

Business and Overview Committee

5 March 2019

Absence Management

REPORT SUMMARY

- 1.0 This report has been produced at the request of Business and Overview Committee and provides an update on absence levels in the organisation, a summary of how absence is being monitored and managed and the next steps in trying to reduce levels of sickness absence in the organisation.
- 1.1 Managing sickness absence effectively is a top priority for the Council. This is important in relation to our duty of care to our workforce, as an employer but also important in terms of finances and productivity: high absence levels affect the performance of services, they cost more to deliver and ultimately it is Wirral residents who are impacted.
- 1.2 It is imperative that managers throughout the organisation follow the policies and processes which are in place and utilise the wider support which is available to try to ensure our workforce is healthy and maintain good levels of attendance.
- 1.3 We have well developed management information and data on sickness absence. This has provided a strong evidence base for the work we have undertaken.
- 1.4 It is clear that while the Council's absence figures remain higher than we want them to be, the position is relatively steady and we are comparable with other local authorities in the region. The level of mental health related absence in particular presents a significant and ongoing challenge for the Council as it does for many similar organisations across a range of sectors. The causes are complex and varied and therefore there is not one intervention to manage this. The report discusses the approaches taken.
- 1.5 Absence levels across the organisation are reviewed monthly by the Senior Leadership Team. We are currently mid-way through a retraining programme with line managers and have launched a campaign promoting staff wellbeing support with a programme of communications and specific interventions aimed at reducing staff absences, particularly focussing on mental health related illnesses.
- 1.6 The council has also enhanced the HR support which is available to managers and implemented a new system of management reports which allows managers to quickly identify sickness issues within their areas.
- 1.7 This report sets out a detailed study into levels of absence in the Council, and how this absence is being managed and monitored. There is a particular focus on the level and management of mental health related absence. Key findings can be summarised as:
- The Council's workforce is 3,200 with 2,726 'full time equivalent' posts.
 - The average days lost to sickness in 2017/18 was 11.12 days per FTE and is projected at 10.97 days for 2018/19.
 - The estimated cost of absence was £4.3m in 2017/18

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- In 2018/19, 18.8% of all workplace absence is related to mental health issues.
- Due to the nature of mental health illness absences are often longer-term than other types of sickness, with 37.2% of the total days lost in 2018/19 due to staff absence being mental health related.
- Analysis also indicates that for each mental health related absence an average of 35.69 days are lost, which is higher than all other absence except cancer related illness.
- The Council is proactively working across the organisation with a range of interventions including new management reports, increased HR support, re-training for managers and a workplace wellbeing launch to act positively to reduce staff absence with a focus on mental health related absence.

1.8 Since 2010, the Council workforce has reduced by just over 2,000 employees through a range of programmes including a voluntary redundancy scheme, management savings, service cuts and remodelling and development of alternative delivery models. The Council's ongoing financial situation has meant it continues to be a challenging and uncertain time for employees.

1.9 Our absence levels are higher than we want and so this is a priority area for the organisation. The Wirral picture is in line with National findings including mental health being a major area of concern for organisations across a range of different sectors. In dealing with these challenges our approach is consistent with how other organisations are also trying to address this; and we are committed to doing so.

2.0 ORGANISATIONAL CONTEXT

2.1 It is important to understand the organisational context when analysing absence data.

2.2 At 31 December 2018, the Council has 3,200 employees. The number of employees within Wirral Council has decreased by 2,059 since 2010. Over this period of time Wirral has undergone service transformation through a range of initiatives including:

- A Voluntary Leavers Programme between December 2010 and June 2011
- £5.5million management saving and significant service cuts in 2013/14
- A major restructure programme which oversaw staff leaving the authority both voluntarily and compulsorily over 2014/15
- Services have been redesigned or integrated with partners over the past two years, including the creation of Edsential and Wirral Evolutions and the integration of social care staff with the NHS.

