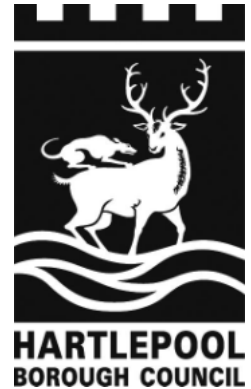


# **PERFORMANCE PORTFOLIO DECISION SCHEDULE**



**Wednesday 13 July 2011**

**at 3.00 pm**

**in Committee Room C, Civic Centre, Hartlepool**

Councillor J Brash, Cabinet Member responsible for Performance will consider the following items.

**1. KEY DECISIONS**

No items

**2. OTHER ITEMS REQUIRING DECISION**

- 2.1 Employee Sickness Absence Annual Report 2010/11 – *Chief Customer and Workforce Services Officer*
- 2.2 Occupational Health Services – *Chief Customer and Workforce Services Officer*

**3. ITEMS FOR INFORMATION**

No items

**4. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS**

No items

**5. LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006**

**EXEMPT ITEMS**

Under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in the paragraphs referred to below of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006

**6. EXEMPT KEY DECISIONS**

No items

**7. OTHER EXEMPT ITEMS REQUIRING DECISION**

- 7.1 Approval for Compulsory Redundancy (Para 4) – *Chief Customer and Workforce Services Officer*

## **PERFORMANCE PORTFOLIO**

Report to Portfolio Holder

13<sup>th</sup> July 2011



**Report of:** Chief Customer & Workforce Services Officer

**Subject:** EMPLOYEE SICKNESS ABSENCE  
ANNUAL REPORT 2010/11

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### SUMMARY

#### **1. PURPOSE OF REPORT**

To update the portfolio holder on the Council's performance in 2010/11 in relation to employee sickness absence, future targets and to receive endorsement of actions proposed to achieve the targets.

#### **2. SUMMARY OF CONTENTS**

The report provides details of employee sickness absence in 2010/11, future targets and the actions proposed to meet the targets.

#### **3. RELEVANCE TO PORTFOLIO MEMBERS**

Corporate issues.

#### **4. TYPE OF DECISION**

Non-key decision.

#### **5. DECISION MAKING ROUTE**

Portfolio Holder only.

#### **6. DECISION(S) REQUIRED**

Note the report and endorse the targets set and actions planned for 2011/12.

**Report of:** Chief Customer & Workforce Services Officer

**Subject:** EMPLOYEE SICKNESS ABSENCE  
ANNUAL REPORT 2010/11

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**1. PURPOSE OF REPORT**

To update the portfolio holder on the Council's performance in 2010/11 in relation to employee sickness absence, future targets and to receive endorsement of actions proposed to achieve the targets.

**2. BACKGROUND**

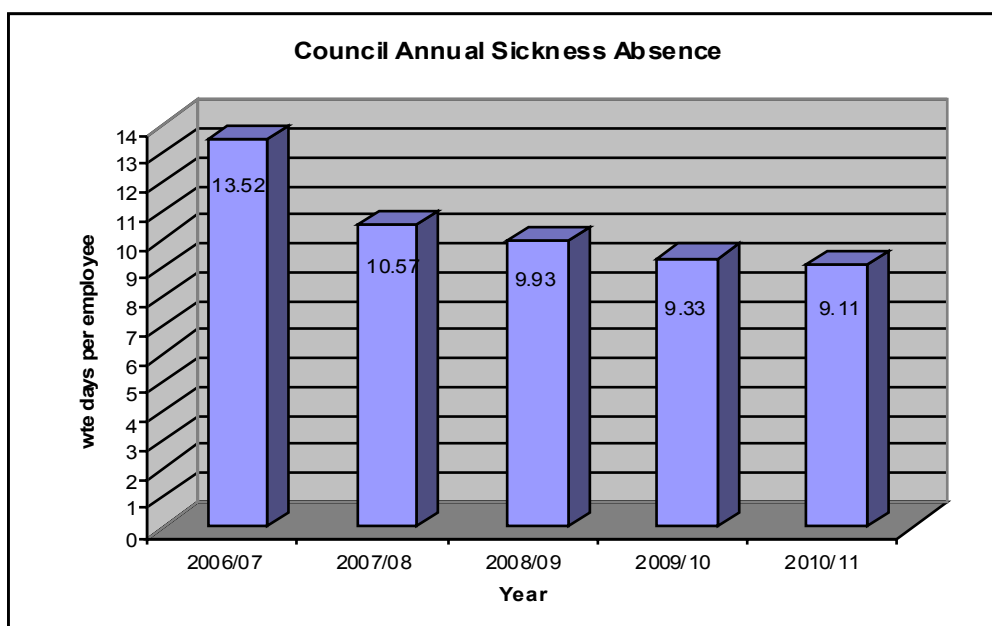
The extent to which employees are absent from work due to illness has a direct impact on the quality, level and cost of the provision of services. As such the Council have included this as a Local Performance Indicator (HRPI 5A) – The number of working days/shifts lost due to sickness absence in its group of Corporate Health Performance Indicators.

**3. PROPOSALS**

**3.1 Sickness Absence Performance 2010/11**

The target figure for 2010/11 for the Council was 9.30 days absence per wte employee (whole time equivalent). The end of year figure shows an improved figure of 9.11 days per wte per employee per annum as illustrated in Figure 1 below.

This shows a continued reduction in levels of sickness absence rates for the fourth year running. The Council continues to focus on sickness absence management to drive these figures down further. This commitment is demonstrated in the more challenging target figures shown in a later section.

Figure 1

3.2 Figure 2 below illustrates the actual performance for each Department and Schools as at 31 March 2011. This can be compared to performance over the last two years in Chief Executives and Schools. However for the newly formed Departments Regeneration & Neighbourhoods and Child & Adults Services there is only the 2009/10 data. For this reason Figure 3 has been inserted showing the 2009/10 data for the 'old' Departments for historical comparison. The final column shows the 2010/11 annual target set by each Department and Schools.

The figure identifies that there is a continued overall downward trend in sickness absence rates across the Council, as compared with the last two years. However, as the overall sickness absence drops then the rate of expected decline reduces also, therefore the rate of decrease has slowed down.

Figure 2

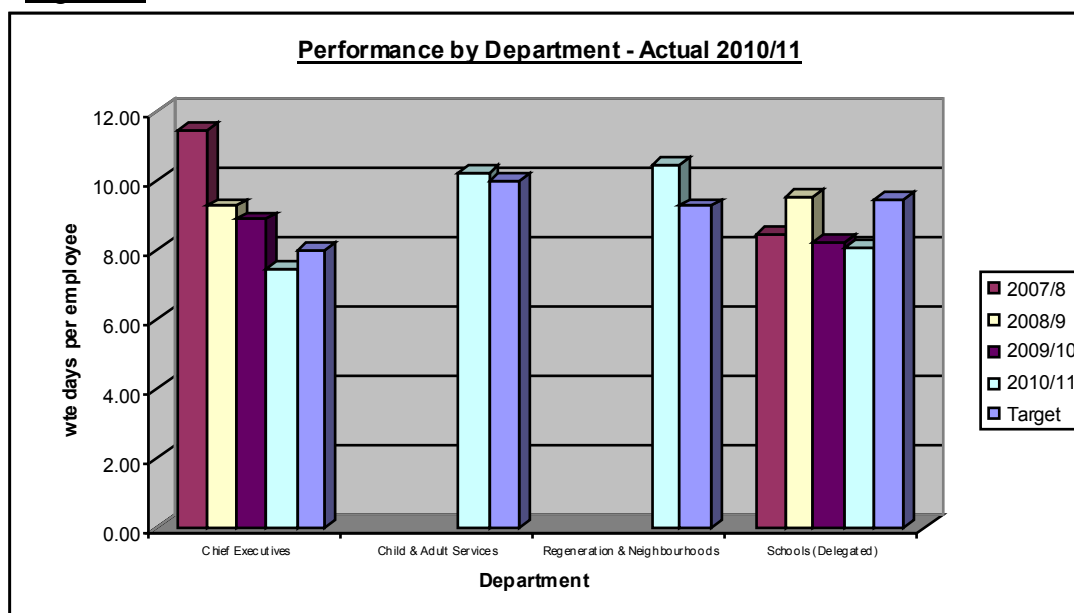
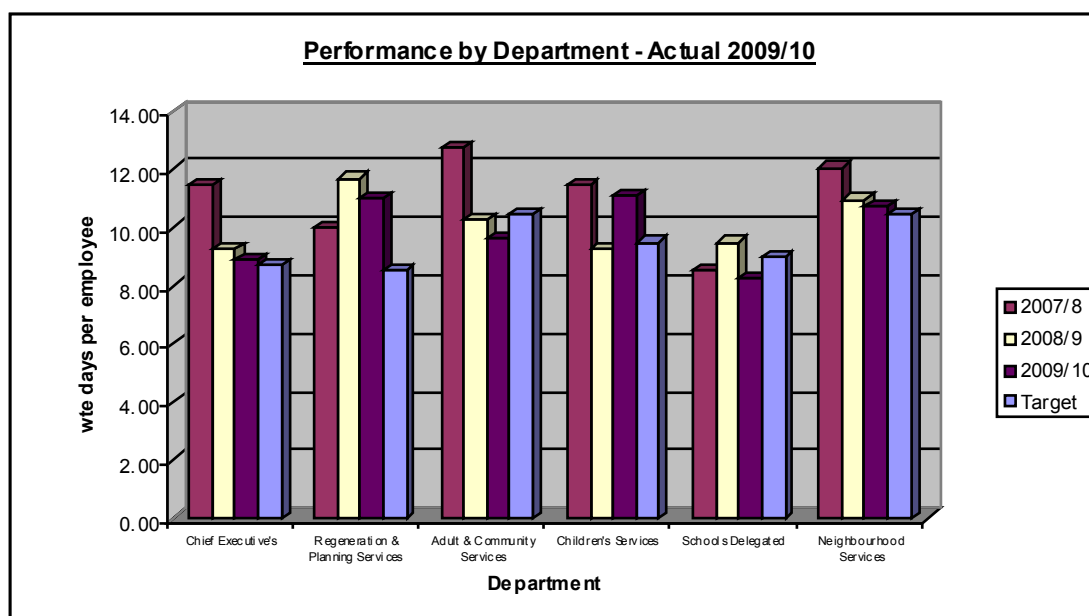


Figure 3



3.3 The latest employee sickness absence survey undertaken by Local Government Employers in 2009 highlights the average wte days per employee per annum lost due to sickness absence for Authorities (England & Wales) as 9.2 wte. Hartlepool Borough Council is marginally lower than the national average. The Corporate Institute of Personnel & Development in their annual survey in 2010 report the average sickness rate at 7.7 days per employee across all sectors.

Sickness absence figures for 2010/11 from neighbouring authorities are as follows:

Redcar	7.48 wte
Darlington	7.71 wte
Stockton	8.21 wte
Middlesbrough	8.46 wte
Hartlepool	9.11 wte

- 3.4 According to the LGA survey in 2009, relating to local government sickness absence there has been no change to the recent trends for the causes of absence for both long and short term sickness. The most important single cause of absence was stress, depression, anxiety, mental health and fatigue (18.4%); the other major causes are infections (13.6%); musculo skeletal problems (excluding back) 13.5%; back and neck (7.3%); kidney, stomach and liver problems (8.3%).

The reasons for absence in Hartlepool Borough Council have not been collated for 2009/10 due to a redirection of resources to the business transformation programme priorities but there is no reason to suggest we deviate from the national averages. The new Human Resource Information System, Sickness Absence module is being implemented in 2011 which will lead to an improved availability to data for reporting.

The HSE has identified that in a large workforce with a significant number of female and older employees then a higher level of absence can result. When corrections were made to account for this demographic then the public and private sector sickness absence rate differences were much smaller than publicised. Also the public sector has a much higher level of organisational change and use of call centres which traditionally see higher rates of sickness absence.

Hartlepool Borough Council recognises the LGA survey findings that identify there are many causes to higher levels of sickness absence in addition to genuine sickness. Many absences are a direct result of staff protests against organisational and cultural problems and actions needed should target solutions to minimise these.

### 3.5 Long, Medium and Short Term Sickness Absence

Long term	= 20 days plus
Medium term	= 5 to 20 days
Short term	= under 5 days

Figure 4

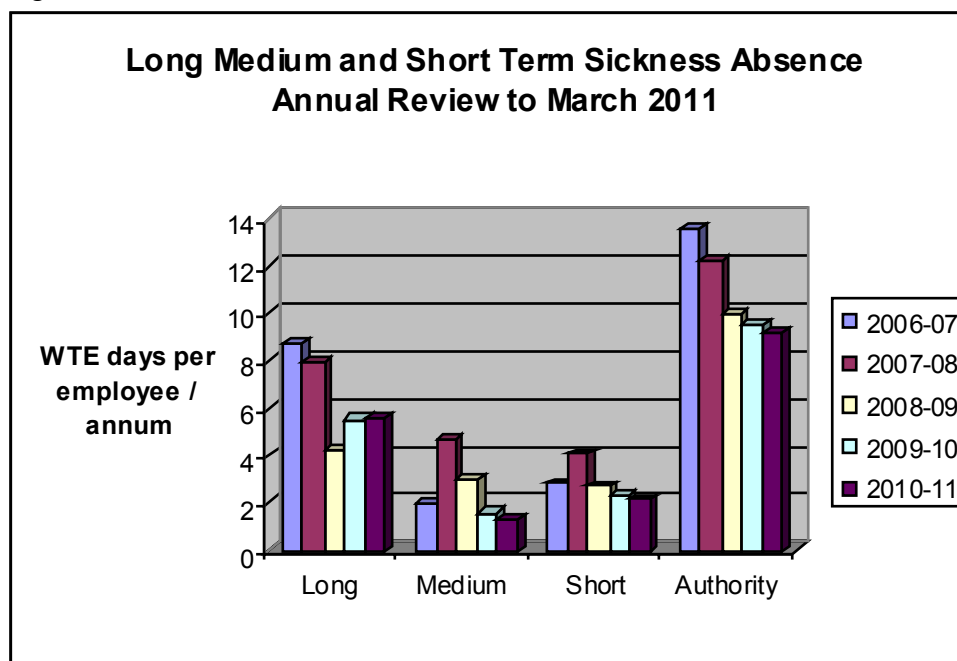


Figure 4 shows a breakdown of long, medium or short terms sickness absence for the past 5 years up to March 2011. The final column shows the impact this had on the overall Council sickness absence figure.

In 2011 there continues to be a decline in medium and short term sickness absence which accounts for the overall downward trend in the decrease for the Council. The 2008/09 sharp decrease in long term cases can be offset by the increase in medium terms cases which shows as a slight anomaly to the overall trend caused by a fluctuation of long and medium terms cases within Schools. The long term cases have increased and this is likely a result of the effect of the Council's redundancy programme on cases and resource diverted away from sickness absence management.

Overall this shows a year on year improvement in the management of sickness absence for the Council to date.

### 3.6 2010/11 to 2011/12 Sickness Absence Targets

Each Department has set their average sickness absence targets for 2011-12 as detailed in Table 1 below. The first two columns show the target and actual sickness for 2010/11 and the final column shows the proposed targets for 2011/12.



Table 1

Department	2010/11 Target (days)	2010/11 Actual	2011/12 Proposed Target
Chief Executive's	8.70	8.86	7.00
Child & Adult Services	10.50	9.68	10.00
Regeneration & Neighbourhoods	8.50	11.04	10.00
Schools	9.00	8.08	8.00
Overall Council	9.30	9.11	8.90
Average for All Authorities (LGA survey 2009)	9.20		

The target set for 2011/12 is based upon individual targets set by departments and for schools. For subsequent years the targets reflects a Council wide reduction of 0.5 days year on year, subject to review. The 2011/12 target, if achieved, will represent a realistic and good improvement in sickness absence performance management for a 12 month period.

### 3.7 Actions Planned for 2010/11

A number of actions are ongoing for 2011/12 and they are expected to help in achieving sickness targets in the future. These are set out below.

- Embedding the Council's Wellbeing Strategy to promote the health, safety and general wellbeing of the Council's employees. The Council has been very active for the healthy workforce from fast track physiotherapy, wellbeing sessions, weight management groups, non-smoking groups, health checks, and the introduction of the cycle salary sacrifice scheme
- Update the Council's sickness absence policy and management arrangements
- Ongoing development of the Council's commitment to managing stress at work as part of a wider Mental Health strategy across the Council

- Review of statistics and monitoring information as a result of the plans for the implementation of a computerised Human Resources Information System
- Maintain the close partnership with trade unions to work together to manage sickness absence in the Council
- Continue to proactively promote and market Occupational Health Services and employee support initiatives to positively increase the options for employees who fall ill and in turn, impact on the sickness absence rates
- Continue to promote flexible working measures, including home working, may impact on the rates in the future

#### **4. RECOMMENDATIONS**

That the employee absence in 2010/11 is noted and future targets and proposed actions for 2011/12 be endorsed.

#### **5. BACKGROUND PAPERS**

None

#### **6. CONTACT OFFICER**

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## **PERFORMANCE PORTFOLIO**

Report to Portfolio Holder

13<sup>th</sup> July 2011



**Report of:** Chief Customer & Workforce Services Officer

**Subject:** OCCUPATIONAL HEALTH SERVICES

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### **SUMMARY**

#### **1. PURPOSE OF REPORT**

To inform Portfolio Holder of the intention to procure a provider of occupational health services and seek Portfolio Holder's approval to letting the contract on a price/performance basis.

#### **2. SUMMARY OF CONTENTS**

The report provides background to the planned procurement project and proposes a basis for selecting the successful contractor.

#### **3. RELEVANCE TO PORTFOLIO MEMBER**

The Portfolio Holder has responsibility for Performance Management.

#### **4. TYPE OF DECISION**

Non-key.

#### **5. DECISION MAKING ROUTE**

Performance Portfolio Holder only.

#### **6. DECISION(S) REQUIRED**

The Portfolio Holder is requested to approve the planned procurement project and approve conducting the procurement exercise on the 60:40 quality/price basis proposed.

**Report of:** Chief Customer & Workforce Services Officer

**Subject:** OCCUPATIONAL HEALTH SERVICES

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**1. PURPOSE OF REPORT**

- 1.1 To inform Portfolio Holder of the intention to procure a provider of occupational health services and to obtain Portfolio Holder's approval for the procurement exercise and to letting the contract on a price/performance basis is also sought.

**2. BACKGROUND**

- 2.1 One of the Council's strategic objectives is to improve corporate plans to promote Healthy Working and one of the ways to achieve this is by the Council taking a proactive approach to the mental, emotional, spiritual and physical health, safety and general well being of all employees and those affected by the activities of the Council. To assist the Council in this regards it requires pro-active professional advice and clear management responsibilities.
- 2.2 In addition the Council through its performance management system strives to reduce sickness levels. To assist managers and employees it aims to provide attendance management systems that are transparent and supportive to employees who want to be at work and robust for those who do not. The Council is also committed to adjusting working arrangements to support individual needs wherever it is reasonable to do so.
- 2.3 The occupational health service provides advice and support to both employees and managers to ensure that staff who have reported health issues do not have these conditions aggravated by the work they do on behalf of the Council. The service also provides advice and support on the management of issues to help people stay at work or to support employees to return to work and where this is not possible advice on the medical issues relating to the specific circumstances. This allows managers, in consultation with officers from the Workforce Services division, to make decisions as to individual capability, ill health retirement etc.
- 2.4 Access to the occupational health service is normally via a referral from a manager. The occupational health adviser would then provide an appointment and monitor progress in order to facilitate a return to work.

- 2.5 This service also provides the health surveillance programme which is a legal requirement where employees of the council may be exposed to hazards that may cause health effects due to long term exposure.
- 2.6 At the current time, the Council utilises the services of an external occupational health service provider, Connaught Compliance Ltd. This company, formerly known as National Britannia, became the council's provider after a full tendering exercise undertaken in 2008. Following this exercise a three year contract was agreed, with the potential to extend for two periods of twelve months, this contract was signed in 2009. However following the financial difficulties of the parent group Connaught was placed into administration and Connaught Compliance Ltd changed its name to Santia.
- 2.7 The council has now received formal correspondence from the company indicating that Connaught Compliance Ltd. have ceased trading and requesting that the council novates the contract to a new company Santia Consulting Ltd who now have the business and all of the assets relevant to Hartlepool Borough Council's contact with Connaught Compliance Ltd.
- 2.8 The Council have obtained legal advice which indicates that such a novation may not be lawful as other parties have not had the opportunity to bid for the work through an open competition or object to the proposal. In order to meet its legal obligations it is proposed that this contract will be subject to open competition through a tender process, will operate for three years with the potential, subject to satisfactory performance, for an extension of a further 2 x twelve month periods.
- 2.9 Discussion has been held with other authorities within the Tees Valley regarding their services, unfortunately these authorities have undertaken their own procurement exercise for their providers and such it has not been possible to undertake a joint procurement exercise.

### **3. PROPOSALS**

- 3.1 It is apparent from the legal advice the Council has received that should the council novate the contract to Santia Consulting Ltd that this may be subject to legal challenge. However it is understood that the courts may be sympathetic to the situation that the council has been placed regarding the contract. Consequently it is proposed that the council continues with the agreement with Santia Consulting Ltd until 31<sup>st</sup> December 2011 as this will allow the council to test the market via a tendering exercise and thereby fulfil its legal procurement responsibilities. As there is a current provider the provisions of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) may apply.
- 3.2 From the original tender exercise in 2008 it was identified that there were a number of potential suppliers of occupational health services.

However, the Council does not have an approved contractors list that can be used. Therefore it has been deemed necessary to invite initial expressions of interest to begin the selection process. The Public Contract Regulations 2006 (Schedule 5) determine that services categorised as “Health and Social Services” can be classed as Part B services. This means there is no requirement for any contract notice to be published in the Official Journal of the European Union.

- 3.3 In order to ensure that the contract is attractive and to encourage healthy interest it is proposed to offer the contract period at three years with the potential, subject to satisfactory performance, for an extension of a further 2 x twelve month periods.
- 3.4 It is proposed that an invitation for Expressions of Interest be advertised in the local press. It is further proposed that a restricted tendering procedure is used and a pre qualifying questionnaire is used for the initial short listing purposes.
- 3.5 Organisations that are short listed will then be invited to tender for the contract. It is anticipated that tender submissions will be available for opening at a suitable Contract Scrutiny Panel meeting once the schedule has been agreed by council.
- 3.6 It is proposed to conduct the tender exercise using a 60% quality and 40% price assessment ratio.
- 3.7 The assessment criteria will be based upon the content of the submission and pay particular attention to the experience and competency of the provider as well as the proposed fees. The assessment criteria will be developed in accordance with appropriate procurement rules.

#### **4. RISK IMPLICATIONS**

- 4.1 It is essential that the council obtains appropriate advice on health matters relating to individuals to ensure that appropriate actions are taken in relation to employment law and thereby mitigate the risk of claims in civil and criminal courts or employment tribunals. Failure to provide the service may increase the risks of legal challenges.
- 4.2 There is the potential that Santia Consulting Limited may consider legal challenge to the decision of the council but the requirements of the relevant contract and the advice of the council's legal team is that such a challenge is unlikely.

#### **5. FINANCIAL CONSIDERATIONS**

- 5.1 By market testing it is hoped that efficiency savings can be achieved for the cost of the service.

**6. RECOMMENDATIONS**

- 6.1 That the Portfolio Holder notes the content of the report and approves the procurement exercise on the basis of 60% quality and 40% price.

**7. CONTACT OFFICER**

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