

PLYMOUTH CITY COUNCIL

Subject:	Occupational health and sickness absence
Committee:	Support Services Overview & Scrutiny Panel
Date:	2 July 2012
Cabinet Member:	Councillor Peter Smith
CMT Member:	Adam Broome (Director for Corporate Services)
Author:	Emma Rose, Head of Health, Safety and Wellbeing
Contact:	Tel: 01752 312571 e-mail: emma.rose@plymouth.gov.uk
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

Support Services OSP requested a review of Plymouth City Council's occupational health (OH) services and link to sickness absence levels. This report provides:

1. Background information for OH and sickness absence
 2. An overview of the Council's OH service
 3. Performance management of OH services
 4. Benchmarking: national, family group and region (OH investment and sickness)
 5. Future developments
-

Corporate Plan 2012-2015:

Occupational health services support our employees to be fit, healthy and productive and as such, contribute to the delivery of the Council's priorities.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The occupational health contracts were awarded through a full tender process and commenced January 2011. Subject to the terms of the contracts, they run for three years with an option to extend for a further two.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

- Elements of the occupational health contract cover requirements that are required by specific legislation. An example of this is health surveillance. The Council also has a legal duty to ensure that, as far as reasonable practicable, employees are not exposed to risks to their health and safety; the occupational health contracts help the council to meet this duty.
- Steps taken to monitor employees' health contribute to good risk management and support the Council in the event of a claim.
- We work with our occupational health providers on interventions with the aim of reducing health inequalities that may exist within our organisation.

I Recommendations & Reasons for recommended action:

That the panel note the contents of this report

Alternative options considered and reasons for recommended action:

Not applicable

Background papers:

Sickness Absence in the UK Labour Market – May 2012, ONS

<http://www.ons.gov.uk/ons/rel/lmac/sickness-absence-in-the-labour-market/2012/rpt-sickness-absence-in-the-labour-market--2012.html#tab-Sickness-absence-in-the-UK-labour-market>

Healthy Returns? Absence and workplace health survey 2011 –May 2011, CBI

<https://www.axapphealthcare.co.uk/uk-business/business-resource-centre/industry-news/cbi-pfizer-absence-and-workplace-health-survey>

Sign off:

Fin		Leg		HR	MG	Corp Prop		IT		Strat Proc	
Originating SMT Member: Mark Grimley											
Have you consulted the Cabinet Member(s) named on the report? Yes											

I. Background information for OH and sickness absence

- 1.1 Occupational Health (OH) is a specialist branch of medicine concerned with the effects of work and the work environment on health, and of health on work. By assessing risks to health, OH professionals aim to protect, preserve and promote optimum health in the working age population. OH does not replace seeing a GP for advice about medical problems, though some recommendations for improving health may be offered by OH nurses and doctors
- 1.2 The longer employees remain off work, the harder it becomes for them to be reintegrated into the workplace, with all the associated costs in human and financial terms if they drop out of the workforce. Early interventions and effective use of occupational health services have an essential role to play to help employees to get back to work more quickly, help managers make adjustments to keep employees in work and avoid absence entirely, and give managers the information needed to move that employee into a different role or out of the organisation if appropriate
- 1.3 Figures released in May 2012¹ by the office of National Statistics (ONS) demonstrate a downward trend in the days lost due to sickness absence across the United Kingdom (UK) during 2011. The days lost during 2011 is down more than a quarter compared with the same period in 1993. Some of the headline data is included in table 1 below:

Table 1 – UK data released May 2012¹

Average days lost per person 1993	7.2
Average days lost per person 2011	4.5
Most common reason for absence	Minor illness (coughs, colds, flu)
Most days lost (more than a quarter)	Musculoskeletal problems
Percentage of hours lost – private sector	1.6% (4.2 days)
Percentage of hours lost – public sector	2.6% (6.8 days)

- 1.4 The same report attributes the difference between private and public sector sickness absence levels to:
- a) type of job in each sector. For example, those working in caring, leisure and other service occupations lost the highest percentage of hours in 2011, at 2.7 per cent
 - b) higher proportion of females employed in the public sector. Women have consistently higher sickness absence rates than men (2.3% compared with 1.5% in 2011)
 - c) pressure for private sector staff to make up lost time. This affects the calculation of percentage of hours lost as it is based on the number of contracted hours worked.
 - d) individuals within the private sector are less likely to be paid when they are absent due to sickness
 - e) Larger employers (>500 employees) across both the public and private sector have a higher sickness absence rate than smaller employers.

¹ Sickness Absence in the UK Labour Market – May 2012

² OH and sickness absence and workplace health survey 2011 – May 2011

1.5 The most recent CBI absence survey report² in May 2011 demonstrates that overall absence rates in the UK have remained stable since the record low at the depths of the recession. There was concern that there could be a significant rise after that low in 2009, but the most recent survey evidences that progress made in recent years has been maintained. This suggests that improved workplace management of absence and occupational health, rather than fear of job loss during a recession, was behind the progress made in the last few years. This UK wide finding is reflected in the Council's sickness absence figures and occupational health activity over the same period and is further explained in the following section.

