



# Benchmarking Survey 2017

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*Sickness Absence*

*March 2017*

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## Background

27 councils from across the South East Region responded to this survey. However, one council was unable to separate out different sections of its workforce so its responses have not been included in the analysis. Analysis and commentary is based on a response rate of 26 (n = 26) unless otherwise stated. Of this, 5 County, 5 Unitary and 16 Borough or District Councils responded.

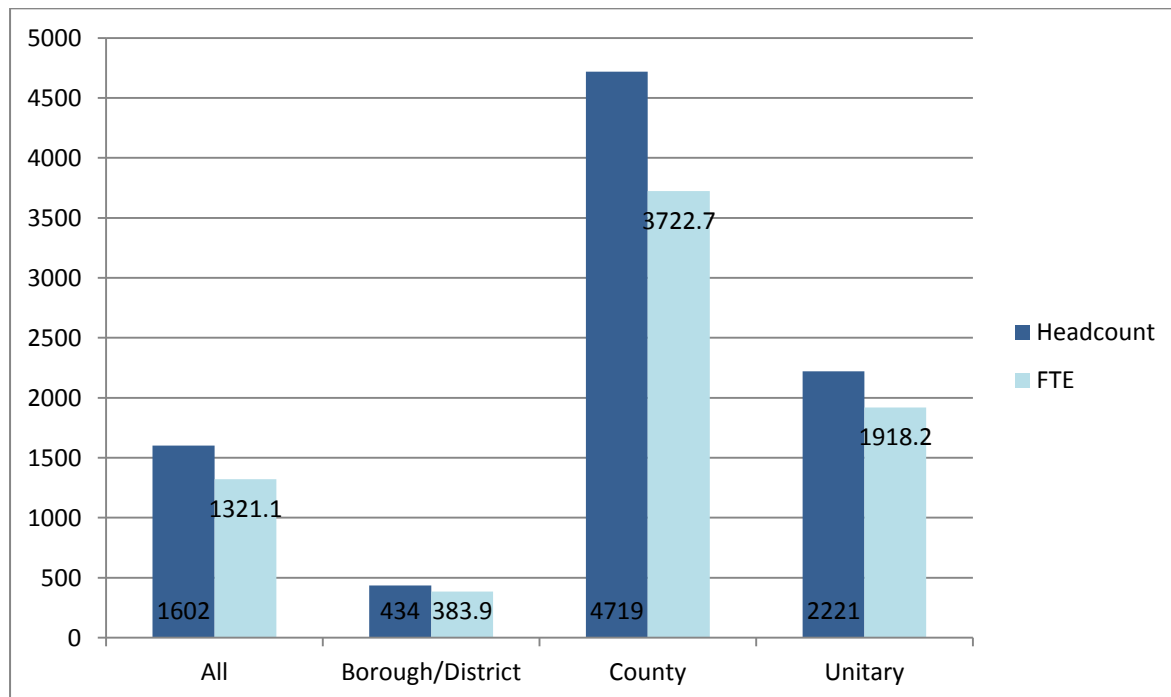
Comparison data has been drawn from 2016 Office of National Statistics (ONS) reports on Sickness Absence and Survey on Annual Hours and Earnings and XpertHR's Absence Rates and Costs 2016.

## Context

In order to help you understand the circumstances of the councils responding to this survey and to enable more reliable comparison of your council to the information contained in this report we have included some contextual information.

## Workforce Averages

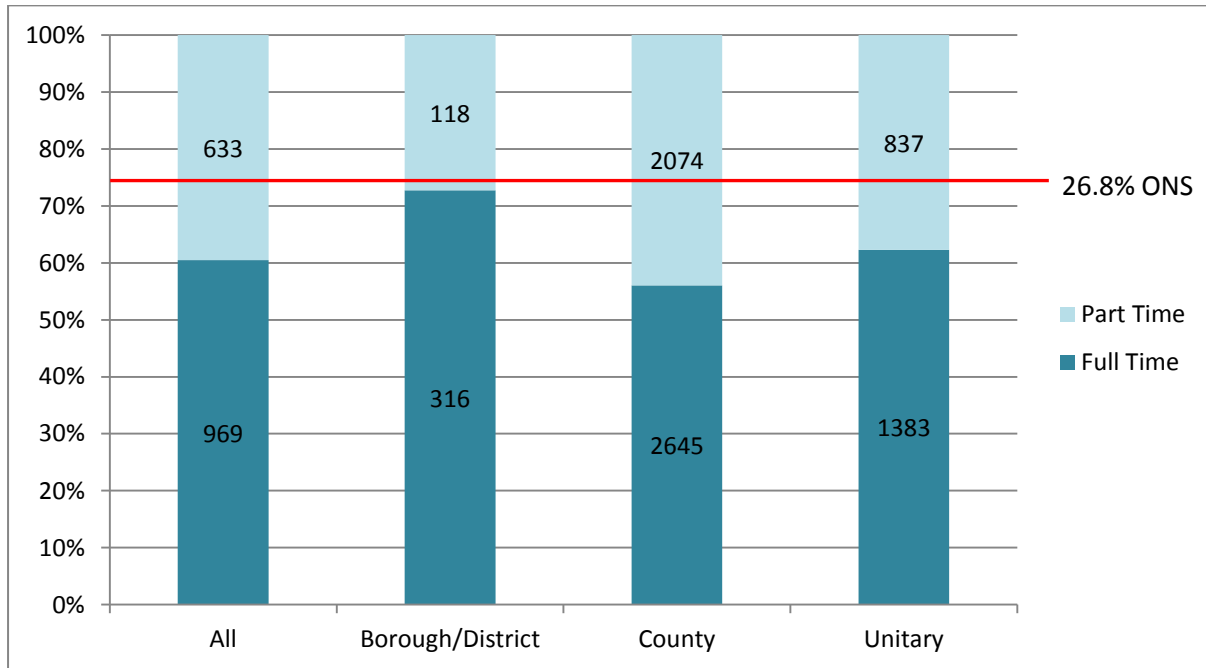
### Headcount and FTE



### Headcount

Lowest	293	1610	1139
Highest	779	11311	4370

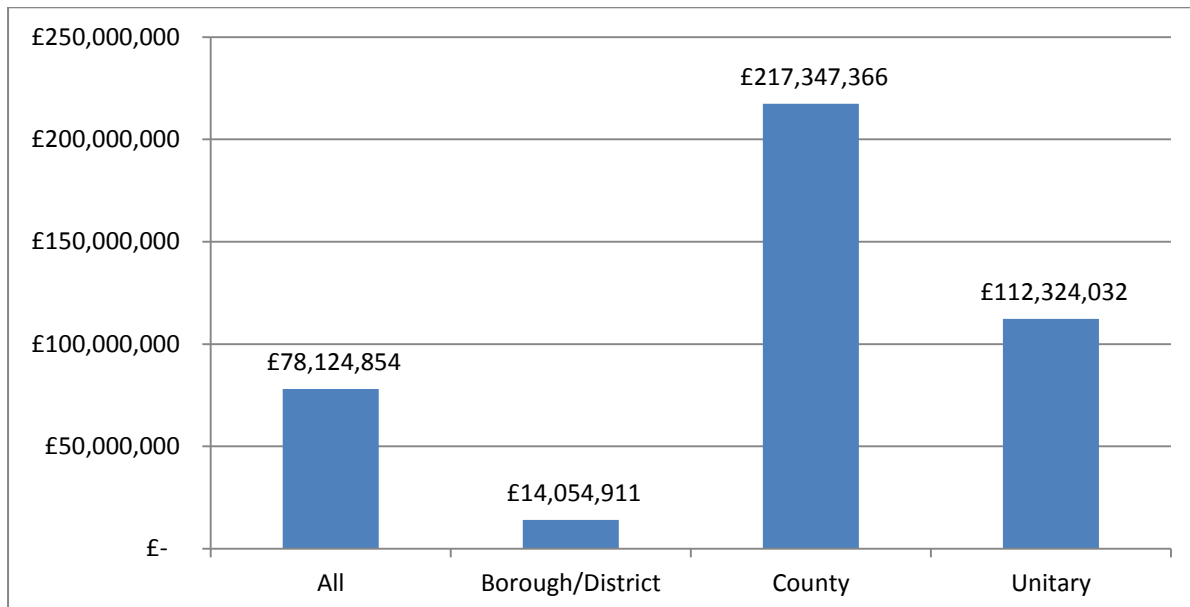
**Full Time and Part Time**



ONS figures put the national average of part time workers at 26.8%. Councils in our region are currently employing a greater percentage of part time workers to their workforce.

