

Report of: Bob Edwards
Interim Head of Human Resources

To: Value & Performance Scrutiny Committee

Date: 10th November 2008 **Item No:**

Title of Report : Sickness Absence – 2nd Quarter and Half Year Results for 2008/9

Summary and Recommendations

Purpose of report: This report presents quarter 2 and cumulative half-year absence levels for 2008/9.

Recommendation(s):

Members are asked to;-

- 1 Note absence levels for quarter 2 – July to September 2008**
- 2 Note absence levels for the first half of the year 2008/9 – April to September 2008.**
- 3. Note the analysis of long-term sickness absence for July to September 2008.**
- 4. Note the analysis of long-term sickness absence for April to September 2008.**
- 5. Note the short-term sickness absence for April to September 2008.**
- 6. Note the cost of sickness absence for April to September 2008.**
- 7. Note the comparison of sickness absence between manual and non-manual employees for 07/08.**
- 8. Note the Turnover rate for April to September 2008.**
- 9. Note the recommendations for future action**

Quarter 2 (July – Sept 2008/9)

1. The data contained in this report is compiled from information that was held on the HR database as at 13th October 2008. If this data is run at a later date, retrospective information may alter results.
2. The formula for calculating sickness absence is the total number of (FTE) days absent divided by the average number of employees (FTE) during the period.
3. The average absence per employee for quarter 2 across the organisation was 3.09 days. (2.95 days for Q2 07/08) giving a slight increase of 0.14 days.
4. The Council has set an annual target of 10 days, which gives a quarterly average of 2.5 days. 8 Service Areas achieved an average of less than 2.5 days per person and 7 Service Areas are above this quarterly average. These 7 service areas are:-
 - a. Chief Executive's
 - b. Business Transformation
 - c. City Leisure
 - d. City Works
 - e. Customer Services
 - f. Oxford City Homes
 - g. Community Housing and Development
5. Appendix A shows the data used to calculate sickness absence for this quarter. A breakdown of the absence by Service Area is shown in Appendix C as a bar chart.

Half Year Results (April – Sept 2008/9)

6. The average absence per employee for the first 6 months of the year across the organisation was 6.02 days (5.71days for the same period in 07/2008) giving an increase of 0.31 days.
7. The Council has set an annual target of 10 days - with a half-year target of less than 5 days. 9 Service Areas achieved an average of less than 5 days per person and 6 Service Areas did not. These 6 Service Areas are:-
 - a. Chief Executive's
 - b. City Leisure
 - c. City Works
 - d. Customer Services
 - e. Oxford City Homes
 - f. Community Housing and Development
8. Appendix B shows the data used to calculate sickness absence for this period. A breakdown of the absence by Service Area is shown in Appendix C as a bar chart.

Long Term Absence – Quarter 2

9. Long Term absence - (20+ days in one episode of sickness) - accounts for 50% of absence in the second quarter. Appendix D shows the split between short term/long term absences per Service Area. Appendix E gives information on the reasons for long term absence and the number of days taken.

Long Term Absence – Half Year

10. Long Term absence accounts for 52% of absence for the period April to September 2008. A comparison of short term/long term absence showing the number of days lost is shown as a bar chart in Appendix D. Appendix F gives a breakdown of long term reasons and the number of days taken.
11. City Works and Oxford City Homes have the highest number of employees on long-term absence. The top 3 reasons are attributed to problems with back and neck (412 days), other-musculoskeletal injuries (368.27 days) and stress /depression/mental health issues (751.08 days).

Detailed Sickness Absence Reporting

12. At the meetings of the Value & Performance Scrutiny Committee on 22nd July 2008 and 2nd September 2008 the following additional information was requested.
 - a. Reason for short term absence
 - b. Turnover and vacancy rates in each service area
 - c. The average daily cost of absence per service area
 - d. The average daily cost of absence to the organisation
 - e. Comparisons of our performance in the non-manual workforce to other authorities
 - f. Comparisons of our manual workforce to other similar employers

Reason for Short Term Absence

13. These had to be compiled manually because the Council's absence monitoring database does not calculate sickness absence reason by FTE. Information on these reasons is shown in Appendix G.
14. The 3 highest reasons given are; Infections (697.2 days), Other Musculoskeletal (685.15 days) and Stomach/Liver/Kidney (678.22 days).

Turnover and Vacancy Rates in Each Service Area

15. The corporate turnover for April to September 2008 is 7.39%. Appendix H gives a breakdown of turnover for each Service Area.
16. The total vacancy rate as at August 2008 for the Council is 89.68. This information is broken down by Service Area and attached as Appendix I.

The Average Daily Cost of Sickness Absence Per Service Area

17. The only way, with the limitations of current information from payroll and other systems, to achieve an average daily cost is to divide the annual salary bill by the number of FTE employees. This figure is then divided by 261 working days. This makes the average daily cost of sickness absence as £97.40 per employee (excluding oncosts such as pension and national insurance).

