

Local Government Audit Service

Management of Sickness Absence in Local Authorities

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Local Government Audit Service

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Local Government Audit Service

Management of Sickness Absence in Local Authorities

**Department of the Environment,
Community and Local Government**

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This report was prepared on the basis of information, documentation and explanations obtained from the public bodies referred to in the report. The draft report was sent to the local authorities that participated in the study. Where appropriate the comments received were incorporated in the final version of the report.

The website of the Department of the Environment, Community and Local Government is the primary means of publishing reports of the Value for Money Unit of the Local Government Audit Service. Should any errata arise they will be corrected and noted in the report published at <http://www.environ.ie/en/Publications/LocalGovernment/AuditService/>

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Minister's Foreword

The Value for Money Unit of the Local Government Audit Service (LGAS), in my Department, has prepared this comprehensive Report on the centrally important issue of the management of sickness absence in the local authority sector, following on from the Public Service - Reform Plan (2011), which included an action on Sick Leave in the Public Service.

It is important to recognise the achievements of local authorities in dealing with the financial crisis, most significantly, staff reductions of 25% and overall savings of €839 million since 2008. It is also important to be cognisant of the major Reform programmes underway in terms of Irish Water, Implementation of the Action Programme – Putting People First and the Shared Service Programme. Notwithstanding what has been achieved to date and what is underway, the sector is committed to continuous improvement and in this regard the Report has been prepared with the support and input from local authorities with a shared set of objectives, namely, to:

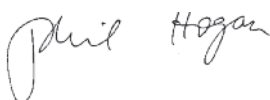
- Outline the position in terms of sickness absence levels in the Sector,
- Detail the Sectoral approach to the management of sickness absence and to identify best practice, and
- Recommend ways of improving existing procedures, practices and systems, thereby promoting efficiency and cost effectiveness.

Local authorities, through the Attendance Management Committee (AMC) which operates under the aegis of the Local Government Management Agency (LGMA), have been pro-active in devising and implementing Attendance Management Guidelines in recent years. I acknowledge the progress achieved by local authorities in managing the overall level of absenteeism over the last number of years. While sick absences are a normal part of working life it is important for both staff and local authority management that the regime in place to manage sick leave is robust and consistent across the sector.

I am confident that the information, analysis, and recommendations in this report will be helpful to local authorities in further improving the management of sickness absence, and my Department will work with local authorities to ensure that the Sector makes full use of the recommendations in further developing the regime for the management of sickness absence. In this regard, an oversight committee comprising representatives from my Department, local authorities and the LGMA will be established shortly to assist with and monitor implementation.

It is important that the rate of sick leave across the local authority sector is progressively reduced in order to achieve long term sectoral targets.

I want to thank the LGAS and all other contributors for this Report.



Phil Hogan, T.D.,
Minister for the Environment, Community and Local Government
29 November, 2013

Glossary

AMC Attendance Management Committee of the LGMA

LGAS Local Government Audit Service

LGMA Local Government Management Agency

Long-Term Sickness Absence is as defined in LGMA policy. *Long-term absences constitutes a certain period or several periods of absence. It normally lasts for periods in excess of twenty working days and can usually be attributed to a medical condition.*

LGMA Sectoral Guidance is sector guidance for Local Government issued to the sector by the LGMA.

Short-Term Sickness Absence is as defined in LGMA policy. *Short-term absences are generally considered to be absences of up to 20 days. A medical certificate from the employee's General Practitioner is required to cover absences of three days or more.*

VFM Team Marita Gonsalves Local Government Auditor carried out this study under the direction of Patrick Guiney Principal Local Government Auditor.

Executive Summary

Sickness absence is a part of work life. Empirical evidence gathered from industry (CIPD, IBEC), public sector (Comptroller and Auditor General) and the local government sector (Service Indicator Reports) has been utilised by the Attendance Management Committee (the AMC) of the Local Government Management Agency (LGMA) to determine tolerable absence rates for the sector¹. Trends in absenteeism for the years 2004–2010 inclusive show that the average rate of absenteeism for the sector is 4.75% which equates to 10.78 days per employee. This data enabled the AMC to determine a suitable benchmark for the sector and local authorities agreed to seek to reduce absenteeism to 4.4%, or under 10 days per employee by 2012. This would represent a reduction of 7.5%. It was envisaged that a sectoral average of 3.5% should be the longer-term target.

The Value for Money (VFM) Unit, issued a survey to all 34 city and county councils in respect of strategy, policy and procedures for sickness absence management to evaluate the effectiveness of current practices in this regard. The purpose of this study is to:

- Identify the level of application of LGMA sickness absence policy, strategy and procedures.
- Identify the estimated cost and level of sickness absence in local authorities for the year ended 31 December 2011.
- Identify efficiency and effectiveness savings in management of sickness absence².
- Review the arrangements in place to measure, monitor and manage sickness absence.
- Review the extent to which performance indicators, benchmarks and case studies of efficiency initiatives are used by local authorities to increase effectiveness in the management of sickness absence.
- Review arrangement for the management of sickness absence.

Human Resources (HR) Management: Policy, Strategy, Guidelines

The survey found that management of sickness absence in the local government sector would benefit from better reporting of performance locally and nationally in terms of application of sickness absence strategy policy and procedure. Some key findings are:

- Nineteen authorities had adopted the updated sectoral attendance management policy and procedure issued in March 2011. Three local authorities adopted the updated policy in 2012. All other authorities operate under the terms of the 2006 sectoral policy.
- Twenty-four local authorities had adopted the LGMA sectoral human resource strategy of which twenty had customised to meet local needs. One more local authority adopted a strategy in 2012. Two local authorities who did not adopt a strategy cited the current mergers and preparation of an amalgamated strategy as the reason.

¹ LGMA 'Attendance Management Management Guideline Document' November 2011

² See Appendix 2 'Performance Indicators a User's guide' Department of Finance for definitions of efficiency and effectiveness indicators.

- Eleven authorities review and evaluate the updated sickness absence policy and procedure annually to assess its effectiveness.
- Ten authorities produce risk assessment reports on sickness absence as part of the risk management agenda.
- 50% of authorities do not have an attendance management plan.
- Twenty-five authorities did not quantify the number of Return to Work Forms in 2011.
- Not all employees had access to the full range of services under the Employee Assistance Service.
- Local authorities provide a range of initiatives for staff to promote well-being.

The importance of the role of the line manager was emphasised in particular the need for access to sickness absence information by all line managers.

Estimated Cost of Sickness Absence

Differing interpretation of LGMA sectoral guidance on cost calculation resulted in significantly differing average daily costs for individual local authorities. Costs were re-calculated using one average daily rate of €221.88. This was based on the average daily rate of three local authorities calculated using 2011 payroll data. Total days sickness absence in local authorities cost approximately €64.64m in 2011. Direct payroll costs of paid sickness absence net of social welfare recoupable were used to calculate efficiency and effectiveness savings.

Local authorities need to use one consistent cost methodology to calculate estimated costs of sickness absence.

Efficiency and Effectiveness Savings

There is a sector target for reduction in sickness absence to 4.4% by the end of 2012. Calculating estimated costs and comparing with performance against the agreed sector target allows calculation of estimated efficiency savings. Estimated efficiency savings of approximately €21.10m were identified for the sector overall by the Unit applying the sector target for reduction in sickness absence.

The survey found that at 31 December 2011, twelve authorities had set the sectoral target to reduce sickness absence. Seven local authorities set a specific target between 4.5% and 5.5% and four local authorities did not identify a specific target. Eleven local authorities set no target. By 31 December 2012, only 17 local authorities had set the sectoral target. Achievement of the estimated €21.10m efficiency savings will not be possible without setting the sectoral target and measuring achievement of targets.

In 2011, a total of 353,176 working days were lost in local authorities as a result of sickness absence, an average sickness absenteeism rate of 11.78 days per employee. These days can be either paid or unpaid.

In 2011, a total of 42,710 working days were lost in local authorities to sickness absence where payment of salary or wage was discontinued. The percentage of working days lost in this manner ranged from 0.01% to 2.29% across local authorities.

Approximately €10.07m estimated productivity savings could have been realised had all local authorities achieved a sickness absence rate of 10 days.

Measurement of Sickness Absence

Measurement of sickness absence illustrates trends over defined periods of time and is a vital element in management of sickness absence. All local authorities calculate the Organisational Lost Time Rate for the national service indicators. Only eleven local authorities utilise it to calculate the rate of sickness absence for programme areas. Lost time rate statistics for team performance and programme area performance link into organisational performance and highlight areas that require pro-active initiatives in order to reduce the overall sickness absence rate. A number of local authorities stated it was not possible to report accurately on instances of sickness absence at present. A number of local authorities sought to calculate absence rate but were unable to do so citing the lack of clarity on the definition of average number of employees or whether only short-term instances should be used. Eight local authorities calculated the council Bradford Score³ as recommended by sectoral guidance. Five local authorities stated it could be calculated individually but not for the authority as a whole. It was noted by those that calculated the Bradford Score that the measurement was primarily used at individual level for comparative purposes.

Identifying the number of staff who did not have any sickness absence in a given year is an important staff motivator under the Performance Management Development System (PMDS). The number of staff for the sector with no recorded spells of sickness absence could not be calculated as two local authorities did not provide staff figures.

Twenty eight local authorities quantified the number of long and short term sickness absence days facilitating the ability to target appropriate interventions. Twenty seven local authorities provided details of staff numbers who took long or short-term sick leave in 2011. Twenty eight local authorities were able to identify the causes of long and short-term sickness absence. Local authorities do not have one agreed database to analyse the reasons for long and short term sickness absence. Identification of causes aids effective targeted interventions.

³ National management guidance stated that the Bradford Factor measures irregularity of attendance by employees by combining measures of absence frequency and duration. See Chapter 4 Measurement of Sickness Absence – Irregularity of Attendance.

The top causes of short-term sickness absence cited as first cause were flu, colds; respiratory tract infections; consultant or medical appointments; no cause specified; stomach upset; viral illness; migraine and pain. The top causes of long-term sickness absence cited as first cause were musculoskeletal disorders; post-surgery; acute medical conditions e.g. cancers; no cause specified; stress or depression; pregnancy related illness; heart; unfit for work, general, pain. The top causes of occupational injury cited as first cause were injury to limbs; falls, slips, sprains; manual handling; machinery accident, equipment failure; back injury; other injury; head, neck injury; accident no detail specified and post-traumatic stress.

A total of 4,536 days were declared as days lost to sickness absence due to work-related stress in the twenty four local authorities that provided the data. Consideration should be given by the sector to introduce a new metric for unpaid sickness absence with a focus on long-term sickness and to report separately. Not doing so can mean that local authorities, where there may be a few people with long-term serious illness, record poorer performance percentages than local authorities where there is less long-term unpaid sickness absence.

There is scope for improvement in measurement of sickness absence. There is a role for HR in monitoring trends of long and short term sickness absence and work-related stress. There is also scope for HR to review progress made achieving efficiency and productivity targets and savings and reporting annually.

Benchmarking Performance Good Practice Opportunities

Sickness absence has a significant impact on financial resources, staffing resources, on service delivery and employee morale. Understanding how other bodies perform provides opportunity to identify good practice. This report sets out a number of case studies outlining initiatives which have been used to effectively target sickness absence. The report recommends use of the Common Assessment Framework (CAF) to benchmark performance and to aid continuous improvement in management of sickness absence. The CAF model is a management tool for developing excellent public services in and outside of Europe.

The survey found that most local authorities used the national service indicators to benchmark performance but that only four local authorities used other Irish Public Sector Indicators, three used Private Sector Indicators and two used Public Sector UK Indicators to benchmark performance. Nineteen local authorities benchmark against identified good practices. There is scope to make far greater use of these resources.

Managing Sickness Absence

National HR Payroll and Superannuation System

The Local Government Efficiency Review Group Report 2010 recommended that a uniform human resource and payroll system be implemented for local authorities (8.9.1). A HR Payroll and Superannuation System (CoreHR) has been rolled out to 27 local authorities as part of a

national project. *The Interim Report to the Minister for the Environment, Community and Local Government and the LGERIG* produced by CCMA in March 2012, committed in principle to a migration plan for the remaining local authorities over time. The *Further Report to the Minister for the Environment, Community and Local Government* published by the Local Government Efficiency Review Implementation Group in April 2013, Appendix A states that the Payroll and Superannuation HR shared service is currently at design stage, with the Core software being an integral part of the Design stage.

Local authorities have tackled spending cuts head on and have reported significant efficiency savings. The sector continues to respond to the challenges facing the sector today including fundamental restructuring, reducing spending and provision of continued customer-focused services. Effective management of sickness absence aids this through productivity savings by doing things better and through payroll efficiency saving by meeting sectoral targets set. A shared service for HR reporting functions would assist HR in responding to the requirements contained in 'Putting People First' and to focus on more efficient and cost-effective ways of delivering public services.

1. Introduction

Background to the report

Objective 12.5 under Initiative 12 of Department of Public Expenditure and Reform (DPER) Public Service Reform Programme 2011⁴ commits to review of central sick leave policies in the Civil and Public Service with a view to improving performance and reducing absence to include review and revision of sick leave arrangements and absenteeism policies in the Civil Service and in other sectors.

This is being done against a background of major reform across the public service. The Government has put in place an Employment Control Framework with sectoral targets for all parts of the public sector, including the Local Government sector. The employment control framework for the Local Government sector seeks to achieve a graduated reduction in numbers from the 37,243 employed in June 2008 to 29,480 by the 31 December 2015⁵, already achieved. This required substantial reorganisation, restructuring, redeployment and reassignment of staff in order to ensure the continued delivery of frontline and legally based local government services. Separately, the Government, as part of the 2010 budgetary process established the Local Government Efficiency Group to review the cost base, expenditure and numbers employed in local authorities with a view to making specific recommendations to reduce these costs.⁶

Employee Control Framework

Local authorities have reduced staff numbers by almost a quarter from 37,243 in 2008 to 28,268 at 31 March 2013⁷. Local government is undergoing a period of unprecedented change. The local government landscape is facing significant reform and development arising from the Government's decisions to establish Irish Water and its action programme for effective local government 'Putting People First', launched in October 2012⁸. The sector continues to progress a challenging efficiency agenda, and a sectoral jobs strategy, including establishing local enterprise offices in each local authority. In the period 2008 to 2011, local authority revenue expenditure has decreased from €4,720m to €4,345m and capital expenditure has decreased from €6,134m to €2,121m⁹.

The IPA report, 'Public Sector Trends 2012', reports that "there has been a significant drop in the numbers employed in both the public sector and public service from 2008, with a drop of around 8 per cent in each case. The biggest drop proportionally being in the non-commercial state agencies (19 per cent), local authorities (14 per cent) and the justice sector (13 per cent). Numbers employed in the public sector and public service in 2012, are back down to close to 2005 levels of employment. Just under two per cent of all those in employment in the economy (public and private) are employed in local authorities".

⁴ Programme for Reform November 2011 page 48 Department of Public Expenditure and Reform.

⁵ Workforce Planning in the Local Government Sector September 2012 page 3

⁶ Workforce Planning in the Local Government Sector September 2012 page 3

⁷ PQ 20499/13 and PQ 28065/13

⁸ LGAS Annual Activity Report 2013 page 4

⁹ LGAS Annual Activity Report 2013 page 13 Financial Overview

The IPA report figures are sourced from the Department of Finance's Budgetary and Economic Statistics 2012 report published in October 2012 which estimated staff figures as at 31 December 2012 as 30,000. Local authority staff figures returned in the survey data as at 31 December 2011 are 29,971.¹⁰ The government public sector early retirement scheme which had a deadline date of February 2012 significantly reduced staff numbers after that date.

To effectively manage the combination of staff reductions and the very significant change programmes underway in terms of the Action Programme for Effective Local Government, the establishment of Irish Water and the Local Government Shared Services Programme, Workforce Planning is underway and a Sectoral Work-Force Study¹¹ has been undertaken jointly by the Department of the Environment, Community and Local Government (the Department) and local authorities which has made recommendations and provided a framework for management requirements¹². The Study recommends that the IPA be commissioned to produce a research paper on the present and future capacity issues within the Local Government sector¹³.

Local Government Efficiency Review Group Report

The Report of the Local Government Efficiency Review Group (LGER) 2010 states that local authorities should build on the positive work done to date to maximise economies of scale and return for the taxpayer. It recommends that service indicators should be more firmly embedded and used as part of the efficiency agenda, to drive change and challenge existing approaches to service delivery. An Implementation Group, (the Group), with an independent chairman, has been established to drive forward the recommendations contained in the report. The Group has focused on the key recommendations that will remove costs and yield earliest financial savings for the benefit of the sector and the economy generally.

In dealing with the financial crises local authorities have reported savings of €830m, significantly reduced staff numbers and are engaged in a number of significant reform initiatives¹⁴. The report 'Putting People First' progresses these initiatives.

Putting People First

Putting People First 2012 outlines Government policy for reform and development across the local government system. The Report states that improved measurement of efficiency performance will be assisted by revised Performance Indicators (PIs), will be subject to external verification through the audit processes, benchmarking and the development of case studies of best practice¹⁵. It sets a challenging agenda, in that the reforms must be completed in advance of

¹⁰ See Appendix 4 Report Assumptions and Calculations.

¹¹ The Department and the CCMA 'Workforce Planning in the Local Government Sector' September 2012 page 3

¹² PQ 17 ref: 20499/13

¹³ The Department and the CCMA 'Workforce Planning in the Local Government Sector' September 2012 page 9

¹⁴ PQ 17 ref: 20499/13

¹⁵ Putting People First 9.1.5 Continuing delivery of efficiencies page 110

the 2014 local elections¹⁶. The objective of the report is stated as “to ensure that Local Government is better placed to enhance the well-being and quality of life of citizens and local communities, while delivering maximum value for money”¹⁷. Its Action Plan to 2014 covers four main themes: Structures; Funding, Accountability and Governance; Economic Development and Job Creation; and Delivering Services Efficiently¹⁸.

Putting People First identifies efficiency savings, including €3m efficiency savings through introduction of a shared HR and payroll system¹⁹, and has identified projects prioritised as having potential for effective savings and efficiencies including Transactional HR. The report states that local authorities already have implemented a considerable degree of shared service arrangements at national, regional and local levels and have done so using various models. Specific reference is made to the Local Government Management Agency (LGMA)²⁰.

The LGMA and management of Sickness Absence

Under the auspice of the LGMA, a HR Payroll and Superannuation System (CoreHR) known as the CORE project has been rolled out to 27 of the 34 county / city councils as part of a national project. The LGMA has stated that the rollout was completed mid-2012 and now has a development agenda, which includes HR Metrics/Key Performance Indicators (KPIs) for the post implementation phase. This report makes recommendations on how to improve productivity and cut absences, on how current PIs developed for sickness absence are being monitored, and makes recommendations for further PIs.

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The LGMA has formally engaged with the sector on attendance management which includes management of sickness absence, since 2005. Policy, guidelines and strategy is issued through an Attendance Management Committee (the Committee) which the LGMA stated, was constituted on a number of occasions between 2005 and 2013. The then Committee was chaired by the Dublin City Manager and membership comprised of a number of HR professionals from the sector. All outputs of the Committee were agreed through LGMA corporate governance structures. The Attendance Management Policy and Procedure was issued to the sector in 2006 and agreed nationally with the staff side through the Local Authority National Council (LANC)²¹. A revised Sick Pay Scheme, Policy and Procedure were issued to the Sector in early 2011. Following this, a resource pack comprising a Management Guidance Document and a guide for Line Managers was circulated to assist local authorities maintain and/or improve attendance levels and to ensure consistency of practice throughout the sector. The resource pack updated existing best practice documents that local authorities were using since 2006. The

¹⁶ Putting People First Vision Page 7

¹⁷ Putting People First Vision Page 7

¹⁸ Putting People First Vision Page 7

¹⁹ Putting People First 9.1 Local Government Efficiency Implementation 9.1.3 page 109

²⁰ Putting People First 9.2 Organisational efficiency in local government 9.2.3 page 111

²¹ Managed through the LGMA the LANC is a forum for processing all industrial relations claims with national implications.

LGMA has confirmed that *“the initiative by the Department of Public Expenditure and Reform (DPER) to standardise and reduce sick pay schemes throughout the public sector has again resulted in a requirement to reconstitute the Committee, in 2013, reflecting on-going commitment of the sector to attendance management, until such time as the revised arrangements for sick pay are embedded following introduction of those arrangements from January 2014”* and has stated that *“it is envisaged that the terms of the revised scheme will be provided for through legislation”*. Effective management of sickness absence requires accurate and timely information on costs, instances of sickness absence, trends and patterns, improvement targets, assessment of progress made achieving improvements and evaluation of the effectiveness of management practices. The Value for Money Unit (the Unit) of the LGAS undertook this study to evaluate the effectiveness of current practices in this regard.

Trends

Trends in sickness absence are reported nationally in the ‘Service Indicators for Local Authorities’ for the years 2004–2011 inclusive published by the LGMA and are also reported in Local Authorities’ annual reports. The LGMA ‘Attendance Management, Management Guideline Document’ states *the average rate of sickness absence for the sector for the years 2004–2010 is 4.75% which equates to 10.78 days per employee and that this data has enabled the Committee to determine a suitable benchmark for the sector. The Committee recommended that “local authorities seek to reduce absenteeism to 4.4%, or under 10 days per employee by 2012”, noting that “this would represent a reduction of 7.5%”*. The Committee stated that *it is further envisaged that a sectoral average of 3.5% should be the longer-term target; that this target of 4.4% may have already been met or be achievable for some local authorities in the shorter term, however, all local authorities should seek to achieve improvement in attendance from year to year. It states that in this regard, the information gleaned from individual employee performance in this area together with team performance, programme area performance and upwards to organisational performance should indicate areas that require pro-active initiatives in order to reduce the overall absence rate. 23 of the 34 local authorities set a target for reduction in sickness absence by the end of 2012. This report has identified that achieving the LGMA sectoral target of 4.4% for reduction in sickness absence by 2012 would have resulted in estimated payroll efficiency savings in the region of €10.13m²² for the sector. Achieving the long-term LGMA sectoral target of 3.5% for reduction in sickness absence would have resulted in further estimated payroll efficiency savings of approximately €10.97m²³.*

Service Indicators in Local Authorities

The National Service Indicators, as published by the LGMA, are quality assured by an Independent Assessment Panel (the IAP) appointed by the Minister for the Environment, Community and Local Government, in order to verify the returns proposed for the annual Report on *“Service Indicators in Local Authorities”*²⁴. In 2011, the IAP reviewed 5 of the 46 Service Indicators including absenteeism. The IAP report comments on the absence of targets

²² The basis of this calculation is set out in Appendix 4 see also Appendix 1 Table 3.

²³ The basis of this calculation is set out in Appendix 4 see also Appendix 1 Table 3.

²⁴ LGMA Service Indicators in Local Authorities 2011, Appendix 1 Report of the Independent Assessment Panel Service Indicators in Local Authorities, 2011 page 150.

against which to assess performance and notes that “it has been emphasised in previous IAP, Office for Local Authority Management (OLAM) and other reports, including the Report of the Local Government Efficiency Review Group (July 2010), that the indicators should be firmly embedded in management systems and used to monitor and improve performance and aid decision making in relation to policy outcomes, budgets and expenditure matters”, and that, “in light of the above, the IAP would yet again urge that each authority be required to put in place the necessary management processes to link more closely the service indicators with the setting and achievement of efficiency targets.”

Occupational Health

An additional focus on Occupational Health was included in the VFM Study at the suggestion of the LGMA, as the frontline and in many cases physical nature of many local authority jobs presents particular challenges for managing attendance. Many services provided by local authorities are at the frontline and include fire services, water drainage services, housing maintenance, roads maintenance, homeless, welfare services, environmental services, planning, civil defence, recreation and leisure services. Dublin City Council provides fire and emergency services for the entire Dublin region. The LGMA have stated that a Five Year Plan for the sector in relation to management of health, safety and welfare, with five high level goals that should contribute to a reduction in sickness and occupational injury has recently been prepared.

In collaboration with the Programme Management Office (PMO), local authorities have engaged in a substantial body of work identifying efficiencies and exploring and developing shared services proposals. Transactional shared services have a culture of continuous improvement. A business case has been submitted for HR Transactional shared services. The sector has commenced regionalised procurement for twenty-three local authorities for the provision of Employee Assistance Services.

Reform Agenda

The Public Service Agreement 2010-2014, Part 5 of the Local Government Sector Agreement Productivity and Performance Section 5.16 states that “it is essential that the productivity potential from new work practices is realised in areas such as cross-stream reporting, team-based working and the development of skills mixes, with a potential consequential effect on current payments”. It notes that “better management and standardisation of annual and sick leave will be necessary, to manage continuity of service and peak demands and to effect pay bill savings”²⁵. Based on the analysis of survey data collected by the VFM Unit, the estimated cost of paid sickness absence in local authorities was in the region of €64.64m²⁶ in 2011. A total of 353,176²⁷ working days were lost to sickness absence, approximately 11.78²⁸ working days per

²⁵ Public Service Agreement 2010-2014 Productivity and Performance Page 38

²⁶ The basis of this calculation is set out in Appendix 4 see also Appendix 1 Table 3.

²⁷ The basis of this is set out in Appendix 4 see also Appendix 1 Table 2.

²⁸ The basis of this calculation is set out in Appendix 1 Table 2.

person. The average sickness absence rate for the sector was 5.19%²⁹ (4.43% certified sickness absence and 0.76% self-certified sickness absence). The average absenteeism rate for sickness absence at 5.19% is broadly comparable with other strands of the public service such as the HSE 4.9%³⁰ and the Civil Service 4.21%.

The Minister for Public Expenditure and Reform announced in July 2012³¹, that “reformed sick leave arrangements in the public service will result in increased productivity, reductions in absenteeism and a significant reduction in the cost of sickness absence in the public service, are being implemented”, that “it is intended that cost savings will be achieved through a parallel approach of revising the current paid sick leave arrangements and implementing more robust systems to manage sick leave actively by line managers”. Circulars reflecting sickness absence entitlements and limits for the public service as set out by DPER and will need to be reflected in updated local authority LGMA sectoral Sick Pay Schemes. The AMC recommended that local authorities “seek to reduce absenteeism to 4.4%, or under 10 days per employee by 2012”. Approximately €10.07m estimated efficiency savings could have been realised had all local authorities achieved a sickness absence rate of 10 days per person. The basis of this calculation is set out in Appendix 4 see also Appendix 1 Table 4.

VFM Unit Study Methodology

A survey was issued to all 34 city and county councils, in respect of strategy, policy and procedures for sickness absence management. It also surveyed the arrangements in place to identify, manage, monitor and control sickness absences, including the measures and initiatives adopted, to promote wellbeing and attendance. The Study methodology also included:

- Visits to four pilot councils including consultation with appropriate management personnel to develop the National Survey: Following consultation with the LGMA at all stages throughout the Study the final decision on methodology and on survey design was taken by the VFM Unit
- Visits to eight local authorities for data verification and detailed consultation on good practices identified
- Circulation of the draft report to all city and county managers with request for data confirmation and comment

²⁹ The basis of this calculation is set out in Appendix 1 Table 2. The combined sickness absence figure reported in the LGMA *Service Indicators in Local Authorities for 2011* is 5.09%. There is a difference of 0.1% with the reported survey combined figure of 5.19%. This relates to timing differences in the reported number of days short-term and long-term sickness absence and number of FTE employees.

³⁰ HSE statistic on HSE Annual Report 2011 page 3.

³¹ <http://per.gov.ie/2012/07/19/reformed-sick-leave-arrangements-in-public-service-will-result-in-increased-productivity-reductions-in-absenteeism-and-a-significant-reduction-in-the-cost-of-sick-leave-in-the-public-service/>

- Consideration of best practice and performance indicators in the area of sickness absence management
- Appendix 5 details the list of publications examined.

Performance Improvement

There is scope for improvement in adoption and application of sickness absence strategy, policy and procedure. There is risk that HR processes for management of sickness absence may not be aligned to meet the current and future service delivery needs where local authorities have not adopted a locally agreed strategy based on the LGMA sectoral HR Strategy Framework issued to local authorities in 2008 or a different strategy to manage Human Resources for example ISO Accreditation or have not adopted the updated LGMA policy and procedure issued in March 2011. Comparison across the sector or the wider public service is not possible without consistent policy and consistent measurement of LGMA sectoral targets. Management of sickness absence in the local government sector would benefit from better reporting of performance locally and nationally, in terms of application of LGMA sectoral strategy policy and guidance. Further productivity savings could be achieved by doing things better and more consistently across the sector. Examples of good practices noted within the sector and the wider Irish public service, are reported in this Study. Greater use of benchmarking and case studies of efficiency initiatives will aid evaluation of the economy, efficiency and effectiveness of sickness absence strategy. Performance Indicators are summarised in Appendix 3.

Reporting Sickness Absence

The need for robust reporting

Comparison of performance across the sector and with the wider public service is not possible without consistent measurement of achievable targets and reporting progress. Statistics on the average sickness absence percentage and the estimated cost of sickness absence in the local authority sector highlighted the need to evaluate the application of sectoral policy and processes for the management and reporting of sickness absence in the sector. This report quantifies the financial impact and scale of sickness absence, the causes of sickness absence, arrangements in place to manage, monitor and control absence including well-being interventions, as a strong and coherent sector approach to application of sickness absence policies and procedures maximises integration and efficiency across the local government sector including reporting on sickness absence and the effectiveness of the arrangements in place to manage it.

Reporting Sickness Absence Nationally

Attendance levels reported in the national Service Indicators for sickness absence relates to the percentage of working days lost to certified and self-certified sickness absence. Reporting sickness absence costs and performance against efficiency and effectiveness savings identified in financial indicators would strengthen financial oversight of the sector.

Recommendations

This report has made a number of recommendations as set out below.

- **Recommendation:** Full reporting of sickness absence costs and performance against sectoral targets for efficiency and effectiveness savings nationally.
- **Recommendation:** Unpaid certified sickness absence to be quantified and reported separately in the Service Indicators.
- **Recommendation:** The Common Assessment Framework (CAF) to be used to benchmark performance and to aid continuous improvement in management of sickness absence in the sector.
- **Recommendation:** A shared service arrangement for internal HR reports and external compliance reports to be established.
- **Recommendation:** The local government sector to establish a Best Practice website for managing sickness absence in the shared service.

Acknowledgement

The VFM Unit would like to thank the following external bodies who were contacted during the course of the study;

- Office of Local Authority Management.
- Northern Ireland Audit Office.
- Department of Public Expenditure and Reform.

The VFM Unit would also like to thank each of the following, for their assistance and co-operation during the study:

- All 34 City and County Councils who participated in the study, in particular to those local authorities visited and personnel consulted.
- The VFM Advisory Committee established for this study.

2. Human Resources Management: Sectoral Policy, Strategy, Guidelines

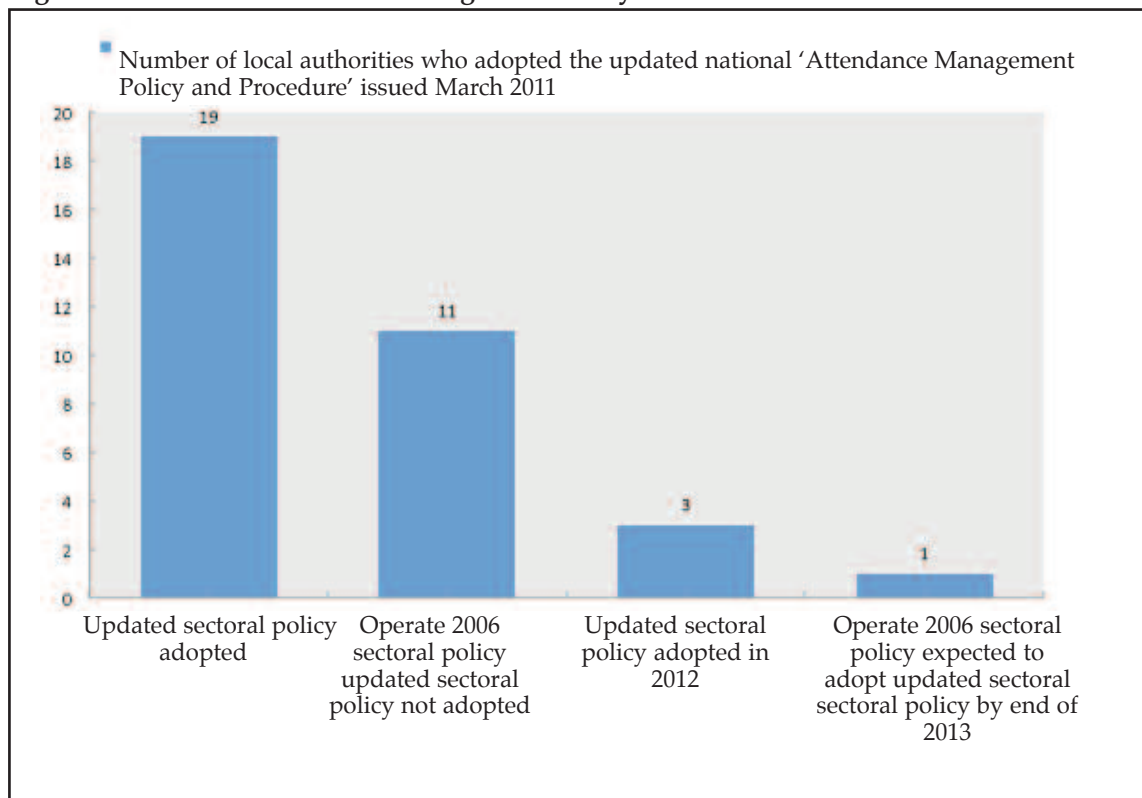
A strong and coherent sector approach to the application of sickness absence policies and procedures maximises integration and efficiency across the local government sector. The LGMA issued sectoral policy 'Attendance Management Policy and Procedures for XYZ Local Authority' together with Good Practice Recommendations 'Attendance Management Policy Good Practice Recommendations' as procedural guidance in 2006. The sectoral policy 'Attendance Management Policy and Procedure' was updated in March 2011. Sectoral sick pay schemes applicable to all clerical/ administrative, engineering, technical and related grades and all staff employed as craft workers, general operatives and all related grades were issued in March 2011, to be administrated in conjunction with the policy. Procedural guidance was updated in November 2011.

Sectoral Policy and Sick Pay Schemes

Sectoral Attendance Management Policy and Procedure

Nineteen local authorities had adopted the sectorally agreed policy 'Attendance Management Policy and Procedure', issued in March 2011 at 31 December 2011. Three more local authorities had adopted it in 2012.

Figure 1: Sectoral 'Attendance Management Policy and Procedure'



Sectoral policy allows for greater examination of management of sickness absence and facilitates measurement of identified targets. The sectoral policy states that *measurement of deliverable targets is taking place across the sector with the level of attendance an important indicator in this regard*. The

sectoral policy notes that *comparison across the local authorities, the wider public sector and the private sector is possible as a result of measurement of deliverable targets.*

Implication: Comparison across local authorities, the public sector and the private sector is not possible without consistent measurement of deliverable targets.

Performance indicator for sectoral policy and procedure: All local authorities to adopt the sectoral policy 'Attendance management policy and procedure'.

Sectoral Sick Pay Schemes

Local Authorities 'National Attendance Management Policy and Procedure', updated in March 2011 incorporates Sick Leave Pay Schemes agreed for all staff. The report survey enquired as to whether the council adopted the nationally agreed sectoral policy 'Attendance Management Policy and Procedure' issued in March 2011. It also enquired whether the council adopted the sick pay schemes for clerical, administrative, engineering, technical and related grades and for craft workers, general operatives and all related grades. Twenty local authorities outside of the Dublin area had adopted the sectoral sick pay schemes. One local authority adopted them in 2012. One local authority adopted a modified version. Some local authorities advised that the sick pay scheme was under review.

The four Dublin Local Authorities are required to adopt the Sick Leave Pay Scheme for clerical/ administrative, engineering, technical and related grades and did. They are not required to adopt the sectoral sick leave scheme for craft workers, general operatives and all related grades (out-door staff) as they apply a union-negotiated sick pay scheme in the Dublin area.

The Minister for Public Expenditure and Reform announced in July 2012³², that "reformed sick leave arrangements in the public service will result in increased productivity, reductions in absenteeism and a significant reduction in the cost of sickness absence in the public service" are being implemented, that "it is intended that cost savings will be achieved through a parallel approach of revising the current paid sick leave arrangements and implementing more robust systems to manage sick leave actively by line managers".

Sectoral Strategy and Guidelines

Sectoral Human Resource (HR) Strategy Framework

A sectoral HR Strategy Framework was issued to local authorities in 2008. This was the baseline document for local authorities to customise to produce a local HR strategy and implementation project plan suited to their local organisational and HR issues. Twenty local authorities adopted a locally agreed HR Strategy. Four more local authorities implement the sectoral HR strategy

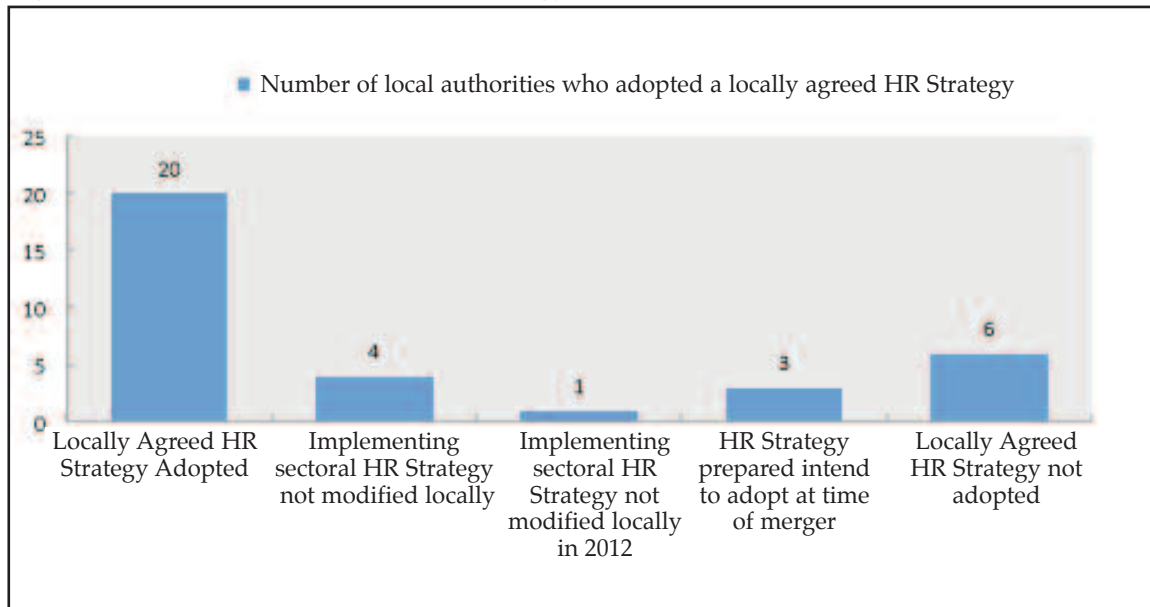
³² <http://per.gov.ie/2012/07/19/reformed-sick-leave-arrangements-in-public-service-will-result-in-increased-productivity-reductions-in-absenteeism-and-a-significant-reduction-in-the-cost-of-sick-leave-in-the-public-service/>

without local modification and another local authority adopted the LGMA sectoral strategy as of 1 January 2012.

In June 2011, the Government announced its decision to create a new single authority to replace Limerick City and County Councils with effect from 2014. This was followed by the announcement of the establishment of a new unified county council to replace South Tipperary and North Tipperary County Councils. North and South Tipperary County Councils have both prepared strategies. The councils are currently in the process of merging with the objective of establishing a single local authority for County Tipperary following the 2014 local government elections. As part of this process all strategies, policies and procedures will have to be aligned and these are all currently being examined. One of the two merging local authorities noted that it is intended to develop a unified HR Strategy and to have this in place in time for the amalgamation of the two authorities. A new single local authority is to replace the existing Waterford City and County Councils in 2014, following the recommendation of the Waterford Local Government Committee, which completed its report in March 2012. One of the local authorities amalgamating stated that a draft HR strategy has been prepared but not finalised or circulated due to the changing environment including reduction in staff numbers and possible merger.

One local authority not amalgamating stated that it was looking to develop its strategy in line with the sectoral strategy, but had not yet adopted it. Nine local authorities stated that they have not adopted a locally agreed HR strategy. Of these, three local authorities cited the upcoming merger and indicated their intention to adopt. Of the remaining six, one stated that the Senior Management Team had not formally adopted a local HR strategy as at 31 December 2011 or had not adopted the sectoral HR strategy.

Figure 2: Sectoral 'Human Resource Strategy Framework for Local Authorities' 2008



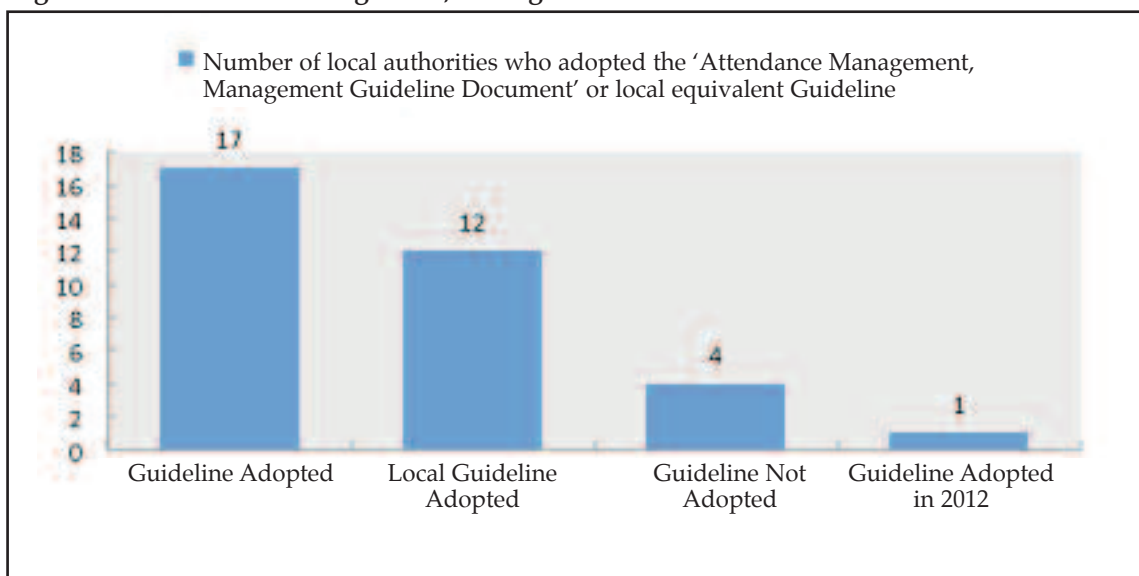
Implication: There is risk that HR processes for management of sickness absence may not be aligned to the current and future service delivery needs in local authorities who have not adopted a locally agreed HR Strategy.

The LGMA has indicated that the HR Strategy Framework is currently being updated as part of the 2013/14 work plan for the HR Strategy Steering Group.

Sectoral 'Attendance Management Policy Good Practice Recommendations' Guideline

The 'Attendance Management Policy Good Practice Recommendations' guidance issued in July 2006, was added to in November 2011 by separate guidance placing increased emphasis on the role of line managers/supervisors monitoring and implementing sickness absence policy. Local authorities amalgamating should ensure that they have adopted unified guidelines and to have this in place in time for the amalgamation of their authorities.

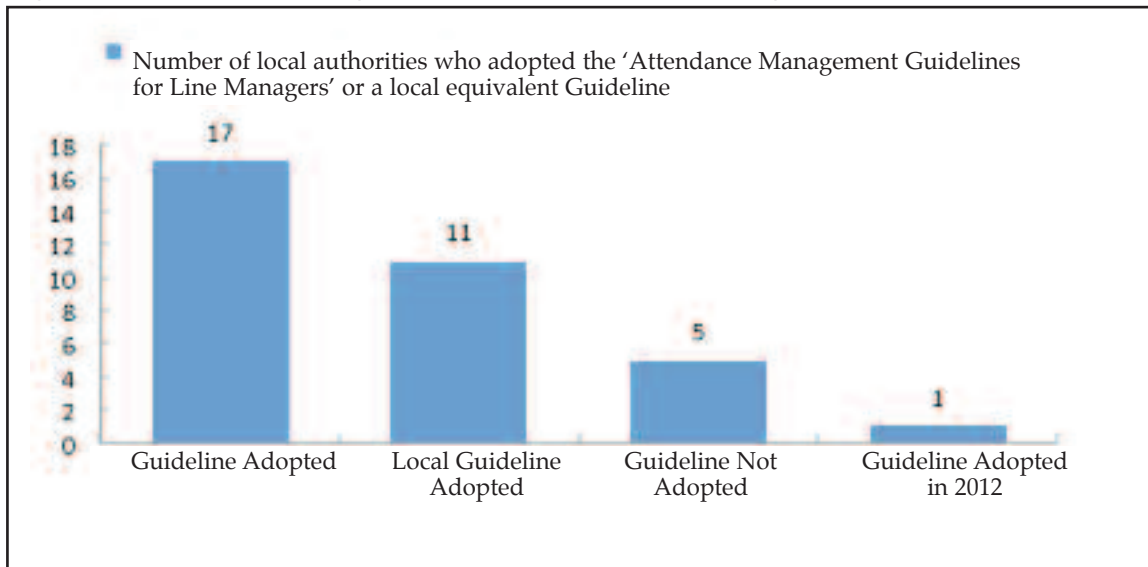
Figure 3: 'Attendance Management, Management Guideline Document'



Sectoral 'Attendance Management Guidelines for Line Managers'

Involvement by line managers in management of sickness absence ensures the most effective management of sickness absence. In local authorities, the importance of this role was recognised by issue of a separate sectoral guideline for line managers in 2011 building upon the 2006 good practice guidelines which emphasises their role in monitoring sickness absence, *managing an employee during sick leave*, where needed developing a suitable *return to work plan* and conducting an interview upon their return to work. The guideline places emphasis on *accurate recording and monitoring of sickness absence within their line management area* to enable line managers *monitor levels and compare them over different time periods*. The guidance notes that *recording and monitoring of sickness absence is helpful to line managers for identifying the highest causes of absence and for planning in order to reduce sickness absence and improve attendance*.

Figure 4: 'Attendance Management Guidelines for Line Managers'



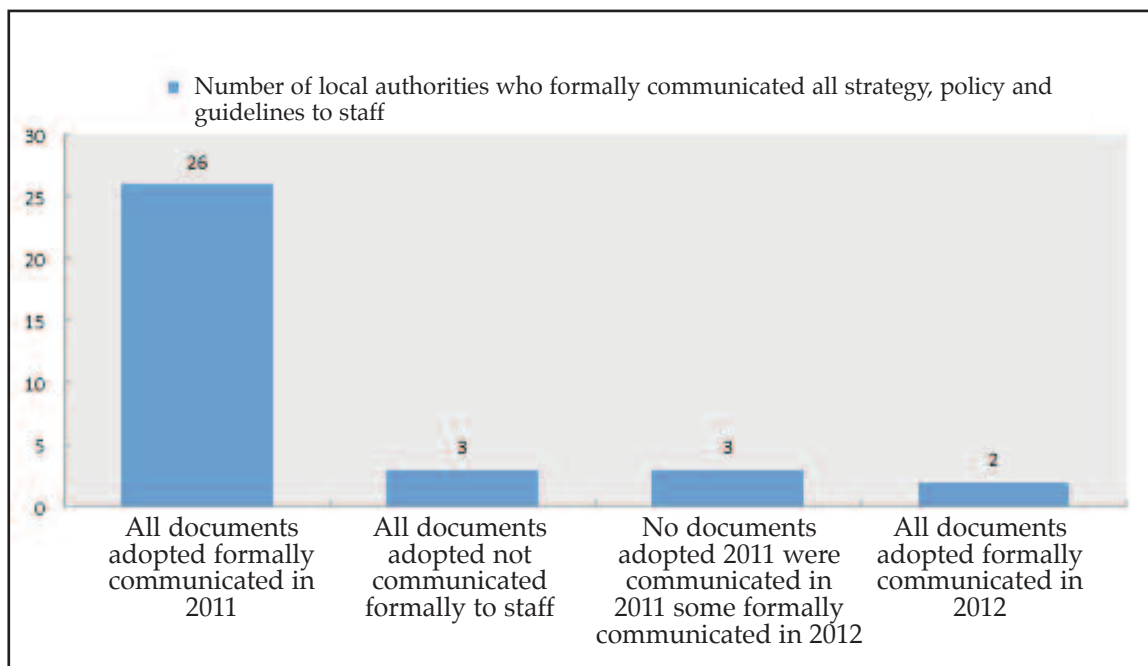
Communication of Sectoral Strategy, Policy and Guidelines to Staff

Sickness absence is a cost to the organisation. Line management and all staff must be aware of and notified of strategy, policy and guidelines to be applied. LGMA sectoral guidelines to management state that the local authority attendance management policy and procedure in place *should be issued to all employees at recruitment stage and when any amendments are made.*

LGMA sectoral guidelines state that *communicating the standards expected of employees in relation to attendance at work will ensure that employees have clarity in relation to contractual obligations and entitlements and will inform as to where the infringement parameters lie.*

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Figure 5: Communication of adopted Strategy, Policy and Guidelines to all staff



Implication: Line management and staff in authorities where documentation is not formally communicated will not be aware of sectoral strategy, policy and guidelines to be applied. As such, management of sickness absence may not be effective.

Where the documentation was communicated formally a range of methods were used including: Partnership forum; Unions; Email to office based staff; Post; Hard copies issued to depots for non-office based staff; Intranet; Internal staff newsletter; Details attached to each payslip; Information in Staff Handbook; Memo from SEO in Human Resources emailed to all indoor staff and hard copy was sent to all outdoor staff; Information slides and training. Communication methods for issuing documentation of the line manager role in relation to responsibility for implementing the HR strategy were similar to the above but included awareness briefings.

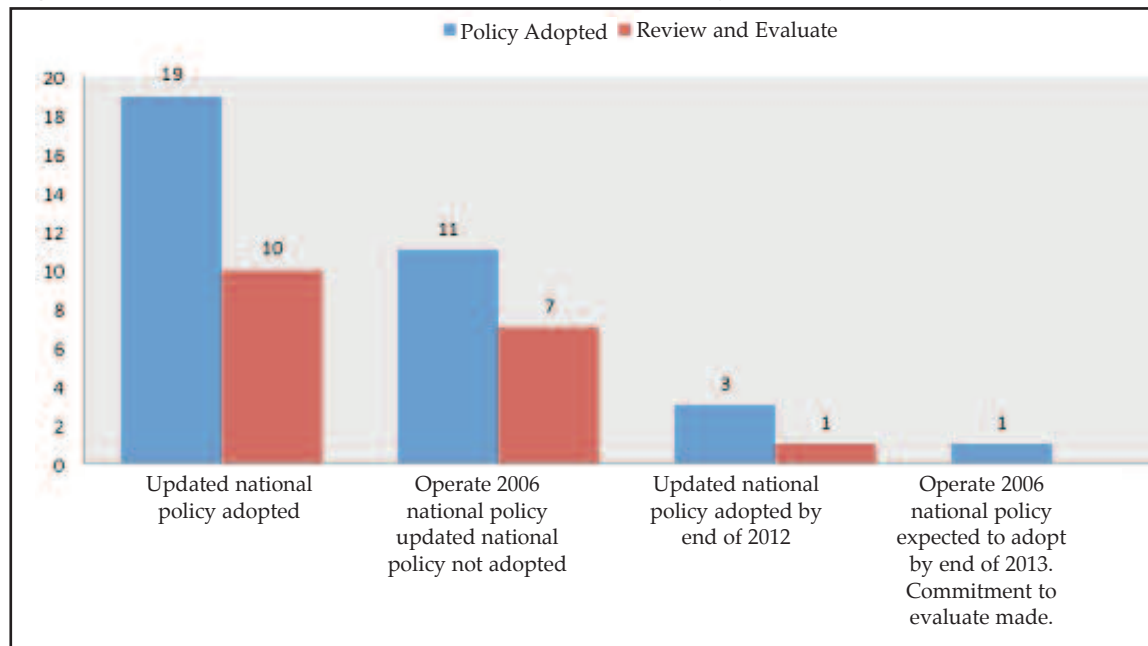
One local authority stated that all documents would be formally communicated by the end of 2012. A second local authority indicated the same and stated that the delay was due to engagement with the Unions as a change was required to outdoor staff sick leave entitlements to bring the council in line with sectoral policy. In the interim, the council stated that it provided HR Line Manager training.

Good Practice noted: In one local authority when a new policy is implemented a copy of the policy and an acknowledgement slip is disseminated to all staff. All Department and Section Heads are required to ensure that staff in their area, especially staff that do not have access to e-mail or are on leave, have received the policy document and complete and sign the acknowledgement slip and that same is returned to HR section. The acknowledgement slips are retained on the policy file as proof that the staff member received and read the document. Returned slips are then checked against staff lists. Reminders are sent to staff where the acknowledgement slip not returned. Follow ups continue at regular intervals to ensure full compliance with this practice.

Review and Evaluation of Sectoral Policy and Procedure

The 2006 'Attendance Management Policy Good Practice Recommendations' makes recommendation that *local authorities review and evaluate the attendance management policy on an annual basis. Such review may include comparison with previous years' attendance rates that may inform management of trends and whether or not existing policies and procedures are effective.*

Figure 6: Annual Review and evaluation of Sectoral Policy and Procedure



Nine of the local authorities who adopted the 'Attendance Management Policy and Procedure' do not review or evaluate it annually. Three local authorities adopted it in 2012. Of these one reviewed and evaluated it and the second local authority stated that there is commitment to review and evaluate it regularly.

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One local authority who did not adopt LGMA policy but uses it, noted that the review of the policy is carried out by management in the Human Resources Department who deal with attendance management issues. The policy is considered in the context of relevant available documentation and any changes made are brought to the attention of the trade union and managers across the organisation prior to the implementation of the revised procedures.

The 2006 Attendance Management Policy Good Practice Recommendations states that *aside from the review and evaluation of statistical data, the annual review should include a review (by survey) of local authority referral practices (e.g. a review of the effectiveness of General Practitioners, Occupational Health specialists, counselling services etc. and review of implementation of the policy by line managers and supervisors.)*

Implication: The effectiveness of new policy interventions and implementation of policies and procedures are not assessed. Management of sickness absences may not be aligned to the current and future service delivery needs of local authorities.

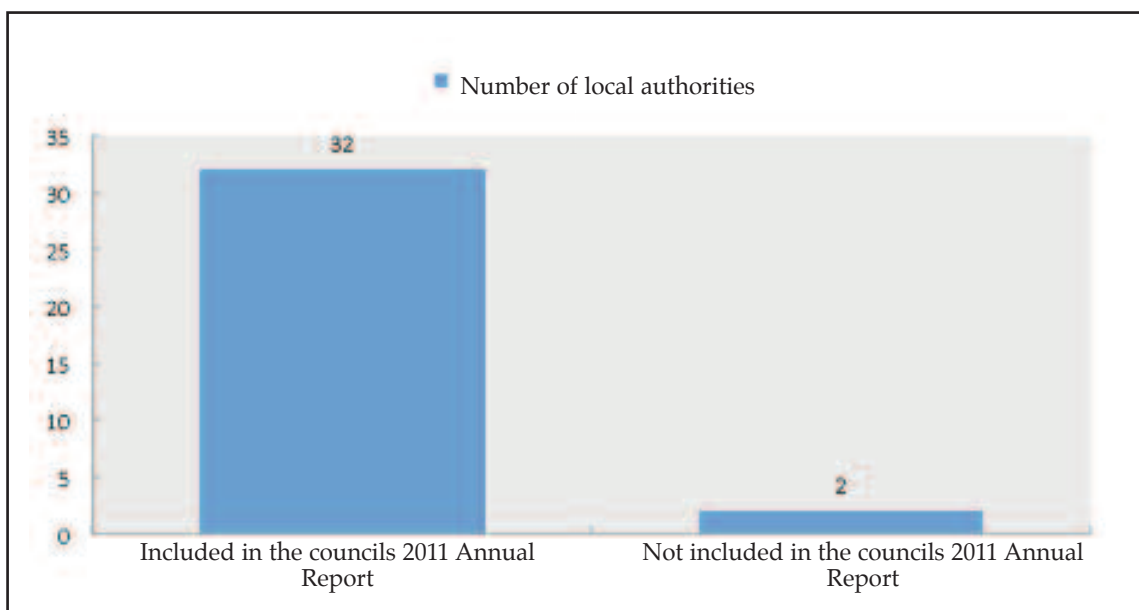
UK Good Practice Noted: National Audit Office (NAO) Report: Managing Attendance in the Department for Work and Pensions 2004 Report by the Comptroller and Auditor General 2004 reported that the Department (for Work and Pensions) evaluated the impact of its' attendance policy. The Department undertook an evaluation of the impact of the attendance policy in terms of whether the policy document was being used, whether it had been effective in

reducing sickness absence and identification of good practices. This was done by means of survey and focus groups. The report assessed the UK Department’s performance against widely accepted good practices. The NAO was assisted in this by attendance management experts from the Institute for Employment Studies and the Institute of Work Psychology. The review was undertaken at a time when the Department itself was reviewing the success of its attendance management policy. The initial evaluation identified three areas for action: a targeted re-launch of the policy; more training and skill development of line managers and increased access to support. These findings were used as an opportunity to redefine current policy and to re-emphasise its messages to staff.

National service indicator requirement of report on attendance levels

Local authorities are required to measure their performance against the standard set of indicators and to publish their results in their annual reports as instructed in the 2004 Service Indicators report. A report on attendance levels is required to be contained in the council’s annual report in line with national service indicator requirements. The 2004 Service Indicators Report states this allows “*elected members judge how their council was performing relative to other similar councils and to provide a mechanism for management to monitor performance over time*”.

Figure 7: Reporting sickness absence percentages in the Council’s 2011 Annual Report



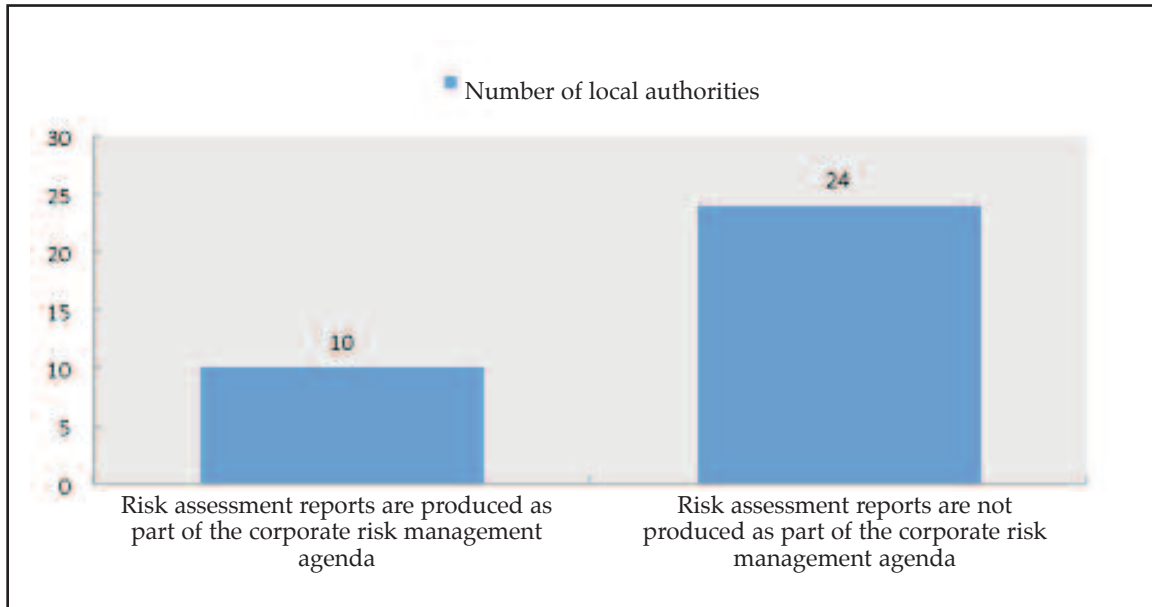
The authorities who did not include data in the Council 2011 Annual Report have declared that they use the National Service Indicators report, make comparison with the national average.

Risk Management and Corporate Governance

Local authorities should include management of sickness absence as part of the corporate risk management agenda. Sectoral policy 2011, states that *the Council’s Senior Management Team incorporates the management of attendance at the highest level of corporate governance and conducts risk*

assessments and implements associated control measures in relation to work-related absence which includes sickness absence. Attendance management includes management of sickness absence.

Figure 8: Risk Assessment Reports and Corporate Governance



Senior management in 9 of the 10 local authorities where risk assessment reports are produced as part of the corporate risk management agenda is presented with risk assessment reports. Reports presented to senior management of seven local authorities focus on the prevention of occupational and other absence. One local authority noted that risks costs were based on actual case value costs beyond council control.

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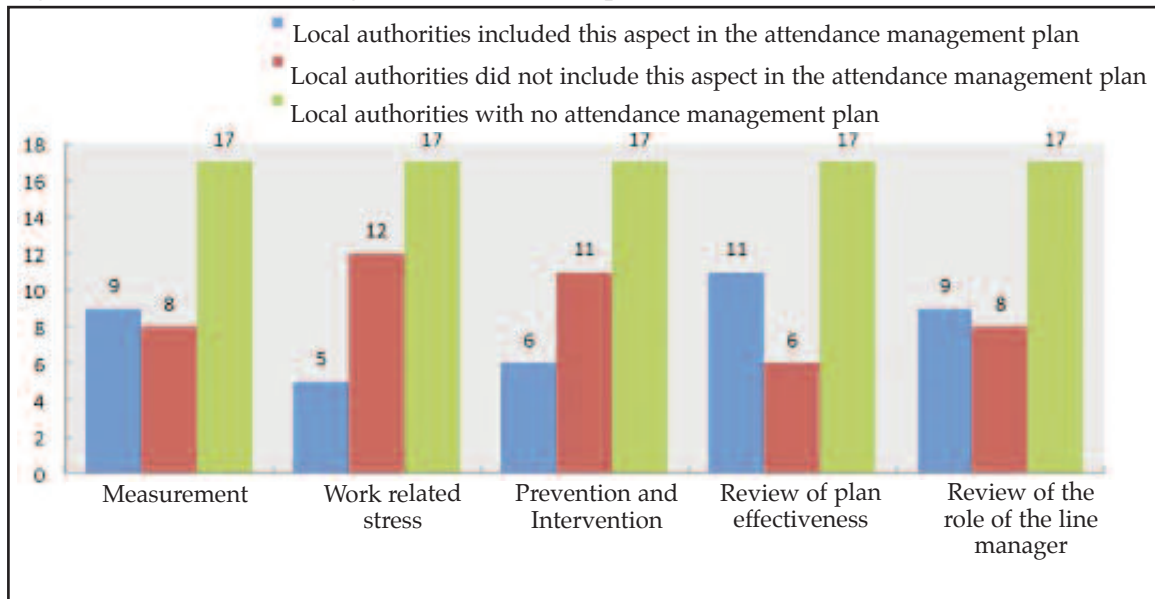
Implication: Management of sickness absence is not part of the corporate risk management agenda, including risk identification, quantification and mitigation, the identified risks and the cost of sickness absence may not be properly recognised.

Performance Indicator for Risk Quantification and Mitigation: All local authorities to quantify identified risks in respect of management of sickness absence and implement control measures as part of corporate risk management in accordance with sectoral policy.

Attendance Management Plan

Sectoral management guidance states that, *in order to ensure the effective and strategic management of attendance and to ensure that best-practice initiatives are deployed it is recommended that each local authority develops an Attendance Management Plan.* The sectoral guidance states that *the plan should be evaluated annually by the senior management team and its effectiveness should be subject to regular review,* and details the minimum elements which should be contained in the plan. 17 local authorities (50%) did not have an attendance management plan.

Figure 9: Attendance Management Plan and Corporate Governance



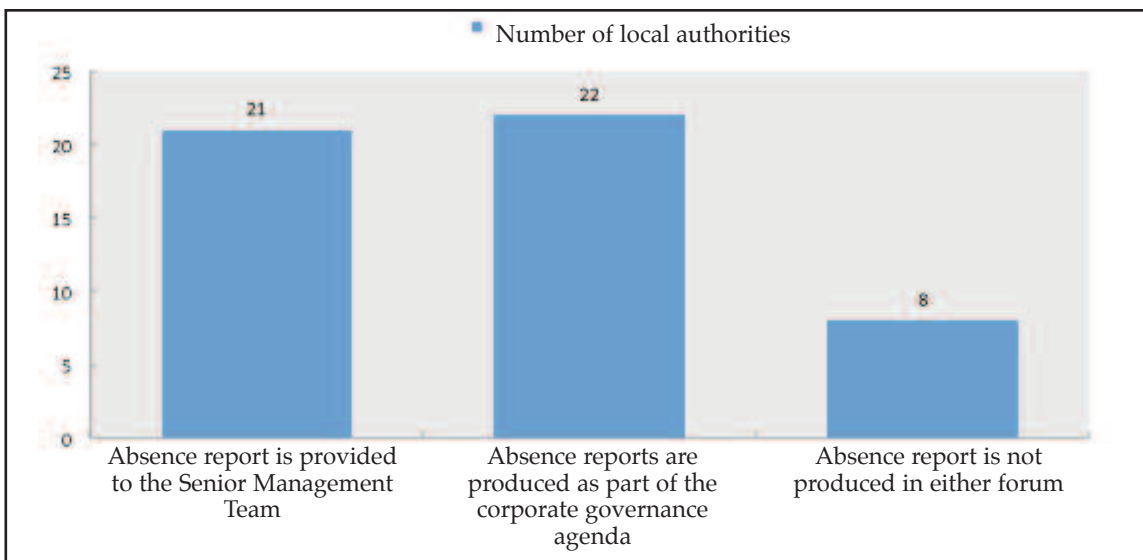
Implication: Absence of an attendance management plan, or evaluation and review of its effectiveness hinders effective management of sickness absence.

Performance Indicator for Attendance Management Plan: All local authorities to produce an attendance management plan and evaluate it annually.

Absence Reports and Corporate Governance

Regular absence reports are provided to the Senior Management Team in twenty-one local authorities. Management of sickness absence is part of corporate governance. Regular absence reports are produced as part of the corporate governance agenda in twenty-two local authorities. Effective reporting of sickness absence, leads to cost savings and efficiency improvement.

Figure 10: Sickness Absence Reports and Corporate Governance



Nine of the twenty-two local authorities, who produce regular absence reports, focus upon occupational or other absence. One of the eight who do not produce absence reports indicated that reports were produced for the senior management team and as part of the corporate governance agenda from 2012.

Good Practice

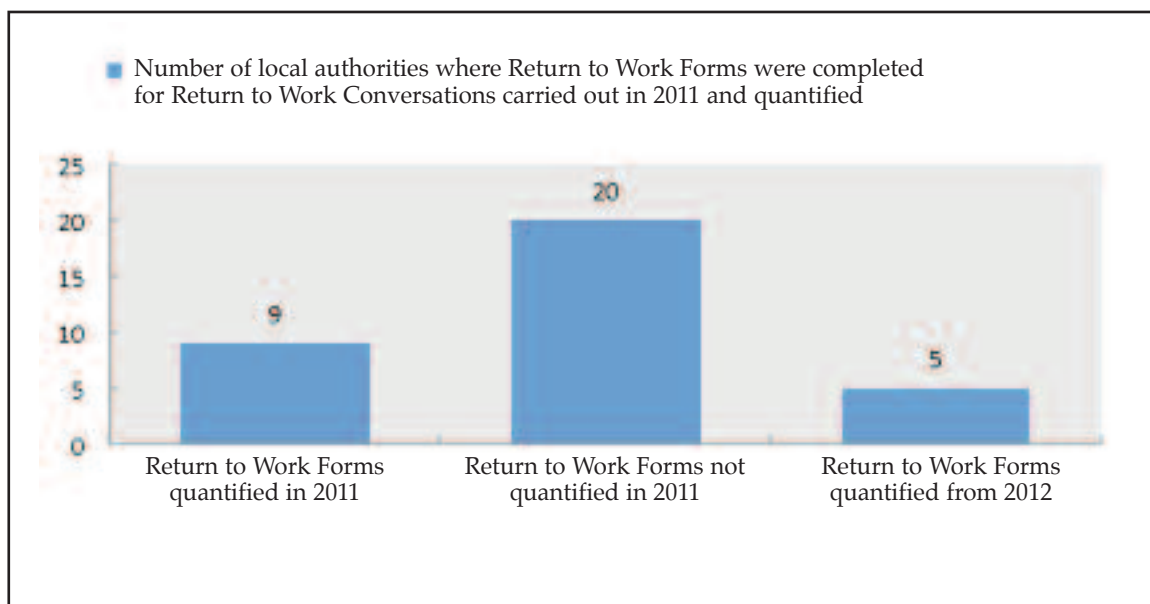
Merton London Borough Council is a good example of this. The NAO report **Progress in improving government efficiency: lessons from case studies of efficiency initiatives. 2006 Case Study 7** - Merton Borough Council introduced a sickness management scheme to address the issue of high levels of absences and associated financial cost. Producing timely and accurate absentee information and reforming work practices has enabled the Council to manage sickness absences effectively. Significant productive time improvements have been achieved because the average number of days taken per employee has reduced from 14 to 8.

The key factor identified as contributing to this successful transition over a three year period was recognition of the changing needs of employees, achieved by taking steps to minimise absences by understanding the causes and take preventative measures, for example, to recognise external demands, motivate employees to ensure they feel valued and promote good health. Other factors included production and analysis of accurate and timely information to identify areas of weaknesses requiring attention, and clear definition of the roles and responsibilities of line managers on HR issues together with clear procedures for reviewing absences.

Return to Work Conversations and Return to Work Forms

Conducting Return to Work conversations and completing Return to Work forms is an effective method of reducing sickness absence in the workplace. Line managers are required to undertake a Return to Work Conversation and complete a Return to Work Form for every instance of absence for employees under their supervision including sickness absence.

Figure 11: Return to Work conversations and Return to Work Forms



Sectoral policy states that this requirement forms *part of the duty of care that an employer has towards employees and will assist the local authority in identifying underlying causes of illness*³³.

Sectoral policy states that *Return to Work Conversation will be held with the relevant line manager following each and every absence on sick leave or other unauthorised leave, that following the conversation, a Return to Work Form will be completed, co-signed by the relevant line manager and the employee and will be recorded in the Council's systems.* For the local authorities that held Return to Work Conversations, 3,380 were recorded. Differences in interpretation of record-keeping for Return to Work forms led to considerable variance in the stated number of return to work forms. It is clear from the data that only a small number of local authorities document this process. Twenty-five local authorities were unable to quantify the number of Return to Work Forms.

Sectoral policy states that *Persistent incidents of frequent intermittent sick leave absences may be investigated. Frequent and intermittent absences may be defined as short-term absences that are normally sporadic and attributable to minor ailments, in many cases unconnected. Often the employee will only be absent for a maximum of a week but more often for single days.* Return to Work conversations and forms are an important intervention in this regard.

Good practice noted: Sectoral attendance management policy 2006, re-enforced in 2011, states that *...All incidents of absenteeism (i.e. absence that is not pre-authorised) must be recorded on a 'Return to Work' form and be signed by both, the employee and line manager / supervisor. The form should form part of a Return to Work Conversation between the employee and the line manager / supervisor.* This applies to sickness absence. In a local authority the attendance clock is updated with a credit for the hours lost for staff on the clock where self-certified sickness absence is claimed when the Return to Work Form is completed and signed by the line manager.

