



**LEE VALLEY REGIONAL PARK AUTHORITY**

**EXECUTIVE COMMITTEE**

**24 MAY 2018 AT 11:30**

**Agenda Item No:**

**8**

**Report No:**

**E/563/18**

## **SICKNESS ABSENCE MONITORING – 2017/18**

Presented by the Director of Finance & Resources

### **EXECUTIVE SUMMARY**

This report summarises employee sickness absence levels during 2017/18 and compares them to the target approved by Members. It also recommends a target for 2018/19.

At the Executive Committee in May 2017 (Paper E/499/17) 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 78 in 2017/18.

The Authority's average total number of days for sickness absence per FTE in 2017/18 equated to 8.3 days. This is above the Authority's stretch target of 3 days per FTE but is still lower than the national average for public sector organisations of 8.5 days. The main reason for this increase is related to a particular case of long-term sickness that is still subject to resolution. Short term sickness averaged at 2.9 days per FTE with 57 Authority staff of the 78 FTE reporting no sick days at all during 2017/18.

The average cost of sickness absence in 2017/18 equated to £856 per employee per year.

In terms of a target for 2018/19, 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 2018/19 sickness absence target of 3 days per Full Time Equivalent.

## BACKGROUND

- 1 The Authority's sickness absence target (average sickness per FTE employee) was agreed at the Executive Committee meeting in May 2017 (Paper E/499/17). A stretch target of 3 days was set for 2017/18, 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 2017 (Paper E/499/17); 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 Health and Wellbeing at Work in partnership with Simply Health. The analysis for 2017/18 is based on responses from 1,021 organisations across all sectors in the UK, employing a total of 4.6 million employees.

## OVERALL PERFORMANCE 2017/18

- 4 The table below compares the Authority's sickness absence performance for 2017/18 to the national, public and private sector performance.

	TOTAL NATIONAL	PUBLIC SECTOR	PRIVATE SECTOR	LVRPA
Average days lost per FTE per year	6.6	8.5	5.6	<b>8.3</b>
Average working time lost per year	2.9%	Data not Available	Data not Available	<b>2.49%</b>
Average cost per employee, per year	Data not Available	£835	Data not Available	<b>£856</b>

- 5 This table shows that the Authority's sickness performance for 2017/18 is lower than the public sector average, but below the national and private sector average.
- 6 The table below compares the Authority's sickness absence performance over the past three years.

	TARGET 2017/18	ACTUAL 2015/16	ACTUAL 2016/17	ACTUAL 2017/18
Average sickness absence per FTE	<b>3 days</b>	4.85	5.93	<b>8.3</b>
% time lost to sickness absence	<b>1.16%</b>	1.86%	1.93%	<b>2.49%</b>
Average cost of sickness per employee, per year	<b>N/A</b>	£510	£630	<b>£856</b>

- 7 The Authority's average sickness absence per FTE of 8.3 days for 2017/18 is above the stretch target of 3 days and is an increase on last year's figures.
- 8 If long term and short term sickness is separated, the average short-term sickness absence per FTE for 2017/18 is 2.9 days, which is below the target of 3 days per FTE.

- 9 The percentage of time lost due to sickness absence in 2017/18 was 2.49% which is above the target of 1.16% but lower than the national average of 2.9%.
- 10 The average cost of sickness absence was £856 per employee for the financial year 2017/18, which although is an increase on 2016/17, it is close to 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 2017/18 short-term sickness absence equated to 35% 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 year. Human Resources will continue to closely monitor short-term intermittent sickness in 2018/19 to ensure proactive management.

<b>LVRPA - SHORT TERM SICKNESS ABSENCE</b>			
<b>Year</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Number of Days</b>	136	270.5	<b>228.5</b>
<b>% of Total Sickness</b>	38%	54%	<b>35%</b>

- 12 The Authority's recorded top five reasons for short-term sickness absence in 2017/18 were stomach/liver/kidney/digestion, viral infection, chest/respiratory, musculoskeletal problems and other. In comparison, the CIPD's 2018 Health and Wellbeing at Work Survey Report reported the top five reasons as colds, flu, stomach upset, headaches and migraines.
- 13 The table below shows the comparisons of the Authority's top five reasons for short-term sickness absence over the last three years.

<b>LVRPA - SHORT TERM SICKNESS REASONS COMPARISON</b>			
<b>REASON/YEAR</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Musculoskeletal</b>	5	54	<b>9</b>
<b>Viral Infection</b>	24	52	<b>19</b>
<b>Stomach/liver/kidney</b>	18	39	<b>26</b>
<b>Chest/respiratory</b>	22	36	<b>13</b>
<b>Other</b>	9	17	<b>14</b>

### LONG-TERM SICKNESS ABSENCE

- 14 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>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
<b>Number of Days</b>	254	230.5	<b>419</b>
<b>% of Total Sickness</b>	62%	46%	<b>65%</b>

- 15 Long-term sickness absence in the 2017/18 period was 419 days, consisting of 4 employees and 5 incidences of sickness. These 4 cases were for a variety of reasons; operation/post operation, stomach/liver/kidney/digestion, stress and depression. 3 of the 4 employees have returned to work; 1 employee is currently being managed under the Authority's sickness absence procedure, capability procedure and via Occupational Health.
- 16 There has been a substantial increase in the number of days of long-term sickness absence in 2017/18 and the percentage of long-term sickness to total sickness has increased from 46% to 65% while the percentage of short-term sickness has decreased.
- 17 One sickness case accounts for 54% of the long-term sickness days and has been a very complex case. This issue has been classed as a disability and medical professionals have found it hard to diagnose the condition, with numerous tests, scans and consultations over a period of nearly one year. The condition has now been diagnosed and officers are working with the individual to look at options for the future.
- 18 According to the CIPD's Health and Wellbeing at Work Survey Report, more respondents this year report an increase in common mental health conditions, such as anxiety and depression, among employees in the last 12 months (2018: 55%; 2016: 41%), and nearly three-fifths include it among their top three causes of long-term absence (56% of organisations compared with 42% in 2016).
- 19 The Authority will continue to closely manage long-term sickness in 2018/19 in order to ensure proactive management.

### **SICKNESS ABSENCE MANAGEMENT**

- 20 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.

- 21 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.
- 22 The Authority reviewed and updated its sickness absence procedure during 2017/18 to ensure it was fit for purpose.

### **CONCLUSIONS & TARGETS**

- 23 The Authority's overall sickness absence performance for 2017/18 was above the target set for the year and lower than public sector comparators.
- 24 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.
- 25 The Authority's employee numbers have significantly reduced since 2014/15 due to the majority of employees transferring to Lee Valley Leisure Trust Ltd (the Trust). Therefore any particular cases of long-term illness do skew the performance data as is demonstrated in this report
- 26 Based on the Authority's performance in 2017/18 and the underlying positive performance for short-term sickness, it is proposed that the stretch targets for sickness absence in 2018/19 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**

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

### **FINANCIAL IMPLICATIONS**

- 28 The financial impact of sickness absence has been managed within the approved employees' budget for 2017/18.

### **HUMAN RESOURCE IMPLICATIONS**

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

### **LEGAL IMPLICATIONS**

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

### **RISK MANAGEMENT IMPLICATIONS**

- 31 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**

- 32 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
Executive Committee	E/499/17	Sickness Absence Monitoring 2016/17	26 May 2017

## **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 (trading as Vibrant Partnerships)