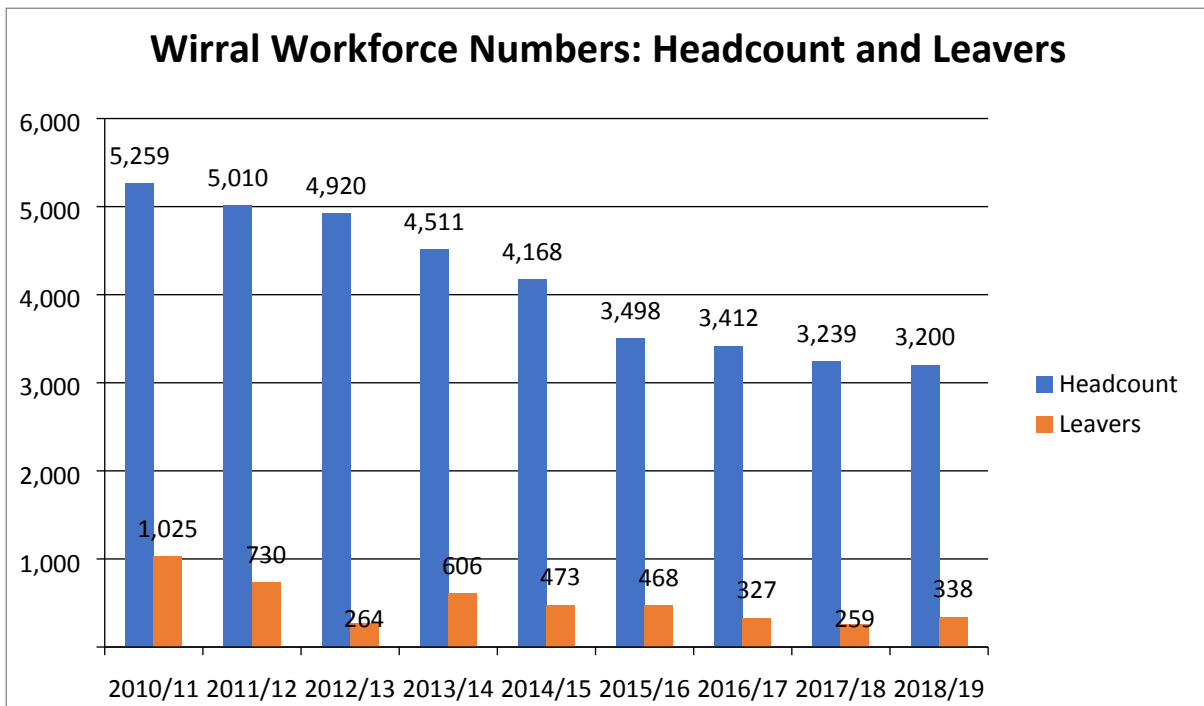


Figure 1: Wirral Workforce Numbers: Headcount and Leavers. **Source:** Wirral Council HR Selfserve System. 2017/18 headcount figure and leavers correct as at 31 December 2018.

2.3 This has been an unprecedented period of change in the Council’s history and one in which the model for delivery of many services has changed significantly. Whilst there is no absolute evidence or correlation with increased sickness absence levels, the reduction in resources and uncertainty has increased pressure on teams, services and individuals.

Absence levels

2.4 The Council absence figures are shown in Figure 2. In 2015/16 staff sickness absence reached the highest level since 2010/11 when 11.56 days per Full Time Equivalent (FTE) staff member were lost due to sickness. In 2017/18 sickness declined to 11.12 days per FTE. The projections for 2018/18 indicates a slight decrease to 10.97 days per FTE.

2.5 During this period procedures for collecting sickness data have improved significantly which potentially has the impact of increasing the accuracy of absence recorded.

