

# **MANAGING SICKNESS ABSENCE IN THE PUBLIC SECTOR**

A joint review by the Ministerial Task Force for Health, Safety and Productivity and the Cabinet Office.

November 2004

## MINISTERIAL FOREWORD

The issue of sickness absence has attracted a good deal of attention in recent months. Both public and private sectors increasingly recognise its effect on productivity, not to mention the personal impact on the people affected, their families and their colleagues.

The right to absence when sick is a central part of the 'contract' between employer and employee. Employers have moral and legal duties to prevent people from being made ill by the jobs they do; and most know that it makes business sense to support those who are off sick, and help them return to work. We all want people to be "happy, healthy and here". Equally, part of the bargain places a duty on staff not to be absent without good reason.

So the Chancellor was right to highlight the issue of how sickness absence is managed in the public sector in the Spending Review 2004. He called for a review of long term sickness absence management in the public sector and work on the self certification of short term absence in the civil service. As many of the management issues affect both long and short term sickness absence, we have brought these two strands of work together in a single report.

Effective absence management is a core discipline for any well-run organisation. We found evidence of good practice in a number of areas but that there are lessons to be learned across the civil service and wider public sector. We have concluded that further action is needed in three main areas to:

- secure sustained commitment from managers at the top level;
- get the right data and technical support systems to support better attendance management; and
- provide leadership and support for line managers.

In combination, these are the factors that we identified in public and private sector case studies as being central to successful attendance management.

We recognise that public sector managers face pressures and that they have played a major part in delivering improved public services. Our recommendations are designed to ensure fairness and build on success and to provide good working environments for managers and staff. They will help to maintain focus on delivery across by providing managers with the skills and support needed to better manage their resources.

The Ministerial Task Force on Health, Safety and Productivity will continue to have an important role in following through on our recommendations, and in encouraging the public sector to lead the way. Our next step is to draw up a delivery plan as the basis for action and against which we can measure progress.

Rt Hon Jane Kennedy MP  
Minister of state for Work

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# MANAGING SICKNESS ABSENCE IN THE PUBLIC SECTOR

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## **1. Introduction, findings and summary**

1.1 In the Spending Review 2004 announcement the Chancellor asked the Secretary of State for Work and Pensions to review the management of long term sickness absence in the public sector. Work was already in hand to deliver the public sector's response to the government and Health and Safety Commission's (HSC) Revitalising targets, which include an aim to reduce the number of working days lost per 100,000 workers from work related injury and ill health by 30% by 2010. This work is being led by the Health, Safety and Productivity Ministerial Task Force (the Task Force). The Minister for the Cabinet Office and the Cabinet Secretary were also asked to review the current arrangements for self-certification of sickness absence in the civil service. This document brings together these two strands of work in a joint review. It provides an update on progress including specific recommendations for action, and details of pilots to be set up in a number of areas. It has benefited from contributions and engagement from companies, trade unions and independent experts.

### **Why managing sickness absence matters**

1.2 At an average of 10 days per annum, sickness absence among the 523,000 civil servants costs over £375m per annum. Similar levels of sickness absence exist in other parts of the public sector, which employs around 5 million people, or 18% of the workforce: the cost of sickness absence in local authorities alone has been estimated at up to £900 million each year. Improving the management of sickness absence will ensure that our resources are devoted to delivering essential services to the public. We estimate that a 30% reduction in civil service sickness absence alone would save up to 1.7 million days, equivalent to more than 7,000 additional employees being available for work.

1.3 And reducing sickness is not just about cost. No-one wants to be sick. If we can re-engineer the way we work in the public sector to reduce some of the causes of sickness, and through better management support those who are sick back into work, everyone will benefit.

1.4 So we need to make sure that organisations recognize that doing more to prevent people from falling ill at work and getting them back sooner, as well as discouraging abuse of absence, is a key component of their efficiency and change agendas.

1.5 Managing sickness absence also supports other priority policy areas. There are currently 2.7 million working age people receiving Incapacity Benefit (IB) - 7.5% of the working age population – and we know that once a person is on IB for any length of time it becomes increasingly difficult for them to get back into work. So the more we can do to prevent people from suffering ill health at work, the more we help people avoid the need to receive long-term benefit and remain in the labour market. And responsible certification from GPs has an important part to play in managing both IB and sickness absence.

### **Working Well Together**

1.6 However, we need to learn from earlier efforts to tackle sickness absence. A 1998 study 'Working Well Together' made a number of recommendations and received wide support. Targets to reduce sickness absence by 30% by 2003 were agreed, but there has been little change in actual performance. This is considered in **section 2**. In short, we believe that the worthwhile and well judged study failed to make a lasting difference because top management focus was allowed to dissipate and because line managers were not given the tools – real time information, support for those who are sick, and proper training – for the job.

1.7 We must stress that it would be wrong to demonise sickness absence. The public sector rightly aspires to fairness and diversity. It is right that when people are genuinely sick they should not come to work – “presenteeism” is not the objective. Those who are off work sick have the right to expect sensitive treatment and support. We are not seeking to attack genuine absence, but to bear down on the causes of sickness, to help those who are able to return to work to do so and to be responsive to those who have responsibilities outside. But where people are not genuinely sick, and are not taking annual or special leave, they have a duty under their terms and conditions to be at work. They also have a duty to their fellow workers not to impose unnecessary burdens upon them through their absence.

### **Key findings**

1.8 **Section 3** contains a detailed analysis of comparative surveys and data. These indicate that average recorded absence in the civil service and wider public sector is higher than in the private sector. However, this finding is probably overly simplistic: on a like for like comparison the public sector has broadly similar recorded rates of absence to larger private sector firms.

1.9 Sickness absence is most pronounced among junior grades and increases with age; and in general women take more sickness absence than men, due in part to their role as carers, and possibly lower average grade. And sickness absence in the UK is lower than in many other EU countries.

1.10 The public sector has higher recorded long term absence than the private sector and long-term absence (particularly stress related) appears to have deteriorated in recent years: the percentage of individual experiencing spells of long term (21+day) absence has increased from 5% in 2001 to 5.7% in 2003 – 44% of all days lost. By contrast, recorded short term absence is lower in the public sector, though the very low civil service statistics may reflect significant underrecording.

### **Summary of conclusions and recommendations**

1.11 Case studies and interviews with practitioners and stakeholders show that managing sickness absence is not ‘rocket science’. And the public sector already does a number of the key things well: for example, full procedures are more generally established than in the private sector, and there are comprehensive annual aggregate data for the civil service. Furthermore, a number of individual organisations are taking the issue very seriously.

1.12 We conclude that three key **fundamental systems** changes are needed, covered in **section 4**:

- Boards of departments and agencies should see absence management as one of their functions. They should set up and oversee attendance management strategies for their departments and be required to report to the centre both through the existing structures of efficiency reviews and performance partnerships and also through a dedicated annual written statement to Parliament. To help boards across the public sector meet the challenges, the Task Force will be inviting the Work Foundation to produce, with Government, a clear profile for the well managed organisation.
- management information systems need to provide for real time recording and audit. This will give managers more timely data so that they can monitor absence and take action and initiate support at agreed trigger points. It will also give HR departments the ability to ensure that procedures, which are generally well established, are adhered to in practice;

- as departments install new HR management systems, managers should receive formal training in both the systems and procedures and the skills they need to deal with case management, referral and return to work discussions. This should be complemented by central HR support to enable us to move towards integrating absence and performance management, a key lesson from successful private sector practice.

1.13 For both short and long term absence we need to build on the experiences of public sector bodies which are already making significant progress in these areas, and to identify others who are willing to pilot new approaches.

