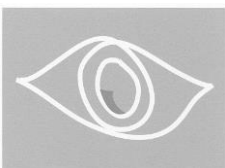


CORPORATE SCRUTINY COMMITTEE

REPORT ON SICKNESS ABSENCE

AT SOUTH DERBYSHIRE DISTRICT COUNCIL

**For Submission to
Finance and Management Committee
19th October 2006**



SEPTEMBER 2006

Members of Corporate Scrutiny Committee

Councillor R Bell, Chair

Councillor M Mulgrew, Vice Chair

Councillor N Atkin

Councillor M Bale

Councillor J Bladen

Councillor R Jones

Councillor N Tilley

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1. **Summary**

This report is a review by the Corporate Scrutiny Committee of the sickness absence statistics of South Derbyshire District Council and the arrangements for managing sickness absence.

The sickness absence rate at the Council of 9.38 days per employee per year (2005-2006 figure) is better than the average across the public sector but falls short of the average across all sectors of 8 days per employee per year. Long term absences during 2005-2006 were seen to make the greatest contribution to the Council's sickness absence rate.

The Council's Sickness Absence Management Policy is a comprehensive document clearly defining the active role of line managers in managing absence and the supporting/advisory role of Human Resources Division.

The report recommends a review of the Sickness Absence Management Policy in the light of changing local and national circumstances.

Although a direct correlation between sickness absence and the working environment was not evident the report also recommends that a programme of work to improve the working environment within the Council's offices be drawn up and costed.

2. **Introduction**

The Corporate Scrutiny Committee in formulating its work programme for 2006/2007 identified that the sickness absence rate per employee had increased in 2005/06 to 9.38 days per year from the 2004/2005 figure of 8.52 days. The target for the 2005/2006 year had been 8.5 days per employee. Sickness absence is included in the table of Best Value Performance Indicators (BVPI 12). Consequently the Committee initiated a review of sickness absence in order to identify.

- Any work related causes of sickness absence
- Trends in sickness absence
- Actions being taken to address the increasing level of sickness absence
- Any further actions to reduce sickness absence

The decision to review sickness absence has been further justified by the absence levels for the first five months of the 2006/2007 year which had already reached 3.8 days per employee. A straight line projection for the full year therefore indicated 9.12 days would be lost per employee.

Clearly sickness absence is a cost to the Council both in possibly failing in service provision and in monetary terms, particularly when temporary agency staff have to be employed to cover an absence.

The Committee discussed sickness absence at its meeting of the 7th August 2006 and received a written report and verbal response to questions from the Director of Corporate Services. Subsequent to the meeting further information and statistics were submitted to Committee Members by the Human Resources Division.

3. **National and Local Context**

The absence rate for South Derbyshire District Council over the last 4 years is shown below (**Figure 1**). It is disappointing that the downward trend from 2002/2003 has not been maintained.

Year	Absence Rate (Days)	BVPI Quartile Position
2002/2003	14.93	Bottom
2003/2004	8.95	Top
2004/2005	8.52	Top
2005/2006	9.38	Upper Median

Figure 1

Two national surveys by the Health and Safety Executive ¹ and the Chartered Institute of Personnel and Development CIPD ² present very similar findings in relation to sickness absence.

The HSE report, based on 2005 information, suggests sickness absence in public sector organisations was 7.8 days per employee per year whilst the private sector absence rate was 5.7 days per employee per year.

The report goes on to adjust the figures for comparative purposes owing to the employee profile within each sector i.e. public sector organisations tend to be larger and employ more female and older workers than the private sector.

The adjusted figures give an absence rate of 7.5 days/employee/year in the public sector and 7.2 days/employee/year in the private sector.

The more recent CIPD survey (published July 2006) reported an overall reduction in sickness absence across all sectors to the lowest level it has recorded, 3.5% which is equivalent to 8 days per employee/year (**Figure 2**) of which the Public Sector is at 4.3% (9.9 days) and the Local Government element is 4.8% (11days).