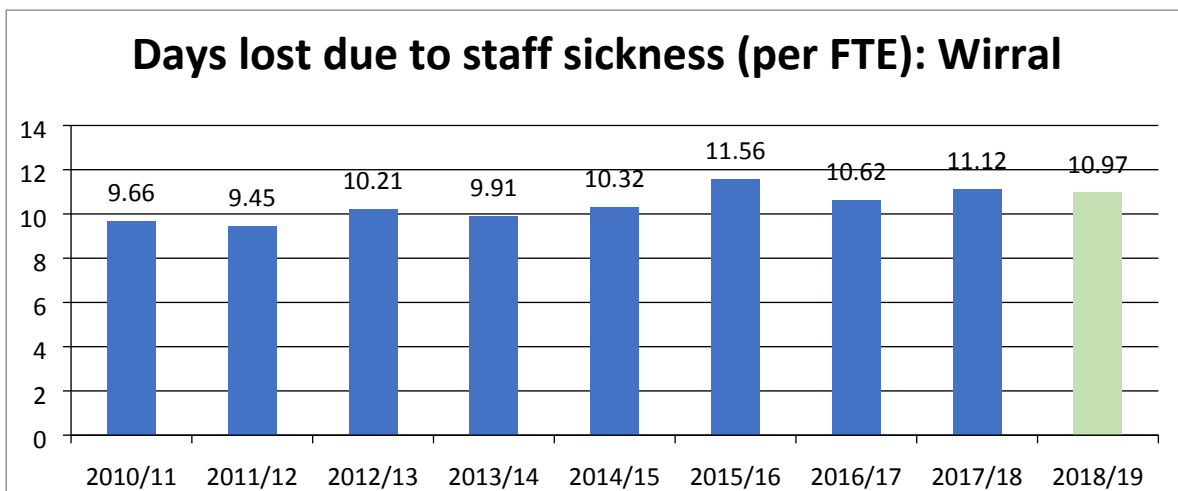


Figure 2: Days lost due to staff absence in Wirral per Full Time Equivalent (FTE) staff member. **Source:** Wirral Council HR Selfserve System. 2018/19 is a projected figure to end of year.

How do we compare?

2.6 The performance of the Council in comparison to other Local Authorities in the North West is shown in Table 1 below. These figures are published annually and so 2017/18 is the last full year available.

Rank	Authority Name	Sickness Absence
1	Tameside Council	6.80
2	Oldham Council	8.38
3	Rochdale Borough Council	9.22
4	Stockport Council	9.68
5	Wigan Council	10.25
6	Wirral Council	11.12
7	Liverpool City Council	11.13
8	Bury Council	11.38
9	Manchester City Council	12.13
10	Warrington Borough Council	12.19
11	Bolton Council	12.20
12	Salford City Council	13.10
13	Sefton Council	13.31

Table 1: Days lost (per FTE) due to sickness absence in the North West in 2017/18. Some Local Authorities have not submitted returns to the North West Employers therefore data is unavailable. **Source:** North West Employers.

2.7 Whilst it is helpful to compare the Council’s performance with other local authorities, it should also be noted that each Authority has its own models of delivery including outsourcing and alternative delivery vehicles for many services such as waste, leisure services and social care which means the characteristics and demography of workforces do vary.

2.8 The CIPD Survey 2018 states that the average days lost in the public sector is around 8.5 days. The average for Local Authorities in the table above is 10.83 days.

Sickness Type

2.9 Figure 3 shows that in the 12 months up to 31 December 2018, the most amount of time lost was due to mental health with 37.2% of all absence but was the only the third biggest single reason in terms of number of employees off sick.

**Numbers and % of Employees with Sick reason
(Jan 18 to Dec 18)**

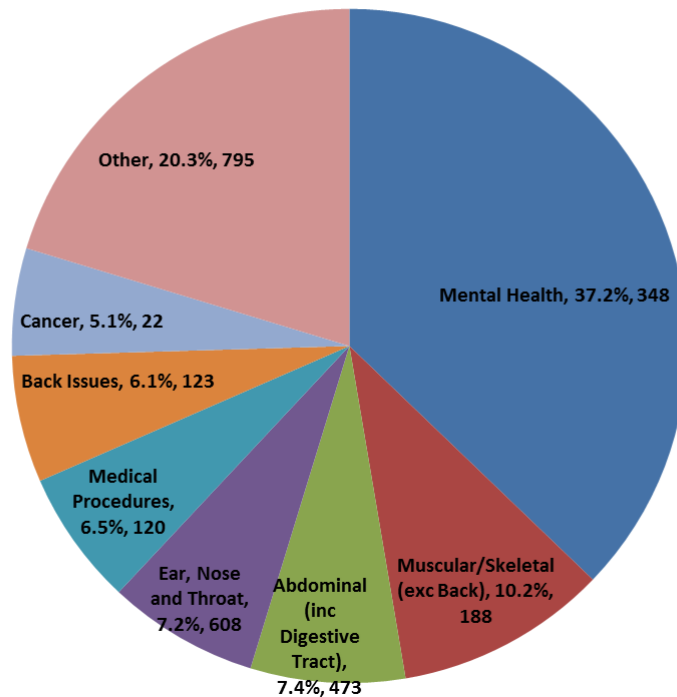


Figure 3: Of all staff with absence in past 12 months, the numbers and percentage of employees by reason for sickness as at 31 December 2018. **Source:** Wirral HR Selfserve System.