1.14 At the **short-term** end of the problem (**section 5**) key departments will trial a range of approaches, as part of their general policies on absence management (and will therefore need to place these ideas within a holistic approach including generic measures and longer term support). Where these involve changes to terms and conditions there would of course be full consultation with the unions; it is of course good practice to involve unions more widely. However, much of this is no more than good and sensible management practice which we expect to roll out to all parts of the public sector over time. The trials include:

- instigating action based on checks for persistent short term absence;
- bringing in OH for absences above a given number of days in a 12 month period (where possible), to pick up early signs of longer term problems and issues;
- formally auditing adherence to triggers;
- requiring daily phone calls to the office when unexpectedly off sick for short periods;
- systematising checks on persistent Monday/Friday absence;
- challenging people who self certificate for more than 5 working days at a time;
- more flexibility in 'special leave' and short term flexi days – this would, inter alia, firmly complement the wider agenda on work life balance;
- sector specific solutions , notably with contact centres.

1.15 Many of the measures suggested above will also have an impact on long term sickness absence. Specific recommendations on **long term** sickness absence in the public sector are considered in **section 6** and, where relevant will be piloted in key departments. They include:

- doing more to bring together the literature on the fundamental causes of sickness, where they can be related to workplace practice, and seeing how changes to workplace practice can reduce sickness. Job design, ergonomics, flexibility towards personal or motivational problems are all relevant, and we would invite the Public Service Forum to discuss and appraise this work;
- exploring the role of non-GP occupational health services through a range of pilots within departments. However, occupational health professionals are in short supply and further work is needed (as discussed in the Public Health White Paper) to consider the costs and benefits. This is an area where there is scope for piloting on a invest to save basis;
- encouraging more public sector organisations to carry out intensive studies of long term ("less than full pay") cases to assess the potential for return to work, termination of contract if returning is not a realistic prospect, or medical retirement;
- reviewing current guidance on the tax treatment of OH and rehabilitation;
- HSE working in partnership with the public sector on the prevention of ill health.

### **Measuring success**

1.16 The Task Force should aim to ensure that the public sector makes a full contribution to HSC's target to reduce the number of working days lost per 100,000 workers by 30% by 2010. This is in line with the targets agreed after the 1998 study and would represent, on average, around 7.5 of days of sickness absence per person.

1.17 The recommendations in this report are designed to help the public sector to achieve this change. We would expect to have secured and maintained top management commitment, improved the quality of the data available to managers and developed line management skills and support arrangements. That said, we have to caution that, based on other experience in this area, we expect an initial increase in recorded absence as we bear down on under reporting.

1.18 There is an opportunity to use the implementation of the Efficiency Review to promote a well-managed and efficient public sector where resources are concentrated on the delivery of essential services. The Task Force has asked HSE to ensure effective sickness absence management is embedded into the efficiency programme and wider public sector performance audit with OGC, NAO, the Audit Commission; and report back to the Ministerial Task Force on Health, Safety and Productivity. Sustaining commitment, including the need to maintain a dialogue with key stakeholders is covered in **section 7**.

1.19 The Task Force will complete, and discuss with stakeholders, a delivery plan to implement the recommendations in this report as a matter of urgency. It will remain in place for two years to oversee the work to ensure that the recommendations are delivered. As part of this work we will:

- invite Permanent Secretaries and board champions in the civil service to provide annual reports on their progress on attendance management;
- ask the Public Service Forum to report on progress on implementing our recommendations across the wider public sector.

## 2. Working Well Together

2.1 In 1998 a study into sickness absence management in the public sector was commissioned by the Government's Public Spending Committee as part of the Comprehensive Spending Review. There was concern that analysis of annual sickness absence rates, by the CBI and the Office for National Statistics study, had always shown a higher incidence in the public sector than in the private sector.

2.2 The 1998 study looked at both self-certificated and longer-term absence, bringing together senior public and private sector practitioners, complemented by a review team of Cabinet Office. It was followed by Cabinet Office guidance on "Managing Attendance in the Public Sector - Putting Best Practice to Work". It made 27 specific recommendations, listed at **Annex A**.

2.3 The findings and recommendations were well received within the public services and gained the support of Ministers who agreed in their Departmental Public Service Agreements to set targets to reduce sick absence by 30% by the year 2003. The wider public sector was challenged to meet this same commitment.

2.4 The implementation of the report's detailed recommendations has been more successful in some areas than others. Since the report, aggregate data has improved, flexible working has become more widely available, staff are encouraged to use departmental welfare services more and the consequences for attendance of improving work/life balance are better recognised.

2.5 Other aspects of implementation have been less successful. Systems to maintain contact with individuals once they are off work and put in place programmes to assist with their rehabilitation and return are not consistently applied. Few departments appear to have implemented the recommendation to withdraw the right to self certification if abuse of the system was suspected.

2.6 Overall, we conclude that the report did not achieve its aims. Although there was a definite spike in activity and interest after its launch, there has been no longer term reduction in the levels of sickness absence as a result of the programme. Trends for the absence in the civil service bear this out:

Year	Days lost/staff year	Total days lost (million)	Cost of absence per individual
1998	9.8	N/A	N/A
1999	10.1	4.4	N/A
2000	9.9	4.4	£701
2001	9.2	4.2	£727
2002	9.8	4.9	£736
2003	10.0	4.9	£786

2.7 A principal factor behind this failure to reduce absence decisively is the absence of on-going high level management support for the programme. This in turn probably reflects both a reduced emphasis from the centre, as the PSA targets were allowed to drop, and poor management information systems that reduced the capacity for proper monitoring and management of absence by boards and the line.

2.8 The picture across the rest of the public sector is similar. Despite some notable exceptions, less management energy seems to be devoted to the issues than in the private sector where the bottom line is more immediate. Good practice is

known and documented, but sustained change, including organisational cultures, job design, work organisation and management standards and audit has not yet been achieved.

2.9 As with the 1998 study, our work shows that managing sickness absence is not 'rocket science'. Generally we found that management policies and processes are in place but that implementation at management level – from the top to the bottom – was inconsistent. Our recommendations have taken as their starting point the reasons why the 1998 study failed to deliver its objectives.

### 3. Key findings and issues

#### Headline statistics

3.1 We have reviewed statistics and findings from a range of surveys and research papers including surveys by the CBI and Chartered Institute for Personnel and Development (CIPD), the NAO data on civil service absence, the Whitehall II study and reports on sickness absence in various other parts of the public sector. The comparative surveys all indicate that average recorded absence in the civil service and wider public sector is higher than in the private sector.

SUMMARY OF SICKNESS ABSENCE SURVEYS							
	2003/ 2004	2002/ 2003	2001/ 2002	2000/ 2001	1999/ 2000	1998/ 1999	1997/ 1998
<b>CBI (All)<sup>7</sup></b>		7.2	6.8	*7.0	*7.7		
<b>CBI (Public Sector)<sup>1</sup></b>		8.9	8.9	10.1			
<b>CBI (Private Sector)<sup>1</sup></b>		6.9	6.5	6.7			
<b>CIPD (All)<sup>8</sup></b>	9.1	9.0					
<b>CIPD (Public Sector)<sup>2</sup></b>	10.7	10.6					
<b>CIPD (Private Sector)<sup>2</sup></b>	7.8	7.0					

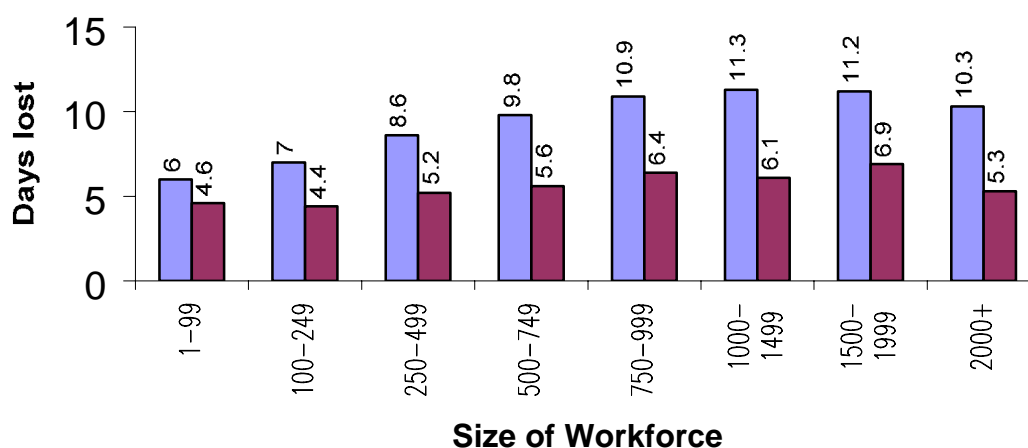
<sup>1</sup> CBI Absence and labour turnover

<sup>2</sup> CIPD Employee Absence

\* Estimate from graph

3.2 However, these surveys do not always compare like with like. Similar operations such as call centres show no clear pattern of higher sickness absence in the public sector. More significantly, the public sector/civil service has recorded rates of absence broadly typical of large private sector firms – it is with small businesses where the difference is marked.