Average Working Time Lost (2000 - 2006)

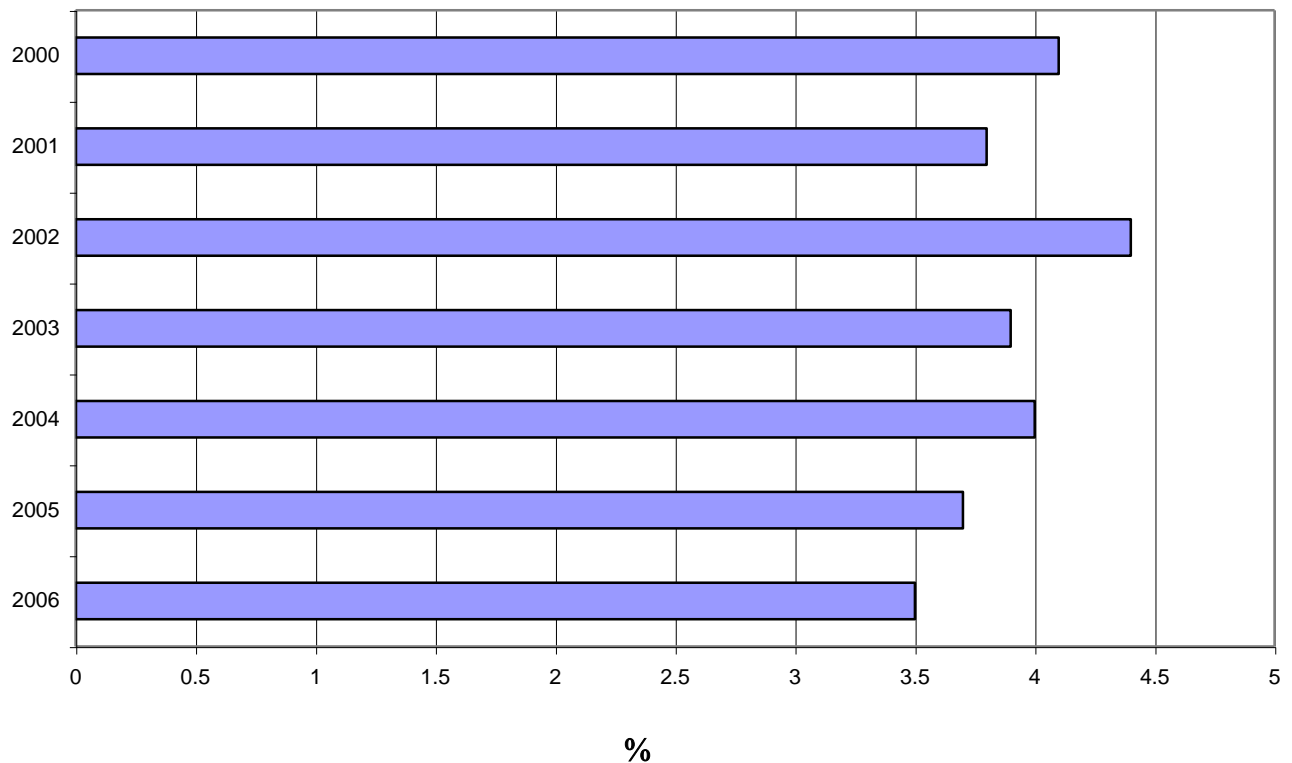


Figure 2

As mentioned in the introduction sickness absence places a cost on the organisation. That cost may be in direct monetary terms in having to cover for the absentee by employing temporary staff or in paying overtime to other employees.

There are other costs however which are less tangible e.g. loss of customer confidence in failing to deliver a service, added pressures on colleagues which in turn may cause them to be absent.

The CIPD report puts the average cost of sickness absence at £598 per employee per year. However the cost in the public services sector is put at £680 per employee per year (£713 in Local Government).

On a local level SDDC's sickness absence compares well with the 10 other Derbyshire Authorities including the County and City Councils, and the Peak District National Park Authority (**Figure 3**).