2.10 Table 2 below shows that the actual number of employees absent with mental health issues each year has reduced as the headcount has reduced but has been relatively consistent as a percentage over a sustained period of time. The percentage for 2018/19 is currently 8.4%, however this is the figure as at 31 December 2018, and is therefore expected to increase before year end.

Year	Headcount	Number of staff with mental health related absence	Percentage of staff with mental health related absence
2010/11	5,259	533	10.1
2011/12	5,010	473	9.4
2012/13	4,920	515	10.5
2013/14	4,511	435	9.6
2014/15	4,168	372	8.9
2015/16	3,498	370	10.6
2016/17	3,412	341	10.0
2017/18	3,239	342	10.6
2018/19	3,200	270	8.4

Table 2: Number and percentage of staff with mental health related absence 2010/11 – 2018/19. **Source:** Wirral Council HR Selfserve System. 2018/18 figures correct as at 31 December 2018.

2.11 It is important to note the definition of mental health related absence for the Council.

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This consists of a number of indicators, including anxiety, bereavement, dementia, depression, fatigue, insomnia, manic depression/bipolar depression, nervous disorder, personal problems, relationship problems, shock/trauma, and stress.

- 2.12 Managers record the reason for absence in accordance with what the GP has recorded on the employee's Med 3 form ('sick note'). When a sick note is not available the manager records the cause of absence as provided by employee.
- 2.13 Further work is required in consultation with our Occupational Health provider to categorise those employees that are referred and assessed by OH for stress into home related stress, work related stress or a combination of both. This would give us a greater insight into the issue.
- 2.14 Between 1 January 2018 and 31 December 2018 there were a total of 1,795 Wirral Council employees absent from work due to sickness, 348 of these people were absent due to mental health related conditions. This means that 19.4% of employees absent were absent due to mental health related conditions.
- 2.15 In this same period there were 32,207 days lost due to sickness. Absence due to mental health related conditions represented 37.2% of the days lost in this period (11,974 days), with an average of 35.69 days absence for mental health related absence. Of the 348 employees absent from work due to mental health related absence, 270 (77.6%) were absent due to anxiety, stress or depression.
- 2.16 The only illness that resulted in a larger average amount of days absent than mental health related is cancer, which represented 86.87 days. The table below shows a breakdown of the number of days lost, and the average length of days that staff are absent from work, by reason for absence.

Absence Reason	Number of days lost	Average length of time absent (days)
Cancer	1,658.33	86.87
Mental Health	11,974.88	35.69
Medical Procedures	2,087.10	18.54
Muscular/Skeletal (exc Back)	3,271.22	16.74
Back Issues	1,959.51	15.37
Other	6,542.92	7.59
Abdominal (inc Digestive Tract)	2,383.74	4.37
Ear, Nose and Throat	2,330.12	3.37

Table 3: Number of days lost by absence reason and the average length of time absent from work.

Source: Wirral Council HR Selfserve. Figures as at January 18 to December 18.

- 2.17 Merseyside Local Authorities do not publish the number of days lost due to mental health related conditions so direct benchmarking is not available however other national sources of information are available.

