Inverclyde council

Report To:	**Policy and Resources Committee**	**Date:**	**15 November 2011**
Report By:	**Head of Organisational Development Human Resources and Performance**	**Report No:**	**HR/14/11/AW**
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Subject:	**Attendance Management – Refresh of Strategy**		

1.0   PURPOSE

1.1   The purpose of this report is to propose a revised Absence Target for the Council and to put in place further measures applicable to all employees, designed to assist in reducing absenteeism levels.

2.0   SUMMARY

2.1   The Council introduced an overall absenteeism target of 5% in 2005/2006, supported by revised operational guidelines. Good progress has been made towards realising this target. The target figure of 5% was bettered for the year 2009 – 4.67%, however this has since returned to marginally over 5%.

2.2   As a consequence of the general good progress made and a requirement to keep the momentum going 5% perhaps no longer represents an appropriate target figure. The time is right to consider introducing additional aspects to our current approach which, although it has been a successful approach, now requires a refresh.

2.3   The attendance target figure chosen has to reflect the environment, be challenging but also realistic. Getting this figure right is an important first step in the managing attendance strategy.

2.4   The major lesson learned since the introduction of our revised approach to Attendance Management is that reducing absenteeism is a collective responsibility. HR are clearly the guardians of the scheme, however, managers and supervisors across the Council require to adhere to the operational guidelines to the letter as all steps in the process are designed to positively influence attendance.

2.5   As Members are aware, the Council has a fully functioning occupational health service – commenced January 2010 – and it is envisaged that this service may over time positively influence in particular our long term absence levels.

2.6   Trades Union colleagues have been consulted on the report with general agreement. Issues were raised by the EIS and are detailed in para. 4.18.

3.0   RECOMMENDATIONS

3.1   It is recommended that a revised Absence Target of 4.75% is set for the Council.

3.2   It is recommended that all employees who are the subject of disciplinary action relating to absenteeism receive no Occupational Sick Pay (OSP) in respect of the period of absence which led to formal procedures (i.e. the last one).

3.3   It is recommended that employees on long term sick leave have their contract of

employment terminated, if appropriate, at the point in time when it is known there will be no return to work, all appropriate payments to be made to the employee.

3.4 It is recommended that disciplinary action be instigated in all cases where all alternative measures have been exhausted, without discernible improvement.

3.5 It is recommended that services choose an absence management champion from senior staff to ensure the policy and procedures governing attendance management are strictly adhered to and that the managing of absence is promoted within each Service.

3.6 It is recommended that employee appeals at all levels against a disciplinary sanction issued on the grounds of poor attendance be considered at officer level for a trial period of 1 year – between January and December 2012.

Head of Organisational Development,
Human Resources and Performance

4.0   BACKGROUND

Revised Absence Target

4.1   When considering attendance it should be kept in mind that employees will be absent. It is only natural and the vast majority of absences are genuine. Attendance Management procedures are designed to ensure the subject has a high profile and that action is taken prior to a poor attendance record developing.

4.1   The current absence target level for the Council of 5% was introduced in 2005/2006. The target introduced a benchmark for attendance management, which for example allowed attendance trigger points to be established and assisted attendance management meetings in that they become more focused. It also allowed members to see how services were performing as absence figures are reported to each service committee.

4.2   When reviewing a strategy to reduce absenteeism, members must keep in their mind that the centre, Human Resources, can only be a conduit to good practice by providing assistance to managers across the services. The real responsibility of managing attendance lies with the managers in the services and it is for them to take up this issue with full support from Human Resources.

4.3   Prior to establishing the 5% target and introducing measures to assist achieving this target the Council consistently reported an absence statistic around 6%. Since 2006 our attendance figures have improved but appear to have hit a plateau at just over 5% (refer to Appendix 1 for figures from 2003 to 2011). The current year's figures stand at 5.10% (half year) for 2011 which reinforces the trend at just over 5%.

4.4   The absence figures by service are shown in Appendix 2 for the years 2009, 2010 and for the half year 2011. The Appendix also shows a summary of reasons for the absence rates. The spread of types of absences shown in Graph 2 is not unusual for an organisation with such a variety of services, in fact this split is to be expected.