2. Overview of the Council's OH Service

2.1 IMASS were appointed as the Council's occupational health provider following a tendering process at the end of 2010, when the existing contract was expiring. IMASS is an independent company operating nationally with its Head Office in Plymouth. They are engaged by the Council to provide professional and objective advice to both us as the employer and to the employee. During the tender process, we reviewed and refined our delivery of occupational health services. As a result, the provision was split between IMASS (occupational health provider) and Workplace Options (employee assistance programme provider). This decision was taken to provide the best service at the lowest cost. The services are arranged as follows:

2.2 IMASS

- Pre-employment checks
- Occupational health referrals
- Work-based assessments
- Occupational vaccination programmes
- Health surveillance e.g. driver medicals, hearing tests
- Ill health retirement assessments
- Ergonomic assessments
- Sickness absence reviews
- Real-time web based access for managers
- Telephone triage to get the best and quickest route for each individual

2.3 Workplace Options

- 24hr/7day telephone and web access
- Telephone counselling (6 sessions per year per employee included in contract price)
- Confidential self-referral at no additional cost
- Online CBT sessions
- Management support helpline
- Web and telephone based lifestyle advice and guidance
- Debt management services
- Online toolkits

² Healthy returns? Absence and workplace health survey 2011 – May 2011
SSOP OH and sickness Jun 2012 FINAL 20.06.12

- 2.4 A summary of the main benefits of the arrangements compared with the previous contract are:
- Direct access to counselling services 24 hours, 7 days a week without the need for management referral
 - Pre-employment checks streamlined and considerably cheaper
 - Occupational health referrals online, giving real time access to managers
 - Health assessments are triggered at the employment stage
 - Triage system ensures the most appropriate and quickest access to services
 - Timely turnaround of reports

3. Performance management

- 3.1 Analysis provided at appendix I demonstrates that the Council's investment in the provision of improved occupational health services correlates with a substantial reduction in sickness absence since the new contract commenced in January 2011. Occupational health services make a significant contribution but it is acknowledged that other interventions such as improved management of cases play a vital part.
- 3.2 The occupational health and employee assistance programme contracts are managed by the Head of Health Safety and Wellbeing. In order to maintain and improve the performance of our occupational health services, key performance indicators are defined and monitored closely during quarterly contract meetings. Future demands on the Council and supplier are also considered and any complaints and compliments are recorded, investigated and corrective actions are put into place.
- 3.3 The KPI's for the occupational health contract are:
- a) Response time from initial contact
 - target 85% = <2days actual = 86%
 - b) Initial contact to occupational health nurse (OHN) appointment
 - target 85% = <7 days actual = 71%
 - c) Initial contact to occupational health physician (OHP) appointment
 - target 85% = < 12 days actual = 98%
 - d) Turnaround time from appointment to report
 - target 85% = <5days actual = 95%
 - e) Pre-employment screening initial response
 - Target 85% = <2 days actual = 98%
 - f) Pre-employment screening completion
 - Target 85% = <10 days actual = 95%
- 3.4 Resource problems in August and September 2011 brought the KPI's down and resulted in the OHN KPI not meeting the target in 2011/12. However, the KPIs' have continued to improve and this year all KPIs have remained above the target of 85%.

4. Benchmarking: family group and region (OH cost and sickness)

4.1 Summary

4.1.1 The Council has increased the investment in OH services over the last 3 years, but remains below the average in the cost per head for OH although the services have improved during the new contracts. Annual average sickness absence levels have improved over the last 3 years, particularly in relation to non-school staff. A report was provided to the support services overview and scrutiny panel (SSOSP) on 24 November 2011 that reviewed the Council's sickness absence data for the rolling year to October 2011. The council-wide average days lost per full time equivalent (FTE) due to sickness for non-school staff had consistently fallen from 12.88 days in November 2010 to 10.12 days in October 2011. However, the level for all staff is 9.0 days and this remains above the average (8.5 days) compared with similar local authorities and above the Council's target of 6 days. Dashboard reports are published monthly on Staffroom that give managers and employees information about sickness absence. The most recent dashboards by directorate are included as appendices 2a - e.

4.2 Benchmarking Sources

4.2.1 The Council participates in benchmarking groups to compare performance across a range of indicators, including occupational health and sickness absence. These groups compare us to similar authorities across the country and are commonly referred to as family groups. The draft 2011/12 CIPFA benchmarking is shown at appendix 3.

4.2.2 The Health, Safety and Wellbeing Team participate in a benchmarking club that compares more detail than CIPFA on a variety of indicators, including occupational health. The results of the most recent exercise on occupational health in February 2012 (appendix 4) show very similar results to the CIPFA survey, but provide more detail on the relative cost and type of service provided. We also participate in a regional health, safety and wellbeing panel and those results are given at appendix 5.

