

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 30 SEPTEMBER 2014

SICKNESS ABSENCE 2013/14

REPORT BY SHARON FAULKNER, HEAD OF HR, IT & ORGANISATION DEVELOPMENT

ABSTRACT

This report analyses sickness absence within the council during the 2013/14 financial year.

1. RECOMMENDATION

The committee considers the terms of this report.

2. ALIGNMENT TO THE COUNCIL PLAN

This report contributes to the achievement of the following priority contained within the Council Plan:

Transformational Change

- review our workforce to ensure it is led and managed effectively, is the right size and shape, is motivated and has the skills, knowledge and tools needed.

3. BACKGROUND

3.1 As the committee is aware, as part of the council's performance management arrangements, it receives quarterly reports on sickness absence. Each year these reports are aggregated to give an annual summary.

3.2 This report summarises and analyses absence data for the 2013/14 financial year.

4. CURRENT POSITION

4.1 The figures are given for two employee categories: local government employees (which includes chief officers) and teachers.

4.2 Average Days Lost per Employee

Table 1 identifies the average days lost per employee in each quarter, and overall, for 2013/14. The table also shows, in italics, the quarterly and annual figures for 2012/13.

<i>Table 1</i>	Apr – Jun 13	Jul – Sept 13	Oct – Dec 13	Jan – Mar 14	Total	<i>Total 12/13</i>
LGE	2.2	2.2	2.6	2.7	9.7	10.8
Teachers	1.5	0.7	1.4	1.8	5.4	6.3
Total	2.0	1.8	2.4	2.5	8.7	9.7
<i>Total 12/13</i>	<i>2.4</i>	<i>2.1</i>	<i>2.5</i>	<i>2.7</i>	<i>9.7</i>	

As the comparison shows, there has been an overall decrease of 1.0 day per employee from 2012/13 to 2013/14 – an overall improvement of approximately 10.3%.

Appendix 1a illustrates the above information in graph format.

The average number of working days per employee lost through sickness absence in each of the last five years is shown below.

<i>Table 2</i>	2009/10	2010/11	2011/12	2012/13	2013/14
Average days lost	9.8	8.9	9.3	9.7	8.7

This measure is a statutory performance indicator for both a) local government employees (including chief officers) and b) teachers. The council's figures for these two categories as reported to the Local Government Benchmarking Framework (LGBF) for 2013/14 were 9.7 and 5.4 respectively

The LGBF publishes annual statutory performance indicator information in the latter part of 2013/14 at which point comparison with other councils will be possible. The Scottish average figures in 2012/13 were 10.9 (non-teachers) and 6.6 (teachers). The council's performance in that year was therefore slightly better than the national average.

For the purposes of wider comparison the most comprehensive source of information is the annual survey undertaken by the Chartered Institute of Personnel and Development (CIPD). The most recent survey available is for 2013 and is based on replies from 618 organisations across the UK employing around 2.3 million people. It identified a figure of 7.6 days lost per employee across all organisations, 9.0 days per employee within local government and 9.2 days for organisations with more than 5,000 employees.

It is worth noting that while surveys for the private sector consistently show a lower level of sickness absence than within the public sector, the Health and Safety Executive is of the view that absence in the private sector is under-recorded and indeed it is estimated that a quarter of private sector employers do not record sickness absence.

4.3 **Percentage of Working Days Lost**

Table 3 shows the number of days lost through sickness absence as a percentage of available working days. The table also shows, in italics, the quarterly and annual figures for 2012/13.

<i>Table 3</i>	Apr – Jun 13 %	Jul – Sept 13 %	Oct – Dec 13 %	Jan – Mar 14 %	Total %	<i>Total 12/13 %</i>
LGE	4.47	4.50	5.89	5.37	5.06	5.58
Teachers	3.12	2.15	3.25	3.30	3.03	3.52
Total	4.16	4.08	5.31	4.86	4.61	5.12
<i>Total 12/13</i>	<i>4.99</i>	<i>4.97</i>	<i>5.35</i>	<i>5.17</i>	<i>5.12</i>	

As the comparison shows, the overall percentage of days lost has decreased from 5.12% in 2012/13 to 4.61% in 2013/14 – an overall improvement of approximately 10%.

Appendix 1b illustrates the above information in graph format.

The overall percentage of working days lost due to sickness absence in each of the last five years is as follows.

<i>Table 4</i>	2009/10	2010/11	2011/12	2012/13	2013/14
Percentage days lost	5.10	4.62	4.92	5.12	4.61

It has not been possible to produce a breakdown of annual percentage absence by directorate due to the transitional period of the organisational restructuring.

4.4 Incidence of Absence

Appendix 2 gives a breakdown of absence figures illustrating in percentage terms (a) the total number of days lost through absences of 1 day, 2 to 5 days, 5 to 20 days and more than 20 days and (b) the incidence of absences of these same periods.

Comparative information for 2012/13 is also included.

The average length of an absence was 6.37 days (6.45 days in 2012/13).

4.5 Cost of Sickness Absence

In 2013/14 the direct cost of employees' sickness absence ie the cost of sick pay, was £3,566,145 compared with £4,063,985 in 2012/13 – a reduction of £497,840 (12.25%).

This figure comprises statutory sick pay payments of £613,303 and occupational sickness allowance payments of £2,952,842.

The cost of direct sick pay represented 2.92% of total salary costs (3.31% in 2012/13).

There are also hidden costs associated with absence. As illustrated in the pie chart at Appendix 2, in 2013/14 34% of incidences of absence were for one day and 41% for 2 to 5 days. Short term absence can cause serious disruption to efficiency at every level of operation as it inevitably impacts on others attending work and makes it difficult to maintain service delivery standards. Accordingly, any reduction in absence levels can result in non-cash savings in terms of reduced disruption to service delivery as well as the direct cost reduction.

4.6 Reasons for Sickness Absence

Analysis of the reasons for sickness absence in the council in 2013/14, detailed at Appendix 3, shows that the major causes of absences, are stress-related, stomach conditions, lower limb, respiratory/circulatory, back, and colds and flu problems.

Stress-related absence accounts for approximately one in four of days lost and remains the single largest cause of absence. This is a pattern common to almost all local authorities, public bodies and indeed all employers.

An analysis over each of the last four years, showed that around 77% of stress absence was caused by non work-related issues, in particular relationship problems, bereavement, family illness, family crises and long-term diagnosed depressive conditions, and 23% by work-related factors.

As a matter of priority the council strives to reduce stress-related absence and to support employees suffering from such conditions through its various absence management measures.

The council is currently reviewing the reasons for sickness absence categories as part of the introduction of the new Leave Management Module of the Corporate HR/Payroll System. It is anticipated that the reasons for sickness absence will be more appropriately defined and reported upon in the future, including a separation of work related and non-work related stress. This review is also being undertaken by other Scottish local authorities and therefore may provide scope for comparison in the future.

5. COMMENT

5.1 This year's absence figure is a 10.3% improvement on last year's performance. This improvement led to a reduced direct cost of almost £500,000 (12.25%).

5.2 Clearly, this is a welcomed improvement, given the operational and financial consequences of absence. However, it is also noted that the absence figure for the financial year 2013/14 is the lowest level since 2003/04.

5.3 It is extremely encouraging and perhaps reflects the more proactive approach by services in managing sickness absence and adds weight to the significance of appointing an HR Adviser, on a temporary basis, specifically to assist managers to address their absence management responsibilities.

6. FINANCIAL IMPLICATIONS

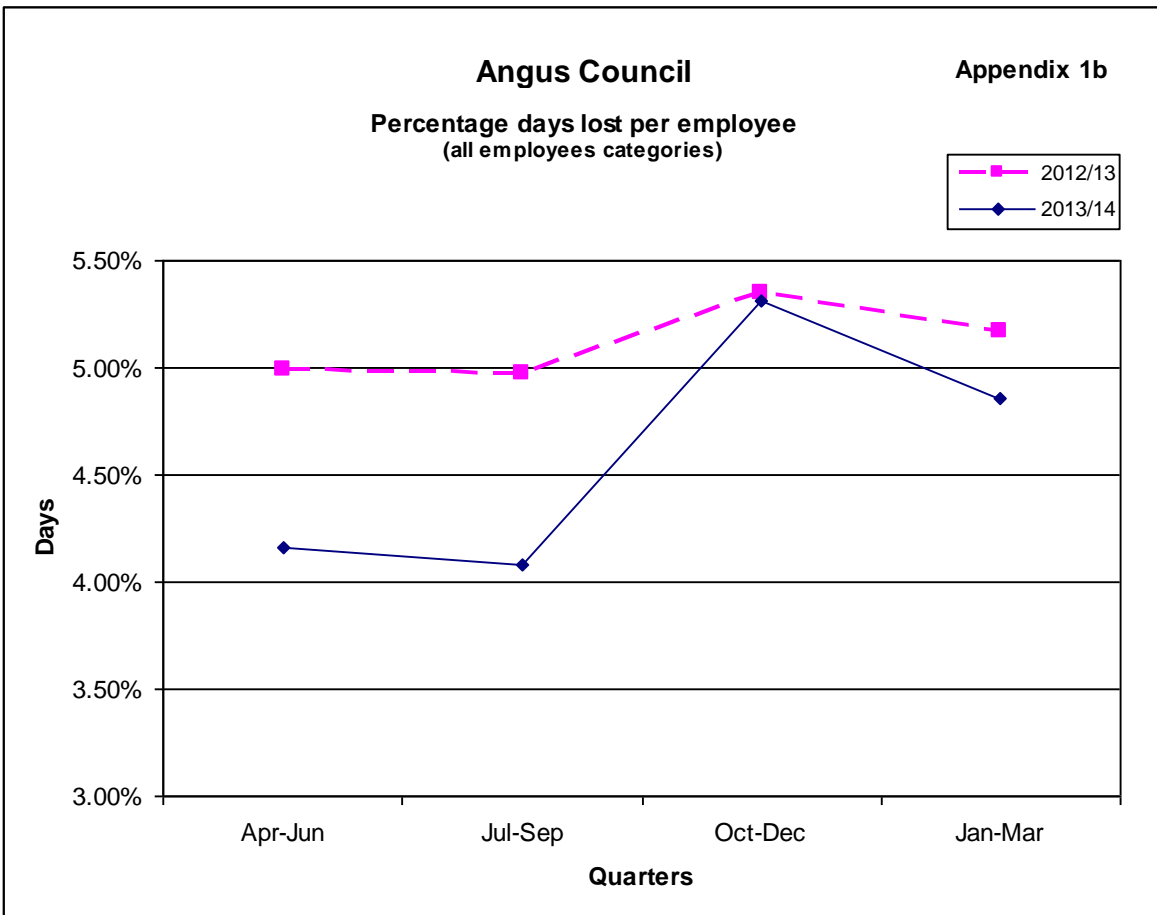
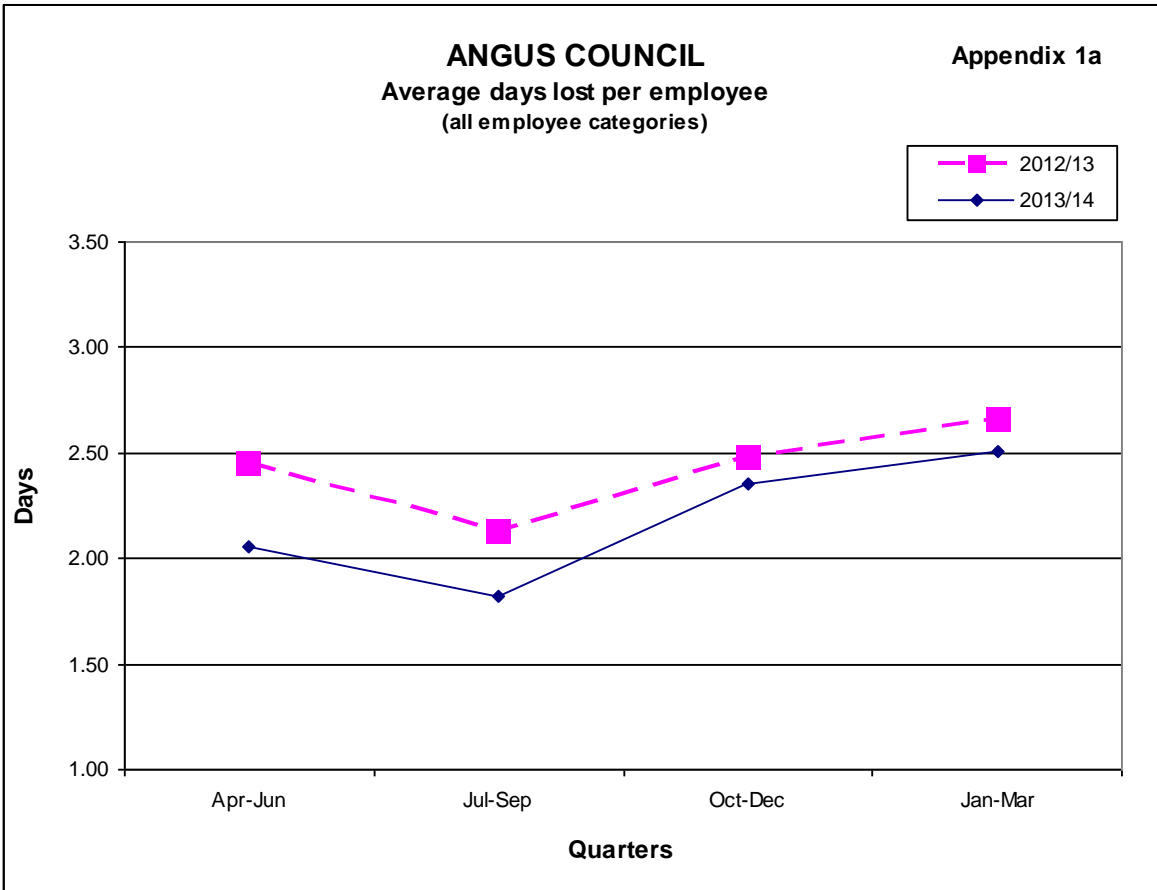
6.1 There are no direct financial implications associated with the terms of this report. As members will know from the council's financial results for 2013/14, staff costs (including sickness absence) have been met from the existing budgets set.