        This information is currently used by Organisational Development, Human Resources and Performance to identify which services are best suited for the attendance refresh management training programme that is run periodically and ensures that our occupational health providers have a focused involvement e.g. physiotherapy in recognition of musculoskeletal problems and counselling for stress/wellbeing issues.

4.5   Audit Scotland - Attendance is a key performance indicator which is now reported as days lost for teachers and for local government employees (LGE). The style of reporting changed in 2008 from using a percentage figure to reporting the number of days lost.

        League tables are no longer produced by Audit Scotland but to allow the Committee to see where Inverclyde Council sits in comparison to other Council's, Appendix 3 shows that for the period 2008/2009 Inverclyde was positioned **9**th overall and for the period 2009/2010, the Council was placed in **5**th position when compared to the other 31 Council's in Scotland.

        Although the Council's figures have improved to be placed in the top 10 and even in the top 5, for a small Council this is a great achievement and should not be forgotten when looking at how we improve our absenteeism rates.

Control of Absence Levels

4.6   Looking at the current absence levels and considering how we reduce the level of absenteeism for the Council, the following issues are worthy of consideration:

   - Revise the current target figure of 5% - to be set at a lower level
   - Consider if Occupational Sick Pay (OSP) could be stopped under certain circumstances

- Where employees are on long term sick leave and it is recognised that a point has been reached when it is recognised that the employee will not be returning to work, consideration should be given to terminating employment prior to the conventional 6 months full and 6 months half pay periods being exhausted. Where this is put into practice any outstanding entitlements will of course be honoured – ie employee has 5 months half pay to run however, is advised will not work again then 5 months half pay is recognised in form of a one off payment. This will ensure that employees do not lose out financially.
- Take a more decisive line with attendance in respect of using the disciplinary process when all other routes have been exhausted. This requires to be consistently applied across the Council and should commence with issuing letters of concern.
- Create champions for each service to promote the importance of absence management and ensure consistency of approach.
- Revisit how appeals raised by employees against sanctions applied on the grounds of attendance are considered.

4.7   Existing Strategy

The main elements of the Council's current strategy are:

- A target was established, currently 5%, supported by absence management trigger points, return to work interviews for all employees and, progression to letters of concern being issued to employees who consistently have absenteeism levels above the target.
- Regular training for managers – training is planned to cover those Services who are regularly reporting absence level at or above the current target
- An employee information booklet covering attendance was distributed in 2009; this was designed to ensure attendance matters continued to be high on the agenda.
- It has always been stressed that it is important that managers and supervisors adhere to the operational elements of attendance management to ensure a consistent approach is operated Council wide in order to further reduce absenteeism levels to regularly below 5%.

Note: The target set for the Council is an average: it does not indicate that an employee can present an absence record of up to 5% without management involvement – each and every absence requires to be supported by a good reason for it occurring.

4.8   Sick Pay Entitlement

Local Government sick pay entitlement is increasingly linked to higher than average non attendance levels, the argument being that a less "generous" support system would encourage higher levels of attendance at work. Work is ongoing nationally regarding this matter, in the meantime current sickness absence provisions are contractual, however the national terms and conditions express:-

"Sick pay may be suspended if an employee abuses the sickness scheme and; *Repeated abuse of the sickness scheme should be dealt with under the disciplinary procedure".*

It's important that both of these clauses are fully applied when appropriate – sickness allowance can be stopped for a failure to follow notification procedures and a poor attendance record can be considered abuse of the scheme leading to the instigation of the disciplinary process. Should the disciplinary process lead to a sanction being applied on the grounds of attendance then Occupational Sick Pay (OSP) entitlement for the last period of absence leading up to the disciplinary process could be affected.

As far as we can establish only one authority has introduced a direct challenge to national conditions and another one is considering the matter. The authority in question stops OSP for the duration of live disciplinary warnings issued on the grounds of attendance. This practice which is operated by one Council is currently subject to a challenge which will be considered by an employment tribunal. It may be an advantage to review national terms and conditions where possible, however, given that this matter is subject to challenge it would be prudent to await the

outcome of any Employment Tribunal.

For example, this type of scenario could be implemented if an employee who has a live letter of concern issued on the grounds of attendance goes off again – say 6th absence spell in 12 months. This latest absence leads to management applying the disciplinary process and from this a warning is issued. The warning is for poor attendance over the twelve month period, however, the 6th absence could be viewed as abuse of the scheme and OSP recovered (only for period of 6th absence) from an employee's wages.