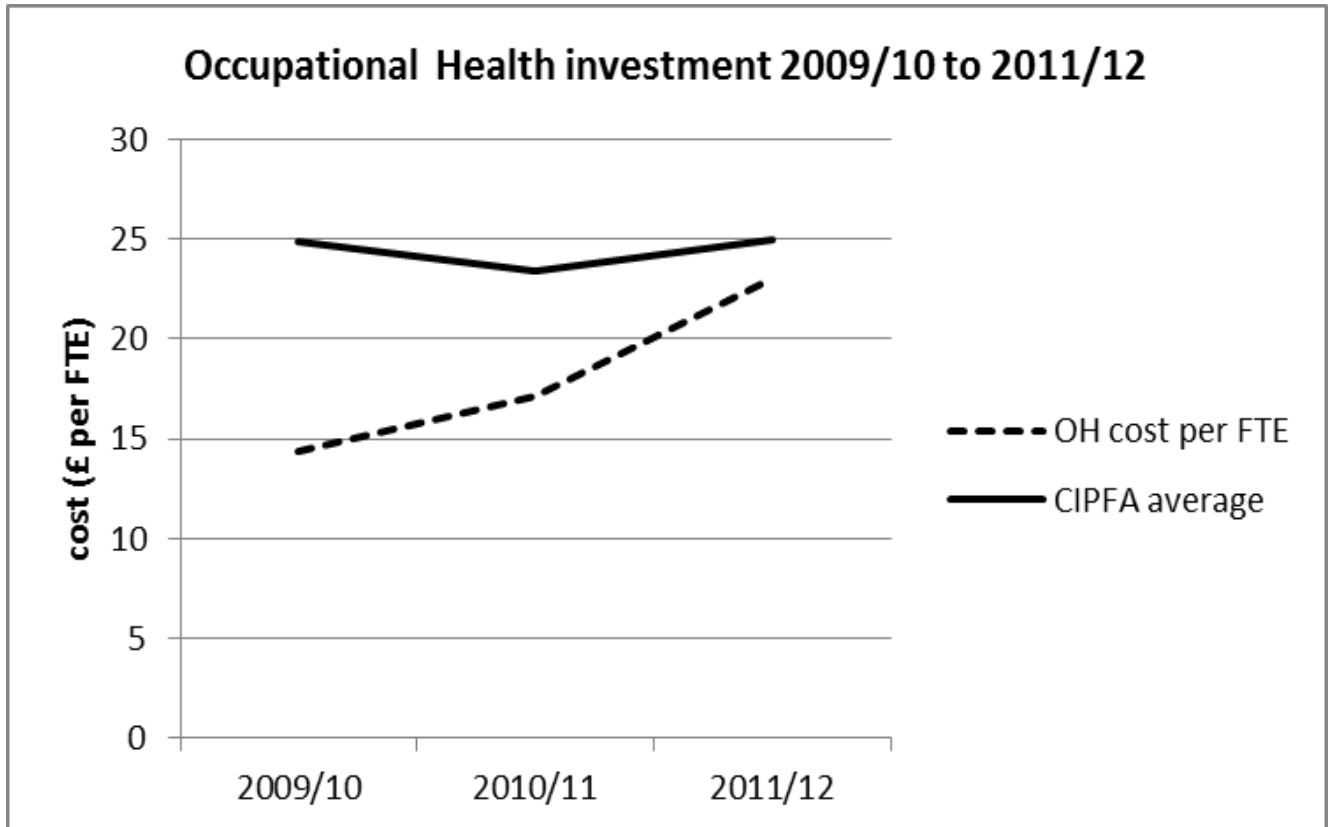
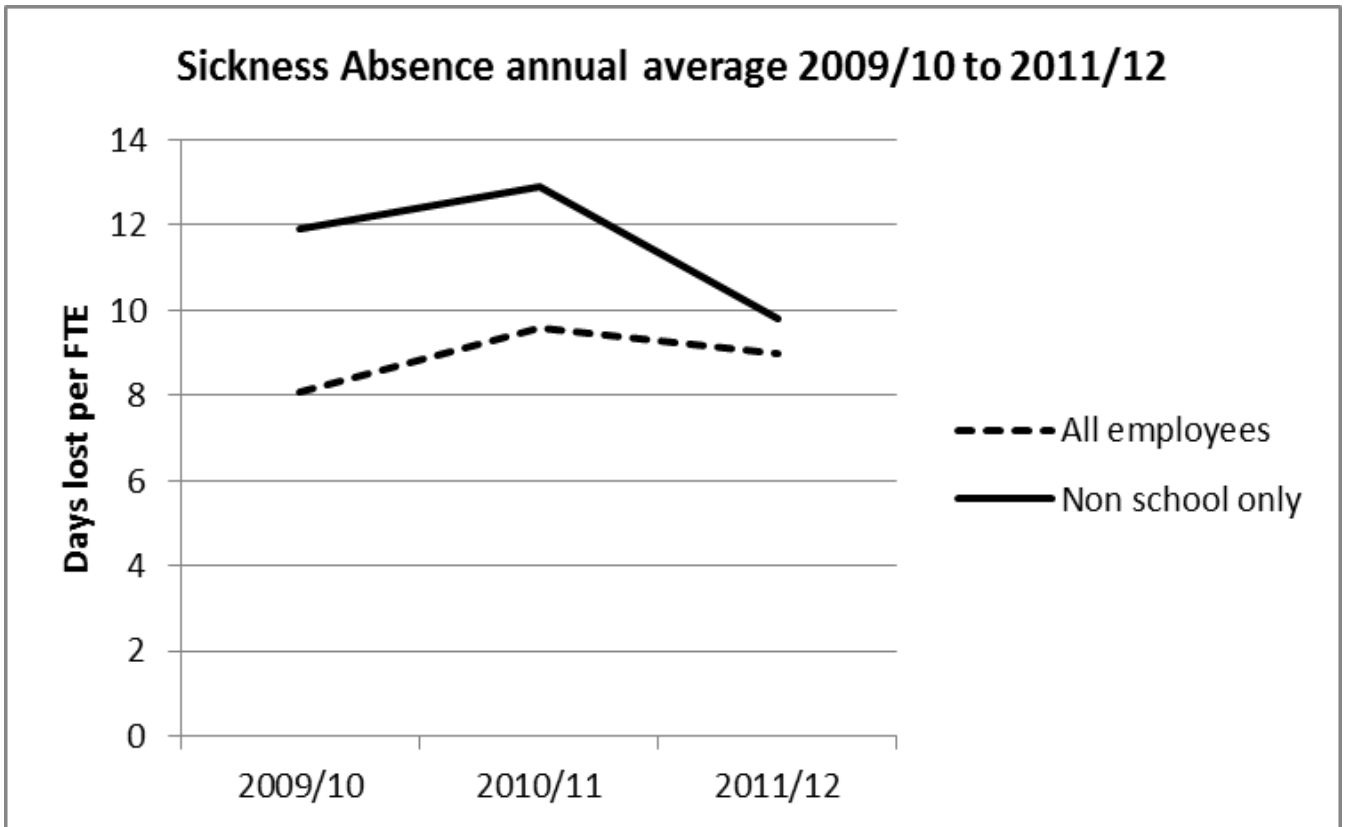
4.2.3 These sources demonstrate that the Councils' sickness absence is at or slightly above the average number of days lost due to sickness absence and slightly below the average cost per head for occupational health services.