18. This daily average cost has been applied to the total days absence per service area. Care has to be taken in interpreting this information because the actual costs in some areas could be considerably higher (e.g. Business Transformation) or lower (e.g. City Works)

Service Area	Total Number of Days Absence	Cost of Sickness Absence
Chief Executive	128	12467
Business Transformation	154.47	15045
Corp Procurement & Shared Services	11	1071
Finance	101.73	9908
Human Resources	14.1	1373
Legal & Democratic Services	72.12	7024
Policy, Perf & Comms	13.72	1336
City Leisure	712.63	69410
City Works	2357.7	229640
Customer Services	781.89	76156
Oxford City Homes	2072.27	201839
City Development	418.39	40751
Community Housing & Development	787.22	76675
Environmental Development	137.14	13357
Property & Facilities Management	88.02	8573
Council	7850.4	764629

Comparisons of our Performance in the Non Manual Workforce to Other Authorities

19. The Institute of Public Finance developed a 'nearest neighbour' model for authorities to use in comparative and benchmarking exercises. Family groups are calculated using a wide range of socio-economic indicators. The Audit Commission also uses this model. Oxfordshire authorities results have been included in this report where a response has been received.
20. To give an indication of a full year's number of days lost per employee, the comparative data is based on the 2007/8 results.
21. The table below shows that removing the sickness absence for manual employees reduces the Council's annual figure for 2007/8 by 2.13 days.

22. Details from those authorities who responded are:

Authority	Total – All Employees	Total – Non Manual Employees	Comments
Oxford City Council	11.35 Days	9.22 Days	402 manuals Manual employees have an average of 16.32 days
Vale of White Horse District Council	8.97 Days	8.97 Days	No manuals
Warwick District Council	7.95 Days	7.95 Days	No manuals
Oxfordshire County Council	7.09 Days	Authority unable to give breakdown	Number of manuals not given
West Oxfordshire District Council	4.92 Days	Authority unable to give breakdown	43 manuals
Cambridge City Council	9.87 Days	Authority unable to give breakdown	Approx 400 manuals
Exeter City Council	9.14 Days	Authority unable to give breakdown	Approx 200 manual employees

Comparisons of Our Manual Workforce to Other Similar Employers

23. Private sector employers do not have a duty to report their sickness absence and there has been no response received for this information from comparative companies.

Absence Policy Monitoring

24. A summary of the management of the policy for the rolling year 1st October 2007 to 30th September 2008 reveals that

Service Area	No. of Stage 1's	No. of Stage 2's	No. of Stage 3's	Dismissals under Policy	Home Visits
Chief Executive	0	0	0	0	0
Business Transformation	0	0	0	0	0
Corporate Procurement and Shared Services	0	0	0	0	0
Finance	9	0	0	0	1
Human Resources	0	0	0	0	0
Legal & Democratic Services	0	0	0	0	0
Policy, Performance & Communications	0	0	0	0	0
City Leisure	2	1	0	0	0
City Works	34	0	3	2	0
Customer Services	4	0	0	0	0
Oxford City Homes	24	1	0	0	0
City Development	3	1	0	0	0
Community Housing and Community Development	1	0	0	0	0
Environmental Development	0	0	0	0	0
Property and Facilities Management	0	0	0	0	0
TOTALS	77	3	3	2	1

Conclusion and Recommendations

25. There is very little performance improvement in relation to sickness absence in this Council. The predicted result for this financial year, having regard to the trend results for the last 2 quarters, is likely to be 11.6 days. This keeps Oxford firmly in the bottom quartile.
26. It is clear that the current absence management policy requires a radical overhaul in the following areas:
- a) the policy itself is 19 pages long and needs to be simplified, targeting responsibilities and actions of senior managers, managers, employees and Human Resources.
 - b) when any new policy is relaunched it needs to be accompanied by an extensive training programme for managers and supervisors at all levels ; it also needs a promotional campaign to remind employees of the requirement to abide by the terms of their conditions of employment in relation to sickness absence.
 - c) the reporting and monitoring system for sickness absence needs strong attention at service, directorate and corporate levels.
 - d) there is a requirement for greater stringency in following up the targeted areas for improvement and being persistent in achieving improvements particularly for the poor performing areas.
27. It may also be necessary to give further consideration to have a special reward system to encourage improved attendance or alternatively, to consider possible penalties e.g. non-payment for the first x days of absence. Some employers also achieve improvements by having health at work promotions geared towards the main reasons for sickness absence.
28. Many organisations that are successful in securing improvements in reducing sickness absence have a dedicated resource to attack the problem and to maintain any significant improvements. In the short term it may be necessary to attach some additional resource to attack this problem.
29. The new Head of Human Resources, who is taking up his post on 17th November 2008 will be appraised of the situation in relation to sickness absence and will give consideration to the above points as a matter of top priority. Consideration will also be given by the new Head of HR to submitting an 'Invest to Save' bid to the Transformation Board to secure resources to enable a dedicated resource to achieve improvements in the Council's performance in sickness absence.