4.9   Ill Health – Earlier Termination

Local practice in long term absence cases which lead to the employee not being able to return to work is to exhaust the OSP period before termination of employment.

Where appropriate an alternative is to terminate employment at the point in time where it is known a return to work will not take place. Outstanding payments to the employee can be made so the employee is no worse off. The benefit to the Council is that when the employee is terminated then they can no longer be recorded as being absent so this results in a reduction in the absence statistics. There are occasions when it is to the employees benefit to remain in employment and it is not intended to interfere with such cases.

4.10   Disciplinary Procedures

The method of dealing with poor attendance can be and is in some way addressed currently by means of the Council's disciplinary process. This option is not an easy route for managers to take but to reduce absence levels we must ensure the disciplinary route is applied to deal with matters of poor attendance.

This is particularly relevant for short term persistent absences which occur without good reason. Long term absence can also be addressed by the disciplinary procedures however, this is potentially more problematic due to the nature of these types of absences.

The normal procedure is to issue of letter of concern where poor attendance is recognised, following which if there is a subsequent failure to improve attendance the disciplinary process becomes the next stage. It's important to stress that only a relatively small percentage of our employees ever find themselves in receipt of a letter of concern, however it is important that when a letter of concern is justified then it is issued by management.

A letter of concern is a good tool that can influence the incidence of short term persistent absence, reduce the number of disciplinary hearings and sends a positive message to employees that the Council takes Attendance Management seriously.

4.11   Raising the Profile

The original changes introduced in 2005 established the principal that managing attendance was a shared responsibility with Human Resources working with our colleagues in the services to set the scene with service management to apply the policies, with support and guidance from Human Resources. This shared responsibility has been successful but consideration could be given to selecting a senior officer in each service to act as champion for attendance this would keep attendance high on the agenda.

4.12   Disciplinary Sanctions - Appeals

Appeals against a disciplinary sanction – including one issued on the grounds of poor attendance can lead to an Education or Human Resources Appeals Board. There has been some discussion over the years to change the appeal process to the final arbitrator being at officer level.

The national conditions of service for teachers will be applied in managing teacher absence and the application of any punitive sanction. Sanctions in respect of teachers will only be applied after the appeal process has been exhausted.

General Issues

4.13   In establishing an absence level target and introducing measures to achieve it there are two external factors regularly expressed as worthy of consideration:

- Inverclyde Council has one of the poorest health records in Scotland;
- The Council's employee age profile, which is:

   Under 20 years of age -   negligible
   Over 20 under 30 years of age - 12%
   Over 30 under 40 years of age – 21%
   Over 40 under 50 years of age – 28%
   Over 50 under 60 years of age – 31%
   Over 60 under 70 years of age – 8%
   Over 70 years of age -   negligible

   It is not possible to accurately align or link such issues to attendance management strategy and there are conflicting views on whether we should even consider such matters. However, as both these factors are regularly raised in connection with managing attendance it's worthwhile recording that general consideration is given to them.

4.14   The current policies and procedures are all in place and training of managers is ongoing. All employees responsible for managing the attendance of others have been trained as this is a mandatory course for new supervisors/managers. Refresher training takes place regularly for specific services this covers going over the attendance management procedures and discussing common themes. Training is a valuable tool and will continue to be provided. Education Services were the most recent Service where training was provided and normal procedure for Human Resources is to look at where Services may benefit from further provision of training.

4.15   Managing Attendance is also part of the Workforce Development Strategy. This strategy will link managing attendance to the Council's Family Friendly policies and through the modernisation programme and form better ways of working being developed.

4.16   Short term versus long term absence:

   For every person who thinks short term absence is the main concern there is another who will recommend that by concentrating on long term absence this will assist in reducing absence.

   Statistics help both arguments in so much as twice as many employees are off on short term absence in comparison to long term absences however, at least twice as many days are lost to long term absence in comparison to short term absence. A pragmatic approach is to focus attention on where best we can have an influence. This is without question in the area of short term absence. Long term absence in most cases is genuine and what Human Resources and others are trying to achieve is a reduction in the length of the absence whether short or long term.

   Occupational Health may gradually influence long term absence. For example:

   As a consequence our Occupational Health provision includes access to counselling services and to physiotherapy thus focusing on the direct approach to dealing with illness quickly to reduce the length of time an employee is absent.