5. Future developments

5.1 Aside from continuing to analyse trends and focus on priority areas for intervention, the following programmes are underway:

- a) A flu vaccination programme is being designed for this coming autumn to help to bring down the amount of short term absence during flu season.
- b) Work is being scoped with local GP's to improve the interaction between the Council, GPs and our occupational health provider as we all have the same goal to improve the health of the working age population.
- c) An programme of improved occupational health awareness training is under development.
- d) Management development training is being enhanced

APPENDIX I – Sickness absence vs occupational health investment

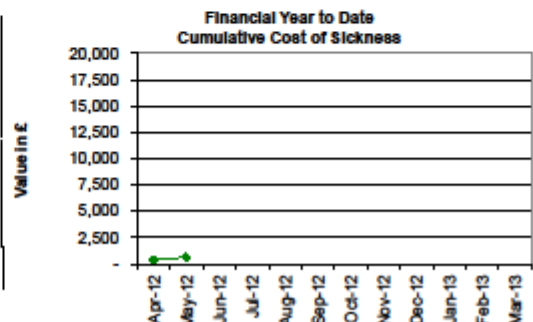
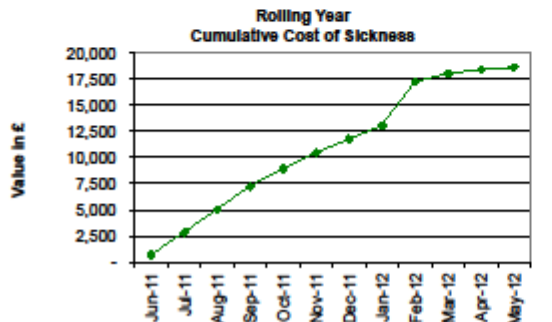
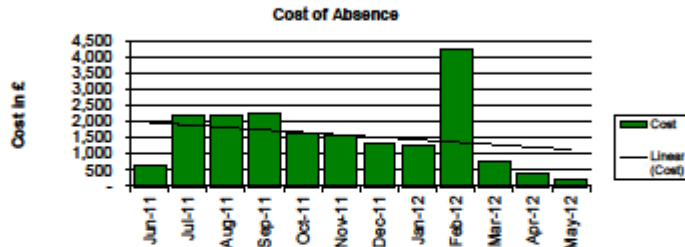
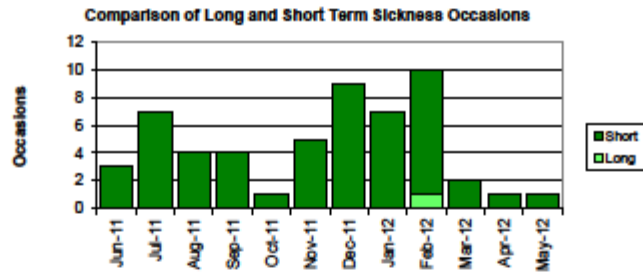
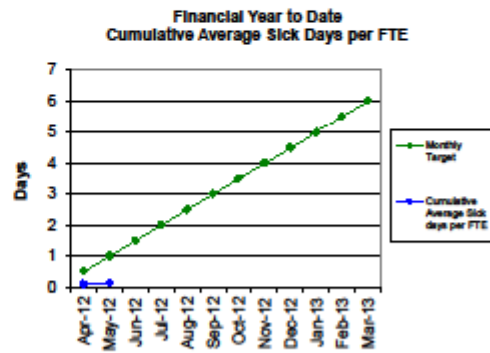
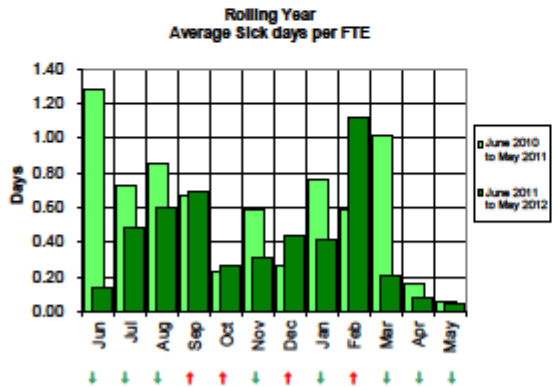


APPENDIX 2a – Executive Office dashboard report (sickness absence)

Executive Office May 2012

Working Days Lost

Directorate	Total Number of Days		Average FTE		Percentage		Direction of Travel
	Rolling Year	FYTD	Rolling Year	FYTD	Rolling Year	FYTD	
	-	-	-	-	-	-	↔
Corporate Communications	45.50	-	3.79	-	1.48	-	↓
Management & Support (Chief Executives)	3.00	-	1.00	-	0.39	-	↓
Policy, Performance and Partnerships	136.00	5.00	5.78	0.21	2.25	0.51	↓
Executive Office Total	184.50	5.00	4.79	0.13	1.86	0.31	↓

