



Annual Payroll Costs and Costs of Absence					
Client	No of Employees	Annual Average Salary £	Total Payroll costs £	Current Absence rates %	Cost of Absence* £
Bromsgrove Council	351	22,722	9,171,735	4.64	646,906
			Equivalent to 10.57 days per annum per employee		
<i>* Key Assumptions</i>					
<i>Total Payroll Costs</i>	Includes uplift of 15% for employers NI etc.		Annual working days lost	3709	
<i>Sick Pay Ratio</i>	100% (Average percentage of salary paid)		Annual working days saved AHP 20%	742	
<i>Overtime Cover Ratio</i>	40% (Proportion of absence requiring cover)				
<i>Marginal Cost Ratio</i>	50% (Extra cost of overtime)				

Cost/Benefit Analysis of AHP Service - ROI				
Roll-out	Reduction of absence rates			
Daily Cost Absence	£2,837	<u>10%</u>	<u>20%</u>	<u>30%</u>
Monthly Cost of Absence	£53,909	<i>(Cost divided by 12)</i>		
Gross Monthly Saving		£5,391	£10,782	£16,173
Monthly AHP Cost	£4.75	£1,667	£1,667	£1,667
Net Savings Per Month		£3,724	£9,115	£14,505
1 Year Net Saving		£44,684	£109,374	£174,065
Cost Neutral Absence Reduction	3.09% Reduction in absence rate, equivalent to a reduction of 0.33days per employee per annum i.e reduction from current absence rate of 4.64 to 4.49 percent			

