local health and wellbeing partnerships and employers to maximise the potential of their staff, and make small changes that have large impacts on staff health and wellbeing. The council has signed up to using the online self-assessment tool, and by providing evidence against each of

the criteria we can find out what we are already doing right and where we need to improve.

27. The Charter focuses on three key areas – leadership, culture and communication, where even small steps can make a big difference to the health of our staff, and therefore the health of the council as a whole.
28. The Workplace Wellbeing Charter comes in three levels, each containing different standards that need to be achieved; the three levels are Commitment, Achievement and Excellence. Each of the three levels will consider, in different ways, issues such as leadership, sickness and absence management, awareness of alcohol and drug abuse, smoking, mental health and stress, healthy eating and physical activity.
 - **Commitment** – The organisation has a set of health, safety and wellbeing policies in place and has addressed each area, providing employees with the tools to help themselves improve their health and wellbeing
 - **Achievement** – Having put the building blocks in place, steps are being taken to actively encourage employees to improve their lifestyle and some basic interventions are in place to identify serious health issues
 - **Excellence** – Not only is information easily accessible and well publicised, but the leadership of the organisation is fully engaged in wellbeing and employees have a range of intervention programmes and support mechanisms to help them prevent ill-health, stay in work or return to work as soon as possible.
29. Officers from the HR and Public Health teams are working together to gather evidence and complete the self-assessment; it is anticipated that the initial assessment will take place in early 2017 followed by accreditation in March 2017. The accreditation will highlight areas of good practice and also areas where improvement is needed; an action plan will be developed in response, setting out actions for improvement.

Council Plan

30. The information outlined in this report is in line with the Council Plan and the People Plan which has health and wellbeing as an area of priority.

Implications

Financial

31. None

Legal

32. See Human Resources implications.

Human Resources

33. If sickness absence is not tracked and managed appropriately, the implications for staff members could be significant if appropriate support or responses are not put into place either through worsening absence or symptoms, or through litigation action taken against the council. If absence reasons and volumes recorded in iTrent are not accurate and therefore cannot be relied on to inform management decision making and actions based on the results.

Equalities

34. The poor recording of sickness absence reasons and related management action could result in reasonable adjustments or occupational health advice not being provided where staff are covered by the Equalities Act in relation to any disability.

Crime and Disorder

35. There are no Crime and Disorder implications

Information Technology (IT)

36. Matters relating to the HR system are covered in the report.

Property

37. There are no property implications.

Risk Management

38. The main risks relate to failure to record, track, monitor and put in place actions to monitor sickness, and that sickness levels are not accurate and the response to intentions are not proportionate or in line with

policy. Mitigations will be put in place as detailed in the main body of the report.

Recommendations

39. Members are asked to note and comment on the contents of the report.

Reason: To understand the key issues and response to recommendations to secure improvements in control arrangements around sickness absence.

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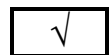
**Report
Approved**



Date 28/11/16

Wards Affected:

All



Background Papers:

Appendices:

Annex A: Case Study, Absence Management in Adult Social Care

List of abbreviations used in this report:

ADs	Assistant Directors
CMT	Corporate Management Team
CYC	City of York Council
DMT	Directorate Management Team
HoS	Heads of Service
HR	Human Resources
IT	Information Technology
LGA	Local Government Association