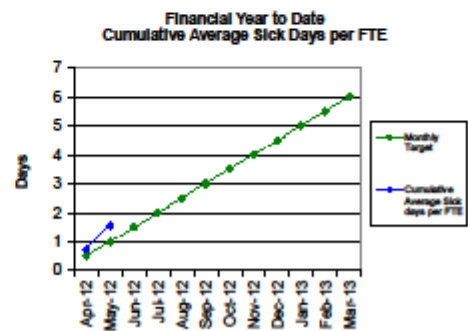
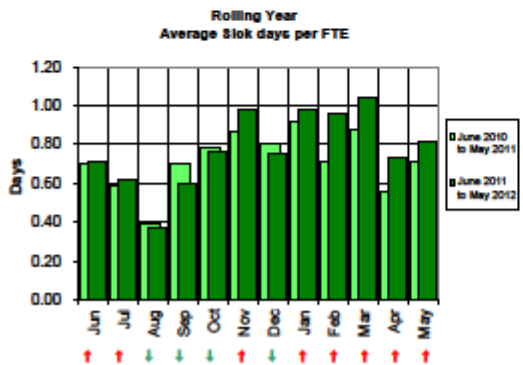


APPENDIX 2b – People dashboard report (sickness absence)

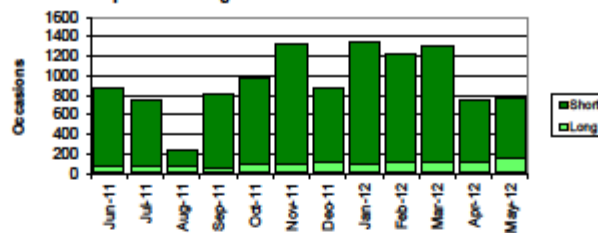
People
May 2012

Working Days Lost

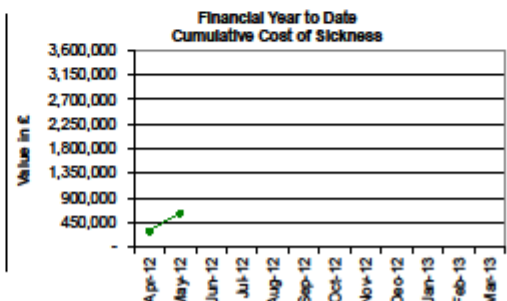
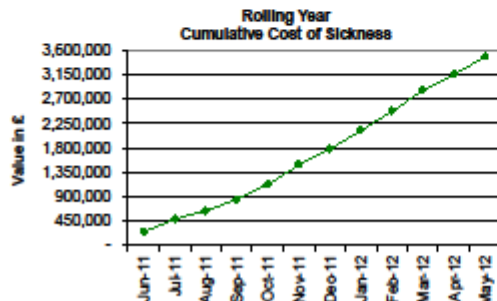
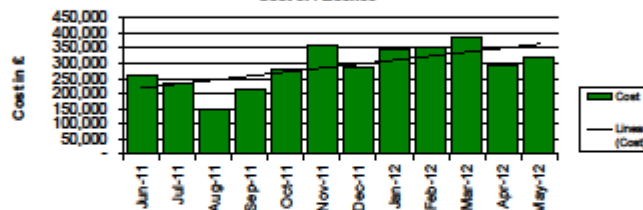
Directorate	Total Number of Days		Average FTE		Percentage		Direction of Travel
	Rolling Year	FYTD	Rolling Year	FYTD	Rolling Year	FYTD	
	-	-	-	-	-	-	↔
Childrens Social Care	3,056.86	502.81	10.27	1.69	4.00	4.02	↑
Education, Learning & Families	3,926.61	689.29	7.58	1.33	2.95	3.17	↑
Homes & Communities	2,019.53	256.83	9.51	1.21	3.70	2.88	↓
Joint Commissioning & Adult Social Care	6,442.52	1,165.44	14.10	2.55	5.49	6.07	↑
Lifelong Learning	-	-	-	-	-	-	↔
Programmes Director	8.00	-	2.00	-	0.78	-	↓
Schools	24,142.33	3,955.46	8.76	1.44	3.41	3.42	↑
People Total	39,595.85	6,569.83	9.33	1.55	3.63	3.68	↑



