

REPORT TO: POLICY AND RESOURCES COMMITTEE ON 30 APRIL 2008

SUBJECT: HEALTH AND WORK

BY: HEAD OF PERSONNEL SERVICES

1. REASON FOR REPORT

- 1.1 To provide an update on the Health and Work (absence management) strategy which has been developed with the aim of generating efficiency savings through improvement of employee health and attendance at work.
- 1.2 To seek approval for revised absence figure targets.
- 1.3 This report is submitted to the Committee in terms of Sections A (35) of the Council's Administrative Scheme relating to formulating, supervising implementation and reviewing the employment policies and practices of the Council.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee note the progress made during 2007/8 in relation to Health and Work.**
- 2.2 **It is recommended that the Committee note that the Health and Work policy is currently being reviewed to take account of feedback and operational issues since its implementation.**
- 2.3 **It is recommended that the Committee approve the revised absence figure targets for 2008/9 and beyond.**

3. BACKGROUND

- 3.1 Reference is made to previous committee reports to the Policy & Resources Committee on 1 March 2006 and 17 January 2007 (para 7 and 8 of the minutes refer respectively). As part of the Efficient Government agenda and from the Council's own information, it was identified that employee absence was as an area where it may be possible for the Council to generate efficiencies both in financial and service terms.
- 3.2 In response to this, in 2006 the Policy and Resources Committee agreed that the Council should undertake a spend to save initiative focussing on a new more positive and pro-active approach to managing employee sickness absence with the aim of generating efficiency savings through improvement of employee/

employee health and attendance at work. There is now particular emphasis on early intervention and a more active involvement of occupational health and wider support services. The objective is to retain employees at work through active intervention and if absence does occur, to manage this more positively towards an earlier supported return to work.

- 3.3 At the time the Council embarked on this, Moray's absence figures were in the top quartile for Scotland and compared well with published figures. The Council already had in place most of the good practice advocated but a dip in the figures had been noted. Therefore, the approach taken was very much around leading practice based on some early evidence that prioritising a culture of health and well-being could make significant differences to absence levels and the overall well-being of the workforce. This was an experimental approach and the predicted results were uncertain but targets were set aimed at delivering efficiencies.
- 3.4 Since then similar approaches have become more common with a significant weight of case studies developing to support them. So much so that the government has now placed employee wellbeing as the top of the national agenda for employers. Dame Carol Black, the Government Director for Health and Work was commissioned to undertake a review and her report *Working for a Healthier Tomorrow*, is calling for urgent and comprehensive reform and a new approach to health and work in Britain, including:
- Health & Wellbeing promotion
 - Early Intervention
 - Make adjustments to retain staff at work
 - Keep in contact with staff who are off – focusing on a return to work plan
 - An early return to work is key, even if the employee is not 100% fit for their role
 - Occupational Health to provide an improved, proactive health support, including mental Health and Muskulo-skeletal solutions/rehabilitation.
 - Returns to work should be planned supported and reviewed.
- 3.5 This 'new' approach is also advocated by the HSE (Health and Safety Executive) in their best practice toolkit which is now available. The HSE is placing a heavy emphasis on mental health in the workplace and is encouraging employers to address this using its Management Standards for measuring and monitoring workplace stress. The HSE also publishes a number of reports and case studies supporting the overall well-being approach.
- 3.5 The common themes from all of the research and the Moray Council approach is that work is a positive influence on health and is an important part of a person's self-worth. It is beneficial for people to be at work in terms of both their chances of becoming ill and their recovery.

4. **PROGRESS 2007/8/**

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4.1 Progress is reported below against the aims that were agreed in the original strategy agreed in 2006.

4.2 **Health and Work Policy/Training:** the new policy was agreed in January 2007 and has been implemented effectively and is supported through the training of managers, including Head Teachers. Training on the Health and Work policy is coming to a close. 90% of managers have received the first phase training (1 day). Feedback from the sessions is very positive and managers are keen to receive the follow up phase 2 Sessions planned to begin in summer.

4.3 **Policy Review:** Following 1 year of operation, a review of the policy is underway to take account of feedback from managers and trade unions and build on the experience gained.

4.4 **Case Planning/Review:** A case management plan is supported by Personnel Services for each case reaching a trigger point on a prioritised basis. This ensures proactive management of cases and appropriate, timely interventions. Case reviews are undertaken to give an overview and self audit for case management and enables additional support for more complex cases. Through this process, improvements continue to be identified and addressed.