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- 2.18 In 2018, the Chartered Institute of Personnel and Development (CIPD) published an annual survey report in relation to absence management. This report is the findings of a survey of more than 1,000 HR professionals.
- 2.19 As in previous years, minor illness remains by far the most common cause of short-term absence for public sector organisations, as is the case for all sectors. However, it is notable that stress ranks top among public sector organisations' top three causes of long-term absence (71% compared with 45% of private sector services and 33% of manufacturing and production organisations). Workload/volume of work remains by far the most common cause of stress in the public sector (66% include it in the top three causes), followed by management style (40%), considerable organisational change/ restructuring (34%), non-work relationships/family (26%) and relationships at work (24%).
- 2.20 The proportion of public sector organisations including mental ill health among their top causes of absence has also increased. While this increase has also been observed in the private and non-profit sector, absence due to mental ill health (as well as stress) remains more common in the public sector. Moreover, two-thirds (67%) of public sector organisations report an increase in the number of reported common mental health conditions in their organisation over the last year (compared with 51% of the private sector). The public sector is also more likely to report that stress-related absence has increased (48% compared with 34% of the private sector). The CIPD comment that the greater prevalence of stress and mental ill health issues in the public sector is hard to pin down to one cause. These trends may reflect differences in the nature of work across sectors and the high level of public sector front-line roles, the demographics of employees, budgetary constraints and/or sectoral differences in organisational awareness of stress and mental health issues.
- 2.21 In 2016 Unison surveyed 2,000 council workers and published the findings in a report '*Under Pressure, Underfunded and Undervalued*'. The survey found that 73% of council workers reported rising levels of stress (an increase from two thirds in 2008), and more than half reported that stress at work has affected both their job performance and personal life.
- 2.22 This would suggest that mental health related conditions are increasingly affecting a significant number of Local Authority employees nationally; this is consistent with Wirral absence levels due to mental health related conditions.

Cost of absence

- 2.23 The approximate cost of absence for 2017/18 was approximately £3.3m. This is based on the cost of paying employees in full (in accordance with their terms and conditions) for days not worked. It does not include cover, agency or other costs that may be incurred if an employee is absent from work due to sickness. The arrangements vary across the Council depending on the nature of the service and the urgency of cover required to deliver services.

Absence by Directorate

- 2.24 We can also analyse sickness by directorate. Table 4 shows performance by each of the directorates within the Council

	Headcount (FTE)	2016/17	2017/18	2018/19 (December)	Projection	Directorate Services include:
Adult Care and Health	69 (67.82)	14.49	13.15	8.01	11.00	Adult Social Care – Quality Assurance contract management

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Business Management	892 (814.67)	8.96	10.68	6.49	8.90	HR, Finance, Transaction Centre, IT Legal, Procurement
Children's Services	812 (701.27)	10.96	12.32	9.24	12.74	Children's Social Care Early Years Services for schools
Delivery Services	1214 (918.35)	11.06	10.86	8.81	12.10	Leisure Libraries Parks Highways Regulatory
Economic and Housing Growth	78 (70.97)	4.57	9.78	3.73	5.12	Planning, Development Housing Culture and Skills
Strategy and Partnerships	155 (142.99)	9.40	9.03	10.93	15.01	Public Health Communications Performance Environment
Cumulative Total (Adjusted)	3194 (2716.06)	10.62	11.12	8.19	10.97	

Table 4: day lost per FTE by Directorate 2016/17 – 2018/19 **Source:** Wirral Council HR Selfserve System

2.25 It is also possible to break down the number of days lost (per FTE) due to mental health conditions by Directorate. (These figures may differ slightly from the figures for the Council overall, as the overall forecast is adjusted for accounts for over-reporting whereas this data does not).

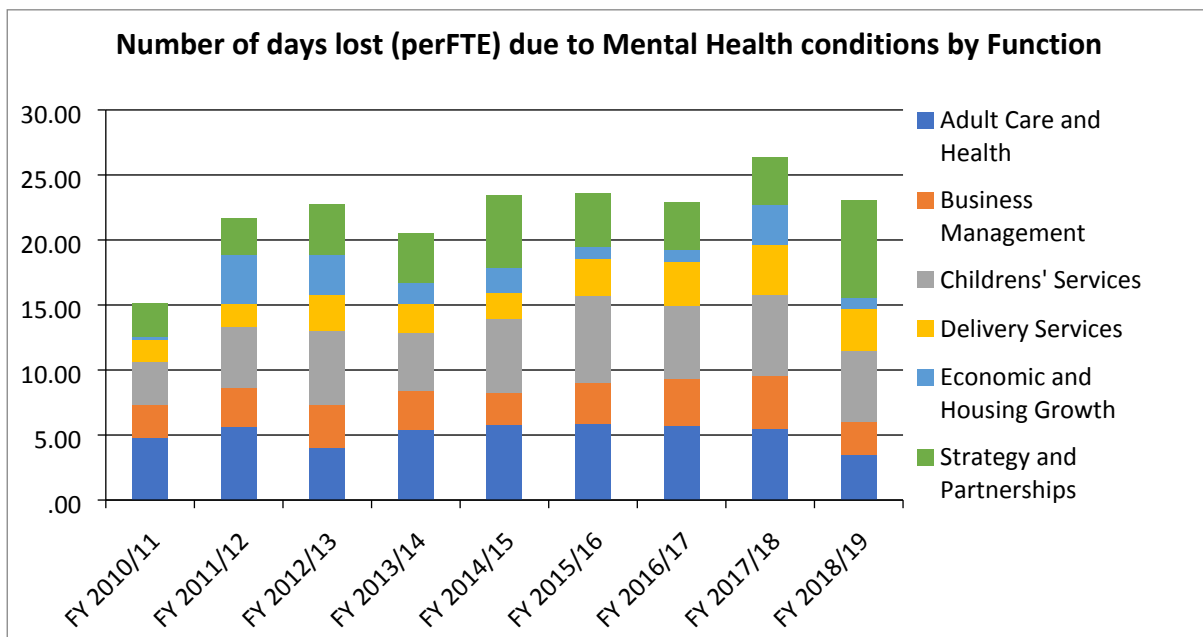


Figure 4: Number of days (per FTE) lost due to mental health conditions by Directorate. **Source:** HR Selfserve System. 2018/19 figures are correct at 31 December 2018.

2.26 Figure 4 shows that there has been a significant increase across all areas in mental health related absence since 2010/11. This is consistent with national trends discussed elsewhere in the report.

How do other organisations manage absence?

2.27 The Chartered Institute of Personnel and Development (CIPD) Absence Survey 2018 reports that the most common methods of managing short-term and long term absence are as follows:

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Most common methods of managing short-term and long term absence (CIPD)					
Short Term	% of respondents	Council	Long Term	% of respondents	Council
Return to Work Interviews	80%	✓	Return to Work Interviews	80%	✓
Providing leave for family circumstances eg emergency/carer/dependent leave	77%	✓	Changes to working patterns or environment	69%	✓
Trigger mechanisms to review attendance	76%	✓	Case management approach	65%	✓
Disciplinary and or capability procedure for unacceptable absence	69%	✓	Occupational Health Involvement	62%	✓
Line Manager take primary responsibility for managing sickness	66%	✓	Disciplinary and or capability procedure for unacceptable absence	58%	✓
Changes to working patterns or environment eg flexible working	69%	✓	Trigger Mechanisms to review attendance	58%	✓
Employee Assistance Programme	55%	✓	Tailored support for line managers eg Case conference with HR	58%	✓
Managers are trained in absence handling procedures for absence management	53%	✓	Risk Assessment to aid return to work after long-term absence	57%	✓
Tailored support for line managers eg Case conference with HR	50%	✓	Employee Assistance Programme	55%	✓
Case Management Approach (for example involving HR/OH and Line Manager)	47%	✓	Restricting Sick Pay	46%	✗

Table 5: Most commonly used methods of addressing short term and long term. **Source** CIPD Survey 2018

- 2.28 The Council's absence policy includes a series of trigger points which mean management action should be considered due to concerns over an employee's pattern of absence. The triggers are:
- 3 separate periods of absence up to 3 working days within any 6 month calendar month period, or
 - 2 separate periods of absence over 3 working days within any 6 month calendar period, or
 - Concerns over patterns of absence
 - Long-term sickness absence is defined as a period of 20 continuous working days and is an absence trigger
- 2.29 Table 5 shows the Council's methods and approach to managing short-term and long-term absence is consistent with how 670 organisations that responded to the CIPD survey are managing these issues.