Comparison of Long and Short Term Sickness Occasions



Cost of Absence

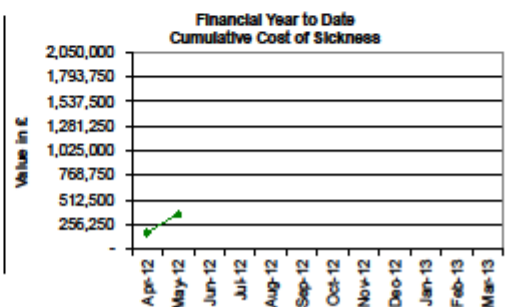
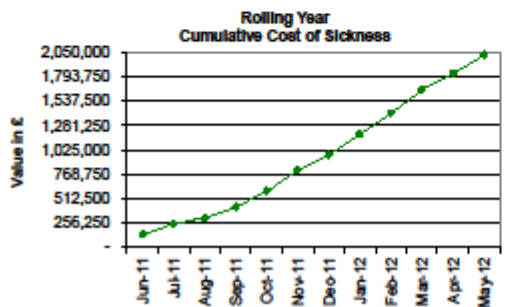
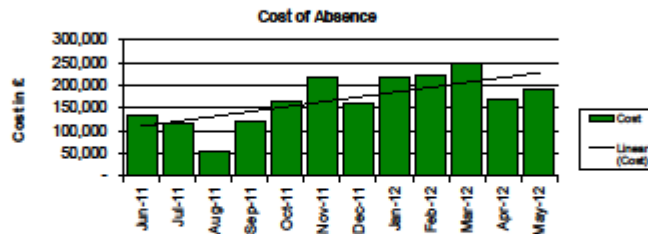
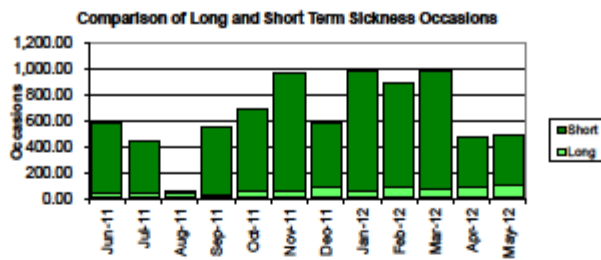
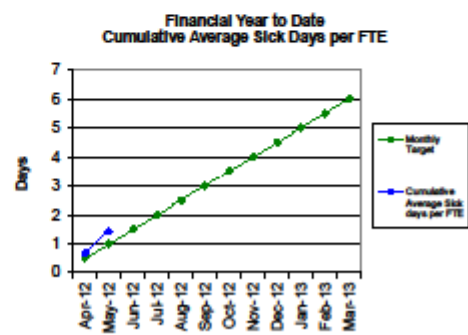
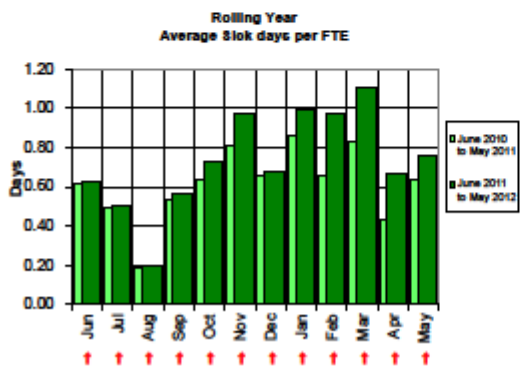


APPENDIX 2c – Schools dashboard report (sickness absence)

Schools May 2012

Working Days Lost

Directorate	Total Number of Days		Average FTE		Percentage		Direction of Travel
	Rolling Year	FYTD	Rolling Year	FYTD	Rolling Year	FYTD	
Special School	4,436.74	639.51	12.98	1.87	5.05	4.46	↓
Primary School	13,400.11	2,131.76	8.47	1.35	3.29	3.21	↓
Secondary School / Community College	2,292.93	515.13	6.79	1.53	2.64	3.63	↑
Church School	2,639.30	501.96	7.11	1.35	2.77	3.22	↑
Nursery School	648.47	87.00	13.54	1.82	5.27	4.33	↓
Junior School	466.90	28.96	16.27	1.01	6.33	2.40	↓
Infant School	228.47	51.14	5.54	1.24	2.15	2.95	↑
Woodview Campus	29.41	-	5.64	-	2.19	-	↓
Schools Total	24,142.33	3,955.46	8.76	1.44	3.41	3.42	↑

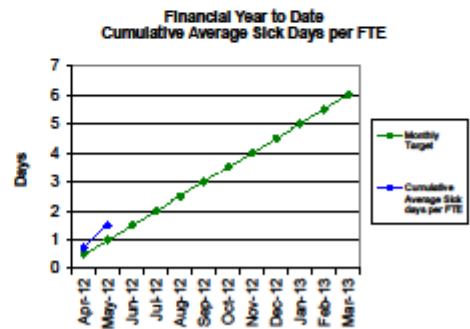
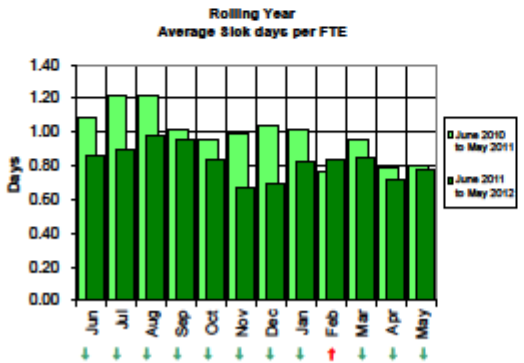


APPENDIX 2d – Place dashboard report (sickness absence)

