

Absenteeism in Northern Ireland Councils 2006-07

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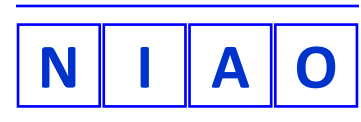
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But not just 2006-07!

- Timing
- Why we report on Absenteeism annually
- What to look for in the future



Why Report Absenteeism Annually? (1)

- Staff costs represent 43% of council expenditure
- Variations between Councils
- Room for Improvement
- Legislation changes (recent and future)

Why report absenteeism annually? (2)

Legislation – Local Government (Northern Ireland) Order 2005 gave Chief Local Government Auditor

- Powers to independently commission and publish value for money reports (where GB local government auditors had been)
- No powers to examine Council service performance (where GB local government auditors are now)

Why report absenteeism annually? (3)

- Value for money audit studies about policy implementation and not policy
- Staff management the largest area of Council activity with discretion for the implementation of policy
- Post RPA – performance audit powers in Northern Ireland?

Methodology (1)

- Consultation process
- Questionnaire issued 18th May 2007 for completion by 29th June 2007 (2nd & 30th June 2008)
- 15 councils made the 2006-07 due date (14 Councils 2007-08)
- Last 2006-07 return received 24th September (last 2007-08 return received 28th August)

Methodology (2)

- Data subjected to a reasonableness check
- Sample of 9 councils selected for 2006-07 for verification visit (risk based). 10 councils 2007-08
- Every council examined at least once in a 5 year period

Methodology (3)

Northern Ireland Council Rate

- Annual Rate
- Based on total staff numbers

Individual Council rate based on previous 3 year average (in most Councils figures vary year on year)

Methodology (4)

- Payroll cost a proxy for Absenteeism
- Cost in terms of lost productivity on total days available for work
- Opportunity cost

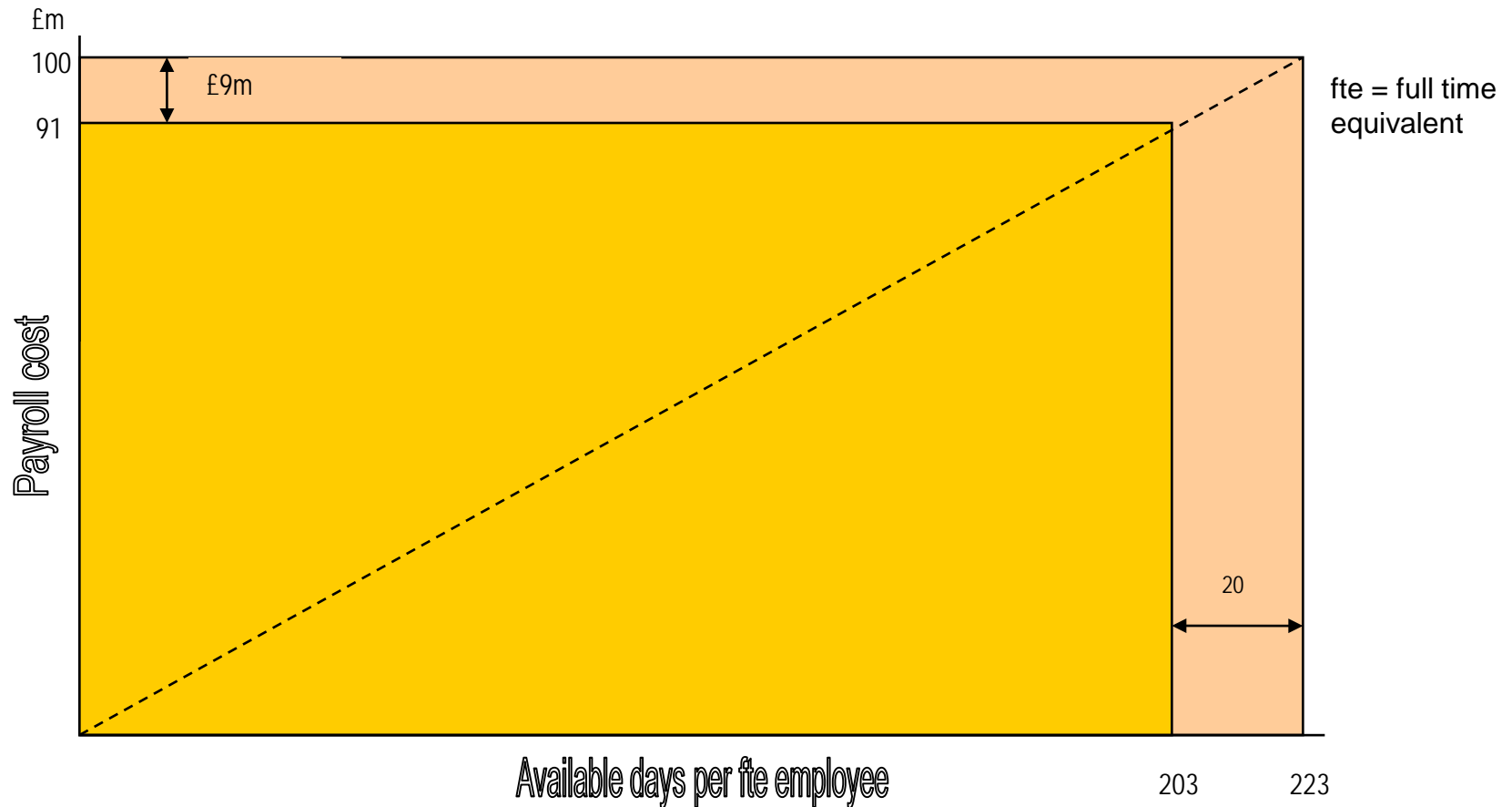
NOTE: additional direct costs not included (eg overtime)

