

Report of the Assistant Director of Customer and Business Support Services  
(Customers and Employees)

## **Sickness Absence Management**

### **Summary**

1. This report responds to the specific issues identified in the Attendance Management (follow-up) memo dated 18<sup>th</sup> 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.

### **Background**

2. 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.
3. On 9<sup>th</sup> July 2014 Veritau issued an internal audit report on Attendance Management. The overall opinion gave limited assurance and four findings were raised including a priority one finding relating to the council not recording all items of sickness on iTrent (the council's payroll / human resources (HR) management information system).
4. 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.
5. It was not possible to use iTrent to help with absence management immediately following the original audit as at that time the resources needed to make these changes were not available in light of other priority issues. These included system developments for challenging pensions changes (new scheme reporting requirements and separately auto enrolment), complex pay award implementation and timescales, a change in priority to focus on workforce development by automating the appraisal process via iTrent, and the imminent pressure of the end of an e-recruitment contract, which meant that priority needed to be given to implementing the iTrent e-recruitment package. The other issue is that the absence management module within iTrent is intended to cover all absence reasons including annual and all other leave arrangements, which is a more complex and time-consuming system implementation in a council with a wide range of working patterns across a large number of individual service areas.
6. In line with Veritau's follow-up procedure, re-testing was carried out and on 18<sup>th</sup> January 2016 an internal audit memo was issued highlighting continuing inconsistencies in the recording of sickness on iTrent and evidence of supporting documentation.

### **Absence Management in CYC**

7. The process issues identified in this audit are unsatisfactory with risk implications as outlined in the 'implications and risk management' sections of this report, however it is important to note that the auditors are not making a judgement on how individual staff absences are being managed in the council. It does mean however that absolute assurances relating to accurate absence figures cannot be given currently.

8. 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.

Other indicators, however, do confirm that absence management continues to be being proactively managed across the council with the HR Employee Relations team case management system showing that they are typically providing advice to managers on approximately 70 absence or health related staffing issues. The HR Business Partner and Health and Safety teams provide ongoing advice on strategies to mitigate and manage the impact of absence in services, as they are currently doing with, for example, Adult Services Managers.

9. 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;
- a review of best practice across the sector where sickness absence levels are lower or have been reduced through specific initiatives that have not yet been trialled at York;
- agreement to set a target reduction for sickness absence and monitor closely within DMTs and HR Business Partners.

10. 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.
11. 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.
12. All of the non-iTrent actions identified in the 2014 audit report were implemented and it is disappointing that these and other related activity have not had the effect of resolving the inconsistencies in the absence reporting and record keeping.

### **Absence Management Project**

13. Our current priority is the implementation of the iTrent Absence Management module. We have been in discussion with the provider MHR (previously MidlandHR) for a number of months now to determine the optimum mechanism to respond to the issues raised in the audits on a timely basis, but also to meet the requirements of the organisation to have easy-to-use systems and good quality management information as an output. This will allow access for staff and managers to real time data that will help them manage sickness. We have now agreed a streamlined mechanism and formed a project working group from across HR teams, alongside service managers. This module is an extension of the People Manager module already widely used by managers across the council to authorise time and expense claims for staff. Following implementation managers will use it to record all sickness absence and limited other absence reasons such as industrial action and dependent care leave.
14. This should deal with the issues which have led to inconsistencies of sickness absence reporting and will also have the benefit of being able to produce a greater range of iTrent management information to bring transparency and oversight to the process. There will also be other improvements such as 'trigger point' notification emails containing guidance for managers so they can access more detailed information and resources to manage the absence.

15. The project working group has met to agree the attached scope and outcome document at **Annex A**. The implementation will be supported by MHR (the iTrent software supplier).
16. In terms of project governance the Project Working Group will meet as appropriate and provide regular updates to the HR management team and will be responsible for taking decisions on scope, resources, implementation arrangements and associated risks. The existing CYC / MHR iTrent board will take overall responsibility for implementation; this will be in the form of the monthly CYC / MHR meetings already taking place.
17. It is anticipated that the implementation will commence at the beginning of May 2016 and be completed to 'go-live' in September 2016.
18. 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 draw on a significant amount of resource from the project and wider HR teams initially, but will have longer term organisational benefits if we can reduce absence and increase productivity and employee wellbeing.
19. There is the risk that implementing a new method for recording staff absence could lead to a period of under reporting. 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 & Management of Overview & Scrutiny Committee, but will also have access to the real time information on iTrent on their desktops which is currently unavailable to them.

### **Council Plan**

20. 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**

21. Failure to record sickness accurately can lead to miscalculation of occupational sick payments for individual officers, and an inability to fully account for the full cost of sickness absence for the council.

### **Legal**

22. See Human Resources implications.

### **Human Resources**

23. 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**

24. 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**

25. There are no Crime and Disorder implications

### **Information Technology (IT)**

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

### **Property**

27. There are no property implications.

### **Risk Management**

28. 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

29. 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.

## Contact Details

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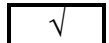
**Report  
Approved**



**Date** 27/4/16

**Wards Affected:** *List wards or tick box to indicate all*

**All**



## Background Papers:

### Appendices:

Annex A: Project scoping document, Project Working Group Members, roles and Governance

### 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