

AGENDA MANAGEMENT SHEET

Name of Committee Resources Performance and Development
Overview & Scrutiny Committee

Date of Committee 19th September 2006

Report Title Employee Absence Management

Summary This report is the fourth in a series which describes the latest performance information on employee absence levels and progress in addressing this issue.

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Would the recommended decision be contrary to the Budget and Policy Framework? No

Background papers None

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members Councillor Hicks
Councillor Booth
Councillor Atkinson
- Cabinet Member Councillor Fowler
- Chief Executive
- Legal
- Finance
- Other Chief Officers
- District Councils
- Health Authority

Police

Other Bodies/Individuals

FINAL DECISION

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by this Committee Recommendation that this Committee continues to receive half yearly progress reports

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

Agenda No

Resources Performance and Development Overview & Scrutiny Committee

19th September 2006

Employee Absence Management

Report of the Strategic Director of Performance & Development

Recommendation

That the Committee notes the latest available performance information on absence levels and continued progress in relation to absence management.

1. Background

- 1.1 This report provides information on the absence figures for year ending 2005/2006 and a general update on absence management since the last report to the Overview and Scrutiny Committee in February 2006.
- 1.2 Comparative absence information is provided for the last three financial years in addition to specific responses to the discussion points raised in the Committee meeting in February 2006.

2. Comparative Absence Figures

- 2.1 A summary of comparative absence figures over the last three years is as set out below: -

Year Ending	2003/4	2004/5	2005*	2005/6
Days Lost per Employee	12.47	10.12	10.77	10.57

* last reported figures to Scrutiny Committee

- 2.2 The following specific issues are brought to the attention of Members: -
 - On the basis of the information sickness absence levels have improved by 1.9 days per employee over the last three years. As always however, care should be taken not to place undue reliance on the absolute accuracy of the historical figures for the reasons as set out in previous reports.

- Current absence levels remain lower than the latest national local government figures for (11.5 days of absence per employee) but higher than the CBI National average for public sector employers (9.1 days). Details of comparative absence levels are set out below: -

Organisation	Days Lost per employee
Warwickshire County Council	10.5
National LG Average	11.5
County Average	10.8
Shire Districts	9.6
CBI Average	9.1

- Sickness absence levels have improved by 0.2 day per employee since the last reported figures in December 2005.
- Over the last financial year approximately 46% of employees had no sickness absence
- Approximately 55% of all absence is as a result of long-term sickness (i.e. absence of more than 4 weeks duration)

2.3 An analysis of absence by service area is attached at Appendix A. This is provided on the basis of the former nine departments to allow for retrospective comparison. It will, however, be revised for the next report.

3. Costs of absence

3.1 In the last report Members requested information on the relative cost of current absence levels. Clearly there are financial costs associated with high absence levels and particularly where direct cover arrangements need to be put in place. 10.57 days absence per employee per year would equate approximately to about £6.5 million per annum of which a third is currently covered through agency arrangements.

3.2 There are of course dangers in relying on financial savings in this area and particularly given that it is unrealistic to achieve 100% attendance. Absence levels within Warwickshire are not unreasonably high given the diverse nature of our organisation and the involvement of a large number of our employees in front line service delivery.

3.3 Equally however there are clearly opportunities to improve our absence levels with resultant financial savings. A targeted reduction in absence levels of 1 day per individual over the next 12 months would, for example, equate to an approximate saving of £200,000. This is based on an estimated need to provide replacement cover for employees on sick leave in approximately 30% of cases.

4. Improving Absence Management

4.1 As indicated in the last report, an increased focus has been placed on absence management over the last year in order to improve the Council's approach to

recording and managing absence. Whilst time will inevitably be needed it is expected that the measures will result in a sustainable reduction in absence levels over the longer term. An update is set out below: -

4.1.1 Development of HRMS Information Management System

As indicated previously the development of phase 1 of the HRMS project has continued to help improve the scope, reliability and accuracy of absence records. From the 1st April 2006 the system has been able to record all absences (including half day absence) and calculate absence based on individual work patterns. This means that the absence of part time/part week employees will be much more accurate as from the start of the current year. It may also mean that in the short term the absence levels may increase as more absence information is captured.

4.1.2 Review of Absence Management Policy

Since the last report in February, the new absence management procedure has been launched and in consultation with the trade unions. Members will recall that the procedure provides for a balanced approach to absence management; providing support to employees where there are genuine health issues but also requiring managers to deal with unacceptable levels of absence (above certain “trigger” points). A report on the number of absences incidents above the “trigger” points will be available at the end of the financial year

4.1.3 Training of Managers

As part of the “roll out” of the new absence procedure all managers have now been briefed in the use of the new procedure and follow-on training implemented to cover more detailed aspects of absence management. Such training will remain a core-training requirement for all new managers

4.1.4 Positive Health Initiatives

As part of the “balanced” approach to absence management a number of positive health initiatives have continued to be promoted as part of a wider healthy employees strategy. This has seen the launch of employee well being programmes to respond to issues around stress management and the extension of the “Employee Health Check” programme to some 500 employees.

The checks have been targeted both at employees in front line service positions and areas of the Council where there have been higher than average sickness levels. The strategy was recently subject to praise from the Health and Safety Executive following a recent inspection.

4.1.5 Sickness Absence Projections for 2006/7

The benefits of the above developments will obviously not be realised in the short term and will need at least a full year of sustained activity before a sustained reduction in absence levels is seen. Indeed it is likely that the developments in relation to the HRMS system may initially see an increase in

absence levels over the short term as more absence data is captured.

The above is borne out by an extrapolation of absence figures for the first four months of the current financial year and which projects a modest increase. The projection is set out below and is based on the seasonal absence trends for the last eight months of 2005/6.

Actual Absence	Projected Absence based on previous absence trends								
	Apr-July 06	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
10.47	9.31	7.44	9.26	11.35	12.17	11.85	13.10	11.33	10.64

5. Conclusion

- 5.1 The focus on absence management has been encouraging over the last six months. There is clearly however much work to be done and there is little room for complacency. The focus needs to be maintained across all Directorates of the Council, and at all management levels if sustainable reductions in absence levels are to be achieved.

David Carter

Strategic Director of Performance
and Development

September 2006

Shire Hall
Warwick

APPENDIX A

Absence levels (average numbers of days absence per employee) for the last three reporting periods.

Department (*)	2003/4	2004/5	2005/6
CAMS	6.9	6.7	6.8
Treasurers	10.0	9.8	6.1
Property Services	5.8	4.6	7.4
Education (including school employees)	9.0	7.9	8.2
Chief Executives	6.9	8.9	6.6
Fire and Rescue	8.2	8.0	7.3
LHTS	11.3	11.1	8.4
Social Services	32.0	20.8	23.5 (**)
PTES	11.1	8.4	6.5
TOTAL	12.47	10.12	10.57

(*) The former nine departments have been identified for retrospective comparison purposes

(**) It is expected that this figure will reduce as part of the development of the HRMS system over the next 12 months and the ability to better record the absences of part time/part week employees (see 4.1.1 within the report). Following a manual “scaling” exercise within the directorate a revised estimate was issued as 17.0.