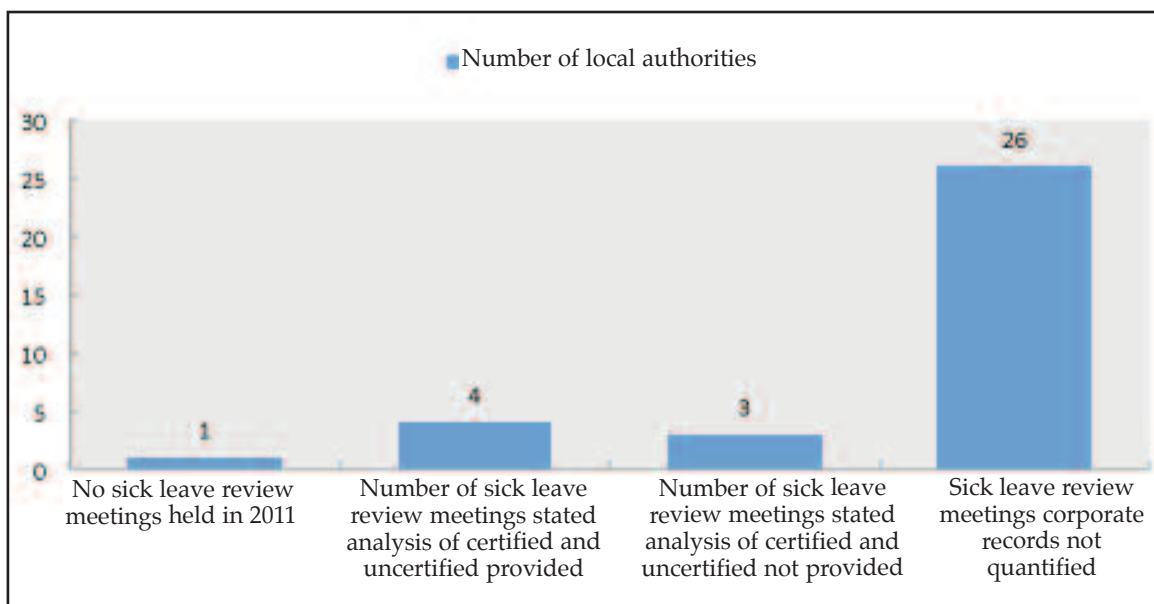
Sick Leave Review Meetings

It is important to have a formal plan in place to help employees to get back to work after a prolonged spell of sickness or injury-related absence. Sectoral 'Attendance Management Policy Good Practice Recommendations' issued in 2006 states that *on-going personal contact between the local authority and the employee both written and verbal during the review and monitoring period of a long-term absence will have a positive effect on the duration of the absence.* On-going contact through holding sick leave review meetings are an important intervention in this regard. Thirty-one local authorities indicated that they intervene at an early stage with an individual on long-term sick leave³⁴.

³³ Attendance Management Policy and Procedure Section 3.4

³⁴ See Figure 15 Intervention Measures to Promote Attendance and Well-Being

Figure 12: Sick Leave Review Meetings



One local authority indicated that no sick leave review meetings were held in 2011. One local authority noted that formal records are not maintained on every instance of review meetings but that sick leave review meetings are held by line managers, by supervisors, by HR, through business partner approaches, informal meetings, return to work conversations and increment processes. One local authority stated that sick leave review meetings form part of the return to work meetings.

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For the local authorities that did, 765 sick leave review meetings were recorded. Differences in interpretation of record-keeping for Sick Leave Review Meetings led to considerable variance in the stated number of meetings declared. It is clear from the data that only a small number of local authorities document this process. Twenty-six local authorities were unable to quantify the number of Sick Leave Review Meetings.

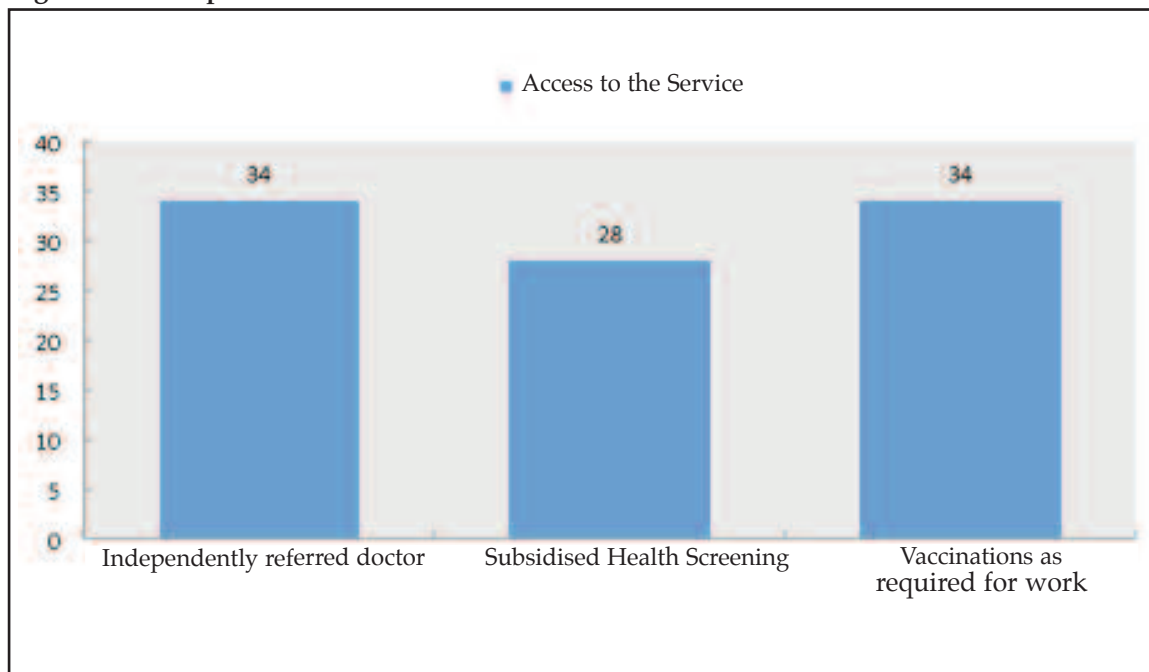
Good practice noted Sick Leave Review Meeting Civil Service: A Sick Leave Review Meeting is required to be held in every case where an officer’s absence rate or pattern is of concern, whether the sickness absences are certified or uncertified in the Civil Service. The Department of Public Expenditure and Reform guidelines ‘Managing underperformance in the Civil Service’ indicate that a Sick Leave Review Meeting should be held where the jobholder’s pattern of sickness absence is a cause for concern (Sick Leave Circular 9/2010). The manager can ask the HR unit to refer the case to the CMO and can also refer the case to the EAS.

Sectoral management guidance states that *the Council will make every effort to support an employee on long term sick leave through referral to the Employee Assistance Programme and/or to the Occupational Health/Welfare Programme and will intervene to ensure the earliest possible return to work of the employee in circumstances where this is an appropriate course of action.*

Occupational Health Services

All employees of local authorities had access to independently referred doctors and to vaccinations as required for work through Occupational Health Services.

Figure 13: Occupational Health Services



All local authorities made referral to an independent medical practitioner nominated by Human Resources. As part of shared services review, the sector was of the view that it would be useful to utilise a common provider or a panel of providers who meet with pre-determined criteria whereby services could be provided on a national and/or regional basis to ensure consistency of practice throughout the sector in relation to critical illness. A scoping exercise to ascertain whether or not this would be a viable option for the sector is currently being progressed by the sector. The lead local authority advised that there is currently no common practice for occupational health referrals in the local government sector. Engagement with independent medical referees throughout the sector is on an individual basis. The types of referrals that occur include: General Practitioners (with no occupational health specialisation); General Practitioners (with occupational health specialisation); Health centres; Insurance companies e.g. Aviva, VHI, and specialist occupational Health providers.

Good Practice noted: A local authority supports employees through a voluntary programme of health screening undertaken every two years when funding is secured through the workplace partnership. The costs to the individual were subsidised by a partnership funded grant.

Another local authority who offered subsidised health screening stated that half of the local authority employees availed of the screening. One local authority stated that it proposes to liaise with two neighboring councils to seek tenders collectively and share the service to achieve best value for money. Where employees of local authorities do not have access to the full range of

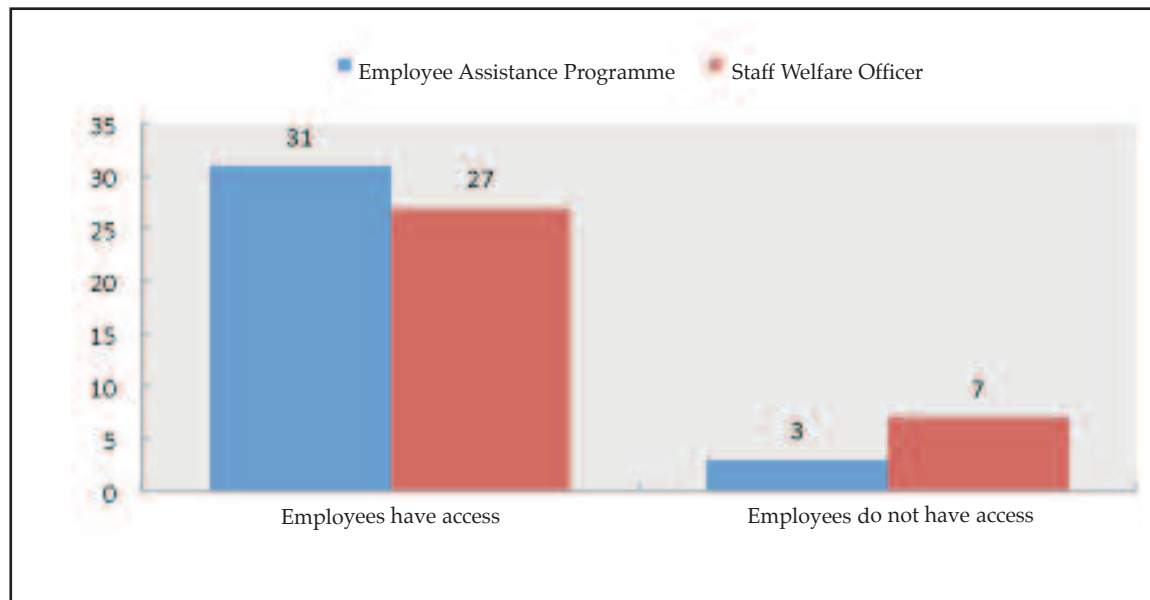
Occupational Health Services, the local authorities should ensure provision of this service through collaborative procurement ensuring access for all to range of services provided and support for an employee on long term sick leave, through referral Occupational Health Services.

Employee Assistance Service

In 2011, not all employees of local authorities had access to the full range of services of an Employee Assistance Service (EAS).

Departmental Circular 35/97 Employee Assistance Service states that the EAS and Staff Welfare role are different noting that a Welfare Service primarily reacts to problems. An EAS plays a proactive role, in addition to the more traditional reactive role.

Figure 14: Employee Assistance Programme and Staff Welfare Officer



Sectoral 'Attendance Management Policy Good Practice Recommendations' issued in 2006 states that *implementing an Employee Assistance Programme is a positive step towards ensuring that an adequate range of services is provided to employees*. The LGMA has stated that an Employee Assistance Programme is *an essential qualitative service that is addressed on an individual basis by local authorities and reflects local circumstances*.

Good Practice noted: Two local authorities tendered on a shared service basis for the provision of an Employee Assistance Programme and achieved efficiency savings of approximately 50% for provision of the service.

Good Practice noted: One local authority in addition to outsourcing their Employee Assistance Service, support employees when funding is secured either through the workplace partnership, health and safety or other funding source.

Shared Services Employee Assistance Service: The sector is advancing regionalised procurement and rationalising the number of service providers for an EAS. This involves a shared approach to procuring the EAS service using the procurement regions model and leveraging from the associated economies of scale whilst aspiring to a common and consistent outsourced service model. Regionalised procurement has commenced involving twenty three interested authorities based on the Regional Procurement Structures. A pilot has commenced in the Connaught-Ulster Region and following the pilot, regionalised procurement will commence in the Munster-South Leinster and North Leinster procurement regions. The benefit of a shared service, in addition to cost efficiencies, is consistency of service offered to all local authority employees.

Intervention Measures to Promote Attendance and Well-Being

Promoting Well-Being

Attendance management policy, good practice recommendations states that *clear and consistently applied procedures play an important part in managing attendance*. It notes that these mechanisms *do not easily address some of the underlying causes of sickness absence* and that *in some of these areas prevention is better than cure*. It states that *analysis of the causes of absence will provide important information in this regard* and that *effective strategies in this regard include health promotion activities*. The findings on causes of long-term, short-term, occupational and work related stress sickness absence provide important information to aid introduction of suitable prevention measures and pre-emptive action to promote well-being and reduce stress. Sectoral management guidance states that *preventative approaches to attendance at work have the primary role in improving health and attendance at work*. Local authorities provided a range of initiatives for staff to promote attendance and well-being in addition to provision of OHS and EAS as identified below.

Figure 15: Intervention measures to Promote Attendance and Well-Being



Other Well-Being initiatives provided included, team development days, healthy option in the canteen, healthy backs programme, regular health fairs and staff support service. All local authorities offered the 'Cycle to Work' Scheme to staff.

Promoting employees' well-being is essential to effective management of sickness absence and to maintain levels of service. In that regard it is important that initiatives provided to promote attendance and well-being are evaluated by the providers.

Sectoral Good Practice Guidelines 2006 state that annual review should *include a review (by survey) of local authority referral practices (e.g. a review of the effectiveness of General Practitioners, Occupational Health specialists, counselling services etc. and review of implementation of the policy by line managers and supervisors)*. One local authority who outsources the EAS receives an annual report containing statistical information in respect of all new clients availing of the service to evaluate the effectiveness of the service.

Well-Being Initiative Good Practice noted: One local authority is piloting a staff survey to evaluate the effectiveness of different well-being initiatives provided. The Council provides a staff support service. Staff views were sought on the operations of the service a number of years ago as part of the review and evaluation process of initiatives provided. The Council piloted a stress survey in a number of sections as part of their 'Work Positive' programme. The survey findings were used to examine mechanisms and courses to manage work related stress.

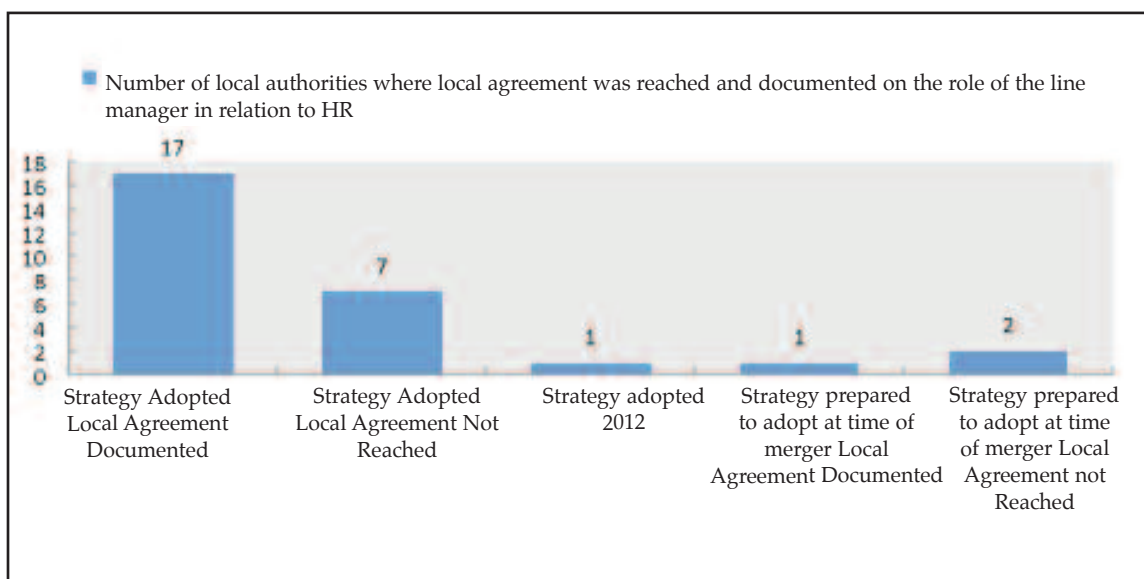
The Role of the Line Manager

Clarity on Line Manager Responsibility

Ultimately it is the line managers/supervisors who are responsible for managing sickness absence of their staff. Line managers should *make employees aware of their obligations to render regular and efficient service as part of their induction*. In this regard, the significant role line managers play monitoring and implementing sickness absence policy cannot be overstated. Use of sectoral guidelines and clear definition of the role of the Line Manager in relation to HR is essential in that regard.

The line manager guidance states that the line manager is *responsible for maintaining a high level of attendance in the workplace and for dealing with any shortfalls in a fair and consistent manner*. It noted that while the HR Department provides advice and support, it is ultimately the line managers' responsibility to monitor and manage sickness absence amongst his/her staff. Line managers should ensure that all sickness absence is recorded in line with sectoral and where appropriate, local policy, strategy and guidance.

Figure 16: Line Manager Responsibility for implementing HR Strategy on sickness absence

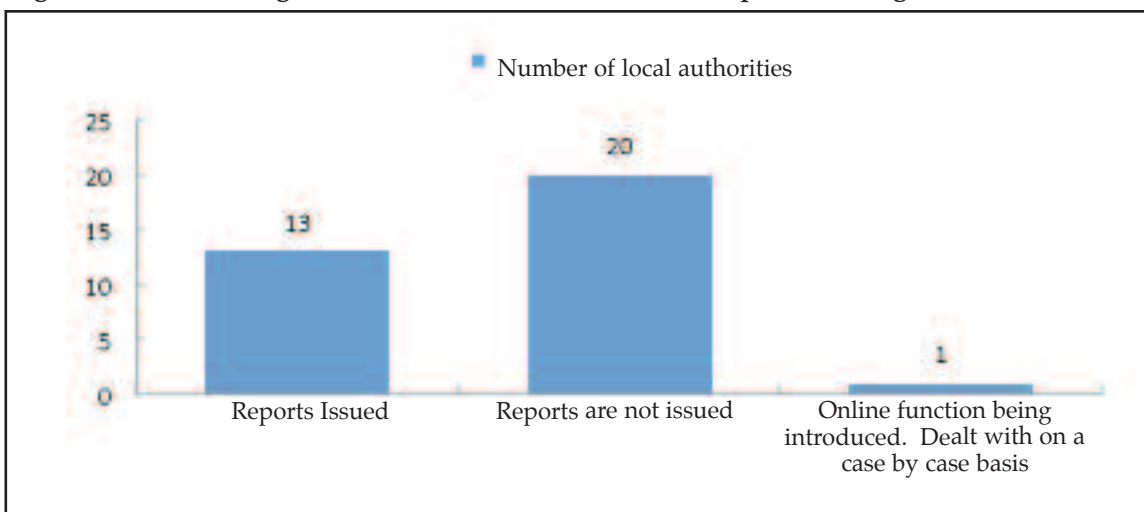


Line Manager Access to Sickness Absence Information

Sectoral management guidance states that *all local authorities should seek to achieve improvement in the percentage of days lost to sickness absence from year to year states that in this regard, the information gleaned from individual employee performance in this area together with team performance, programme area performance and upwards to organisational performance should indicate areas that require pro-active initiatives in order to reduce the overall absence rate.*

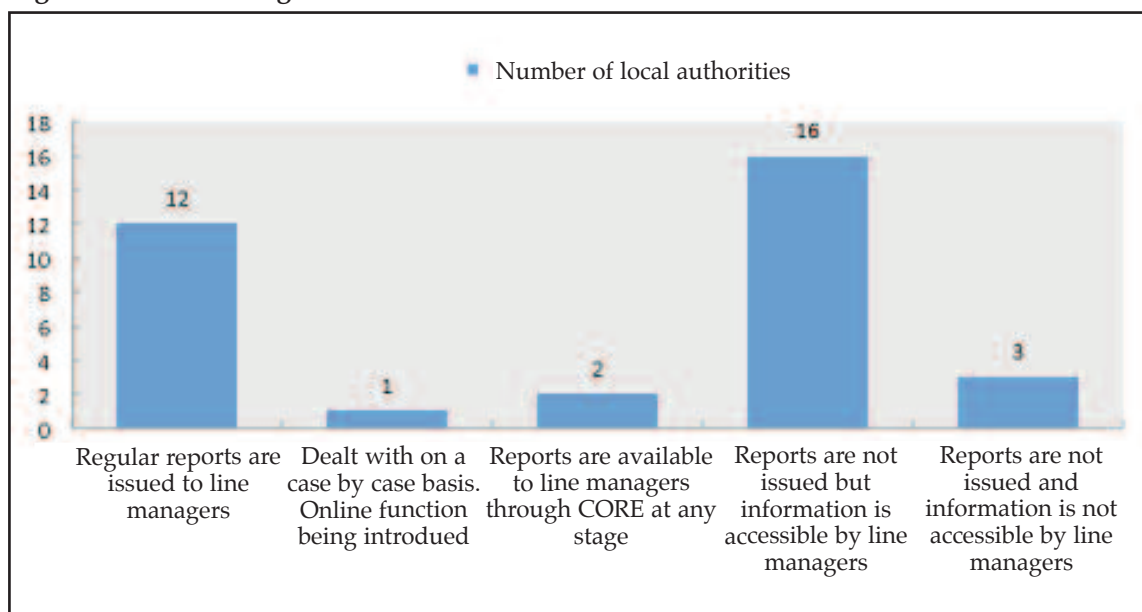
Sectoral management guidance notes that *as of November 2011, work is underway at national level to develop a suite of reports available on the CORE HR System currently being implemented in local authorities.* The guidance notes that *further direction, advice and support in terms of standard reporting will issue from the LGMA in due course.* Effective monitoring and implementing sickness absence policy requires access to sickness absence reports and information. Most local authorities provide this access although not in the form of regular reports on sickness absence.

Figure 17: Line Managers issued with Sickness Absence Reports on a regular basis



The local authorities who do not issue regular reports to line managers were asked if this information was accessible by line managers on the current HR systems. Sickness absence information was accessible by line managers on their current HR system in all but three local authorities. One of the three local authorities indicated that reports will be available on completion of CORE time/leave module.

Figure 18: Line Managers and sickness absence information



Implication: The line manager role in management of sickness absence through monitoring and implementing sickness absence policy is hindered without access to sickness absence reports or information.

Performance Indicator for accessibility of sickness absence information by Line Managers:

Reports to be issued or sickness absence information to be accessible by all line managers in every local authority.

Line Manager Sickness Absence and Performance Management Development System (PMDS)

Sectoral management guidelines state that *it has been nationally agreed since 2006 that performance issues in relation to attendance may be addressed through PMDS*. Integrating attendance management into corporate goals and objectives will assist in embedding a culture of maximum attendance within a local authority. PMDS is a very effective tool for managing individual performance including management of sickness absence. PMDS can be used to ensure that staff are aware of the latest best practice.

Acknowledging good attendance: Sectoral guidance for line managers states that the line manager *should acknowledge good attendance records through PMDS evaluation in the PMDS review stage*. Sectoral guidance for line managers states that *it is recognised that from time to time events occur in the lives of employees that render it impossible to attain a 100% attendance record*. Sectoral

guidance to management also states that, *it is important also to recognise that an individual who usually has an excellent record may have been unfortunate to suffer a particular illness or injury in a particular reporting period resulting in a defined period of absence and should not be judged badly as a result. The guidance states that the most effective method of identifying such absence-type is through the Bradford Score system.*

Identifying the number of spells of sickness absence helps identify sickness absence problems and can be used to target interventions for long-term sickness absence. The number of staff with no recorded sickness absence can be identified through recording details of staff with acknowledged good attendance records under PMDS. Identifying the number of staff who did not have any sickness absence in a given year is an important statistic to help assess the effectiveness of intervention measures to promote attendance and well-being where the measures have been used by staff recording no sickness absence, but is also an important staff motivator.

Managing underperformance: LGMA Policy states that *the Council's Sick Pay Scheme is for the benefit of all employees and that the Council has set an absence level which, when reached, requires line managers / supervisors to institute an informal review of attendance records. It states that once this level has been reached the line manager / supervisors will then speak with the employee concerned. The purpose of the exercise is to discuss fully the absence, ascertain the causes and determine the appropriate action depending on the circumstances of the case e.g. counselling, referral to the authority's doctor/independent medical advisor, set review period, apply change in job etc. Where required, the employee will be informed that an improvement in his/her absenteeism rate is expected and a review date will be specified. This conversation will be followed up in writing with potential consequences of continued poor attendance outlined clearly to the employee. Time limits and review periods will be clearly explained so that the opportunity for improvement is given. Review periods will vary on an individual basis but will usually be in the region of 3 months. If there is no underlying medical cause for absences and there has been no significant improvement in the level of attendance, a full review of all the relevant facts will be carried out.*

The Department of Public Expenditure and Reform has guidelines for management of underperformance in the Civil Service³⁵ and note in the context of sickness absence, that “some jobholders may have a combination of certified and uncertified sick leave or just high levels of uncertified sick leave”. The guidelines note that “good practice requires monitoring of uncertified sickness absence by managers and HR Units”. “Situations where jobholders regularly take uncertified sickness absence when their annual leave allocation has been exhausted may also need to be addressed. Similarly, jobholders who regularly have uncertified sickness absence on a Monday and/or Friday may have issues that need to be addressed”.

Sectoral Attendance Management Policy and Procedures issued in 2006 states that *if there is no underlying medical cause for absences and there has been no significant improvement in the level of*

³⁵ Department of Public Expenditure and Reform ‘Guidelines for Managing underperformance in the Civil Service’ May 2011.

attendance, a full review of all the relevant facts will be carried out. The Department of Public Expenditure and Reform guidelines 'Managing underperformance in the Civil Service' include the following provision that, where a staff member has 56 or more days of sick leave in any 4 year period (certified and/or uncertified) that has not been discounted (one off or non-recurring illnesses are not taken into account when calculating the number of days lost to sickness absence by an officer) they are not allowed to apply for promotion. Local authorities could consider including this as part of their guidelines.

Under the Public Service Agreement agreed with the representative trade unions, the sector is committed to modifying the PMDS process in line with the recommendations of the National (Local Authority) PMDS Review, implementing the Local Authority Competency Framework and linking PMDS to other HR policies. Significant work is on-going in relation to this and local authorities are working towards implementing the revised model.

Training provided for line managers

Training provided for line managers and for all staff is a particularly good method of formal communication as is the commitment to on-going training for all staff levels. Thirteen local authorities indicated that formal training had been given as part of the communication process. Training provided included: Information sessions for line managers; Specific training provided to line managers; IPA Line Manager Training Programme on an on-going basis; Training days; Staff meetings; Workshops, FETAC Supervisory Training; IPA Supervisory Training Programme on HR Responsibilities for Department Heads and Line Managers. The LGMA has stated that training for line managers in the initial model of PMDS, which provided some training in staff management as well as PMDS, would have been completed.

Good Practice Noted: A local authority undertook a comprehensive training and information programme when it introduced new attendance management guidelines and procedures. Line managers and staff were copied with the documents and a summary covering letter. This followed a training programme where line managers and staff across the Council were briefed on the guidelines and procedures. Line managers also participated in a supervisory training course at FETAC level. This covered many areas of supervisory management but one module focussed on their specific requirements as line managers in a Council.

Training Course Delivering Key HR Practices through Senior Management the Line Manager role:

In the Civil Service it is mandatory for all staff to attend training in delivery of key HR practices. This includes specific training on the line manager role including HR responsibilities. HR training for Line Managers includes PMDS, attendance management and sick leave.

Performance Indicator for Line Manager Training: Line managers and staff of local authorities to be provided with training in sickness absence policy, strategy and procedure in all local authorities.

3. Estimated Cost of Sickness Absence

Sickness absence is a significant cost to local authorities in terms of work days lost and related costs. Managing the cost of sickness absence is part of the corporate governance agenda. LGMA policy in 2006 noted that *persistent absence can have a significant adverse impact on financial resources, on staffing resources, on service delivery and employee morale*. The estimated cost of absence is calculated using assumptions set out in Appendix 4. Local authority interpretation of sectoral guidance on costs calculation resulted in significantly differing average daily costs for individual local authorities. Costs were re-calculated using one average daily rate of €221.88 based on the average daily rate of three local authorities calculated using 2011 payroll data. Town Council data for days and payroll costs was included where applicable. The support for this calculation is set out in Appendix 4 Part C. Total days sickness absence in local authorities cost approximately €64.64m in 2011. Direct payroll costs have been used to calculate the efficiency and productivity savings.

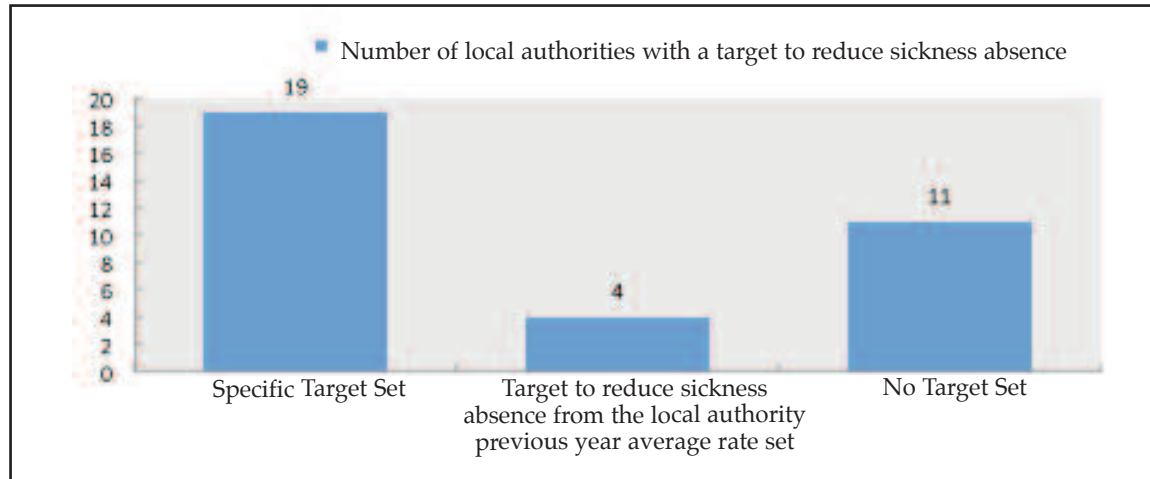
Local authorities report on sickness absence through National Service Indicators. Reporting of national indicator data is currently confined to the percentage of working days lost to sickness absences for both certified and self-certified sick leave. There is opportunity to build on this to incorporate targets, costs, efficiency savings and other matters as part of local and national reporting. This is in line with recommendations in the *Report of the Local Government Efficiency Review Group* which notes that *Service Indicators are a guide to differences in efficiency and effectiveness between local authorities at a given point in time. While they do not cover all aspects of local authority performance they are a starting point indicating where further questions can be raised and a signal to how resources might be better allocated. They are an indication of best practice and a potential management tool*. The report then states that *Service Indicators would be improved through the substitution of a number of the existing indicators with additional key financial indicators that would be reported on and monitored each year*.

Targets and Efficiency Savings

Sectoral target for reduction in sickness absence

There is a sector target of 4.4% by the end of 2012 and a longer term target of 3.5% for reduction in sickness absence in local authorities.

Figure 19: Sectoral Target for reduction in sickness absence set at 31 December 2011



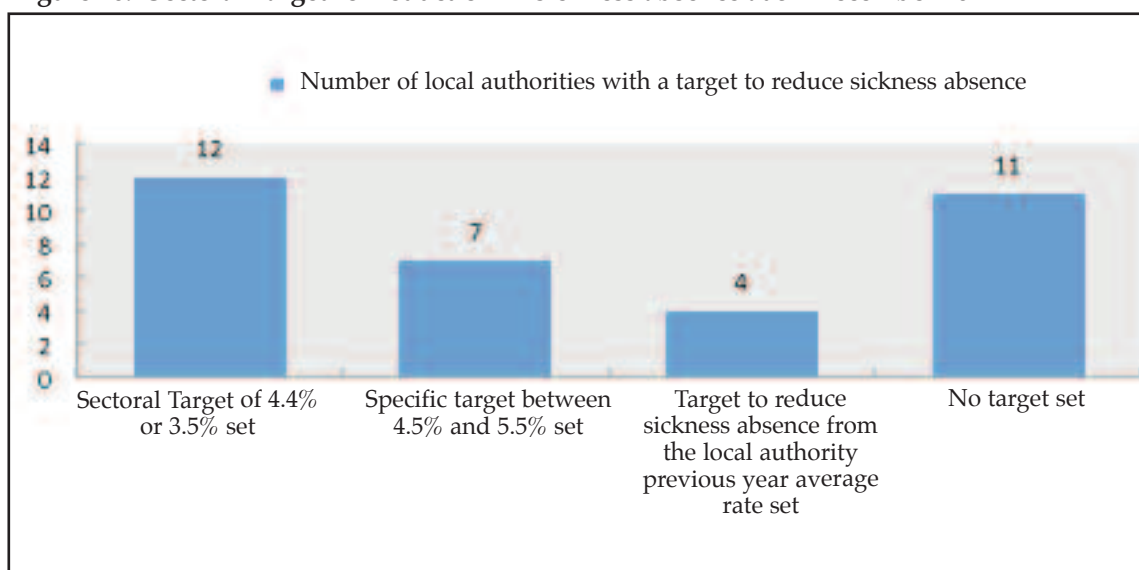
Estimated Efficiency Savings

Calculating estimated costs and comparing with performance against the agreed sector target allows calculation of estimated efficiency saving. Estimated efficiency savings of approximately €21.10m were identified for the sector. There is a sector target of 4.4% to be achieved by the end of 2012 and a longer term target of 3.5% for reduction in sickness absence. Achieving the sectoral target of 4.4% for reduction in sickness absence by 2012 would result in approximate payroll savings of €10.13m for the sector. Achieving the long-term sectoral target of 3.5% for reduction in sickness absence would result in further estimated payroll efficiency savings of approximately €10.97m for the sector. The data supporting these calculations are set out in Appendix 4 Report Assumptions and Calculations.

Adopting the sectoral target for reduction in sickness absence by 2012

The LGMA 'Attendance Management, Management Guideline Document' states *the average rate of sickness absence for the sector for the years 2004–2010 is 4.75% which equates to 10.78 days per employee and that this data has enabled the Attendance Management Committee to determine a suitable benchmark for the sector. The Committee recommended that local authorities seek to reduce absenteeism to 4.4%, or under 10 days per employee by 2012 noting that this would represent a reduction of 7.5%. The Committee stated that it is further envisaged that a sectoral average of 3.5% should be the longer-term target; that this target of 4.4% may have already been met or be achievable for some local authorities in the shorter term, however, all local authorities should seek to achieve improvement in attendance from year to year. Achievement of this target was not reported on locally in many local authorities.*

Figure 20: Sectoral Target for reduction in sickness absence at 31 December 2011



In four instances the local authorities stated that reduction in sickness absence was an objective but no target figure was quantified. Where quantified, the target for reduction of sickness absence ranged from the sectoral target to 5.5%. Identification of a corporate target and individual business unit targets aids management of sickness absence. The sector target for reduction in sickness absence should be applied by all.

Implication: Achievement of the identified €21.10m estimated efficiency savings for the local authorities is not possible without setting the sectoral target and measuring achievement of targets.

Good Practice Noted: One local authority stated that it includes the national sector target and longer term target as specific targets in the Human Resources Team Development Plan.