#### Days lost by workforce size



■ Days lost - public and private sector ■ o/w from periods of no more than 5 days

3.3 This may explain why some specific private sub-sectors – transport for example – have higher sickness absence than the public sector, and why in almost all countries absence in the health service is high, while absence in the education sector is relatively low.

3.4 In all this, we should emphasise that it is widely accepted that recorded absence will be lower than actual absence, particularly at the self-certificated end of the spectrum. When prison service absence started to be monitored closely for example, recorded absence rose.

3.5 The public sector may well under-record by more than the private sector. But it is also probably true that the private sector dismisses people earlier into sickness absence than the public sector – so a significant number of people recorded as on very long term sickness absence in the public sector would not be so recorded in the private sector.

3.6 Within the EU, the UK has a relatively low rate of absence. Almost all countries show similar relative patterns: higher absence in the public sector, high absence in the health sectors, low in education.

### Public sector

3.7 Figures from across the public sector show the same kind of variation as in the private sector.

SUMMARY OF PUBLIC SECTOR STATISTICS							
	2003/ 2004	2002/ 2003	2001/ 2002	2000/ 2001	1999/ 2000	1998/ 1999	1997/ 1998
<b>Civil Service</b> <sup>1</sup>		10.0	9.8	9.2	9.9	10.1	9.8
<b>Local Government</b> <sup>2</sup>		10.7	10.3	10.3	9.6		
<b>Police (Officers)</b> <sup>3</sup>	9.6	10.4	11.5	12.2	11.6	11.7	12.7
<b>Police (Civilians)</b> <sup>4</sup>		11.7	12	12.6	12.4	12.1	13.6
<b>Teachers</b> <sup>5</sup>		5.4	5.3	5.4	5.4	5.1	
<b>Social Services</b> <sup>6</sup>		16.1	No report	15.0	14.9		
<b>Health</b>							
<b>Prison Service</b> <sup>7</sup>	13.3	14.7	13.9	13.5	12.6		

<sup>1</sup> Cabinet Office *Analysis of Sickness Absence in the Civil Service*

<sup>2</sup> Employers Association *Sickness Absence in Local Government*

<sup>3</sup> HM Chief Inspector Of Constabulary *Annual Reports*

<sup>4</sup> DfES *Teacher Sickness Absence*

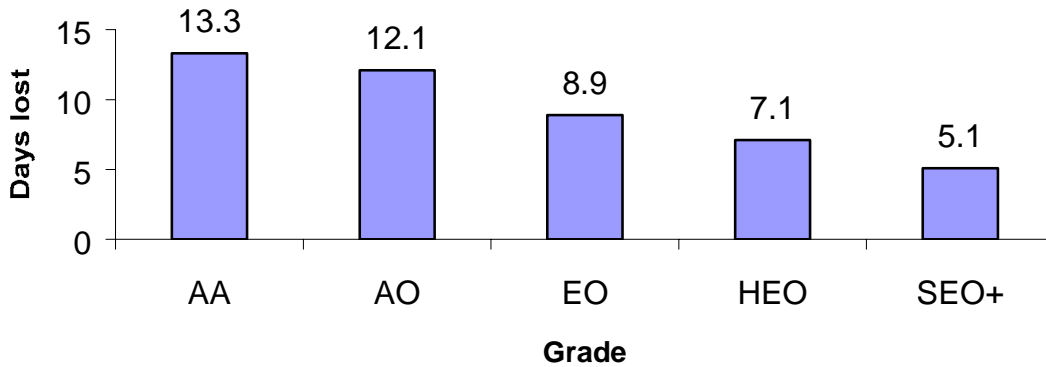
<sup>5</sup> Employers Association *Social Services Sickness Absence Survey*

<sup>6</sup> NAO *The Management of Sickness Absence in the Prison Service*

### Disaggregating absence

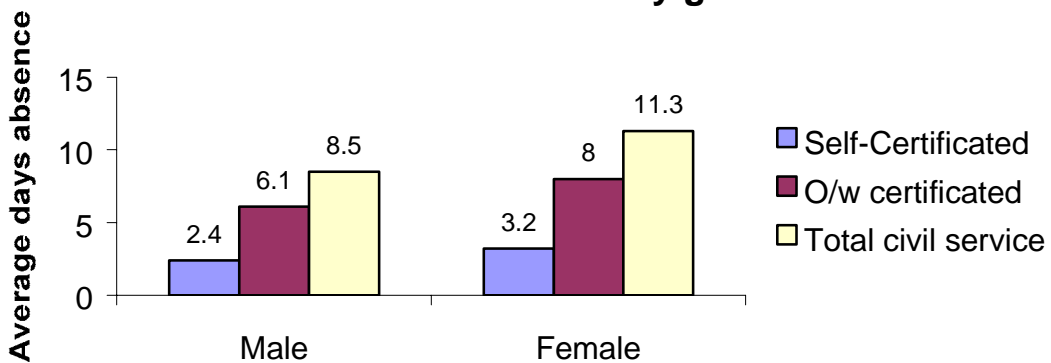
3.8 Sickness absence is most pronounced among junior grades (and actual morbidity seems also to be genuinely concentrated here). In the civil service the AA (clerical) grade averaged three times the average absence per head of those at or above SEO (managerial) grade, although we suspect that reporting levels for junior grades may be higher. The Whitehall II study showed that in junior grades lack of control is an important cause of genuine morbidity.

### Civil Service absence by grade

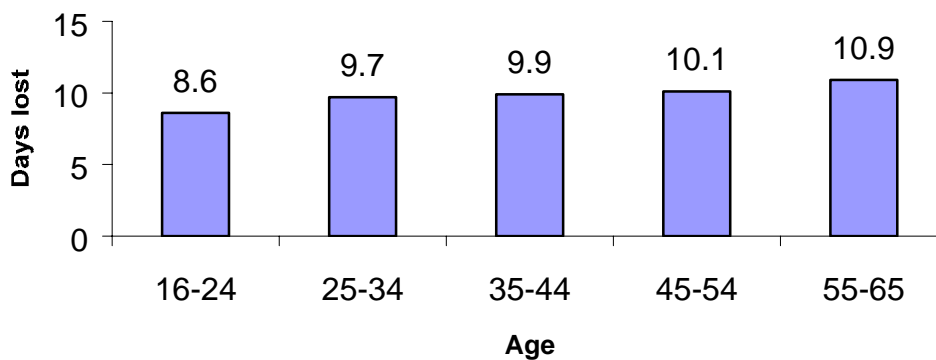


3.9 In general, women take more sickness absence than men, due at least in part to their implicit societal role as carers (and probably also to lower average grade). Older men average most sickness absence, due to long periods of absence among a significant proportion of the workforce of this age as a result of heart disease and cancer etc.

