
Sickness Absence – short scrutiny

Purpose of the Report

1. To undertake a short scrutiny of the Council's approach to tackling sickness absence levels, focussing on local and national trends, an analytical review by the Association of Public Service Excellence (APSE) Solutions, and the Council's action plan to address the review findings.

Structure of the Papers

2. To assist Members' preparation for the scrutiny a range of core papers are attached to this cover report as follows:
 - **Appendix 1: *Cardiff's Attendance & Well-being Policy*** summary leaflet. Here Members can quickly reference the key elements of the Council's Attendance and Well-being Policy.
 - **Appendix 2: *Sickness Absence Action Plan for quarter 1 2017/18***. This action plan was put in place by the Council following publication of the 2016/17 final outturn figures, when it became clear the organisation's sickness absence levels were increasing.
 - **Appendix 3: *Sickness Absence Analysis: Final Report***. This report was prepared by Andy Mudd, Head of APSE Solutions, in October 2017 following focus groups with trade unions, HR officers, head teachers and service managers.
 - **Appendix 4: *Action Plan for Sickness Absence APSE Recommendations***. Following publication of the APSE Solutions findings, this action plan was developed and presented to senior management and Trade Unions. Each recommendation has been assigned actions and

identifies lead officers/bodies. It is this document that the committee will have the option of returning to in the future to monitor progress in tackling sickness absence.

- **Appendix 5: *Sickness Absence report, at Quarter 2 2017/18***

This provides the latest published data, for the number of FTE days lost per person by Service Area, available at this point in the year.

Background

3. The Committee's Terms of Reference includes the scrutiny and review of the effectiveness of the Council's use of human resources. During work programming discussions for 2017/18, the Committee considered sickness absence levels in the Council should remain a focus. However, given that work was underway to review the position, rather than undertake a full task and finish inquiry it would consider the outcome of the review and actions proposed to address sickness in depth at full committee.

Issues

4. The Council's overall sickness absence levels have been falling steadily since 2012/13, until rising to above average levels for Wales in 2016/17. The final outturn for 2016/17 was 10.77 FTE days lost per person. The Council Wide Target for 2017/18 is 9 FTE days lost per person. In 2016/17, the opportunity cost of sickness absence to Cardiff Council was £11million.
5. To assist in establishing the reasons for the recent increase, and identify options for tackling the issue, the Council engaged APSE Solutions, a not for profit local government body that promotes excellence in public services.
6. The Attendance and Well-being Policy was revised in 2015 to focus on management capability and compliance in applying the Policy consistently. Managers are now informed automatically of the requirement to carry out and record a return to work interview, and there are consequences for managers that do not apply the procedures correctly.

7. A series of workshops focussed on the theme of management and process in applying the Policy. The common themes emerging from each can be found in **section 4 of Appendix 3**. Members are particularly referred to 4.3.
8. APSE published their findings and recommendations in October 2017. Conclusions and recommendations in full can be found in **section 7 of Appendix 3**. In summary key findings and conclusions from across the report were:
 - The increase in overall sickness rates in 2016/17 is predominately due to an increase in long-term sickness.
 - Some occupational groups are disproportionately likely to take time off sick.
 - Teachers' absence represents the highest number of days lost because they are the largest proportion of the workforce. Nonetheless, even a 1% reduction in absence levels would be a significant benefit to the overall absence levels.
 - Grade 4 and 5 workers, who make up 31% of the workforce, account for 38% of days lost and would be a sensible point for drilling down into sickness absence. The occupational groups represented by these grades include refuse collectors, care workers, teaching assistants, school catering staff and enforcement officers.
 - APSE Performance Networks benchmarking data shows conclusively that manual and front-line staff are more likely to take time off sick than non-manual and back office workers.
 - APSE information looking at the absence trends in English authorities following the onset of austerity indicates that recent reductions in Welsh council budgets should not be expected to fuel an automatic increase in absence.
 - The Sickness absence policy framework needs fine-tuning but is not the problem.
 - Some specific changes to process can emphasise the importance of good management decision making

- Early intervention and support is critical to head off stress and muscular skeletal reasons for absence
- Free up Occupational Health time and resources to use where they will make a difference
- Ensure that initiatives are accessible and relevant to all workforce.
- Multi-disciplinary case work is essential

Scope of the short scrutiny

9. This scrutiny will examine the context in which the Council engaged apse to analyse Cardiff's performance, identify patterns and reasons why sickness absence levels have now risen above average from a low point below average in 2015/16.
10. The scrutiny will consider how Cardiff compares with Local Government levels of sickness absence across Wales.
11. Further, it will consider how the Council intends to tackle sickness levels going forward, in light of the findings of the APSE commissioned data analysis.
12. To achieve the above Members will hear from the Cabinet Member with portfolio responsibility for human resources, Councillor Chris Weaver, Chief Executive, Paul Orders, Chief Human Resources Officer, Philip Lenz, Head of Employment, Welsh Local Government Association (WLGA), Jonathan Lloyd, and Head of Solutions, Association of Public Sector Excellence (APSE), Andy Mudd.

Legal Implications

13. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising

from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

14. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- a) Consider the evidence presented, both internal and external and agree whether it wishes to report its comments and observations in an extended letter to the Cabinet.
- b) Consider how it wishes to monitor progress in tackling sickness absence going forward.

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11 January 2018