

Healthcare & Wellbeing

■ The Cost of Sickness

- According to the 2010 CBI Absence & Workplace Health Survey, employee absence in 2009 cost the UK nearly £17bn with the average direct cost of absence estimated at £595 per employee and average indirect costs of £456 per employee
- The CIPD's Absence Survey estimates the cost per employee of sickness absence at £693
- The average rate of absence was 6.4 days per employee according to the CBI's survey and 7.7 days based upon the CIPD's
- Mental health conditions and back pain were reported as the major causes for long term absenteeism
- The Sainsbury Centre for Mental Health* estimates that the cost of presenteeism (defined as the loss of productivity that occurs when employees are unable to function due to ill health) is around 1.5 times the cost of sickness absence
- The findings are backed up by survey carried out by Think Tank The Work Foundation** which found that sickness presence is more prevalent than absence, with 45% of employees reporting one or more days of presence compared to 18% reporting one or more days of absence

Whilst most organisations will be able to understand at least to some degree, the direct cost of sickness absence, it is easy to underestimate or indeed ignore the hidden costs associated with sickness presence and the indirect costs associated with absence.

■ How can we help?

There are a number of steps that can be taken internally to help reduce the impact of sickness on your workforce which could include closer monitoring of absence, increased use of occupational health services and changing the workforce culture. Our experience suggests that the most effective way of controlling this cost however is to use an integrated approach with both internal HR solutions and external support.

With our market expertise we can source a wide range of health schemes designed to provide your employees with access to a number of key benefits. Our approach is always to listen to your requirements and then deliver a solution that is designed to help you achieve your goals, be that reduced absence, reduced costs, the provision of lifestyle advice or employee stress reduction.

We can assist in the design, implementation, communication and ongoing review of a healthcare programme which may include some of the following elements which can complement the HR and occupational health functions:

- Employee Assistance Programme – giving employees, managers and HR access to qualified counsellors who can assist with a variety of personal and work related issues.
- Health Cash Plans – a low cost way of enabling employees to claim cash towards the everyday cost of healthcare including dental, optical and physiotherapy costs as well as providing quick access to diagnostic testing, reducing the stress associated with long wait times. Such schemes are also highly valued by employees therefore assisting in the recruitment and retention of the right calibre people.
- Private Medical Insurance – Enabling employees to gain access to speedy treatment for acute medical conditions reducing the impact on productivity; either through absence or presence and the stress associated with waiting for medical treatment. This cover also enables employees to plan treatment around working hours, reducing the need for absence. Private Medical Insurance is a highly rated benefit amongst employees and there is a range of ways to structure the scheme to ensure that the cost is appropriate.

* Sainsbury Centre for Mental Health. (2007) Mental health at work: Developing the business case. Policy Paper 8: London

** The Work Foundation. (April 2010) Why Do Employees Come to Work When ill? An investigation into sickness presence in the workplace by Katherine Ashby & Michele Mahdon.

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