

CYNGOR SIR POWYS COUNTY COUNCIL.

AUDIT COMMITTEE

3 November 2017

**REPORT AUTHOR: Acting Professional Lead – Human Resources
Management and Development**

SUBJECT: Absenteeism / Sickness Absence Rates

REPORT FOR: Discussion / Information

1.0 Purpose

- 1.1 This report is provided in response to a request to update the Audit Committee on the Council's level of sickness absence. It quantifies the amount of working time lost as a result of sickness absence in the Council and compares the levels of sickness absence with other public sector organisations. An analysis of the amount of time lost to short and long term absence is also provided, along with a summary of the most common reasons for sickness absence.
- 1.2 It is recognised that having an effective and robust sickness absence management policy and procedures is key to supporting achievement of the Council's objectives. An overview of the interventions currently promoted by the Workforce and Organisation Development directorate is therefore also provided.

2.0 Background

- 2.1 This report sets out sickness absence information for the period 1 April 2015 to 30 September 2017 (i.e. 2015-16 Financial Year onwards). It covers both corporate employees and those employed directly by schools.
- 2.2 The report also includes details of comparative sickness absence figures to assist performance monitoring of sickness absence over a period of time and to enable comparisons to be drawn.
- 2.3 The Council data referenced in this report is taken from the Business Intelligence dashboard, which contains data from January 2015 onwards. It does not contain any data regarding the cost of sickness absence – this would need to be calculated separately.

- 2.4 It is recognised that a reduction in sickness absence does not always lead to significant cashable savings, though it does often result in increased productivity and an improvement in organisational performance. The main source of cashable savings will be any reduction in agency and overtime costs associated with sickness absence cover.
- 2.5 Should the Committee require a further report providing more in-depth analysis or detailing the cost of sickness absence, for example, this can be provided at a future date following more detailed calculation.

3.0 Context

- 3.1 The recent Local Government Performance 2016-17 bulletin¹, published by the Local Government Data Unit – Wales, shows the Council's performance as being in the top 25% of Welsh local authorities during FY 2016-17, with an average of 9.0 days/shifts lost per full time employee. This is an improvement of 1.6 days/shifts lost per full time employee and two quartiles, when compared with the Local Government Performance 2015-16 bulletin².
- 3.2 The bulletin states that an average of 10.3 days/shifts per full time employee were lost due to sickness during the 2016-17 Financial Year across all Welsh local authorities. This ranged from 5.5 days in Merthyr Tydfil to 12.5 days in Blaenau Gwent.
- 3.3 For the purpose of the Local Government Data Unit collection, the number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence is calculated by dividing the number of working days/shifts lost to sickness absence by the average number of FTE employees.
- 3.4 In order to seek to draw comparisons with UK public sector performance, it is necessary to consider the Council's sickness absence levels for the 2016 calendar year as opposed to the Financial Year. This is because the Chartered Institute of Personnel and Development's (CIPD) Annual Absence Management Report references the calendar year.
- 3.5 The CIPD's latest Absence Management Report³ states that an average of 8.5 days were lost per public sector employee during the 2016 calendar year. For that same reference period, an average of 8.84 days were lost per FTE within the Council.
- 3.6 It is important to note that the CIPD's measure is by headcount (per actual employee), whereas the standard measure used by the Council

¹ [Local Government Performance Bulletin 2016-17](#)

² [Local Government Performance Bulletin 2015-16](#)

³ [CIPD Absence Management: Annual Survey Report 2016](#)

(and all other local authorities in Wales) for comparison purposes is FTE, as per the requirements of the Local Government Data Unit.

3.7 This means that the Council's performance during the 2016 calendar year was in line with the UK public sector average, on the basis that the Council's average headcount during this period was 6289 whereas the average FTE was 4341.36.

4.0 Sickness absence by function

4.1 A summary of the number of working days lost due to sickness within each function since FY 2015-16 is shown below. A further breakdown of absence by function is included within Appendix A.