### Civil Service absence by gender



### Civil Service days absence by age



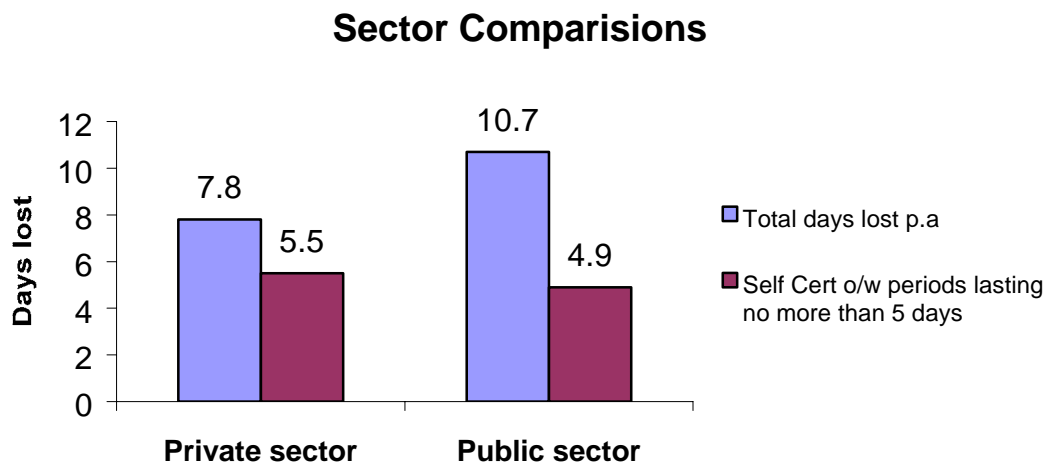
3.10 Most studies show particularly high absence in Wales and the North West. Absence in London is low: though this may reflect a concentration of head office

functions. It has also been suggested that longer travel to work times may increase absences.

3.11 In the civil service there is no very clear pattern of absence between departments, though those with the largest absence rates tend to have the largest front line functions and responsibilities and a higher number of staff in more junior grades. As in the private sector, differences within sectors/departments – e.g. between prisons; NHS Trusts – are more marked than between sectors/departments.

### Short term/self certificated versus long-term absence

3.12 The public sector has higher recorded long term (certificated) absence rate than the private sector – as one might expect given the more generous entitlement to occupational sick pay for long absences. And it is long-term sickness absence (particularly stress related) that appears to have deteriorated in recent years: the percentage of individuals experiencing spells of long term (21+day) absence has increased from 5% in 2001 to 5.7% in 2003 – 44% of all days lost.



3.13 The public sector appears to have a marginally lower self-certificated absence than the private sector – and indeed the more detailed civil service statistics tell an even more profound story. (This data, which is comprehensive rather than based on a small sample, shows much lower self certified absence than suggested by the chart directly above – only 2.8 days per year. But it seems likely that part, at least, of this difference reflects underreporting in the civil service.)

3.14 There are no statistics on 'unwarranted absence'. But a CBI survey reports that business believe it is about 15% of the total. Nearly all firms believe there to be a link between patterns of absence and unauthorised extension of the weekend – i.e. sickness is greatest on Friday and Monday.

#### 4. Key factors influencing attendance – fundamental systems changes

##### Top level commitment

4.1 Stakeholders have told us that securing lasting improvements and culture change needs a good deal of management energy, and that this has to be sustained. As discussed in **section 2**, we need to find ways of keeping absence management at the top of the management and efficiency agendas if we are to avoid the pitfalls encountered following the 1998 study.

##### **Case Study: Astra Zeneca**

AstraZeneca made a £5 million saving in one year through a programme of initiatives including standalone projects and improved management aimed at reducing sickness absence levels. This was achieved through a commitment from the top that was promulgated throughout the organisation.

The Chief Executive Officer, Sir Tom McKillop, gave his personal backing to the programme and is quoted as saying "Corporate responsibility is not an add on extra. It is an integral part of all we do. This drive from the top leads to corporate managers taking staff health seriously."

##### **Case study – HMP, Belmarsh**

Belmarsh is one of the largest prisons in the Prison Service, with a complement of 900 staff and maintains the highest levels of security. The Governor was acutely aware of the need to lower absence rates and appointed his Deputy Governor with a remit to tackle rates running as high 25 days per member of staff in July 2002 as his key operational priority. They radically overhauled management of absence and:

- Introduced on site case conferences to resolve long-term cases of staff unable to return to work. A number of staff were retired or left under inefficiency terms with compensation;
- Brought occupational health services on site to address absence more quickly;
- Improved the management of sickness and increased line managers accountability and responsibility for tackling poor attendance.

Rates in June of this year were down to 12.85 days, nearly half of the earlier rates.

##### **Case Study: Buckinghamshire County Council**

During his time as CEO at Buckinghamshire County Council Chris Williams provided visible leadership and hence raised the profile of health and safety and proactively supported health and safety initiatives. As a result there was:

- Improved relations with unions and employees through employee consultation;
- 59% reduction in reportable accidents over a three year period together with a drop of 49% in the total number of accidents;
- 74% reduction in the total number of days lost due to accidents, per year, from 2001 –2004;
- Good relations with HSE leading to perceived lower organisational risk.

4.2 So management and board leadership on absence management is integral to any successful institutional change in this area. But there are boards in the public sector that discuss the issue no more than once a year and receive no regular data. In the private sector the bottom line and shareholder pressure brings with it an immediate discipline on boards. The question is how to replicate this in the public sector.

4.3 We need, however, to keep this in proportion. While absence management is important, the centre has other requirements and priorities for line management. And we do not want to reverse the trend to delegated decision making – either in the civil service, where the civil service management code has moved away from direction on absence management, or in the wider public sector, where delegation of responsibility for management is enshrined in policy, and we are seeking to reduce bureaucratic burdens.

4.4 It would therefore be best to use the performance partnerships exercise, which feeds into annual performance appraisals for Permanent Secretaries, analogous mechanisms for agencies and Chief Executives, and the efficiency review to institutionalise absence management within organisations. Such automaticity would also help avoid the experience of the 2000 SR when new PSA targets on absence were introduced, only to fail to be renewed in SR2002. We propose to add sickness absence to the set of performance statistics for which an annual written statement to Parliament should be made.

4.5 The Task force will also invite the Work Foundation to undertake joint work with HSE on a profile for the well managed organisation, to assist Boards take the issues forward.

#### **Management framework**

In 2000, as part of following up the Revitalising Strategy, a Ministerial Checklist, was adopted across Whitehall to ensure that Departments the basic elements needed to manage health and safety effectively in place. The principles behind the checklist had been developed by HSE, based on best practice examples from the public and the private sectors. At that time it was envisaged that using the checklist could play a significant role in ensuring the effective management of health, safety and sickness absence including the return to work of those on long term sickness absence.

HSE has developed an abbreviated version of the checklist as a Framework for high level purposes, at **Annex B**. This could form part of the structure for reports to the Task Force by key government departments.

Setting targets for improvements in health, safety and sickness absence performance, and using them as measures of organisational performance, is one element of best practice. DoH and ODPM will be invited to report to the Task Force on how these levers are applied in health services and local authorities early in 2005.

#### **The tools for the job**

4.6 Successful absence management is almost always predicated on good data: to the centre and to line managers. This fact has been repeated time and again in our case studies. But public sector line managers often still do not have the real time data on which to base even elementary absence management, let alone use more sophisticated tools like the Bradford factor – **see section 5**. And the centre has no means of auditing managers' adherence to agreed procedures.

4.7 We have a unique opportunity here with the ongoing roll out, across the civil service, of electronic HR management information systems. Such management information systems can readily provide for real time recording and audit. This will give managers more timely data so that they can monitor absence and take action at agreed trigger points. We will provide **good practice guidance** on tailoring and using new IT systems for best absence management.

4.8 Case studies are also clear, as is the 1998 study, that absence management can only be effectively conducted if there are clear and agreed procedures and triggers for action. And it is against the background of agreed procedures that management information systems can make most difference. Necessary procedures include:

- when people unexpectedly off sick should phone in;
- how often contact should be maintained. For example, good management dictates that people who are on long-term sickness absence should be contacted each week, to see how they are and if there are things they might need. But few departments do this, either at line management level or centrally. As a result people can quickly come to feel dislocated from and bitter about employment;
- the length of absence that should trigger return to work interviews, and how these should be recorded;
- the frequency of absence that would trigger more formal intervention;
- when occupational health should become involved.

4.9 In most cases these policies already exist but there we strongly suspect they are widely flouted, and there is little auditing of adherence, or reminders to managers when specific actions should be undertaken. The new management information systems can do a lot of this reminding and auditing for us.

