

South Ayrshire Council

**Report by Head of Employee and Customer Services
to Service and Performance Panel
of 5 June 2018**

Subject: Employee Absence 2017/18

1. Purpose

- 1.1 The purpose of this report is to provide Panel with detailed information and analysis of sickness absence across Council services for the period 1 April 2017 to 31 March 2018.

2. Recommendation

- 2.1 **It is recommended that the Panel scrutinises the information contained in this report in the context of the Local Government Benchmarking Information previously reported.**

3. Background

- 3.1 A report entitled 'Local Government Benchmarking Framework 2014/15' was considered by the Service and Performance Panel on 23 February 2016, and the Panel requested that, in relation to Employee and Customer Services (SO6.4 LGBF Average days per employee lost through sickness for teachers), more detailed absence data be made available at future meetings to allow more meaningful scrutiny. A Report was subsequently submitted to Panel on 21 March 2017.
- 3.2 The National Statutory Performance Indicators require Councils to provide statistics for employee absence based on the 'total number of work days lost' together with the 'average number of days lost per employee' categorised separately for Teachers and Local Government Employees ('LGE').
- 3.3 The Framework for Maximising Attendance was introduced in July 2010 but, as the expected overall improvements were not realised, a revised Framework was developed and approved on 21 January 2014 which applies to all LGE; it should be noted that it does not apply to Teachers, who continue to operate under the 2010 policy framework. The revised 2014 Framework introduced more stringent processes and more specific and directive management guidance.
- 3.4 As part of the ongoing implementation and refinement of the Oracle HR system, considerable work has been undertaken to improve absence recording arrangements and refine analysis and reporting capacity.

4. Proposals

4.1 It is proposed that the Panel scrutinises the analysis below and in the Appendices.

4.1.1 Overall Absence Levels 2017/18

- (i) [Appendix 1](#) provides a summary of the days lost by service area and directorate and the average days lost per employee for each.
- (ii) [Appendix 2](#) outlines the number of days lost per employee for each of the years between 2010/11 and 2016/17, split by LGE and Teachers and provides a comparison with the overall national position across Scottish Local Government.
- (iii) [Appendix 3](#) outlines the annual comparison between employee groups for each of the years between 2010/11 and 2016/17 - SAC LGE; National LGE; SAC Teachers; National Teachers; SAC Total; and National Total. This is a comparison across all staff groups.
- (iv) [Appendix 4](#) provides the information referred to in Appendices 2 and 3 in line-graph format.

4.1.2 Breakdown of Absence - All Employees

- (i) A total of 42,736 days have been lost as a result of sickness absence for the period 1 April 2017 to 31 March 2018 which comprises 14,706 days (34%) short term absence and 28,060 days (66%) long term absence.
- (ii) The distribution of absence across Directorates is as follows:

| <i>Directorate</i> | | <i>Number of Days Lost</i> | <i>Directorate absence as % of Council's total absence</i> | <i>Directorate workforce as a % of total Council Workforce</i> | <i>Average Days lost per employee</i> |
|----------------------|----------|----------------------------|--|--|---------------------------------------|
| CEO | | 135 | 0.3 | 0.8 | 6.56 |
| Educational Services | Teachers | 5,909 | 13.8 | 23.4 | 5.28 |
| | LGE | 5,218 | 12.2 | 15.3 | 7.12 |
| ENE | | 14,948 | 35.0 | 31.6 | 9.91 |
| H&SC Partnership | | 12,972 | 30.4 | 16.8 | 16.13 |
| RGO | | 3,554 | 8.3 | 12.1 | 5.99 |
| Total | | 42,736 | 100% | 100% | 8.95 |

- (iii) The average days lost per employee for the year to date equates to 8.95 days over the entire year. This is a 0.2% increase on 2016/17 (8.93 days).
- (iv) The main reasons for absence are:
 - Psychological (30%);
 - Musculoskeletal (19%); and
 - Hospitalisation (12%).
- (v) These were also the main reasons for absence in 2016/17. Further work to gather more detailed information with regard to reasons for absence will take place. This will be used to identify and inform any targeted work or programmes going forward.

4.1.3 ***Breakdown of Absence - Local Government Employees***

- (i) The total days lost for LGE for the period 1 April 2017 to 31 March 2018 is 36,827, comprising 12,434 days (34%) short term absence and 24,393 days (66%) long term absence. These figures equate to an annual level of 10.06 days lost per employee. LGE account for 86% of the total Council absence and 76.6% of the Council's workforce.
- (ii) The main reasons for absence are:
 - Psychological (28%);
 - Musculoskeletal (21%); and
 - Hospitalisation (15%).
- (iii) The direct 'cost of absence' in 2017/18 is £3,790,000.
- (iv) It should be noted that this cost is based on an average salary for LGE. The figure reflects the payroll costs which would have been paid to the employees as part of their contractual salary payments, whether they were at work or off sick. It is not an additional cost, but the proportion of the paybill which is being paid to employees not at work due to sickness absence.
- (v) The cost is based on FTE days lost to sickness absence at a full day, and does not represent the actual cost of sick pay during this period, which will include some days paid at half pay. It also does not take into account overtime costs or the cost of temporary cover.