   Short term absence, however, is influenced by the adherence to appropriate procedures.

4.17   Improved Management Information

   Once the new Chris21 employee system is rolled out, Services will have access to the new absence management module. They will be able to look at individual employee records, have reports by section, service and directorate using real time information.

The benefits of having this available to all levels for managers who deal with absence is a major step forward and this aspect of the new HR/Payroll system will be emphasised to all levels of management when introduced.

4.18 As Members are aware the Council improved Occupational Health Provision by entering into a partnership with a local company, following a tendering process, called Mansion House Health Care in January 2010. Occupational health provision is expected of an organisation our size, has many benefits and sends out a positive message to our employees. However, occupational health will not necessarily influence attendance at work levels, at least in the short term. Over time long term absence may be reduced and for example certain musculoskeletal ailments may be improved by early intervention. It is too early for us to say with any degree of certainty how our non attendance levels will be affected by occupational health on site. Human Resources will continue to request independent medical assessments as appropriate and it is this independent report which forms the basis of considering appropriate action to be taken.

4.19 Trades Union colleagues have been consulted on this report with the following responses.

In general the majority of the trades unions raised no issues with the recommendations. The only issue was raised by the EIS who advised that they could not accept the report as it should be agreed through the Local Negotiating Council for Teachers (LNCT). The remit for the LNCT does not include sickness absence. The EIS advised that they would not be able to support the recommendation being made in 3.6.

5.0 **PROPOSALS**

5.1 As the Council's average absence figures have levelled out at around 5% any change to the Council's current target must be seen as achievable. To reduce the absence level to 4% will require a 20% reduction in the current absence figures and for a 4.5 % target a 10% reduction in the current absence levels. To ensure that a realistic target is set it is proposed that a new target level of 4.75% is set for the Council which should be reviewed after 2 years.

5.2 To achieve any reduction, measures have to be put in place to help and It is proposed that any employee who fails to properly report an absence is not given Occupational Sick Pay for the absence period not appropriately covered. It is further proposed that where a disciplinary sanction is given to an employee for poor attendance then the Occupation Sick payment for the period of absence which resulted in the disciplinary process being invoked is recovered in accordance with the appropriate conditions.

The application of the above proposal will take into consideration an assessment of the circumstances, e.g. with regards to absence reporting will be applied to repeat offenders.

5.3 Terminating early for Sick Pay Entitlement – Six months full/Six months half pay

It is proposed to terminate employment when it is known that an employee who is off on long term absence will not be returning to work. This will include making any appropriate sickness payments to the employee so there will be no reduction in costs for the Council. However, by introducing this practice we will reduce the absence figures at the margins. The exception may be in cases of terminal illness where every advantage will be afforded to the affected employee; this will depend if a member of the pension scheme or not. In all other cases there is nothing to gain from the employee's view to waiting until sickness pay entitlements are exhausted as we currently do. Other authorities are also introducing this option.

5.4 Disciplinary Process - consistency

It is proposed that a consistent approach is adopted to when the disciplinary process is commenced. After all other options have been exhausted then services taking advice from Human Resources should instigate the disciplinary procedures.

5.5 Champions

To ensure that absence is a high profile on a service basis it is proposed that each service has a senior officer to champion the attendance management cause.

5.6 It is proposed that the appeal process at all levels including dismissal against a disciplinary sanction on the grounds of absence be referred to officers for a period of 1 year, January to December 2012. At the end of this period the changes will be assessed and reported back to Committee.

6.0 **IMPLICATIONS**

6.1 **Finance**:

Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments

6.2 **Human Resources**: All issues have been included within this report.

6.3 **Legal:** Legal and Democratic Services have been consulted on this report.

6.4 **Equalities**: Equality issues have been addressed within the report.