4.10 Long term absences of 21 or more days in the public sector are dominated by mental illness, “symptoms ill defined” and musculoskeletal disorders. The fact that there is no diagnostic information for 23% of the absences of 21 days or more in government departments clearly limits the scope for profiling the main causes of long term absence and the opportunities for management interventions. In the civil service at least departments are now tooling up in this area.

4.11 Departments also need to consider whether recruitment procedures are sufficiently robust in terms of pre employment checks as to an individual’s absence record, while recognising commitments under the DDA and diversity policies.

### **Training and support for managers**

4.12 The introduction of new management information systems also offers a good opportunity to review training for line managers in absence management. The authors of this report freely confess to having received no such training in their civil service careers. Only 40% of all operations across the economy train line managers in absence management. We suspect the figure in the civil service and wider public sector is far less. But all good practice relies on properly trained management.

#### **Case Study: Tesco's staff training**

Tesco staff highlighted that unplanned absence was a growing problem within stores. The biggest impact of this was on the morale of staff placed under added pressure through covering for their absent colleagues, and on the service being offered to customers.

Tesco put in place a programme, designed with the involvement of USDAW, to look at ways to better support staff and took steps to promote a culture of understanding individual employees' circumstances. This included:

- three days of training for more than 12,000 managers in stores on how to help people come to work; and,
- actively promoting flexible working, such as shift swaps and job shares, to help staff manage a work-life balance.

This led to managers having the confidence to make decisions, within clear parameters, on the action to take to address unplanned absence issues and an overall reduction in the number of days lost.

#### **CASE Study- Port of London Authority (PLA)**

The PLA conducted an analysis of staff absence through ill health. This showed that absence levels were a considerable drain on resources. A new and more effective absence management system was introduced (including support for staff during absences to ensure an early return to work through expanded use of the PLA's occupational health service and training for managers).

Outcomes were:

- 70% drop in overall absence rates (from 11-12% in 1999 to 3-3.4% in 2003);
- Numbers of staff on long term absence dropped from 15-16 to 2-3 at any one time;
- Line managers have better data on absence levels.

4.13 We **recommend** that, as departments install new HR management systems, managers should not only receive formal training in the systems and procedures **but also in the skills** they need to deal with case management, referral and return to work discussions. This includes:

- knowledge of the procedures and triggers (see section 3 above) and what good absence management entails more generally;
- in support of this public sector organisations should, as good practice, consider training managers to provide them with skills in identifying problems early and dealing sensitively and flexibly with arrangements for individual support and early return, including work organisation and job design etc, what they can expect in terms of HR and support and what management information systems can and cannot do;
- providing and publicising access to employee assistance schemes to deal with work related and other causes of anxiety and potential ill health (debt, relationships, caring responsibilities etc);
- pilot new practice with evaluation and sharing of results.

4.14 It also requires that departments reconsider whether their support to managers and those who are sick is sufficient. They should be able to expect:

- professional HR advisory and other support services in dealing with sickness absence and building the HR skills base;
- formal access to occupational health services to which managers can refer workers for early intervention and planned early return.

#### **Inland Revenue**

Brought together experienced HR practitioners, whose role is to support and work with the business in sickness absence management. As part of this the practitioners will interpret and look behind the raw figures to spot emerging trends etc., and advise managers on appropriate action to be taken.

4.15 These three fundamental system changes are not optional or alternatives. Robust absence management requires all of them.

#### **HM Prison Service**

- Sickness absence management is underpinned by a Key Performance Target. The Prison Service Management Board receives a high-level monthly report of sick absence and detailed quarterly reports are provided, which analyse sick absence trends across the Service;
- An attendance team provides monthly reports to area managers indicating where sick absence trigger points have been reached and what action needs to be taken. Where prisons breach their local sick absence target, the attendance team provides focused interventions;
- A range of support services for staff are available to help maintain staff at work and to support their return back to the workplace.

## 5. Self certification and short term absence in the civil service

5.1 As previous chapters have demonstrated, our central prescription for reducing absence in the civil service and wider public sector is better management. Or put another way, to the extent that there is a failing, it is essentially a management failing, rather than one of policies and procedures.

5.2 But that said, the issue of perceived malingering/persistent unnecessary absence clearly merits addressing. It is widely believed to be a problem across UK workplaces, and we have no reason to believe the civil service to be any different. And it can be a symptom of wider problems, with management or individual health, that need addressing.

5.3 So although management systems will help reduce absence, we also seriously examined the option of requiring certification for more than 5 working days of absence in any 12-month period – both to ensure absence is for genuine reasons and to identify early signs of potentially serious conditions. Given the role of GPs in the process of certification, a move away from self certification for the civil service cannot be tackled in isolation from the rules for the rest of the economy and our general policy on reducing GP bureaucracy. Furthermore, as Incapacity Benefit has shown, a prior requirement is to improve the quality of GP certification. On balance, we do not therefore recommend pursuing this route.

5.4 We propose instead to trial, with a view to potential wider roll out across the civil service once management information systems allow, the following approaches (all of which are consistent with our obligations under the DDA and our principles on gender equality):

### **A: Insisting on certification and moving towards disciplinary proceedings for persistent offenders.**

This (certification) was also a recommendation of the 1998 report. It needs to be used sparingly (a clear conclusion of an earlier, unsuccessful trial in the prison service), to avoid burdens on GPs.

Any formal disciplinary procedures require clear process and rights of appeal.

#### **Being trialed in:**

- (a) Inland Revenue where five absences in 12 months triggers a formal management review which may insist on certification for subsequent absences and/or issuing and formal warning;
- (b) HM Prison Service (HMPS) – see box below – securing an 18% reduction in absence.

### **Adopting a Points System**

For many organisations, the cost and disruption of recurrent short spells of absence can be greater than for occasional, longer periods of absence which can be planned for. In the private sector this is true for many retailers. In the public sector it is true for many front line roles: nurses, prison officers, teachers, police.

To address this problem, some organisations make use of an approach often referred to as the 'Bradford Formula'. The formula measures an employee's

irregularity of attendance. The calculation is:

$S \times S \times D = \text{Bradford points score}$

*S is the number of occasions of absence in the last 52 weeks and*

*D is the total number of days' absence in the last 52 weeks.*

So for example, employees with 14 days' absence in one rolling 52-week period, distributed differently, the score can vary enormously.

- one absence with 14 days is 14 points (1x1x14)
- seven absences of two days is 686 points (7x7x14)
- 14 absences of one day each is 2,744 points (14x14x14)

This system is used in the Prison Service (where it is known as the 'attendance score'), tied to a sliding scale of management action: 51 points in 6 months leads to a verbal warning; 201 points to a written warning and 401 points for a final warning. This also provides a clear framework for tackling persistent short term absence – a member of staff with an attendance score of 601 points in 12 months with a final warning may be dismissed on grounds of unsatisfactory attendance. 300 staff have been dismissed for all categories of sickness absence on these grounds in the prison service in 2003-04.

This approach has had a significant effect in reducing short term absence by an average of 0.4 days per person. The strength of the system seems to be that it requires line managers to issue mandatory warnings in all cases where trigger points are reached, without local discretion. This ensures that all staff know that poor attendance will be tackled. The mandatory management warnings are supported by sound local and corporate data, strong monitoring arrangements driven through the line by operational directors and an auditing system to ensure compliance.

**B: bringing in OH for absences above a given number of days in a 12 month period (where possible), to pick up early signs of longer term problems and issues**

We know that early intervention can reduce serious problems both in health and attitude before they escalate.

**Operational considerations:** no change to regulations required. Change to terms and conditions, but one with benefits to workforce. Would need to finance OH function – which can be contracted out.

However, few OH contracts currently specify same day service, and a number of providers have waiting lists within contract of up to a month. Would need to explore whether same day service could be imposed on contracts.

It may be best in contact centres where short term absence is a problem.

DWP will explore the possibility of **trailing this approach**, and HMPS has now introduced a mandatory trigger for all staff diagnosed a suffering with a stress related illness to be referred immediately to the OH provider as well as staff care and welfare services.