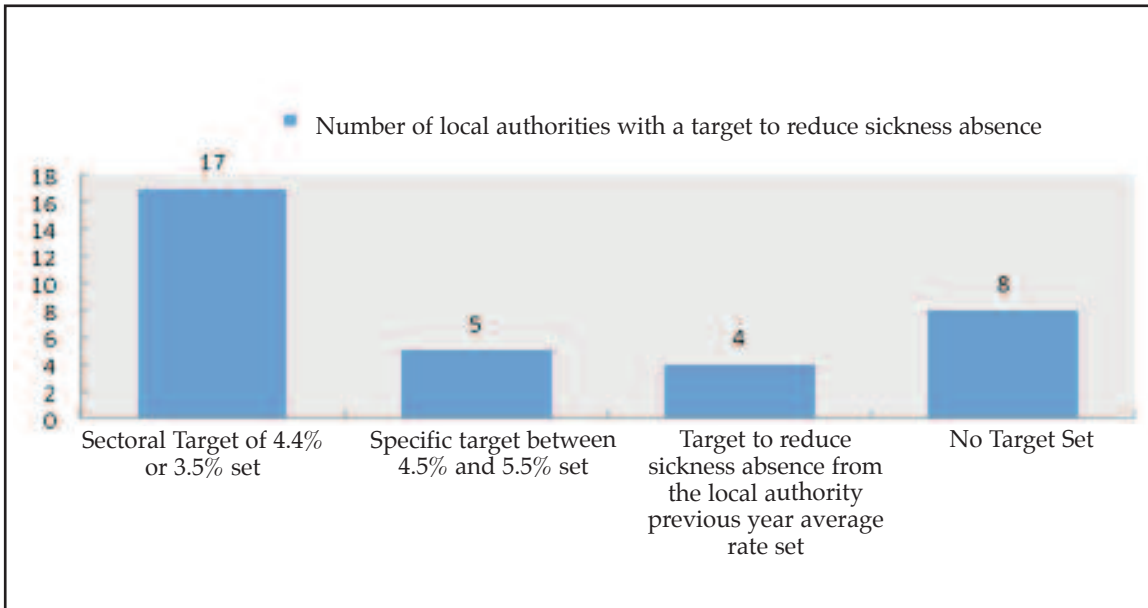
Performance Indicator for Sector Target: Adoption of sectoral target by all local authorities.

Setting a target for reduction in sickness absence by 31 December 2012

The sectoral management guideline also states that the *information gleaned from individual employee performance in this area together with team performance, programme area performance and upwards to organisational performance should indicate areas that require pro-active initiatives in order to reduce the overall absence rate.*

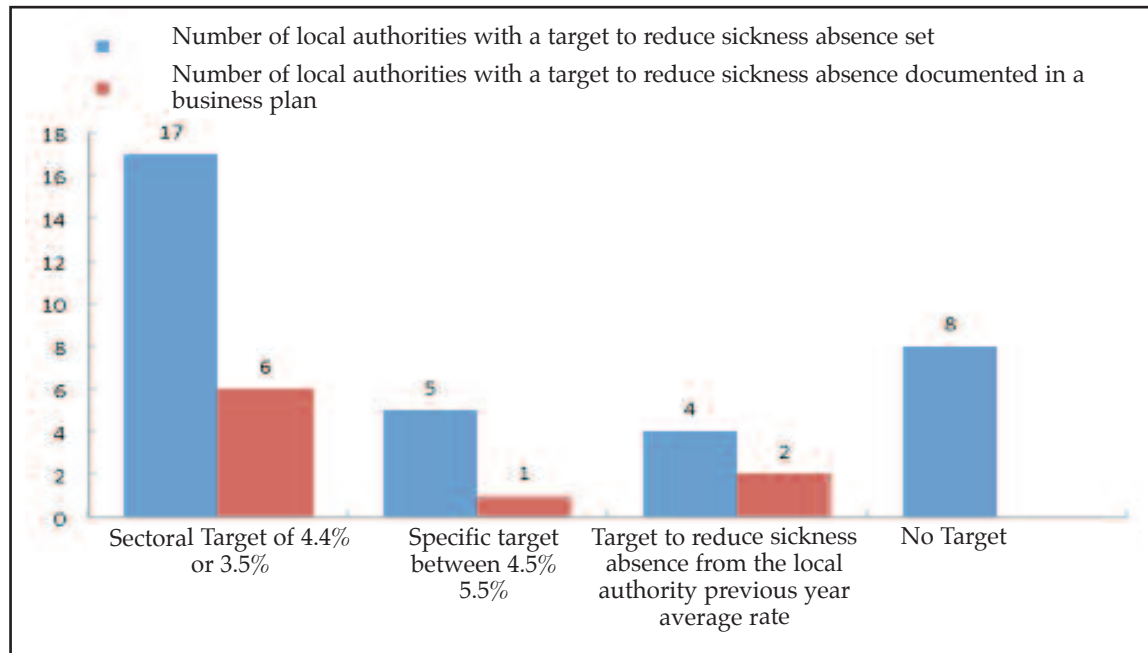
Seventeen local authorities still had not set the sectoral target or the longer-term national target to reduce sickness absence by 31 December 2012. No local authority set individual departmental targets for reduction in sickness absence.

Figure 21: Sectoral Target for reduction in sickness absence at 31 December 2012



A sector average of 3.5% is set as the longer-term target. All local authorities were requested to seek to achieve improvement in sickness absence from year to year. The sickness absence target set should be the sector longer-term target or if appropriate a more challenging target.

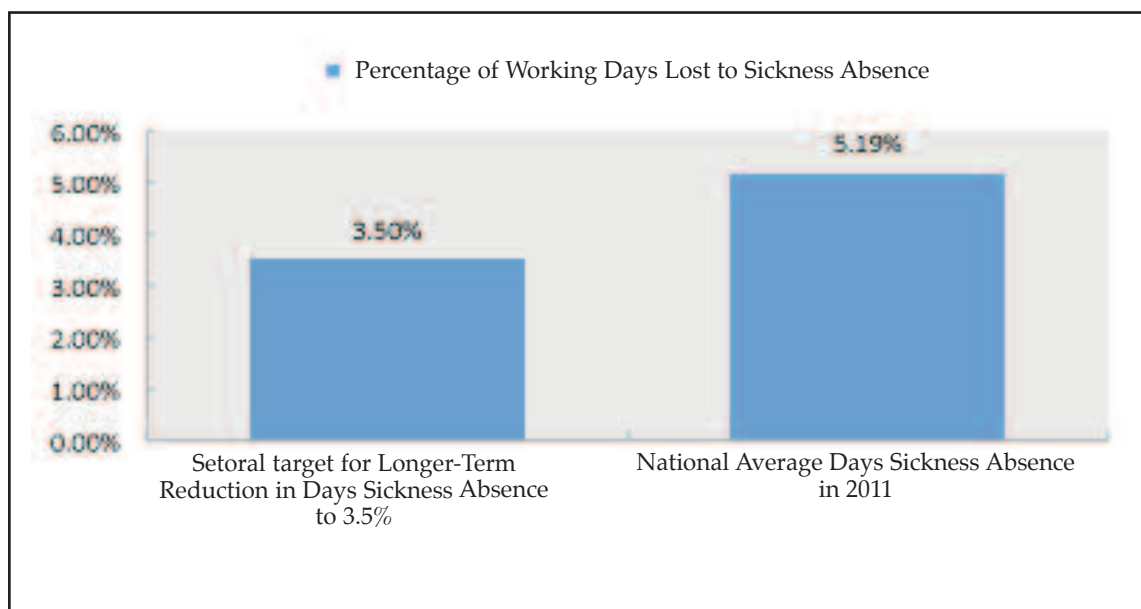
Figure 22: Setting and Documenting Sickness Absence Sectoral Target at 31 December 2012



The report of the Independent Assessment Panel (IAP) on Service Indicators in 2011 states that “with some notable exceptions, the service indicators do not appear to be compiled or assessed relative to objectives or targets set down in the periodic corporate or annual

business/operational plans”³⁶. The report also states that “the absence of targets against which to assess the outturn means there is no indication of the extent to which improvements in performance and outputs/outcomes are being pursued or achieved”³⁷.

Figure 23: National Average and Sectoral longer-term target



The report of the IAP on Service Indicators in 2011 considers it essential to the thrust and usefulness of Service Indicators that they be intrinsically linked to individual authority’s goals and related objectives, that Service Indicators be firmly embedded in management systems and used to monitor and improve performance and aid decision-making in relation to policy outcomes, budgets and expenditure matters. Local authorities are urged to put in place the necessary management processes to link more closely the service indicators with the setting and achievement of efficiency targets and medium/long-term strategic goals³⁸.

No time-frame has been set in sectoral guidance for achievement of the longer-term 3.5% target. In this regard, an integrated approach towards working to achieve this target and agreeing a deadline date involving local authorities, the Department of Social Protection and the representative bodies in the medical practitioner area would be beneficial. Medical certificates are accepted by the Department of Social Protection for processing of claims for Benefit for employees on Class A PRSI.

Performance Indicator for Efficiency Savings in respect of performance against the agreed sector target: Full reporting of performance progress towards achieving efficiency savings nationally.

³⁶ LGMA ‘Service Indicators in Local Authorities 2011’ page 153.
³⁷ LGMA ‘Service Indicators in Local Authorities 2011’ page 153
³⁸ LGMA ‘Service Indicators in Local Authorities 2011’ pages 153-154

Effectiveness Savings Productivity Gains

LGMA guidance states that there are a variety of costs associated with absence for local authorities including productivity costs and poor quality service delivery.

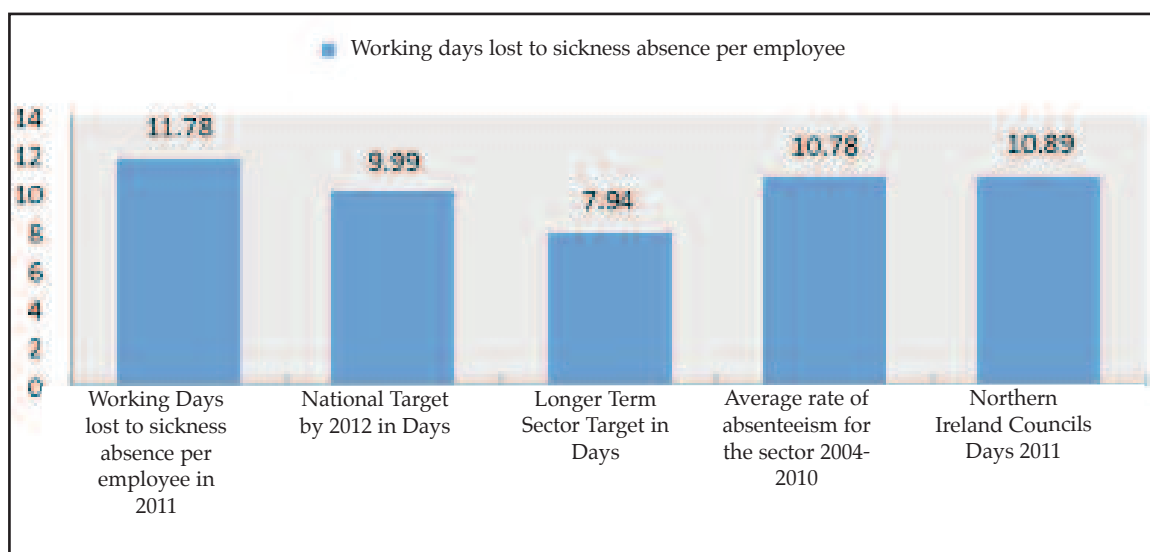
Using annual lost productivity measures, the differential between the performance of an authority if it had been the authority with the lowest recorded sickness absence and its current performance allows for the calculation of potential productivity savings. Annual lost productivity represents the cost of sickness absence had all councils met the minimum absenteeism rate. Setting targets relative to the best performing local authority is a measure of what a local authority is capable of achieving. This target is relative as it changes each year based on the current set of results.

Average cost of sickness absence per Full Time Equivalent (FTE), Comparing sickness absence payroll estimated costs with the number of FTEs who incurred sickness absence during the year allows calculation of the average cost of sickness absence. The average cost of sickness absence could not be calculated as the sector was unable to quantify the number of instances of sickness absence per FTE.

Working Days Lost to Sickness Absence

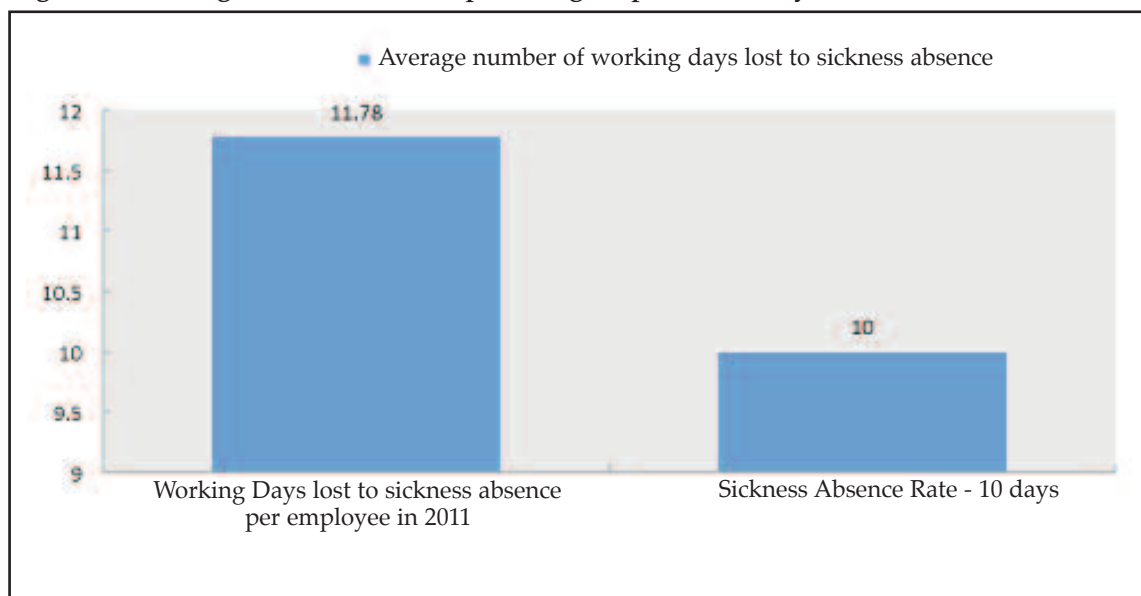
In 2011, 353,176 working days were lost as a result of sickness absence. This is an average sickness absenteeism rate of 11.78 days for each employee in 2011. The data supporting this calculation is set out in Appendix 1 Table 2.

Figure 24: Working Days Lost to Sickness Absence sector targets average rate and northern ireland³⁹



³⁹ The Exercise by local government auditors of their functions In the year to 31 March 2012 (2012) Report by the Chief Local Government Auditor Northern Ireland Audit Office page 11 Northern Ireland Council's Days 2010-2011

Figure 25: Average sickness absence percentage expressed in days



Approximately €10.07m estimated efficiency savings could be realised had all local authorities achieve a reduction in sickness absence rate to 10 days per person. The data supporting this calculation is set out in Appendix 1 Table 4.

The Estimated Cost of Sickness Absence

Estimated Direct Costs

The cost of sickness absence is a significant liability. Sectoral guidance states *that reports on sickness absence should detail the cost of sickness absence in terms of lost time for the reporting period and compare it with previous reporting period that there are a variety of organisational costs associated with absence for local authorities including sick pay, payment for replacement staff, administrative costs, productivity costs and poor quality service delivery.* Four different methodologies for calculating the cost of sickness absence for local authorities are defined in sectoral documents issued by the LGMA. The methodologies allow for use of Central Statistics Office (CSO) figures for average daily rates multiplied by the total number of days of sickness absence within the relevant period, or real-time data from the CORE system (or other system) using the average daily rate in the local authority. Sectoral management guidance states that *it is recognised that the figures available from the CSO in this regard may not be accurate at all times and that real-time figures should be available through the CORE HR System.* It also states that *it is recognised that where local authorities are utilising comprehensive HR systems (e.g. CORE HR) that the real-time data from the system is more appropriate to use in terms of calculating real costs.*

Local authority interpretation of sectoral guidance on costs calculation resulted in significantly differing average daily costs for individual local authorities. Costs were re-calculated using one average daily rate of €221.88. This was based on the average daily rate of three local authorities calculated using 2011 payroll data. Town Council data for days and payroll costs was included where applicable. The basis for this calculation is set out in Appendix 4 Report Assumptions

and Calculations, C. The estimated cost of paid sickness absence is calculated as €64.64m being the number of days of paid sickness absence multiplied by the average daily rate calculated using direct accrued payroll cost excluding payroll expenditure allowances which would not be invoked if out sick e.g. the 'eating on site' allowance and including social welfare recouped. The table supporting this calculation is set out in Appendix 1 -Table 3.

Figure 26: Calculation of the Average Daily Rate

	Average Daily Rate €
County Council Southern Region	212.08
County Council Dublin Local Authority	227.29
County Council Western Region	<u>226.28</u>
	<u>665.65</u>
Average Daily Rate to be used	221.88

Sickness absence where payment of Salary or Wage was reduced or discontinued

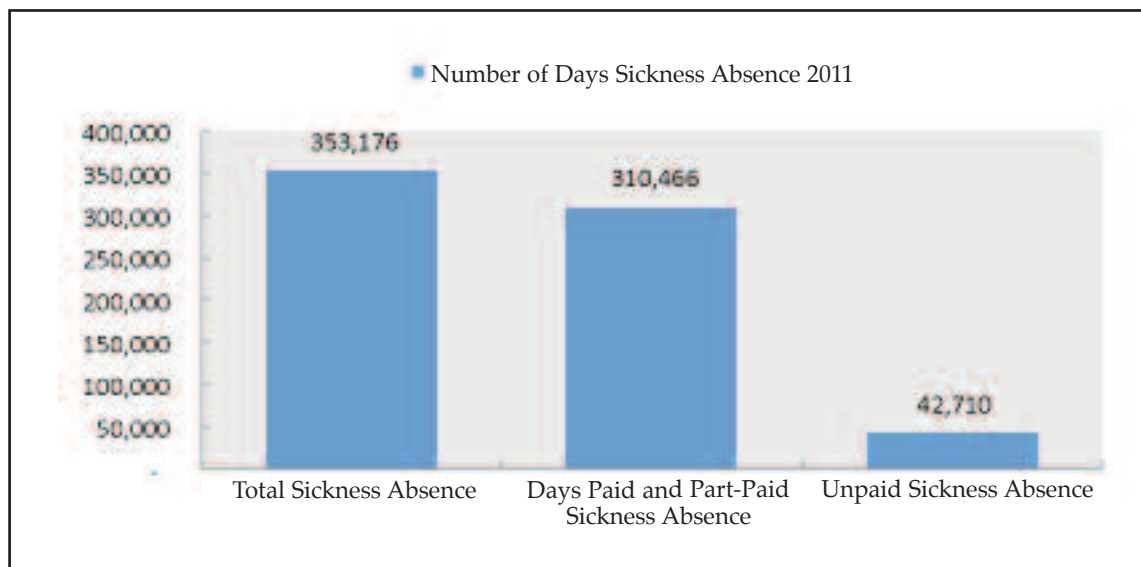
Working days lost are split into paid sickness absence and unpaid sickness absence. Sick leave schemes also provide for reduced payment of salary or wage.

There is evidence from the survey of different practices in different local authorities regarding whether payment of salary for indoor staff should be discontinued or not. One local authority stated that payment of salary is not discontinued, that employees remain on pension rate of pay. Fourteen local authorities indicated that they discontinued payment of salary. Discontinuance of salary is based on Article 21 of S.I. 161/1493 - Local Government (Officers) Regulations 1943 which provides for 183 days at full pay in any 12 month period followed by a similar period at half pay, subject to no more than 365 days paid sick leave whether at full or half pay in any 4 year period. Reforms to sick leave arrangements are proposed. Subject to the necessary legislation being enacted, the proposal on certified sick leave and the other matters should take effect from 1st January 2014⁴⁰.

In the sectoral Sick Pay Scheme payment of sick leave benefit is at the discretion of the Manager and the scheme states that in certain circumstances, payment may be made at the pension rate of pay which would translate to the amount of income that an individual would receive should he/she retire on ill-health grounds

⁴⁰ <http://per.gov.ie/2012/07/19/reformed-sick-leave-arrangements-in-public-service-will-result-in-increased-productivity-reductions-in-absenteeism-and-a-significant-reduction-in-the-cost-of-sick-leave-in-the-public-service/>

Figure 27: Paid and Unpaid Working Days Lost to Sickness Absence



In 2011, 42,710 days sickness absence incurred no direct pay costs. LGMA policy states that council policy is to maintain contact with *any employee on long term sick leave in order to ensure the earliest possible return to work of the employee where possible*. LGMA policy sets out details of methods to facilitate the return to work of the employee, or otherwise, as follows:

- *A return to full duties following a prescribed course of treatment*
- *Undertaking an assessment of the capabilities of the individual and endeavouring to make any reasonable accommodations in terms of duties or working conditions*
- *Termination of employment based on frustration of contract or retirement on ill-health grounds.*

The percentage of working days lost to sickness absence where payment of salary or wage was discontinued ranged from 0.01% to 2.29%. This does not take into account the percentage of working days where payment of salary is at half-rate or pension rate. Performance data on paid and unpaid certified and self-certified sickness absence is currently provided to the LGMA annually. However paid and unpaid days lost to sickness absence are not reported separately in the national indicators. Consideration could be given to reporting the percentage of working days lost to unpaid certified sickness absence. The data supporting the assumptions for figure 28 is set out in Appendix 4.

Figure 28: Recommended New Metric

Sickness Absence	2011 Survey Data
Total % of working days lost to certified sickness absence:	
Paid Certified	03.81%
Unpaid Certified (*)	00.62%
Total Certified	04.43%
Self-Certified paid and unpaid	00.76%
	05.19%

*Basis of calculation:	
<u>Number of Days * 100</u>	<u>42,115 * 100 (Appendix 4 survey data)</u>
WTE*227 (days for the full year)	29,971.9 * 227 (days for the full year)
*Whole Time Equivalents	

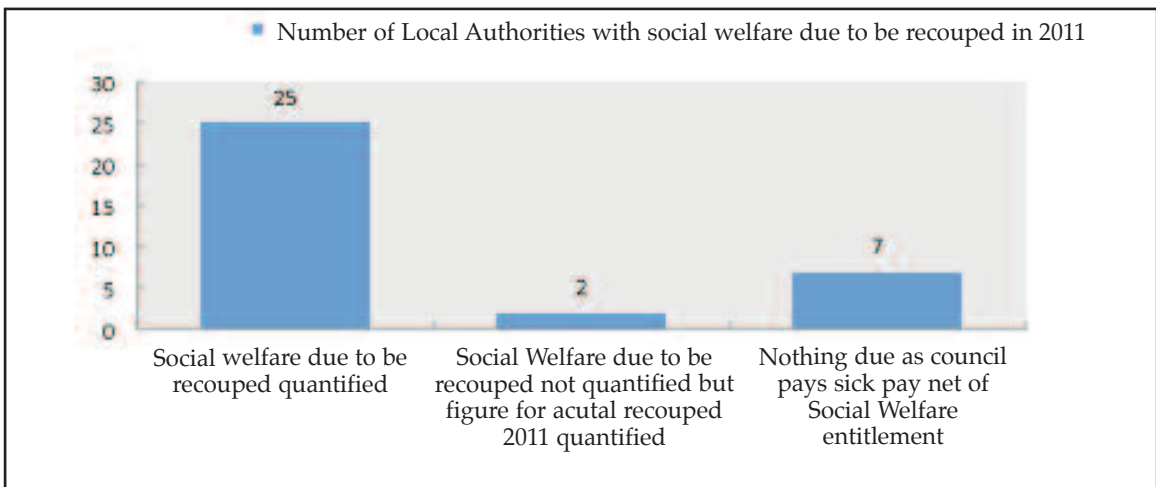
Social Welfare Estimated Costs and sickness absence

The sectoral sick pay scheme for clerical/ administrative, engineering, technical and related grades, states that Individuals on Class A1 PRSI may be entitled to claim Disability Benefit from the Department of Social Protection. Sick leave benefit will be paid at the employee’s normal salary, less the full amount of Social Welfare Benefit. Absence of a documented policy in this area could result of loss of funds payable to the local authority.

Costs of sickness absence are offset by social welfare income recoupable. In 2011, an estimated €4.05m was due to be recouped by 32 local authorities who quantified details in the survey. Two other local authorities stated that €205k was recouped in 2011. In total an estimated €4.25m was recouped or recoupable in 2011. The offset of the income benefit paid by the social welfare illness benefit payment has been taken into account in calculation of the estimated cost of sickness absence.

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Figure 29: Recoupment of Social Welfare



One local authority stated that they did not have a formally documented social welfare recoupment policy in place, but that the recoupment of illness benefit from employees who receive full pay while on sick leave is taking place. This local authority has stated that a documented procedure for Social Welfare Recoupment is set out in the Local Authority's Draft Time and Attendance Policy and Procedure which was implemented in mid-2013.

Implication: Non-application of the sectoral sick pay policy in this area could result in loss of funds payable to the local authority.

Performance indicator for sectoral policy on social welfare costs: Full adoption of the national social welfare recoupment policy and identification of all income due to the local authority.

Indirect Costs

Organisational costs associated with sickness absence for local authorities can include payment for replacement staff, administrative costs and productivity costs. There are other unmeasured indirect costs, which local authorities continue to pay in respect of these employees. Local Authorities should calculate indirect costs of sickness absence annually. These could include:

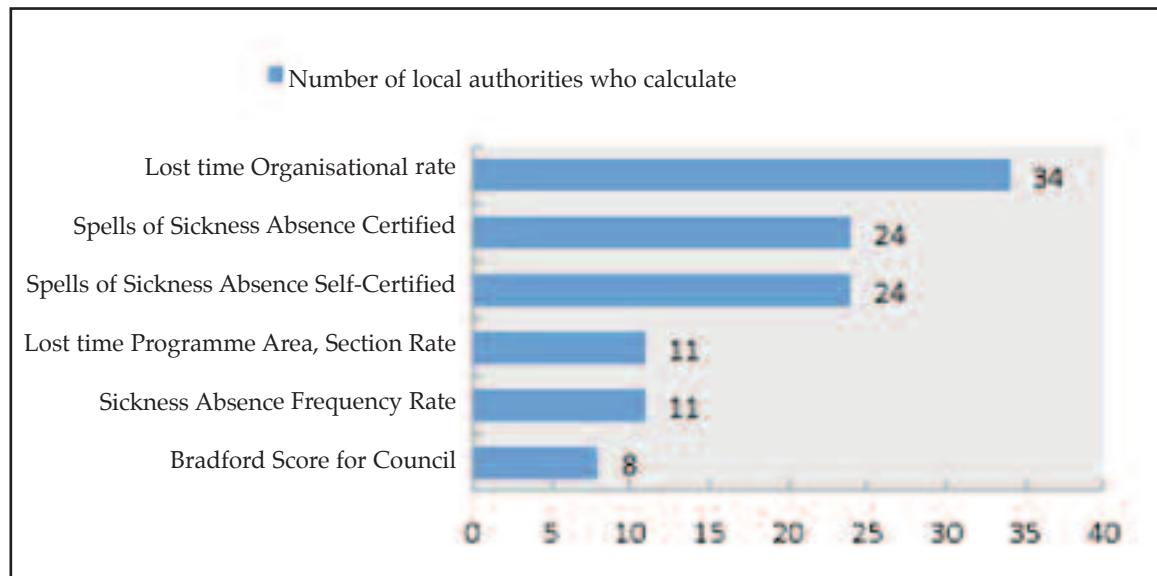
- Internal replacement worker: Temporary Cover; Overtime; 'Acting up' allowance; Daily employment costs
- HR department time: collating/reporting data; administration; line manager training; trainer employment cost
- Health promotion: EAPs; subsidised facilities; OH services.

The LGMA has stated that quantifying the indirect cost of sickness absence will be examined by the Attendance Management Group.

4. Measurement of Sickness Absence

Measurement of sickness absence is a vital element in attendance management and illustrates trends over defined periods of time. Techniques of lost time rate, spells of sickness absence, Bradford Score and sickness absence frequency rate are used.

Figure 30: Statistics and Patterns Measurement of Sickness Absence

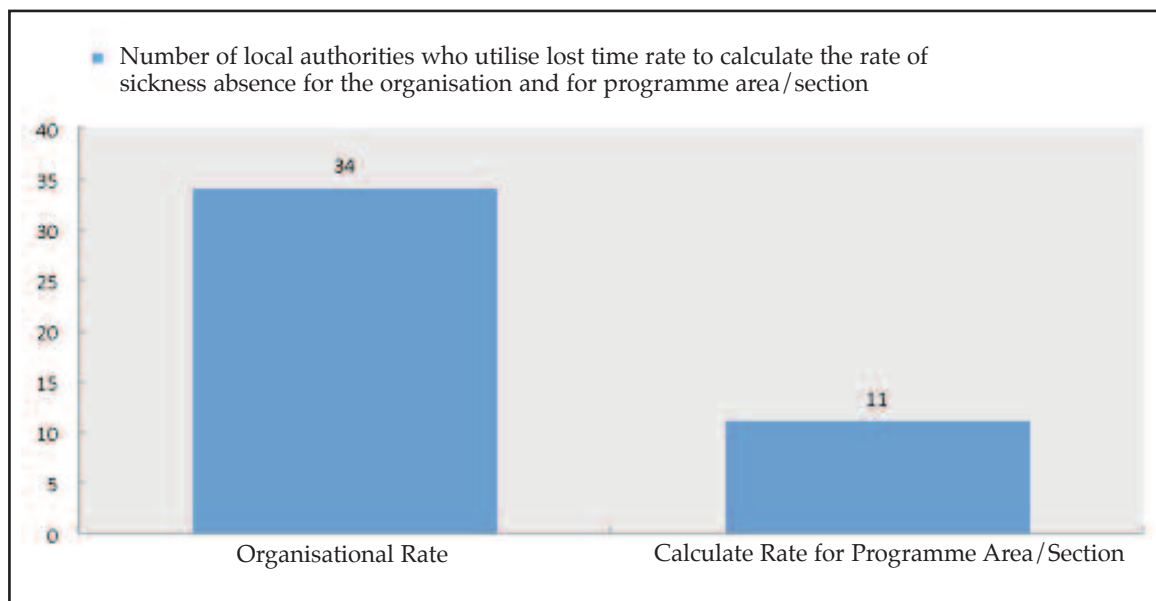


Lost time rate

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Lost time rate is the percentage of contracted time available lost to sickness absence. A formula for the calculation of absence was developed for the sector in 2006 and this formula remains applicable. All local authorities calculate the lost time rate for the National Service Indicators. Sectoral guidance recommended that this formula be *utilised for calculating the rate of sickness absence for teams and programme areas as well as for obtaining organisational rates.*

Figure 31: Statistics and Patterns Lost Time Rate

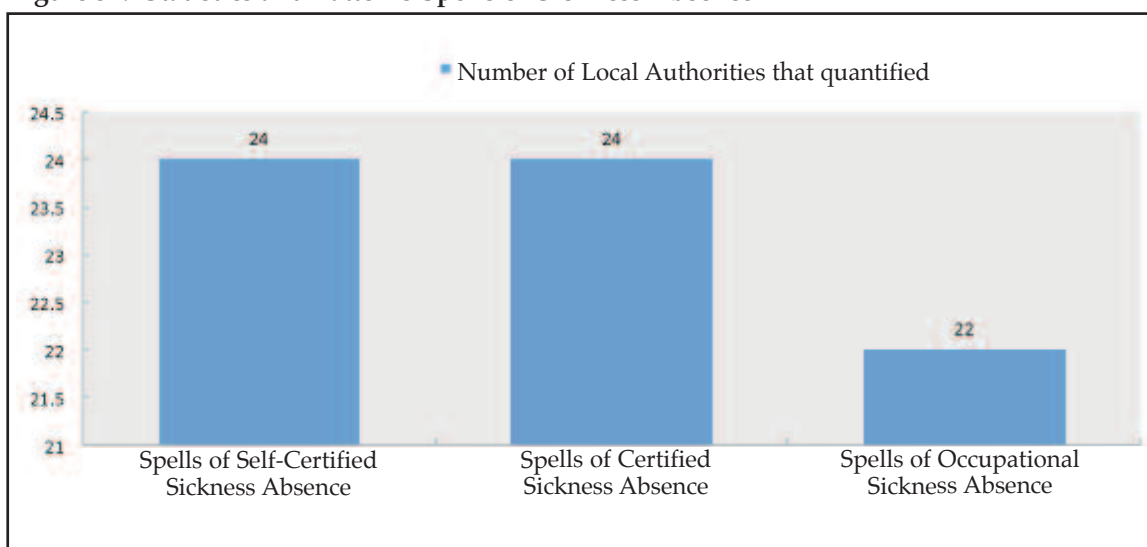


Implication: Lost time rate statistics for team performance and programme area performance link upwards to organisational performance and highlight areas that require pro-active initiatives in order to reduce the overall sickness absence rate.

Sickness Absence Duration

Total duration of sickness absence is calculated by identifying the number of spells of sickness absence for all employees and is an indicator of long-term absence impact.

Figure 32: Statistics and Patterns Spells of Sickness Absence



A number of authorities stated that it is not possible to report accurately on instances at present.

Implication: Identifying the number of spells of sickness absence can help identify sickness absence problems and can also be used to target interventions for long-term sickness absence. Line managers are recommended to undertake a Return to Work Conversation and complete a Return to Work Form for every spell of absence for employees under their supervision as part of sectoral guidance. This process should be used to quantify the number of spells of sickness absence.

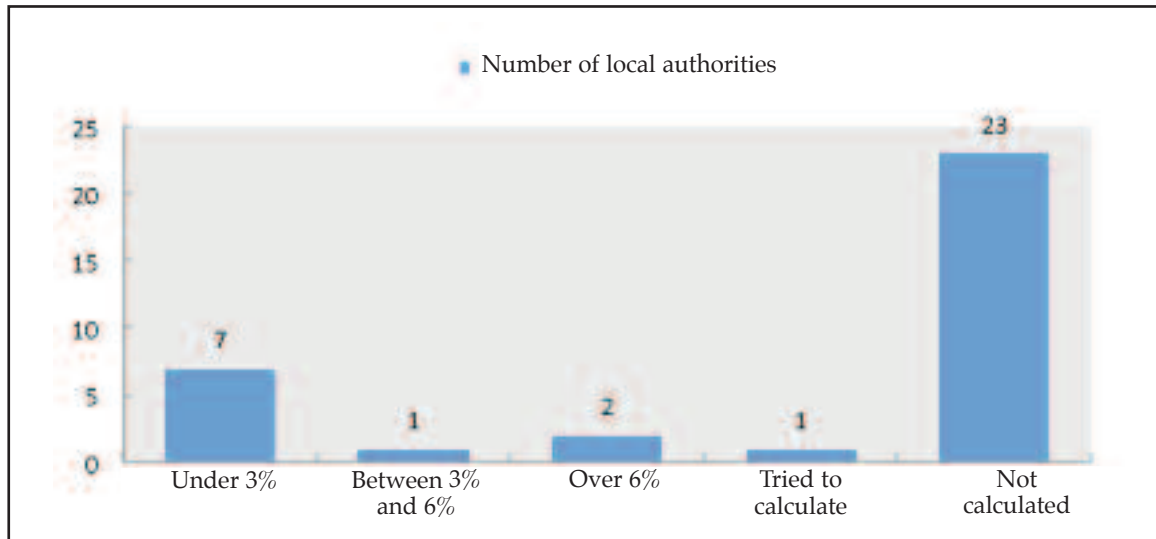
Good Practice Self-certified Sickness Absence: In a local authority, all supervisors are required to be vigilant of emerging patterns of self-certified sickness absence occurring that are a cause for concern and deal appropriately with cases where misuse is suspected. On the application form for self-certified sick leave, the supervisor is required to certify that he/she is satisfied that the conditions of the local authorities' Sick Pay Scheme have been fully complied with and makes the recommendation that the self-certified sickness absence requested be granted to the applicant for self-certified sickness absence.