Function	FY 2017-18*	FY 2016-17	FY 2015-16
Whole Council	4108.50	5835.50	5918.50
CEO and Member Services	2.00	0.00	18.50
CEO Function	N/A**	0.00	N/A**
Executive Office	N/A**	25.00	N/A**
Corporate, Legal and Democratic Services	N/A**	N/A**	2.00
People	825.00	851.00	1232.00
Place	1291.00	1495.50	1743.00
Resources	280.00	259.50	358.50
Schools & Schools Service	1668.50	3173.50	2409.50
Workforce & OD	42.00	31.00	155.00

* 1 April 2017 to 30 September 2017

** N/A represents where teams have transferred from / to different functions

4.2 It should be noted that the 'working days lost' measure is likely to be significantly higher than a 'full-time equivalent (FTE) days lost' measure, over a longer period. The reason for this is that, for example, where an employee works 3 hours per day and is absent for just 1 day, this will show as 1 whole working day lost rather than a FTE value.

- 4.3 The working days lost measure is used in this section, on the basis that the average FTE days lost measure is not currently available through the Business Intelligence dashboard for FY 2015-16.
- 4.4 There was an overall decrease of 83 working days lost between FY 2015-16 and FY 2016-17 – equivalent to a reduction of 1.40%.
- 4.5 It will be noted that FY 2016-17 saw a reduction in total working days lost across all functions, with the exception of Schools & Schools Service (31.71% increase), when compared with the previous year.
- 4.6 The functions with the highest number of working days lost during FY 2016-17 were Schools & Schools Service (54.38% of the overall total) and Place (25.63% of the overall total).
- 4.7 The People, Place and Schools & Schools Service functions have a significant number of front-line employees who undertake manual, physical work and therefore have a higher level of exposure to health risks than office based employees. The CIPD's latest Absence Management Report⁴ found that manual workers each have 2.1 more days' absence per year on average than non-manual workers.

5.0 Sickness absence by length

- 5.1 Long-term sickness absence is any period of continuous absence which lasts for 28 calendar days or more. All other sickness absences are referred to as 'short-term'. Below is a summary of the total number of posts affected by short-term and long-term absence across the Council:

Absence length	FY 2017-18*	FY 2016-17	FY 2015-16
Short-term	2156	6634	6600
Long-term	462	806	760

* 1 April 2017 to 30 September 2017

- 5.2 It will be noted that FY 2016-17 saw an increase in the number of posts affected by both short-term and long-term absence of 0.52% and 6.05% respectively, when compared with the previous year.
- 5.3 A further breakdown of sickness absence by length can be provided at a future date should the Committee require this.

⁴ [CIPD Absence Management: Annual Survey Report 2016](#)

6.0 Sickness absence by reason

6.1 Across the Council, the top 4 reasons (in order of frequency) for all sickness absence during FY 2016-17 were:

- Infections (including colds & flu)
- Stomach, liver, kidney & digestion
- Stress, depression, anxiety, neurasthenia, mental health & fatigue
- Chest & respiratory (including chest infections)

6.2 It remains difficult to determine the cause of stress absence as it may be personal, work-related or a combination of the two. In addition, it will be noted from 6.1 above that the current recording category for stress also includes other types of illness.

6.3 So far this Financial Year, the top 4 reasons for all sickness absence (in order of frequency) are:

- Stomach, liver, kidney & digestion
- Infections (including colds & flu)
- Test / treatment (including medical appointment)
- Other muscular-skeletal problems

6.4 A further breakdown of sickness absence by reason can be found at Appendix B.

7.0 Current policy and interventions

7.1 Line managers have primary responsibility for managing absence, with proactive HR advice being provided in respect of those employees who have hit the short-term sickness absence triggers or whose absence is long-term (i.e. over 28 calendar days). The CIPD's Report⁵ found such delegation of responsibility to be among the most effective methods for managing absence.