**C: formalising requirement for return to work interviews after a given length of absence, and defining key trigger points. Auditing adherence from centre.**

One of the generic issues in section 4 discusses procedures and audits. This option looks at specific triggers which may vary from standard practice.

**Operational considerations:** the civil service management code requires of departments that 'sickness absence is managed effectively and kept to a minimum, using monitoring arrangements which trigger management action when a sick absence record could be cause for concern' – so central direction, unusually, already exists (of a type). Wandsworth London Borough Council v De Silva also demonstrated that introduction of return to work interviews, where none had existed before, constituted only a change in practice and not a formal change in terms and conditions

**Being trialled in:**

- (a) DWP where return to work interviews are required after every absence;
- (b) The prison service, where a mandatory system of return to work interviews has been adopted. Two levels of absence are required: an informal discussion for short periods of self certificated absence; and a formal system of recording absences over 7 day in duration. Compliance with these mandatory procedures is evidenced as part of a regular audit process, and is monitored corporately by the board.
- (c) Inland Revenue where formal audit will be rolled out from January 2005.

**D: encouraging staff to ring in each day on unexpected self-certificated sickness absence.**

This has been shown in a number of case studies to have demonstrably good results.

**Operational considerations:** depending on the exact wording of staff handbooks, a simple scheme could possibly be introduced without a formal change in terms and conditions. But if any sanctions applied where procedure was not followed - disciplinary action and/or removal of occupational sick pay – this might need formal change to terms and conditions.

**To be trialled in** DWP and IR contact centres.

**E: systematising checks on persistent Monday/Friday absence.**

There is undisputed anecdotal evidence that where absence is a problem it shows up particularly in extended weekends.

**Operational considerations:** the new HR management information systems in the civil service are sophisticated enough to allow these checks. The Wandsworth legal case above suggests that would not constitute change to terms and conditions. Some care needed to proof against Data Protection Act, but unlikely to be show stopper.

**To be trialled** in DWP where, component businesses will benchmark Monday and Friday absences across the organisation once HR systems are in place in the new year.

**F: not paying staff failing to certificate after absences of more than 5 working days.**

Failure to certificate after 5 working days absence is a breach of contract.

**Operational considerations:** we would need to take care that pay was not deducted from people who have been erroneously recorded as having not returned to work. But beyond this, the civil service management code says that departments must ensure that satisfactory evidence of incapacity is provided before sickness absences (and implicitly sick pay) are allowed. So we would envisage that departmental terms and conditions should already allow for non-payment of sick pay where certification has not been provided.

**Trialled in DWP**, where unauthorised absence is dealt with as a conduct issue, and an individual is given written notice that unless a certificate is produced within five working days payment of salary will be stopped.

**G: more sensitive arrangements for special/compassionate leave; initialising of flexi days.**

This is, simply, good management. It should also help equalise sickness absence between the genders by removing the perceived need to sign off sick to cover for caring duties.

**Operationalising:** partly already being done in parts of Whitehall, where line managers are being given discretion to grant up to 10 days per year paid or unpaid special leave without recourse to HR. No impact on terms and conditions. Unions are supportive, but we will need checks to avoid abuse.

Flexibility for line managers on granting special leave **to be trialled** in Defra, DWP and IR.

In the prison service local managers are encouraged to consider using special leave appropriately to support staff through domestic and other problems where previously they might have taken sickness absence, and are given discretion to vary such leave. A system of disability leave has been introduced as an alternative to sickness absence for those requiring time off work to adjust to disability.

Although flexi days cannot be incorporated in their systems, self and flexible rostering arrangements have been a key part of absence management.

5.5 In addition, HSE itself is determined to be an exemplar on sickness absence management and to improve its own performance. Like other public sector organisations, its policies and procedures include many of those recommended in this report. But there is more it can do to continue to improve its policies, to increase its managers' skills in this area, and to ensure that the standards it sets itself are

being met. HSE plans to work with Trade Unions to adopt the innovative approaches that are being trialled across Whitehall. The timing of some of the measures will depend on how quickly HSE can upgrade its HR support system.

5.6 There is also scope for some sector specific solutions. The growth in contact centres has been a feature of the civil service in recent years. Contact centres across the economy have particular sickness absence problems. But the civil service has been slow to recognise that call/contact centres need procedures and management systems separate from the main departmental ones. There are solutions for this sector, such as requiring calls to a supervisor every day of sickness, that have been shown to have halved sickness absence in certain cases. And the prison service has achieved a marked improvement in short-term absence through flexible and self selected rostering – which again could be rolled out to call centres. Specific issues merit wider exploration: there are for example problems to do with fixed term appointments that need to be unpicked.

## 6 Long term absence

### Causation and prevention

6.1 Stress and musculoskeletal disorders (MSDs) such as back injuries are the biggest contributors to long-term absence. Surveys indicate that while there have been some reductions in new MSD cases over recent years both the incidence and duration of stress related absence is increasing. For example, the average period of stress related absence in GB during 1995 was 18.8 days compared to 30.6 days in 2001/2. HSE's research shows that a number of factors contribute to work related stress, which include issues such as lack of control at work, and therefore could be exacerbated by rigid hierarchies. External factors can also have an influence and extending counselling facilities and greater use of special leave can help to stop this degenerating into a long-term problem.

#### The Whitehall II Study

The Whitehall II Study in 1985 sought to follow up on the results of the original 1967 Whitehall study, which showed that men in the lowest grades were more likely to die prematurely than those in higher grades.

Whitehall II documented a similar gradient in morbidity and backed it up with findings. In general, the higher in the social hierarchy a person is, the better their health. There is evidence that the way work is organised, the work climate, social influences outside work, as well as health behaviours all contribute to the social gradient in health. On stress at work, those in positions of high demand and low control had higher rates of sickness absence, mental illness, heart disease and lower back pain. Job security, often brought on by organisational change, was another chronic stressor and its effects remains some time after the removal of the threat. This again affects people with low levels of control over their work.

The general conclusion from the study so far is that changes to the environment both at work and outside can prevent people from becoming ill in the first place. The lessons for managers are that social support at work, striking a good balance between effort and reward, allaying fears around job insecurity and organisational change, and ensuring that working conditions do not jeopardise domestic and other relationships are all areas to be addressed.

6.2 The issues highlighted in the Whitehall II study are highly relevant to the prevention of absence and assisting those already on long term sickness absence to get back to work. It is clear that a lack of control at work, for example due to inflexible work content and patterns and rigid hierarchies can increase general morbidity as well as constituting poor management practice. There is also significant evidence that poor workplace design can have a detrimental effect on health. We invite the Public Service Forum to initiate, and oversee, a debate on how job and workplace design and can improve with a view to reducing absence in the workplace.

6.3 As part of the implementation of the overall framework for managing health, safety and sickness absence the task force will establish a thoroughly researched and robustly designed system for **dealing with stress** in the work place for roll out throughout the public sector. This will include the promotion and use of the HSE's Management Standards for work related stress. The Task Force will ask HSE to develop a package of support that helps a small number of public sector organisations to use the Management Standards, implement the their action plans and evaluate the results so that experiences can be disseminated more widely. This

should particularly address psychosocial and cultural factors in work organisation and job design needed to deal with issues such as low job control and social support, identified as key risks in the course of developing the Management Standards approach.

6.4 In addition, we have **asked** HSE to:

- develop a planned programme of high level contacts with key public sector delivery organisations, promote Management Standards and agree the key H&S challenges (probably stress, MSDs, slips and trips and violence) they face;
- work with these organisations in partnership to establish targets, develop solutions and evaluate the results;
- report regularly the Task Force on progress.

#### **HSE's Stress Management Standards**

HSE completed in December 2003 the pilot exercise for draft Management Standards among a group of private and public sector organisations. The Standards approach is based on six areas of work design that, when poorly managed, are known to be linked with ill health:

- demand;
- control;
- support;
- relationships;
- role; and
- change.