Name and contact details of author:

Bob Edwards, Interim Head of Human Resources
01865 252547 bedwards@oxford.gov.uk

Background papers: None

Vacancy Rates - as at August 2008

APPENDIX I

Service Area	Vacancies
Executive Support	0.00
Business Transformation	0.00
Corporate Procurement & Shared Services	1.00
Finance	2.50
Human Resources	0.00
Legal & Democratic Services	1.30
Policy, Performance & Communication	0.00
City Leisure	32.00
City Works	0.00
Customer Services	7.84
Oxford City Homes	26.60
City Development	3.91
Community Housing & Development	11.00
Environmental Development	0.00
Property & Facilities Management	3.53
The Council	89.68

APPENDIX H

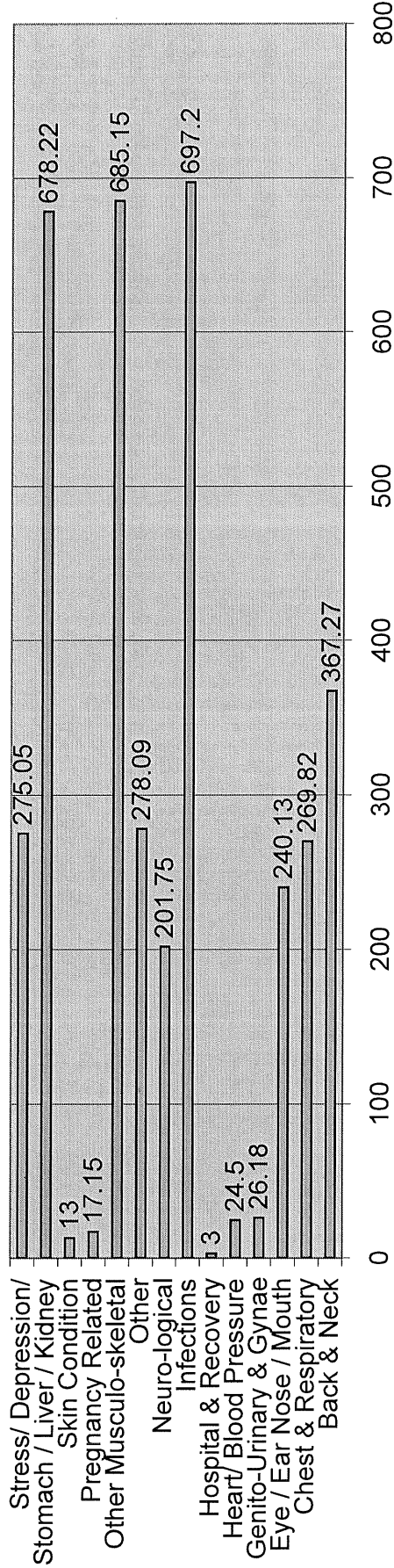
Employee Turnover - April to September 2008

Business Unit	Headcount 01/04/08	Headcount 30/09/08	Average in Unit	Number of Starters	Number of Leavers	Turnover %
Chief Executive	7.00	9.00	8.00	2	0	0.00
Business Transformation Corp Procurement & Shared Services	38.00	36.00	37.00	2	0	0.00
Finance	5.00	4.00	4.50	0	1	22.22
Human Resources Legal & Democratic Services	37.00	37.00	37.00	0	1	2.70
Policy, Performance & Communications	23.00	21.00	22.00	2	3	13.64
City Leisure	36.00	34.00	35.00	1	4	11.43
City Works	10.00	11.00	10.50	1	1	9.52
Customer Services	135.00	126.00	130.50	18	25	19.16
Oxford City Homes	309.00	293.00	301.00	3	23	7.64
City Development Community Housing & Community Development Environmental Development Property & Facilities Management	127.00	123.00	125.00	4	7	5.60
	364.00	361.00	362.50	12	19	5.24
	103.00	129.00	116.00	17	8	6.90
	143.00	137.00	140.00	7	12	8.57
	57.00	60.00	58.50	5	1	1.71
	54.00	40.00	47.00	1	1	2.13
The Council	1448.00	1421.00	1434.50	75	106	7.39

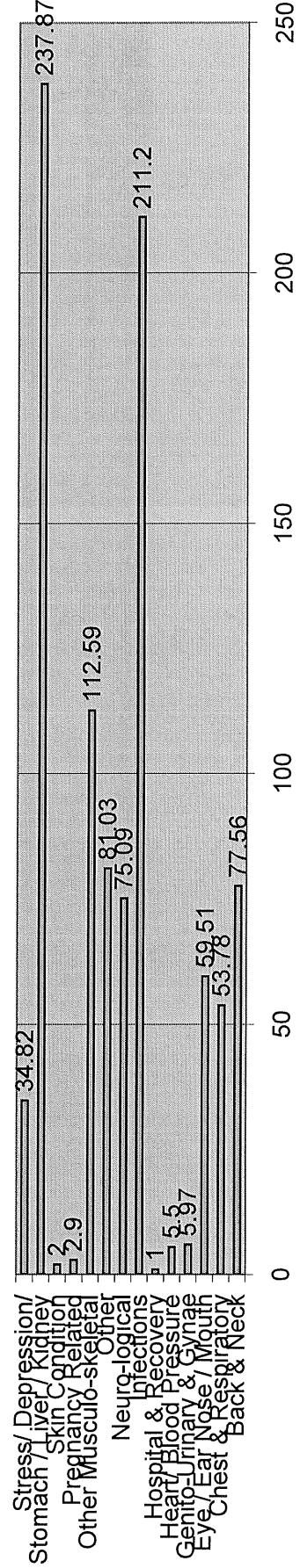
Short Term Absence Reasons - Half Year 08/09

Reason	Back & Neck	Chest & Respiratory	Eye / Ear / Nose / Mouth	Genito-Urinary & Gynae	Heart/ Blood Pressure	Hospital & Recovery	Infections	Neuro-logical	Other	Other Musculo-skeletal	Pregnancy Related	Skin Condition	Stomach / Liver / Kidney	Stress/ Depression/ Mental Health
No of Days	367.27	269.82	240.13	26.18	24.5	3	697.2	201.75	278.09	685.15	17.15	13	678.22	275.05
No of Employees (FTE)	77.56	53.78	59.51	5.97	5.5	1	211.2	75.09	81.03	112.59	2.9	2	237.87	34.82

No of Short Term Days Lost by Reason - Half Year 0809



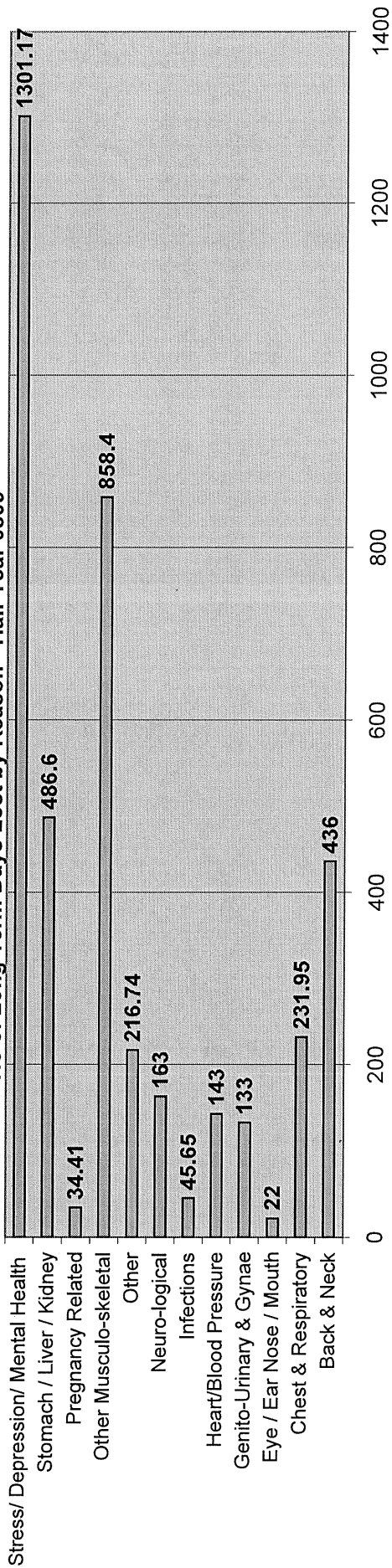
No of Employees (FTE) with Short Term Absence - By Reason - Half Year 0809



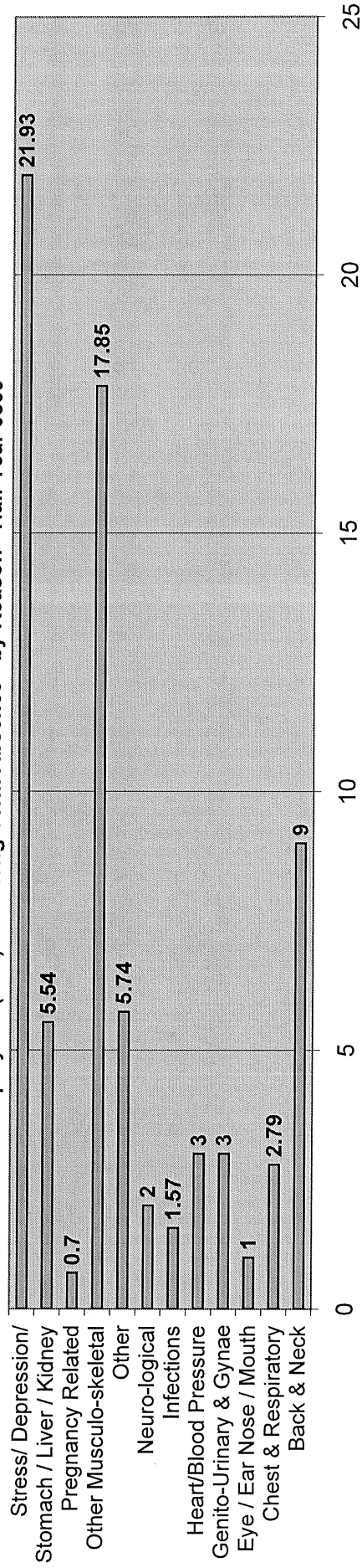
Long Term Absence Reasons - Half Year 08/09

Reason	Back & Neck	Chest & Respiratory	Eye / Ear Nose / Mouth	Genito-Urinary & Gynae	Heart/Blood Pressure	Infections	Neuro-logical	Other Musculo-skeletal	Pregnancy Related	Stomach / Liver / Kidney	Stress/ Depression/ Mental Health	TOTAL
No of Days Lost	436	231.95	22	133	143	45.65	163	858.4	34.41	486.6	1301.17	4071.92
No of Employees (FTE)	9	2.79	1	3	3	1.57	2	17.85	0.7	5.54	21.93	74.12