Performance Indicator for Sickness Absence Duration: All local authorities to quantify the number of spells of sickness absence for employees and report.

Sickness Absence Frequency Rate

Sickness absence frequency gives no indication of the length of time of each sickness absence or of the actual time lost. Sickness absence frequency rate gives the average number of sickness absences events per employee. This is a better indicator of short-term absence.

Figure 33: Statistics and Patterns Sickness Absence Frequency Rate



The sickness absence frequency rate shows the average number of spells of absence per worker (expressed as a percentage) irrespective of the length of each spell. If the organisation wishes to monitor the number of workers absent during the period, the individual frequency rate can be used.

A number of local authorities sought to calculate absence rate but were unable to citing the lack of clarity on the definition of average number of employees or whether only short term instances should be used.

Figure 34: LGMA Example provided for clarification:

In one month an organisation employed on average 80 workers. During this time, 12 workers had periods of absence: one was away three times, two were away twice and nine were away once a total number of 16 spells (instances) of absence.

The frequency rate was therefore: $(16 \div 80) \times 100 = 20\%$

The individual frequency rate was: $(12 \div 80) \times 100 = 15\%$

Irregularity of Attendance

Sectoral management guidance issued by the LGMA states that *The Bradford Factor measures an irregularity of attendance of employees by combining measures of absence frequency and duration. Bradford scores indicate whether the composition of an individual's sickness absence record comprises a few, or many, spells of short or long duration. The scores can be used to monitor trends in absence, to provide trigger points and for comparison with absence rates.*

Short, frequent and unplanned absences are more disruptive than longer absences. The system was developed by the Bradford University School of Management as a way of highlighting the disproportionate level of disruption on an organisation's performance which can be caused by short-term absence compared to single incidences of prolonged absence. It was originally designed for use as part of the overall investigation and management of absenteeism. In contrast, if used as part of a very limited approach to address absence or by setting unrealistically low trigger scores, there are limitations to its usage. It is recommended that Bradford scores be utilised as part of the local authority's Attendance Management Plan.

The Bradford Factor is calculated as follows: $B = S^2 \times D$ where:

- B is the Bradford Factor score
- S is the total number of spells (instances) of absence of an individual over a set period
- D is the total number of days of absence of that individual over the same set period

The 'set period' is typically set as a rolling 52 week period.

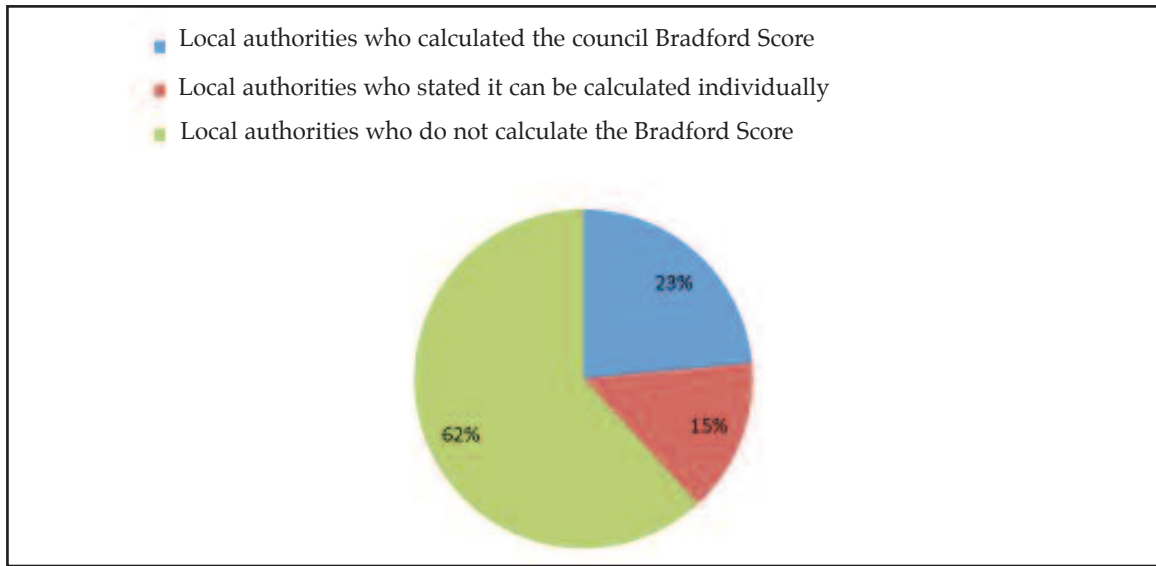
For example:

- 1 instance of absence with a duration of ten days ($1 \times 1 \times 10$) = 10 points
- 3 instances of absence; one of one, one of three and one of six days ($3 \times 3 \times 10$) = 90 points
- 5 instances of absence; each of two days ($5 \times 5 \times 10$) = 250 points
- 10 instances of absence; each of one day ($10 \times 10 \times 10$) = 1000 points

A high absence rate and a low Bradford Score clearly indicate that absence is due to a small number of employees with long absences. In contrast, a low absence rate with a high Bradford Score show that there is a small number of employees with frequent short absences.

Sectoral management guidance issued by the LGMA in the section on '**Outline of Annual Report to Senior Management Team**' states that statistics should provide the senior management team with information on the level of absence (number of days lost) through both certified and uncertified sick leave for example by organisation, programme area, department, section/unit. It states that the incidence of frequent intermittent absence should be included in all statistical reporting. Such absence can be calculated through the use of Bradford Scores.

Figure 35: Statistics and Patterns Bradford Score



Implication: The Bradford Score is used to monitor trends in sickness absence and can be used as a measure of ‘trigger points’ for intervention. Sectoral guidance states that a high absence rate and a low Bradford Score indicate that sickness absence is due to a small number of employees with long absences and that a low absence rate with a high Bradford Score shows that there are a small number of employees with frequent short absences.

Sectoral guidance recommends that Bradford scores be *utilised as part of the local authority’s Attendance Management Plan*. It was noted by those that calculated the Bradford Score that the measurement was primarily used at individual level for comparative purposes.

5. Sickness Absence and Related Causes

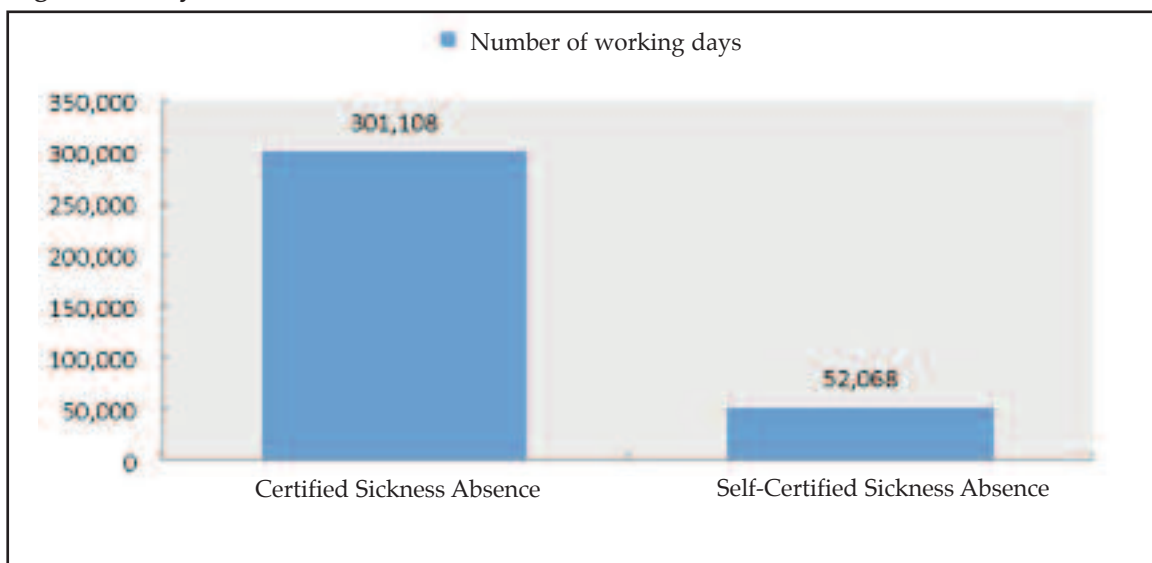
Sickness Absence

Sectoral policy issued in 2006 states that *measurement of attendance patterns allows local authorities to monitor the implications of non-attendance at work*. The policy also states that *the ability to measure absence rates across the authority, across particular departments and for individuals means that local authorities can identify whether or not attendance patterns are causing problems, and states that recording of absences allows management to track and monitor rates and patterns of absence to facilitate identification of problematic issues*. Sectoral management guidelines note that statistics should provide the senior management team with information on the level of absence (number of days lost) through both certified and self-certified sickness absence including by organisation, by programme area, by department and by section/unit. The incidence of frequent intermittent absence should be included in all statistical reporting. Such absence can be calculated through the use of Bradford Scores.

Days lost to certified and self-certified sickness absence

The total days lost due to certified and self-certified sickness absence was 353,176 for all local authorities. 301,108 days (85.2%) of sickness absence in 2011 was certified by a doctor or medical practitioner.

Figure 36: Days lost to certified and self-certified sickness absence in 2011



Good Practice noted: In one local authority sickness absence reports identify sickness absence by unit/programme area, stating type of sickness absence certified or self-certified, the cause of illness, the date, the number of days, the number of spells of sickness absence in the year, the senior manager, the employee category and whether it is paid or unpaid sickness absence.

Good Practice: In a local authority, the number of paid sickness absence days for certified and self-certified and the number of unpaid days of sickness absence days for certified and self-certified are clearly identified in monitoring reports.

Implication: The absence of analysis of certified and self-certified sickness absence limits ability to target appropriate interventions.

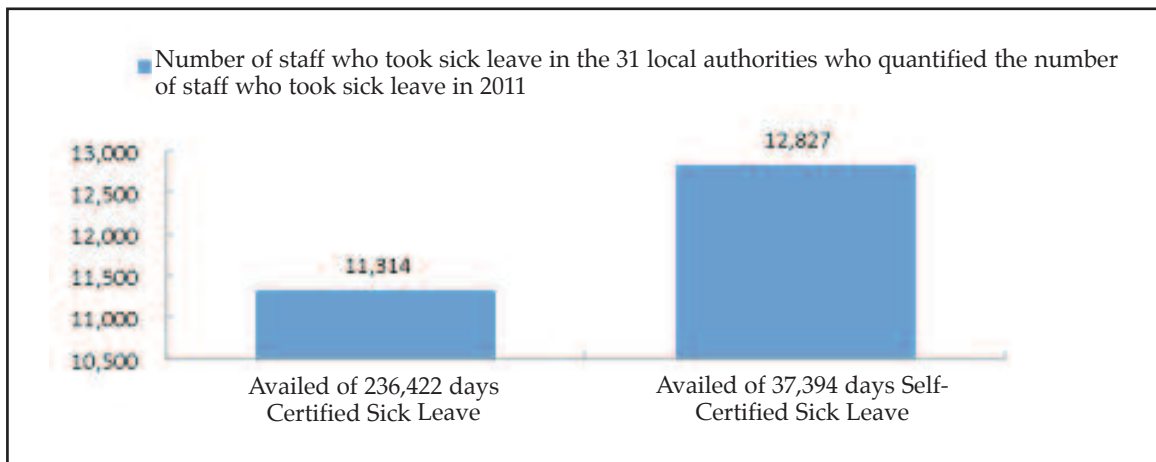
Performance Indicator Analysis of Days lost to Sickness Absence: All local authorities to analyse underlying patterns behind certified and self-certified sickness absence and report.

Staff numbers for certified and self-certified sickness absence

LGMA sectoral policy states that *the ability to measure absence rates for individuals allows local authorities to identify whether or not attendance patterns are causing problems.*

Data provided in the survey identified that, in 2011 29,059 staff incurred certified or self-certified or both types of sick leave. Two local authorities did not provide details of staff numbers and one local authority provided a total for staff numbers but not an analysis. Allowing for that, in the other 31 local authorities 11,314 staff took 236,422 days certified sickness absence. 12,827 staff took 37,394 days self-certified sickness absence. Where entitled, staff can take both certified and self-certified sickness absence in a year. Without analysis the sector cannot determine the impact of long-term sickness absence. Identifying the number of staff who did not have any sickness absence in a given year is also an important staff motivator under PMDS.

Figure 37: Staff numbers and working days



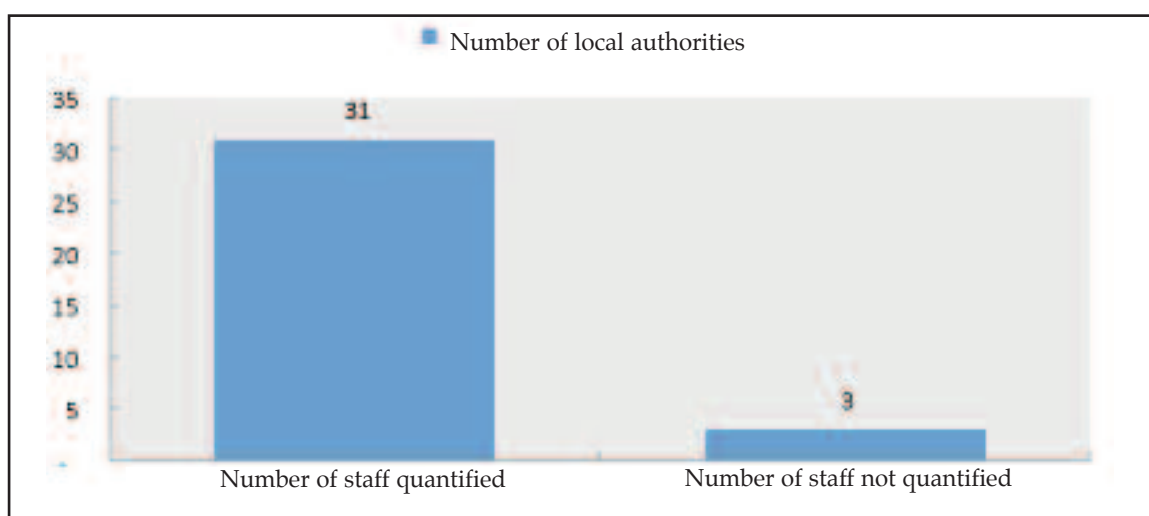
Targeted intervention strategies such as return to work interviews and referral to the local authority General Practitioners, Occupational Health services or counselling services, will aid management of certified sickness absence. Clear strategies for management and reporting of return to work strategies and their effectiveness and reporting changes made and successes and failures in intervention methods will aid management of certified sickness absence across the sector.

Implication: Staff patterns cannot be determined which limits the ability to target appropriate interventions. An important statistic for staff motivation is also ignored by failure to quantify the number of staff with no recorded spells of sickness absence.

The number of staff in the sector with no recorded spells of sickness absence

Spells of sickness absence are of either short or long duration. Sectoral guidance on absence management states that spells of sickness absence can be used to *monitor trends in sickness absence, to provide trigger points and for comparison with absence rates*. It was not possible to quantify the number of staff with no recorded spells of sickness absence for the sector as two local authorities failed to quantify the number of staff who availed of self-certified or certified sickness absence in 2011.

Figure 38: Number of local authorities who quantified the number of staff who took certified and/or self-certified sick leave



Implication: Identifying the number of spells of sickness absence can help identify sickness absence problems and can also be used to target interventions for long-term sickness absence. Quantifying the number of staff with no recorded spells of sickness absence is as an important motivator under PMDS. It is also a means to improve Lost Time Rate performance of individuals and teams.

Performance Indicator Number of Staff with no spells of Sickness Absence: All local authorities to quantify the number of staff with no recorded spells sickness absence in a given year in line with sectoral policy and include this statistic in all reporting.

Days lost to Long and Short Term Sickness Absence

Sectoral policy states that *long-term absence constitutes a certain period or several periods of absence. It normally lasts for periods in excess of twenty working days and can normally be attributed to a medical condition*. Some local authorities were unable to extract long and short term sickness data hindering the ability to target appropriate interventions in the local authorities unable to extract the data.

Figure 39: Number of local authorities who quantified the number of days Long and Short Term Sickness Absence

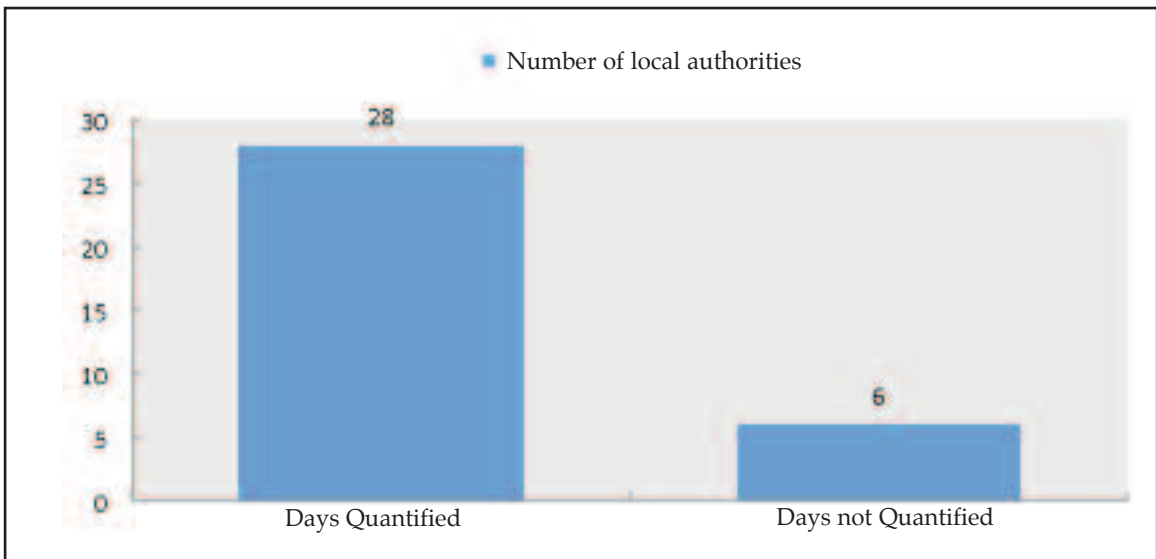
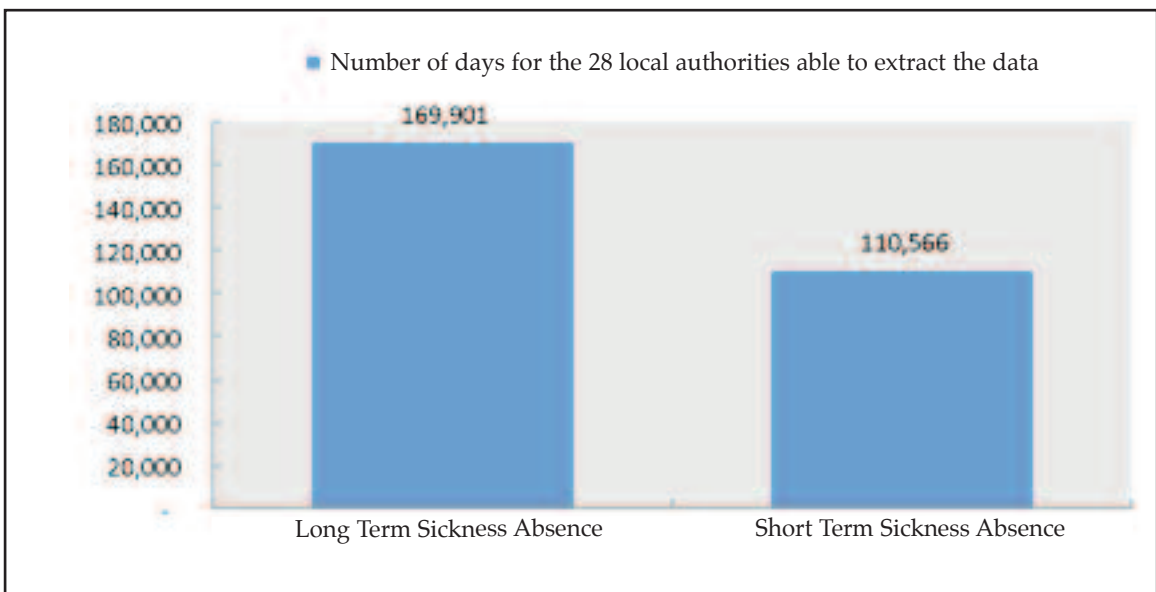


Figure 40: Days long and short term sickness absence

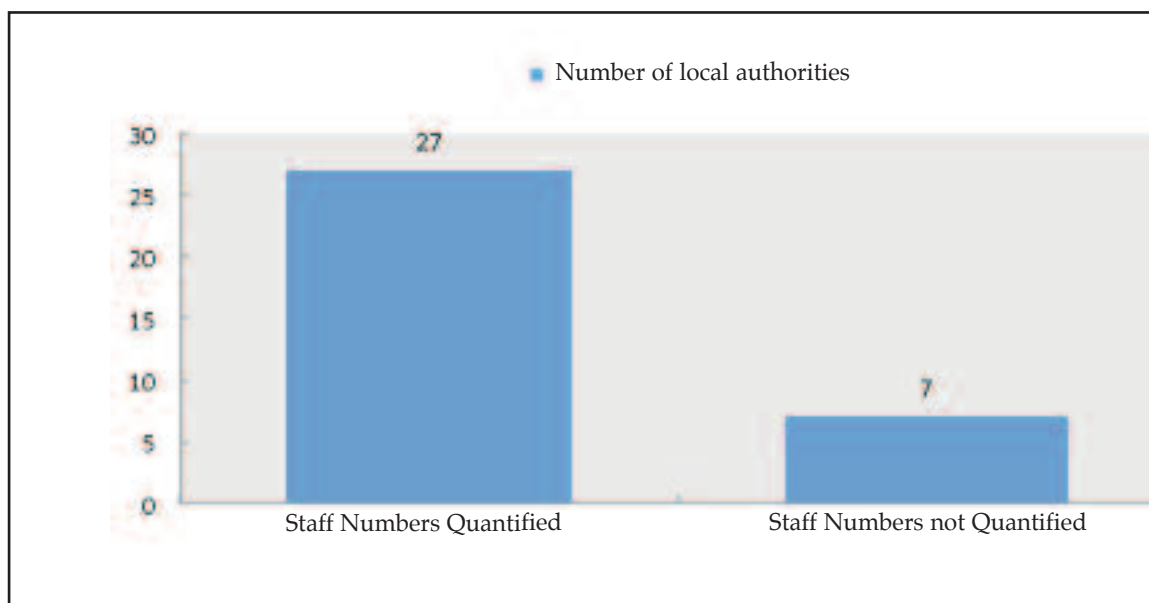


Implication: LGMA sectoral policy sets out processes for managing long term sickness absence including contact after 20 days, referral to an independent medical practitioner to enable assessment of three courses of action, ability to return to full duties following prescribed course of treatment, alternative duties temporary or long-term, or termination of employment for a variety of reasons. The absence of analysis of days' sickness absence due to long-term or short-term sickness hinders ability to target appropriate interventions in the local authorities unable to extract the data.

Number of staff who took long and short-certified sickness absence

27 local authorities extracted data for the number of staff who took long or short-term sick leave in 2011.

Figure 41: Long and Short Term Sickness Absence



Implication: The absence of analysis of staff who took sick leave due to long-term or short-term sickness limits the sectors ability to target appropriate interventions.

Performance Indicator Long-Term, Short-Term Sickness Absence: All local authorities to analyse the number of staff who incurred sickness absence due to long-term or short-term sickness and report.

Sickness absence days as a result of Occupational Injury

Occupational injury days form part days lost to long or short term sickness absence. An additional focus on Occupational Health was included in the VFM Study at the suggestion of the LGMA, as the frontline and physical nature of many local authority jobs, presents particular challenges for managing attendance. Many services provided by local authorities are at the frontline and include fire services, water drainage services, housing maintenance, roads maintenance, homeless, welfare services, environmental services, planning, civil defence, recreation and leisure services. Dublin City Council provides fire and emergency services for the entire Dublin region.

Figure 42: Occupational Injury reportable occurrences and non-reportable days

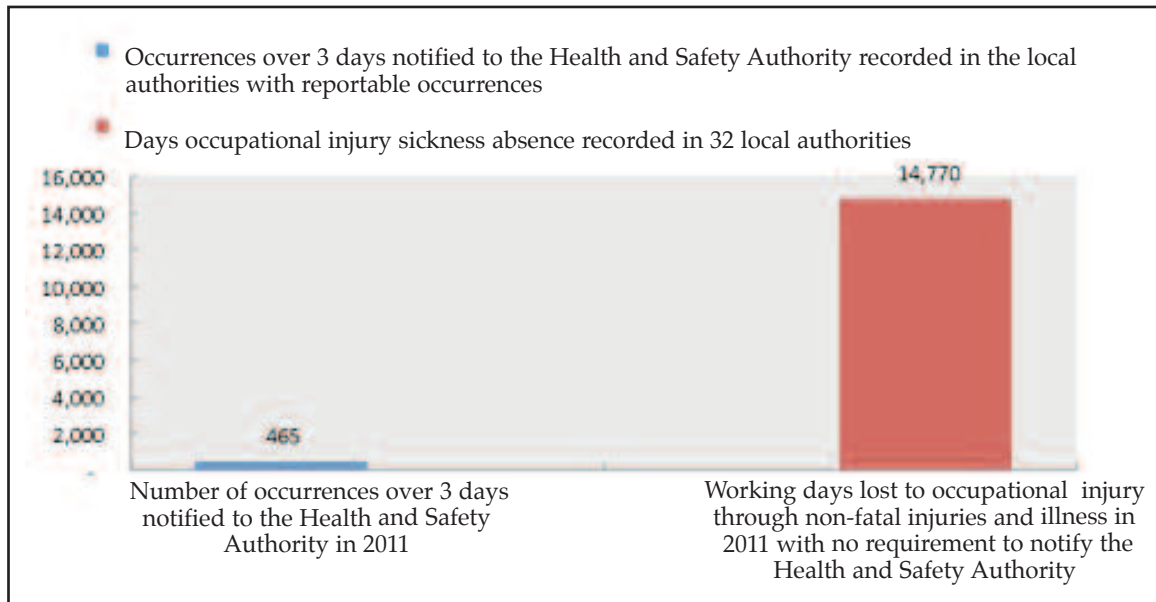
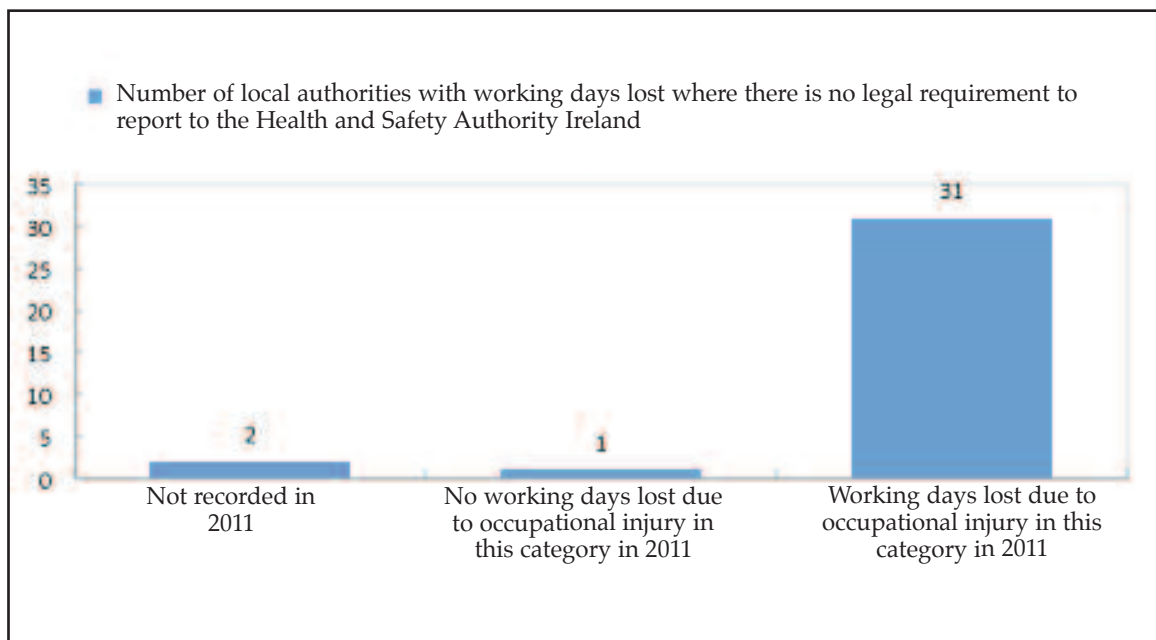


Figure 43: Non-reportable Occupational Injury Sickness Absence Days Quantified



Two local authorities did not record the number of non-reportable working days lost due to occupational injury. One local authority noted that they had not been recording this figure however that on the ground the linkages were taking place between the Health and Safety Team and the Employee Welfare Officer. The authority noted that, the Health and Safety team notifies the HR department of any reported accidents at work. The HR department ensures that this information is recorded against the related absence on the Core System and that this then forms part of the quarterly report to the Senior Management Team. The local authority is carrying out

a review of all 2012 accidents at work forms and is retrospectively recoding any sickness absence that is directly related to an accident at work. The local authority expanded the Return to Work form to capture 'Accident at Work' information.

The second local authority noted that it currently records all certified or self-certified sickness absence on Core HR. It noted that all incidents are recorded as per the Medical Condition set out on the medical certificate and do not identify in a separate field if the absence relates to an Occupational Injury. The local authority noted that the HR Department will be working with the Health and Safety Officer to develop an appropriate way of recording an employee's absence as a result of an occupational injury on Core HR, in order to afford the opportunity to report on such absences.

A number of local authorities referred to their comprehensive Safety Management System in respect of goal injury reduction. One local authority stated that its intention to have its Safety Management System accredited externally within the next five years.

Good Practice: One local authority includes goal definition in terms of attainable injury reduction as an objective in its overall health and safety strategy and has an objective in relation to minimising work place accidents, incidents and near misses. This is audited internally under OHSAS 18001 and every six months externally audited by the British Standards Institution (BSI) and reviewed on a regular basis and has targets set against it.

Good practice noted: In a local authority, incident rate is compared with the overall national figure as reported by the HSA.

Health and Safety goal definition in terms of attainable injury reduction

In accordance with the Safety, Health and Welfare at Work Act, 2005 an employee who is injured at work or has a near-miss is required to report the incident to the relevant line manager at the earliest opportunity. Reporting to the Health and Safety Authority for certain occurrences is mandatory. The total number of occurrences of non-fatal injuries and illness for absences over 3 days notified to the Health and Safety Authority in 2011 was 465.

The total number of occurrences of non-fatal injuries and illness for absences over 3 days notified to the Health and Safety Authority in 2011 ranged from 1 to 173. The number of working days lost to sickness absence recorded in local authorities due to non-reportable occupational injury in 2011 not legally obliged to report to the Health and Safety Authority was 14,770 days. The European Commission Communication and Action Plan Brussels, COM (2006) 328 'Final Actions for a Safer Europe' makes accident prevention a priority for the current and future Public Health Action Programmes. The Communication states that *tackling the injury issue requires sustained co-operation between the national, regional and local authorities of the Member States, their public health and research communities* and notes that characteristics of the national policies are that they will be in line with the Community vision and that they will contain specific goals that are

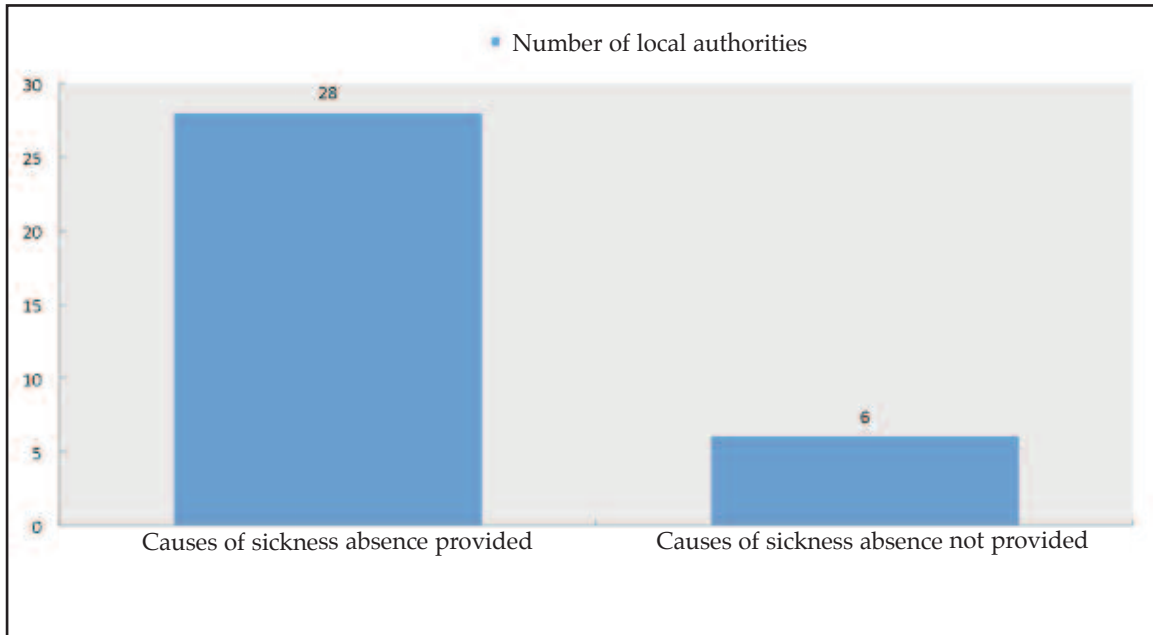
also to be defined in terms of attainable injury reductions, and will rely on a solid commitment by governmental and non-governmental organisations in the country.

One of the key steps in meeting this goal is the utilisation of the local authority safety management system which is currently being developed by the LGMA. This System's key objective is to make the working environment safer for everybody through identification and mitigation of tasks with significant risk. The 2010 annual report of the Local Government Management Services Board (LGMSB), states that an Audit Project Working Group (APWG) was established in June 2010 by the Steering Committee to develop a Local Authority Safety Management System Audit Tool. The annual report noted that the audit tool will complement LGMSB now part of the LGMA, publication *'How to Develop and Implement a Safety and Health Management System – A Guidance Document for the Local Government Sector'* (2007) and will facilitate the audit of the local authority's safety management system. The annual report noted that the purpose of the audit tool is to support local authorities in the demonstration of continued improvement and good governance in safety, health, and welfare by providing proactive performance measurement and evidence of compliance with required legislation, training, best practice standards, and codes of practice. In addition to the development of the audit tool, a number of support tools were identified including the development of a suite of core safety, health, and welfare policies and procedures. The report noted that the adoption of the guidance tools, and the application of the audit tool, will support local authorities in the demonstration of good governance in the management of safety, health, and welfare.