4.5 **Health Promotion:** The Council has continued to develop its approach in promoting healthy lifestyle choices and in April 2007 was successful in gaining the Silver Scotland's Health at Work Award for Elgin locations. This scheme has now been changed to Healthy Working Lives (HWL) and the whole Council is registered. (with schools participating separately as health promoting schools). Examples of the work associated with this project, which is organised through a working group of employees supported by Personnel staff include:

- Series of Weight Management/Healthy Living Sessions ran for 10 weeks.
- Jog Scotland Group was established
- Fruity Friday on 1 June, with staff in locations across Elgin sampling fruit
- Men's Cancer/Health Awareness sessions were held
- Work Step Challenge took place with around 20 teams participating with the winners walking a total of 6,136,745 steps or 2,897 miles
- Health Fair in February in Elgin featuring health and wellness checks, health & hygiene information from Environmental Health, lifting and handling advice and some interactive events such as Tai Chi and rowing machine challenge.
- Health & Lifestyle Survey in the run up to the Health Fair with more than 400 staff completing the survey. The results and outcome will form the basis of the HWL action plan for the forthcoming year.
- HWL "On Tour" – the health fair is being taken to locations around Moray with Health checks available along with health promotion information.

4.6 **Employee Assistance Programme: /**

- 4.6 Employee Assistance Programme:** comprehensive Employee Assistance Programme is provided by an independent provider. This service was re-negotiated to add further services for employees at no additional cost to the Council. The service includes a Life Management Service for practical concerns (i.e. financial, legal, relationships, family care and work) as well as more traditional counselling services where this is required. A new 'Wellbeing Works' service was launched on 9 April 2008. This provides employees and their families with a comprehensive Healthcare portal, Health and Wellness newsletter and access to a detailed Personal Health risk assessment.
- 4.7 Occupational Health:** As reported to committee on 5 March 2008, we are currently reviewing our Occupational Health provision and have a joint tender out for a shared service with Aberdeenshire and Aberdeen City Councils. This will include a review of the health surveillance the Council currently carries out and consideration of other specialist support services such as physiotherapy which can have significant health advantages if accessed early.
- 4.8 Management information and trends:** information continues to be key in managing health and work, assisting with the management of individual cases and the identification of trends across the council. Several of the databases and the provision of information have been reviewed and improved over the past year, incorporating feedback from users. Information is now available so that trends can be identified and preventative measures and supports put in place where possible.

5. PERFORMANCE AGAINST ABSENCE TARGETS

- 5.1 Corporate Absence Figures:** In March 2006 the targets below were agreed. There will be some time delay before the full impact of the new approach can be seen but already there are some improvements in reported absences. It may be that Single Status was an influencing factor in the 2006/7 figure for SJC staff as a significant increase in absence was noted in December 2006 and January 2007.

	Actual	Actual	Actual	Target	Actual	Target	Predict ed
Staff Group	2003/4 Stat PI	2004/5 Stat PI	2005/6 Stat PI	2006/7	2006/7 Stat PI	2007/8	2007/8 Stat PI
All SJC	4.1%	4.7%	4.5%	4.5%	5.0%	4.3%	4.1%
Teaching	3.5%	4.3%	4.8%	4.1%	4.2%	3.9%	4.0%
Craft	4.4%*	5.2%	3.8%	5%	3.1%	4.8%	3.8%

*reporting of this figure changed in 2005. Previously was craft and manual combined.

- 5.2** 2007/8 has seen the overall council wide figure of around below 4% throughout the year. This is against a general trend where absence is increasing with The Chartered Institute of Personnel (CIPD) reporting in 2007 that average level of employee absence has increased by 0.2% to 3.7% of working time (8.4 days per employee per year). The average reported for organisations/

organisations with more than 2000 staff is 4.4% (4.9% for public sector), whereas smaller organisations with less than 100 employees report an average of 3% absence per employee (see 6.2 below).

- 5.3 **Departmental Absence Figures:** Performance has also been monitored on a departmental basis and the table below illustrates the improvements in attendance across the Council.

Dept	% Days Lost				
	Jan-07	Apr-07	Jul-07	Oct-07	Jan-08
Chief Executive	1.66	0.45	1.13	2.88	1.22
Community Services	7.28	5.70	5.20	4.19	6.51
Educational Svcs	5.78	2.94	3.18	3.58	4.96
Environmental Svcs	7.01	4.19	3.52	4.15	4.87
Finance & ICT Svcs	6.51	2.99	1.49	2.20	6.44
Legal & Committee Svcs	2.55	0.95	0.93	2.82	4.32
The Moray Council	6.33	3.79	3.55	3.76	5.30