7.2 In addition, corporate service line managers have access to the Business Intelligence dashboard, where they have requested this, and can therefore directly monitor sickness absence levels for their teams. Again, the CIPD's Report⁶ recognised this provision of information as being an effective approach to absence management.

7.3 HR Business Partners regularly attend corporate service Senior Management Team meetings across the Council to further raise awareness of sickness absence levels, as well as support service areas in identifying and addressing any hotspots.

⁵ [CIPD Absence Management: Annual Survey Report 2016](#)

⁶ [CIPD Absence Management: Annual Survey Report 2016](#)

- 7.4 The Council's Sickness Absence Management Policy specifies short-term sickness absence triggers which are one, or a combination of, the following:
- 3 episodes of short-term sickness of any length in any rolling 12 month period;
 - 2 episodes of sickness which when combined total more than 3 working weeks in any rolling 12 month period.
- 7.5 In cases where an employee reaches the short-term absence trigger points or there is a recognisable pattern of absence, the Policy states that the line manager will take informal or formal action, as appropriate. Line managers receive automatic e-mail notifications when an employee has reached the short-term absence triggers.
- 7.6 In accordance with the Council's Sickness Absence Management Policy, once an employee's absence reaches around 5 months a member of the HR Team will often attend welfare meetings with the line manager, unless there is a valid reason not to – for example, where the employee's return to work is imminent. The HR Team may attend welfare meetings sooner than 5 months where the circumstances of individual cases necessitate this.
- 7.7 The Sickness Absence Management Policy is accompanied by a comprehensive toolkit which includes detailed guidance notes, Frequently Asked Questions and template letters. Line managers can access this directly via the staff intranet (page number 6275).
- 7.8 The HR Team is also in the process of developing a sickness absence training package for line managers. The e-learning element of this will be published in November 2017, with the first face-to-face training session due to be offered to Children's Services in January 2018. Wider roll-out to all other service areas will follow and training completion levels will be monitored.
- 7.9 The Council currently engages the services of Caer Health Ltd, an independent Occupational Health Service, for specific guidance and advice on managing sickness absence cases and ill-health retirement applications, as well as pre-employment and risk-based health screening.
- 7.10 The Council also provides a confidential counselling service to employees who are experiencing difficulties in both their working and personal lives. The Council funds a maximum of 6, one hour sessions per employee who accesses the service as standard.
- 7.11 There continues to be an ongoing emphasis placed on conducting and completing return to work interviews – this is the responsibility of line managers. These provide the framework for discussions between the

line manager and employee to consider reasons for the absence, explore underlying issues or trends and to identify any reasonable adaptations or supportive interventions to promote and sustain the employee's return to work.

7.12 The Council seeks to support employees wherever possible through its work-life balance and family friendly policies, including the Agile Working Policy, Flexible Working Policy, Employee Leave Policy and Supporting Working Parents Policy. Such policies underpin our commitment to becoming an employer of choice, which in turn are likely to have a positive effect on sickness absence levels.

7.13 In addition to the above, the decision was taken at September's Joint Consultative and Negotiating Committee (JCNC) meeting to reinstate the Council's Stress Steering Group, which will oversee and facilitate the implementation of the Health and Safety Executive's Management Standards in the form of a project. Membership of the Group will include managers, trade union representatives, Health and Safety and Human Resources staff.

Contact Officer Name:	Tel:	Fax:	Email:
Lorna Simpson	01597 826066		lorna.simpson@powys.gov.uk

Background Papers used to prepare Report:

Appendix A – Sickness absence by function

Appendix B – Sickness absence by reason

[CIPD Absence Management: Annual Survey Report 2016](#)

[Local Government Performance Bulletin 2015-16](#)

[Local Government Performance Bulletin 2016-17](#)

[Powys County Council's Sickness Absence Management Policy](#)