

SICKNESS ABSENCE MONITORING – 2016/17

Presented by the Director of Finance & Resources

EXECUTIVE SUMMARY

This report summarises employee sickness absence levels during 2016/17 and compares them to the target approved by Members. It also recommends a target for 2017/18.

At the Executive Committee in May 2016 (Paper E/449/16) 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 FTE from 2015/16 onwards.

The Authority's average total number of days for sickness absence per FTE in 2016/17 equated to 5.93 days. This is above the Authority's stretch target of 3 days per FTE but is significantly lower than the national average for public sector organisations of 9.8 days and private sector organisations of 6.5 days.

The average cost of sickness absence in 2016/17 equated to £630 per employee per year. In comparison, the average public sector cost of sickness absence reported in the 2016 Chartered Institute of Personnel & Development Absence Management Report was £835 per employee per year.

In terms of a target for 2017/18, 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 2017/18 sickness absence target of 3 days per FTE.

BACKGROUND

- 1 The Authority's sickness absence target (average sickness per full time equivalent (FTE) employee) was agreed at the Executive Committee meeting in May 2016 (Paper E/449/16). A stretch target of 3 days was set for 2016/17, 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 2016 (Paper E/449/16); 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 in partnership with Simplyhealth. The analysis for 2016 is based on responses from 1,091 organisations across all sectors in the UK, employing a total of 3.8 million employees.

OVERALL PERFORMANCE 2015/16

- 4 The table below compares the Authority's sickness absence performance for 2016/17 to the national, public and private sector performance.

	TOTAL NATIONAL	PUBLIC SECTOR	PRIVATE SECTOR	LVRPA
Average days lost per FTE per year	7.5	9.8	6.5	5.93
Average working time lost per year	3.3%	4.3%	2.9%	1.93%
Average cost per employee, per year	£522	£835	£500	£630

- 5 This table shows that the Authority's sickness performance for 2016/17 is lower than both the private and public sector averages.
- 6 The table below compares the Authority's sickness absence performance over the past two years.

	TARGET 2016/17	ACTUAL 2015/16	ACTUAL 2016/17
Average sickness absence per FTE	3 days	4.85	5.93
% time lost to sickness absence	1.16%	1.86%	1.93%
Average cost of sickness per employee, per year	N/A	£510	£630

- 7 The Authority's average sickness absence per FTE of 5.93 days for 2016/17 is above the stretch target of 3 days and is an increase on last year's figures.
- 8 If long term/short term sickness is separated the average short term sickness absence per FTE for 2016/17 is 3.20 days.
- 9 The percentage of time lost due to sickness absence in 2016/17 was 1.93% which is above the target of 1.16%.

- 10 The average cost of sickness absence was £630 per employee for the financial year 2016/17, which although is an increase on 2015/16, is still below the public sector average of £835 per employee.

SHORT TERM SICKNESS ABSENCE

- 11 Short term sickness absence is defined as any period of sickness absence of less than four weeks. In 2016/17 short term sickness absence equated to 54% of the Authority's total sickness absence. The table below shows a comparison of the Authority's short term sickness absence over the last two financial years. The number of days attributed to short term sickness has increased when compared to the previous year. Human Resources will continue to closely monitor short term intermittent sickness in 2017/18 to ensure proactive management.

LVRPA - SHORT TERM SICKNESS ABSENCE		
Year	2015/16	2016/17
Number of Days	136	270.5
% of Total Sickness	38%	54%

- 12 The Authority's recorded top five reasons for short term sickness absence in 2016/17 were operation/post operation, stomach/liver/kidney/digestion, chest/respiratory, musculoskeletal problems and headache/migraine. In comparison, the CIPD's 2016 Absence Management Survey Report reported the top five reasons as colds/flu, stomach upsets, headaches and migraines, musculoskeletal injuries and stress.

The table below shows the comparisons of the top five reasons for short term sickness absence in 2016/17 compared with 2015/16.

LVRPA - SHORT TERM SICKNESS REASONS COMPARISON		
REASON/YEAR	2015/16	2016/17
Musculoskeletal	5	54
Viral Infection	24	52
Stomach/liver/kidney	18	39
Chest/respiratory	22	36
Operation/post operation	17	33

There has been an increase in musculoskeletal sickness absence which has gone from 5 days in 2015/16 to 54 days in 2016/17. In 2015/16 sickness absence for this reason related to 3 people in comparison to 7 people in 2016/17.

In 2016/17 between December and February there were 31 days of short term sickness due to viral infections compared with only 12 days for the same time

period in 2015/16.

In 2016/17 there were 39 days of short term sickness due to stomach/liver/kidney compared with only 18 days in 2015/16. In 2016/17 14 of these sick days were between October and December compared with only 1 day in 2015/16 for the same time period.

There has also been an increase in short term sickness due to operation/post operation from 17 days in 2015/16 to 33 days in 2016/17. However, in 2015/16 operation/post operation was one of the main reasons for long term sickness but in 2016/17 no long term sickness was due to operations.

LONG TERM SICKNESS ABSENCE

- 13 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 two financial years.

LVRPA - LONG TERM SICKNESS ABSENCE		
Year	2015/16	2016/17
Number of Days	254	230.5
% of Total Sickness	62%	46%

- 14 Long term sickness absence in the 2016/17 period was 230.5 days, consisting of 5 employees and 6 incidences of sickness with an average of 46 days sickness each. These 6 cases were for a variety of reasons included (but not limited to) back problems, musculoskeletal, depression and stomach/liver/kidney/digestion. 1 of the 5 employees is no longer employed by the Authority; 2 have fully recovered and returned to work; 2 employees are currently being managed under the Authority's Sickness Absence Procedure and via Occupational Health.
- 15 There has been a decrease in the number of days of long term sickness absence in 2016/17 and the percentage of long term sickness to total sickness has decreased from 62% to 46% while the percentage of short-term sickness has increased.
- 16 The Authority will continue to closely manage long term sickness in 2017/18 in order to ensure proactive management.

SICKNESS ABSENCE MANAGEMENT

- 17 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.

- 18 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

- 19 The Authority's overall sickness absence performance for 2016/17 was above the target set for the year and lower than national, private sector and public sector comparators.
- 20 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.
- 21 The Authority will be reviewing and updating its sickness absence procedure during 2017/18 to ensure it continues to be fit for purpose.
- 22 The Authority's employee numbers have significantly reduced since 2014/15 due to the majority of employees transferring to the Trust.
- 23 Based on the Authority's performance in 2016/17, it is proposed that the stretch targets for sickness absence in 2017/18 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

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

FINANCIAL IMPLICATIONS

- 25 The financial impact of sickness absence has been managed within the approved employees' budget for 2016/17.

HUMAN RESOURCE IMPLICATIONS

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

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

- 28 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

- 29 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

LIST OF ABBREVIATIONS

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