No of Long Term Days Lost by Reason - Half Year 0809



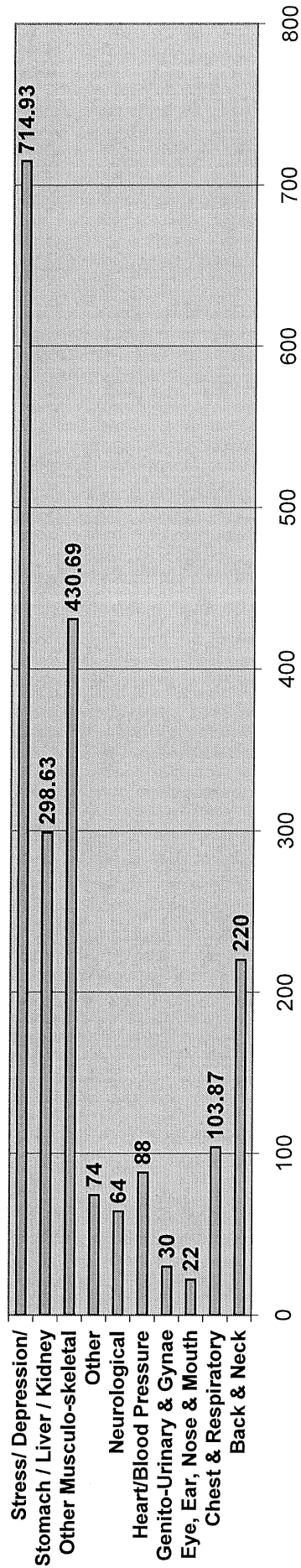
No of Employees (FTE) with Long Term Absence - by Reason - Half Year 0809



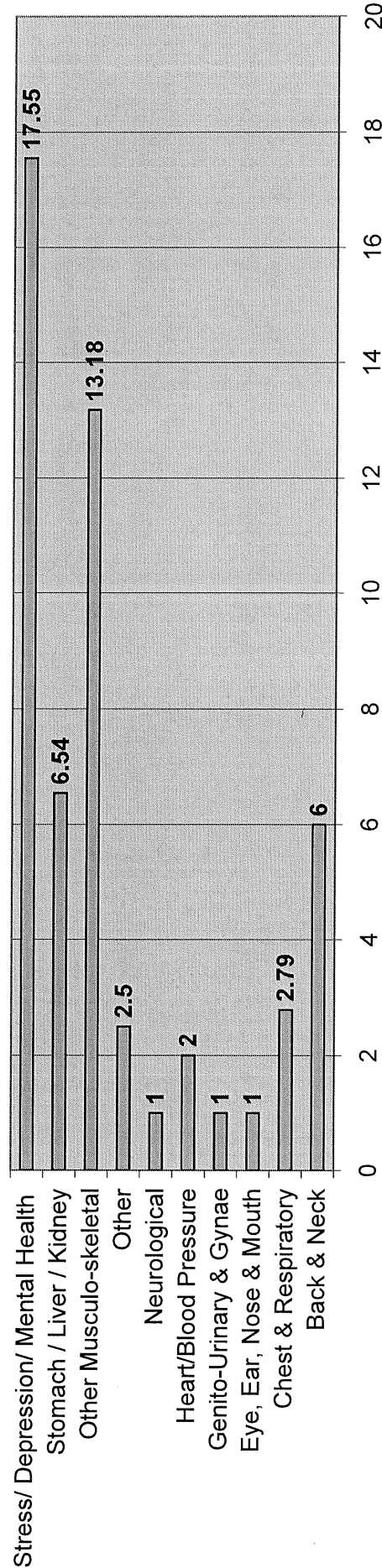
Long Term Absence Reasons - 2nd Qtr 08/09

Reason	Back & Neck	Chest & Respiratory	Eye, Ear, Nose & Mouth	Genito-Urinary & Gynae	Heart/Blood Pressure	Neurological	Other	Other Musculo-skeletal	Stomach / Liver / Kidney	Stress/ Depression/ Mental Health	TOTAL
No of Days Lost	220	103.87	22	30	88	64	74	430.69	298.63	714.93	2046.12
No of Employees (FTE)	6	2.79	1	1	2	1	2.5	13.18	6.54	17.55	53.56