Authority	Days Absence/Year 2005/2006
Peak District National Park	6.29 days
Derbyshire	7.12 days
High Peak	8.43 days
Derby City	9.00 days
South Derbyshire	9.38 days
Amber Valley	9.39 days
Derbyshire Dales	9.9 days
Chesterfield	10.7 days
Bolsover	11.43 days
NE Derbyshire	11.87 days
Erewash	16.83 days

Figure 3

4. SDDC Sickness Absence

The headline figures for absence given previously in this report are average figures for each year. Those figures are a combination of two factors, short and long term absences. The graph at (**Figure 4**) illustrates the Council's overall absence rates on a month by month basis which clearly shows a seasonal variation with the winter months having greater absence rates.

% Sickness Absence

Current Month

Days Lost = 226

Days Lost per
Employee = 0.67
No of Employees
Absent = 42
7 Employees
Long Term Sick

12.38% of
employees were
absent at some
time in the month

■ % Absence 04 / 05
■ % Absence 05 / 06
■ % Absence 06 / 07

YTD Totals

Days Lost=1291

Days lost per
employee = 3.80

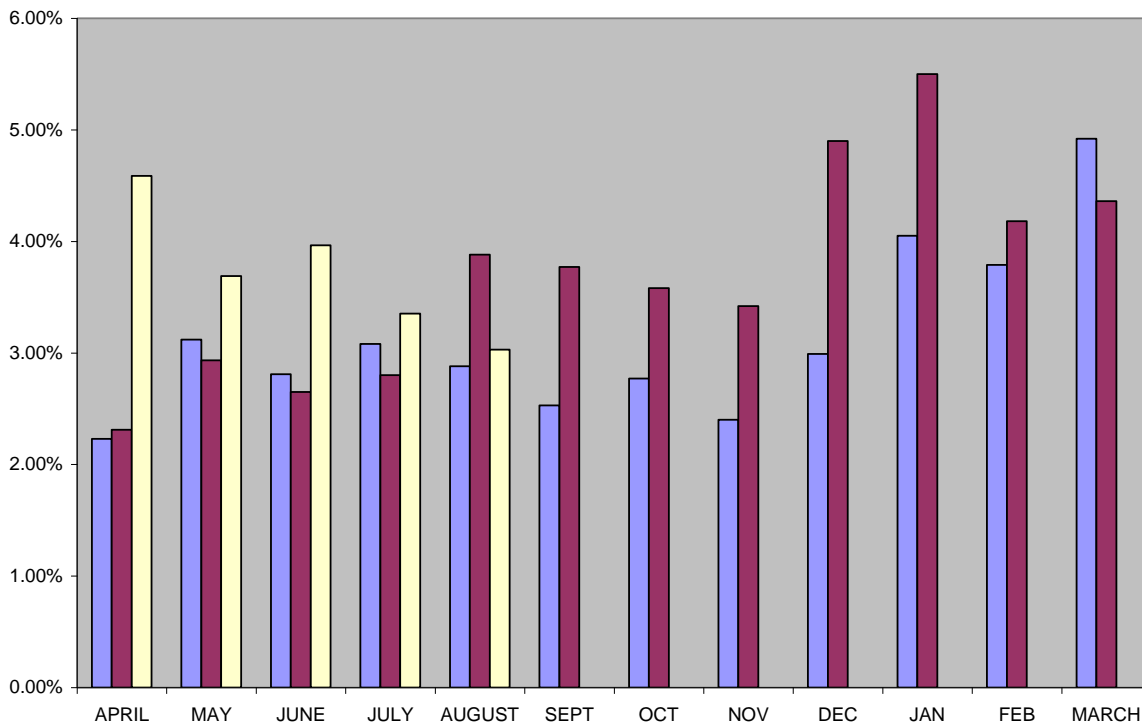


Figure 4

Significantly the early months of this year (2006/2007) from April do show greater absence levels than the previous two years leading to an adjusted target of 8.5 days for 2006/2007 being set.

As previously stated short and long term absences contribute to the absence total. Long term absence is absence greater than 4 weeks. Short term absence accounts for 45% of absences and long term 55%. The long term absence is attributable to 8.2% of the workforce (2005/2006).

