FACT
SERVICE

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Sickness absence – a case of presenteeism?

There have been warnings that presenteeism could be on the rise after official figures revealed that sickness absence in the UK workforce has reached a record low.

The average number of sickness absence days that UK workers take has almost halved since records began in 1993, according to the Office for National Statistics (ONS).

The figures show that employees took an average of 4.1 sickness absence days in 2017, compared with 4.4 days in 2016 and 7.2 days in 1993, but sickness absence started to fall overall from 1999.

Since the economic downturn of 2008 sickness absence rates in the UK have fallen by 0.5 percentage points to 1.9% in 2017. Over the same period, in the private sector rates have decreased by 0.4 percentage points. In 2017, the rate stood at 1.7% for the private sector and 2.6% for the public sector. Public sector health workers had the highest rates at 3.3%.

Rates may have decreased as healthy life expectancy has improved over time. Rates in the private sector could be lower as workers are less likely to be paid for a spell of sickness. However, there may also be an increase in presenteeism, where people go to work even though they are ill, the ONS said.

Sir Cary Cooper, president of the CIPD human resource professionals group and professor of organisational psychology and health at Manchester University, backed up the possibility that the statistics could indicate employees were coming into work when they should be off recovering from illness.

"Although sickness absence is lower, presenteeism is on the increase," said Cooper. "The concerns about job security from Brexit and the aftermath of the recession have led to people needing to show 'face time', worried that high absenteeism would lead to possible redundancy."

Earlier this year, the latest *Health and well-being at work* survey, conducted by the CIPD and Simplyhealth, revealed that almost nine in 10 (86%) HR professionals had observed presenteeism in their organisation in the past year, compared with 72% in 2016 and only 26% in 2010.

Rachel Suff, senior employment relations adviser at the CIPD, said she is concerned about the fall in the number of organisations taking steps to tackle presenteeism – "around a quarter in 2018 compared with almost half in 2016".

"When people are genuinely unwell, they will not be productive at work and organisations need

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to have an attendance management culture that supports people when they are ill and discourages unhealthy behaviour like presenteeism," she added.

The ONS data also revealed that a quarter of sickness absence days in 2017 were attributed to minor illnesses, such as coughs or colds. However, there has also been an increase in workers aged 25 to 34 citing mental health conditions as a reason for being off sick, rising from 7.2% of absences in 2009 to 9.6% in 2017.

The ONS found that women are more likely to report mental health problems as their reason for sickness absence – 8.1% of all absences reported by women compared to 5.7% of those reported by men.

www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/sicknessabsencefallstothelowestratein24years/2018-07-30

https://www.peoplemanagement.co.uk/news/articles/culture-of-presenteeism-sickness-absence-hits-record-low

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Universal Credit – back to the 1950s?

Welfare payments are turning the clock back to the 1950s and allowing abusers to control family finances, MPs say.

The Universal Credit (UC) system, which has been rolling out across the UK since 2015, aims to simplify the benefits and tax credits system with a single monthly payment.

However, under this system, payments are made to one person per household, often leaving abuse victims and their children dependent, a report by the Work and Pensions Committee said.

The committee heard evidence that people living with abuse can see their entire monthly income, including money meant for their children, go into their abusive partner's bank account.

The report said that the single household payment made it harder for victims to leave and said "there is a serious risk of UC increasing the powers of abusers".

One abuse survivor said she feared the new system could leave her and her children with "nothing for weeks".

Conservative committee member Heidi Allen said UC was supposed to mirror the world of work, but no employer would pay wages into a partner's bank account.

"In the 21st century women deserve to be treated as independent citizens, with their own aspirations, responsibilities and challenges," she said.

The report added that that the Department for Work and Pensions had a "moral duty" to ensure payments did not help abusers maintain their control.

The government's response was that abuse support teams are on hand in every Jobcentre.

Frank Field, chair of the committee, said: "This is not the 1950s. Men and women work independently, pay taxes as individuals, and should each have an independent income.

"Not only does UC's single household payment bear no relation to the world of work, it is out of step with modern life and turns back the clock on decades of hard won equality for women.

"The government must acknowledge the increased risk of harm to claimants living with domestic abuse it creates by breaching that basic principle, and take the necessary steps to reduce it."

www.parliament.uk/business/committees/committees-a-z/commons-select/work-and-pensions-committee/news-parliament-2017/universal-credit-domestic-abuse-report-publication-17-19/

Yorkshire brewery fined over pensions

Yorkshire-based Samuel Smith Old Brewery and its company chair have been ordered to pay £27,990 for failing to provide financial information pertinent to a pensions investigation conducted by The Pensions Regulator (TPR).

The pensions watchdog issued a notice on 12 January 2018 to the brewery and its chair, Humphrey Smith, to request financial information and relevant documents. This was to help TPR understand the funding position of some of the organisation's final salary pension schemes, following a valuation document that was submitted by Samuel Smith Old Brewery in 2015.

TPR's notice, issued under section 72 of the *Pensions Act 2004*, required these details to be provided by 26 January 2018, so that it could discover whether the pension schemes were being adequately supported. The information was supplied three months after the deadline's expiry, and after TPR had launched criminal proceedings.

Samuel Smith Old Brewery and Smith himself both pleaded guilty on 15 May 2018 at Brighton Magistrates' Court, to neglecting or refusing to provide information and documents without a reasonable excuse, contrary to section 77(1) of the *Pensions Act 2004*. Smith was charged on the basis that he consented to or connived in the offence by the organisation, or caused it by his neglect.

Nicola Parish, executive director of frontline regulation at TPR, said: "Mr Smith and the brewery could have avoided this fine and a criminal conviction by simply complying with our notice requiring the information to be provided.

"As Mr Smith has discovered, becoming compliant with our requests after a court summons has been served will not halt criminal proceedings."