**Paybill**

**Average Total Paybill**

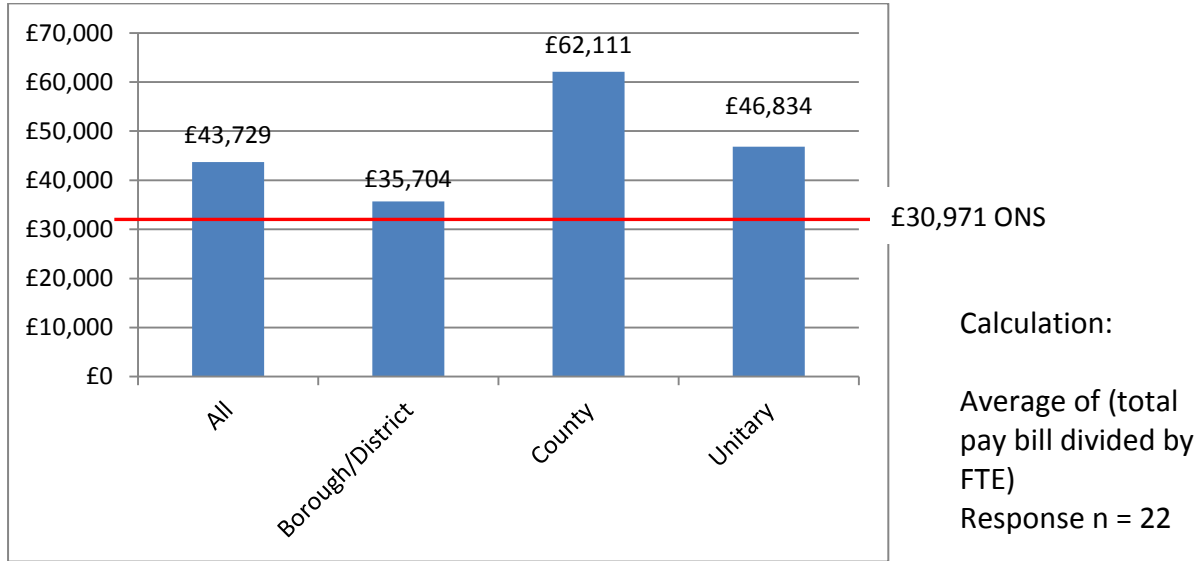


Lowest	6,692,000	44,925,829	41,882,420
Highest	28,850,272	324,300,000	289,610,000

Response n = 22

It is not unexpected to see larger paybill figures for larger councils.

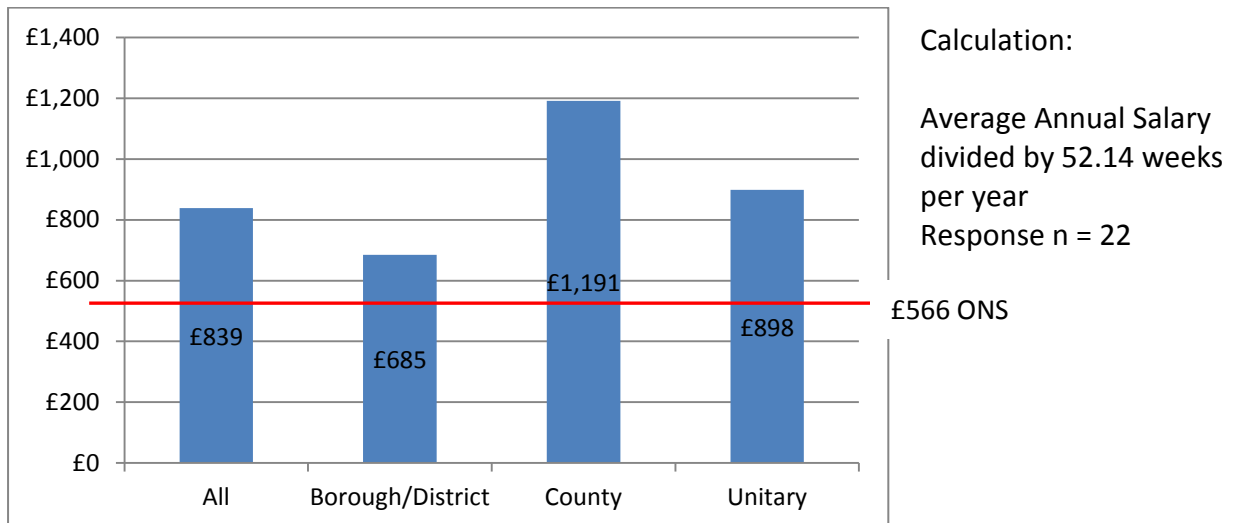
**Average Annual Salary**



According to the ONS the national average salary is £28,103 per annum (£30,971 in the public sector (indicated by the red line), £26,956 in the private sector).

In breaking the paybill down into an annual salary per FTE it could be expected that some 'levelling' would occur but these results indicate that the average salary is higher in larger councils. This could be a result of having a greater number of senior management/leadership positions and/or a lack of lower paid jobs through outsourcing.

**Average Weekly Earnings**



The Average Weekly Earnings (AWE) in the South East are £566 and in London £671 according to ONS.

Even when comparing our results to our geographic region, our council responses seem high. Obviously our survey was not a salary benchmarking survey, as this is undertaken through Epaycheck. So these results do need to be viewed carefully as we were unable to take account of any extreme values that could skew these figures.

**Average Daily Rate**

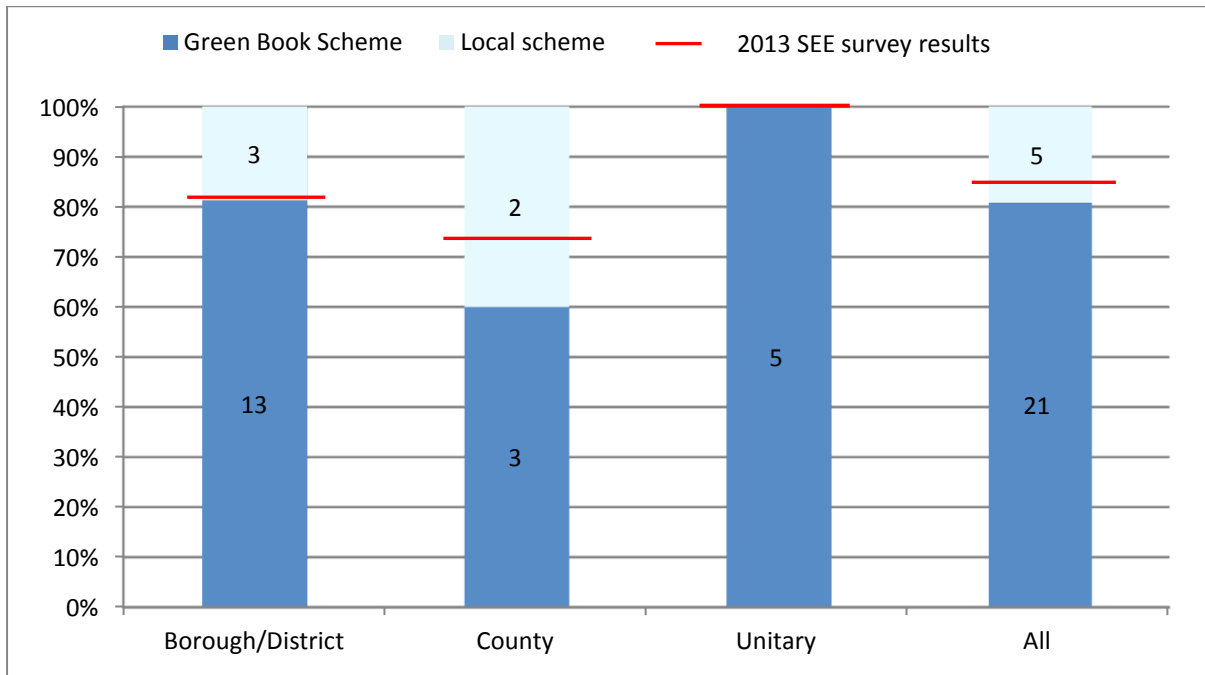
Calculation: Average Annual Salary divided by 52.14 weeks per year divided by 5 working days per week.  
Response n = 22

The daily rate has been calculated to give an indicative cost of direct cost per day lost to absence. This will be used later in the analysis of sickness absence.

## Sickness Absence

### Sick Pay Scheme

#### Green Book or Local Scheme



In our 2013 Benchmarking Survey, 85% of responding councils were using the Green Book scheme. This has decreased to 80% of councils using the Green Book scheme.

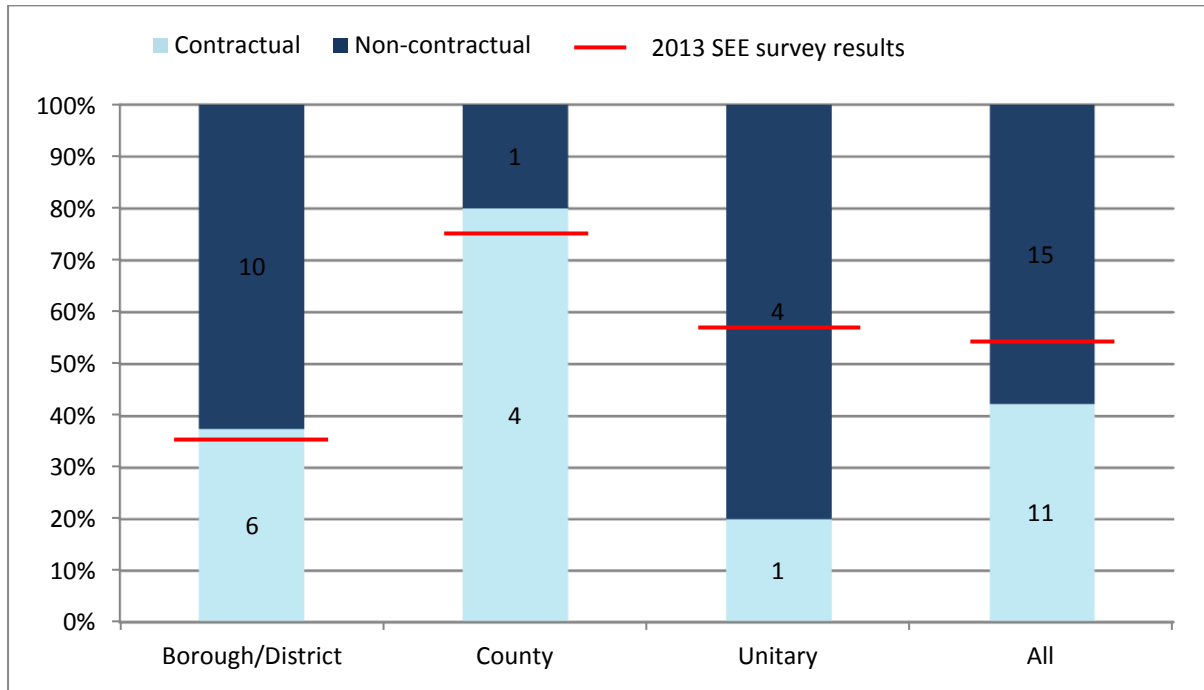
At Borough/District level, the proportion using the Green Book scheme has remained fairly stable, with 82% using it in 2013 and 81% of respondents using it in 2017. There has been no change in the proportion of Unitary councils using the Green Book scheme – all respondents in 2013 and 2017 use the Green Book scheme. The biggest change has come from the proportion of County Councils. In 2013 75% of responding councils use the Green Book scheme this has reduced to 60% of responding councils in 2017.

#### Local Sick Pay Schemes

Three of the five councils who operate a local sick pay scheme indicated that they mirrored the Green Book scheme with no additions or modifications. However, two councils have made the following changes:

1. Mirrors Green Book Scheme but we now allow staff who do not feel well enough to come to work but feel that they can work from home to do so. Agreement has to be given by the line manager and the day(s) is/are not counted as sickness absence.
2. Mirrors Green Book Scheme but with the following additions: Fixed term employees who are continuously employed by the Council for 13 weeks or more are entitled to occupational sick pay on the same basis as permanent employees. Fixed term employees who are employed for less than 13 weeks but more than four weeks are entitled to five days occupational sick pay (pro rata for part-time employees).

### Contractual Status of Sick Pay



In 2013, 55% of responding councils operated the sick pay scheme as a contractual entitlement meaning that if employment was terminated on the grounds of health prior to the expiry of sick pay, the outstanding amount was paid as a lump sum, or the employment was not terminated until the sick pay entitlement had been exhausted.

For Borough/District councils there has been a small increase in the proportion of councils treating sick pay as contractual from 36% in 2013 to 37.5% in 2017.

For County councils there has been a larger increase in the proportion of councils treating sick pay as a contractual entitlement from 75% in 2013 to 80% in 2017.

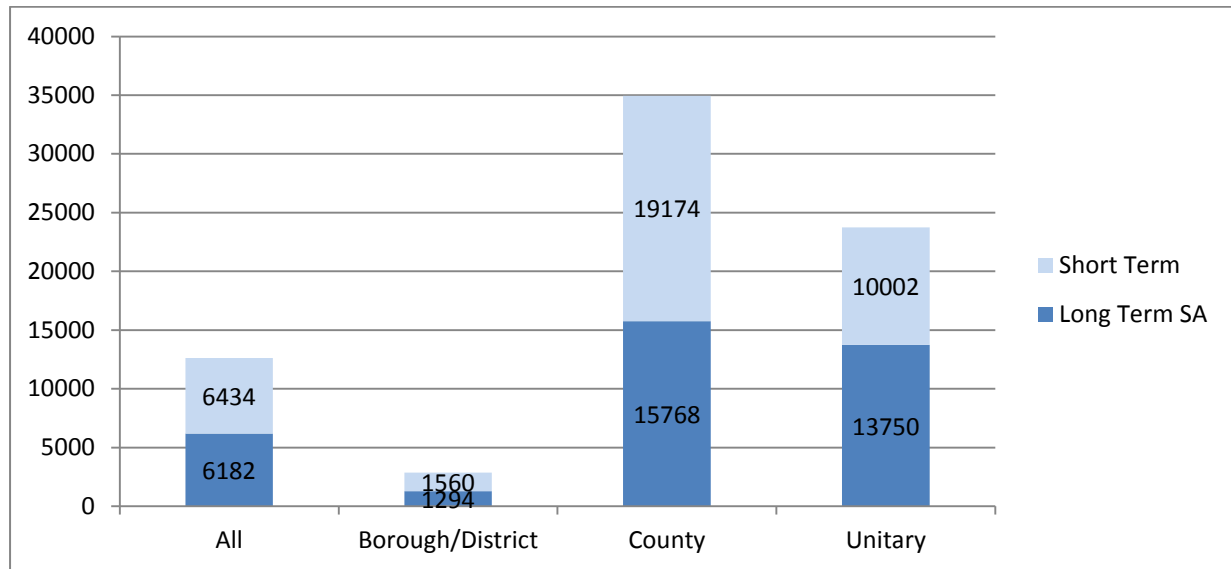
The biggest change has been the proportion of Unitary councils who have seen a significant reduction in the proportion of councils treating sick pay as a contractual entitlement. In 2013 57% of Unitary councils treated sick pay as a contractual entitlement. In 2017 this has dropped to 20%.

While this is a significant change, it may be as a result of different councils responding to the two surveys.



## Time lost to Sickness Absence

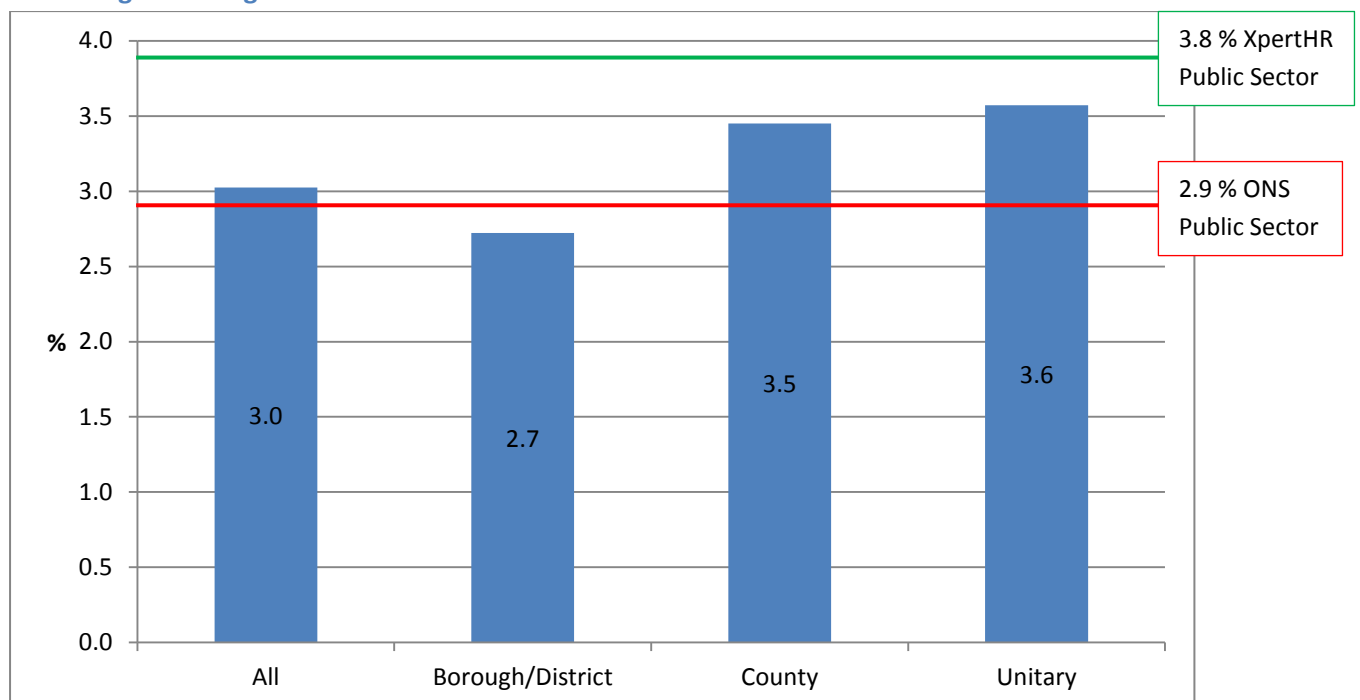
### Average total number of days lost



Average total	2,854	34,943	20,039
Highest total	7,643	83,526	49,727
Lowest total	1,051	13,864	5,187

The estimated total number of days lost to sickness absence in the year in 2015 in the UK is 137.1 million days (ONS). This represents 1.9% of all working time. There has been a steady decrease in absence levels since but significant reductions were recorded during the economic downturn. In 2014 and 2015, levels of absence increased slightly as confidence in the economy started to return.