Long term does not mean 'indefinite' but the current Sickness Absence Policy does not apply a specific limit. Each long term absence is assessed individually with the employee given help and support from Occupational Health specialists and our HR Division to facilitate as early a return to work as possible.

During long term sickness the employee currently receives full pay for the first 6 months followed by ½ pay for a second 6 month period. Should absence continue beyond 12 months the employee could still be 'employed' and the Council would contribute employers' pension contributions only. (National Conditions of Service that are currently being reviewed).

The SDDC HR Division has estimated the cost of sickness absence at £520 per employee per year not including any additional costs for employing temporary staff.

The sickness absence distribution in regard to the Council's employee profile reveals some interesting statistics.

In 2005/2006 the Council had 379 employees, 191 were male and 188 female. (50.4% Male, 49.6% Female). The sickness absence within the two groups was also evenly distributed, 1773 days for men and 1723 days for women (50.7% Male, 49.3% Female).

Further analysis based on age confirms the findings of the HSE report that older workers do have greater sickness absence than younger workers. The Council has 177 employees over 45 years of age and 202 under 45 years. The rate for the over 45's was 14.7 days per employee per year and for the under 45's 4.6 days.

The reasons for sickness absences in 2005-06 are many with musculo-skeletal accounting for 21% of absences, stress (not work related) 19.5% and stomach ailments 15.6% being the main causes. There were no claims against the Council for work related injuries in 2005/2006.

In discussion between Members and Officers the effect of working conditions was raised with regard to the general decorative state of offices and corridors heating and ventilation. No data was available to suggest any correlation between sickness absence and working environment.

5. Application of Sickness Absence Policy

The Council has a Sickness Absence Management Policy which details the duties of employees, Managers and Human Resources in managing sickness absence and outlines the support which could be provided to employees having health problems.

Human Resources Division had identified the adverse trend in sickness absence during the 2005-06 year. The sickness absence rate for the 7 months from August 2005 to February 2006 being significantly above the previous year's rate.

(See Figure 4)

It was also apparent last year (2005/2006) that Return to Work Interview Forms (Appendix A) which should be completed after every absence and sent to Human Resources Division, had, in some cases, either not been returned, were not adequately completed or not followed up by management action.

The Sickness Absence Policy stipulates 'trigger' points at which a more formal Attendance Monitoring interview involving the returning employee, their departmental manager and a representative from Human Resources Division is required. The current trigger points are 12 days sickness absence in any 12 month period or 6 separate sickness absences in any 12 month period. It had been identified however that information on an employee's sickness absences was not available to the Departmental Manager at the time of the employee's return to work and it fell to the HR Division to flag up if a 'trigger point' interview was required. Formal Attendance Monitoring interviews involving HR only took place well after the period of sickness.

Attendance Monitoring Interviews are held with employees that hit a trigger point. During 2005/06 the trigger points were activated on 90 occasions. These are intended to be supportive and offer early help to any employee that may be having problems sustaining an acceptable level of attendance at work. Evidence from professional bodies such as CIPD establish this type of intervention as a fundamental part of a holistic approach towards effective management of employee ill health.

The Council's approach in this area has improved since the introduction of the Policy together with the support and advice provided by the Human Resources Team.

The Return to Work Interview Form has been revised in agreement with the Trade Unions and now requires the Departmental Manager to confirm the returnee's sickness absence history with HR before arranging the return to work interview. This provides the opportunity for a representative from HR to be present at the Attendance Monitoring interview if a trigger point has been hit.

6. Remedial Actions

The weakness of Managers not knowing an employee's absence history prior to conducting a return to work interview has been addressed by revision of the Return to Work Interview Form.

The requirements of the Sickness Absence Management Policy relating to timely and meaningful return to work interviews have been reinforced by Directors to their line Managers.

HR Division are maintaining an overview of the application of the Policy and appropriateness of the Policy in relation to changing circumstances e.g. are the trigger points of 12 days or 6 absences, which were set when the absence rate was 14 + days, still appropriate.

