



**LEE VALLEY REGIONAL PARK AUTHORITY**  
**EXECUTIVE COMMITTEE**  
**21 MAY 2015 AT 10:30**

**Agenda Item No:**

**9**

**Report No:**

**E/406/15**

## **SICKNESS ABSENCE MONITORING – 2014/15**

Presented by the HR Strategic Business Manager (LVLT)

### **EXECUTIVE SUMMARY**

This report summarises employee sickness absence levels during 2014/15 and compares them to the target approved by Members. It also recommends a target for 2015/16.

At the Executive Committee in May 2014 (Paper E/352/14) 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 performance to date and public/private sector comparators.

The Authority's average number of days sickness absence per FTE in 2014/15 equated to 4.8 days. This is above the Authority's target of 3 days per FTE but is significantly lower than the national average for public sector organisations of 8.2 days and private sector organisations of 6.6 days.

The average cost of sickness absence in 2014/15 equated to £477.15 per employee. In comparison, the average public sector cost of sickness absence reported in the 2014 Chartered Institute of Personnel & Development Absence Management Report was £609 per employee per year.

In terms of a target for 2015/16, based on the Authority's sickness absence performance over previous years; it is proposed that a target of 3 days average sickness absence per FTE be continued.

### **RECOMMENDATIONS**

- Members Note: (1) the contents of this report; and
- Members Approve: (2) 2015/16 sickness absence targets of 3 days per FTE and 2% of working time lost (as set out in paragraph 24 of this report).

### **BACKGROUND**

- 1 The Authority's sickness absence target (average sickness per full time equivalent (FTE) employee) was previously 3.5 days. It was agreed at the

Executive Committee meeting in May 2014 (Paper E/352/14) that a stretch target should be set for 2014/15 of 3 days, 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 2% was set by Executive Committee at its meeting in May 2014 (Paper E/352/14); 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 absence management policy and practice. The analysis for 2014 is based on responses from 518 organisations across all sectors in the UK, employing a total of 1.4 million employees.

#### OVERALL PERFORMANCE 2014/154

- 4 The table below compares the Authority's sickness absence performance for 2014/15 to the national, public and private sector performance.

<b>2014/15 - SICKNESS PERFORMANCE COMPARISONS</b>				
	<b>TOTAL NATIONAL</b>	<b>PUBLIC SECTOR</b>	<b>PRIVATE SECTOR</b>	<b>LVRPA</b>
Average days lost per FTE per year	7.4	8.2	6.6	4.8
Average working time lost per year	3.3%	3.6%	2.9%	0.86%
Average cost per employee, per year	£609	£914	£520	£477.15

- 5 Based on the above, the Authority's sickness performance for 2014/15 is significantly better than both the private and public sector averages.
- 6 The table below compares the Authority's sickness absence performance over the past three years.

	<b>TARGET 2014/15</b>	<b>ACTUAL 2012/13</b>	<b>ACTUAL 2013/14</b>	<b>ACTUAL 2014/15</b>
Average sickness absence per FTE	3 days	3.7 days	3.2 days	4.8 days
% time lost to sickness absence	2%	1.54%	1.47%	0.86%
Average cost of sickness per employee, per year	N/A	£362.60	£325.54	£477.15

- 7 The Authority's average sickness absence per FTE of 4.8 days for 2014/15 is above the target of 3 days and is an increase on last year's figures. However, it is still significantly lower than both public and private sector averages.
- 8 The percentage of time lost due to sickness absence in 2014/15 was 0.86% which is below the target of 2%.
- 9 The cost of sickness absence was £477.15 per employee for the financial year 2014/15.

### SHORT TERM SICKNESS ABSENCE

- 10 Short term sickness absence is defined as any period of sickness absence of less than four weeks. In 2014/15 short term sickness absence equated to 47% of the Authority's total sickness absence. The table below shows a comparison of the Authority's short term sickness absence over the last three financial years. The number of days attributed to short term sickness has increased when compared to 2012/13 and 2013/14. Short term sickness is now being recorded electronically which makes it easier for employees to record self-certified absence, managers to authorise this absence and as a consequence for Human Resources to capture this data. Human Resources will continue to closely monitor short term intermittent sickness in 2015/16 to ensure proactive management.