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- 2.30 The CIPD Absence Survey 2018 reports that the most common methods of managing stress are as follows:

Most Common Method of Managing Stress		
Method	% of respondents	Council
Flexible working options/work life balance	69	✓
Employee Assistance Programme	63	
Staff surveys/Focus Groups to identify causes	62	x
Risk Assessments/Stress Audits	58	✓
Training for line managers to more effectively identify and manage stress in their team.	48	✓
Trained aimed at building personal resilience such as coping techniques, mindfulness, cognitive behavior therapy, positive psychology courses	44	✓
Written Stress Policy/ Guidance	34	✓
Greater involvement of occupational health specialists	33	✓
Stress Management Training for the whole workforce	28	x
Changes in work organisation such as role adaptations	23	✓
Health and Safety Executive Management Standards	19	x

Table 6: Most commonly used methods of managing stress **Source** CIPD Survey 2018

- 2.31 Table 6 shows the Council's methods and approach to managing stress is consistent with 405 organisations who responded to the CIPD 2018 survey.
- 2.32 We have not undertaken an organisational wide staff survey for a number of years but there have been a number of smaller surveys around particular themes. This included a health and wellbeing survey in Children's Services which has helped inform the workplace wellbeing strategy.

3.0 ACTION TAKEN IN RELATION TO MANAGING ABSENCE AND HEALTH AND WELLBEING

- 3.1 Over the past couple of years, the Council has undertaken a wide range of interventions and programmes to ensure that the effective management of absence and the promotion of health and wellbeing are an organisational priority. This has included:

Training

- 3.2 **Line Manager Training** In January 2018, HR commenced a programme of one-on-one line manager training. Designed in response to an internal audit report which raised some issues in relation to line managers compliance with policy and procedures and accurate recording, this training aims to ensure managers have the skills and knowledge required to be proficient in use of self-serve system, able to access the data and management information available and to cover the managing attendance policy and procedure. To date over 250 sessions have been delivered to line managers across the organisation. This is continuing.
- 3.3 **Mental Health First Aid Training** This two-day training has been commissioned and delivered to 32 Managers in 2018/19 and a further two courses are planned in the next two months. The training equips managers with knowledge and skills on how to identify, understand and help someone who may be experiencing a mental health issue.
- 3.4 Wirral Mind delivered a programme of around 12 sessions of stress management training to managers in 2017/18.

Management Information and Data

- 3.5 We have continually developed and improved the data available to line managers and senior managers in the organisation:
- Every line manager in the organisation has immediate access on their desktop to detailed sickness information the individuals in their teams including whether the employee has breached policy triggers.
 - All Directors and Senior Managers have access to absence management for their directorate and service areas. A whole range of sickness reports are available via the self-serve system.
 - HR Business Partners attend Departmental Management Teams to present and discuss sickness absence figures and trends.
 - The Senior Leadership Team are provided with sickness absence data on a monthly basis broken by directorate.
 - There is a monthly Operational Health Report to SLT which sets out latest organisational performance in relation to days lost per FTE and a projection for the financial year.
 - A new management report has been developed for Senior Managers to monitor compliance by their reports with the absence policy. This includes number of back to work interviews outstanding and highlights no action when absence triggers are met. This is used at DMT level and in individual meetings with Directors about their service area.
 - Internal Audit routinely audit compliance against policy and also non-reporting of absence.

HR interventions

- 3.6 Some HR resources have been redirected since October 2017 to provide dedicated support on absence.
- 3.7 This has focussed primarily on driving down the number of long-term cases and improving the management of long-term cases as well as following up on non-compliance with policy of line managers to check action where employees have breached triggers or other requirements of the absence policy have not been recorded, for example return to work interviews.
- 3.8 In October 2017 there were 18 employees in the Council who had absent from work for more than one year. An organisation of our size will always carry number of serious long term serious or complex cases. However, our view was this was too high. By October 2018, through the targeted work undertaken, this had reduced to 6 employees.
- 3.9 This work has really improved the management of long-term cases and whilst it will take some time for this to be evidenced within absence figures, it is anticipated that this work will see a decrease in the number of days absent over the next 12 months.
- 3.10 The team have continued to proactively audit and drive compliance. The number of Return to Work Interviews being undertaken has increased from an average of 67.3% in 2017 to 82.7% in October 2018.
- 3.11 Whilst the number of lost days to long term absence is continuing to show a reduction, a combination of more accurate recording through monitoring and training and an increase in short term absence has increased absence levels overall. It should be noted that there has been a spike in Ear, Nose and Throat and Respiratory absences in the period September 2018 to December 2018