7.0 **CONSULTATION**

7.1 Response from trades union colleagues has been included in the report, refer to para 4.18.

8.0 **BACKGROUND INFORMATION**

Appendix 1 – attendance figures 2003 – 11
Appendix 2 - absence figures by Services
Appendix 3 - comparison with other Councils

Inverclyde Council

Yearly Absence Rate
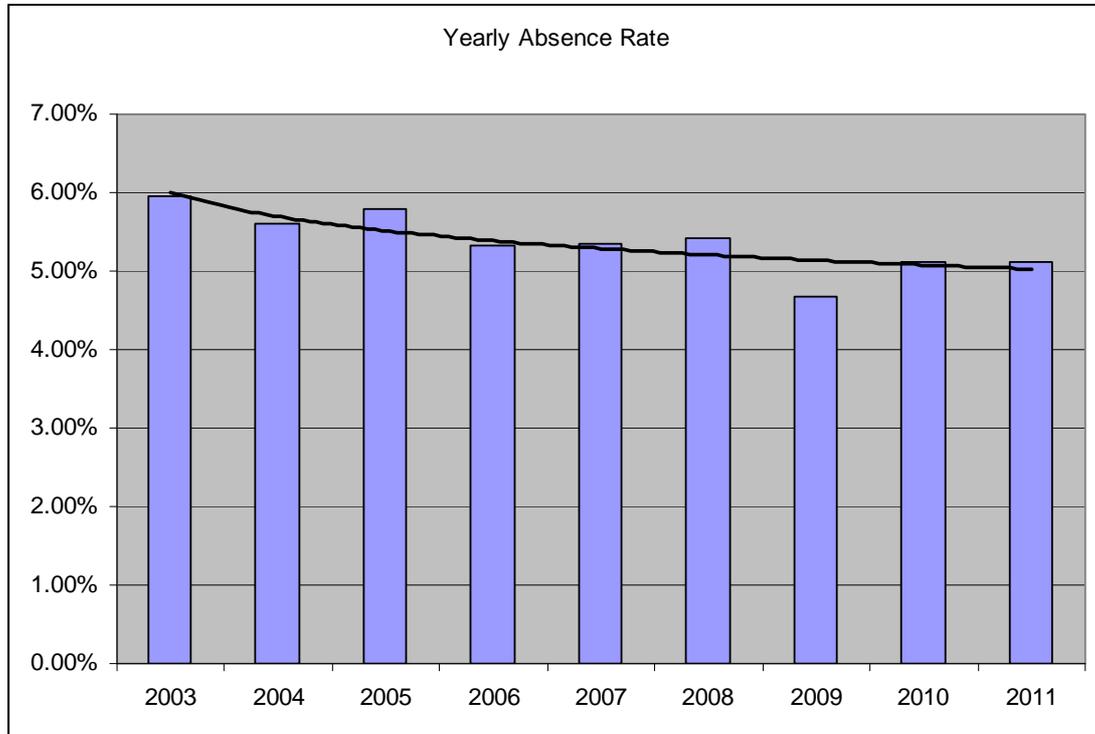
Year	Council Absence Rate
2003	5.95%
2004	5.60%
2005	5.79%
2006	5.33%
2007	5.36%
2008	5.41%
2009	4.67%
2010	5.12%
2011	5.12%

The overall absence rate for Inverclyde Council by Service for 2009, 2010 and 2011 to date have been graphed below.

