**Sickness Absence Benchmarking Report undertaken for Overview and Scrutiny Meeting 03 July 2025**

**Purpose**: To identify underlying issues and provide recommendations for implementing effective methods for reducing overall sickness absence cost.

**Executive Summary**:

This report analyses Havering Council's sickness absence data and trends against other local authorities, revealing a current sickness absence rate of 10.8 days per employee (based on InfiniStats[1] data for 23/24) which is in the 4th Quartile of all London Boroughs and is an 8% increase from the previous financial year.

The absence rate at Havering can be further broken down to 2 parts

- Short term sickness absence rate of 2.9 days per employee
- Long term sickness absence rate 7.9 days per employee.

Havering's absence rate over the last 5 years has consistently remained at 10.02 days per employee whilst the target is to achieve a minimum of 25% reduction in the sickness absence rate (absence rate less than or equal to 8 days per employee)

**Key Findings of Sickness Absence data in Havering**

- Overall Sickness Absence Rate**:** 4.1% as at April 2024[2]
- Average Days Sickness per Employee**:** 10.8 (the London average is 9.3 days)
- Highest Absence Rate Departments**:** Environment, Ageing Well, Housing & Property and Starting Well directorates.

**Trends in Havering Sickness:**

- Long term absences contribute to the highest amount of FTE sick days.
- Stress/Depression & Mental Health account for the highest % of sickness reasons at 21.8 % (three quarters of which is long term absence)
- 2nd highest sickness absence reason is 'Other' which is split equally over short term and long-term absences.
- Musculoskeletal accounts for 15.7% of FTE sick days.

**Benchmarking Analysis**

Based on data from Infinistats, 16 council's (6 inner London and 10 outer London Council's) sickness absence rate was identified as being in line with the London average of 9 days per employee.

---

[1] InfiniStats is a web-based tool used by local authorities to collect, benchmark, and report on various HR metrics supported via London Councils

[2]

Councils with lower absence rates generally tend to have smaller headcounts. When Havering's sickness absence rate is compared only with local councils that have a similar workforce size, the range narrows down to 5 councils.

A benchmarking exercise to identify key areas of sickness management policy and procedure and best practices was undertaken, and we have collated responses from 8 other local authorities (3 inner London & 5 outer London) who responded to information sharing requests.

**Analysis of Key Factors in benchmarking**

- Sickness Triggers – Havering's sickness triggers that initiate management of sickness absence is very comparable to other LA's and balances our duty of care with timely intervention.

- Stages of sickness absence – Havering has a more tolerant sickness absence procedural stage format (Informal, Stage 1, Stage 2, Stage 3) with flexibility of extending stages if needed, before a final absence hearing is triggered, but this is balanced overall with the monitoring review periods.

- Policy and Procedure documentation – compared to other LA's, Havering has a more wordy and lengthy policy and procedure documentation which could be difficult to comprehend and digest.

- Phased Return to Work –Havering has the highest offer of phased return to work period (up to 12 weeks).

- OH referrals – Havering has a better OH offer and referrals than other councils in the peer group

**Recommendations:**

Following the benchmarking exercise on sickness policies across various councils, it was found that the key benchmarking factors and principles remain consistent across the peer group. An in-depth review of sickness trends and data in Havering along with a review of internal practices has been used to identify the following additional steps to enhance sickness management, ensuring a more effective and supportive approach.

1. Policy Review - Simplifying Policy & Procedure

   - Drafting a simpler and clearer sickness absence policy and procedure documentation to ensure clarity and efficiency alongside improving communications to distribute this information.
   - Incorporating a flowchart on triggers and stages of sickness absence to help managers identify and understand information

2. Increased Manager Training on sickness management
   - New sickness absence e-learning module to be developed designed to enhance manager awareness and confidence in handling sickness absence.

- Sickness drop-in surgery sessions offered by HR Advice and consultancy team to provide clear guidance and practical management tools.

3. Improved Sickness reporting and monitoring using AI tools

- Improve sickness reporting and monitoring by replacing vague and broad sickness categories on fusion
  - With effect from 1st April 2025, sickness categories on fusion have been reviewed and redrafted. As part of this, 2 categories 'Other' and 'Stress Depression & Mental Health' have been removed.
  - Stress and Mental Health has been categorised into 3 sub-groups: work related, non-work related and anxiety/depression categories to enable targeted support and interventions.