### Percentage Working Time Lost to Sickness Absence



According to ONS the national percentage of working time lost to sickness absence is 1.9% of working hours. When broken down into sectors, the public sector figure is 2.9%. XpertHR's absence rates and costs survey with a sample size of 602, suggests figures of 2.8% as a national average and 3.8% in the Public Sector, of working time lost to sickness absence. XpertHR have further analysed their responses further to provide a Local Government figure of 4% of working time lost to sickness absence (with response rate of 41). Only Public Health has a higher rate of absence of 4.3% of working time lost.

Based on the ONS figures, our results show that councils in our region are losing above the national and cross sector average. However, our District and Borough Councils are fairing well and achieving an average absence level below the public sector average. However, looking at the XpertHR information councils in our region are achieving levels within the normal range of time lost to absence for our sector.

The ONS analyses lost working time by various demographic factors. Their results suggest that women experience higher absence rates than men (2.5% vs 1.6%) and part time worker levels are higher than full-time workers (2.6% vs 1.9%). Older workers are more likely to be absent, compared to younger employees (2.9% for ages 65 and over vs 1.5% for ages 16 to 24 and 25 to 34). In addition, workers in larger organisations (500+ employees) have higher absence rates compared to those organisations with fewer than 25 employees (2.5% vs 1.6%). XpertHR breaks size of workforce into different categories.

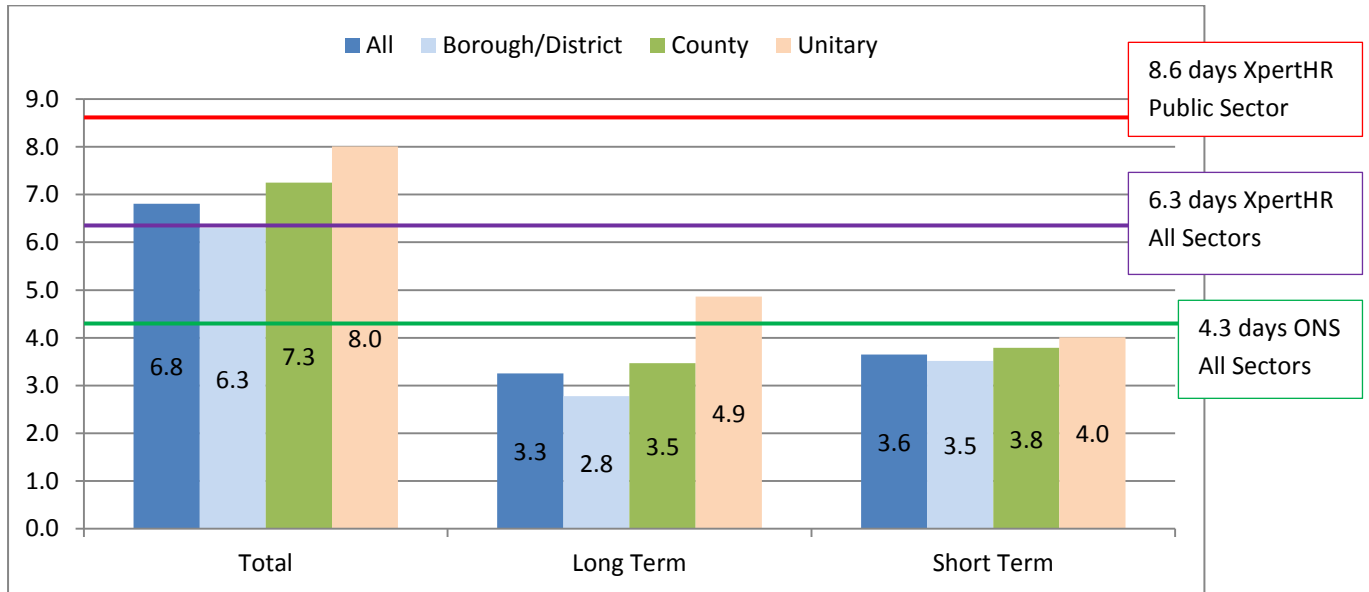
**Absence by Workforce Size: percentage of working time lost.**

Workforce size	Median %	Average %
1-99	1.8	1.9
100-249	2.3	2.3
250-499	2.8	2.6
500-999	2.8	3.0
1,000+	3.7	3.7

From XpertHR Absence Rates and Costs 2016

Workers in caring, leisure, other service, and elementary occupations have higher levels of absence (2.7% vs 1.1% for managers and professionals).

Average days lost per Headcount

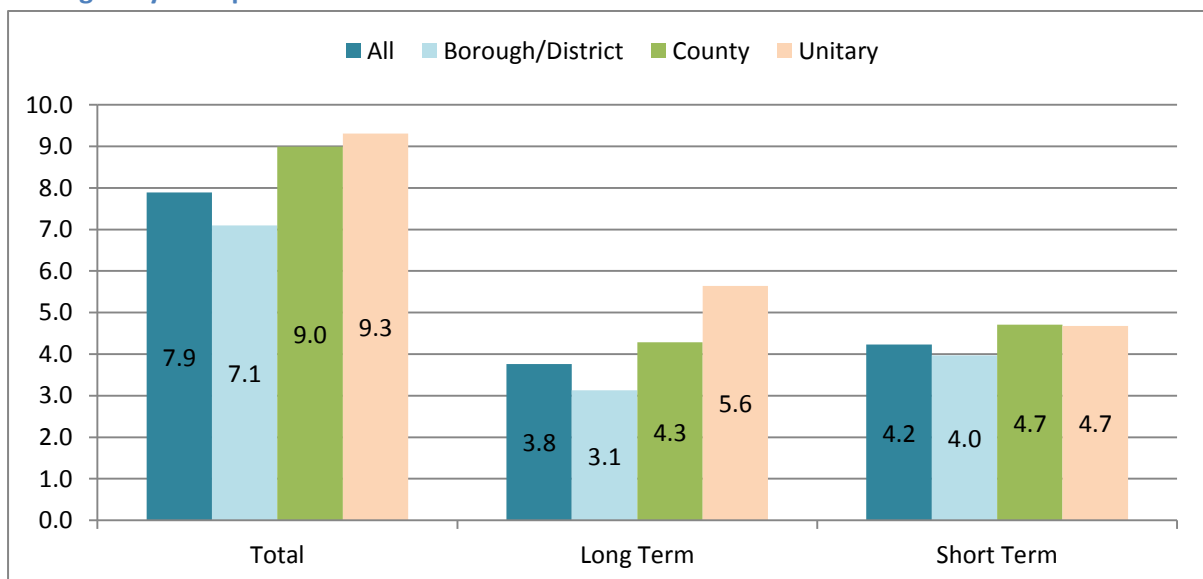


In 2013 the average number of days lost were:

	Total Absence	Long Term	Short Term
Borough/District:	7.54	7.28	3.7
County:	8.61	5.36	4.07
Unitary:	10.22	9.33	4.79

This shows a significant reduction in overall absence levels in our councils over the last 4 years. As there has been little change in the short term sickness absence rates, this reduction has come from reductions in the length of long term absence.

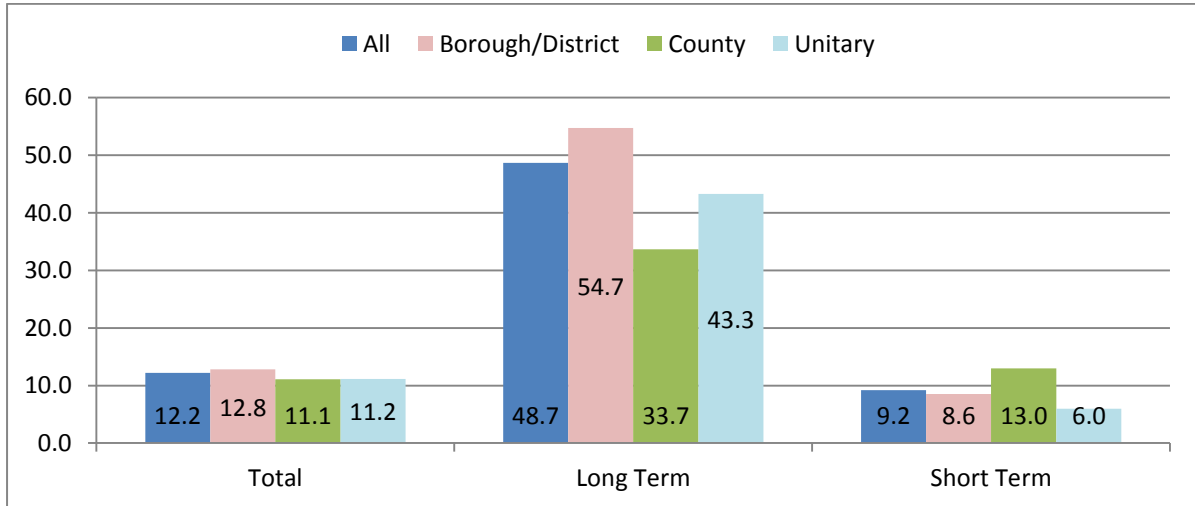
Average Days lost per FTE



We have analysed our responses by both headcount and by FTE. This is because our councils have a significant percentage of its workforce working part time. By analysing by FTE, the result gives a clearer indication as to the impact on productivity.

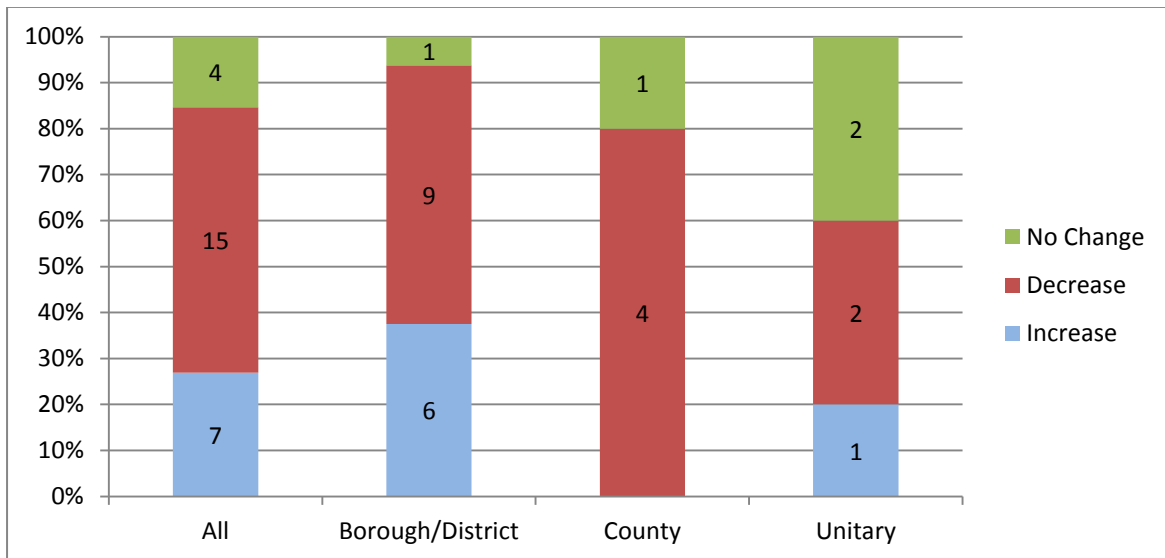
### Average Days lost per Absent Employee

The above statistics are based on the ‘normal’ approach to calculating average absence levels. Spreading the absence across the entire workforce. However, by spreading the time lost over those who are actually absent it gives a clearer picture of the impact of absence on productivity.



Response n= 25 24 24  
 Calculation: Total number of days lost for each type of absence divided by the number of employees with at least one incidence of that type of absence.

### Change in Absence Level



In 2013, respondents were simply asked whether their absence rates represented a reduction compared to the previous year. A ‘yes’ response meant a decrease in sickness absence levels but a ‘no’ response could mean an increase or no change in sickness absence levels. In 2017, three options for response were given, decrease, increase or no change.

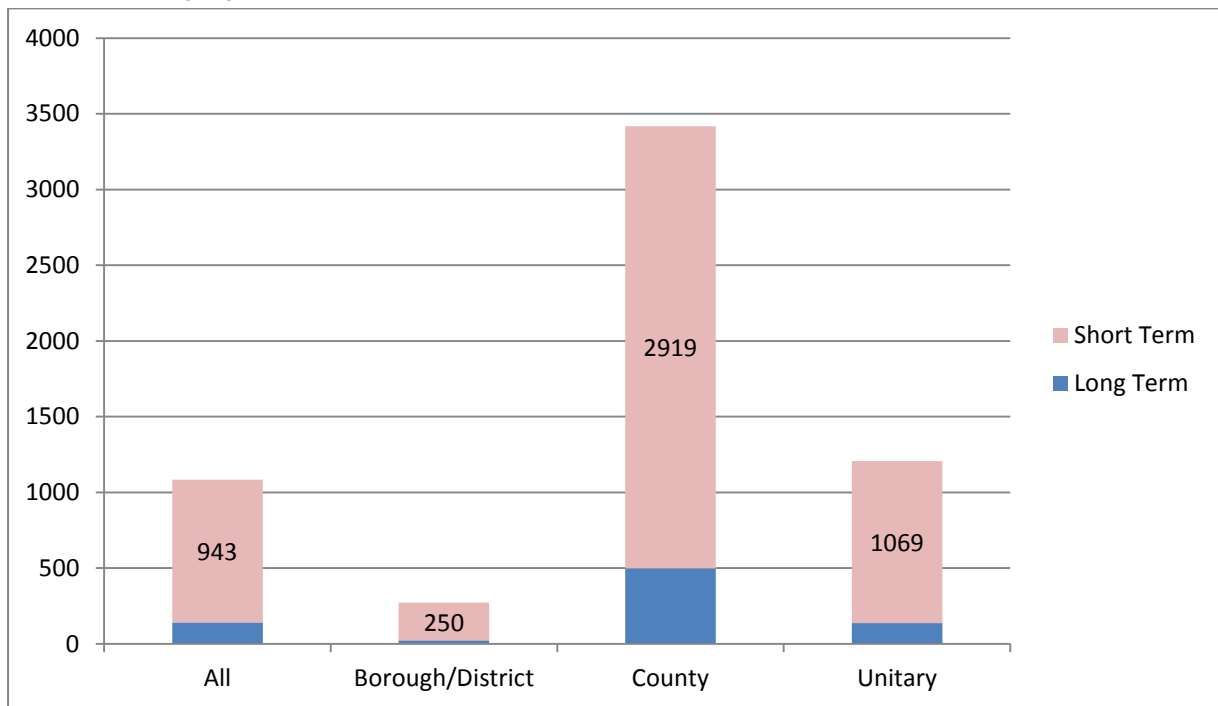
In 2013, 42% of responding councils had seen a reduction in sickness absence compared to 58% in this survey. However, 27% of councils have seen an increase in sickness absence levels.

**Borough/District:** 55% saw a reduction in 2013 compared to 56% in the current survey. 37.5% of councils have seen an increase in sickness absence rates in the period covered by this survey.

**County:** 25% saw a reduction in 2013, compared to 80% in the current survey.

**Unitary:** 14 % saw a reduction in 2013 compared to 40% in the current survey. 20% of councils have seen an increase in sickness absence levels.

**Number of Employees with at least one incidence of absence**



Response	All	Borough/District	County	Unitary	
n =	24	24	24	24	
	141.875	23.6	499.6	138.25	Long Term
	942.5	250	2918.6	1069.25	Short Term

Number of employees with at least one incidence of sickness absence

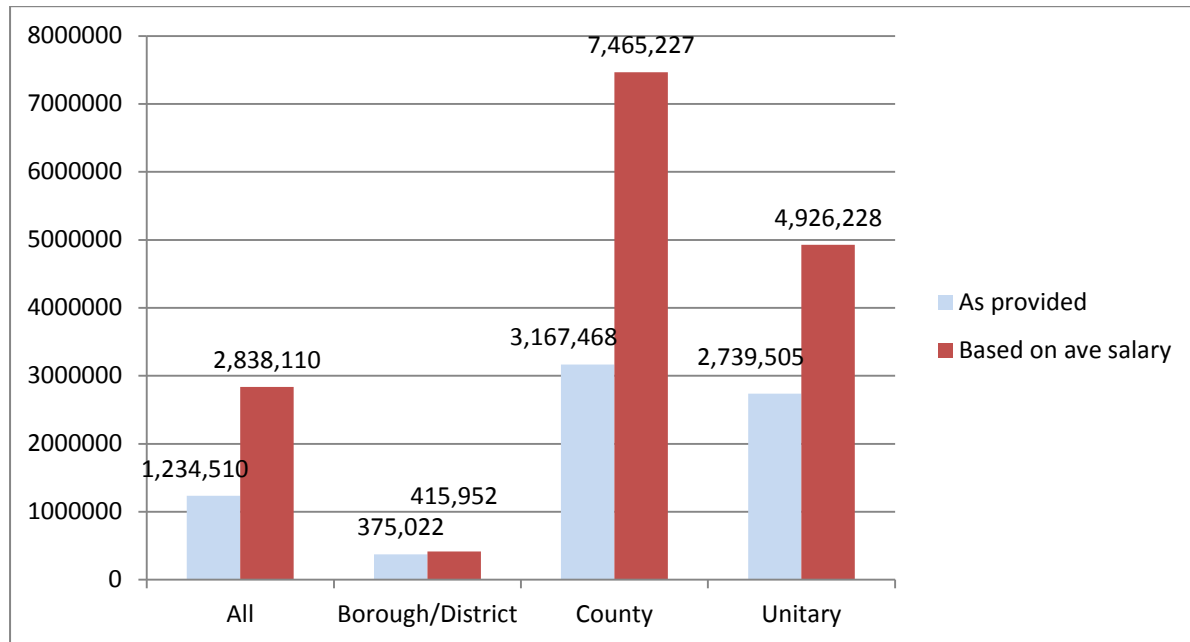
993.72	260.875	3242.8	1113.75
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Number of employees who have incidence of short term and long term absence

90.655	12.725	175.4	93.75
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## Sickness Absence Cost

### Annual Cost of Absence



2013 average:	£315,919	£4,900,800	£3,324,389
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**As provided:** These averages were calculated using the 'cost of sickness absence' figures provided by responders.

Response n = 18

**Calculated:** Using total paybill information an average day rate was calculated. This was multiplied by the number of days lost to sickness.

Response n = 22

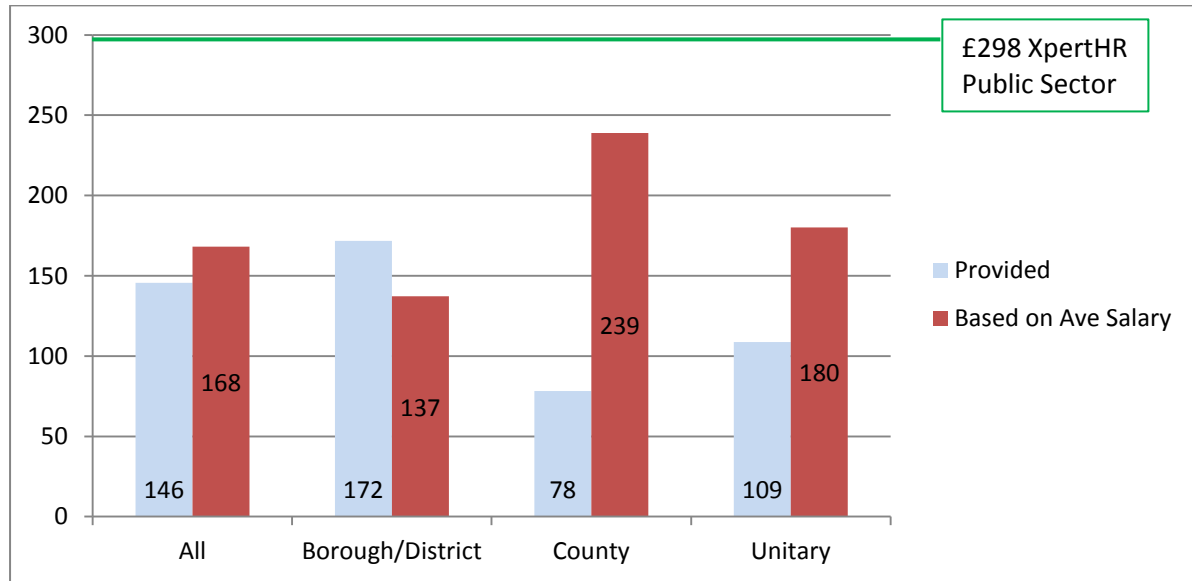
Working on the basis of the provided cost of sickness absence, County and Unitary councils have seen a reduction in sickness absence cost but Borough/District councils have seen an increase.

According to XpertHR sickness absence costs employers £837 per employee per year. This rises to £2,561 per employee per year in the public sector. Assuming XpertHR's average days absent per employee per year of 6.3 days and 8.6 days respectively, this equates to a cost per day lost of:

All sectors: £133 per day

Public sector: £298 per day

## Cost per Day Lost



As provided: Using the 'cost of sickness absence' figures provided by responders divided by the total headcount.

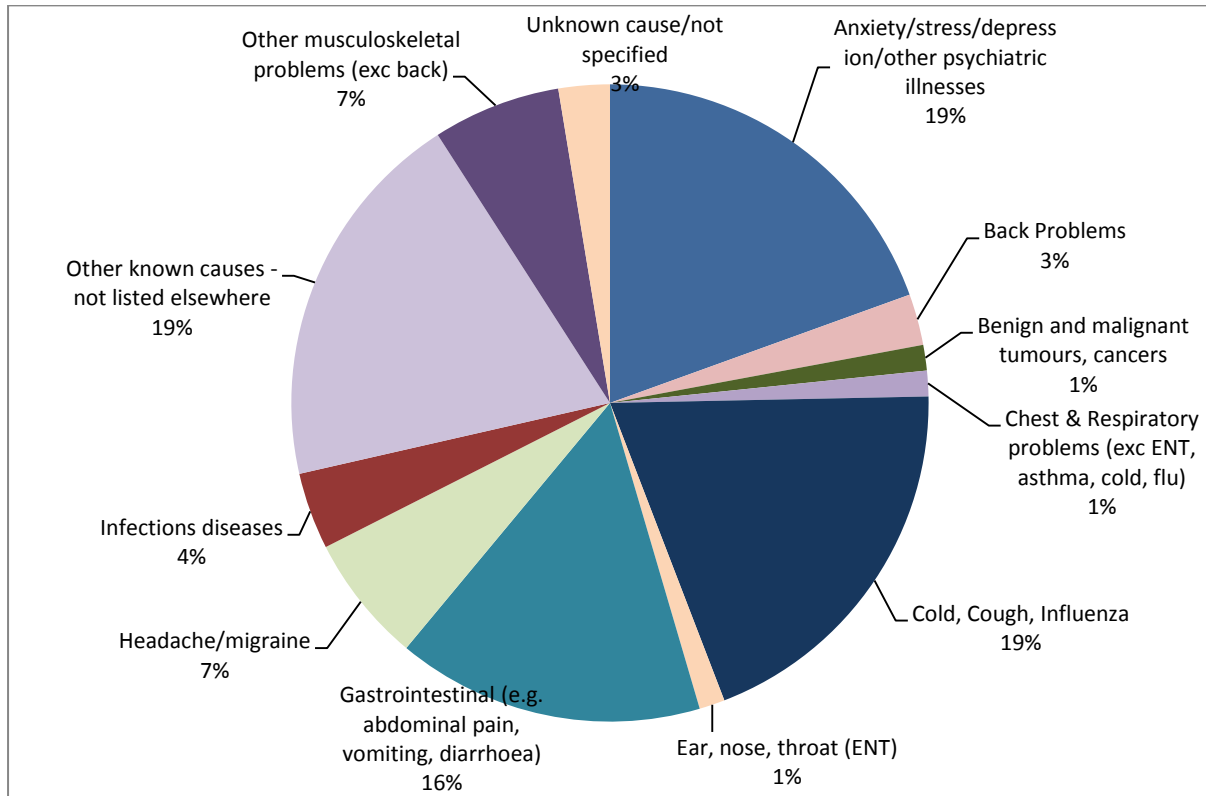
Response n = 18

Calculated: Using the Annual Cost calculation above, the total annual cost was divided by the total headcount.

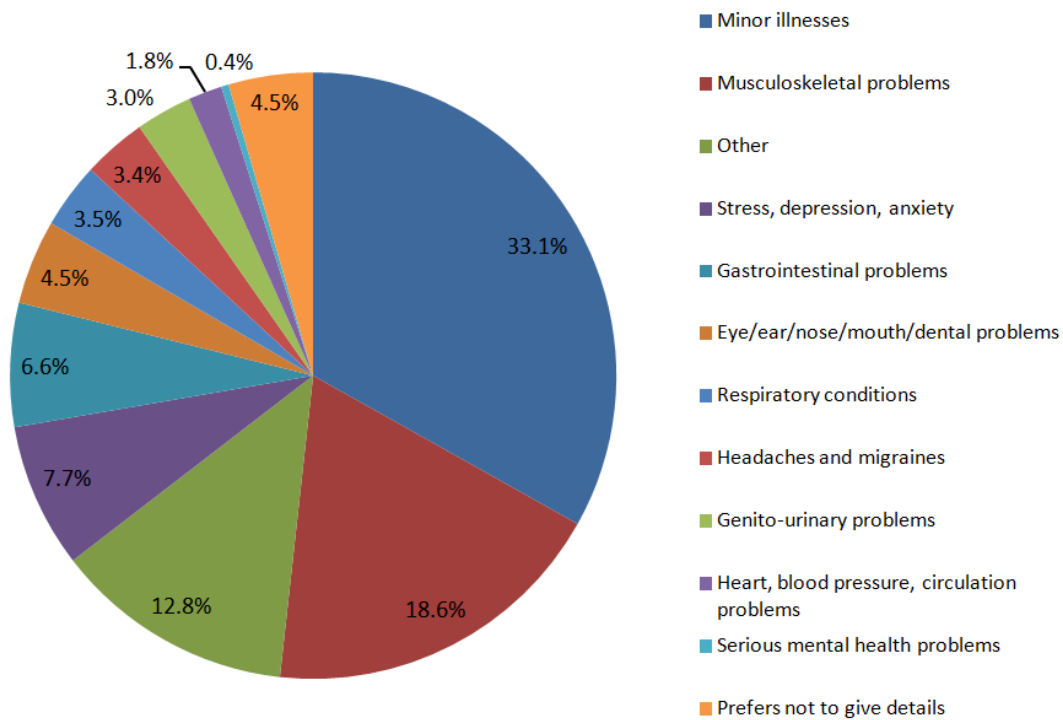
Response n = 22

It appears our councils compare well to the XpertHR estimates. However, the cost per day results from this survey may be based purely on sick pay costs. This does not reflect the true cost of a day of sick leave. There are 'hidden costs' that include management time spent reallocating urgent work, logging employee as absent and any other procedural requirements, colleague time spent getting up to speed on work allocated to them, agency costs to cover absence, HR time spent supporting case management, Occupational Health charges for assessments and lost opportunity costs e.g. if that employee had not been off sick would the organisation have secured a particular piece of work/contract.

Reasons for Absence



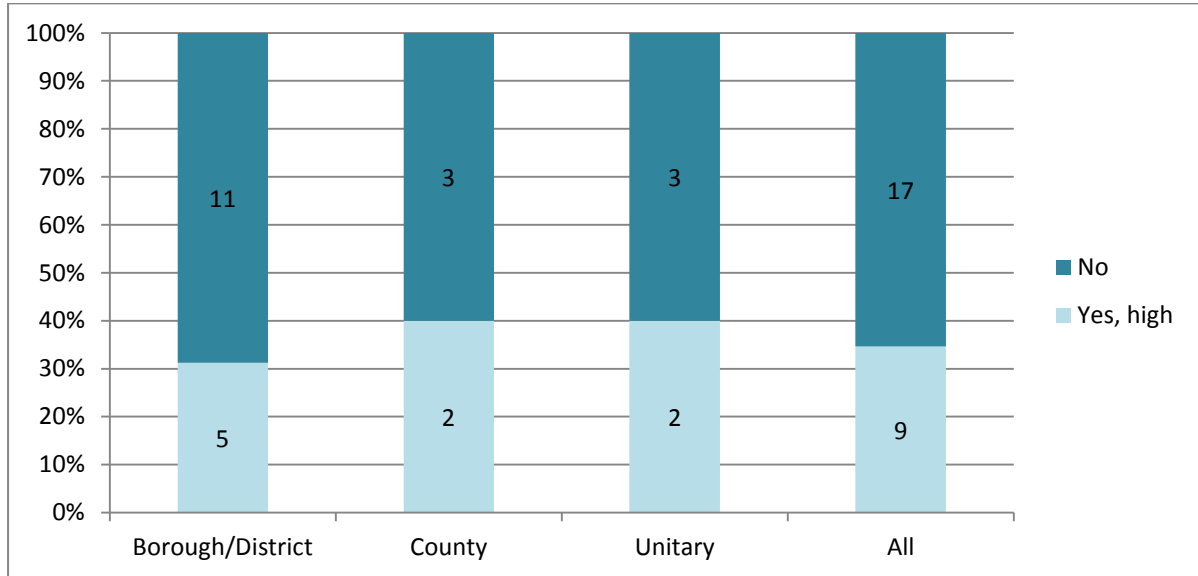
The following chart is taken from the ONS article ‘Sickness Absence in the labour market: 2016’ and shows their results regarding reason for absence.



In 2013 out of the 34 respondent councils 24 identified ‘cold/flu’, 22 identified ‘stress’ and 11 identified ‘musculoskeletal’ in their top three reasons for absence.



Unusual Levels of Absence

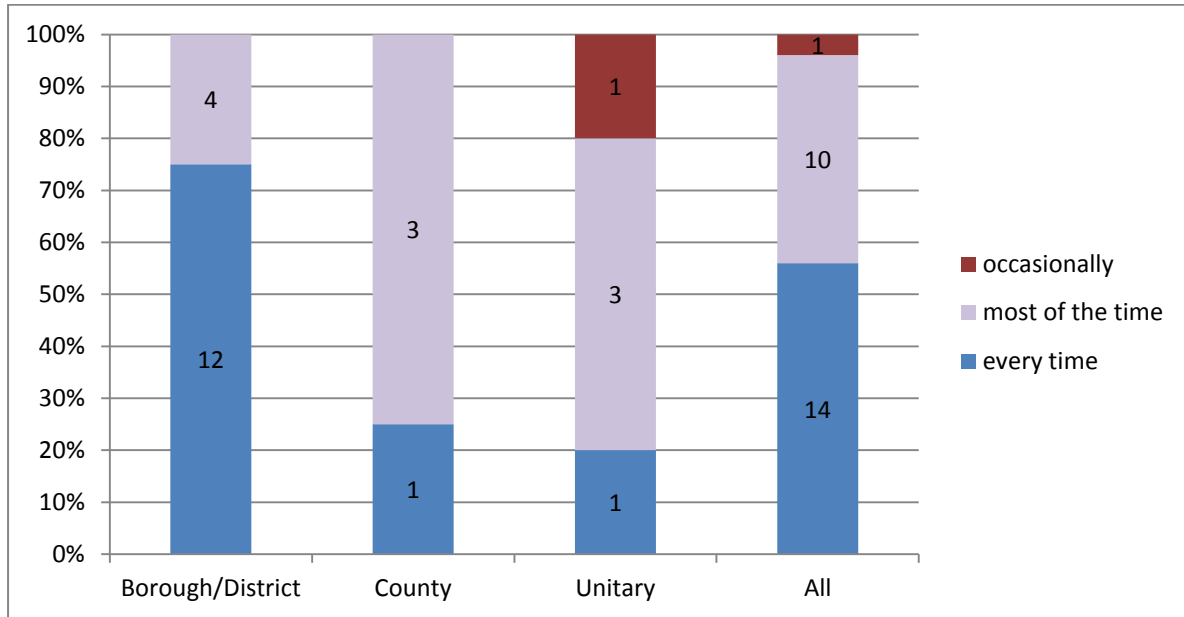


Areas that our councils found had unusually high levels of absence include:

	No. of council siting this
Adult Mental Health	1
Adult Social Care.	2
Children's Social Care	2
Cleansing and Open Spaces	1
Community Services	1
Customer Services	2
Manual workers	1
Parking Services	1
Planning & Building Control Support Services	1
Refuse and Recycling Team	1
Revenues and Benefits	1

## Sickness Absence Management Procedure

### Use of Return to Work Meetings

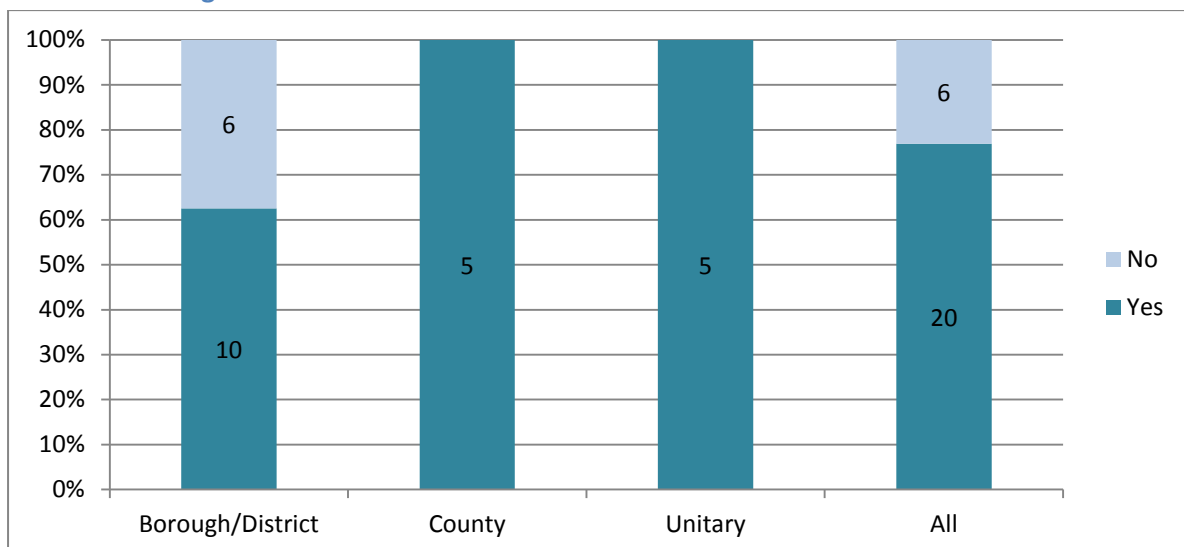


Response n – 25

All responding councils are using Return to Work Meetings as part of their sickness absence management procedure. However, the consistency of use varies, with 54% of all responding councils using them every time and 4% using them only occasionally.

Research suggests that use of Return to Work Meetings is one of the most effective ways of reducing short term absence and a significant help in supporting an employee who has been absent on medium to long term absence to return to work successfully.

