Get Well Soon:
A Reappraisal of
Sickness Absence in
London
Introduction

The District Audit Service of the Audit Commission reviewed sickness absence in a number of London Boroughs during 1989 and 1990. These reviews exposed excessively high levels of sickness absence in most of the authorities. The average level of absence in 1988/89 was almost 17 days per employee, nearly 2.5 times the national average*. The results were published by the Audit Commission in Managing Sickness Absence in London (Occasional Paper No. 12, October 1990), which also identified the key principles for the successful management of sickness absence.

These findings attracted extensive coverage in the national press and in Parliament. As a result, some of the individual authorities came in for much public criticism.

Subsequently, auditors from the District Audit Service have been reviewing the management of sickness absence in local authorities throughout England and Wales, including the majority of London Boroughs.

Summary

The results of a recent survey in sixteen London Boroughs (a larger sample than 1990) shows the average absence level in 1991/92 to be 11.5 days per employee compared with the earlier figure of 17 days.

There are striking improvements in the seven Boroughs for which data is available for both 1988/89 and 1991/92. These authorities have reduced absence, saving almost £11m (based on 1990 staff costs), equivalent to £1.5m per annum per authority.

But there is no reason for complacency. During March 1993, the CBI (Too Much Time Out?) and the Industrial Society (Wish You Were Here) published the results of new national surveys of absence from work. Both surveys found higher absence rates in the public sector compared with the private sector and in London compared with the rest of the UK. The Industrial Society found the average for all London employers, at 11.3 days, to be almost exactly the same as the sixteen Boroughs reviewed, but still higher than the national averages (CBI 8 days and Industrial Society 9 days).

Overall there is still room for improvement. The following sections describe the performance of the London Boroughs in more detail and point out the reasons why some have been more successful than others.
Impact on Individual Boroughs

Seven of the authorities that were reviewed in 1990 (and included in the results published in the Occasional Paper) have provided follow-up data for 1991/92. Auditors had produced an individual audit report for each authority, identifying areas in which the management of sickness absence could be improved, together with a timetabled schedule of action for their implementation. This approach proved successful; all seven authorities have achieved a reduction in sickness levels.

The range of reductions achieved by these authorities varies from 5 per cent to 59 per cent, with an average of 32 per cent. Four of the authorities have achieved reductions in excess of 30 per cent (Exhibit 1).

Exhibit 1  REDUCTION IN SICKNESS ABSENCE
Comparative Figures for 1988/89 and 1991/92

Days Lost per Year

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three
The greatest improvement has been achieved in respect of manual employees (Table 1), with a reduction from an average of 21.7 days to 14.8 days. Officers average absence has reduced by over one quarter, falling from 14.1 days to 10.5 days.

### Table 1  AVERAGE SICKNESS PER EMPLOYEE

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<tr>
<td>B</td>
<td>1.7</td>
<td>23</td>
<td>20</td>
<td>15.6</td>
<td>21.2</td>
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<td>D</td>
<td>15.1</td>
<td>24</td>
<td>19.6</td>
<td>11.3</td>
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<td>E</td>
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<td>F</td>
<td>10.6</td>
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<tr>
<td>H</td>
<td>14.4</td>
<td>18.5</td>
<td>15.9</td>
<td>9.58</td>
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<td>10.65*</td>
<td>1.6</td>
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<td>Q</td>
<td>16.1</td>
<td>27.3</td>
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<td>10.5</td>
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<td>8.9</td>
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<tr>
<td>M</td>
<td>8.3</td>
<td>16.7</td>
<td>12.6</td>
<td>7</td>
<td>9</td>
<td>7.9</td>
<td>0.65</td>
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<tr>
<td>Average</td>
<td>14.1</td>
<td>21.7</td>
<td>17.7</td>
<td>10.5</td>
<td>14.8</td>
<td>12.1</td>
<td>1.54</td>
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<tr>
<td>Total</td>
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High levels of absence are costly. Consequently, these reductions in absence have greatly increased the staff resources deployed by the authorities. Based on their staff costs in 1990, the reductions have generated almost £11m of additional resources. This is equivalent to over £1.5m per authority.

* Authority H has subsequently reduced its overall level to 8.1 days.*

four
A London wide view

In addition to the above analysis, auditors have reviewed absence levels and procedures in a further nine authorities that were not part of the original survey. Taken together these sixteen authorities provide a more complete assessment of sickness levels in London, than has been previously possible (Exhibit 2). Teaching staff are not included as few authorities were able to provide data.

Exhibit 2  AVERAGE SICKNESS ABSENCE PER EMPLOYEE

The average sickness across all available authorities is 11.5 working days per full time equivalent (Table 2, overleaf). This represents approximately 5% of available days after excluding annual leave. The sickness level varies between authorities from 7 working days per full-time employee (or just over 3% of available days) in the best authority to 17.4 days (almost 8%) in the worst affected. The lower quartile (ie the level achieved by at least one quarter of the authorities) is 9 days (4%).
The pattern of absence between officers and manual employees is different (Exhibits 3 and 4). The relationship is consistent with data from other types of organisation in that absence levels for manual staff are almost invariably higher than those for officers. In only one authority (Authority Q) is the reverse true.