Causes of Short and Long Term Sickness Absence

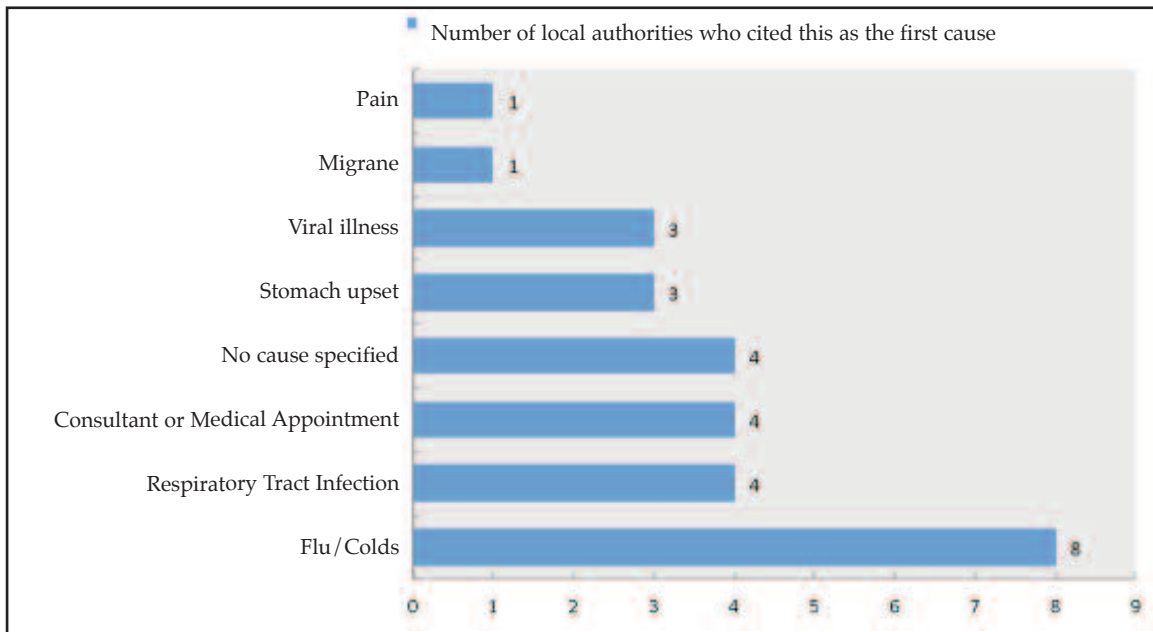
Local authorities do not have one agreed database to analyse the reasons for long and short term sickness absence. Using an agreed schedule of reasons for sickness absence analysis is important for identifying the main causes within the sector and enables comparison of causes across the wider public sector. In both instances identification of causes aids effective targeted interventions. The LGMA has indicated that consideration will be given to using an agreed schedule of reasons for sickness absence analysis by the National Standards Committee (NSC) of the LGMA. An agreed schedule of reasons for sickness absence analysis should be documented and used across the sector.

Figure 44: Causes of long-term and short-term sickness absence



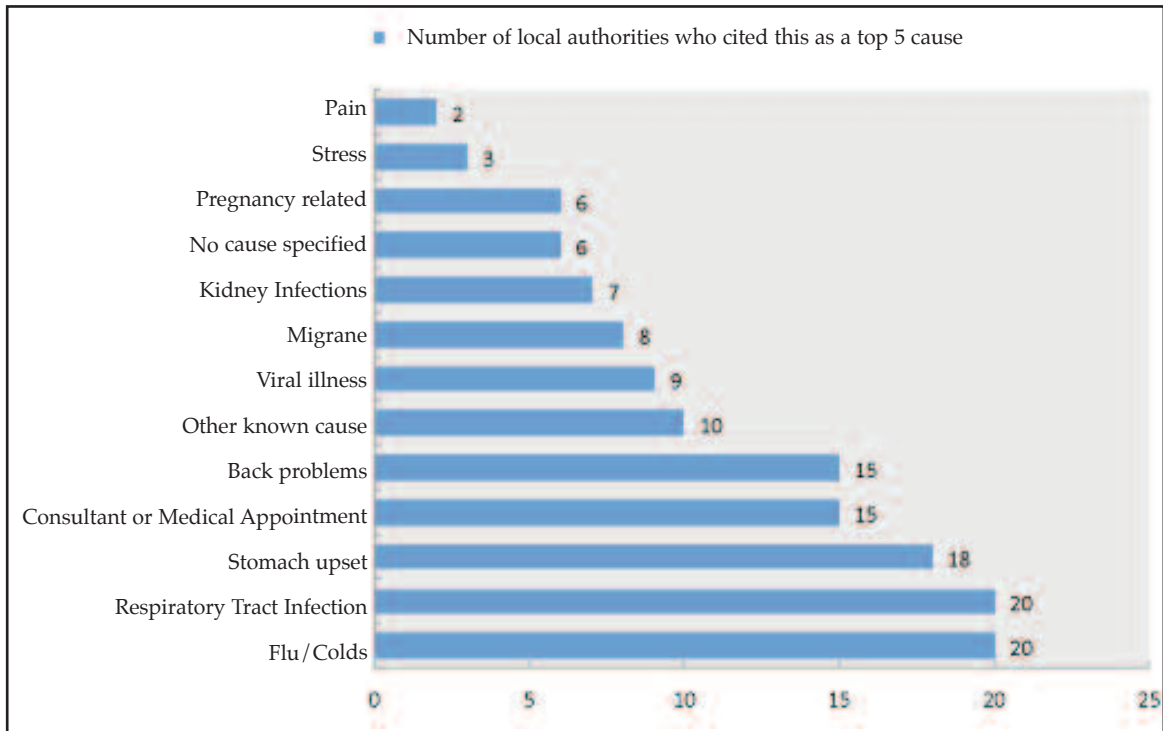
Data provided by the remaining local authorities indicated that the top causes of short-term illness cited as the first cause were Flu, Colds; Respiratory Tract Infection; Consultant or Medical Appointment; No cause specified; Stomach Upset; Viral Illness; Migraine and Pain.

Figure 45: Short-Term Sickness Absence first cause of sickness absence



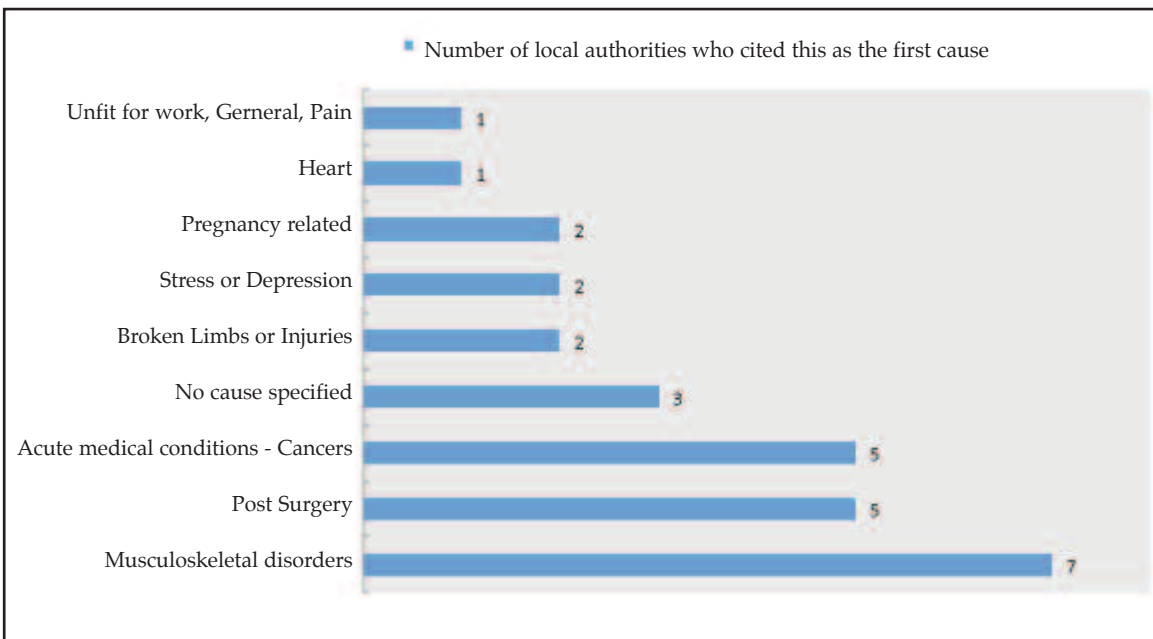
The top five causes of short-term sickness absence identified were: Flu/Colds; Respiratory Tract Infection; Stomach Upset; Consultant or Medical Appointment; Back problems; Other Known Cause; Viral Illness; Migraine; Kidney Infections; No cause specified; Pregnancy related; Stress; and Pain. Two local authorities who provided details of causes identified fewer than 5 top causes.

Figure 46: Short-Term Sickness Absence top five causes of sickness absence



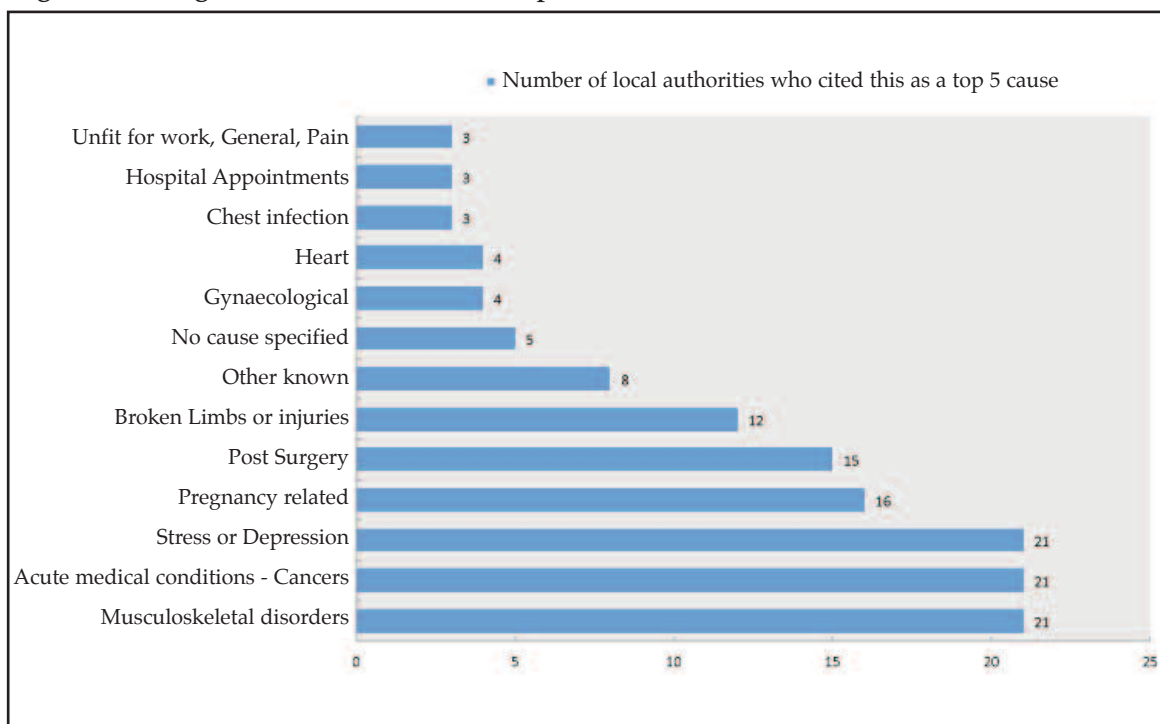
The top causes of long-term illness cited as the first cause, were: Musculoskeletal disorders: Post Surgery; Acute Medical Conditions – Cancers; No cause specified: Broken Limbs or Injuries, Stress or Depression; Pregnancy related; Heart and Unfit for Work, General and Pain.

Figure 47: Long-Term Sickness Absence first cause of sickness absence



The top five causes of long-term illness were: Musculoskeletal Disorders: Acute Medical Conditions – Cancers; Stress or Depression: Pregnancy related: Post Surgery; Broken Limbs or Injuries; No cause specified; Other known; Gynaecological; Heart; Chest infection; Hospital Appointments and Unfit for work, General, Pain. Three local authorities who provided details of causes identified fewer than 5 top causes.

Figure 48: Long-Term Sickness Absence top five causes of sickness absence



Good Practice noted: Long Term Absence was examined comprehensively by a local authority in 2010 and each case was addressed with appropriate interventions. A report provided summary details of the National Rate for Sickness Absence for the Council’s Local Authorities, the average rate for sickness absence of Council Local Authorities for the 3 quarters to the time of production of the report, the National Target for the Local Government Sector, the cost of long-term sickness absence in 2009 and 2010, the number of employees, the number of days, the actions taken by reason, the future actions committed to by reason.

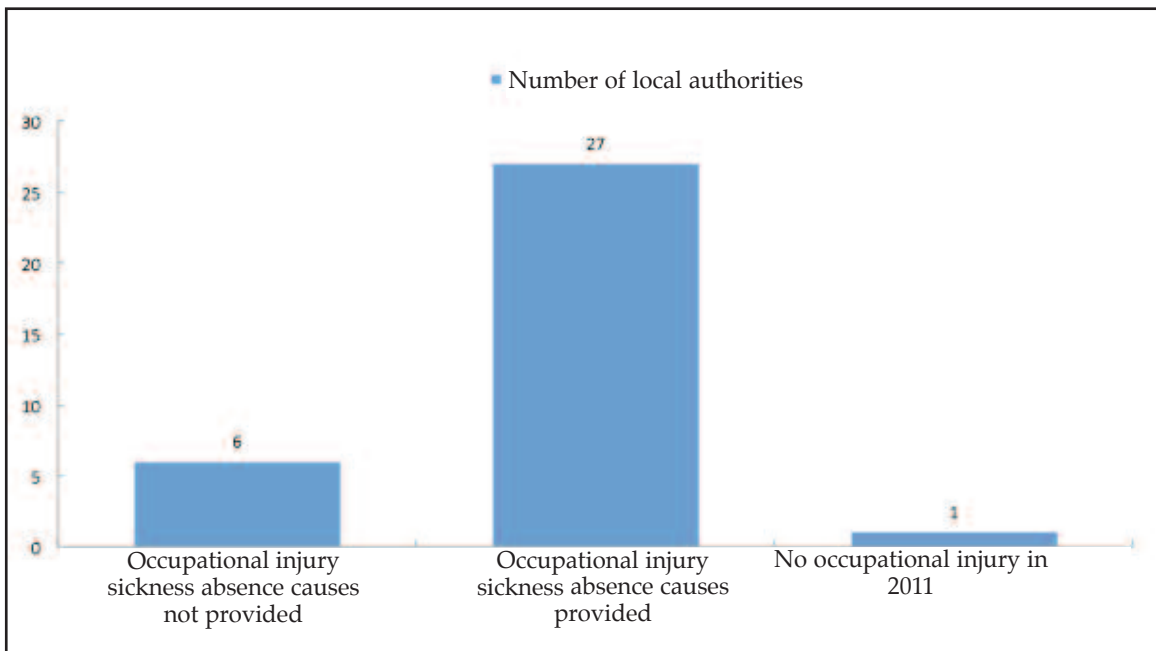
Sectoral policy states *that a person at an appropriate level in the Council will exercise a welfare role and contact the employee. This may be the line manager / supervisor and/or the HR Department. A Welfare Officer or an Employee Assistance Programme may be appropriate to use for this purpose.* Under the current local authority sector plan, the sector is committed to implementing the Local Authority Competency Framework and linking PMDS to other HR policies.

Good Practice: British Occupational Health Research Foundation (BOHRF) Managing Rehabilitation: A competency framework for managers to support return to work:

The research report builds a competency framework for line managers to support an effective return to work. The implications for line managers, for organisations and for policy makers are considered. A behaviour-based Competency Framework for Managers to Support Return to Work is reproduced. Guidance is available in a separate short document ‘Manager -support for return to work following long-term sickness absence: Guidance’ and is available on British Occupational Health Research Foundation BOHRF and Chartered Institute of Personnel and Development (CIPD) websites. Local Authorities could consider including this competency as part of the PMDS competency framework.

Occupational Injury sickness absence

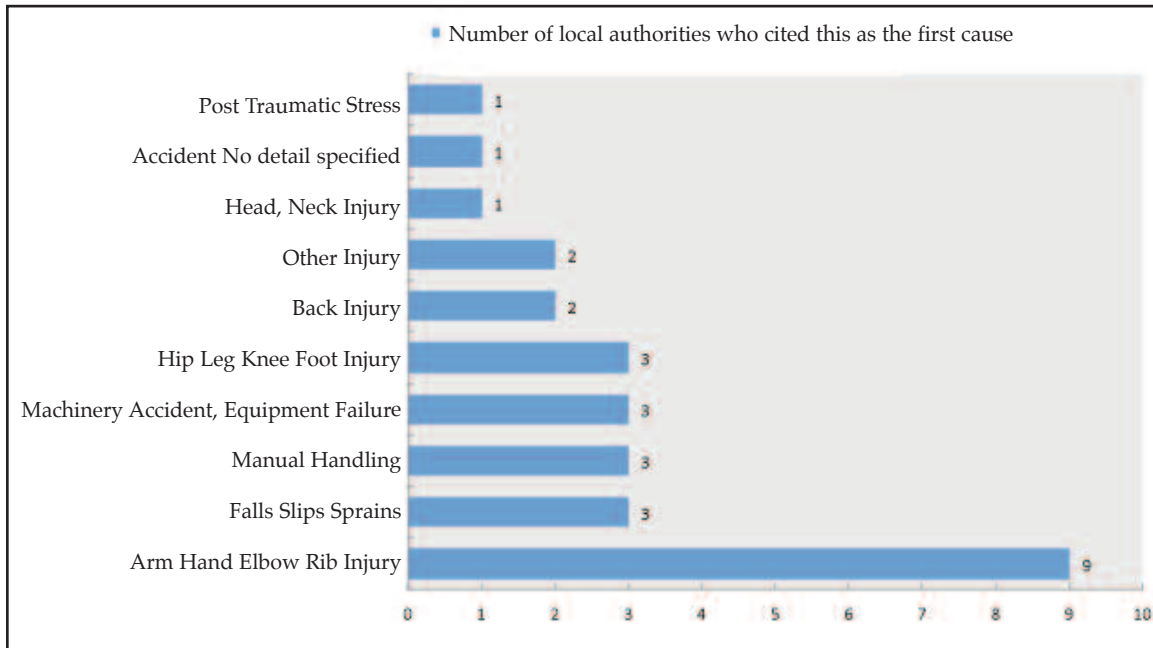
Figure 49: Long and Short Term Occupational Injury Sickness Absence



Implication: The lack of data on occupational injury sickness absence in the local authorities where causes were not provided limits effectiveness of interventions.

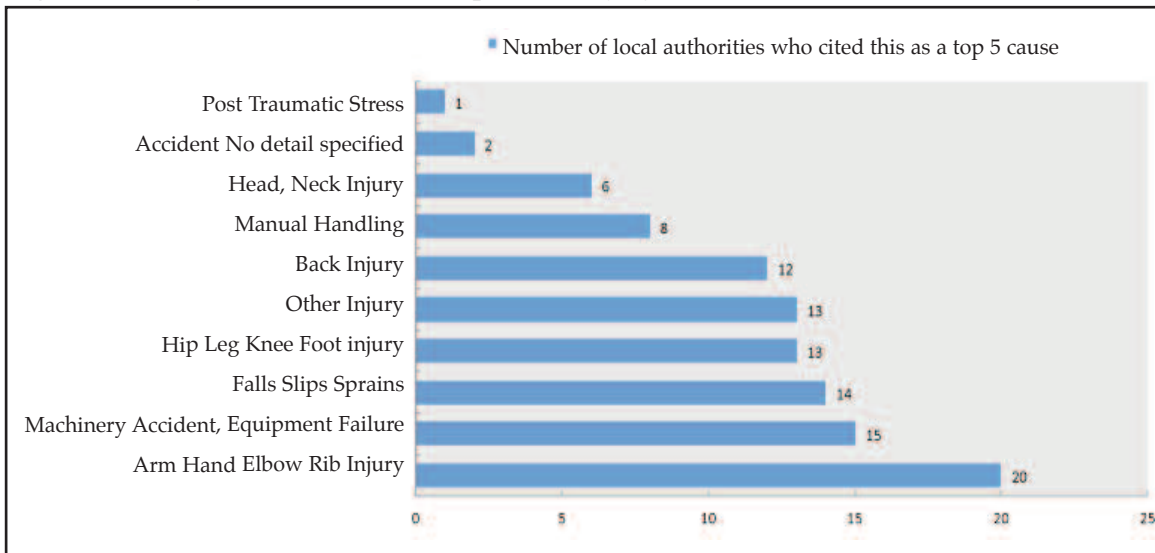
The causes of occupational injury cited as the first cause were: Body area injury to Limbs; Falls, Slips, Sprains; Manual Handling; Machinery Accident, Equipment Failure, Back Injury, Other Injury; Head, Neck Injury; Accident no detail specified and Post Traumatic Stress. One local authority provided two joint top first causes giving a total of twenty eight first causes in twenty seven local authorities.

Figure 50: Long and Short Term Occupational Injury Sickness Absence



The most common causes of occupational sickness absence were Body Area Injury to Limbs; Machinery Accident, Equipment Failure; Falls, Slips, Sprains; Other Injury; Back Injury; Manual Handling; Head, Neck Injury; Accident No Detail Specified and Post Traumatic Stress. 9 local authorities who provided details of causes identified fewer than 5 top causes.

Figure 51: Long and Short Term Occupational Injury Sickness Absence



The sectoral Sick Pay Schemes state that payment of salary or wage during certified sick leave may not be made unless the medical certificate supporting the illness states the nature of the illness. The signature of a medical practitioner is required. Self-certified sickness absence is governed by Circular LG (P) 07/12 Self-Certified Paid Sick Leave Arrangements.

Work-Related Stress

In the 2005 European Working Conditions Survey (EWCS) work-related stress was found to be the third most common work-related health problem across the EU, with some 22% of workers reporting that their health was affected by stress⁴¹ and states that the most common stress outcomes are mental and physical ill-health, sick leave, high staff turnover and occupational accidents. This also means that the costs of work-related stress appear to be high⁴². The European Working Conditions Observatory 2008 *Joint Report on Implementation of Work Related Stress Agreement* states that work-related stress can be caused by different factors such as working conditions, health, safety, well-being, environment, poor communication and work organisation⁴³. The 2007 Labour Relations Commission Guide 'Work Related Stress' implements into an Irish context the European Social Partnership agreement on Stress. Under the agreement the responsibility for determining the appropriate measures to manage work related stress rests with the employer. Details in respect of the number of days of sickness absence due to work-related stress were sought as part of the survey.

A total of 4,536 days were declared as days for sickness absence due to work-related stress in the 24 local authorities that provided the figures. One local authority provided details of the number of staff who submitted work-related stress certificates but did not provide details of the number of days' sickness absence. Three local authorities recorded no days' sickness absence due to work-related stress. One noted that a policy to record had been introduced in March 2012.

Good Practice: A local authority Attendance Management Plan identifies a number of triggers for points of intervention above the provision of the Sick Leave Scheme. The additional triggers for intervention include a pattern of absence on Mondays and/or Fridays, a high Bradford Factor and certified leave exceeding 20 working days. Potential actions are also listed including consideration of engagement with staff support co-ordinators, referral to occupational health specialist, family friendly policies and health and safety examination. Specific reference is made to intervention for illness related to stress, mental illness or occupational injury.

The Role of the HR Function in Sickness Absence Management

HR processes for management of sickness absence must be aligned to the current and future service delivery needs of local authorities. The role of HR in management of sickness absence includes being advisors in relation to sickness absence procedures; working with line managers to deal with problem sickness absence or long-term sickness absence; working with line managers supported by occupational health professionals in planning a return to work for staff on long-term sickness absence.

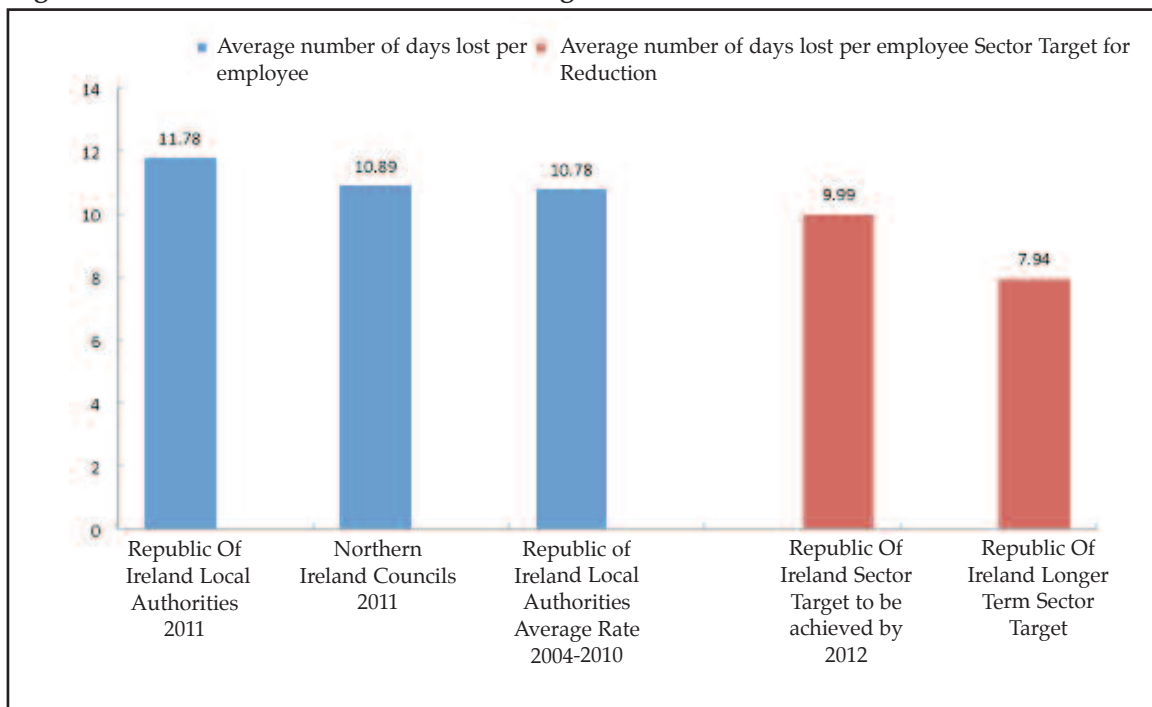
⁴¹ <http://www.eurofound.europa.eu/ewco/health/>

⁴² <http://www.eurofound.europa.eu/ewco/2009/02/EU0902019I.htm>

⁴³ <http://www.eurofound.europa.eu/ewco/2009/02/EU0902019I.htm>

There is scope to expand the HR role to review sickness absence rates at least once a year to pinpoint key features. Comparison could be made with previous year costs and sickness absence rates. This indicates whether or not existing policies and procedures are effective. Going forward, efficiency savings of approximately €21.10m could be made if sectoral targets are adopted and achieved. If local authorities achieve a reduction in sickness absence to 10 days per employee efficiency savings of approximately €10.07m would be achieved. There is scope for HR to review progress made achieving these targets and savings annually and report.

Figure 52: HR role in sickness absence management



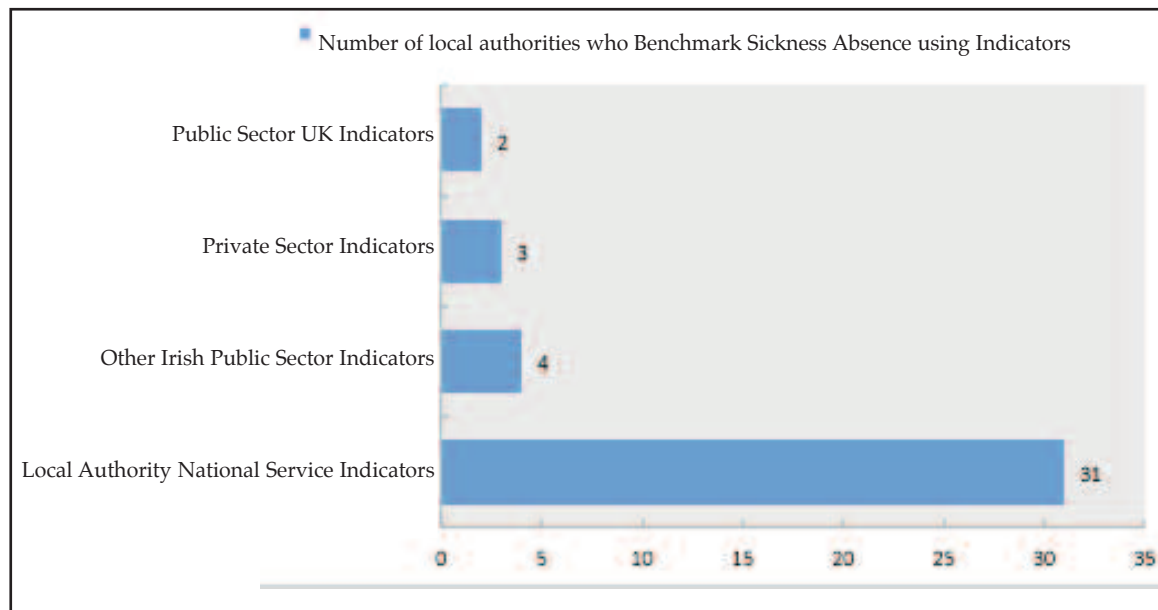
There is also a role for HR monitoring trends overall of long and short term sickness absence and work-related stress.

6. Benchmarking and Performance

Benchmarking with Performance Indicators

Processes and performance metrics are compared with best practices within the sector or with other sections and internationally with the UK using benchmarks and performance indicators.

Figure 53: Benchmarking using Performance Indicators

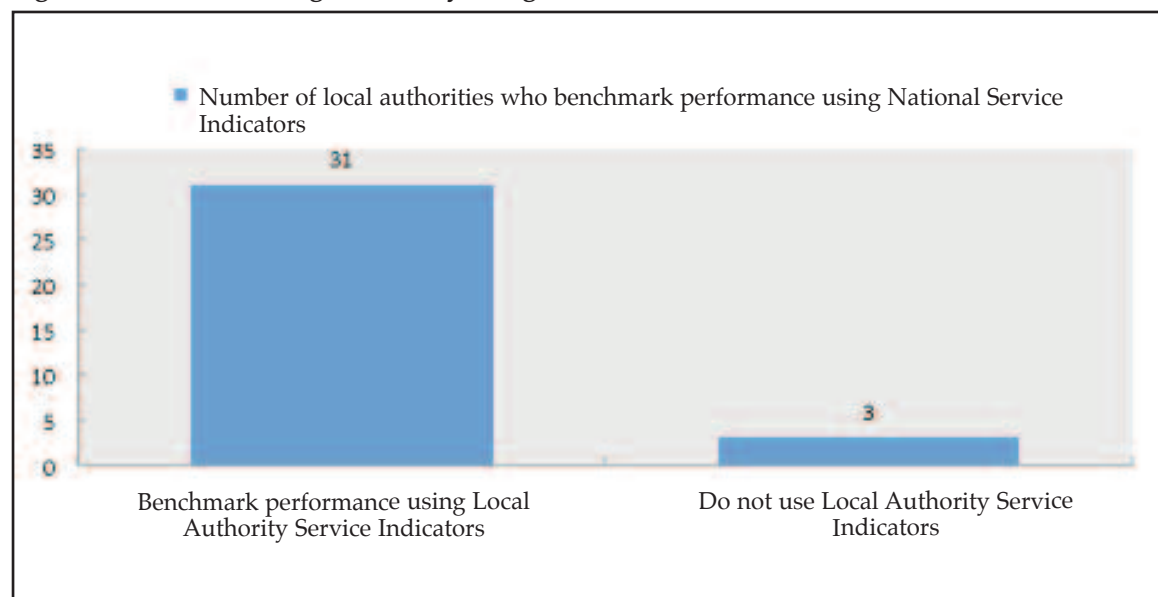


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Benchmarking in relation to National Indicators

Reporting of local authority indicator data on sickness absence is currently confined to the percentage of working days lost to sickness absence for both certified and self-certified sick leave.

Figure 54: Benchmarking Nationally using Service Indicators



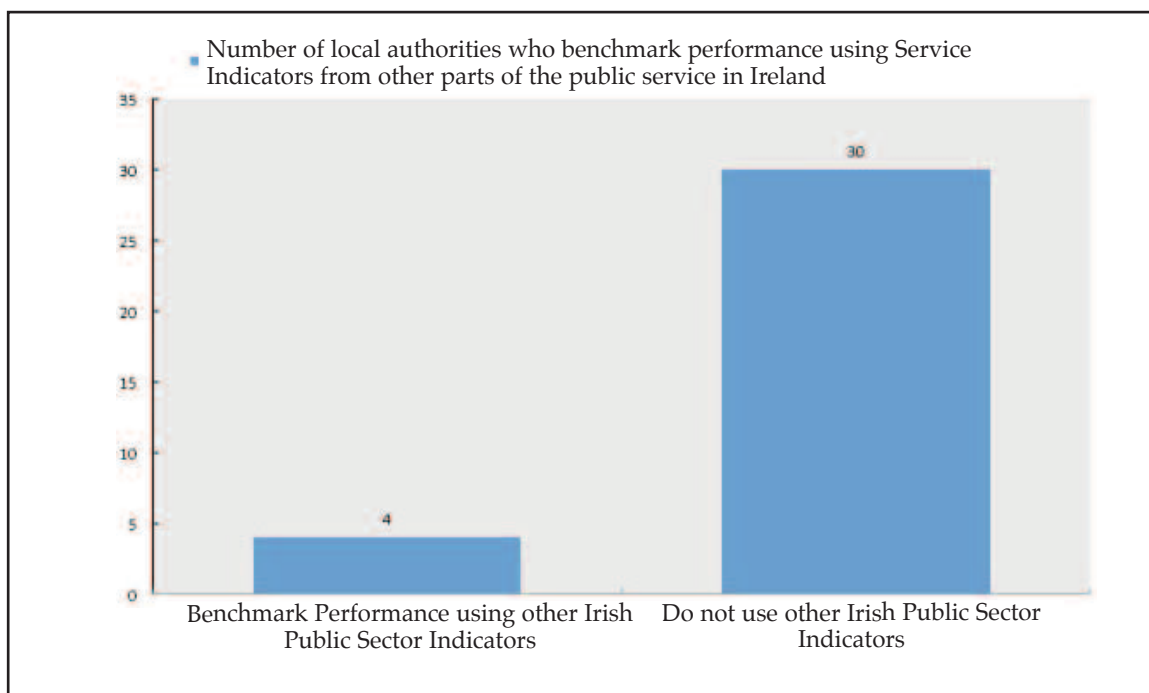
Implication: Performance improvement may not be consistent within the sector. The *Report of the Local Government Efficiency Review Group* notes that *Service indicators are a guide to differences in efficiency and effectiveness between local authorities at a given point in time*. In line with the recommendations of the report, here is opportunity to build on benchmarking using performance indicators for targets, productivity savings and efficiency savings as part of national reporting. The authorities who declared that they do not use Local Authority Service indicators to benchmark included sickness absence data in the Council 2011 Annual report.

Performance Indicator: Full benchmarking by local authorities using current and all new Local Authority National Service Indicators for sickness absence.

Benchmarking nationally with the Other Irish Public Sector Indicators

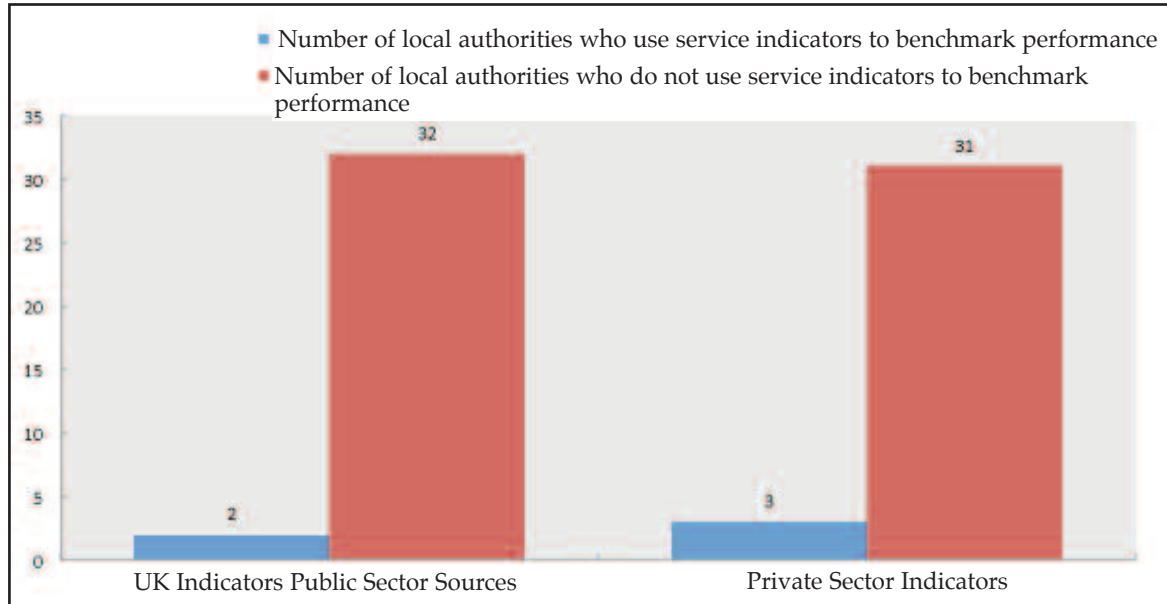
LGMA policy states that *measurement of deliverable targets is taking place across the sector with the level of attendance an important indicator in this regard and that comparison across the local authority sector, the wider public sector and the private sector is now possible as a result of this measurement*.

