

## **SICKNESS ABSENCE MONITORING – 2018/19**

Presented by the HR Strategic Business Manager

### **EXECUTIVE SUMMARY**

This report summarises employee sickness absence levels during 2018/19 and compares them to the target approved by Members. It also recommends a target for 2019/20.

At the Executive Committee in May 2018 (Paper E/563/18) Members approved an annual sickness absence target of 3 days per full time equivalent (FTE) employee. This target was a stretch target based on the Authority's previous performance and above public/private sector comparators.

On 1 April 2015 around two thirds of the Authority's employees were transferred to Lee Valley Leisure Trust Ltd. This has meant that the FTE figures in the Authority have reduced from 443 FTE in 2014/15 to 84 in 2018/19.

The Authority's average total number of days for sickness absence per FTE in 2018/19 equated to 4.5 days. This is above the Authority's stretch target of 3 days per FTE but is still lower than the national average for public sector organisations of 8.4 days and is at the same level of the private sector at 4.4 days. Short term sickness averaged at 2.7 days per FTE with 51 Authority staff of the 87 total staff reporting no sick days at all during 2018/19.

The average cost of sickness absence in 2018/19 equated to £494 per employee per year.

In terms of a target for 2019/20, based on the Authority's sickness absence performance over previous years, it is proposed that a stretch target of 3 days average sickness absence per FTE be continued.

### **RECOMMENDATIONS**

Members Note: (1) the contents of this report; and

Members Approve: (2) a 2019/20 sickness absence target of 3 days per Full Time Equivalent (FTE).

## BACKGROUND

- 1 The Authority's sickness absence target (average sickness per FTE employee) was agreed at the Executive Committee meeting in May 2018 (Paper E/563/18). A stretch target of 3 days was set for 2018/19, based on the Authority's performance to date and public/private sector comparators.
- 2 The Authority also monitors the percentage of time lost due to sickness absence. A target of 1.16% was set by Executive Committee at its meeting in May 2018 (Paper E/563/18); based on the Authority's own performance and public/private sector comparators.
- 3 The Authority uses comparative public/private sector data from the most recent Chartered Institute of Personnel & Development (CIPD) national survey of Health and Wellbeing at Work in partnership with Simply Health. The analysis for 2018/19 is based on responses from 1,078 organisations across all sectors in the UK, employing a total of 3.2 million employees.

## OVERALL PERFORMANCE 2018/19

- 4 The table below compares the Authority's sickness absence performance for 2018/19 to the national, public and private sector performance.

	TOTAL NATIONAL	PUBLIC SECTOR	PRIVATE SECTOR	LVRPA
Average days lost per FTE per year	5.9	8.4	4.4	<b>4.5</b>
Average working time lost per year	2.6%	Data not Available	Data not Available	<b>1.48%</b>

- 5 This table shows that the Authority's sickness performance for 2018/19 is lower than both the public sector and national averages and is in line with the private sector average.
- 6 The table below compares the Authority's sickness absence performance over the past four years.

	TARGET 2018/19	ACTUAL 2015/16	ACTUAL 2016/17	ACTUAL 2017/18	ACTUAL 2018/19
Average sickness absence per FTE	<b>3 days</b>	4.9 days	5.9 days	8.3 days	<b>4.5 days</b>
% time lost to sickness absence	<b>1.16%</b>	1.86%	1.93%	2.49%	<b>1.48%</b>
Average cost of sickness per employee, per year	<b>N/A</b>	£510	£630	£856	<b>£494</b>

- 7 The Authority's average sickness absence per FTE of 4.5 days for 2018/19 is above the stretch target of 3 days and is a decrease on last year's figures and the lowest it has been for the past three years.
- 8 If long term and short term sickness is separated, the average short-term sickness absence per FTE for 2018/19 is 2.7 days, which is below the target of 3 days per

FTE.

- 9 The percentage of time lost due to sickness absence in 2018/19 was 1.48% which is above the target of 1.16% but is lower than it has been for the past three years and is lower than the national average of 2.6%.
- 10 The average cost of sickness absence was £494 per employee for the financial year 2018/19, which is lower than 2017/18 and the lowest it has been for the past three years.