Launch of Workplace Wellbeing Strategy

- 3.12 Workplace wellbeing is a key priority within the Council's People Strategy. During 2018 we held a series of engagement campaigns and events with employees to raise the profile of wellbeing,

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providing support and opportunities for employees to manage their wellbeing, and to address some key workplace wellbeing issues. These included:

Employee wellbeing pledges – in February we asked employees to make a wellbeing pledge to improve their wellbeing, highlighting the importance of employees taking ownership for their own wellbeing.

Wellbeing events – we held a series of events that focussed on key wellbeing issues, for example, in we hosted 'State of Mind', a men's mental health charity who delivered a talk during Mens Mental Health week. In October we held a menopause in workplace event and during November we held a number of wellbeing breakfasts focussing on stress.

Employee volunteering – we continue to raise awareness of volunteering opportunities for employees. In 2018 a number of SLT and senior leaders volunteered, and this has set the tone for the organisation. To date over 100 volunteering opportunities have been taken up.

Employee led activities – we have implemented an employee led activity scheme, this is a timetable of employee led wellbeing activities taking place across the organisation for employees to access. Examples include lunchtime yoga, running clubs and football sessions.

Public Health Campaigns – throughout the year we have raised awareness of key wellbeing issues in line with the Public Health campaigns through internal communications.

Leadership (Wellbeing) conference – our latest conference for Senior leaders focussed on the role of leaders in embedding a wellbeing culture and leading by example.

Leisure offer – we have continued to promote access to our leisure services to employees which offers a discounted price for gym and lifestyle services.

4.0 NEXT STEPS

Training

- 4.1 The programme of line management training will continue to be delivered to completion and will also form part of core training for new managers.
- 4.2 We also plan to continue to offer Mental Health First Aid Training, targeted as appropriate to areas within the workforce.
- 4.3 Refresh and relaunch e-learning modules on stress management and stress risk assessments.
- 4.4 Roll out of a two-day health and safety training for managers which has been developed to replace the Institute Of Safety and Health's 'Managing Safely' training. The course focuses on the essentials; giving practical guidance for managers and signposting sources of further information.

Programme of Health and Wellbeing Events

- 4.5 We will continue to roll out a programme of wellbeing events and promote health and wellbeing in partnership with Public Health.

Occupational Health Contract

- 4.6 The Council is currently tendering for new OH provider (from April 2019) and we have included the requirement to promote and deliver health and wellbeing events within the specification and

also a requirement for the new provider to provide the tools embrace latest technology to interact and communicate with the workforce in promote healthy lifestyles.

Management of Short-Term absence/System Developments

- 4.7 From February 2019, the HR system will automatically send email alerts to managers if an employee who reports to them has breached a trigger in the absence policy, if have not recorded that a return to work interview has been undertaken or when a manager reporting to them has entered an employee absence late. These alerts will automatically escalate to the manager's line manager if no action is taken within one week.
- 4.8 As well as reminding managers of their responsibilities for complying with the policy, these measures will support senior managers to manage short term absence which is an area we need to improve and will allow them to more easily monitor the performance of their managers.

Policy Review

- 4.9 The Council's attendance management policy (and triggers) is due for review in 2019. The review will include a benchmark of best practice from other organisation's policies.

Audit

- 4.10 The Council's Internal Audit service will continue to regularly audit compliance with the absence policy and process. This has led to significant improvement in practice over the last couple of years.

5.0 CONCLUSION

- 5.1 This report sets out the current position in relation to sickness absence within the Council. It shows that a significant amount of work continues to be undertaken and improvement in this area is a priority. The benchmarking information and research from outside the organisation demonstrates that the Council is facing the same challenge as many large organisations, particularly in the public sector and specifically in relation to levels of mental health and wellbeing.
- 5.2 The Council's People Strategy includes a clear commitment to a healthy workforce and this was the theme for the last Leadership Conference for senior managers in January. This was opened by the Chief Executive and a clear message that senior leaders are expected to role model and lead this agenda in the organisation

References

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