- New automated absence alert system
  - It was identified that our absence data was exaggerated due to some absence entries not being closed in a timely manner. To rectify this and encourage accurate reporting of sickness data, HR has collaborated with the fusion team to introduce a new automated alert system, which sends reminder alerts to all managers who have staff with an open dated long term sickness absence (over 28 days). The alerts aim to prompt managers to rectify any system errors, close absences if no longer valid and also initiate the sickness management process promptly and support the employee to return to work.

- HR Policy team is also collaborating with the transactional team to implement a sickness absence AI agent. This tool will provide easy access to information and guide managers through the absence management process ensuring consistency, reducing administrative burden and enabling timely interventions.

4. Additional Wellbeing Support

- With effect 02nd May 2025, new OH provider has been engaged to deliver a range of wellbeing support options.
- Implement comprehensive wellbeing program, focusing on high sickness absence categories
  - HR team has already initiated a pro-active stream of well-being initiatives with focus on the high sickness absence reasons (via new sessions on chiropractor support and stress management workshops). There is also a stronger emphasis on increasing staff awareness and to ensure wellbeing initiatives are widely advertised to all staff. Improving health education, stress management workshops and using clinical tool results with employee and manager, and on-site fitness initiatives.

5. Preventative Measures and Targeted Interventions

- Conducting focused analysis of high-absence departments to identify root causes and implement tailored interventions

- Review and optimise workload distribution across teams and improve resilience in teams.
- Promote a culture of open communication regarding health concerns.

**Action Plan**

The recommendations are proposed to be implemented over the course of this year with actions to be split into Short, Medium and Long Term Goals.

### Short-Term (Next Quarter):

- Review, update and republish revised sickness absence policy to align with current best practices
- Launch employee survey to assess wellbeing and identify areas for improvement.
- Conduct training sessions for line managers on managing employee absences effectively.
- Improved reporting procedures

### Medium-Term (Next 6 Months):

- Implement targeted wellbeing interventions in high-absence departments.
- Monitor absence trends closely and adjust strategies or review policy application as needed.

### Long-Term (Next Year):

- Establish a regular benchmarking process to track progress and identify further improvement opportunities.

---

**Additional Note**

Since the data was captured for this benchmarking exercise, short term improvements identified above were already initiated by the HR team to improve recording and managing sickness absence with the following findings:

- Average sick days per employee at Havering dropped to 9.9 days as of 30th April 2025, which is slightly above the London average of 9.1 days, placing us broadly in line with regional trends.

This highlights the opportunity to build on recent initiatives aimed at strengthening employee wellbeing and absence management.

**Table 1 – Benchmarking Factors (data collated as of 01.04.25)**

| Benchmark Topics | | Havering | Council A (inner London) | Council B (outer London) | Council C (inner London) | Council D (outer London) | Council E (outer London) | Council F (outer London) | Council G (inner London) | Council H (outer London) |
|---|---|---|---|---|---|---|---|---|---|---|
| Headcount | | 2315 | 2670 | 3137 | 3058 | 2502 | 1488 | 2620 | 4268 | 1670 |
| Avg Days Lost | | 10.8 | 6.9 | 8.9 | 6.2 | 8.4 | 5.93 | 7.4 | 10 | 6.8 |
| Triggers | Absence Pattern | Yes | Yes | NA | Yes | Yes | NA | Yes | No | Yes |
| | No: of days R12M | 8 | 6 | 7 | 10 | 8 | NA | 7 | 10 | 20 |
| | Periods of sickness | 4 | NA | 5 | 5 | 3 | NA | 3 | 4 | 5 |
| | Long term absence | Over 4 weeks | Over 4 weeks | Over 4 weeks | Over 4 weeks | NA | NA | NA | Over 4 weeks | Over 4 weeks |
| Stages of Sickness | Informal | Yes | Yes | NA | NA | Yes | NA | Yes | Yes | Yes |
| | Stage 1 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | Stage 2 | Yes | No | No | Yes | No | Yes | No | Yes | Yes |
| | Stage 3 Final | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |