

South Tees Hospitals NHS Foundation Trust

Management of Sickness Absence

Trust Board: 26th June 2012

1. Introduction

The management of sickness absence remains an important priority for the Trust. There is evidence that staff engagement contributes to better organisational performance. Investing time now in embedding a culture that supports the health and well-being of staff will have long-term benefits to the Trust.

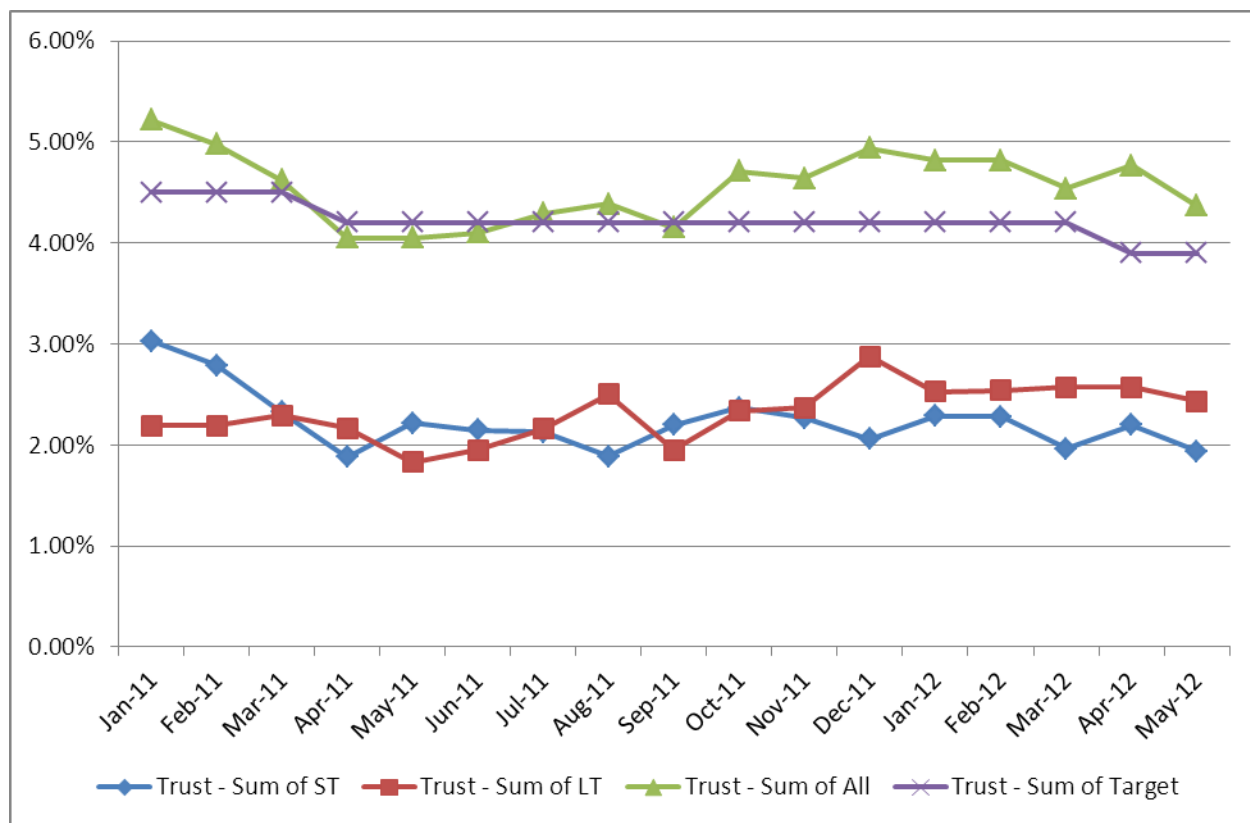
There are also significant financial benefits to embedding the principles of health and well-being into our daily activity. The Trust's sickness absence rate of 4.46% in 2011/12 represented a salary based cost of £7.8m, with a significant percentage having to be covered by bank and agency staff.

This report provides a review of performance in 2011/12 and outlines the activities being taken forward to deliver improved performance in 2012/13.

2. Performance Review

Review of performance against sickness absence targets since 2009/10 highlights in Appendix 1 an inconsistency in achievement across directorates and divisions with the operational service divisions (exceptions pathology, radiology and surgery) struggling to achieve the organizational target year on year. The trend over the period 2009/10 to 2011/12 is an improving one albeit representing a small reduction of 0.42% across the three years.

Figure 1: Sickness Absence Performance January 2011 – May 2012.