No of Long Term Days Lost by Reason - 2nd Qtr 0809

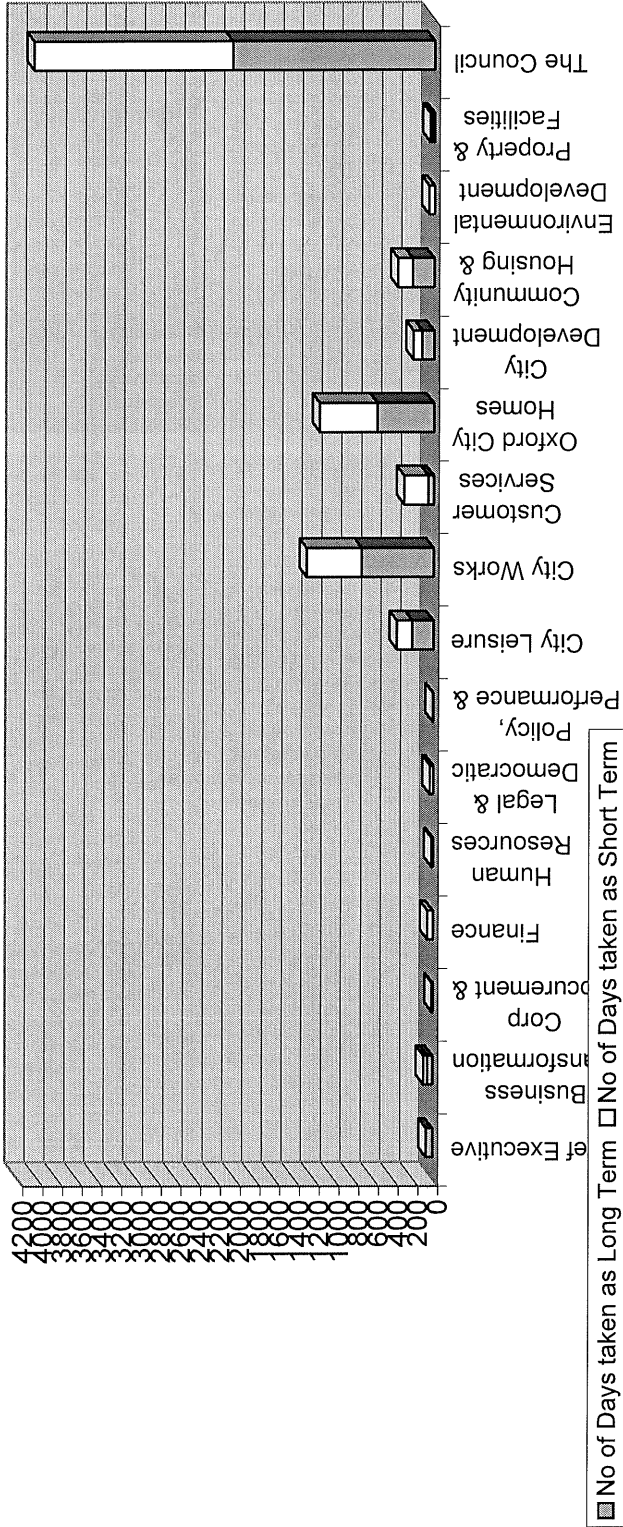


No of Employees (FTE) with Long Term Absence - by Reason - 2nd Qtr 0809

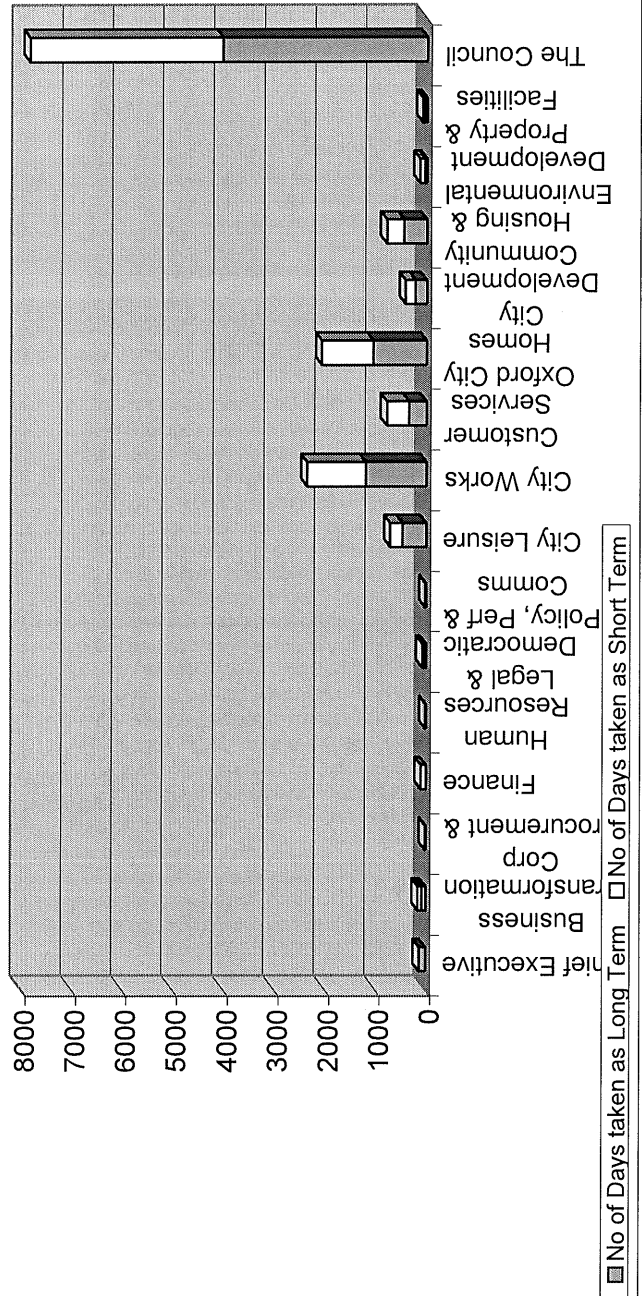


APPENDIX D

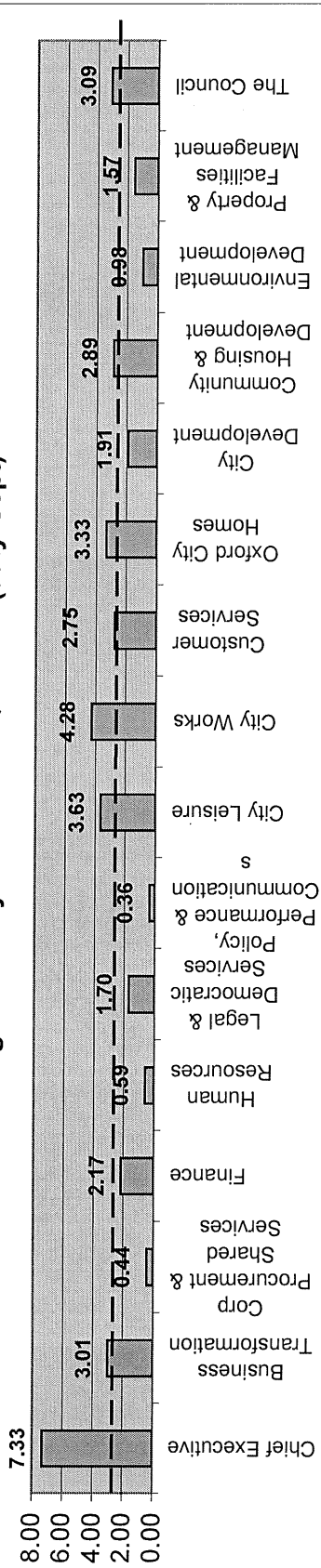
Long Term/Short Term Absence by Days Lost - 2nd Qtr 08/09



Long Term/Short Term Absence by Days Lost - Half Year 08/09



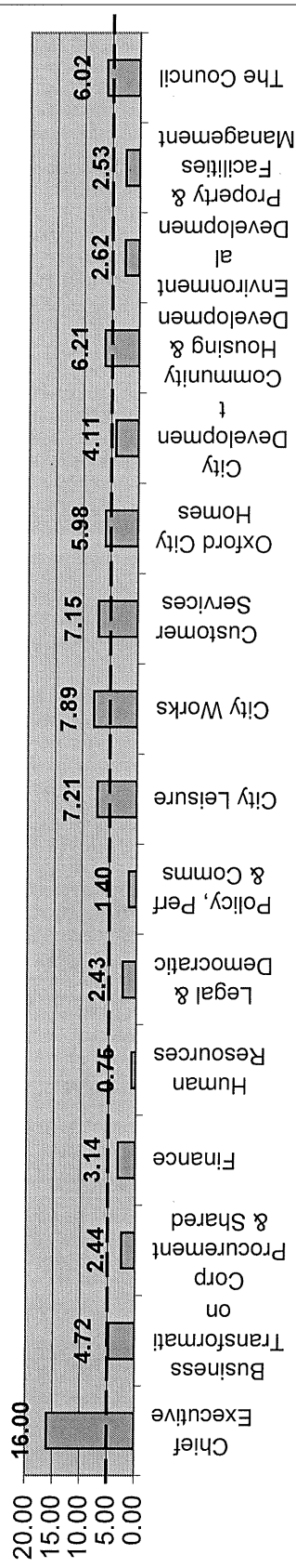
Average Sick Days/FTE - 2nd Qtr 08/09 (July-Sept)



Qtr Target = 2.5 Days

Annual Target = 10 days
 Half Year Target = 5 days (Non Seasonal)
 Quarterly Target = 2.5 days
 Monthly Target = 0.83 days

Average Sick Days/FTE - Half Year 08/09 (April-Sept)



Target for Half Year = 5 Days

APPENDIX C

Record of Absence - Half-Year 2008/09

Service Area	FTE 01/04/08	FTE 30/09/08	Average in Unit	Total Absence	Av Sick Days/FTE	% of Absence (against FTE)	No of Days taken as Long Term	No of Days taken as Short Term	No of Employees (FTE) Long Term	No of Employees (FTE) Short Term	Average Long Term	Average Short Term	Relations hip to BVPI (+/- 5 Target)
CHIEF EXECUTIVE & CORPORATE SERVICES													
Chief Executive	7.00	9.00	8.00	128	16.00	12.70	126	2	1.00	1.00	15.75	0.25	11.00
Business													
Transformation	33.39	32.09	32.74	154.47	4.72	3.74	74	80.47	1.00	16.77	2.26	2.46	-0.28
Corp Procurement & Shared Services	5.00	4.00	4.50	11	2.44	1.94	0	11	0.00	2.00	0.00	2.44	-2.56
Finance	32.27	32.46	32.37	101.73	3.14	2.49	0	101.73	0.00	19.29	0.00	3.14	-1.86
Human Resources	19.83	17.55	18.69	14.1	0.75	0.60	0	14.1	0.00	4.28	0.00	0.75	-4.25
Legal & Democratic Services	30.34	29.08	29.71	72.12	2.43	1.93	33.72	38.4	0.68	9.05	1.13	1.29	-2.57
Policy, Perf & Communications	9.57	10.05	9.81	13.72	1.40	1.11	0	13.72	0.00	3.00	0.00	1.40	-3.60

CITY SERVICES

City Leisure	100.74	96.92	98.83	712.63	7.21	5.72	468.37	244.26	6.62	45.10	4.74	2.47	2.21
City Works	307.35	290.16	298.76	2357.7	7.89	6.26	1237.84	1119.86	24.81	144.24	4.14	3.75	2.89
Customer Services	111.24	107.32	109.28	781.89	7.15	5.68	341.89	440	7.31	69.78	3.13	4.03	2.15
Oxford City Homes	348.98	344.27	346.63	2072.27	5.98	4.74	1053.51	1018.76	18.22	188.15	3.04	2.94	0.98

CITY REGENERATION

Community Housing & Development	127.80	125.80	126.80	787.22	6.21	4.93	447.45	339.77	10.38	51.31	3.53	2.68	1.21
City Development Environmental	91.39	112.05	101.72	418.39	4.11	3.26	219	199.39	3.00	47.59	2.15	1.96	-0.89
Development	51.09	53.76	52.43	137.14	2.62	2.08	39	98.14	1.00	24.23	0.74	1.87	-2.38
Property & Facilities Management	40.62	28.97	34.80	88.02	2.53	2.01	31.14	56.88	0.32	10.47	0.89	1.63	-2.47
The Council	1316.61	1293.48	1305.05	7850.4	6.02	4.77	4071.92	3778.48	74.34	636.26	3.12	2.90	1.02

Half Year Annual

2006/7	5.1	11.43									52	%	
2007/8	5.71	11.35									48	%	
2008/9	6.02										10	%	
											90	%	

Long Term by Days =

Short Term by Days =

Long Term by No of Employees (FTE) =

Short Term by No of Employees (FTE) =

%

%

%

%

APPENDIX A

Record of Absence - 2nd Quarter 2008/09

Service Area	FTE 01/07/08	FTE 30/09/08	Average in Unit	Total Absence	Av Sick Days/FTE	% of Absence (against FTE)	No of Days taken as Long Term	No of Days taken as Short Term	No of Employees (FTE) Long Term	No of Employees (FTE) Short Term	Average Long Term	Average Short Term	Relationship to BVPI (+/- 2.5 Target)
CHIEF EXECUTIVE & CORPORATE SERVICES													
Chief Executive Business	9.00	9.00	9.00	66	7.33	11.46	64	2	1.00	1.00	7.11	0.22	4.83
Transformation	31.09	32.09	31.59	95	3.01	4.70	51	44	0.80	11.00	1.61	1.39	0.51
Corp Procurement & Shared Services	5.00	4.00	4.50	8	1.78	2.78	0	8	0.00	1.00	0.00	1.78	-0.72
Finance	32.27	32.46	32.37	55.66	1.72	2.69	0	55.66	0.00	10.10	0.00	1.72	-0.78
Human Resources	18.87	17.55	18.21	13.39	0.74	1.15	0	13.39	0.00	4.28	0.00	0.74	-1.76
Legal & Democratic Services	28.08	29.08	28.58	33.69	1.18	1.84	0	33.69	0.00	1.00	0.00	1.18	-1.32
Policy, Performance & Communications	10.57	10.05	10.31	2.7	0.26	0.41	0	2.7	0.00	1.00	0.00	0.26	-2.24

CITY SERVICES

City Leisure	106.70	96.92	101.81	369.27	3.63	5.67	213.72	155.55	4.92	35.52	2.10	1.53	1.13
City Works	309.70	290.16	299.93	1283.93	4.28	6.69	728	555.93	20.81	98.22	2.43	1.85	1.78
Customer Services	111.68	107.32	109.50	300.96	2.75	4.29	56	244.96	2.00	58.12	0.51	2.24	0.25
Oxford City Homes	349.12	344.27	346.70	1153.19	3.33	5.20	571.61	581.58	15.22	133.49	1.65	1.68	0.83

CITY REGENERATION

Community Housing & Development	126.65	125.80	126.23	364.75	2.89	4.52	219.02	145.73	5.50	35.80	1.74	1.15	0.39
City Development	107.78	112.05	109.92	209.67	1.91	2.98	122	87.67	2.00	23.75	1.11	0.80	-0.59
Environmental	54.16	53.76	53.96	53.14	0.98	1.54	0	53.14	0.00	16.73	0.00	0.98	-1.52
Property & Facilities Management	28.37	28.97	28.67	45.03	1.57	2.45	20.77	24.26	0.32	6.27	0.72	0.85	-0.93
The Council	1329.04	1293.48	1311.26	4054.38	3.09	4.83	2046.12	2008.26	52.57	437.28	1.56	1.53	0.59

2003/04 Qtr 1 2 3 4
 2.6 2.84 3.44 2.97
 2004/05 2.38 2.44 2.76 3.03
 2005/06 2.74 2.9 3.3 3.69
 2006/07 2.66 2.43 2.98 3.5
 2007/08 3.05 2.95 2.64 3
 2008/09 2.94 3.09

Long Term by Days = 50 %
 Short Term by Days = 50 %

Long Term by No of Employees (FTE) = 11 %
 Short Term by No of Employees (FTE) = 89 %