Methodology (5)

Council	Movement in absenteeism rate (%) 2005-06 to 2006-07	Movement in absenteeism rate (%) 2004-05 to 2005-06
1	(32%)	59%
2	(24%)	33%
7	(6%)	57%
26	60%	(10%)
11	(1%)	(26%)
8	(4%)	(8%)
10	(2%)	2%
12	1%	(8%)
13	5%	(3%)

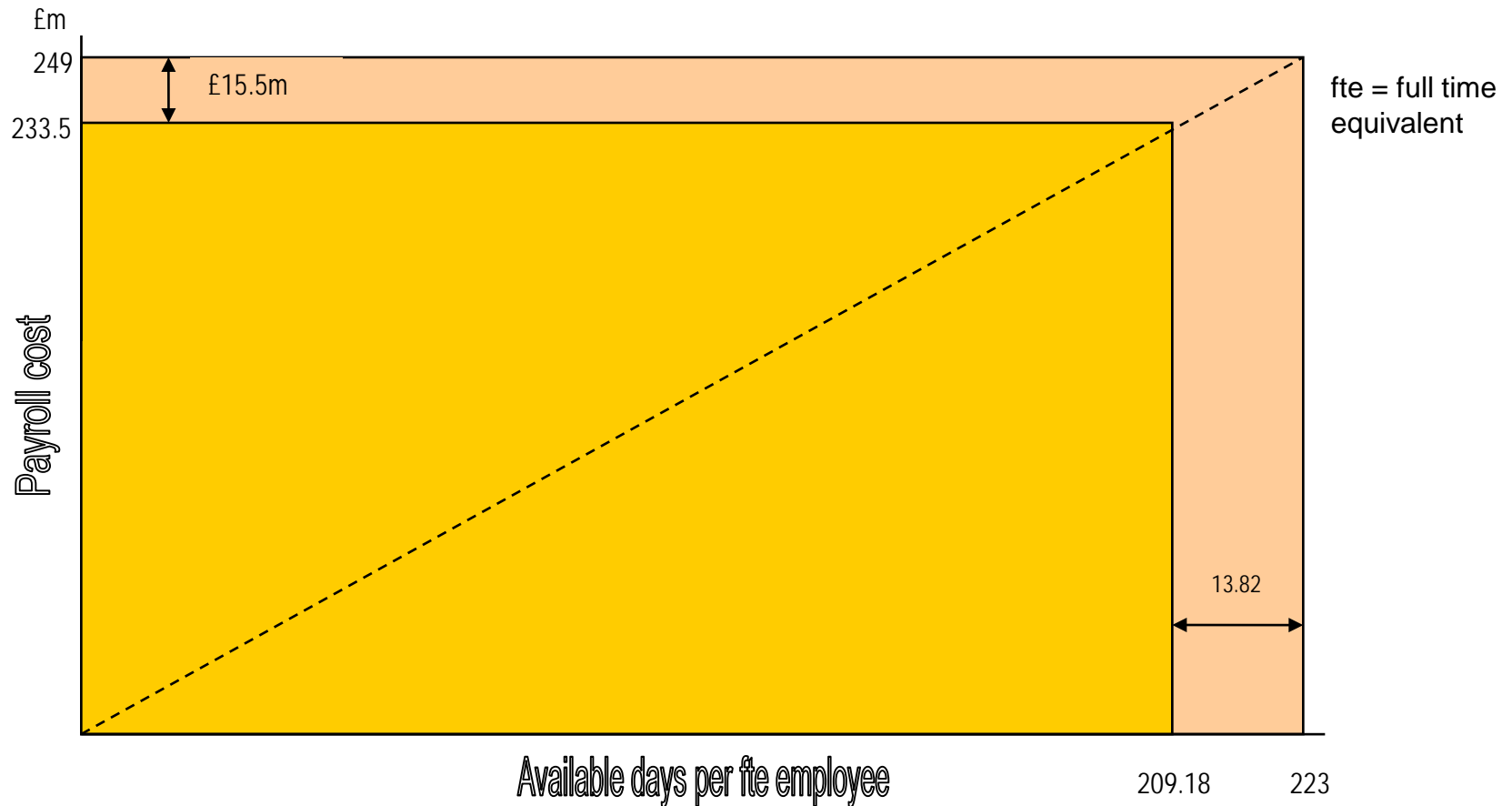
Methodology in Practice (1)

Example of £100m payroll cost with an absenteeism rate of 20 days per fte (9% of 223 days available per fte employee)



Methodology in Practice (2)

Northern Ireland Councils 2006-07 (absenteeism rate of 13.82 days)