Table 2 shows the average days absence for officers to vary from 6 days to 15.6 working days per full-time employee. The average is 10 days and the lower quartile is 8.4 days.

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* It should be noted there are different numbers of authorities included in Exhibits 2 to 4; this is because two authorities (E and F) were unable to give a split between officers and manuals, and a third authority (P) provided data only for officers. Furthermore, an authority’s overall sickness level will be affected by its mix of officers and manuals: those with a high proportion of manual staff will appear to have a relatively high overall sickness level. Other factors such as the age and sex of the workforce can also have an affect.
The Table also shows the equivalent range for manual employees. It varies from 6.6 to 21.2 working days. The average is 14 days and the lower quartile is 10.5 days.
Why have these authorities been successful?

FIVE KEY PRINCIPLES
Managing Sickness Absence in London identified five key principles that are important in the successful management of absence (Exhibit 5). All of these are interdependent:

Exhibit 5  FIVE KEY PRINCIPLES
All are inter-related

- commitment by senior management
- clear responsibilities
- appropriate information
- suitably trained managers
- attention to staff welfare.
Follow-up work by auditors has demonstrated the value of adhering to these principles, as is illustrated by the following examples.

**Commitment by Senior Management** – eight out of sixteen authorities have set quantifiable targets for reducing absence levels. There have been various approaches to setting targets as follows:
- three authorities have set overall targets (3%, 4%, 5.3% respectively),
- one authority has set a target of a 20% reduction,
- two authorities have set individual targets for officers and manual staff (5.4 days and 7 days respectively for officers; 9.9 days and 9 days for manuals)
- two authorities have set individual targets by department.

In addition, three authorities stated that the publicity given to their policies and absence levels had been a major factor in reducing absence levels. Two others had established a central project team or strategic co-ordinator to work actively in this area.

**Clear Responsibilities** – in most authorities there has been a move towards making supervisors and line managers more directly responsible for managing absence. Examples include:
- over half of the authorities reviewed (including all of those included in Exhibit 1) have introduced automatic return to work interviews, with the immediate line manager, after any spell of absence;
- three quarters of the authorities have introduced "trigger levels", whereby when an individual's absence record exceeds a predetermined level, a formal interview is prompted.

**Appropriate Information** – all but three of the authorities have introduced the regular reporting of absence levels, disaggregated at least by department. In most cases the reporting is either monthly or quarterly and includes regular reports to members. Of the other three authorities,
one reports on absences but not on a regular basis, another plans to introduce regular reporting and only one has no plans to do so.

Five authorities emphasised the importance of the introduction of computerised information systems in the management of absence. All these authorities have below average absence levels. The CBI, in their recent survey, found those organisations that keep only manual records of sickness absence have 16% higher absenteeism than organisations that keep computer records.

Suitably-Trained Managers – within the last three years, thirteen out of the sixteen authorities have provided training sessions in managing absence, for supervisors and line managers. Two authorities also referred to the value of producing a handbook for managers on absence procedures.

Attention to Staff Welfare – five authorities referred to improvements in their occupational health service as being one of the factors that had the greatest impact on managing sickness absence.

FIVE KEY PROCEDURES

The Audit Commission’s Occasional Paper also identified the need to ensure the effectiveness of an organisation’s key procedures (Exhibit 6).
Asking about attendance records during recruitment interviews has recently been identified by the Industrial Society (Wish You Were Here) as being one of the main factors differentiating Japanese-owned companies (with relatively low absence rates) from others. In addition the Industrial Society found that the public sector relied more heavily on information in references than by asking questions at interview. Surprisingly, recruitment procedures were not mentioned by any of the above sixteen authorities, perhaps because of their longer term impact on reducing absence levels.

Apart from recruitment, the other procedures all received substantial mentions by the sixteen authorities. In particular, three quarters of the authorities had, within the previous two years, reviewed their procedures for dealing with employees who have a record of frequent absence.

In relation to financial incentives, three authorities stated that devolved budgets or a competitive culture were a major influence. In addition, Authority Q had used sickness absence records as one of the criteria in selecting employees for compulsory redundancy.
Conclusion

With increasing pressure on local authority budgets, it is important that authorities make the best use of the resources at their disposal. Reducing sickness absence, to levels that reflect genuine incapacity, is one important way that this can be achieved. Over the last three years, London authorities have achieved remarkable success in reducing absence levels, with an average reduction of one third.

These results show a high level of determination and commitment on behalf of the authorities themselves in successfully tackling a deep-seated problem. It can also be viewed as an example of the success of the District Audit Service approach to value for money auditing: individual authority reviews, agreement of action programmes and follow-up in subsequent years.

Nevertheless, a wide disparity still exists between authorities, the worst with absence levels 2.5 times those of the best and the average for London being 45 per cent above the latest CBI national average. This shows that in spite of recent improvements, some authorities have a long way to go.

This review highlights the substantial gains that have been made, provides new information on absence levels and identifies some of the paths to success. Councils in London, and elsewhere, need to keep the management of sickness absence high on their agenda to maintain present reductions and to achieve further improvements in future.
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