Graph 1

Absence Rate by Service

Graph 2

Reasons for Absence
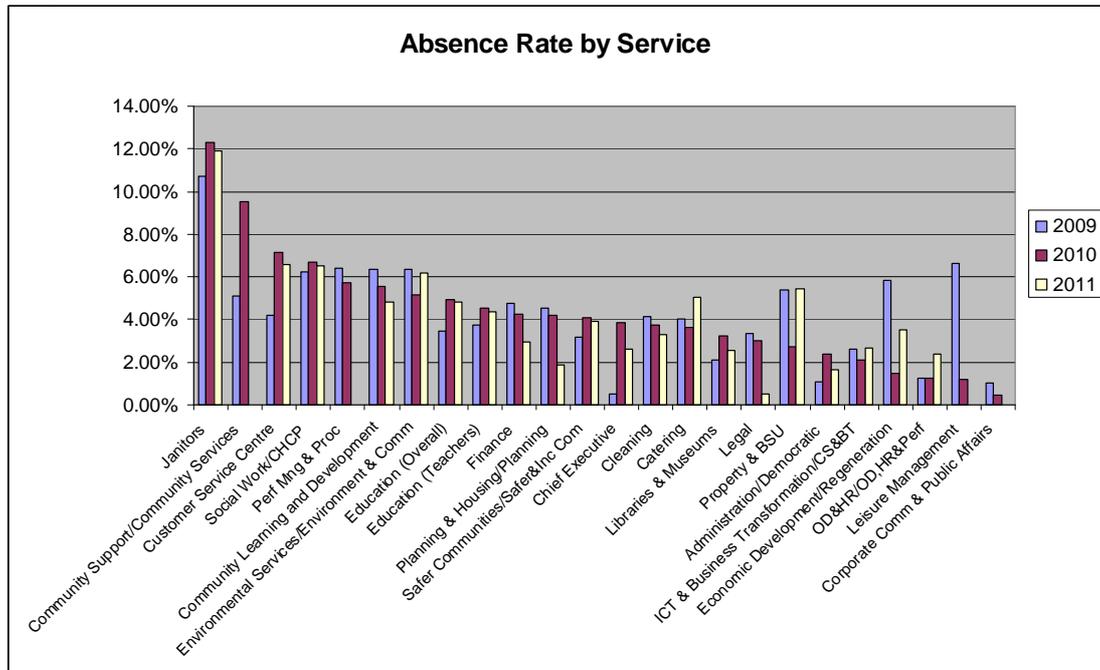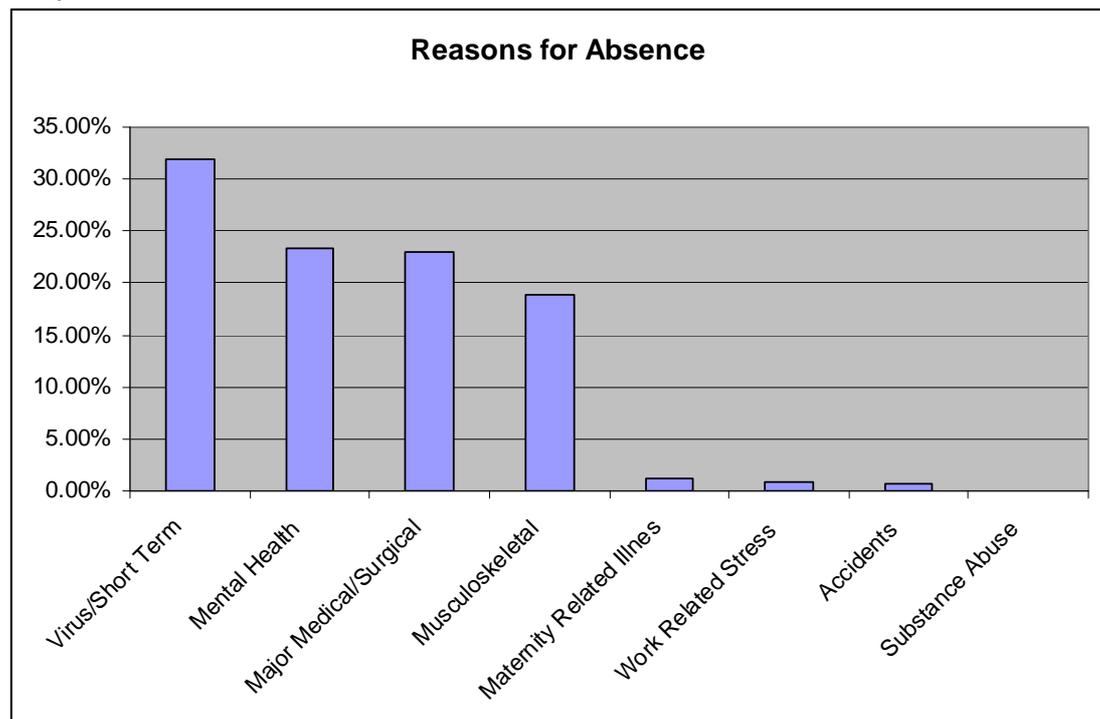
Table – Absence Rates per Service

|	2009	2010	2011
Janitors	10.7%	12.3%	11.9%
Community Support/Community Services	5.1%	9.5%	
Customer Service Centre	4.2%	7.1%	6.6%
Social Work/CHCP	6.2%	6.7%	6.5%
Perf Mng & Proc	6.4%	5.7%	
Community Learning and Development	6.3%	5.5%	4.8%
Environmental Services/Environment & Comm	6.3%	5.1%	6.2%
Education (Overall)	3.4%	5.0%	4.8%
Education (Teachers)	3.8%	4.6%	4.4%
Finance	4.8%	4.2%	3.0%
Planning & Housing/Planning	4.5%	4.2%	1.9%
Safer Communities/Safer&Inc Com	3.2%	4.1%	3.9%
Chief Executive	0.5%	3.9%	2.6%
Cleaning	4.2%	3.7%	3.3%
Catering	4.0%	3.6%	5.0%
Libraries & Museums	2.1%	3.3%	2.6%
Legal	3.3%	3.0%	0.5%
Property & BSU	5.4%	2.7%	5.5%
Administration/Democratic	1.1%	2.4%	1.6%
ICT & Business Transformation/CS&BT	2.6%	2.1%	2.7%
Economic Development/Regeneration	5.8%	1.5%	3.5%
OD&HR/OD,HR&Perf	1.2%	1.3%	2.4%
Leisure Management	6.6%	1.2%	
Corporate Comm & Public Affairs	1.0%	0.5%	

Overall Absence Comparison with other Councils.

	Total FTE All		Total Days Lost		Days Lost Per Employee All		Ranking 2009/10
	2008/09	2009/10	2008/09	2009/10	2008/09	2009/10	
Dumfries & Galloway	5982.0	5956.0	74231.0	35578.0	12.4	6.0	1
Aberdeenshire	8838.0	10271.0	73448.0	94788.0	8.3	9.2	2
Eilean Siar	1812.0	2017.0	18801.0	18802.0	10.4	9.3	3
East Dunbartonshire	5307.0	4584.0	46544.0	42962.0	8.8	9.4	4
Inverclyde	4972.0	4627.8	51321.0	43854.5	10.3	9.5	5
Clackmannanshire	2167.0	2127.0	23613.0	20284.0	10.9	9.5	5
Orkney Islands	1504.0	1758.0	17437.0	16939.0	11.6	9.6	7
Perth & Kinross	5161.0	5119.0	51069.0	49465.0	9.9	9.7	8
Angus	5706.0	5716.9	59198.0	55764.5	10.4	9.8	9
Argyll & Bute	3909.0	4172.0	33340.0	40824.0	8.5	9.8	9
Midlothian	4162.0	3757.9	35010.0	37004.4	8.4	9.8	9
Stirling	3527.0	3677.0	42361.0	36241.0	12.0	9.9	12
South Lanarkshire	13075.0	13280.0	155926.0	131730.0	11.9	9.9	12
South Ayrshire	4383.0	4267.0	47878.0	44303.0	10.9	10.4	14
North Lanarkshire	13781.0	13775.0	152762.0	143293.0	11.1	10.4	14
East Ayrshire	5484.0	5421.0	57054.0	56515.0	10.4	10.4	14
Falkirk	6587.0	6567.0	66332.0	68491.0	10.1	10.4	14
Moray	3676.0	3475.0	34504.0	36355.0	9.4	10.5	18
Highland	10294.0	9661.0	96276.0	101280.0	9.4	10.5	18
East Lothian	3860.0	3721.0	41769.0	39747.0	10.8	10.7	20
Glasgow City	31636.0	20674.0	395287.0	220865.0	12.5	10.7	20
East Renfrewshire	4073.0	4070.7	46475.0	43614.0	11.4	10.7	20
Scottish Borders	4587.0	4647.0	51977.0	49891.0	11.3	10.7	20
Edinburgh, City of	16290.0	15959.0	201647.0	175843.5	12.4	11.0	24
Shetland Islands	2407.0	2519.0	28968.0	28648.0	12.0	11.4	25
Fife	16833.0	17011.8	194558.0	195629.7	11.6	11.5	26
West Lothian	7324.0	6921.0	83065.0	79686.0	11.3	11.5	26
North Ayrshire	6186.0	6105.8	78338.0	70918.4	12.7	11.6	28
Renfrewshire	8286.0	7605.9	93339.0	88813.0	11.3	11.7	29
West Dunbartonshire	5670.0	5377.0	70747.0	66017.0	12.5	12.3	30
Dundee City	6835.0	7065.0	78444.0	90666.0	11.5	12.8	31
Aberdeen City	7842.0	6102.0	96933.0	86746.0	12.4	14.2	32
Scotland	**232,156**	**218,009**	**2,598,652**	**2,311,558**	**11.2**	**10.6**	