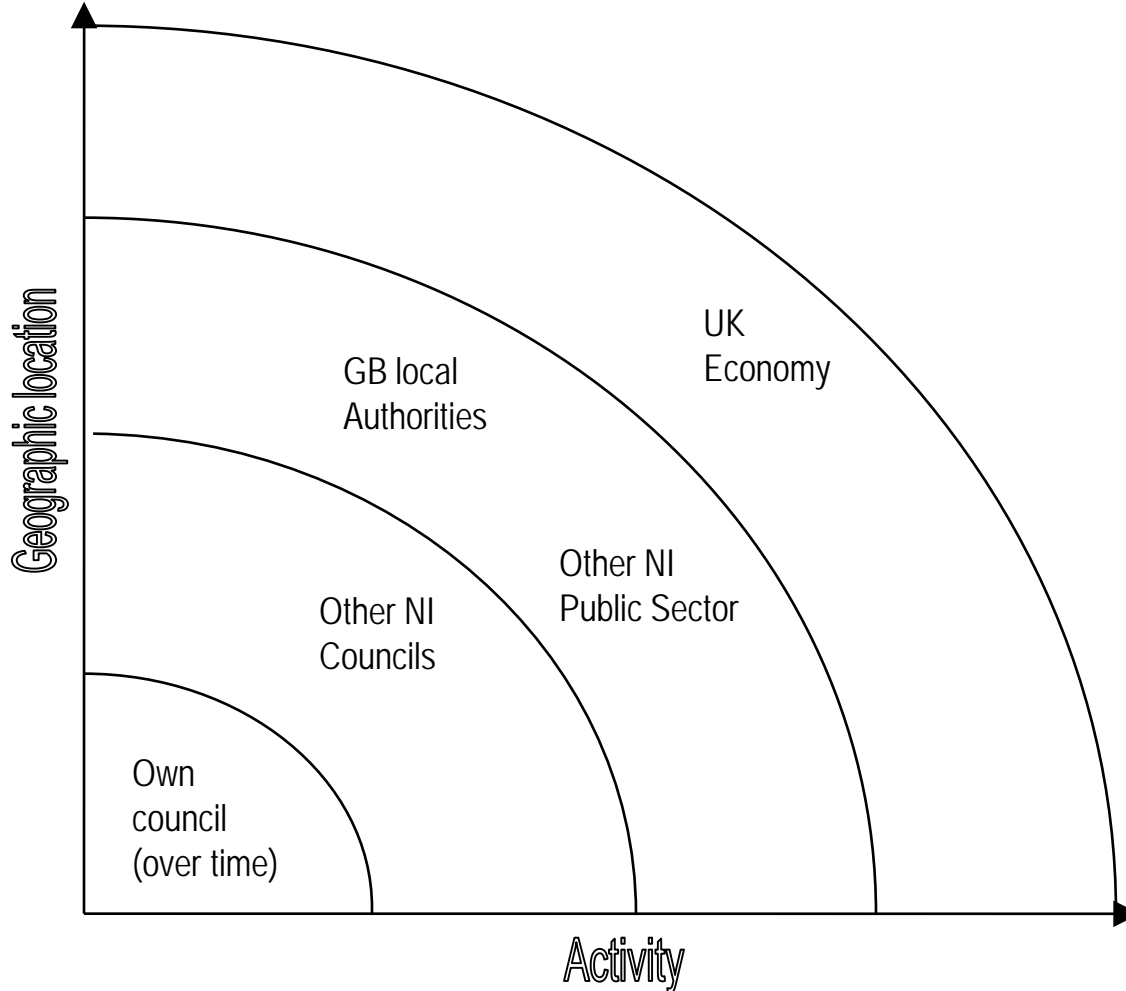


Report Comparisons (1)

- Each Council over time
- Other NI Councils
- Other NI public sector
- GB local authorities
- UK economy

Report Comparisons (2)

Best comparison is the closest location/activity



Impact of Absenteeism on Productivity

Less resources on the ground to deliver council objectives.

- Let these objectives slip and/or
- Buy in resources to cover (overtime, agency staff)

Improved Absenteeism

Short Term – Increased productivity

Long Term – Increased productivity or same productivity and reduced staff

Recommendation for Action (1)

Management of Absenteeism needs a commitment from both

- Councillors
- Officers

Recommendations for Action (2)

In Practical Terms

- Monitor/Report on Absenteeism
- Take Action
- Set Targets
- Benchmark

Best Practice

Cause and effect?

In 2006-07 we used examples from

- 5 Councils with current best rates
- biggest improver

RPA

Will it impact directly on absenteeism

Combinations of councils

- rates brought up
- rates brought down

Calculation for possible impact of RPA mergers (based on 2006-07 figures)

	Rate	Cost £m
Absenteeism reported for 2006-07	13.82	15.50
Absenteeism if post RPA 11 councils move to best 2006-07 rate	11.73	13.10
Absenteeism if post RPA 11 councils move to worst 2006-07 rate	15.49	17.30

Developments 2007-08

- Additional comparator (NIHE)
- Numbers of staff with no absence
- Case studies
- Impact of changing absenteeism rate for each councils productivity

Movement on 2004-07 absenteeism rates on productivity

Potential gains in productivity for Northern Ireland Councils where the absenteeism rate has reduced

Movement in three year rate from 2001-04 to 2004-07	Average annual potential productivity gains
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(£'000)

Newry and Mourne
District Council

-4.01

176

Banbridge District
Council

-3.93

77

Developments - Future

- Male/Female
- Work related stress absence
- Your response to our consultation

THANK YOU