

# Employee Absence and the Efficiency Agenda



## What you need to know

**Clients have saved over £50 million**

Reducing employee absence can help you generate significant savings and more effectively deliver public services to the community. Since our launch in the UK four years ago, AHP has helped large organisations generate over £50 million in 'hard' savings, whilst positively managing the 'soft' side of employee health and wellbeing.

Our *Absence Management from 'Day 1'* is delivered using a combination of qualified nurses in our UK call centres and a sophisticated web application that delivers consistent processes and actionable management information.

## A More Effective Approach?

Following on from the initial Gershon Review and the Spending Review 2004 (SR04), the Comprehensive Spending Review 2007 (CRS07) marks the next stage of development in the program for delivering better value for money in public services. The Gershon Reviews have highlighted the reduction of absence as a means of making efficiency savings, and sickness absence is a Best Value Performance Indicator (BVPI 12).

Despite significant attention and investment, local government organisations have recorded mixed success in reducing sickness absence based on a traditional approach. A new solution, using a combination of nurses and a web-based software, has emerged that is proven to be more effective.

AHP has helped local government and other organisations reduce absence by up to 40%. This translates into tangible cost savings of over £50 million in the last four years. These savings include reduced salary costs, overtime, agency staffing and administration. Reducing interruption caused by unplanned absence also improves the delivery of public services. Several of our clients have moved towards a three star rating, partially because of the reductions in employee absence that they have achieved.

### Why It Works

- ➔ Medical advice from nurses speeds up recovery, formal process deters unnecessary absence
- ➔ Consistent process and management information provides actionable insights and drives accountability of both employees and managers
- ➔ Pro-active management of difficult cases, such as stress and accidents, reduces time lost and litigation risk

## Cost of Absence

*Failing to implement its absence management policy effectively*



Report on xyz Council

- ➔ Cost can be in excess of £2 million per 1,000 employees
- ➔ Unnecessary salary costs, agency staff or over-time
- ➔ Negative impact on delivery of day-to-day services to the community
- ➔ Hidden costs of interruption and administration
- ➔ Negative impact on morale
- ➔ Health and litigation risk, particularly around stress and bad backs

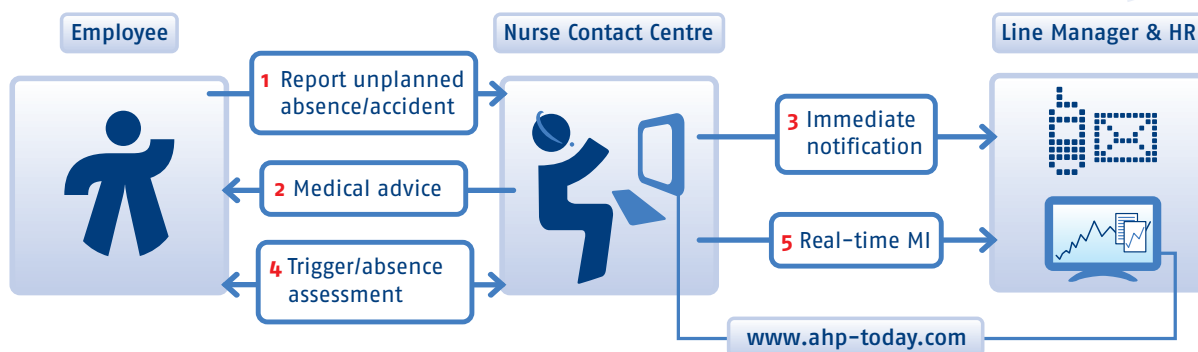
## The Solution: Managing Absence From 'Day 1'

AHP provides a complete solution for managing employees from 'Day 1' of every absence episode. Employees are directed to report all absence 24/7 to our call centre staffed with qualified nurses trained in occupational health. The nurse provides immediate medical advice according to strict protocols whilst our web-based software application ensures real-time notification to managers and easy access to management information via our online dashboard on [www.ahp-today.com](http://www.ahp-today.com).

The solution, including the online reporting can be configured to incorporate our client's health and absence policies and

processes, including the use of trigger points and alerts. The software includes functionality to ensure accountability for line manager actions (including return to work interview) and is designed to integrate easily with other HR and payroll systems.

*"Compared with the same period last year, the council has seen a reduction in absence of 31% leading to substantial cost savings."*  
**South Bedfordshire District Council**



## The Business Case for A Supplier Partnership

The business case for implementing a 'Day 1' service depends on the starting point and specific issues of the organisation. Typically, the service will start to generate cashable savings by reducing absence by as little as 4-6% or about half a day per employee per year. In fact, many of AHP's clients in the local government sector have reduced absence by 20-40%. Based on these figures, local government organisations can expect to

gain financial returns that are between four and eight times the amount of their investment.

At the same time, local government organisations can provide their employees with a medical service that they will appreciate. In surveys, over 90% of employees that have used the service have provided positive feedback.

## Our Local Government Practice

AHP introduced *Absence Management from 'Day 1'* in the UK and is the clear leader in the field. Our web application is tried and tested and provides clients with a reliable and secure source of management information. The application is very easy to use, and clients do not have to install or maintain any software.

We work closely with a large number of local government organisations and experts in the field. Recently, we collaborated with the CIPD to produce the research report 'New Directions in Managing Employee Absence'.

Please contact Richard Chandler, Head of Local Government at AHP, if you have any questions or would like to discuss how we can work in partnership with your organisation. We would be pleased to welcome you to one of our free seminars on absence management or provide you with our research reports on the topic.

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