### SHORT-TERM SICKNESS ABSENCE

- 11 Short-term sickness absence is defined as any period of sickness absence of less than four weeks. In 2018/19 short-term sickness absence equated to 60% of the Authority's total sickness absence. The table below shows a comparison of the Authority's short-term sickness absence over the last four financial years. The number of days attributed to short term sickness has stayed the same when compared to the previous year. Human Resources will continue to closely monitor short-term intermittent sickness in 2019/20 to ensure proactive management.

<b>LVRPA - SHORT TERM SICKNESS ABSENCE</b>				
<b>Year</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Number of Days	136	270.5	228.5	<b>228</b>
% of Total Sickness	38%	54%	35%	<b>60%</b>

- 12 The Authority's recorded top four reasons for short-term sickness absence in 2018/19 remain as stomach/liver/kidney/digestion, viral infection, chest/respiratory and musculo-skeletal problems. In comparison, the CIPD's 2019 Health and Wellbeing at Work Survey Report reported the top five reasons as colds, flu, stomach upset, headaches and migraines.
- 13 The table below shows the comparisons of the Authority's top five reasons for short-term sickness absence over the last four years.

<b>LVRPA - SHORT TERM SICKNESS REASONS COMPARISON</b>				
<b>REASON/YEAR</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Musculo-skeletal	5	54	9	<b>6</b>
Viral Infection	24	52	19	<b>21</b>
Stomach/liver/kidney	18	39	26	<b>12</b>
Chest/respiratory	22	36	13	<b>11</b>
Other	9	17	14	<b>17</b>

### LONG-TERM SICKNESS ABSENCE

- 14 Long-term sickness, in accordance with the Authority's Sickness Absence Procedure, is defined as any continuous period of sickness absence in excess of four weeks. The table below shows long-term sickness levels for the last four

financial years.

<b>LVRPA - LONG TERM SICKNESS ABSENCE</b>				
<b>Year</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Number of Days</b>	254	230.5	419	<b>156</b>
<b>% of Total Sickness</b>	62%	46%	65%	<b>40%</b>

- 15 Long-term sickness absence in the 2018/19 period was 156 days, consisting of 3 employees and 3 incidences of sickness.

These 3 cases were due to operation/post operation and musculo-skeletal problems. 2 of the 3 employees have returned to work and 1 of the employees has been ill-health retired. In comparison, the CIPD reported stress, musculo-skeletal injuries and acute medical conditions as the main causes of long term absence.

- 16 There has been a substantial decrease in the number of days of long-term sickness absence in 2018/19 and the percentage of long-term sickness to total sickness has decreased from 65% to 40%, the lowest it has been in the last three years.
- 17 One sickness case accounted for 65% of the long-term sickness days and was a very complex case which straddled 2017/18 and 2018/19. This employee is no longer on long-term sickness and has been ill health retired.
- 18 The Authority will continue to closely manage long-term sickness in 2019/20 in order to ensure proactive management.

### **MANAGING SICKNESS ABSENCE**

- 19 The Authority's Sickness Absence Procedure includes:

- return to work interviews;
- detailed monitoring of both short and long term sickness absence with reports to Senior Management;
- managers maintaining more regular contact with employees during their absence;
- referrals to Occupational Health (OH) professionals; and
- proactively obtaining consent from employees regarding any relevant medical reports.

Following an employee's return to work after a long-term sickness absence, reasonable adjustments are considered in consultation with the employee, manager, HR, Health & Safety and OH professionals to ensure the transition back into the workplace does not put the employee at further risk of sickness absence. The Authority also has a Capability Procedure which includes a framework for effectively managing sickness absence.

- 20 The Authority's Capability and Disciplinary Procedure and the continuing management of sickness absence, as set out in the Authority's Sickness Absence Procedure, enables the Authority to continue to effectively manage short and long term absence.
- 21 The Authority has an Employee Assistance Programme (EAP), which is currently

provided by Health Assured and offers the following services to all employees and their immediate families:

- 24/7 telephone support;
- Legal information;
- Structured telephone counselling;
- Management support;
- Face to face counselling;
- Online counselling;
- Active Care – early intervention for stress; and
- Online health portal.