7. CONSULTATION

7.1 The Chief Executive, Strategic Director – Resources, Head of Corporate Improvement and Finance and Head of Legal and Democratic Services have been consulted on the terms of this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

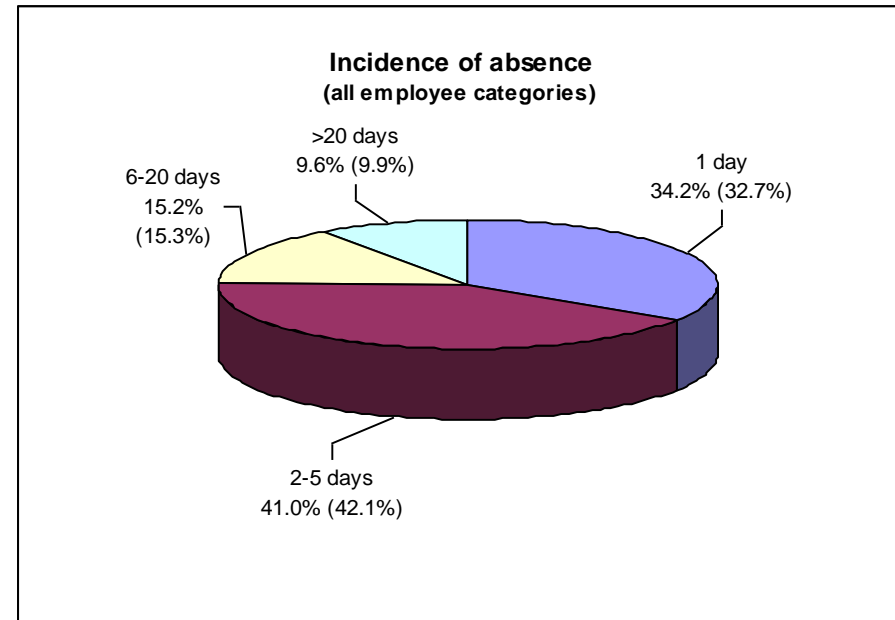
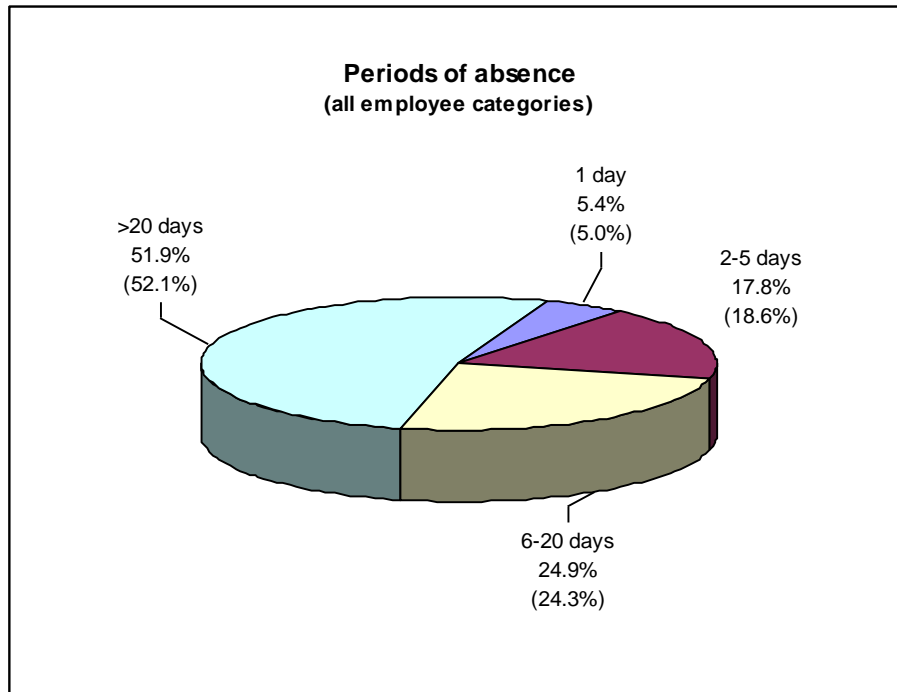
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Breakdown of Absence 2013/14

Figures in brackets relate to 2012/13



REASONS FOR SICKNESS ABSENCE

Reason	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
	%	%	%	%	%	%
Stress Related	23.74	22.66	21.47	18.65	19.46	21.67
Stomach	12.16	10.83	9.52	10.19	10.56	9.57
Lower Limb	7.03	6.93	6.94	8.28	7.56	8.17
Respiratory/Circulatory/Heart	6.53	7.28	6.87	8.02	7.26	7.04
Back	6.25	6.42	6.58	8.03	6.25	6.92
Cold/Flu	5.78	7.67	6.09	7.76	10.06	7.48
Ear/Nose/Throat	3.04	3.54	3.15	2.91	4.80	3.08
Upper Limb	2.81	3.34	3.73	4.79	3.66	3.54
Headache	2.68	2.17	2.44	2.07	1.77	1.64
Upper Body	1.54	1.45	3.97	3.10	1.95	4.01
Eye/Face	0.77	0.90	0.71	0.85	0.92	0.61
Other Medical Reasons	27.65	26.82	28.54	25.16	25.75	26.29