### Use of Wellbeing Initiatives

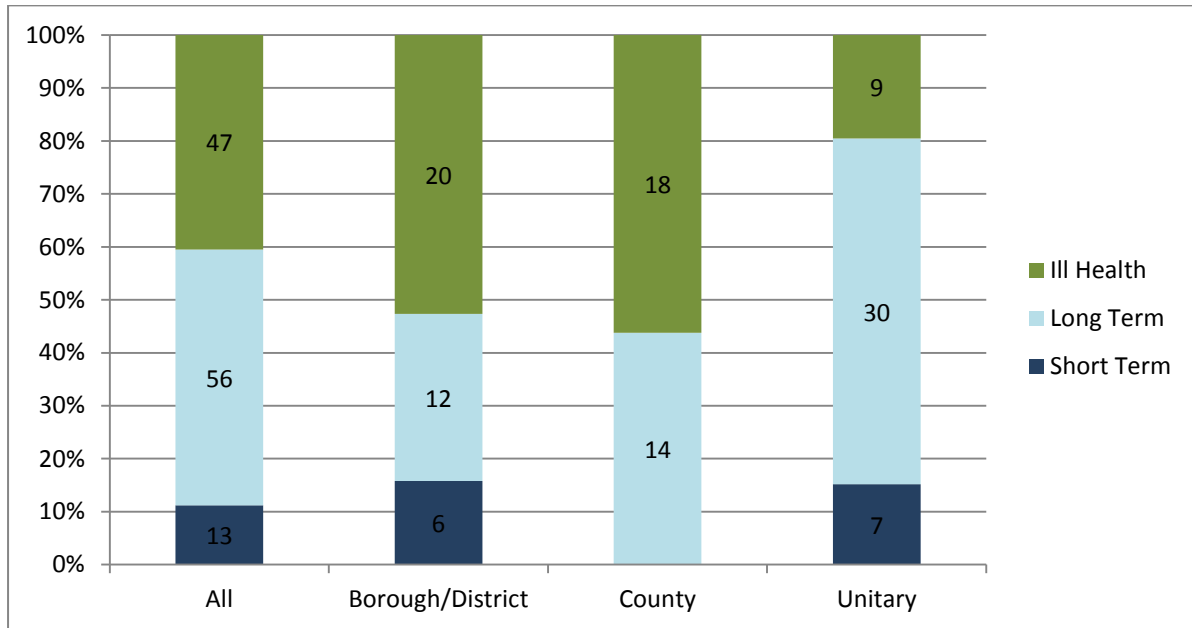


77% of councils have implemented some type of Wellbeing Initiative. The range of initiatives is listed below.

<b>Initiative</b>	<b>Number of responses</b>
EAP	6
Eye Care	2
Wellbeing Hub	2
Wellbeing/Health MOT	5
Weight Loss Programme	2
Confidential Helpline	2
Annual Leave Purchase	2
Mental Health Awareness	2
Mindfulness Training	3
Health Awareness Week	6
Physical Activity Groups – running, yoga, walks	5
Relaxation sessions	3
Benefits portal	4
Cycle to work scheme	4
No Smoking Programme	3
Resilience or Managing Stress & Anxiety training	3
Flu vaccines	2
Medical and Dental Insurance	2
Financial Advice Services	2
Flexible and agile working	4
Corporate Gym membership	2
Counselling	1
Loan/Salary advance scheme	1
Health and Wellbeing Strategy & Action Plan	2
Mental Health Working Group	1
Promotion of Public Health	1
Management Training	1
Confidence building course	1
Intranet wellbeing articles	1
Therapist to treat musculo-skeletal issues	1
Occupational Health	1

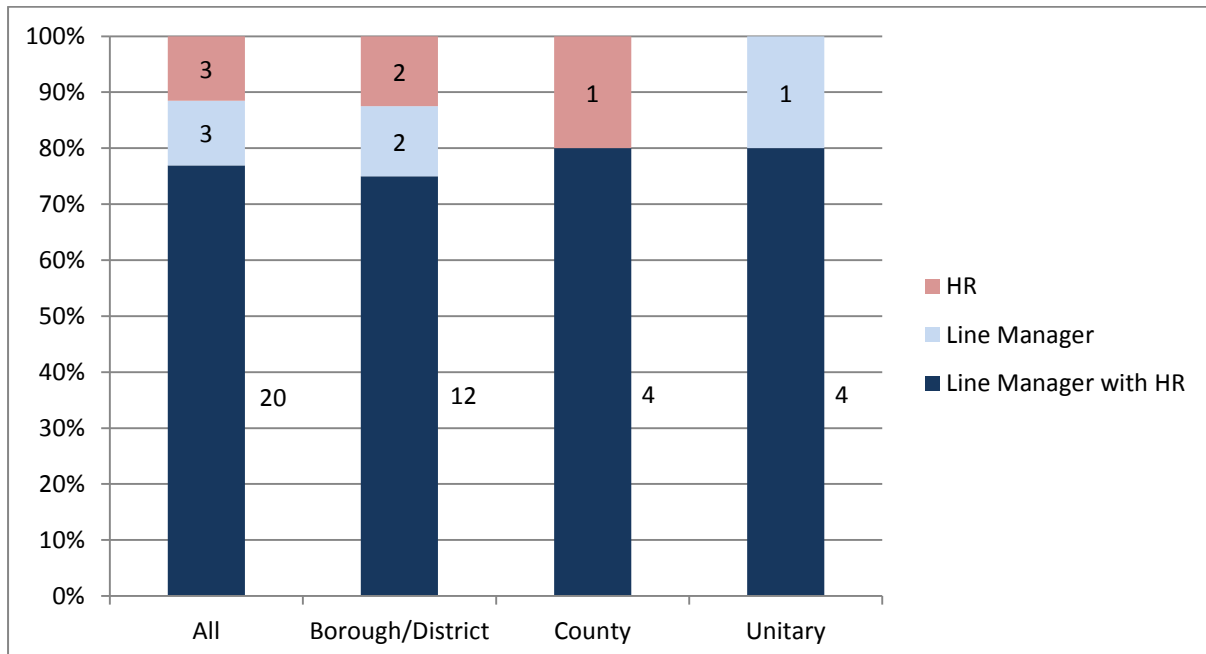
Most respondents didn't give details of how these wellbeing initiatives are monitored. However, the methods used include usage statistics, impact on attendance, assessment of absence reasons and staff satisfaction surveys. Two respondents have a wellbeing team in place to monitor workforce wellbeing.

Exits due to sickness



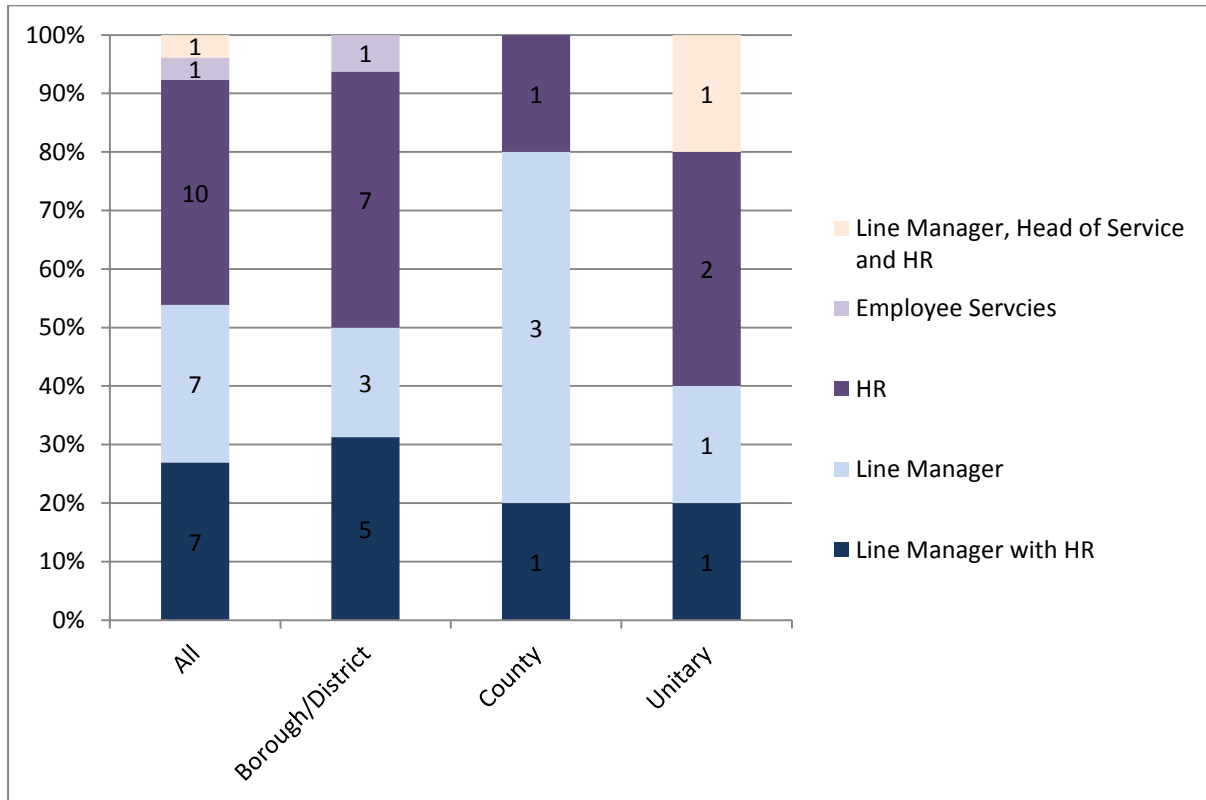
A total of eight councils had no terminations relating to sickness absence, four of these were Borough/District, two County and two Unitary. Overall, 40.5% of sickness absence related terminations were ill health retirements, 48.3% were terminations as a result of long term absence, leaving 11.2% of sickness related terminations on the grounds of short term sickness absence.

Case Management



Looking at who is responsible for managing sickness absence cases, 77% of all responders have Line Managers with the support of HR dealing with sickness absence cases in their teams. 11.5% of cases are managed exclusively by HR and the final 11.5% of cases are dealt with exclusively by Line Managers.

Monitoring of Absence Responsibility



There is a wider range of levels of responsibility when it comes to monitoring sickness absence. This may be as a result of different interpretations of monitoring in these circumstances from monitoring for triggers under policies through to monitoring absence figures from a Management Information perspective.