

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Briefing Paper for the Management of Sickness Absence

## **Cardiff Council**

**Audit year:** 2013-14

**Issued:** May 2014

**Document reference:** 275A2014



# Status of briefing paper

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The people who delivered the work were Ros Jones and Sam Spruce.

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Corporate policies and procedures for the management of sickness absence have improved but are not being applied consistently at directorate level.

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# Briefing paper

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## Summary

1. Cardiff Council (the Council) has been seeking to reduce the days lost as a result of staff sickness absence for several years.
2. In 2011, the Council's Policy Review and Performance (PRAP) Scrutiny Committee set up a task and finish group to review sickness absence levels and examine the potential for improving the Council's management of attendance. The review resulted in a PRAP report and recommendations to the Council's Executive in January 2012 designed to improve the management of sickness absence. The Executive responded to those recommendations in February 2012. Following extensive consultation with managers, trade unions, equality groups and elected members, the Attendance and Wellbeing Policy was agreed by Cabinet on 11 April 2013 with an implementation date for the new arrangements of 1 July 2013.
3. Absence, as measured by the number of Full-Time Equivalent (FTE) days lost, has slightly increased since 2011. The level of sickness absence has not met the Council target for 2012-13 of 10 FTE days. There are also some services which have reported significantly higher levels of sickness absence than previous years.

Exhibit 1: Days lost because of sickness absence has increased slightly in recent years

| 2011-12    |            | 2012-13 |            |
|------------|------------|---------|------------|
| Target     | Actual     | Target  | Actual     |
| 10.88 days | 11.49 days | 10 days | 11.71 days |

Source: Cardiff Council quarter 4 performance reports March 2012 and March 2013

4. Quarterly monitoring reports are provided to Cabinet by Human Resources and People Services (HR&PS) and on 9 December 2013 figures were published indicating days lost in the period July to September 2013. Although referring to an improvement for the quarter compared to the same period in the previous year the report forecast a year-end figure of 11.1 FTE days for 2013-14. Since then, the Council reported an unaudited figure for 2013-14 sickness absence days of 10.18 days lost per FTE against a target of 10 FTE which represents a marked improvement from that forecasted and narrowly missed its target.

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5. In December 2013, we reviewed the Council's corporate arrangements and their implementation at service level to determine whether appropriate policies were being put into practice and whether the Council was in a position to fully evaluate the strength of its arrangements. The main questions we sought to answer were:
- Are corporate arrangements sufficiently robust to bring about a reduction in sickness absence levels?
  - Are policy and procedures being implemented effectively at service level?
  - Are review arrangements driving improvement?
6. We reviewed Council documents, interviewed corporate and service-based staff and looked at the self-service Digigov IT system. This system is designed to provide managers with a self-serve facility for managing staff in line with the Council's policy.
7. We concluded that, **corporate policies and procedures for the management of sickness absence have improved but are not being applied consistently at directorate level:**
- corporate policies and procedures for the management of sickness absence are based on positive practice models;
  - corporate sickness absence procedures are not consistently applied at service level; and
  - review arrangements do not include evaluation of whether policies and procedures are being effectively implemented.

## Proposals for improvement

|    |  |
|----|--|
| P1 | <p>Directors should introduce a more robust approach to ensure each service area consistently applies intended practice such as:</p> <ul style="list-style-type: none"><li>• incorporate sickness absence as a key objective in all service business plans to raise the profile of the need to minimise sickness absence as a way of reducing costs and minimising the impact on service delivery;</li><li>• clarify their expectations of how managers use and report on sickness absence targets;</li><li>• make existing sickness absence reports more widely and routinely available to all line managers; and</li><li>• obtain assurance that the methods adopted by managers would satisfy the mandatory objective contained within the Personal Performance and Development Review (PP&amp;DR) process for all managers to effectively manage sickness absence.</li></ul> |
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P2 Directors should encourage use of a wider range of information in both corporate and service monitoring reports in order to manage sickness absence performance more closely, such as:

- the costs of sickness absence ie payroll and agency costs;
- reasons for variance against target;
- actions taken by managers to reduce sickness absence levels; and
- how well managers are performing against the mandatory objective contained within the PP&DR process to effectively manage sickness ie ineffective, developing, effective or outstanding.

P3 HR&PS should use the outcomes of the planned evaluation of the central sickness absence team to define a systematic approach for evaluating sickness absence management arrangements. This could include:

- identifying those services that require further support and/or training to improve how they access and collate Digigov data and reports through combining information from the sickness absence team and the HR advisers; and
- identifying and sharing examples of good practice across services.