7. Conclusions

1. The sickness absence rate within the Council compares well with the other local authorities in Derbyshire. The 2005/2006 figure of 9.38 days per employee per year places South Derbyshire fifth out of the eleven authorities.
2. National comparisons however are not so favourable. The two most recent sickness absence surveys from the HSE and the CIPD give an average rate of sickness absence of approximately eight days per employee per year. Further analysis does however show that local government figures are higher and that SDDC is better than average.
3. Long term sicknesses over four weeks in duration contribute most to the Council's sickness absence rate. Long term sickness is the most costly to the Council in terms of sick pay, providing temporary cover, loss of the employees knowledge and expertise, involvement of HR Division and provision of Occupational Health support.
4. The nationally identified statistic that older workers do have more sickness absence than younger workers is confirmed within the Council. The 2005/2006 figures reveal that employees under 25 years of age averaged only 1.6 days sickness absence.
5. The management of sickness absence is the responsibility of Managers. HR Division provide advice and support and may become more involved in specific cases of longer term absence in providing support for the employee to return to work.

6. The Council's Sickness Absence Management Policy provides for extensive support for employees particularly during long term sickness. Every effort is made to facilitate the return to work of longer term sick employees including phased return, adaptations to the workplace, change of work patterns and redeployment.
7. It is generally accepted that the working environment can affect the health of employees. The recent improvements to the main reception and other areas within the main Council offices contrast sharply with the appearance of many corridors and offices.

8. Recommendations

1. Given the financial and other impacts of long term sickness, at the same time recognising that each case is unique, consideration should be given to defining the timescale for certain actions to take place in resolving long term absence.
2. That HR Department continue to monitor the reporting of sickness absences and completion of Return to Work Interview forms. Senior management be advised of any failings in their area of responsibility.
3. That sickness absence performance be regularly reported, not only to senior staff, but throughout the Council to raise awareness of the impact absences can have and to make staff aware of performance against target.
4. That a programme of work be determined and costed for the improvements to corridors, offices and work areas to provide a healthier working environment.
5. That Human Resources Division review and, when appropriate, bring forward proposed amendments to the Sickness Absence Management Policy.

References

1. Health and Safety Executive – Survey of Workplace Absence Sickness and Health (SWASH) – 2005.
2. CIPD Survey Report – July 2006 – Absence Management.

Acknowledgements

The Committee wish to recognise the full co-operation, advice, information and assistance provided by the Director of Corporate Services, The Head of Human Resources Division and Policy Officers in the preparation of this report.

Also the tolerance shown by Mrs S Cope in typing the various drafts of the report prior to producing this final version.

SOUTH DERBYSHIRE DISTRICT COUNCIL**SICKNESS/ABSENCE MANAGEMENT
RETURN TO WORK INTERVIEW FORM****STRICTLY CONFIDENTIAL**

Name of EmployeeDate of Interview.....

Nature of Illness..... Dates of Illness

Was the absence reported in line with the agreed procedure? Yes/No

If not, why?

Absence Record Last Twelve Months (including latest)

Trigger Point A = 6 absences Trigger Point B = 12 days

No of Absences	No of Days

Has A Trigger Point Now Been Reached ?**Yes / No**

Human Resources Case Officer Appointed

Does the employee feel that his/her illness is work related and if so why?

.....

.....

What does management need to do

.....

.....

What actions is employee taking to manage attendance.....

.....

.....

Does the employee have any other comments or points that he/she wishes to raise?

.....

.....

Has a self-certification form been completed and sent to Payroll? YES/NO

(Must be completed following all absences, can be found on Public Folders/All Public Folders/Finance and IT/Payroll Forms)

Signature of Employee

Signature of Supervisor/Manager

Guidance Notes for Managers / Supervisors

Before you conduct the interview – contact Human Resources and find out the employee's absence figures for the last twelve months.

If the employee has hit a trigger point – make sure you tell him / her that they will be required to attend an Attendance Monitoring Interview

Contact Human Resources and agree which member of HR will support you

Arrange the meeting (standard letters are on Public Folders / All Public Folders / Human Resources / Sickness Absence

Remember – employee is entitled to five days notice