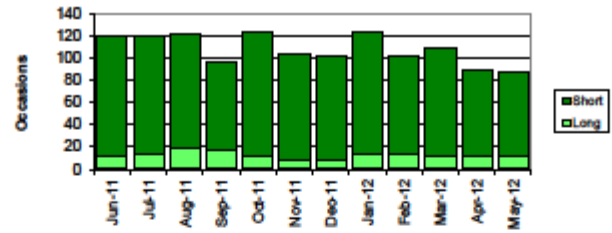
Place
May 2012

Working Days Lost

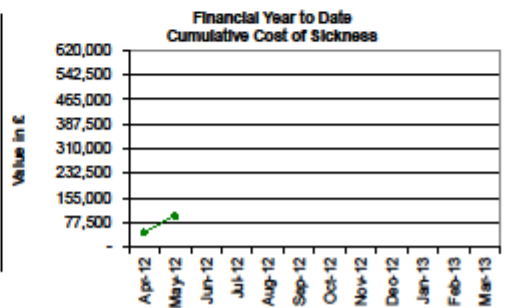
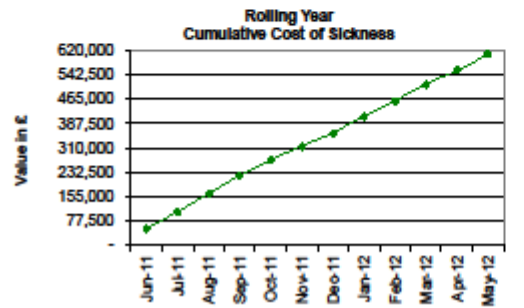
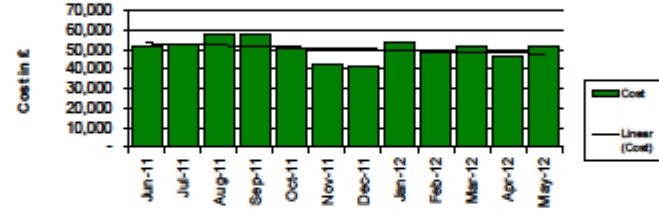
Directorate	Total Number of Days		Average FTE		Percentage		Direction of Travel
	Rolling Year	FYTD	Rolling Year	FYTD	Rolling Year	FYTD	
	-	-	-	-	-	-	**
Business Team (Dev & Reg)	9.00	-	1.16	-	0.45	-	↓
Economic Development	779.34	112.50	7.46	1.08	2.90	2.56	↓
Environmental Services	5,539.42	807.25	11.51	1.68	4.48	3.99	↓
Planning Services	255.60	36.60	3.38	0.48	1.32	1.15	↓
Strategic Housing	-	-	-	-	-	-	**
Transport & Infrastructure	1,192.32	220.50	10.29	1.90	4.01	4.53	↑
Waste PFI	-	-	-	-	-	-	**
Place Total	7,775.68	1,176.85	9.87	1.49	3.84	3.56	↓



Comparison of Long and Short Term Sickness Occasions



Cost of Absence

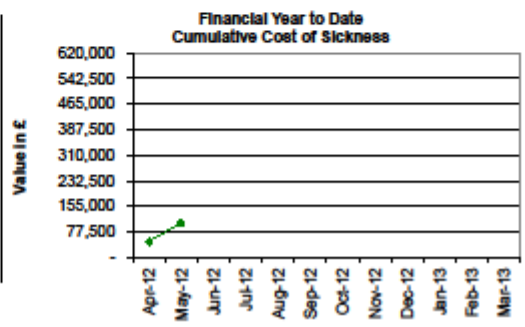
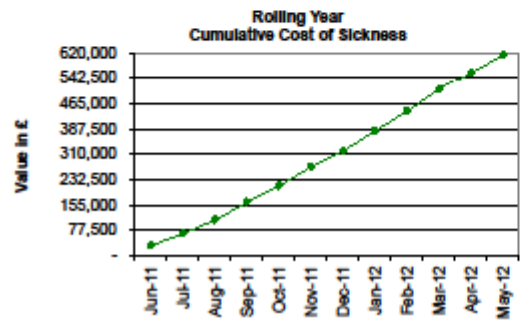
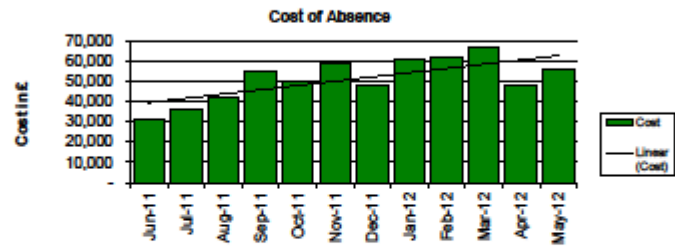
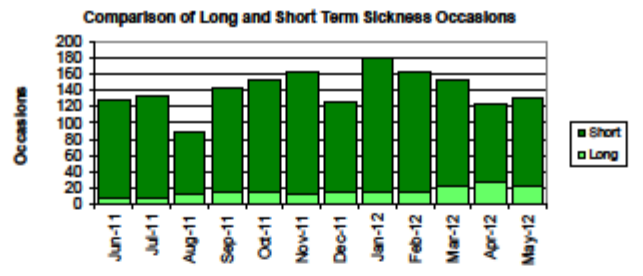
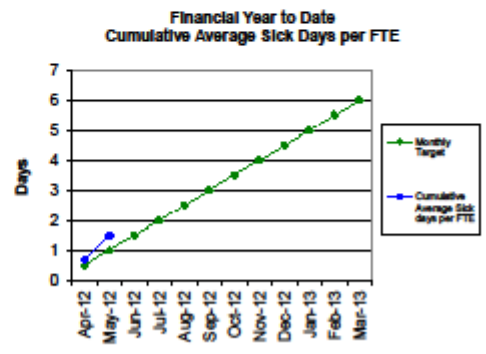
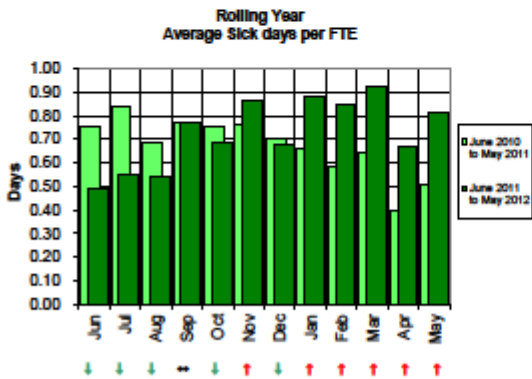


APPENDIX 2e – Corporate Services dashboard report (sickness absence)

Corporate Services May 2012

Working Days Lost

Directorate	Total Number of Days		Average FTE		Percentage		Direction of Travel
	Rolling Year	FYTD	Rolling Year	FYTD	Rolling Year	FYTD	
	-	-	-	-	-	-	**
Customer Services	1,069.09	153.96	7.34	1.06	2.85	2.52	↓
Democracy and Governance	993.62	199.31	11.67	2.34	4.54	5.58	↑
Finance, Efficiency, Technology & Asst	4,444.02	745.58	8.86	1.49	3.45	3.54	↑
Human Resources and Organisational Dev	791.52	147.52	7.59	1.42	2.95	3.37	↑
Management & Support (Corp Services)	10.00	-	10.00	-	3.89	-	↓
Corporate Services Total	7,308.25	1,246.37	8.70	1.48	3.39	3.53	↑



APPENDIX 3 – CIPFA 2012 draft benchmarking

This benchmarking club has 41 members that are Unitary, County Councils and Police forces

12. OCCUPATIONAL HEALTH & WELFARE

Cost per Employee (Non-Schools + Schools)



Employee Headcount 8,306

OH FTE NA

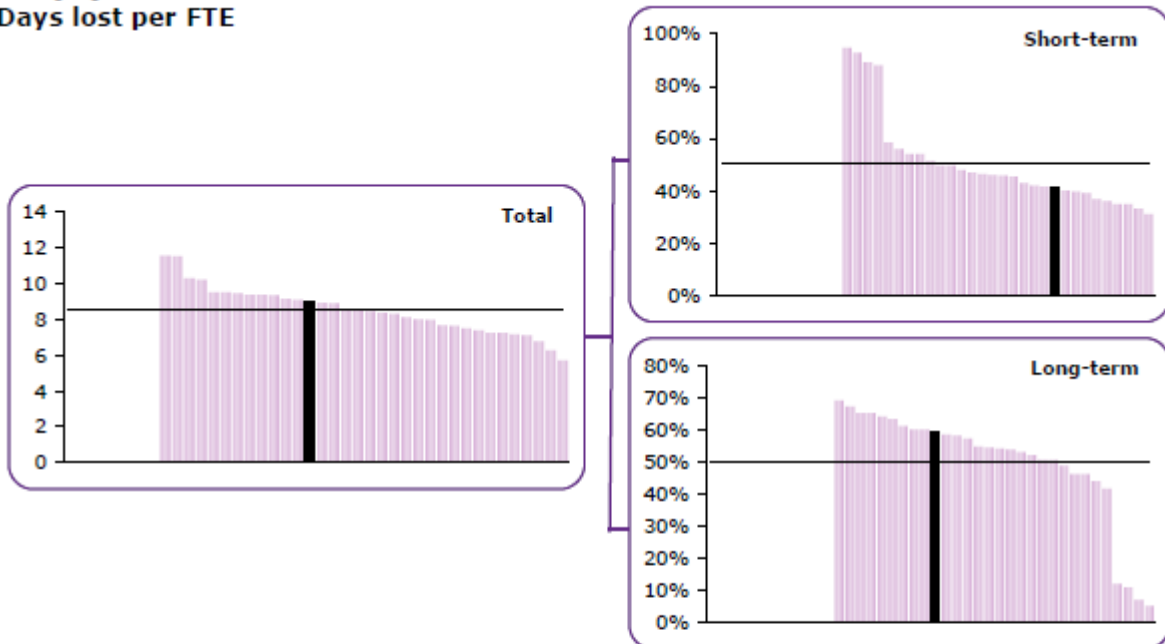
Staff Cost Ek	0
Bought-in Ek	194.84
Total cost Ek	194.84

Cost per Employee

	Avg
£0	£9
£23	£16
£23	£25

6. (a) Sickness Absence All Staff

Days lost per FTE



	%	Avg
Short-term	41%	50%
Long-term	59%	50%

Total days/ FTE	9.0	8.5
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APPENDIX 4 – Family Group Benchmarking February 2012

These unitary authorities are part of an informal benchmarking group for health, safety and wellbeing services.

LA	OH Provider	Annual Cost per employee (£)
Leicester	External	15
Nottingham*	Internal	15
Derby	Internal	15
Stoke-on-Trent	External	19
Plymouth	External	20 (18)
Average		23
Peterborough	Internal	35
Coventry	Internal	42 (30)

Notes:

- Those providing an internal OH service purchase occupational health physician support when needed e.g. for ill health retirements or difficult medical cases
- annual cost per employee based on headcount rather than FTE
- figures for Coventry and Plymouth include counselling services, figures in brackets are OH only

* Cost for OH to employees, but NCC also sell OH services and overall state that they make a profit.

APPENDIX 5 – Regional Benchmarking 2011

nb 2011/12 benchmarking is currently underway

Local Authority	Occupational Health	Average Sick Days per FTE 2010/11
Somerset	External	8.9
Shropshire	External	9.2
Cornwall	In House	9.4
Plymouth	External	9.6
Average		9.6
Devon	In House	9.8
Exeter	External	10.6