## Corporate policies and procedures for the management of sickness absence have improved but are not being applied consistently at directorate level

### Corporate policies and procedures for the management of sickness absence are based on positive practice models

8. Of the 19 recommendations made in the scrutiny report, the Council's Executive accepted 13, partially accepted five and rejected one and incorporated them in a new Attendance and Well-Being Policy (the policy) which was implemented from 1 July 2013. It then defined key actions to reduce sickness absence levels through the adoption of an improved suite of management tools to support the new policy. Key features of the approach which are based on positive practice models include:
- the policy provides more robust triggers and defines more clearly roles and responsibilities for managing sickness absence;
  - a manager 'toolkit' outlining the practical application of the new policy;
  - mandatory online training for managers on implementing the new policy;
  - HR support through developing managers' skills in implementing the new policy via the new sickness absence team;
  - general HR support to directorates through allocated HR advisers which includes support for managing sickness absence;

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- provision of the Digigov IT system to record and monitor sickness absence data which also provides prompts for managers to undertake key actions such as return-to-work interviews and first-stage discussions when triggers are reached;
  - the provision of more up-to-date data from Digigov for managers to monitor progress on individual cases and corporately to assess compliance levels across services; and
  - investment in more resources to support employees return to work such as additional Occupational Health support, Mental Health Partnership (Cognitive Behavioural Therapy) and the Employee Counselling Service.

## Corporate sickness absence arrangements are not consistently applied at service level

9. The Attendance and Wellbeing Toolkit for Managers clearly states that the management of attendance and control of sickness absence is primarily a service management responsibility. It outlines how service managers should deal with sickness notifications, return-to-work interviews, manage triggers and long-term absences. We tested the application of these arrangements and found that they were not consistently applied at service level.
10. Some services have been proactive in implementing measures to manage sickness absence such as:
  - providing additional training for managers, for example in the waste service; and
  - preventative measures such as utilising health checks and flu vaccinations within the Health and Social Care service.
11. Managers' IT skills in accessing and using Digigov data vary so that some managers are more competent at accessing data and collating reports.
12. Some managers have access to business support to interrogate data and download relevant reports.

## Review arrangements do not include evaluation of whether policies and procedures are being effectively implemented

13. The use of Digigov has improved the Council's ability to monitor compliance and produce reports on sickness absence actions such as return-to-work interviews, long and short-term absences and top absentees.
14. Sickness absence reports based on Digigov data are provided by HR at a directorate level and additional information is made available on request. However, this information is not routinely provided in sufficient detail to all managers to enable monitoring of sickness absence in specific service areas.

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15. Personal performance and development reviews include an objective which assesses the performance of managers in the management of sickness absence levels. The level of satisfactory performance was recorded as 78 per cent of those who completed PP&DRs. This level of performance has not been examined by HR to understand what it means in practice.
  16. Some operational managers are not being held to account for managing sickness absence due to variation in the use of targets at operational manager level. For example, targets for reducing sickness absence are identified both corporately and at director level. In some directorates, the target is broken down by service and by division and is therefore easier to monitor and reinforce accountabilities. However, in some directorates, the target remains at directorate and key service level only. As a result, the ownership and use of sickness absence targets varies.
  17. Business planning is not used rigorously to emphasise the importance of reducing sickness absence such as recognising the costs of sickness absence, the impact on service delivery and maintaining a record of mitigating actions. As a minimum, they should incorporate sickness absence as a key objective and record progress in achievement of targets. Some services provide a breakdown of sickness absence costs for managers but this is not a standard approach.
  18. The Council has not identified the level of potential savings from managing sickness absence which will support the corporate objective of finding additional savings as a result of the Welsh Government's standard spending assessments for 2014-2015.
  19. There is limited use of sickness absence performance data to analyse what is happening behind the figures such as identifying the reasons for sickness absence, except in services where managers or their business support staff have undertaken their own analysis to identify sickness absence trends such as within Central Transport Services and Facilities Management.
  20. In some services, instead of a focus on targets, the management approach is to manage each individual sickness absence closely such as within Customer Services where there is a robust process for monitoring attendance and supporting individuals on long-term absence.
  21. There is no corporate identification of good practice examples of approaches potentially giving rise to missed opportunities for shared learning.
  22. There is no routine evaluation to inform an assessment of the quality and value for money of the HR support service to managers. A routine evaluation could include:
    - information arising from the central sickness absence team and HR advisers such as frequently asked questions;
    - the identification of the extent of service usage, who is using the service and how frequently; and
    - opportunities to request feedback from service users to inform their training needs and the future development of the HR support.
  23. It is of note that the HR&PS propose to review the effectiveness of the sickness absence team before the end of the financial year 2013-14.





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