

 <p><b>LEE VALLEY REGIONAL PARK AUTHORITY</b></p> <p><b>EXECUTIVE COMMITTEE</b></p> <p><b>26 MAY 2015 AT 11:30</b></p>	<p><b><u>Agenda Item No:</u></b></p> <p style="text-align: center;"><b>8</b></p> <p><b><u>Report No:</u></b></p> <p style="text-align: center;"><b>E/449/16</b></p>
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**SICKNESS ABSENCE MONITORING – 2015/16**

Presented by the Director of Finance & Resources

**EXECUTIVE SUMMARY**

This report summarises employee sickness absence levels during 2015/16 and compares them to the target approved by Members. It also recommends a target for 2016/17.

At the Executive Committee in May 2015 (Paper E/406/15) 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 public/private sector comparators.

On 1 April 2015 around two thirds of the Authority's employees were transferred to Lee Valley Leisure Trust Ltd (LVLT). This has meant that the FTE figures in the Authority have reduced from 443 FTE in 2014/15 to 84 FTE in 2015/16. This reduction in employee numbers needs to be taken into consideration when reading this report and the comparison figures from previous years.

The Authority's average number of days sickness absence per FTE in 2015/16 equated to 4.85 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 9.3 days and private sector organisations of 8.2 days.

The average cost of sickness absence in 2015/16 equated to £531.02 per employee. In comparison, the average public sector cost of sickness absence reported in the 2015 Chartered Institute of Personnel & Development Absence Management Report was £789 per employee per year.

In terms of a target for 2016/17, 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)   2016/17 sickness absence target of 3 days per FTE and amend the percentage of sickness absence to 1.16% of working time lost (as set out in paragraph 22 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 2015 (Paper E/406/15) that a stretch target should be set for 2015/16 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 2015 (Paper E/406/15); 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 2015 is based on responses from 578 organisations across all sectors in the UK, employing a total of 1.5 million employees.

**OVERALL PERFORMANCE 2015/16**

- 4 The table below compares the Authority's sickness absence performance for 2015/16 to the national, public and private sector performance as well as Lee Valley Leisure Trust.

<b>2015/16 - SICKNESS PERFORMANCE COMPARISONS</b>					
	<b>TOTAL NATIONAL</b>	<b>PUBLIC SECTOR</b>	<b>PRIVATE SECTOR</b>	<b>LVLT</b>	<b>LVRPA</b>
Average days lost per FTE per year	8.3	9.3	8.2	<b>4.78</b>	<b>4.85</b>
Average working time lost per year	3.7%	4.1%	3.6%	<b>1.83%</b>	<b>1.86%</b>
Average cost per employee per year	£554	£789	£400	<b>£325.12</b>	<b>£531.02</b>

- 5 The table on page 3 shows that the Authority's sickness performance for 2015/16 is 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. However the decrease in total FTE must be taken into consideration when looking at these comparison figures.

	<b>TARGET 2015/16</b>	<b>ACTUAL 2013/14</b>	<b>ACTUAL 2014/15</b>	<b>ACTUAL 2015/16</b>
Average sickness absence per FTE	<b>3 days</b>	3.20 days	4.80 days	4.85 days (3.90 days)
% time lost to sickness absence	<b>2.00%</b>	1.23%	1.84%	1.86% (1.50%)
Average cost of sickness per employee per year	<b>N/A</b>	£325.54	£553.83	£324.90 (£244.08)

(Figures in brackets are direct comparators for Authority in 2014 / 2015)

- 7 The Authority's average sickness absence per FTE of 4.85 days for 2015/16 is above the stretch 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.

The average level of employee absence has increased nationally from 7.4 days per FTE in 2014/15 to 8.3 days per FTE in 2015/16.

- 8 The percentage of time lost due to sickness absence in 2015/16 was 1.86% which is below the target of 2.00% and is significantly less than the public sector average of 4.1%.

The percentage of time lost due to sickness absence has also increased nationally from 3.3% in 2014/15 to 3.7% in 2015/16.

- 9 The cost of sickness absence was £531.02 per employee for the financial year 2015/16.
- 10 According to the CIPD annual report only 25% of organisations, regardless of sector, achieved their 2015/16 absence target.

### SHORT TERM SICKNESS ABSENCE

- 11 Short term sickness absence is defined as any period of sickness absence of less than four weeks. In 2015/16 short term sickness absence equated to 32% 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 decreased when compared to the previous two years. Human Resources will continue to closely monitor short term intermittent sickness in 2016/17 to ensure proactive management.

<b>LVRPA - SHORT TERM SICKNESS ABSENCE</b>			
<b>Year</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Total FTE	388	443	<b>84</b> <b>(84)</b>
Number of Days	397.5	987	<b>136</b> <b>(217)</b>
% of Total Sickness	32%	47%	<b>38%</b> <b>(66%)</b>

(Figures in brackets are direct comparators for Authority in 2014 / 2015)

- 12 The Authority's recorded top five reasons for short term sickness absence in 2015/16 were viral infection, headache/migraine, stomach/liver/kidney/digestion, operation/post operation and chest/respiratory. In comparison, the CIPD's 2015 Absence Management Survey Report reported the top five reasons as colds, headaches, musculoskeletal injuries, back pain and stress.

### 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 three financial years.

<b>LVRPA - LONG TERM SICKNESS ABSENCE</b>			
<b>Year</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Total FTE	388	443	<b>84</b> <b>(84)</b>
Number of Days	845.5	1127	<b>254</b> <b>(110)</b>
% of Total Sickness	68%	53%	<b>62%</b> <b>(34%)</b>

(Figures in brackets are direct comparators for Authority in 2014 / 2015)

- 14 Long term sickness absence in the 2015/16 period was 254 days, consisting of 8 employees with an average of 37 days sickness each. These 8 cases were for a variety of reasons included (but not limited to) operation/post operation, back problems and musculoskeletal. 2 of the 8 employees are no longer employed by the Authority; 5 have fully recovered and returned to work; 1 employee is currently being managed under the Authority's Sickness Absence Procedure and via Occupational Health.
- 15 Although there has been a decrease in the number of days of long term sickness absence in 2015/16, the percentage of long term sickness to total sickness has increased from 53% to 62%, while the percentage of short-term sickness has decreased from 47% to 38%. It is worth noting that there were no long term cases of stress/depression/anxiety during 2015/16 compared to this accounting for 52% of the long term sickness in 2014/15.
- 16 The Authority will continue to closely manage long term sickness in 2016/17 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, Human Resources, Health & Safety and Occupational Health 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 2015/16 was above the target set for the year but lower than national private/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's employee numbers have significantly reduced since 2014/15 due to the majority of employees transferring to Lee Valley Leisure Trust.
- 22 Based on the Authority's performance in 2015/16, it is proposed that the stretch targets for sickness absence in 2016/17 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**

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

### **FINANCIAL IMPLICATIONS**

- 24 The financial impact of sickness absence has been managed within the approved employees' budget for 2015/16.

### **HUMAN RESOURCE IMPLICATIONS**

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

### **LEGAL IMPLICATIONS**

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

### **RISK MANAGEMENT IMPLICATIONS**

- 27 In line with the Authority's Strategic Risk Register, there is always a potential risk that insufficient 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**

- 28 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
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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

#### **LIST OF ABBREVIATIONS**

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