<b>LVRPA - SHORT TERM SICKNESS ABSENCE</b>			
<b>Year</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>Total FTE</b>	321	388	<b>443</b>
<b>Number of Days</b>	360.5	397.5	<b>987</b>
<b>% of Total Sickness</b>	30%	32%	<b>47%</b>

- 11 The Authority's recorded top five reasons for short term sickness absence in 2014/15 were coughs/colds/influenza, stress, viral infection, musculo-skeletal and accident/injury. In comparison, the CIPD's 2014 Absence Management Survey Report reported the top five reasons as colds, headaches, musculoskeletal injuries, back pain and stress.

### LONG TERM SICKNESS ABSENCE

- 12 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 three financial years.

<b>LVRPA - LONG TERM SICKNESS ABSENCE</b>			
<b>Year</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<b>Total FTE</b>	321	388	<b>443</b>
<b>Number of Days</b>	822	845.5	<b>1127</b>
<b>% of Total Sickness</b>	70%	68%	<b>53%</b>

- 13 Long term sickness absence in the 2014/15 period was 1 127 days, consisting of 22 employees with an average of 51 days sickness. These 22 cases were for a variety of reasons included (but not limited to) stress, depression, cancer, surgery and broken bones. 7 of the 22 employees are no longer employed by the Authority or Trust; 13 have fully recovered and returned to work; 1 employee is being managed under the Authority's Sickness Absence Procedure and via Occupational Health and sadly 1 of the 22 employees passed away in October 2014.
- 14 Unfortunately there has been an increase in the number of days of long term sickness absence in 2014/15 in comparison to last year but the percentage of 53% of total sickness has decreased.
- 15 Stress/Depression accounts for 52% of the long term sickness absence so the occupational health service has been reviewed and the Human Resources section are now working with a new provider, Health Assured.
- 16 The new occupational health supplier provide a unique **Active Care** service which provides effective intervention on the very first day a 'Fit Note' from an employee is received for a stress related absence. **Active Care** ensures a far higher degree of pro-activity and engagement with the employee during their absence. The service provides the employee with guidance on where to obtain information and advice from relevant support mechanisms available through Health Assured.

An experienced Occupational Health (OH) Clinician will contact the employee via telephone or secure web conferencing facility and undertake a maximum 30 minute structured and supportive consultation.

The Clinician will engage with the individual in a supportive and impartial manner to obtain an understanding of their specific needs, ascertain triggers, treatment already prescribed and offer recommendations for treatment. Additional resources and further supporting mechanisms will be discussed.

A written report is then supplied by email to the employer based on the telephone consultation within 4 working days, subject to employee consent being supplied to Health Assured from the employee to release this report.

The employee can then be referred for a face to face occupational health appointment should the absence persist.

- 17 This Active Care service will enable the Authority to be more pro-active in managing stress related absence and provide further support to the employees.
- 18 The Authority will continue to closely manage long term sickness in 2015/16 in order to ensure proactive management.

#### **SICKNESS ABSENCE MANAGEMENT**

- 19 The Authority's Sickness Absence Procedure includes return to work interviews, detailed monitoring of both short and long term sickness absence and ensures managers maintain more regular contact with employees during their absence. Referrals to Occupational Health professionals and proactively obtaining consent from employees regarding any relevant medical reports are also

practiced. Upon an employee's return to work following 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 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.

## **CONCLUSIONS & TARGETS**

- 21 The Authority's overall sickness absence performance for 2014/15 was above the target set for the year.
- 22 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.
- 23 The Authority has grown significantly since 2011/12 and the FTE of staff has more than doubled from 200 in 2011/12 to 443 in 2014/15.
- 24 Based on the Authority's performance in 2014/15, it is proposed that the stretch targets for sickness absence in 2015/16 remain the same:
- Average sickness absence per full time equivalent employee: 3 days
  - Total percentage of working time lost to sickness absence: 2%

## **ENVIRONMENTAL IMPLICATIONS**

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

## **FINANCIAL IMPLICATIONS**

- 26 The financial impact of sickness absence has been managed within the approved employees' budget for 2014/15.

## **HUMAN RESOURCE IMPLICATIONS**

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

## **LEGAL IMPLICATIONS**

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

## **RISK MANAGEMENT IMPLICATIONS**

- 29 In line with the Authority's Strategic Risk Register, there is always a potential

risk in relation to "SR3 - Insufficient resources to meet objectives (staff)", whereby high sickness levels could mean that certain corporate objectives may not be met.

### **EQUALITY IMPLICATIONS**

- 30 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

### **LIST OF ABBREVIATIONS**

CIPD	Chartered Institute of Personnel & Development
FTE	Full Time Equivalent
OH	Occupational Health
LVRPA	Lee Valley Regional Park Authority