Comparison with fellow foundation trusts within the north east region is summarized in Appendix 2 for December 2011 and more recently February 2012 (this the latest date that data is available). The data highlights a range between of absence rates between 3.97% and 6.63%. South Tees is slightly below the average in both months.

Having discussed the inconsistency of performance against the Trust target of 4.2% in 2011/12 the feedback as to the reasons underpinning this was as follows:

- A perceived inconsistency of policy application
- Training for managers in the management of sickness absence, specifically newly appointees
- The 'culture' surrounding staff perceptions for entitlements and durations for particular conditions / injuries
- Occupational health services and advice on securing staff return to normal duties
- Organisational change and diminishing staff resilience leading to absence
- Performance management and perceived penalties for non-compliance
- Information access and visibility of this across divisions
- Caseload management and action planning

3. Financial Impact

There are significant productivity and efficiency benefits to reducing sickness absence as the Trust's sickness rate of 4.46% in 2011/12 represented a cost of £7.8m based on the salaries of those staff recorded as absent. The real savings are somewhat reduced when bank and agency costs are taken into account.

Delivery of 3% sickness rate for nursing from the rate in January 2012 of 5.2% would realise a saving of £2m. The target of 3.9% for 2012/13 would be equivalent to £1m saving, leaving further scope in subsequent years for additional productivity and efficiency benefits to be delivered.

4. Sickness Absence – Activities to Reduce %

A project group has been established to lead on maintaining the focus on managing staff attendance and reducing sickness absence. The key project objectives are as follows:

- Achievement of the Trust sickness absence rate of 3.9% or lower across all divisions & directorates.
 - Implementation of a revised attendance management policy
 - Delivery of robust performance metrics and data to assist divisions / directorates in the management of attendance.
 - Development of an agreed financial tracker to link to the productivity & efficiency programme.
 - Health & wellbeing strategies to support staff attendance building on the Boorman Review recommendations.
 - Review of occupational health services to ensure achievement of national professional standards and attainment of service accreditation.
 - Effectively managing staff back into work from longer-term sickness absence through rehabilitation and redeployment.
 - Staff engagement as an essential component of reducing sickness absence.
- i. *Project Structure:* The Sickness Absence project lead by the Assistant Director of HR is to be managed in accord with the PAO project structure and will meet monthly. Membership includes representatives from divisional management, healthcare governance, finance, occupational health and trade unions. The Group will report to the Organisational Capability Sub Group.
 - ii. *Performance Management:* Sickness absence will continue to be one of the key HR performance metrics reported to the Trust Board on a monthly basis. In addition performance will be reviewed through the quarterly corporate performance review meetings. Achievement of the target will be a key objective for all senior managers. Divisional & Directorate absence rates will be publicized monthly to the organization through the core brief.
 - iii. *Attendance Management Policy:* A new Attendance Management Policy replacing the existing Wellbeing Policy has been developed and is being consulted upon. The policy is to be considered by the JNC in July following which approval will be sought for implementation from August 2012. The current Bradford scoring system which focuses on the management of short term absence is to be replaced with attendance indicators which are based on a % target plus number of episodes within a defined period to assist the management of both short & long term absence.
 - iv. *Case management:* HR Managers & HR Advisors will regularly meet with their nominated divisions and directorates to review all short term and long term sickness absence cases to ensure that the attendance management pathway is being followed and occupational health are engaged in cases where appropriate. An action report will then be generated for each Division/Directorate highlighting actions to be taken for individual sickness absence case.

- v. *Training of Managers:* To support the implementation of the new attendance management policy training will be provided for managers covering policy application, handling of difficult conversations, stress management and health & wellbeing.
- vi. *Rehabilitation & redeployment:* There are cases where staff with specific issues for example musculoskeletal conditions are remaining absent for lengthy periods of time. Whilst they may be unable to fulfill a full clinical role they are able to undertake alternative work hence an increased focus will be placed on seeking alternatives duties redeployment opportunities for staff to facilitate earlier returns to normal duties.
- vii. *Occupational Health Service:* The current Occupational Health service provision will be reviewed against the nationally determined Occupational Health Standards Specification with actions taken to address any gaps identified to ensure the service is 'fit for purpose' going forward. Key performance metrics will be introduced linked to staff referrals and service outcomes.
- viii. *Financial Impact:* Additional work is being undertaken in conjunction with financial management to establish and report the actual financial saving associated with reduced sickness absence reflecting the use of agency and bank staff to cover absence in a number of areas of the Trust. When briefing the savings to the Trust the intention is to translate in practical terms to what it equates to be it staff, patient attendances, materials.
- ix. *Staff Engagement:* Good staff engagement is often associated with positive staff indicators, such as lower levels of absence. There is clear evidence that staff engagement contributes to better organisational performance as well as emerging evidence of links to improved patient experience, though the issues are complex and there may be mutually reinforcing relationships rather than one-way causation. There are also links between improved health and well-being and staff engagement results in the staff survey. It appears that where action is taken to support health and well-being of staff, there is evidence of improved engagement levels and reductions in sickness absence.
- x. *Best Practice:* Visits will be made to trusts where sickness absence rates are lower to learn from their experience and best practice.
- xi. *Linked Issues:* There are a number of other issues which are impacting on the levels of sickness absence and these linkages will need to be reviewed through the project. Addressing these would have a significant impact on sickness absence levels across the trust.
 - Cultural expectation of absence entitlements and durations for particular conditions / injuries
 - Deployment protocols & e-rostering
 - Employee special leave / flexible working policies and their inconsistent application.
 - Inconsistency of application of the attendance management policy across the trust.
 - Management ownership of absence reduction targets
 - Visibility of the cost of sickness absence and linkages with agency / bank staff expenditure.

Recommendations

Members of the Trust Board are asked to note the activity being undertaken to manage staff attendance and support the project which has been initiated, gaining assurance of the management focus on delivering this objective.

Chris Harrison
Director of HR

Divisional & Directorate Sickness Absence Rates 2009/10 to 2011/12

	% Abs Rate (FTE) 2009/10	% Abs Rate (FTE) 2010/11	% Abs Rate (FTE) 2011/12	% Abs Rate (FTE) May 2012
Target	4.5%	4.5%	4.2%	3.9%
Trust Total	4.88%	4.56%	4.46%	4.37%
Academic	2.61%	3.18%	3.38%	2.54%
Anaesthetics	6.33%	5.38%	5.86%	6.26%
Cardiothoracic Services	4.98%	4.74%	4.31%	4.23%
Chief Executive	1.80%	0.79%	0.52%	0.85%
Clinical Support Services	3.58%	3.85%	3.27%	3.65%
Community Services	5.08%	5.50%	6.12%	4.43%
Operations	5.64%	4.61%	4.55%	5.6%
Finance	3.99%	2.34%	2.63%	1.66%
Healthcare Governance	4.24%	2.45%	2.70%	3.22%
Human Resources	3.85%	2.04%	2.32%	2.62%
IT and Health Records	3.22%	4.16%	3.36%	3.42%
Medicine Acute	5.86%	4.93%	4.70%	5.49%
Medicine Specialty	5.08%	5.60%	4.83%	4.79%
Neurosciences	5.63%	5.93%	4.38%	4.16%
Pathology	4.34%	3.50%	3.32%	3.70%
Planning	5.24%	4.45%	4.22%	2.99%
Radiology	4.17%	3.21%	3.23%	2.82%
Surgery	4.31%	4.35%	4.00%	3.85%
Trauma	4.36%	4.43%	4.84%	5.23%
Women And Children	4.83%	4.34%	4.67%	4.05%

Appendix 2

Sickness Absence Rates for North East Foundation Trusts as at December 2011 & February 2012

		Dec-11		Feb-12
North East	City Hospitals Sunderland FT	4.04%		4.10%
	County Durham & Darlington FT	4.49%		4.22%
	Gateshead Health FT	4.39%		4.91%
	Newcastle-Upon-Tyne Hospitals FT	4.17%		4.31%
	North East Ambulance FT	6.35%		6.63%
	North East SHA	4.60%		3.41%
	North Tees & Hartlepool FT	4.61%		4.72%
	Northumberland Care	2.46%		3.97%
	Northumberland Tyne & Wear FT	6.29%		6.36%
	Northumbria FT	4.62%		4.57%
	South Tees FT	4.87%		4.76%
	South Tyneside FT	5.77%		5.74%
	Tees Esk & Wear FT	5.65%		5.64%
Regions				
North West		4.83%		4.88%
Yorkshire and the Humber		4.79%		4.88%
East Midlands		4.64%		4.70%
West Midlands		4.58%		4.66%
East of England		4.31%		4.38%
London		3.68%		3.81%
South East Coast		4.16%		4.28%
South Central		4.03%		4.15%
South West		4.32%		4.43%
Special Health Authority		3.60%		3.78%
Wales		5.49%		5.63%