It's the sixth criminal conviction secured by TPR against individuals or organisations for failing to comply with section 72 notices.

Just how little the fine affects the company is not known as the Smith family don't like prying eyes and Samuel Smith Old Brewery is a private unlimited company that does not have to file annual accounts at Companies House for public inspection.

www.thepensionsregulator.gov.uk/press/brewery-and-its-chairman-fined-for-failing-to-hand-over-information-to-tpr.aspx

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Workers are missing out on holidays

Working people are entitled to a statutory annual minimum of 28 days paid leave (pro rata and including public holidays), yet one in 12 UK workers are not getting their legal holiday entitlement, a TUC analysis shows.

The analysis estimates that 2.2 million employees are not getting the minimum paid leave entitlement they are due. And over half of this number (1.2 million) are not getting any paid leave at all.

The TUC analysis shows:
- workers are losing out on nearly £3 billion worth of paid leave a year;
- 9.2% of female workers and 7.2% of male workers are losing out;
- the sectors in which workers are most likely to lose out are agriculture (14.9%), mining and quarrying (14.7%) and accommodation and food (13.9%); and
- the sectors with highest numbers of staff losing out are retail (348,000), education (342,000) and health and social care workers (291,000).

The TUC says the main reasons people are missing out are that workers being set unrealistic workloads that do not allow time to take leave and employers deliberately denying holiday requests and managing out people's leave. The TUC also accuses employers of not keeping up to date with the law.

Minimum holiday entitlements are a vital part of reducing overwork, says the TUC. People who work excessive hours are at risk of developing heart disease, stress, mental illness, strokes, and diabetes, which also impacts on co-workers, friends, and relatives.

The TUC wants HM Revenue and Customs to be given new powers to clamp down on employers who deny staff their statutory holiday entitlement. This would include the power to ensure that workers are fully compensated for missed holidays.

TUC general secretary Frances O'Grady said: "We're now in peak holiday season. But while many workers are away enjoying time off with friends and family, millions are missing out. And that puts them at risk of burnout.

"Employers have no excuse for robbing staff of their well-earned leave. UK workers put in billions of hours of unpaid overtime as it is.

"The government must toughen up enforcement to stop bosses cheating staff out of their leave."

www.tuc.org.uk/news/1-12-workers-not-getting-legal-holiday-entitlement-warns-tuc

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Dividends showered on water shareholders

Shareholders in England's nine privatised water companies have received more than £6.5 billion in just five years, an investigation by the GMB general union reveals.

The nine companies showered their shareholders with a total of £1.4 billion in 2017 alone, the investigation found.

The figures come from a joint investigation into the accounts by GMB and Corporate Watch as part of

GMB's Take Back the Tap campaign to bring England's privatised water industry back into public ownership.

The figures show the average dividend and interest accrued for shareholders by each privatised water company in 2017 was £158 million.

Meanwhile, as millions face a hosepipe ban, 2.4 billion litres of water is wasted through leaks every single day in England.

www.gmb.org.uk/newsroom/water-shareholder-billions

EEF — trends in holiday entitlement

Companies give a median of 25 days paid basic holiday entitlement (excluding bank holidays) a year. This amount is consistent across manufacturing and beyond, and applies to both manual and non-manual employees, the EEF employers' organisation finds.

The vast majority of businesses told the EEF that its employees are given bank holidays off as paid leave (83.8% of companies for manual employees and 87.6% for non-manual). This leaves one in six who do not give time off on bank holidays for their manual workers and even fewer (12.4%) for non-manual employees, instead they provide a total holiday allowance.

This is approach is usually taken if a business operates continuous working or certain shift patterns. However, it is apparent from the data that the total allowance often accounts for the days that would ordinarily be taken as bank holidays.

Nearly half of the respondents to the survey said that they give additional service related leave to their employees. Due to the range of arrangements in place for this extra leave, the EEF chose to examine the amount of additional paid leave given at nine service intervals. The results show that the most common starting point for extra leave was after five years' service.

Looking specifically at the manufacturing sector:
- only one in eight (13%) give extra leave to their manual or non-manual employees after a year's service, which in all cases amounts to one extra day;
- at five years' service, two-thirds (67.6%) give service related leave to their manual employees and 68.2% give to non-manual employees; and
- after five years, employees get an average of two days extra paid holiday a year, with some getting as much as five extra days.

www.eef.org.uk/business-support/news-blogs-and-publications/blogs/2018/jul/taking-a-break-the-latest-trends-in-holiday-entitlement

Carillion apprentices dumped by receiver

Almost 350 apprentices at the collapsed construction giant Carillion are to lose their jobs.

The Insolvency Service says 341 apprentices have been given their notice and will stop being paid at the end of August.

The industry training body CITB has been unable to find them apprenticeships with other companies.

The decision to make the apprentices redundant was made just as Parliament went into recess, preventing MPs from raising concerns at the decision.

Gail Cartmail, assistant general secretary of the Unite general union, said: "This is an appalling way to treat these apprentices who should have become the backbone of the industry. To dump them and to destroy their training is an act of crass stupidity.

"These actions highlight the government's total failure to assist the workers who have been most affected by Carillion's collapse through no fault of their own.

"The government could have used its procurement power to find placements for these apprentices but it chose not to, demonstrating that it is not serious about dealing with the skills crisis facing the industry."

The 341 apprentices soon to lose their jobs are spread across England, but the greatest numbers are based in the North East and North West.

The number of redundancies following Carillion's demise now totals 2,778, while 13,516 jobs have been saved, and 1,277 employees have left the business.

www.bbc.co.uk/news/business-45025901

www.unitetheunion.org/news/carillion-apprentices-dumped-by-receiver-and-government-in-act-of-crass-stupidity/

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