Figure 55: Benchmarking Nationally using Other Irish Public Sector Indicators



Benchmarking internationally with the public service indicators

Figure 56: Benchmarking Internationally using UK Public Sector Indicators



Implication: Performance metrics are not being compared with best performance internationally by all local authorities. Performance improvement may not be consistent within the sector. There is scope to make greater use of international benchmarking.

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Benchmark: Northern Ireland Statistics and Research Agency (NISRA) Report Sickness

absence in the Northern Ireland Civil Service 2010/2011: The twelfth annual report by NISRA provides an analysis of sickness absence for staff in the Northern Ireland Civil Service during the 2010/2011 financial year. The report contains analysis of trends to help departments evaluate the effectiveness of the range of initiatives, which were introduced to aid in reducing absenteeism. The report includes a section on ministerial targets and provides analysis of performance against the overall target and individual departmental performance.

Benchmark: Northern Ireland Audit Office Absenteeism in Northern Ireland Councils 2009-10 Report by the Chief Local Government Auditor: Reports on performance, compares sickness

absence across all councils and considers the level of absenteeism for the sector as a whole when compared with other employment sectors. It comments on improvement/ deterioration of sickness absence rates across all councils. An improved sickness absence rate is accompanied by quantification of productivity efficiency savings. A deteriorating sickness absence rate is quantified financially in terms of productivity losses. The report identifies lost productivity by cause of absence. In 2009-2010 lost productivity was quantified as £16.4m and it was reported that the cause of absence which resulted in the highest amount of lost productivity in councils in Northern Ireland was stress, depression, mental health and fatigue. The report quantifies productivity gains by reference to the best performing rate in other local authorities and in 2009-2010, quantified a gain of £6.2m had all councils matched the lowest average annual absenteeism rates.

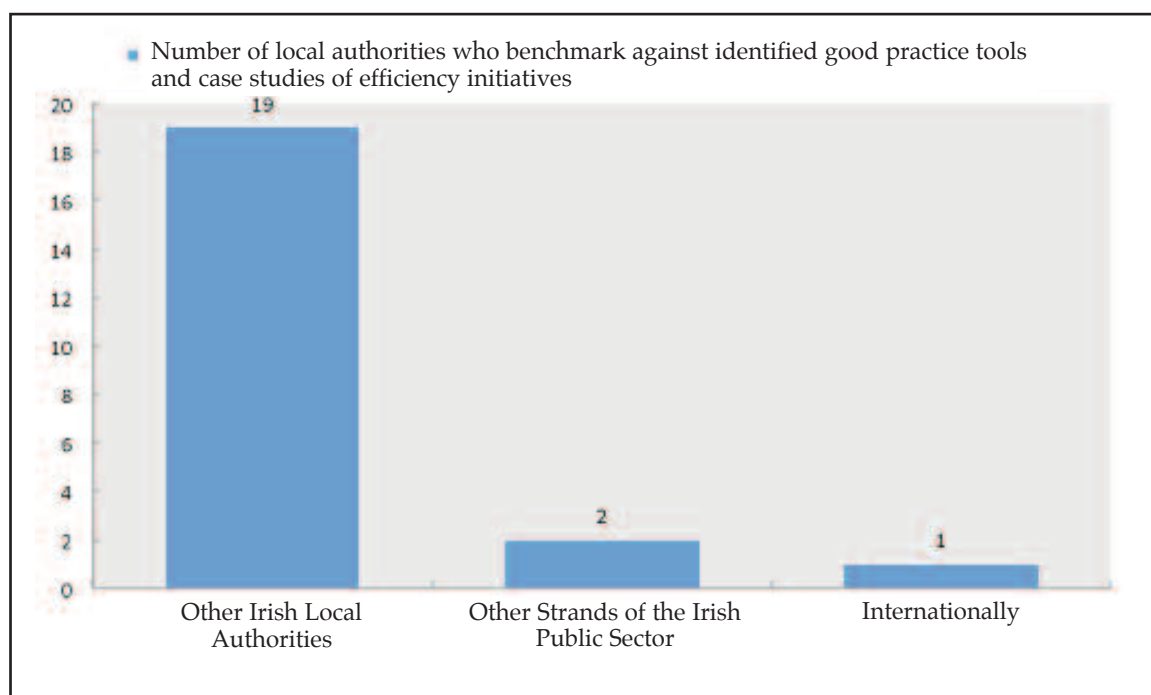
Benchmark: Report by the Chief Local Government Auditor of Northern Ireland ‘The Exercise by Local Government Auditors of their Functions in the year to 31 March 2012’ The 2012 report states that the average sickness rate for Northern Ireland Councils in 2010-2011 was 10.89 days down from 11.2 days in 2009-2010.

The LGMA is working in partnership with the Local Government Staff Commission for Northern Ireland to promote best practice examples of change management. It is envisaged that shared meetings and events will be held with the strategic objective of ‘meeting customer needs in an atmosphere of continuous improvement’.

Case Studies of Efficiency Initiatives

Sickness absence has a significant impact on financial resources, staffing resources, on service delivery and employee morale. Measuring sickness absence is the first step to identifying its cost, understanding its’ extent, patterns, and causes and developing targeted strategies and interventions to address.

Figure 57: Benchmarking against identified good practice and case studies of efficiency initiatives



Nineteen local authorities state they benchmark against other local authorities. One local authority stated they use the LGMA website reports which can be tailored to meet banded local authorities and a range of other data. Most local authorities do not benchmark against identified good practices. There is scope to make far greater use of this resource. Understanding how other bodies perform provides opportunity to identify good practice. Examples of tool guides and case studies to manage sickness absence have been set out below.

The European Institute of Public Administration Network Human Resources Working Group (HRWG):

EUPAN is an informal network of the Directors General responsible for Public Administration in the Member States of the European Union, the European Commission and observer countries. Its vision is to support the implementation of the Lisbon Strategy by placing the citizen at the centre of public management and by working in various areas including human resources. The HRWG is an interest group for discussing and sharing experiences on all issues related to the HRM policies of central government administrations and some general strategic matters concerning government reform and change. The HRWG has representatives of all Member States, the European Commission and The European Institute of Public Administration. There is scope to access this and similar networks to examine their case studies and reports.

In addition to the HRWG, EUPAN has other working groups, committed to support efficiency and customer orientation in European public service, the E-Government Working Group and Innovative Public Services Group (IPSG) which has a sub-group, Common Assessment Framework Expert Group (CAFEG). The IPSG mission is to contribute to improving the quality and efficiency of the European public services, by developing tools and sharing good practices between Member States. The main goal is to introduce quality management and the customer orientation in public administrations. The CAF is a tool introducing quality management in the public sector. This is a free resource. The overall vision of the CAF Network and the CAF Resource Centre can be described as “The further dissemination of the CAF within Europe, maximising collaboration at national and European level in order to contribute to the proper functioning of public sector organisations and the quality of the service delivery to the citizens⁴⁴.”

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Key performance results relate to whatever the organisation has determined as essential, measurable achievements for the success of the organisation in the short and longer term. They represent the capacity policies and processes to reach goals and objectives as defined in the institution’s mission, vision and strategic plan and can be divided into External results: outputs and outcomes to goals focusing on the link with/between the mission and vision (Criterion 1) strategy and planning (Criterion 2), processes (Criterion 5) and the achieved results for the external stakeholders and Internal results: level of efficiency, focusing on the link with people (Criterion 3), partnerships and resources (Criterion 4) and processes (Criterion 5), and the achieved results in building up the organisation towards excellence⁴⁵.

The case studies on the CAF database in the European Institute of Public Administration (EIPA) facilitate the exchange of experience or benchlearning with other public organisations. The case study of the Pirkanmaa Employment and Economic Development Centre in Finland where the CAF model identified that one of the most important and most needed improvement actions was how to develop their social capital, the knowledge of how to meet the needs of the future organisation more effectively in the light of substantial changes to its structure in the coming

⁴⁴ The EUPAN-HANDBOOK 2007 page 29

⁴⁵ EIPA ‘CAF 2013 Improving Public Sector Organisations through Self-Assessment’ page 50

years and where sick leave has declined by 19% from 10.37 to 8.4 days per person per year and longer periods of absence or sick leave have declined is an example of this⁴⁶.

Good Practice: CAF as a tool for reporting on educational quality and a backdrop for drawing up political objectives: In Nord-Trøndelag County Council, Norway, the CAF assessment results from the sector, both average and individual for the different schools, are used as the main evidence for setting targets and objectives. These targets and objectives are set both for long and short term, and are meant as solutions for the areas of improvement for the educational sector as a whole, but also for the individual organisations. The annual measurement of quality in the entire sector, the handling and target-setting of the areas of improvement, and following up the results, has led to measurable development in this period⁴⁷.

Recommendation: The Common Assessment Framework (CAF) to be used to benchmark performance and to aid continuous improvement in management of sickness absence in the sector.

The LGMA has stated that the Attendance Management Committee will use CAF in conjunction with other models, also taking cognisance of possible other models in the greater public sector and potential inter-sector comparisons.

Wales Audit Office (WAO) Good Practice Exchange: This is a resource to help organisations become more effective in delivering better services. Having access to practical examples of what others have done is very useful and the good practice exchange site has an extensive range of good practice checklists and case studies on sickness absence management in the public sector.

The site notes that *around 23% of the people at work in Wales are employed in public services*. In terms of the benefits of improving sickness absence rates in public services in Wales the Site identified that *“the benefit of reducing the average number of days lost each year in the Welsh public sector by only one, is the equivalent of a cash injection of £27 million to the public services in Wales. This can be achieved purely through obtaining a day’s work from staff who are already being paid”*⁴⁸.

The good practice checklists are very detailed and view sickness absence management from the perspectives of: the Board, Scrutiny Committee; the Chief Executive; Senior Managers; Human Resources; Occupational Health; Line Managers, Team Leaders, Supervisors.

Good practice case studies are available to download from the site. Part of the Good Practice Exchange provides guidance for public services when setting up an occupational health service.

⁴⁶ CAF Works better service for the citizens by using CAF. Austrian Federal Chancellery Directorate General III – Civil Service and Administrative Reform

⁴⁷ http://www.eipa.eu/files/File/CAF/event/1020602/S5_3_NO_Svensden.pdf

⁴⁸ <http://www.wao.gov.uk/goodpractice/1491.asp>

It sets out the business benefits, some useful links to other relevant sources of information and examples of good practice.

UK NAO 2004 Report: Managing Attendance in the Department for Work and Pensions Report by the Comptroller and Auditor General 2004

The report assessed the Department for Work and Pensions' performance against widely accepted good practices. The NAO was assisted in this by attendance management experts from the Institute for Employment Studies and the Institute of Work Psychology. The review was undertaken at a time when the Department itself was reviewing the success of its attendance management policy. The report considers performance against national targets, and examines the effect of human resource policies in particular the emphasis on the role of line managers. A number of good practice recommendations were made on the role of line managers including:

- Strengthening monitoring of line management actions.
- Provision of support for line managers.
- Developing effective attendance management training.
- Clarifying the role of occupational health and other welfare support and ensure performance targets are met.
- Processes to ensure consistency of approach to managing attendance.
- Supports offered to staff to improve their attendance including well-being initiatives to assist in identifying and tackling stress.
- Communication of policy and policy changes to all staff.
- Evaluation of the impact of the attendance policy.

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UK NAO Current Thinking on Managing Attendance short guide for HR Professionals:

Produced by NAO with the Institute for Employment Studies and the Institute of Work Psychology, the guide considers a range of issues including awareness programmes, participation in national initiatives and lifestyle change interventions including stress management. The guide, referred to the fact that *'it is very common now to find that responsibility for managing absence is pushed down to the line manager. However, evidence consistently points to more effective absence management arising in situations where HR and or senior management carry the responsibility. This is particularly the case where disciplinary action is taken because of poor attendance'*.

The guide also considered the following

- Measuring absence
- Managing absence
- Tackling the causes of absence
- Organisational absence strategy / culture
- Absence management procedures
- Awareness programmes including; Written advice, Participation in national initiatives, Health screening, Health education, Risk analysis and audit and Policy development and dissemination

- Lifestyle change interventions including; Smoking cessation, Stress management, Addiction support, Work-related upper limb disorders e.g. Repetitive Strain Injury, Advice, support and counselling, Manual handling and Weight loss programmes.

Good Practice: Chartered Institute of Personnel and Development (CIPD) Absence

Management Resources: CIPD have a number of resources available to aid management of sickness absence including the 'Absence Management tool' a resource to help managers gather reliable and useful data on absence levels, to analyse this data in order to identify trends or issues, and to interpret these findings so that appropriate solutions and responses can be developed.

Efficiency Initiative Shared Services for Transactional Functions

Civil Service Human Resource Shared Services Centre

A government decision was taken to proceed with implementation of a HR Shared Service Centre (HRSSC) managed and operated by the Civil Service. A schedule for the transfer of HR services to the HRSSC has been agreed for the 40 government departments/offices over a two year period commencing September 2012. The HRSSC will manage the high volume transactional elements of HR allowing local HR units to focus on more strategic HR capabilities. "It is estimated that once fully operational the annual cost of HR services will be reduced by 26%"⁴⁹. There is scope for local authorities to consider setting up a similar shared service option within each of the new Regions under 'Putting People First'.

Provision of a shared service to manage elements of HR including internal HR reports and external compliance reports will allow local HR units to focus on more strategic HR capabilities. In the Civil Service the common centrally managed Human Resource Management System (HRMS) for administration of HR services was a significant advantage in establishing a HRSSC⁵⁰. Successful introduction of CORE, the shared HR and Payroll system within the local authority sector gives scope for local authorities to consider setting up a similar shared service option. Shared services bring benefits in addition to cost savings.

Local authorities have tackled spending cuts head on and have reported significant efficiency savings. The sector continues to respond to the challenges facing the sector today including fundamental restructuring, reducing spending and provision of continued customer-focused services. Effective management of sickness absence aids this through productivity savings by doing things better and through payroll efficiency saving by meeting sectoral targets set. A shared service for HR reporting functions would assist HR in responding to the requirements

⁴⁹ <http://per.gov.ie/2012/05/22/government-announces-plans-for-a-civil-service-wide-human-resources-shared-service-centre-hrssc/>

⁵⁰ <http://debates.oireachtas.ie/dail/2012/06/13/00044.asp>; page 44

contained in 'Putting People First' and to focus on more efficient and cost-effective ways of delivering public services.

Recommendation: A shared service arrangement for internal HR reports and external compliance reports to be established.

Recommendation: The local government sector to establish a Best Practice website for managing sickness absence.

The sector is considering a number of areas suitable for shared services and business cases have been prepared for HR Superannuation and an Employee Assistance Service.

7. Managing Sickness Absence

A Sectoral Approach to Management of Sickness Absence

The Need for Robust Reporting

Sickness absence levels as reported in the National Service Indicators since 2004 have increased annually. Statistics on the percentage sickness absence and the estimated cost of sickness absence in the local authority sector highlighted the need to evaluate the application of LGMA sectoral policy and processes for the management and reporting of sickness absence in the sector. This report quantifies the financial impact and scale of sickness absence, the causes of sickness absence, arrangements in place to manage, monitor and control absence including well-being interventions as a strong and coherent sector approach to the application of sickness absence policies and procedures across the local government sector.

Sectoral Strategy Policy and Guidance

Sectoral guidance indicates that the local authority should ensure that robust reporting and recording systems are in place. Excellence in recording and reporting is dependent on accurate information being provided to line managers and onwards to relevant personnel responsible for the management and implementation of the systems. It is important to ensure that all managers, supervisors and employees are clear on their respective roles in this regard.

Management of sickness absence in the local government sector would benefit from better reporting of performance locally and nationally, in terms of application of sectoral strategy policy and guidance as there is scope for improvement in adoption and application of sickness absence policy and procedure. Further productivity savings can be achieved by doing things better and more consistently across the sector. With some exceptions, local authorities could improve their planning to manage sickness absence, risk management and evaluation of sickness absence. There is however very good work being done in some local authorities, examples of the good practices noted have been reported in this study as have good practices noted within the sector, benchmarking with the wider public service, and the private sector both national and internationally.

Reporting Sickness Absence Nationally

Local authorities report on sickness absence through the service indicators. There is opportunity to build on this in terms of reporting nationally on achievement of targets, efficiency savings and productivity savings. In this way, service indicator data will be used as a basis for driving change and challenging existing approaches to service delivery⁵¹.

Reporting/Presenting sickness absence to senior management

Sickness absence reports must be short and clearly presented to allow senior management identify problem areas promptly and accurately. A short summary report of the issues accompanied by graphs, pie charts, bar charts facilitates this. The summary report can be further

⁵¹ Report of the Local Government Efficiency Review Group March 2010 Section 3.5.4

sub-divided into groups for review e.g. by section, grade, type of contract, location. Combining data as outlined below with specific data on costs, days, numbers and patterns gives a clear picture of the cost to the council of sickness absence in many ways, also of the underlying causes of sickness absences for individual sub-groups. This allows timely and targeted intervention.

This report is based on a number of assumptions and calculations underpinned by the data collected from the local authorities as set out in Appendix 4.

Effective management of sickness absence is aided by:

Management Return to Work Forms: Nine local authorities were able to quantify the number of Return to Work Forms for Return to Work Conversations held in 2011.

Management Sick Leave Review Meetings: Twenty-six local authorities could not quantify the total number of instances of sickness absence resulting in a review meeting.

Line Manager Role: Line manager responsibility for implementing the HR strategy for sickness absence was agreed and documented in 18 local authorities.

Staff Numbers: Thirty-one local authorities quantified staff numbers and the number of working days each staff member took for certified and self-certified sick leave.

Long and Short-Term Sickness Absence: Twenty-eight local authorities quantified the number of long and short-term sickness absence days facilitating the ability to target appropriate intervention.

Long and Short-Term Sickness Absence: Twenty-seven local authorities quantified staff numbers for long and short-term sickness absence.

Causes of Short Term Sickness Absence: The top causes of short-term illness cited as the first cause, were Flu, Colds; Respiratory Tract Infection; Consultant or Medical Appointment; No cause specified; Stomach Upset; Viral Illness; Migraine and Pain.

Causes of Long Term Sickness Absence: The top causes of long-term illness cited as the first cause, were: Musculoskeletal disorders: Post Surgery; Acute Medical Conditions – Cancers; No cause specified; Broken Limbs or Injuries; Stress or Depression; Pregnancy related; Heart and Unfit for Work, General and Pain.

Causes of Occupational Injury Sickness Absence: The top causes of occupational sickness absence cited as the first cause, were Arm, Hand, Elbow, Rib injury; Falls, Slips, Sprains; Manual Handling; Machinery Accident, Equipment Failure; Hip, Leg, Knee, Foot injury; Back Injury; Other Injury; Head, Neck Injury; Accident no detail specified and Post Traumatic Stress.

Work-Related Stress: Twenty-four local authorities provided details of the number of days of sickness absence due to work-related stress in 2011.

Benchmarking: Greater use of benchmarking within the sector, with the wider Irish and International Public Service and with the Private Sector will aid evaluation of the efficiency and effectiveness of sickness absence strategy.

Case Studies of Efficiency Initiatives: to be applied as part of review and evaluation of the effectiveness of sickness absence policy and application of procedure.

National HR Payroll and Superannuation System

The Local Government Efficiency Review Group Report 2010 recommended that a uniform human resource and payroll system be implemented for local authorities (8.9.1). A HR Payroll and Superannuation System (CoreHR) has been rolled out to 27 local authorities as part of a national project. The *Interim Report to the Minister for the Environment, Community and Local Government and the LGERIG* produced by CCMA in March 2012 committed in principle to a migration plan for the remaining local authorities over time. The *Further Report to the Minister for the Environment, Community and Local Government* published by the Local Government Efficiency Review Implementation Group in April 2013, Appendix A states that the Payroll and Superannuation HR shared service is currently at design stage, with the Core software being an integral part of the Design stage.

The LGMA has stated that, it is intended to capture two main categories of benefits, **Organisational benefits** (i.e. those contributing to the bottom line or to improved service to the public or staff), these can be broken down further into benefits which can be readily identified or quantified and for which monetary savings can be established readily and **Functional benefits** (i.e. the contribution made by the system in achieving strategic HR and/or Payroll objectives). These would tend to be benefits which accrue over a longer timeframe and will be measured over a 3-5 year period post project. The LGMA has noted that a standardised set of calculation methodologies will be achievable within the first 1-2 years of operational use of the system.

Consideration by the Local Government Auditor of local authority performance

Development of a strong and coherent sector approach to the development of policies and procedures is essential to maximise integration and efficiency across the local government sector⁵². Implementing the recommendations in respect of LGMA policy already in place and monitoring achievement with the identified performance indicators will assist in achieving this objective. There is a role for external audit to report on the management of sickness absence.

⁵² Local Government Efficiency Review Implementation Group Report to the Minister for the Environment Community and Local Government March 2012 Section 1.4.1

The report of the LGER Group recommended that local authority performance against national VFM studies, capital spot checks, efficiency reviews or VFM follow-up reports should be considered by the local government auditors⁵³. Sickness absence information could be included in the Local Government Auditors' annual statutory audit reports on the city and county councils.

Summary of Recommendations

There is scope for improvement in adoption and application of sickness absence strategy, policy and procedure. Twenty-five local authorities had adopted a locally agreed HR strategy or apply the sectoral strategy without modification. There is a risk that HR processes for management of sickness absence may not be aligned to meet the current and future service delivery needs where local authorities have not adopted a strategy. Twenty-two local authorities had adopted the updated 'Attendance Management Policy and Procedure'. Thirty local authorities apply the 'Attendance Management, Management Guideline Document' or have a local equivalent guideline and twenty-nine local authorities had adopted the 'Management Guidelines for Line Managers' or have a local equivalent guideline. With some exceptions local authorities could improve their planning to manage sickness absence, risk management and evaluation of sickness absence.

There is very good work being done on the management of sickness absence in some local authorities. This study gives examples of best practices currently applied in local authorities and across the wider public sector. The good practices identified are reflected in the benchmarks for improvement. This includes consideration of shared services for HR reporting for the local government sector. *Continuously improving the service delivery to the citizens with better efficiency is the challenge for each and every public organisation*⁵⁴. The CAF model is a management tool for developing excellent public services in and outside Europe.

This report has made a number of recommendations as set out below:

- **Recommendation:** Full reporting of sickness absence costs and performance against sectoral targets for efficiency and effectiveness savings nationally.
- **Recommendation:** Unpaid certified sickness absence to be quantified and reported separately in the Service Indicators.
- **Recommendation:** The Common Assessment Framework (CAF) to be used to benchmark performance and to aid continuous improvement in management of sickness absence in the sector.
- **Recommendation:** A shared service arrangement for internal HR reports and external compliance reports to be established.
- **Recommendation:** The local government sector to establish a Best Practice website for managing sickness absence in the shared service.

⁵³ Report of the Local Government Efficiency Review Group March 2010 Recommendation 26

⁵⁴ Growing towards excellence in the European Public Sector (a Decade of European Collaboration with CAF) Patrick Staes and Nick Thijs page 5 EIPA

Recommendations made in this study are compatible with evolving public sector in line with the Government commitment in this area. Introduction of a shared service for HR Transactional Functions for the local government sector will allow HR locally to focus upon organisational development and the continuous improvement needed to meet the challenges and meet the needs of the future organisation more effectively in the light of substantial changes to local government structure in the coming years and to focus on effective management of sickness absence and delivery of the identified efficiency and productivity savings as a sector.

The management of sickness absence in local authorities is a key issue for the sector as highlighted from the data collated and analysis in this report.

Appendix 1:

Table 1	Full Time Equivalent and Total Working Days
Table 2	Total days' sickness absence in 2011
Table 3	Net Cost and Efficiency Savings
Table 4	Net cost and efficiency savings at 10 days absence

Table 1: Full Time Equivalent and Total Working Days

City/County Council	FTE 31 December 2011 Staff	Total working days FTE*227
Carlow	285.4	64,788.07
Cavan	416.3	94,500.10
Clare	785.0	178,195.00
Cork City	1,336.0	303,272.00
Cork County	2,184.1	495,792.97
Donegal	959.0	217,693.00
Dublin City	6,072.4	1,378,423.45
Dun Laoghaire Rathdown	1,063.6	241,437.20
Fingal	1,392.0	315,984.00
Galway City	471.0	106,917.00
Galway County	811.6	184,235.47
Kerry	1,152.3	261,581.18
Kildare	885.9	201,099.30
Kilkenny	556.6	126,345.93
Laois	367.9	83,508.76
Leitrim	281.1	63,816.51
Limerick City	474.1	107,629.78
Limerick County	629.4	142,880.61
Longford	313.0	71,051.00
Louth	699.3	158,750.18
Mayo	1,067.5	242,322.50
Meath	656.0	148,912.00
Monaghan	413.8	93,941.68
Offaly	399.0	90,573.00
Roscommon	525.1	119,190.89
Sligo	488.7	110,943.98
South Dublin	1,279.6	290,469.20
Tipperary North	481.1	109,216.51
Tipperary South	632.3	143,523.02
Waterford City	367.0	83,309.00
Waterford County	476.0	108,052.00
Westmeath	482.8	109,593.33
Wexford	819.3	185,981.10
Wicklow	747.5	169,682.50
	29,971.9	6,803,612.22
Source of Data	FTE to 1 decimal place. Survey Data provided by local authorities.	FTE to two decimal places. Survey Data provided by local authorities. Total possible working days figure of 227 provided by the LGMA.

Table 2: Total days sickness absence in 2011

City/County Council	FTE 31 December 2011	Days Unpaid Sickness Absence	Days Paid Sickness Absence	Total Days Sickness Absence	Working days lost to sickness absence per employee	Working days lost to sickness
	Staff	Days	Days	Days	Days	%
Carlow	285.4	147.0	3,410.5	3,558	12.46	5.49
Cavan	416.3	235.5	4,018.5	4,254	10.22	4.50
Clare	785.0	269.0	7,619.0	7,888	10.05	4.43
Cork City	1,336.0	407.0	15,375.0	15,782	11.81	5.20
Cork County	2,184.1	3,181.0	23,372.0	26,553	12.16	5.36
Donegal	959.0	1,438.0	7,277.0	8,715	9.09	4.00
Dublin City	6,072.4	11,611.0	54,930.0	66,541	10.96	4.83
Dun Laoghaire/ Rathdown	1,063.6	92	12,195.0	12,287	11.55	5.09
Fingal	1,392.0	437.0	17,782.0	18,219	13.09	5.77
Galway City	471.0	791.0	5,411.0	6,202	13.17	5.80
Galway County	811.6	1,092.0	8,819.0	9,911	12.21	5.38
Kerry	1,152.3	1,903.0	12,816.0	14,719	12.77	5.63
Kildare	885.9	421.0	10,968.8	11,390	12.86	5.66
Kilkenny	556.6	952.0	4,561.0	5,513	9.90	4.36
Laois	367.9	425.0	3,425.4	3,850	10.47	4.61
Leitrim	281.1	439.0	3,169.0	3,608	12.83	5.65
Limerick City	474.1	1,208.5	6,859.5	8,068	17.02	7.50
Limerick County	629.4	969.0	6,478.6	7,448	11.83	5.21
Longford	313.0	150.0	3,889.0	4,039	12.90	5.68
Louth	699.3	2,442.5	8,009.4	10,452	14.95	6.58
Mayo	1,067.5	2,044.0	10,731.0	12,775	11.97	5.27
Meath	656.0	1,390.0	5,875.0	7,265	11.07	4.88
Monaghan	413.8	265.0	4,134.0	4,399	10.63	4.68
Offaly	399.0	240.0	5,162.5	5,403	13.54	5.96
Roscommon	525.1	403.0	6,192.0	6,595	12.56	5.53
Sligo	488.7	-	6,120.5	6,121	12.52	5.52
South Dublin	1,279.6	2,373.5	14,087.5	16,461	12.86	5.67
Tipperary North	481.1	717.0	4,021.5	4,739	9.85	4.34
Tipperary South	632.3	558.0	6,266.0	6,824	10.79	4.75
Waterford City	367.0	1,914.0	2,355.0	4,269	11.63	5.12
Waterford County	476.0	1,651.0	5,654.5	7,306	15.35	6.76
Westmeath	482.8	611.0	4,757.0	5,368	11.12	4.90
Wexford	819.3	7.0	9,511.5	9,519	11.62	5.12
Wicklow	747.5	1,926.0	5,212.5	7,139	9.55	4.21
	29,971.9	42,710	310,466.1	353,176	11.78	5.19
Source of Data: Survey data provided by local authorities						

Table 3: Net Cost and Efficiency Savings

City/County Council	Working days lost to sickness absence %	Net Direct Costs: Paid Sickness Absence less Social Welfare Recoupment €	Sickness absence cost if % days lost 2011 was 4.4% €	Cost Saving Achievable under agreed sector target 4.4% €	Cost had the longer-term sector 3.5% target been reached €	Additional Cost Saving Achievable under agreed sector target 3.5% €
Carlow	5.49098005	734,329.84	588,428.89	145,900.95	468,068.44	120,360.45
Cavan	4.50158254	891,624.78	871,504.41	20,120.37	693,242.14	178,262.27
Clare	4.4266113	1,690,503.72	1,680,340.98	10,162.74	1,336,634.87	343,706.11
Cork City	5.20390936	3,127,287.70	2,644,178.62	483,109.08	2,103,323.90	540,854.72
Cork County	5.35566287	5,003,779.36	4,110,906.48	892,872.88	3,270,039.24	840,867.23
Donegal	4.00334416	1,523,277.37	1,674,205.40	-	1,331,754.30	191,523.07
Dublin City	4.82732646	11,170,343.47	10,181,517.99	988,825.48	8,098,934.77	2,082,583.23
Dun L aoghaire /Rathdown	5.08910806	2,494,770.60	2,156,957.67	337,812.93	1,715,761.78	441,195.89
Fingal	5.76579827	3,561,996.16	2,718,233.00	843,763.16	2,162,230.79	556,002.20
Galway City	5.80076134	1,157,315.22	877,848.04	279,467.18	698,288.21	179,559.83
Galway County	5.37952871	1,848,979.72	1,512,309.20	336,670.52	1,202,973.23	309,335.97
Kerry	5.62693386	2,635,322.86	2,060,699.64	574,623.22	1,639,192.89	421,506.74
Kildare	5.66376909	2,334,181.34	1,813,350.39	520,830.95	1,442,437.81	370,912.58
Kilkenny	4.36341717	997,667.58	1,006,032.01	-	800,252.74	197,414.84
Laois	4.61071389	711,264.05	678,758.62	32,505.43	539,921.63	138,836.99
Leitrim	5.65370936	622,390.72	484,375.65	138,015.07	385,298.82	99,076.84
Limerick City	7.49606661	1,482,293.16	870,068.30	612,224.86	692,099.78	177,968.52
Limerick County	5.21246375	1,367,890.77	1,154,678.41	213,212.35	918,494.19	236,184.22
Longford	5.68464905	862,891.32	667,890.27	195,001.05	531,276.35	136,613.92
Louth	6.58383505	1,587,175.17	1,060,714.72	526,460.45	843,750.34	216,964.37
Mayo	5.27190005	2,207,943.62	1,842,779.99	365,163.63	1,465,847.72	376,932.27
Meath	4.87872032	1,225,904.57	1,105,613.72	120,290.85	879,465.46	226,148.26
Monaghan	4.6826925	787,205.92	739,682.58	47,523.34	588,383.87	151,298.71
Offaly	5.96480187	1,111,378.39	819,820.18	291,558.21	652,129.68	167,690.49
Roscommon	5.533141	1,338,308.96	1,064,234.48	274,074.48	846,550.15	217,684.33
Sligo	5.51674818	1,237,615.18	987,086.34	250,528.84	785,182.32	201,904.02
South Dublin	5.66703802	2,729,734.50	2,119,419.66	610,314.84	1,685,902.00	433,517.66
Tipperary North	4.33862975	786,570.42	797,696.52	-	634,531.32	152,039.10
Tipperary South	4.75463797	1,360,621.98	1,259,136.19	101,485.79	1,001,585.60	257,550.58
Waterford City	5.12429629	522,527.40	448,670.50	73,856.90	356,896.99	91,773.51
Waterford County	6.76109651	1,254,620.46	816,484.43	438,136.03	649,476.25	167,008.18
Westmeath	4.89810831	1,055,483.16	948,146.84	107,336.32	754,207.71	193,939.13
Wexford	5.11799317	2,110,411.62	1,814,346.13	296,065.49	1,443,229.88	371,116.25
Wicklow	4.20697479	1,104,675.86	1,155,360.81	-	919,037.00	185,638.86
	5.19100867	64,638,286.95	54,788,670.34	10,127,913.40	43,581,896.86	10,973,971.34
Source of Data	Local authorities survey data	LGAS Calculation Average Daily Rate of 3 local authorities based on 2011 payroll data less social welfare benefit payment 2011 local authorities survey data	Paid Sickness Absence *4.4% LGMA target/ local authority %.		Paid Sickness Absence *3.5%LGMA target / local authority %.	Paid Sickness Absence *3.5% LGMA target / local authority % less 4.4% target savings.

Table 4: Net Cost and Efficiency Savings at 10 days absence

City/County Council	Days sickness absence 2011 divided by FTE	Net Direct Costs: Paid Sickness Absence		Cost if days sickness absence reduced to 10 days per FTE	Cost Saving Achievable if reduction to 10 days per FTE is achieved
	Days	€	Days	€	€
Carlow	12.46452472	734,329.84	10	589,135.85	145,193.99
Cavan	10.21859236	891,624.78	10	872,551.47	19,073.31
Clare	10.04840764	1,690,503.72	10	1,682,359.81	8,143.91
Cork City	11.81287425	3,127,287.70	10	2,647,355.45	479,932.25
Cork County	12.15735471	5,003,779.36	10	4,115,845.49	887,933.87
Donegal	9.087591241	1,523,277.37	10	1,676,216.86	-
Dublin City	10.95803108	11,170,343.47	10	10,193,750.50	976,592.97
Dun Laoghaire/ Rathdown	11.55227529	2,494,770.60	10	2,159,549.13	335,221.47
Fingal	13.08836207	3,561,996.16	10	2,721,498.80	840,497.36
Galway City	13.16772824	1,157,315.22	10	878,902.72	278,412.50
Galway County	12.21153017	1,848,979.72	10	1,514,126.15	334,853.57
Kerry	12.77313987	2,635,322.86	10	2,063,175.45	572,147.41
Kildare	12.85675584	2,334,181.34	10	1,815,529.03	518,652.32
Kilkenny	9.90495697	997,667.58	10	1,007,240.70	-
Laois	10.46632054	711,264.05	10	679,574.11	31,689.94
Leitrim	12.83392025	622,390.72	10	484,957.60	137,433.12
Limerick City	17.01607120	1,482,293.16	10	871,113.63	611,179.53
Limerick County	11.83229271	1,367,890.77	10	1,156,065.69	211,825.07
Longford	12.90415335	862,891.32	10	668,692.70	194,198.62
Louth	14.94530557	1,587,175.17	10	1,061,989.10	525,186.06
Mayo	11.96721311	2,207,943.62	10	1,844,993.98	362,949.64
Meath	11.07469512	1,225,904.57	10	1,106,942.05	118,962.52
Monaghan	10.62971197	787,205.92	10	740,571.26	46,634.66
Offaly	13.54010025	1,111,378.39	10	820,805.14	290,573.25
Roscommon	12.56023006	1,338,308.96	10	1,065,513.09	272,795.87
Sligo	12.52301837	1,237,615.18	10	988,272.27	249,342.91
South Dublin	12.86417631	2,729,734.50	10	2,121,966.02	607,768.48
Tipperary North	9.848689543	786,570.42	10	798,654.90	-
Tipperary South	10.79302818	1,360,621.98	10	1,260,648.96	99,973.02
Waterford City	11.63215259	522,527.40	10	449,209.55	73,317.85
Waterford County	15.34768908	1,254,620.46	10	817,465.39	437,155.07
Westmeath	11.11870586	1,055,483.16	10	949,285.98	106,197.18
Wexford	11.6178445	2,110,411.62	10	1,816,525.97	293,885.65
Wicklow	9.549832776	1,104,675.86	10	1,156,748.90	-
	11.78358967	64,638,286.95	10	54,854,496.73	10,067,723.36

Data Source: 2011 Sickness Absence days and FTE using Survey Stats.