4.1.4 ***Breakdown of Absence - Teachers***

- (i) The total days lost for Teachers for the period 1 April 2017 to 31 March 2018 is 5,909, comprising 2,459 days (41%) short term absence and 3450 days (59%) long term absence. These figures equate to an annual level of 5.3 days lost per employee.

- (ii) Teachers account for 14% of the total Council absence and 23.4% of the Council's workforce.
- (iii) The main reasons for absence are:
 - Psychological (33%);
 - Musculoskeletal (14%); and
 - Respiratory (12%).
- (iv) The direct 'cost of absence' in 2017/18 is £792,000.
- (v) It should be noted that this cost is based on an average salary for Teachers. The figure reflects the payroll costs which would have been paid to the employees as part of their contractual salary payments, whether they were at work or off sick. It is not an additional cost, but the proportion of the paybill which is being paid to employees not at work due to sickness absence.
- (vi) The cost is based on FTE days lost to sickness absence at a full day, and does not represent the actual cost of sick pay during this period, which will include some days paid at half pay. It also does not take into account overtime costs or the cost of temporary cover.

4.1.5 ***National Comparison of Absence***

- (i) Appendices 2 to 4 provide a comparison between the Council's sickness absence levels and the national average for each complete year between April 2010 and March 2017. These tables show a gradual and consistent improvement in the council's performance, both overall and relative to other Councils.
- (ii) The general improvement in attendance levels of LGE in the years from 2010 (11.7 days) continues and stands at 10.06 days for 2017/18. Although absence during the previous 2 years had increased to 10.23 days it remained below the national average.
- (iii) Conversely, Teachers absence levels which had increased during the 4 years from 2010 have decreased generally during the last 3 years; although the average days lost has increased slightly from 5.1 in 2016/17 to 5.3 in 2017/18.

4.2 ***Framework for Maximising Attendance***

4.2.1 **Discretion**

- (i) A key aspect of managing absence is the ability of managers to apply discretion when an employee reaches a particular absence level, so that the action which is otherwise required by the terms of the Framework, is not applied. Such discretion should only be applied where the employee:

- has a good attendance record over a number of years - ie at least 3 years - and whose attendance has not previously been a cause of concern to management; or
- is absent due to a chronic illness/ disease; or
- has to undergo a surgical procedure/requires hospitalisation which has a specified/ expected date of recovery; or
- has a disability or an underlying medical condition which affects their attendance intermittently over a set period of time. For short term absence, this may include varying the attendance targets; or
- has been absent for pregnancy related reasons; or
- has been absent due to bereavement; or
- has been absent due to an accident or injury at work.

(ii) A summary of applications for discretion is provided below:

| <i>Financial Year</i> | <i>No of Applications</i> | <i>No of Applications Approved</i> | <i>Percentage of Applications Approved</i> |
|-----------------------|---------------------------|------------------------------------|--|
| 2014/15 | 98 | 98 | 100% |
| 2015/16 | 128 | 122 | 95% |
| 2016/17 | 252 | 247 | 98% |
| 2017/18 | 263 | 260 | 99% |

Further information is provided in [Appendix 5](#).

4.2.2 **Monitoring Attendance**

- (i) Members will recall that, prior to the 2014 revision of the Maximising Attendance Framework, in situations where an employee's absence was at an unacceptable level, the matter was dealt with through the Council's Disciplinary Policy. The revised Framework recognises that, while an employer can, and should, monitor absence; establish required levels of attendance; and take action where absence levels fall below the standards which can be sustained by the business, unacceptable levels of authorised sickness absence (i.e. covered by a self or medical certificate) is not an issue of conduct (which are dealt with through the disciplinary process) and, therefore, issuing disciplinary warnings is not necessarily the most appropriate action. Instead, the revised Framework introduced a separate stream of escalating actions, which advises the employee that his or her attendance level is unsatisfactory and warns that if the necessary improvement is not achieved, further action will be applied, including, ultimately, dismissal.

- (ii) The number of formal meetings in each of the last 4 years is as follows:

| Stage | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
|-----------------|----------------|----------------|----------------|----------------|
| Stage 1 Meeting | 126 | 356 | 235 | 438 |
| Stage 2 Meeting | 44 | 108 | 49 | 109 |
| Stage 3 Meeting | 10 | 16 | 26 | 32 |

- (iii) A summary of cases dealt with at Stage 3 is provided below:

| Financial Year | No of Cases | No of Long Term Absentees | No of Short Term Absentees | No of Employees Dismissed |
|-----------------------|--------------------|----------------------------------|-----------------------------------|----------------------------------|
| 2014/15 | 10 | 9 | 1 | 10 |
| 2015/16 | 16 | 15 | 1 | 16 |
| 2016/17 | 26 | 12 | 14 | 10 |
| 2017/18 | 32 | 13 | 19 | 8 |

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Not applicable.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 Risk Implications of Adopting the Recommendations

8.1.1 There are no risks associated with adopting the recommendations.

8.2 Risk Implications of Rejecting the Recommendations

8.2.1 There are no risks associated with rejecting the recommendations.

9. Equalities

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that

affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to the Council strategic objective of 'Effective Leadership that Promotes Fairness' and within that to the outcome 'Ensure the Council is structured to make the best use of resources'.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Peter Henderson, Portfolio Holder for Resources and Performance, and the contents of this report reflect any feedback provided.

Background Papers **None**

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