Report to Budget and Corporate Scrutiny Management Board

29 January 2025

Subject:	Vacancy Management and Sickness Absence Report
Director:	James McLaughlin Assistant Chief Executive
Contact Officer:	Assistant Director of HR and Organisational Development, Victoria Lee Victoria_Lee@sandwell.gov.uk Head of HR Advice and Operations Nicki Gobran Nicki_Gobran@sandwell.gov.uk

1 Recommendations

1.1 That the Board considers vacancy management and sickness absence data from 2019 to present (to compare pre and post pandemic data).

2 Reasons for Recommendations

2.1 Members requested further detail on current vacancy management arrangement in place including vacancies across the council, for each service.

2.2 Members requested sickness absence numbers, for each service area / category and average length of sickness absence.

2.3 Members also requested briefing on the wellbeing support offer available to staff and the evaluation of that support.

3   How does this deliver objectives of the Corporate Plan?

Effective management of vacancies enables the council to ensure that the right people with the right skills are recruited at the right time to help deliver services to our residents directly and indirectly via the support functions.

Employee attendance impacts on the council's ability to deliver against our Corporate Plan in every area where absence is pronounced.

Absence management is a responsibility of every service. Supporting and enabling policies, procedures, guidance, and health and wellbeing services sit within HR Services as a core element of One Council One Team.

4.   Context and Key Issues

4.1   In response to escalating costs associated with rising demand for SEND Transport identified in Q3 of the 2023/24 financial year, it was agreed by Strategic Leadership Team in December 2023 to implement vacancy controls for vacant posts to deliver a short-term cost reduction of £7m in 2024/25. This was approved as part of the 2024/25 budget by Council at its meeting on 20 February 2024.

4.2   To achieve this one-off saving, Strategic Leadership Team introduced additional vacancy management controls which applied across the whole council. Directorates were required to identify which posts were to be frozen within their services and for what duration in order to meet the budget gap. The total posts frozen in this exercise for were 230 posts (184 FTE) across all directorates. Childrens Services had 11 posts (6.5 FTE), Adult Social Care 85 post (60.5FTE), Environment 41 posts (28FTE), Regeneration 20 posts (18.5FTE),Finance and Transformation 45 posts (43FTE) and Assistant Chief Executive 28 posts (27.5FTE).

4.3   It was also determined that all proposals linked to recruitment of staff on a permanent / fixed term / secondment or agency basis, must be approved by a Vacancy Management Panel (VMP).

4.4   VMP currently meet twice weekly to consider new recruitment requests. These are either approved, rejected or there may be a request by the panel for more information.

4.5   Managers must submit a fully signed Mandatory Approval Form (MAF). This is signed by the budget holder, Finance and Director and includes details of funding. Managers also submit a business case setting out their reasons for recruitment and details of alternative considerations made. Total cost information is also included in the MAF for consideration.

4.6   Strategic Leadership Team has agreed that the arrangements will continue for the foreseeable future in order to provide effective control in respect of the financial position. The VMP is normally chaired by the Assistant Chief Executive who is supported by ADs and/or Heads of Service from other directorates.

4.7   Panel decisions are recorded on the DASH (Firmstep) providing an audit trail of each outcome with date and time tracking. 88% are approved, with only 4% declined at panel. 9% are cancelled by the budget holder or closed by the system due to not enough information provided.

4.8   On previous occasions, Members of the Budget and Corporate Scrutiny Management Board have sought to understand if a correlation exists between sickness absence rates for work-related stress in particular and the vacancy management controls that have been established. Analysis of the data provided in this report does not identify or suggest a causal link and, as previously advised, vacancy management controls do not mean that there has been a suspension of recruitment. The VMP regularly receives requests from directorate management across the Council to engage agency staff to ensure that services are maintained at levels required by statute or in accordance with the Council's own requirements.

Vacancy Management Data

4.9   Vacancy management data is provided for the financial year 2019/20 (pre-Covid) and then for the financial years 2022/23; 2023/24 and 2024/25 (Apr – Oct). This data is captured against substantive structure vacancies advertised. This is attached in Appendix 1 and the summary of this data is as follows:

- **Agency data -** Agency workers are covering approximately 300 vacancies per year and there is minimal variation between the pre and post pandemic period.

- **Permanent Vacancies** - Post pandemic data shows an increase in the number of vacancies since the post pandemic period: 2022/23 **(527)**; 2023/24 **(554)** compared to the base pre pandemic year 2019/20 **(420).**
- **Fixed Term -** The use of fixed term contracts appears to have increased post pandemic.

4.10 It is difficult to make like-for-like comparison due to changes in the organisational structure. However, the following provides explanations of the spikes in the recruitment vacancies:

- Adult Social Care 2022/2023
  - ➤ Advertised 60 posts for the recruitment campaign for Harvest View.
  - ➤ Recruitment to vacancies that had not been filled in certain teams, such as Social Work/care roles.

- Borough Economy 2022/2023
  - ➤ Grounds Maintenance Operatives, these roles are advertised each year for grass cutting campaign.
  - ➤ Events and Attraction Assistants, these were newly created roles to save on the use of agency workers.

- Housing 2022/2023
  - ➤ Housing Hub Officer and Housing Services Officer, a high number of posts were created following a restructure of the service.

- Borough Economy 2023/2024
  - ➤ Grounds Maintenance Operatives, these roles are advertised each year for grass cutting campaign.

- Children and Education 2023/2024
  - ➤ Youth workers roles were advertised as, to fill vacant hours in the service.

- Place (formerly Borough Economy) 2024/2025
  - ➤ Grounds Maintenance Operatives, these roles are advertised each year for grass cutting campaign.

4.11 In summary, there were around 22% of vacancies pre pandemic as a total percentage of the workforce. Since the pandemic, vacancy levels have remained similar at around 26% of the total workforce and we are currently showing a similar vacancy rate up to the end of Q2 this year at 12.9%.

Sickness Absence Data

4.12 Sickness absence data is reported in financial years and has been provided for 2019/20 through to 2023/24. This is so that pre and post covid comparisons can be shown, including the dip in sickness absence during the height of the pandemic in 2020/21. The reason for the dip in 2020/21 was due to the strict lockdown measures and reporting rules for isolations due to coronavirus symptoms that were in place at the time.

4.13 Detailed sickness data has been provided in appendix 2 and the summary of the comparison of the data pre and post pandemic is set out below.

4.14 In common with patterns seen in other organisations, the number of employees taking time off sick had risen post pandemic but has since reduced to just below the pre pandemic levels. The percentage of employees taking some time off sick in 2023-24 was 59% compared to 60% in 2019-20. This is above the benchmark median of 51% for the Regional Authorities. (slide 2)

4.15 The overall number of incidents of sickness in the year 2019-20 was 4,330 and increased in the two consecutive years after the coronavirus pandemic. At the end of 2023-24 the number of incidents had reduced to 4,291, which is just below the pre pandemic number. (slide 3)

4.16 In terms of duration of sickness, this is measured as average working days lost per employees and is included as a key performance indicator in the Council Plan. The pre-pandemic average was 9.23 days in 2019-20 and had risen year on year post pandemic to 11.35 days in 2023-24. This contrasts with the pre-pandemic trend, where it had begun to fall. (slide 4)

4.17 In addition, the percentage of working days lost due to sickness is also included as a performance measure in the Council Plan. Percentage working days lost due to sickness has also increased over the same period and was 5.1% at the end of 2023-24 compared to the CIPD average for all sectors of 3.4%. (slide 4).

4.18 In terms of the benchmark for average working days lost per employee, the pre-pandemic average for all sectors was 5.8 days and had risen to

7.8 days post pandemic.[1] The public sector average in 2023 is 10.6 days and the median for the West Midlands Regional Authorities is currently 9.2 days. Two of our five neighbouring authorities shared their data on the regional benchmarking database for the year 2023-24: Birmingham (12.6 days) and Wolverhampton (11.1 days). Performance for SMBC (11.3 days) was better than Birmingham and almost on par with Wolverhampton. (slide 5, 6 & 7)

4.19   According to the CIPD Health & wellbeing survey 2023 the size of the organisation influences the absence levels. The average absence level for organisations between 1,00 – 4,999 employees is 8.7 days per employee. (slide 8)

4.20   There are currently 12 categories of sickness and incidents of sickness from 2019-20 to date show the leading causes based on working days lost as:

- stress, depression and mental health
- muscular skeletal problems
- Infections (slide 9)

4.21   Stress, depression and mental health has remained as the leading cause of sickness pre and post pandemic. In the year 2023-24 this accounted for 29% of all sickness for SMBC compared to the available benchmark 36% for Regional Authorities (slide 9).

4.22   The pattern of the reasons for sickness absence pre and post covid are remains unchanged with stress, depression, mental health; muscular skeletal problems and infections remaining the top causes. (slide 10).

4.23   Stress related sickness have increased after the pandemic. Sickness under personal is the largest contributing cause to stress, depression and mental health. This saw an increase in working days lost in 2022-23 which has remained. Another reason for the overall rise in recorded mental health is, "Mental Health Illness" conditions, which were not being recorded in this reason code and may have been registered within another absence code. (Slide 10)

4.24   Back and neck and other muscular skeletal problems combined have largely remained as the second largest cause of sickness. Lower back pain was the main underlying cause for back and neck and shows year

---

[1] Data Sources: CIPD Health & Wellbeing AT Work Report 2023/ Infinistats Regional Authorities Benchmarking Database - 2023-24

on year increase since the pandemic. Joint Inflammation, fractures and surgical procedures continue to be the main reasons for other muscular skeletal problems (slide 10).

4.25 Sickness absence across services is measured through average working days lost per employee by Directorate.

4.26 A like-for-like comparison is not possible due to realignment of services. However, a general observation can be made from the data that sickness has increased across all directorates compared to the pre pandemic period. (slide 11).

4.27 The Directorate breakdown at the end of Q2 this year (2024) compared to the same period last year is like-for-like and shows a reduction in sickness for 4 out of the 9 directorates. Services within the new Place Directorate have seen the largest increases, with the average number of days in Housing increasing over 2 days compared to the same period last year an Regeneration experiencing the second largest increase of 1.36 days. (slide 12)

4.28 The reasons for stress are reviewed against the total of vacancies we had in 2023-24, when we had introduced more governance around the vacancy management process. The pattern does not appear to show any correlation between the vacancies and work-related stress within the directorates. (slide 13)

Occupational Health and Wellbeing

4.29 Our Occupational Health & Wellbeing service helps support and prevent sickness absence by offering a range of interventions and support to employees:

- First line advice from a registered nurse (occupational health advisor) available through our sickness referral service for proactive advice and guidance.
- Signposting to our confidential Employee Assistance & Counselling Service or a self-referral to our physiotherapist for MSD issues.
- Referral service with an occupational health advisor, physician or physiotherapist for a one to one consultation to provide individual tailored advice around an employee's mental or physical health; to help support employees back into work; providing advice on adjustments; support ongoing health issues; and helping in the management of sickness absence.

4.30 Through our employee wellbeing promotion and with the support of our wellbeing specialist, we deliver initiatives in line with national campaigns in which both physical and mental needs are recognised. We provide confidential one to one sessions with a mental health professional (Talking Life); access to Mental Health first aiders. We have 62 Wellbeing Champions, 6 cancer and 18 Menstruation-2-Menopause Champions. We also provide Physiotherapist wellbeing sessions to promote postural stretching and exercises if working in the office or at home.

4.31 The wellbeing statistics for 2023/24 include:

- Employee Assistance & Counselling Service usage was 8.98% against a benchmark average of between 6% - 10%.
- 82% take up of available spaces for the Talking Life sessions.
- 268 employees signed up to the Physiotherapist wellbeing sessions.
- 132 physiotherapy self-referral appointments.

Actions taken in 2023 and 2024 and next steps

Within Recruitment management

4.32 A more robust way of tracking vacancies against established posts has been in place now for a year.

4.33 A strategic resourcing team has been set up to support directorates more with helping to fill hard to fill vacancies and hard to fill posts and give more time to supporting managers with their recruitment. This team, once Oracle Fusion has gone through hyper care phase, end of December 2024, will start to be part of the directorate workforce planning conversations, sharing their expertise, understanding how they can support with campaigns, using more diverse job boards and help identify where their value is in getting involved in apprentice recruitment.

4.34 A new job board and branding is live, in line with the "We are Sandwell" branding with great continued collaboration with the Corporate Communications team.

4.35 Once the Oracle Fusion recruitment module is embedded, this will help with the streamlining of task, allowing more time for managers and the resourcing team to spend on other supportive tasks for the directorates.

The quality of the data should be more accurate, timelier and less time consuming to collate. Helping analysis easier to do and report on.

Within Absence management

4.36 A completed review of all employee absence letters has taken place, making them more people centric. The sickness absence guidance has been re written and reduced from 24 pages to 7 pages. Taking out duplication, the tone and language is more friendly, supportive and easier to follow. An 8-week trial of the guidance is currently taking place till 31 January 2025, with 2 high absence level area's.

4.37 A small number of policy changes have been identified. These will be taken to the JCP in January 2025.

4.38 Sickness Data has driven targeted interventions in areas where there have been high stress related and musculoskeletal absences. The highest long term sick cases, persistent offenders of being off absent and any trends that appear over the past few years, are continually being reviewed and management coaching and support is being offered. This has shown success to close absences sooner.

4.39 There are several absences related specific projects, that have been identified via a review of productivity in the organisation and these are now aligned with the Council Plan.

4.40 Task and finish absence groups have taken place. Workshops with Directors and Assistant Directors around culture and how to help make decisions that support both the employee and organisation have taken place. Workshops within the HR Service area around advice and support given have taken place to support this culture shift.

4.41 Absence and Wellbeing Directorate review meetings are taking place from November 2024. In support of this, a new framework has been shared for improving the governance of these meetings.

4.42 Absence reports within Oracle Fusion will be a key piece of data that will support managers in more instant reporting within their own areas. This will be fully live by the end Q4 2024-25.

4.43 Beyond the immediate measures to bring about quick improvements in process and performance that have been outlined above, it is recognised that a fuller review of the policy suite and targeted approaches with management will be required to secure substantial improvements. This is scheduled to take place during 2025 and Members will continue to have

oversight of this through the quarterly performance reports submitted to Cabinet and this committee.

5. Implications

Resources:	Sickness absence incurs direct and indirect costs to the council, including temporary staff cover costs, delays in service delivery, or postponement of service improvement activity. Absence impacts on employees required to cover all or parts of an absent employee's responsibilities.
Legal and Governance:	Increased pressure on statutory services suffering employee absence. We have a legal and ethical responsibility to treat all staff fairly, including those suffering ill health, through adoption of proportionate sickness absence management policy.
Risk:	Executive Directors and Assistant Directors receive regular reports on employee sickness and support from HR Services in the management of sickness absence. Sickness absence and Health and Safety reports are provided to Leadership Team and DMT's quarterly for discussion, consideration, and action where necessary.
Equality:	A review of sickness data against diversity characteristics has not identified any disproportionate issues or impacts, though there is a correlation between sickness absence and age. The Council has particular duties in relation to support of employees who have a disability.

Health and Wellbeing:	Sickness absence is fundamentally about the health and wellbeing of our workforce. We offer robust health and wellbeing support, including an in-house Occupational Health service, with physiotherapy provision, and a strong well-being offer, including access for all employees to an employee assistance programme, including counselling support.
Social Value:	N/A
Climate Change:	N/A
Corporate Parenting:	N/A

6.   Appendices

Appendix 1 – Vacancies management data for Scrutiny Board
Appendix 2 – Sickness absence data for Scrutiny Board

7.   Background Papers

Not applicable