Inland Revenue piloted the use of the standards in an office with 470 staff, grouped into 28 teams. They followed the HSE methodology using initial questionnaires for each of six stressors – demand, control, support, relationships, role and change – to gather data and establish potential areas that could result in work related stress. This was supplemented by facilitated face to face sessions with teams to challenge the findings, explore further what the underlying issues were, and to formulate action plans to address areas of concern. Action plans have been implemented and the number of working days lost to stress has fallen by two thirds within a year.

HM Prisons Service have adopted a proactive approach to managing stress and other mental illness:

- 24.8% of total absence, April to June 2004, was due to psychological problems;
- There has been a fall of 8.5% in the volume of psychological absence over 2003 and 25.0% over 2002;
- Between 2001 and 2002, there was an increase of 12.7% in the volume of psychological absence;
- Long-term sickness absence fell 16.7% between 2002 and 2003 and 20.2% between 2003 and 2004;
- Psychological absence rose to its highest rate at the end of 2002 as medical retirements were falling.

6.5 Musculoskeletal disorders (MSDs) are a significant contributor to long term absence, accounting for an average 19.4 working days lost per case (and an estimated 11.8 million working days in all) according to the latest figures. HSE has demonstrated that good progress can be made with targeted interventions, and its work with the health sector has led to worthwhile reductions in the incidence of MSDs

caused by, for example, lifting patients. HSE has a programme of work specifically aimed at securing further reductions in the incidence of MSDs and we have asked that it includes new initiatives on MSD issues in the public sector.

### **Early intervention and rehabilitation**

6.6 Early OH intervention after 10-15 days absence has been shown in many cases to have dramatic effects on long-term sickness, by starting to find solutions while the psychology remains one of temporary absence. It is clear that early intervention can be very effective in avoiding the deterioration into long term sickness. Centrica, Rolls Royce and Astra Zeneca have all reported big proportionate savings for up front investment in occupational health (OH) and rehabilitation.

#### **Case Study: Rolls Royce plc**

As part of a wider management programme Rolls Royce introduced a system which required anyone who is absent for 4+ weeks benefits from an action plan, including physiotherapy services (for both work and non work injuries).

As a result of this and other action Rolls Royce have seen:

- a reduction in staff absence from 2.9% (1999) to 2.4% (2002) of the work force, saving around £11 million;
- the number of days lost per employee fall from 6.8 days to 4.2;
- a change in the culture where employees now feel managers are positively interested in their prompt return to work;
- more staff to contribute to the business activities;
- as employees return to work more quickly management time spent on each absence is more effective.

6.7 There is often scope for sector specific solutions. NHS Trusts have secured significant reductions in injury absence through changing lifting protocols. The prison service has reduced absence through fitness testing.

#### **Jobcentre Plus**

An OH nurse was assigned to work closely with 3 jobcentre plus districts with poor attendance records. This involved the nurse being on site for at least one day a week, and available for consultation at other times. The nurse worked closely with managers to support them in handling absences through a case conference approach.

At the end of the 6 month pilot the outcome has been an average reduction in working days lost of 2.7 days, compared to an average increase on 0.9 days in the three control districts.

### **Tax treatment**

6.8 In addition, we found that the rules governing the tax treatment of health care and rehabilitation costs are complex and are sometimes perceived to present barriers to employers and line managers. Additional barriers in the civil service prevent the provision of care/services that may enable those on sick leave to return to work more quickly. There are links to the wider welfare-to-work strategies, the review of Employers Liability Compulsory Insurance and the DWP's Vocational Rehabilitation Framework. The options include reviewing the current situation with further widening

of the rules, or reviewing current guidance to ensure that line managers are clear on the position and the interpretation of the current rules.

6.9 While there is scope for promoting best practice within the public sector, changing the tax treatment is not likely to make a significant difference, although clarifying and presenting the guidance in better ways would help.

6.10 The Task Force **recommends** that HSE should lead a revision of the current guidance and arrangements for its wide dissemination, including case study material, with the close involvement of IR and others. As part of this work, if there is evidence of differences of interpretation of the rules within tax offices, guidance for tax inspectors should be reviewed and clarified.

### **Medical retirement**

6.11 At the very long term end of sickness absence, an over-rigid interpretation by some departments of targets to reduce medical retirement – which led to reluctance to push people who might apply for this - and a lack of imagination in redesigning jobs. This led to a build up on departmental books of people who have been on sickness absence for over 6-9 months.

6.12 Experience in IR and Job Centre Plus (JCP) has indicated that positive outcomes can be achieved through reviewing the status of those on very long term absence. Although this approach might lead to increases in medical retirement in the short term, longer term savings can be made.

### **Case Study – Inland Revenue (IR)**

In IR a national team, initially of 15 experienced practitioners, was set up to manage all cases of long-term sickness absence where there was less than full pay. These cases had previously been worked by HR teams within separate business units and many had been ongoing for 3 years or more.

The national team took in 422 cases and applied common procedures with a view to getting them all back on track. "Closing down options" meetings were arranged at which the options for a return to work were assessed with referrals to the Occupational Health provider if return within an acceptable timescale was not possible.

Within 18 months all but 25 were settled with about one third returning to work (and sustained), one third dismissed and one third granted ill-health retirement.

6.13 **The Task Force recommends** that all public sector organisations should review individual cases and case management arrangements for very long term absence (e.g. over 6 months) based on the IR and JCP case studies.

### **Occupational sick pay**

6.14 Generally, public sector terms and conditions affecting sick pay - typically six months on full pay followed by six months on half pay - are more generous than those in the private sector. This may make it difficult to make comparisons of performance across the two if those on very long term absence stay "on the books" for longer in the public sector.

6.15 Changing agreed frameworks for terms and conditions may take time, and we are not arguing for wholesale changes. However, there is an appetite for piloting new approaches, especially for new joiners on probation periods or new contract staff

– departments are being ‘lined up’ to pilot approaches and report back on findings. Payment of Standard Pay at Pension Rate (SPPR) is an option for civil service staff on long term sickness absence for whom entitlement to six months on full pay followed by six months on half pay have been exhausted. We **recommend** that employers should be able to review entitlement to SSPR.

### **Incentives**

6.16 The literature is not particularly positive about the use of incentives for good attendance, but there are certainly cases where it has a place and it has the potential to improve the culture within organisations.

6.17 DWP is keen to explore the possibility of piloting incentives for good performance as part of their overall approach to attendance management.

### **Removing Crown Immunity**

6.18 The Government has made a commitment to removing Crown Immunity from statutory health and safety enforcement. HSC considers that Crown bodies should share the same form of accountability as other employers as far as possible: statutory enforcement notices, prosecution and fines. The example that departments want to set will not carry full weight unless Crown bodies’ risk controls are open to being tested publicly in Employment Tribunals and the courts. Ending Crown Immunity will also sharpen attention on the need for continuous improvement to maintain standards, which are generally sound.

### **Medium term absences**

6.19 In the course of our work it has become clear that in some parts of the public sector operational and delivery problems can be caused by “medium term” sickness absence - that is, absences that last for two to three months at a time. In some cases, the staff affected return to work, only to need further periods of sickness absence within a relatively short time. We have not undertaken any detailed analysis of this issue, including whether the health issues have been fully addressed before the initial return to work. The Task force will return to this aspect of managing sickness absence as part of its forward work plan.

## 7 Sustainability in the wider public sector

7.1 We conclude, in **section 4**, that an essential element of absence management in the wider public sector is top management commitment. We **recommend** that HSE and the Cabinet Office explore with the Public Service Forum and others with a close interest such as OGC.

7.2 For example, productive time proposals account for approximately a third of all departmental SR04 efficiency proposals, covering a range of initiatives including changes to service and workflow design, introduction of new IT tools and workforce reform. The latter includes a range of human resource management issues aimed at improving employee motivation and productivity - including better management of absence management. The delivery of these benefits is being monitored through the OGC Efficiency Delivery team. Throughout the efficiency programme work, support will be provided to all parts of the public sector to encourage the consideration of absence management and whether efficiency improvements can be achieved

7.3 To improve reporting and accountability the ministerial Task Force will continue to meet for at least another two years. Part of its work will be to receive reports from the major departments covering their own progress and the measures they are taking to improve performance in other parts of the public sector where they have a direct influence. These reports should be the explicit responsibility of a nominated departmental board champion. As we look at the wider public sector, reporting might also be through the Public Service Forum. Annual reports might also be provided to PSX.