- 21 The Authority reviewed and updated its sickness absence procedure during 2018/19 to ensure it was fit for purpose.

### **MANAGING MENTAL HEALTH**

- 23 Mental health is currently a much discussed topic and over the last 12 months nearly three-fifths of organisations have seen an increase in the number of reported common mental health conditions, such as anxiety and depression.

Stress/Depression/Anxiety is the sixth biggest reason for sickness absence overall for 2018/19 in the Authority, and although this not in the top reasons for sickness absence, the Authority should promote a preventative approach to health and well-being, encouraging and supporting employees using a number of tools.

The Authority already provides an EAP, OH service, active care referrals, flexible working arrangements, health cash plan and health assessments for its employees and a mental health awareness eLearning module for managers.

During 2019/20 the Authority will provide face to face training sessions for managers on mental health and basic awareness sessions for all employees. There will also be a health and wellbeing section in the monthly staff newsletter, where employees will be reminded of the services provided by the Authority and signposted to other useful sources of information/support.

### **CONCLUSIONS AND TARGETS**

- 24 The Authority's overall sickness absence performance for 2018/19 was above the target set for the year but was lower than public sector comparators.
- 25 The Human Resources section continues to ensure that managers are recording sickness absence accordingly across the board by reviewing the current procedure and providing training and coaching on how to manage sickness absence. The sickness absence procedure is regularly audited as part of the audit plan.
- 26 The Authority's employee numbers have significantly reduced since 2014/15 due to the majority of employees transferring to Lee Valley Leisure Trust Ltd (the Trust). Therefore any particular cases of long-term illness do skew the performance data.
- 27 Based on the Authority's performance in 2018/19 and the underlying positive performance for short-term sickness, it is proposed that the stretch targets for sickness absence in 2019/20 remain the same:

- Average sickness absence per full time equivalent employee: 3 days
- Total percentage of working time lost to sickness absence: 1.16%

#### **ENVIRONMENTAL IMPLICATIONS**

28 There are no environmental implications arising directly from the recommendations in this report.

#### **FINANCIAL IMPLICATIONS**

29 The financial impact of sickness absence is set out in the report and has been managed within the approved employees' budget for 2018/19.

#### **HUMAN RESOURCE IMPLICATIONS**

30 The human resource implications are detailed within the body of this report.

#### **LEGAL IMPLICATIONS**

31 There are no legal implications arising directly from the recommendations in this report.

#### **RISK MANAGEMENT IMPLICATIONS**

32 In line with the Authority's Strategic Risk Register, there is always a potential risk that insufficient human resources through high sickness levels could mean that certain corporate objectives may not be met. To mitigate this risk senior managers review long-term sickness to ensure adequate cover is in place with the necessary resources to ensure service levels are not adversely impacted. Resources are identified through the monthly budget monitoring process.

#### **EQUALITY IMPLICATIONS**

33 There are no equality implications arising directly from the recommendations in this report.

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#### **PREVIOUS COMMITTEE REPORTS**

Executive Committee	E/58/10	Sickness Absence Monitoring 2009/10	20 May 2010
Executive Committee	E/131/11	Sickness Absence Monitoring 2010/11	26 May 2011
Executive Committee	E/210/12	Sickness Absence Monitoring 2011/12	24 May 2012
Executive Committee	E/278/13	Sickness Absence Monitoring 2012/13	23 May 2013
Executive Committee	E/352/14	Sickness Absence Monitoring 2013/14	15 May 2014

Executive Committee	E/406/15	Sickness Absence Monitoring 2014/15	21 May 2015
Executive Committee	E/449/16	Sickness Absence Monitoring 2015/16	26 May 2016
Executive Committee	E/499/17	Sickness Absence Monitoring 2016/17	26 May 2017
Executive Committee	E/563/18	Sickness Absence Monitoring 2017/18	24 May 2018

**LIST OF ABBREVIATIONS**

CIPD	Chartered Institute of Personnel & Development
EAP	Employee Assistance Programme
FTE	Full Time Equivalent
OH	Occupational Health
LVRPA	Lee Valley Regional Park Authority
the Trust	Lee Valley Leisure Trust Ltd (trading as Vibrant Partnerships)

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