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**Sickness Absence – short scrutiny**

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**Purpose of the Report**

1. To undertake a short scrutiny of the Council's approach to tackling sickness absence levels. The Committee will monitor improvement by focussing on:
  - current levels of sickness absence;
  - targets and action plans for tackling sickness absence in 2018/19;
  - progress on implementing the Action Plan developed to address APSE recommendations following a formal review.
  - how the Council's performance compares with other Welsh Authorities, Core Cities, and private sector provider GLL.
2. This scrutiny will be informed by benchmarking information on local and national trends, and comparative research with organisations identified following the Committee's previous short scrutiny of sickness absence in January 2018.

**Structure of the Papers**

3. To assist Members' preparation for the scrutiny as described above papers attached to this cover report are as follows:

**Appendix 1: *Correspondence following the previous scrutiny.***

- a. The Committees letter capturing its concerns, comments and recommendations following a short scrutiny of sickness absence on 17 January 2018. Members are referred to page

4 of the letter for a quick reference list of issues raised with the Cabinet.

- b. The Cabinet response to Committee addressing all issues raised.

## **Appendix 2: Sickness Data**

- a. **Sickness Report at Quarter 1 2018-19** providing the latest published data, for the number of FTE days lost per person by Service Area, available at this point in the year.
- b. **Sickness Absence Quarter 1 2018-19** graphical representation of the trend.

## **Appendix 3: Action Plan**

### **a. Action Plan for Sickness Absence APSE**

**Recommendations.** Following publication of the APSE Solutions (*a not for profit local government body that promotes excellence in public services*) review in October 2017, HR services developed an action plan. Each recommendation has been assigned actions and identifies lead officers/bodies. This document will enable the committee to monitor activity to address sickness absence since January 2018.

### **b. Examples of Actions following APSE review.**

### **c. Occupational Health Leaflet**

## **Appendix 4: Scrutiny Research Briefing.**

Following the Committee's short scrutiny of sickness absence in January 2018, on behalf of the Committee the Chair commissioned a comparison of Cardiff's Attendance and Well-being Policy with that of GLL, the private sector company currently under contract to manage the city's eight leisure centres. The findings of the review by the Scrutiny Research Team are set out as follows:

- a. A narrative based briefing
- b. A tabular comparison of the two policies

- c. A tabular comparison of both parties special leave provision

**Appendix 5: Comparison with Merthyr Tydfil Council's policy.**

During the Committee's short scrutiny in January 2018 Members heard that Merthyr Tydfil Council had succeeded in reducing sickness absence to 5.5 average working days lost for 2016/17, and were keen to establish how this had been achieved. The Employee Relations Team within HR have undertaken a comparison of both Councils' policy and procedures.

**Appendix 6: Benchmarking, WLGA comparative all-Wales data**

The WLGA compiles the annual sickness absence data of all Welsh Councils and the average for 2017/18 was 10.4 FTE Days lost per employee. The comparison reveals that at 11.3 days lost to sickness p.a., in 2017/18 Cardiff Council is 19/22 Welsh Authorities, and has slipped from a position of 15/22 in 2016/17.

**Appendix 7: Benchmarking, core cities comparative data.**

In September 2018, the HR service requested data from nine core cities facing similar challenges to Cardiff. All nine approached have provided the data for 2017/18. Seven responders have seen sickness absence levels rise since the previous year. Glasgow reports the lowest at 8.9 days lost per employee, whilst Sheffield reports the highest at 12.66 days lost.

## **Background**

4. Members will be aware that a central feature of the Committee's Terms of Reference is the scrutiny and review of the effectiveness of the Council's use of human resources. Subject to the agreement of its 2018/19 work programme at this meeting, it is proposed that the Committee's interest in sickness absence levels in the Council will continue.
5. In January 2018, the Committee received a presentation that focussed on the HR review underway to address the upward trend in FTE days lost per employee. Members considered the Welsh context with the attendance of WLGA, and the

findings of the in depth review undertaken by APSE. The depth of scrutiny prevented Members focussing on the action plan developed by the HR service at that time, and it was agreed to re-visit sickness absence six months into the implementation of the Plan. The Committee advised the Cabinet Member of its intention following the scrutiny, and that it would consider undertaking its own primary research prior to inviting him and his senior officers to report on progress in summer 2018.

6. The Scrutiny Research Manager was commissioned to undertake the research and in doing so worked closely with officers of the HR service. The findings are attached at **Appendix 3**, as indicated above.

## **Issues**

7. The Council's Capital Ambition policy programme establishes the Cabinet's key priorities, focussing on four main Ambition areas, which form the basis for the Corporate Plan 2018-21: Working for Cardiff; Working for Wales; Working for the Future; and Working for Public Services.
8. Within the Working for Public Services priority is a clearly stated aim to modernise and integrate Public Services, and an objective *to **improve the health and well-being of our employees by reducing sickness absence by March 2019 through continued monitoring, compliance and support for employees and managers***. Within the Corporate Plan, this objective is supported by a Key Performance Measure "The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence".
9. The Council's overall sickness absence levels had been falling steadily since 2012/13, until rising to above average levels for Wales in 2016/17. The final outturn for 2017/18 was 11.3 FTE days lost per person against a Council Wide Target of 9 FTE days lost per person. This is an increase of 0.5 days lost per FTE compared to 2016-17 (10.77) and represents the second year of increasing sickness absence.

10. Performance at Quarter 1 2018/19 for this key indicator is encouraging. There are early signs that the action plan is having an impact since the Q1 2018/19 sickness absence figure 2.36 is lower than the Q1 2017/18 figure 2.59. The forecast for end of financial year based on Q1 data is 10.15 FTE Days lost per employee which would be 1.1 days less than 2017/18 outturn.

11. Since January 2018, work has been ongoing to implement the APSE action plan. Focus groups have taken place with frontline staff, investigating three specific groups with high levels of sickness, to understand the specific issues, home carers, teaching assistants and refuse workers.

12. For information, Members may recall that in its report APSE concluded:

- 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, homecare 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

13. In order to address the above the Action Plan at **Appendix 3a** proposes a broad range of initiatives. For example, bespoke support for Managers and Head Teachers; additional sickness absence training on policy and procedure; a focus on compliance; early intervention work with key staff groups; signposting of the Council's Well-being Directory to outside agencies; changing the policy language from warnings to improvement notice; reviewing the policy of referral to occupational health; providing more information to school governors; further support to Managers in respect of long term sickness cases and case management approach generally; further research into preventative measures and good practice by other Local Authorities.

### **Scope of the short scrutiny**

14. To facilitate this scrutiny of sickness absence attendance will include:

- a. Councillor Chris Weaver, Cabinet Member with portfolio responsibility for human resources.
- b. Philip Lenz, Chief Human Resources Officer.
- c. Anita Batten, Operational Manager, HR People Partner

15. Members will receive a presentation from Philip Lenz followed by an opportunity for questions to the panel. In scope for the Scrutiny is consideration of current levels and future targets for sickness absence, and evaluating progress on

implementing the Action Plan developed to address the APSE review. The Committee may also wish to explore how the Council's performance compares with other Welsh Authorities, with Core Cities, and with private sector provider GLL.

## **Legal Implications**

16. 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**

17. 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.

## **Recommendations**

18. The Committee is recommended to:

- a) Consider the evidence presented, both internal and external comparisons, and agree whether it wishes to report its comments and observations in a letter to the Cabinet.
- b) Consider how it wishes to continue monitoring progress in tackling sickness absence on its 2018/19 work programme.

**DAVINA FIORE**

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6 September 2018