- 5.4 These figures show a steady improvement across departments. The trends are less reliable in smaller departments as one long-term absence can have a significant bearing on the overall figures. As management information builds up trends can be identified throughout the year. January shows higher absence rates compared to other months but is showing an improvement from 2007 to 2008.
- 5.5 **Nature of Absences:** There has also been a significant change in the categorisation of absence. Absence can be split into long and short term absence, with long term being any absence more than 14 days. In 2006/7, the Council reported that over two thirds of absence was long term. Figures for 2007/8 show a change in this trend with long term absence now accounting for one third of reported absences which shows positive results in managing cases and focusing on an early return to work.
- 5.6 **Causes of Absence:** The main causes of absence have not altered and remain as colds and flu for short absence and musculo-skeletal disorders and mental health issues for long term absence. The HWL actions have been targeted to address the long-term issues and the action plan will continue to focus on supporting improvements for these health conditions.
- 5.7 **Efficiencies Generated: /**

- 5.7 **Efficiencies Generated:** Previously reported efficiencies have focussed on the requirement to replace staff when they are not at work, particularly teaching staff. The improvement of approximately 0.6% in 2006/7 and 0.8% in 2007/8 in the teaching statistic would give total savings in the order of £400,000 over the two year period.
- 5.8 There has also been improvement in the SJC employees' absence over the course of 2007/8, estimated at around 0.9%, which is 0.4% lower than when the project was agreed. It is difficult to accurately attribute financial gains as not all of these staff would be replaced for all absences. However, around 30% of this staff group are posts which require a replacement if absent (i.e. Homecarers, Escorts, Education Auxiliaries, Catering staff). Based on annual absence costs of around £2.0m, this would amount to reduced costs of an estimated £120,000 for 2006/7.
- 5.9 There are also important efficiency gains to be made in terms of productivity and morale with lower rates of ill health and absence.

6. NEXT STEPS

- 6.1 The statutory performance indicators for Scottish Local Government in 2006/7 provide the indicators below:

Ranked performance	SJC %	Teaching %	Craft %
Highest	3.9	2.6	3.1
Upper quartile	5.4	3.5	5.4
Median	5.7	3.9	6.3
Lower quartile	6.0	4.3	8.0
Lowest	6.9	5.2	12.0
Moray predicted 2007/8	4.1	4.0	3.8

- 6.2 In terms of external benchmarks, the table below gives an indication of performance:

Average Sickness Absence for:	CIPD		CBI*		CIPFA*	
	%	days	%	days	%	days
Overall	3.7%	8.4	3%	7.0	-	-
Public Sector	4.5%	10.3	4.0%	9.0	4.5%	10.3
Large Employer	4.4%	10.0	3.5%	8.0	-	-

* these figures are reported as days and have been converted to percentages for comparison purposes using the same number of working days per year as the CIPD survey.

- 6.3 Taking these into account, it is suggested it would be reasonable for the Council to aim to reduce its sickness absence to below 4% for all groups in 2008/9 and to sustain it at this level thereafter. Continued emphasis on the new approach to managing health and work and follow-up training for managers should help to achieve this further improvement but it will be a challenging target that will place the Council as one of the best performing authorities in Scotland if successful.

7. SUMMARY OF IMPLICATIONS

- (a) **Corporate Development Plan/Community Plan/Service Improvement Plan:** These proposals support the Council's aim of being a good employer and are consistent with the aim of a healthier community.
- (b) **Policy and Legal:** None
- (c) **Resources (Financial, Risks, Staffing and Property):** This project is aimed at creating a sustainable effect to benefit services, employees and the Council. There is a cost of approximately £70,000 associated with the resources approved for the project. These are more than covered by the year on year savings from replacement staff, estimated to be in excess of £300,000 for 2006/7.
- There is currently a budget of under £500 for the council-wide healthy working lives project.
- (d) **Consultations:** Consultation is underway on the Health and Work Policy to take account of any operational issues that have arisen.

8. CONCLUSION

- 8.1 **Although the Council's spend to save initiative to improve absence management started with an experimental approach, this has now been endorsed not only by the results produced but by the widening evidence from other employers and work from the government. There has been a change in approach from managers to being more supportive of employees' health and involving more active management of ill health which appears to be impacting on the Council's performance in relation to absence levels. It is planned to sustain this approach in the hope that the benefits can continue in the longer term.**
- 8.2 **The Committee is asked to note the progress made to date on the absence management project and approve the draft Health and Work Policy, and approve the revised absence figure targets.**

Author of Report: Julie Benson
Background Papers: Reports to Policy and Resources Committee on 1 March 2006 and January 2007
Report to Educational Services Committee on 6 December 2006

Ref: