

WELLBEING STRATEGY: IMPROVING THE WELLBEING OF OUR WORKFORCE

1.0 EXECUTIVE SUMMARY

- 1.1 The report outlines proposals for a long term preventative agenda to improve wellbeing and manage sickness absence in the workforce.
- 1.2 The paper presents a strategy and spend to save proposals for approval by the committee to tackle this organisational challenge.
- 1.3 Evidence presented by a variety of organisational management research shows that a focus on addressing employee wellbeing has the most sustained beneficial impact on reducing absence rates when fully supported by leadership.
- 1.5 Short term change in some indicators may be visible in year one, but more sustainable and qualitative change will become apparent after year 2 and beyond as the initiatives implemented to support delivery of the strategy begin to have an impact.
- 1.6 The target is to improve self-report indicators of overall employee wellbeing by 5% and to reverse the increasing trend in work days lost per FTE for LGE staff over the life of the strategy. A reduction of around 10% in work days lost would bring the council's performance into line with the national average which is currently around 11.4 days per FTE. This would release equivalent of around £370k in productivity.

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2.0 INTRODUCTION

- 2.1 Wellbeing at work is fast becoming the most talked about workforce issue for organisations in all sectors. We know that when staff are feeling at their best they will bring their best selves to work and provide the greatest productivity in their roles. Employees who believe their employer takes a positive approach to their wellbeing are more engaged, deliver better quality services, are positive ambassadors for the organisation and improve our reputation as both an employer and service provider.
- 2.2 At a recent CIPD conference Peter Cheese (Chief Executive of CIPD) outlined estimations that only 2/5 employees are working at peak performance and failure to unlock discretionary effort is costing UK business £6bn per annum.
- 2.3 While teacher's absence rates are in line with the Scottish average, the rate of absence for LGE employees is above our targets and shows a deteriorating trend in performance in the Local Government Benchmarking Framework indicators.
- 2.4 This report outlines proposals for a long term preventative agenda to improve wellbeing and manage sickness absence in the workforce. The target is to improve self-report indicators of overall employee wellbeing by 5% and to reverse the increasing trend in work days lost per FTE for LGE staff over the life of the strategy. A reduction of around 10% in work days lost would bring the council's performance into line with the national average which is currently around 11.4 days per FTE. This would release equivalent of around £370k in productivity.

3.0 RECOMMENDATIONS

3.1 It is recommended the Policy and Resources Committee note and approve the attached wellbeing strategy and associated actions to address the issue of sickness absence and improve the wellbeing of the workforce.

3.2 It is recommended that Policy and Resources Committee note the following measures will be put in place, funded from within existing resources across the Council to support delivery of the proposed wellbeing strategy:

- Funding for 2x Attendance and Wellbeing assistants within the HR and OD team
- Funding of £10k annually for teams to bid for funds to implement actions that will improve wellbeing

4.0 DETAIL

4.1 The following are useful indicators of employee wellbeing:

- What staff tell us about their wellbeing
- Sickness absence data

4.2 What staff have told us about their wellbeing?

The council, in partnership with the HSCP carried out a health and wellbeing survey of employees in 2018 and the results outlined a number of areas where employee wellbeing could be improved. It also allowed employees to highlight areas they would like information and support to improve their overall wellbeing.

4.3 Sickness Absence Data

While sickness absence rates for teachers have reduced and are in line with the Scottish average, the Council's sickness absence levels for LGE employees is currently among the highest in all Scottish Local Authorities.

4.4 There are many factors which may contribute to this higher than average sickness absence including the composition and demographic of the workforce (e.g. the council has an ageing workforce).

4.5 These relatively high figures are despite the fact the council has a well-established approach for reacting to sickness absence when it occurs in the workforce. Benchmarking with other Local Authorities via SPDS has established that on the whole the council's procedures are on a par with other councils in terms of the good practice support measures provided which include:

- ✓ Occupational Health Provision
- ✓ Employee Assistance Programme
- ✓ Return to work interviews
- ✓ Triggers for actions
- ✓ Management information/ reports
- ✓ Reasonable adjustments
- ✓ Centralised advice service

4.6 A review of the maximising attendance procedures is currently ongoing with the aim of:

- Further simplifying the process for managers
- Removing some of the prescription to allow a more flexible approach to
 - dealing with complex long term absence cases
 - dealing with increasing instances of managing chronic illness/ short term linked absences at work

4.7 Evidence suggests that for a longer term impact on sickness absence and productivity, a more sustainable approach focuses equally on prevention activities aimed at improving the wellbeing of the workforce, as it does to reacting to sickness absence when it occurs.

4.8 Developing a wellbeing strategy that aligns resource to preventative activities which will improve overall employee wellbeing not only supports the Council's values as a caring employer but could support the development of a positive organisational culture and delivery of best value in terms of improved productivity in the longer term.

5. The business case for a wellbeing strategy:

5.1 93% of our employees live in Argyll and Bute. By developing a strategy aimed at implementing activities that support and increase the wellbeing of our workforce, we will be directly contributing to the following outcome which has been agreed with our Community Planning Partners:

- **People Live Active Healthier and Independent Lives**

5.2 The Council's Corporate Plan also confirms a commitment to being an employer of choice. If the Council is seen as an employer with high rates of absence (particularly stress related absence) which does not prioritise employee wellbeing, it will not be viewed as an Employer of Choice and corporate reputation is at risk of damage.

5.4 People are the council's most valuable asset and ultimately determine the quality of the services we are able to provide. If our people are off work, or at work but not feeling well enough to perform at their best, the quality of the service we can provide will in turn be affected. Pursuing a Wellbeing Strategy

will reduce absence, improve productivity and highlight our commitment to wellbeing.

6.0 Proposals

6.1 The attached draft wellbeing strategy outlines how a proactive focus on wellbeing can be mainstreamed across the council. It covers 3 pillars of wellbeing (Mental, Physical and Financial) and commits the council as an employer to aspiring to provide the following:

- Information and Education on the three pillars of wellbeing
- Support to Employees
- Good Work

6.2 In order to support the delivery of this wellbeing strategy the following resource has been agreed by SMT from existing funds:

6.4 2x Wellbeing and Attendance Assistants

The remit of these roles will include both reactive and preventative activities:

- Proactive case management support for manager with sickness absence cases
- Analysis and reporting of sickness absence data
- Analysis of wellbeing actions that will tackle the causes of absence
- Coordinating wellbeing events and activities aligned with Healthy Working Lives activities (working with partners where possible) aligned to the above
- Supporting services with information, guidance and facilitation to help them develop and implement wellbeing improvement actions specific to the types of roles/ wellbeing issues present within their teams
- Developing and reviewing policies and guidance to support wellbeing

6.5 It is recommended these posts would be temporarily funded for a period of two years with an assessment of their impact after a period of 12 months. The proposal will also be taken to the HSCP SLT for their consideration in terms of additional resource allocation. Wellbeing activities will be available to all Council employees and the strategy is being shared with the HSCP as part of their developing wellbeing agenda.

6.7 Annual Wellbeing Fund (£10K)

6.8 To demonstrate the senior management team's commitment to the wellbeing of the workforce and to promote the council's wellbeing agenda an annual wellbeing event will be held with teams presenting business cases to members of the senior management team. Guidance will be provided so that entrants understand the pitches must be costed and provide clear evidence of how the investment in their idea will improve the wellbeing of the workforce.

6.9 Entries will be scored by the SMT panel and the winner announced following the event and promoted via the hub etc. In addition to the £10k investment, agreement will be required to allocate any officer time associated with implementing the winning suggestion.

- 6.10 Targeted intervention is also available from organisations who have worked with other local authorities and had a positive impact on wellbeing. These include Head torch who have worked with West Dunbartonshire, Edinburgh City Council and Policy Scotland; Choose Life; SeeMe who have worked with Glasgow City Council.
- 6.11 The total cost of the proposals is estimated **£89 848** per annum, funded from existing resource across the Council. For context in terms of spend to save: if the council was to see a 10% reduction in work days lost due to sickness absence (this would bring our average work days lost per FTE more in line with the Scottish average which is currently 11.4 days per FTE) this would unlock the equivalent of 3531 days in productivity over the year (roughly equivalent to 16 full time posts) with an estimated equivalent value of around £370k in monetary terms.
- 6.12 It should be noted that while the proactive case management approach may see a small scale improvement to sickness absence figures in the short term, there will be an anticipated time lag in relation to any significant sustained reductions due to an increase in overall wellbeing of the workforce. These measures are likely to take some time to bed in to the council's culture before the impact on productivity is visible in the sickness absence figures.
- 6.13 Self report indicators of the three pillars of wellbeing, overall wellbeing and morale will be collated and reviewed regularly during the life of the strategy to monitor performance of the strategy and its impact.

7.0 CONCLUSION

- 7.1 In conclusion this report has outlined proposals for a wellbeing strategy that will contribute to the council's overall goal of encouraging people to live healthy, active and independent lives. It includes proposals for spend of around £89 848 per annum which could significantly increase productivity while improving the wellbeing of the workforce. While these are spend to save proposals the anticipated savings which could be anything up to £370k are likely to be in productivity released and not in any cashable savings.
- 7.2 The impact of the actions will be reported on a regular basis, with detailed metrics identified to demonstrate that the organisation is benefitting from this approach.

6.0 IMPLICATIONS

6.1 Policy

Wellbeing strategy aligns to the following Corporate Outcome:

- People live active healthy and independent lives

Wellbeing strategy supports delivery of the following business outcomes:

- We are efficient and cost effective
- We encourage creativity and innovation to ensure our workforce is fit for the future

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| | <ul style="list-style-type: none"> ▪ We ensure information is available for everyone ▪ We provide support, prevention and opportunities to help people make better lifestyle choices |
| 6.2 Financial | Recurring annual cost £10 000 over the life of the strategy and £79 848 for two years to be reviewed after year one |
| 6.3 Legal | None |
| 6.4 HR | 2 additional FTE for an temporary period of 2 years to support delivery of the strategy |
| 5.5 Equalities | EQISA has been completed and is attached as an appendix to this report |
| 5.6 Risk | <p>This strategy supports mitigation of Strategic risk number 6- Insufficient resources to ensure effective service delivery.</p> <p>With the following potential consequences:</p> <ul style="list-style-type: none"> ▪ Services fail to achieve agreed performance levels and as a result are not contributing fully to Council objectives ▪ Resources are poorly managed with result that agreed outcomes and objectives are not fully achieved. ▪ Unable to achieve continuous improvement and improve effectiveness and efficiency |
| 5.7 Customer Service | Increased productivity is likely to improve the level of service provided to our customers |

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APPENDICES

Appendix 1 Draft Wellbeing Strategy

Appendix 2 EQISA