Appendix 2:

Performance Indicators A users' guide - Department of Finance

Preface

This is a short factual guide to Performance Indicators. It suggests what to do before selecting indicators and explains the meaning of commonly-used terms.

Performance indicators are a means to an end. They are a key component of the reporting structures to meet governance, accountability and management requirements. The ultimate end is achieving Government's policy objectives (outcomes) through the delivery of efficiently and economically produced public services (outputs). Indicators help to measure how efficiently Departments provide their services and how those services are impacting on society. This information helps broaden the basis for decision-making and assists management and outside observers reach sound conclusions about performance.

Definitions:

Strategic indicators - are we doing what needs to be done? These are high-level indicators about performance on policy objectives. They are usually few in number.

Effectiveness indicators - are we doing what we set out to do? They relate inputs and outputs to outcomes. They are used for external reports and for high-level internal management reports, including qualitative and quantitative data.

Quality measures - to what extent are the expectations of customers and stakeholders being met? They include among other things measures of reliability, accuracy, and courtesy.

Efficiency indicators - how efficiently do we use resources to produce our outputs? These indicators are mainly for internal use, to help guide resource allocation decisions by managers. They are predominantly quantitative, with a heavy emphasis on financial data, productivity and timeliness.

Activity indicators - how busy are we? These indicators provide information about throughput across a desk or management reports. They can be used also to compare workloads between similar offices or units.

Appendix 3:

Performance Indicators:

A Progress Report will issue after the National Report to measure and report levels of compliance by local authorities with these Performance Indicators:

Strategic Indicators:

1. **Sectoral policy and procedure:** All local authorities to adopt the sectoral policy document 'Attendance management policy and procedure'.

Efficiency and Effectiveness Indicators:

1. **Sectoral policy sector target:** Adoption of sectoral target by all local authorities.
2. **Efficiency Savings in respect of performance against the agreed sector target:** Full reporting of performance progress towards achieving efficiency savings nationally.
3. **Performance Indicator:** Full benchmarking by local authorities using current and all new Local Authority National Service Indicators for sickness absence.
4. **Attendance Management Plan:** All local authorities to produce an attendance management plan and evaluate it annually.
5. **Sectoral policy on social welfare costs:** Full adoption of the sectoral social welfare recoupment policy and identification of all income due to the local authority.

Activity Indicators:

1. **Accessibility of sickness absence information by Line Managers:** Reports to be issued or sickness absence information to be accessible by all line managers in every local authority.
2. **Line Manager Training:** Line managers and staff of local authorities to be provided with training in sickness absence policy, strategy and procedure in all local authorities.
3. **Long Term and Short-Term Sickness Absence:** All local authorities to analyse the number of staff who incurred sickness absence due to long-term or short-term sickness and report.
4. **Risk Quantification and Mitigation:** All local authorities to quantify identified risks in respect of management of sickness absence and implement control measures as part of corporate risk management in accordance with sectoral policy.
5. **Performance Indicator Analysis of Days lost to Sickness Absence:** All local authorities to analyse underlying patterns behind certified and self-certified sickness absence and report.

Quality Measures:

1. **Sickness Absence Duration:** All local authorities to quantify the number of spells of sickness absence for employees and report.
2. **Number of Staff with no spells of Sickness Absence:** All local authorities to quantify the number of staff with no recorded spells sickness absence in a given year in line with sectoral policy and include this statistic in all reporting.

Appendix 4:

REPORT ASSUMPTIONS AND CALCULATIONS

Report assumptions

VFM report No. 28 Management of Sickness Absence in Local Authorities, was prepared on the basis of information, documentation and explanations obtained from the public bodies referred to in the report. The report was sent to all 34 city and county councils, to the LGMA, the Department of the Environment Community and Local Government (the Department), and to the Advisory Group for this study. Relevant sections were sent to agencies and to all external bodies referred to in the report. Where appropriate, the comments received were incorporated into the final version of the report. Much of the data used in the report is based on survey data obtained from the 34 city and county councils.

The IPA report "Public Sector Trends 2012"⁵⁵ states "Numbers employed in the public sector continue to fall". It notes that "As a percentage of total employment, public service numbers are not excessive by European standards". And states that "As the population continues to increase (placing increasing demands on public services) and as numbers are reduced further to meet fiscal and economic targets, the challenge of maintaining services and the skills and capacity needed to provide those services increases". The report comments that "This focuses particular attention on the need for process improvement to enhance efficiencies." It states that "The local authority and justice sectors have been particularly hit by staffing reductions. Capacity development in these areas is of pressing concern".

Below is the schedule of assumptions underpinning survey data analysis and calculation of estimated costs of sickness absence, estimated efficiency and estimated effectiveness savings.

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A. Calculation of Estimated Costs of paid sickness absence €64.64m

Days paid sickness absence* average daily rate set off by income benefit paid by the social welfare illness benefit payment:

Cost 310,466*€221.88 = €68.89m **See B and C**

Set-Off €4.25m based on survey data provided by local authorities **See E**

Estimated cost of paid sickness absence: €64.64m

B. Calculation of the number of days of paid sickness absence 310,466

Survey data: Days paid and unpaid sickness absence: 353,176. Days paid sickness absence: 310,466. Days unpaid sickness absence: 42,710. Part-paid and pension rate of pay days are charged at the estimated average daily rate.

C. Calculation of the average daily rate €221.88

Differing interpretation of sectoral guidance on cost calculation resulted in significantly differing average daily costs for individual local authorities. Costs were re-calculated resulting in an average daily rate of €221.88. This was based on the average daily rate of

⁵⁵ IPA 'Public Sector Trends 2012' Nov 2011

three local authorities using 2011 payroll data. Retained fire fighter costs were excluded. The total days worked per year was defined as “FTE at 31 December 2011 as per survey data * 227 = Number of days worked”. Average daily rate = Payroll costs as defined/Number of days worked.

The Average Daily Rate for the Report comprised the Average Daily Rate of three different local authorities was then averaged.

	Average Daily Rate
	€
County Council Southern Region	212.08
County Council Dublin Local Authority	227.29
County Council Western Region	<u>226.28</u>
	665.65
Average Daily Rate to be used	221.88

LGMA guidance: The “Attendance management, management guideline document” issued in November 2011 states that “for those local authorities that are utilising CORE HR or similar is also appropriate to use real-time data from the system using the average daily rate in the local authority”. It states “further guidance will issue from the Board in this regard”. Guidance was not prepared at the time of survey.

D. Available Working Days 227 (applicable in 2011)

The estimated direct cost of sickness absence is based on 227 available working days. The definition for the total number of working days per WTE is set out in LGMA ‘Attendance Management, Management Guideline Document’ and is defined as *the total number of days in a calendar year (365) less Saturdays and Sundays, less Annual Leave, less Public Holidays less any other days the Council is closed for business.* The LGMA guidance notes that this figure has been computed as 227 days.

E. Social Welfare Illness Benefit Payment Recoupable €4.25m

Survey data: In 2011, €4.043m was due to be recouped by 32 local authorities who quantified details. Two other local authorities stated that €205k was recouped in 2011. In total €4.25m was recouped or recoupable in 2011.

F. FTE at 31 December 2011. - 29,971.9

Survey data: Local authorities were asked to provide details of all staff for which the HR section has responsibility. County councils were asked to confirm whether this included county council staff only or staff of all local authorities within the county area. Three local authorities included retained fire-fighter staff in the FTE figure (89 FTE in total). There have been challenges obtaining confirmation of FTE figures. There are four different sets of data for the one date 31 December 2011. FTE data is provided to the

Department, to the LGMA and to DPER and was provided as part of this survey. There are differences between the FTE staff figures in the survey and the other sources of FTE data. The overall differences are minor and are attributed to differing interpretation of the definition of FTE and to timing differences in submitting the reported number of FTE employees.

G. Calculation of Estimated Efficiency savings €10.13m for the 4.4% target and a further €10.97m for the 3.5% longer-term target

The 4.4% and 3.5% targets are sector targets set out in sectoral management guidance issued in November 2011.

Estimated efficiency savings are calculated using the overall % for sickness absence of 5.19% and total estimated sickness absence costs (Ref: A). The estimated efficiency savings, if the 4.4% target is achieved, is calculated as the difference between the total % and the 4.4% target. The same method was used to calculate the estimated efficiency savings for the 3.5% longer-term target.

Estimated efficiency savings 4.4% target: €10.13m

Costs of Sickness Absence excluding unpaid days less the Cost had the 4.4% target been achieved: Costs of Sickness Absence excluding costs for unpaid days*4.4% /sickness absence rate for the local authority.

$$€64.64m - [€64.64m * 4.4\% / 5.19\%] = €9.84m$$

$$€64.64m - €54.80m = €9.84m$$

The difference of €0.29m between this overall calculation and the quoted figure of €10.13m is because four local authorities have achieved the 4.4% target.

Estimated efficiency savings 3.5% target: additional €10.97m

Costs of Sickness Absence excluding unpaid days less the Cost had the 3.5% target been achieved: Costs of Sickness Absence excluding costs for unpaid days*3.5% /sickness absence rate for the local authority. This is reduced by the estimated savings attributed to reaching the 4.4% target above.

$$€64.64m - [€64.64m * 3.5\% / 5.19\%] - €10.13m [4.4\% savings] = €10.92m$$

$$€64.64m - €43.59m = €21.05m - €10.13m = €10.92m$$

The difference of €0.05m between this overall calculation and the quoted figure of €10.97m is rounding and the reasons stated for the above 4.4%.

LGMA guidance on sector targets: The 'Attendance management, management guideline document' issued November 2011, states "Empirical evidence gathered from industry (CIPD, IBEC), public sector (Comptroller and Auditor General) and the local government sector (Service Indicator Reports) has been utilised by the Attendance Management Committee to determine tolerable absence rates for the sector" and that "benchmarking absence is a useful tool towards the effective management of attendance"; that "following publication of

the Service Indicator Report for 2009, details of trends in absenteeism were available for the years 2004–2010 inclusive” and that “this data has enabled the Attendance Management Committee to determine a suitable benchmark for the sector”.

Estimated efficiency savings 10 Days target: €10.07m

Costs of Sickness Absence excluding unpaid days less the Cost had reduction in sickness absence to 10 days been achieved: Costs of Sickness Absence excluding costs for unpaid days*10 days /days sickness absence for the local authority.

$$€64.64m - [€64.64m * 10 / 11.78358967] = €9.79m$$

$$€64.64m - €54.85m = €9.79m$$

The difference of €0.28m between this overall calculation and the quoted figure of €10.07m is because four local authorities have achieved the 10 days benchmark.

H. Unpaid Sickness Absence

A number of local authorities identified days certified unpaid and self-certified unpaid sickness absence. It has been assumed that unpaid self-certified sickness absence days do not relate to long-term sickness absence. To calculate the recommended metric, the percentage of working days lost to unpaid certified sickness absence, days unpaid sickness absence has been split as follows:

Certified days:	42,115
Self-Certified days:	<u>595</u>
Total days:	42,710

I. Percentage of working days lost to certified sickness absence where payment of salary or wage was discontinued 0.62%

This calculation is expressed as a percentage of working days and is calculated as: Days Unpaid Sickness Absence expressed as a % divided by total possible working days (FTE*227)

$$42,115 * 100 / 29,971.9 * 227 = 42,115 * 100 / 6,803,612 = 0.62\%$$

J. Sickness Absence Frequency Rate

Sickness absence frequency rate is defined in the sectoral guidance as:

$$\frac{\text{Number of absences}}{\text{Average number of employees}} \times 100\%$$

Appendix 5:

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6. Eurofound <http://www.eurofound.europa.eu/>
7. Eurofound European Industrial Relations Observatory
<http://www.eurofound.europa.eu/eiro/structure.htm>
8. Eurofound European Working Conditions Observatory European Working Conditions Survey (EWCS),
9. Eurofound European Monitoring Centre on Change
<http://www.eurofound.europa.eu/emcc/>
10. Local Government Management Agency Service Indicators Reports
<http://www.lgmsb.ie/en/publication-category/service-indicator-reports-2004-2010>
11. Department of Public Expenditure and Reform <http://per.gov.ie/>
12. Health and Safety Authority of Ireland <http://www.hsa.ie/eng/>
13. Implementation Body <http://implementationbody.gov.ie/wp-content/uploads/2012/06/Local-Authority-Summary-Progress-Reports.pdf>
14. Institute of Public Administration <http://www.ipa.ie>
15. Comptroller and Auditor General Report 2009
<http://www.audgen.gov.ie/viewdoc.asp?DocID=1182&CatID=5&StartDate=1+January+2013>
16. The Audit Commission <http://www.audit-commission.gov.uk/>
17. Northern Ireland Audit Office <http://www.niauditoffice.gov.uk/>
18. Wales Audit Office Good Practice Exchange
<http://www.wao.gov.uk/goodpractice/goodpracticeexchange.asp>
19. Scottish Local Government Improvement Service
<http://www.improvementservice.org.uk/>
20. National Audit Office UK <http://www.nao.org.uk/>
21. The Chartered Institute of Personnel and Development <http://www.cipd.co.uk/>
22. NISRA <http://www.nisra.gov.uk/>
23. Re-use of Public Sector Information <http://psi.gov.ie/>

Appendix 6:

Survey



LOCAL GOVERNMENT AUDIT SERVICE

Survey on the Management of Sickness Absences in Local Authorities

Prepared by the Value for Money Unit of the Local
Government Audit Service

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Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government



1.1 Completion Details

Please provide the following details to facilitate any necessary follow up or clarification.

Completed by:

Approved by:

Grade:

Director of Service

Telephone:

Division:

Telephone:

Email Address:

Email Address:

Final Review:

City/County Manager

1.2 Checklist of Enclosures with the completed survey

Report/Sample Report	Yes	No	Not applicable
Human Resource Strategy A.3			
Regular Absence Report A.7			
Occupational Absence Report A.7			
Attendance Management Plan A.12			
Social Welfare Recoupment Policy B.12			
Benchmarking Exercises Reports E.4			
Please provide a sample copy of any other regular report produced in the local authority for Senior Management Team monitoring sickness absences.			
Dublin Local Authorities only. Sick Leave Scheme for Craft Workers, General Operatives and all related Grades. B.14			

1.3 Objective of and information on completing the survey

Purpose

This survey forms part of an examination on the Management of Sickness Absences in Local Authorities. The purpose of the survey is to determine the arrangements that local authorities have in place to identify, manage, monitor and control sickness absences including the measures and initiatives adopted to promote well being and attendance. The survey covers the period 2011.

Objective 1: This National Study is designed to obtain an overview from local authorities on Policies, Procedures, Targets and Systems, in place for the management and recording of sickness absences.

Objective 2: The National Study will ascertain and make recommendations on how to demonstrate to improve productivity and reduce absences. This will be done by examining and considering best practice currently available in the EU, Public Sector UK, in the Private Sector, and in Public Sector Ireland. The study will outline good practice examples and guidance documents available and make recommendations on how to improve productivity and reduce absences.

Objective 3: The National Study will consider how current Performance Indicators (PIs) developed for Human Resource (HR) Management are being monitored and will make appropriate recommendations for further PIs and new reporting methodologies including annual reporting in Local Government Auditor reports, as deemed appropriate.

Objective 4: The National Study will consider other methods being applied by local authorities to reduce current sickness absences costs and maximise attendance management as part of HR Management.

Objective 5: The National Study will identify how effectively the requirements of the Human Resource Strategy Framework for local authorities are being implemented by local authorities to further develop the performance framework for the local authority system.

Objective 6: The National Study will identify how effectively the Attendance Management Policy and Procedures document for local authorities circulated in March 2011 is being implemented by local authorities.

Objective 7: The National Study will identify how local authorities contribute to provision of accurate health statistics on injury and sickness at work for Euro Stat under Regulation 1338/2008 and 349/2011 through the reporting requirements to the Health and Safety Authority.

Section A–Management and Measurement of Sickness Absences, Strategy, Policy, Procedures and Guidelines and HR Management System

The objective of this section is to gather organizational information in relation to the council overall strategy, policy and procedures for sickness absences management in the council and to gather statistics for Occupational Health and Safety.

Organisational Details

A.1 Name of council: _____

A.2 Number of Full Time equivalent staff (FTE) at 31 December for 2011: _____

Please provide details for all council staff for which the HR section has responsibility. (For County Councils, please state if this includes county staff only or if this includes staff of all local authorities within the county area).

Strategy Policy and Guidelines		
A.3 As at 31 December 2011 has Senior Management of the council	Yes	No
<ul style="list-style-type: none"> • Adopted the nationally agreed LGMA/LGMSB Attendance Management Policy and Procedure Document issued in March, 2011? 		
<ul style="list-style-type: none"> • Adopted a locally agreed HR Strategy? 		
<ul style="list-style-type: none"> • Has the council adopted a different strategy to manage Human Resources e.g. ISO Accreditation. 		
<ul style="list-style-type: none"> • Adopted the nationally agreed LGMA/LGMSB Agreements on Indoor and Outdoor Sick Leave issued in March 2011? 		
<ul style="list-style-type: none"> • Adopted the LGMA/LGMSB Attendance Management Guideline Document issued in November, 2011 		
<ul style="list-style-type: none"> • Adopted a local Attendance Management Guideline Document? 		
<ul style="list-style-type: none"> • Adopted the LGMA/LGMSB Guidelines for Line Managers issued in November, 2011? 		
<ul style="list-style-type: none"> • Adopted local Guidelines for Line Managers? 		
<ul style="list-style-type: none"> • Have the above documents all been formally communicated to all staff? 		
If yes, please outline briefly the approach adopted for communication of all documents e.g. issued by post, by email, available on the Intranet, workshops, training days etc.		
Please provide a copy of the current strategy		

Strategy Policy and Guidelines

A.4	Responsibility for implementing the Human Resource Strategy	Yes	No
	<ul style="list-style-type: none"> Has local agreement been reached and documented on the role of the line manager in relation to HR, i.e. what can be efficiently and effectively controlled by line management rather than HR 		
	<ul style="list-style-type: none"> Has the document been formally communicated to all staff? 		
Please outline briefly the approach adopted for communication e.g. issued by post, by email, available on the Intranet, workshops, training days etc.			
A.5	Current Reporting	Yes	No
	<ul style="list-style-type: none"> Is a report on Attendance Levels contained in the council Annual Report for 2011 in line with current service indicator requirements? 		

LGMA/LGMSB Attendance Management Policy and Procedure Document

The Attendance Management Policy and Procedure document was circulated in March, 2011 and is the agreed one for the sector. The Attendance Management Procedure which included with the policy document, aims to provide a consistent approach to managing attendance in the workplace. These documents incorporate risk management as outlined below.

Attendance Management Policy and Procedure document: The Council's Senior Management Team incorporates the management of attendance at the highest level of corporate governance and conducts risk assessments and implements associated control measures in relation to work-related absence.

Attendance Management, Management Guideline Document: The local authority should treat poor attendance as a cost to the organisation and therefore include attendance management as part of the corporate governance and corporate risk management agenda.

Measurement and analysis and the recommended prevention and intervention methods should be developed and reviewed on an ongoing basis.

A.6	Attendance Management – Risk Management	Yes	No
	<ul style="list-style-type: none"> Does the council produce risk assessment reports as part of the corporate risk management agenda? 		
	<ul style="list-style-type: none"> Are regular risk assessment reports provided to the Senior Management Team? 		
	<ul style="list-style-type: none"> Do the risk assessment reports focus on the prevention of occupational/other absence? 		
	<ul style="list-style-type: none"> Do the risk assessment reports quantify the costs of the identified risk? 		
	<ul style="list-style-type: none"> Is a risk assessment report available for 31/12/2011? 		

A.7 Attendance Management – Absence and Occupational Absence	Yes	No
<ul style="list-style-type: none"> • Does the council produce absence reports as part of the corporate governance agenda? • Are regular absence reports provided to the Senior Management Team? • Do the absence reports focus on the prevention of occupational/other absence? • Is an absence report available for 31/12/2011? 		
If yes please provide a sample copy of the report provided		
<ul style="list-style-type: none"> • Does the council produce occupational absence reports as part of the corporate governance agenda? 		
<ul style="list-style-type: none"> • Are regular occupational absence reports provided to the Senior Management Team? 		
<ul style="list-style-type: none"> • Is a report available for 31/12/2011? 		
If yes please provide a sample copy of the report provided		
A.8 Independent Medical Advice: How many times in 2011 was an employee requested to attend for examination with an independent medical practitioner nominated by the Human Resource department.		
A.9 Attendance Management Policy and Procedure document - other	Yes	No
<ul style="list-style-type: none"> • Is the attendance management policy and procedure reviewed and evaluated on an annual basis 		

Occupational Health and Safety

National Policy Document: In accordance with the Safety, Health & Welfare at Work Act, 2005, an employee who is injured at work or has a near-miss is required to report the incident to the relevant line manager at the earliest opportunity. Reporting to the Health & Safety Authority for certain occurrences is mandatory.

Health and Safety Authority: Employers must notify incidents to the Health and Safety Authority when certain injuries cause three or more days' absence from work.

A.10 Please state the total number of non-fatal injuries and illness for absences over 3 days notified to the Health and Safety Authority in 2011
A.11 How many sickness absences days were due to Occupational Injury in 2011?

LGMA/LGMSB Management Guideline Document

A.12 Attendance Management Plan	Yes	No
<ul style="list-style-type: none"> • Does the council have an attendance management plan? 		
<p>A.13 Does the attendance management plan include reporting quarterly/regularly to the Senior Management Team on the following:</p>		
<ul style="list-style-type: none"> • Measurement • Work related stress • Prevention and intervention measures • Ongoing review and evaluation: Does the council use the regular reports to review the effectiveness of the attendance management policy? • Ongoing review and evaluation: Does the council have a process to review the role of the line manager in relation to absences? • Ongoing review and evaluation: Which of the following does the council use to monitor sickness absences improvement? <ul style="list-style-type: none"> a. Comptroller and Auditor General Report 2009 b. National Service Indicators c. Service Indicators from other parts of the public service in Ireland d. Service Indicators from other parts of the public service UK e. Private sector indicators – please state 		
Please provide a copy of the attendance management plan		
A.14 Reports to line managers on sickness absences	Yes	No
<ul style="list-style-type: none"> • Are regular reports on sickness absences issued to line managers? 		
<ul style="list-style-type: none"> • If not, is this information accessible by line managers on the current HR systems? 		

Human Resources Management System

A.15 Please identify any sections where recording sickness absences are manual.	Yes	No
<ul style="list-style-type: none"> a. Outdoor staff b. Fire Brigade c. Libraries d. Other please list 		

Section B - Cost, measurement and benchmarking of Sickness Absences

The objective of this section is to gather information specific to the management of sickness absences including cost and other measurement defined in national policy. Information is sought on potential efficiency savings. This data is sought in respect of the time period 2011 and March 2012. Data is sought in respect of a target achieved at 31/12/2011 and a further target to reduce sickness absences in 2012. Data is requested on Sick Leave Schemes.

Attendance Management Guideline Document

Measurement – Targets - There is a sector target of 4.4% for the end of 2011 and a longer term target of 3.5%	Yes	No
B.1 Did the council have a target to reduce current sickness absences levels at 31/12/2011?		
B.2 What was the council target at 31/12/2011?		
B.3 Does the council have a target to reduce current sickness absences levels at 31/12/2012?		
B.4 What is the council target at 31/12/2012?		
B.5 Is the target documented in a corporate or business plan?		
Measurement - Cost of Sickness Absences and Potential Efficiency Savings		
B.6 What is the cost as calculated by council for sickness absences lost time rate 2011 for: <ul style="list-style-type: none"> • Certified sickness absences • Self-certified sickness absences 		
B.7 Please set out the formula used to calculate the cost of sickness absences. The formula recommended by Attendance Management Committee is: Average Daily Rate (from CSO figures) x Total Number of Days Sickness Absences (as reported for Service Indicator)		
B.8 If an alternative mechanism is preferred please state why or please state if the cost data is extracted directly from CORE.		
B.9 What is the total sickness cost if the LGMA target of 4.4% was applied for: <ul style="list-style-type: none"> • Certified sickness absences • Self-certified sickness absences 		

Attendance Management Guideline Document

B.10 What is the potential efficiency saving to the council e.g. the savings achievable taking **B6-B9** for:

- Certified sickness absences
- Self-certified sickness absences

Social Welfare Recoupment	Yes	No
B.11 Does the council have a documented policy on social welfare recoupment?		
B.12 If not is social welfare recoupment included in the council's sick leave policy?		

B.13 How much was due to be recouped by the council in 2011?

Note: This data can be extracted from the general ledger.
Please provide a copy of the social welfare recoupment policy

Sick Leave Schemes

B.14 Sick Leave Scheme for Craft Workers, General Operatives and all related Grades

- Please state the number persons in 2011 where payment of wage was discontinued for an employee under the sick leave scheme for craft workers, general operatives and all related grades.
- Please state the total number of days per person.

For the Dublin Local Authorities: Please provide a copy of the sick leave scheme for Craft Workers, General Operatives and all related Grades.

B.15 Sick Leave Scheme for Clerical/ Administrative, Engineering, Technical and related Grades

- Please state the number persons in 2011 where payment of half-pay for salary commenced for an employee under the sick leave scheme for clerical/administrative, engineering, technical and related grades.
- Please state the total number of days per person.
- Please state the number persons in 2011 where payment of pension rate of salary commenced for an employee under the sick leave scheme for clerical/administrative, engineering, technical and related grades.
- Please state the total number of days per person.
- Please state the number persons in 2011 where payment of salary was discontinued for an employee under the sick leave scheme for clerical/administrative, engineering, technical and related grades.
- Please state the total number of days per person.

Attendance Management Guideline Document

Measurement - Irregularity of Attendance

- **B.16** Please state the council Bradford Score at 31/12/2011.
- **B.17** Please state the council Bradford Score at 31 March 2012.
- **B.18** If the council calculated irregularity of attendance but does not use the Bradford Score please state the mechanism used.
- **B.19** Please state the reasons for using this alternative mechanism.
- **B.20** Please state the council score under the alternative mechanism at 31/12/2011
- **B.21** Please state the council score under the alternative mechanism at 31 March 2012

Measurement - Absence Frequency

- **B.22** Please state the council absence frequency rate as at 31/12/2011

Section C – Analysis of days lost to Sickness Absences and Instances of Sickness Absences

The objective of this section is to obtain data which analyses sickness absences by category, age and gender and staff numbers. Data to identify the number of instances of sickness absences is also sought. This data is sought in respect of the time period 2011.

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Category: Where requested, please provide an analysis of sickness absences for the year ended 31/12/2011 by employee grade as per CORE definitions and the Department return submissions.

Age: Where requested, please provide an analysis of sickness absences for the year ended 31/12/2011 by employee age as per CORE definitions.

Age 16-25	Age 36-45	Age 56-65
Age 26-35	Age 46-55	Age 65+

Long Term absences constitutes a certain period or several periods of absence. It normally lasts for periods in excess of twenty working days and can usually be attributed to a medical condition.

Short-term absences are generally considered to be absences of up to 20 days. A medical certificate from the employee's General Practitioner is required to cover absences of three days or more.

C1 Days lost to Sickness Absences and Staff Numbers

What is the total number of days lost in 2011 due to:

- Self-certified sickness absences
- Certified sickness absences

Please provide an analysis by Grade Category, Age and Gender

Please state the steps used to extract the data e.g. two CORE reports extracted into Excel and V Lookup.

What is the total number of staff who took sick leave in 2011 due to:

- Self-certified sickness absences
- Certified sickness absences

Please provide an analysis by Grade Category, Age and Gender

Please state the steps used to extract the data e.g. two CORE reports extracted into Excel and V Lookup.

What is the total number of days lost in 2011 due to:

- Occupational Injury

Please provide an analysis by Grade Category, Age and Gender and state the number of staff.

Data is extracted directly from CORE.

C2 Long-Term and Short Term Sickness Absences and Staff Numbers

What is the total number of days lost in 2011 due to:

- Long-Term sickness absences
- Short-Term sickness absences

Please provide an analysis by Grade Category, Age and Gender

Please state the steps used to extract the data e.g. two CORE reports extracted into Excel and V Lookup.

What is the total number of staff who took sick leave in 2011 due to:

- Long-Term sickness absences
- Short-Term sickness absences

Please provide an analysis by Grade Category, Age and Gender

Please state the steps used to extract the data e.g. two CORE reports extracted into Excel and V Lookup.

C3 Instances of Sickness Absences

What is the total number of instances of sick leave in 2011 due to:

- Self-certified sickness absences
- Certified sickness absences
- Occupational Injury

- Please state the total number of instances of sickness absences per employee

What is the average length of sickness absences per employee in 2011 due to:

- Self-certified sickness absences
- Certified sickness absences
- Occupational Injury

Analysis/breakdown of sickness absences	Yes	No
C.4 Does the council analyse sickness absences?		
• Grade Category		
• Age		
• Work Pattern		
• Gender		

Section D - Analysis of causes Sickness Absences

The objective of this section is to obtain analyses to examine causes of sickness absences. This data is requested in respect of the time period 2011.

D1	Causes of sickness absences
1. 2. 3. 4. 5.	<ul style="list-style-type: none"> • In descending order, what are the five major causes of short-term sickness absences within the council for 2011?
1. 2. 3. 4. 5.	<ul style="list-style-type: none"> • In descending order, what are the five major causes of long-term sickness absences within the council for 2011?
1. 2. 3. 4. 5.	<ul style="list-style-type: none"> • In descending order, what are the five major causes of occupational injuries sickness absences within the council for 2011?
	<ul style="list-style-type: none"> • Please state the total number of days for sickness absences due to work-related stress in the council for 2011?

Section E – Intervention Measures and Initiatives to Address Sickness Absences and to Promote Attendance and Well Being, Benchmarking, EU Strategy in respect of health and Safety Statistics and goal definition for attainable injury reductions

The objective of this section is to obtain information in relation to the intervention measures and initiatives in place to manage sickness absences and to promote well-being, information on benchmarking and information on working with European Strategy in respect of Health Statistics and Safety objectives and goal definition for attainable injury reductions.

Interventions in managing Sickness Absences and to Promote Attendance and Well Being

E.1	Yes	No
Are the following interventions in managing sickness absences provided by the city / county for staff?		
<ul style="list-style-type: none"> • Employee assistance programme 		
<ul style="list-style-type: none"> • Occupational Health Services <ul style="list-style-type: none"> - Staff Welfare Officer - Health Screening - Vaccinations - Other please state 		
<ul style="list-style-type: none"> • Stress management training and stress management workshops 		
<ul style="list-style-type: none"> • Intervention at an early stage to engage with an individual on long term sick leave 		
<ul style="list-style-type: none"> • Health Promotion Officer 		
<ul style="list-style-type: none"> • Healthy Backs Programme 		
<ul style="list-style-type: none"> • Confidential Counselling and Support Service – self-referral or work referral 		
<ul style="list-style-type: none"> • Team development days 		
<ul style="list-style-type: none"> • Regular Health Fairs 		
<ul style="list-style-type: none"> • Healthy Working Lives groups for all staff 		
<ul style="list-style-type: none"> • Cycle to Work Scheme 		
<ul style="list-style-type: none"> • Healthy Canteen Options 		
<ul style="list-style-type: none"> • Sick Leave Review meetings 		
<ul style="list-style-type: none"> • Return to Work Interviews 		
<ul style="list-style-type: none"> • Other – please state 		

Interventions in managing Sickness Absences and to Promote Attendance and Well Being

E.2 Return to Work Interviews

What is the total number of 'Return to Work Interviews' carried out in 2011 for:

- Indoor staff
- Outdoor staff

E.3 Sick Leave Review Meeting

- What is the total number of sick leave review meetings held in 2011
- What is the total number of instances of sick leave review meetings from certified sickness absences?
- What is the total number of instances of sick leave review meetings from self-certified sickness absences?

Benchmarking against identified good practices

E.4 Does the council benchmark itself in relation to sickness absences against	Yes	No	Don't know
<i>Other Irish local authorities</i>			
<i>Other strands of the Irish Public Service</i>			
<i>Internationally</i>			

If yes, please provide copies of the reports on the last two benchmarking exercises undertaken.

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European Strategy – Health Statistics and Safety Targets

Communication and Action Plan Brussels, 23.6.2006 COM(2006) 328 final Actions for a Safer Europe

The European Commission Communication is aimed at reducing the burden of accidents and injuries, which are the fourth major cause of death in the EU. The Communication on Actions for a Safer Europe makes accident prevention a priority for the current and future Public Health Action Programmes (the EU's funding mechanism to support projects in the Member States). It also calls on Member States to work with the EU and to prioritise accident prevention through **information campaigns and data collection**.

The Communication notes that understanding and tackling the injury issue requires sustained co-operation between the national, regional and local authorities of the Member States, their public health and research communities, businesses and interest groups such as consumer organisations.

Key characteristics of the national policies are that they will be in line with the Community vision and basic priorities identified in section 4.2, addressing the specific needs and demands of the respective country, they will **contain specific goals that are also to be defined in terms of attainable injury reductions**, and will rely on a solid commitment by governmental organisations in the country.

European Strategy – Health Statistics and Safety Targets

E.5 How does the council facilitate meeting EC objectives in this regard?

Please set out details of any other observations you wish to make on sickness absences in Local Authorities

Thank you for completing this survey.

Appendix to the Survey

Useful Websites on best practices, Example Case Studies and Other Links

Useful Websites

- European Commission
http://ec.europa.eu/index_en.htm
- The Chartered Institute of Personnel and Development
<http://www.cipd.co.uk/>
- Wales Audit Office Good Practice Exchange
<http://www.wao.gov.uk/goodpractice/goodpracticeexchange.asp>
- Local Government Employers in the UK
<http://www.lge.gov.uk/lge/core/page.do?pageld=118956>
- Improvement and Development Agency for Local Government (IDEA)
<http://www.idea.gov.uk/idk/core/page.do?pageld=1>
- National Audit Office UK
<http://www.nao.org.uk/>

Example Case Studies

European Agency for Safety and Health at Work

<http://osha.europa.eu/en/front-page>

Example Case Study: Dundee City Council: An integrated staff support service.

<http://osha.europa.eu/data/case-studies/dundee-city-council-an-integrated-staff-support-service/Dundee-City-Council.pdf>

The European Foundation study 'Preventing Absences at the Workplace' 1997

<http://www.eurofound.europa.eu/>

The research paper sets out costs of absences across Europe, details of strategies to reduce workplace absences, models of good practice and is accompanied by a document Preventing Absences at the Workplace – Portfolio of Good Practice

<http://www.eurofound.europa.eu/pubdocs/1997/15/en/1/ef9715en.pdf>

Other Links

Comptroller and Auditor General Report 2009

http://www.audgen.gov.ie/documents/vfmreports/69_Managing_Sickness_Absences.pdf

National Service Indicators

<http://www.lgmsb.ie/en/publication-category/service-indicator-reports-2004-2010>