### Current reporting mechanisms

7.4 A number of levers are available to the Home Office in the context of the **police**:

- targets for sickness absence published in national policing plan, incorporated in PPAF and published on a force by force basis;
- Quarterly reporting of sickness absence as part of PPAF;
- occupational health strategy - £15m central funding, conditional on forces producing plans which will impact on absence;
- sickness records considered by forces in determining whether to pay competence related threshold payments and special priority payments (i.e. pay above basic rates);
- HMIC baseline assessment process considers the effectiveness of forces' sickness management in its assessment of HR capability;
- regulations were revised in 2002 to give force management stronger levers - e.g. regulations on how threshold for half pay and no pay is calculated.

7.5 In the **NHS** accountability for overall performance with a strictly limited number of service and health outcome related specific targets has been fully delegated. DoH would not be able to hold individual NHS organisations to account for a specific sickness absence target unless this was an agreed and extremely high profile new cross-Government target. However, the recent White Paper on "Choosing Health" sets out to ensure the NHS leads by example, including:

- developing better employment policies and practices as part of the NHS workforce strategy;
- working with the Healthcare Commission and NHS Employers Organisation develop the annual NHS staff survey so that current practice can be assessed and NHS organisations can become healthier work places;

- promoting the role of managers in supporting and improving the health of staff;
- developing guidelines on the management of mild to moderate mental ill health in the workplace.

7.6 Sickness absence is, however, a significant controllable cost and ongoing budgetary pressures make it in an organisation's interest to set local targets backed by a local improvement strategy if they are above current peer benchmark level. One of the ways the DoH is encouraging this is through local application of the new NHS HR Balanced Scorecard. Sickness costs have also been identified as a key opportunity within the Gershon Efficiency target.

7.7 Monitoring and evaluation is undertaken based on aggregate national sickness absence through agreed annual data returns. As Electronic Staff Records (ESR) rolls out over the next two years we will have access to more detailed, reliable and dynamic information, including data on the cause of sickness absence. This information will be analysed to provide benchmark performance data through Strategic Health Authorities to enable them to influence their organisations to target improvements where opportunities are identified.

7.9 **Local authorities** are addressing sickness absence in a number of ways. Firstly the Best Value Performance Indicator (BVPI) 12 measures the number of working days/shifts lost due to sickness absence. The guidance defines how this should be calculated and reported. In addition, BVPI 15 measures the percentage of employees retiring on grounds of ill health as a proportion of the total workforce. These data sources are audited before publication. In addition, sickness absence is part of the Comprehensive Performance Assessments matrix used by the Audit Commission to evaluate local authorities' performance. Absence management is therefore linked to organisational performance.

7.10 Secondly, sick absence in local authorities is being addressed within the context of the Pay and Workforce Strategy for local government. This is a joint ODPM/Employers Organisation strategy; the overall purpose of which is to support councils in maximising the capacity and performance of their workforce to deliver continual improvement in local government. It aims to ensure that local government in England has the right numbers of people in the right places to deliver improved services, greater efficiency and better customer focus in front line services.

7.11 ODPM will work with the Employers Organisation (EO) to collect robust absence data, build a culture where people want to work, promote healthy living and ensure appropriate use of HR. This will help meet the outcomes of the Efficiency Review by increasing the productivity level of the workforce and reducing sickness absence levels.

7.12 The EO supports local government by disseminating best practice guidance on managing ill health and stress. In addition the EO and the Association of London Government have produced a Diagnostic Tool to help councils identify their strengths and weaknesses in absence management.

7.13 In summary, we **recommend** that:

- in order to influence management culture, sickness absence management should be built into senior level performance agreements, efficiency plans and formal reporting arrangements across the public sector;

- while we accept that there are competing pressures on all parts of the public sector in terms of performance assessment and audit, we **recommend** that central departments, with HSE, explore further the scope for ensuring that the prevention and management of sickness absence is taken into account in future performance audits and as a component of how public sector organisations deliver their efficiency commitments.

### **Stakeholder dialogue**

7.14 It is clear that engagement with staff and their representatives is central to success. We need to ensure that sickness absence remains at the top of the agenda in both national and local dialogue. The Public Services Forum, which is chaired by the Cabinet Office Minister and brings together the TUC, departments and senior public service employers, is an appropriate national body. This should be supplemented by management/trade union engagement at central and local levels in each of the relevant sectors. Trade unions have a positive role to play on organisational culture, work organisation and job design at the local level and should be engaged in plans for tackling sickness absence at the organisational and regional levels.

## Annex A

### Recommendations from: Working Well Together Managing Attendance in the Public Sector - Cabinet Office, 1998

1	<p><b>Working hours</b> Review the scope for offering more flexible working hours.</p>
2	<p><b>Caring/social factors</b> Review whether their policies respond sympathetically to exceptional demands on staff from outside work. It would be useful to know whether you have arrangements in place to record compassionate or carers leave separately.</p>
3	<p><b>Health awareness</b> Consider adopting or participating in health awareness programmes for their staff.</p>
4	<p><b>Welfare</b> Encourage staff to make full and effective use of welfare and counselling services in order to minimise sickness absence.</p>
5	<p><b>Self certification</b> Have arrangements in place to withdraw from individuals the facility to self certify sickness absence and provide clear guidance on when this is appropriate.</p>
6	<p><b>Measuring sickness absence (ONS and Cabinet Office only)</b> The ONS, in consultation with Cabinet Office statisticians, revise their questions on sickness absence so that data can be published on the percentage of time lost to sickness absence.</p>
7	<p><b>Policy formation</b> Sickness policies set out the organisation's undertakings in providing for the health of its staff by June 1999.</p>
8	<p><b>Fairness</b> Absence policy should apply to staff at all levels within the organisation.</p>
9, 10, 11	<p><b>Early contact</b></p> <ul style="list-style-type: none"> <li>• Set a specific time on the first day's absence by which employees should make contact with their employer;</li> <li>• Make clear who should be contacted. This should normally be the line manager with a named alternate if they are unavailable.</li> </ul> <p>Set down what information should be provided and how this should be recorded.</p>
12	<p><b>Follow up contact</b> Maintain frequent contact with absent staff, and on each occasion agree on the date and form of the next contact. Has your department carried out any follow up audits to test how effectively and consistently these policies are implemented?</p>
13, 14	<p><b>Recording of absence data, for each employee</b></p> <ul style="list-style-type: none"> <li>• Total working time lost for each spell of absence, measured to the nearest half day;</li> <li>• The number of separate spells of absence.</li> </ul>
15, 16, 17 18	<p><b>Return to work</b></p> <ul style="list-style-type: none"> <li>• Undertake return to work interviews after each period of absence ;</li> <li>• Set clear guidance for the setting, content and conduct of such interviews;</li> <li>• Record the actions agreed;</li> <li>• Train all staff before return to work interviewing begins.</li> </ul>
19, 20	<p><b>Trigger points</b></p> <ul style="list-style-type: none"> <li>• Define review points to trigger management action based on an individual's cumulative absence from work;</li> <li>• Provide clear guidance on the range of line management actions available; and provide advice and training on selecting the most appropriate option.</li> </ul>

21	<p><b>Occupational health</b> Consider introducing progressively earlier or wider referrals to occupational health services to address cases of injury or sickness.</p>
22, 23	<p><b>Targets</b></p> <ul style="list-style-type: none"> <li>• Set at the minimum an overall organisational target for attendance which is quantified and dated;</li> <li>• Set a common targets level of absence to be achieved throughout their organisation with target rates of progress towards this level varying up or down according to local circumstances.</li> </ul>
24, 25, 26, 27	<p><b>The way forward. Also recommended</b></p> <ul style="list-style-type: none"> <li>• Public sector organisations should normally adopt the best practice principles and techniques identified in this review;</li> <li>• A challenge to all parts of the public sector to reduce their average current sickness absence rates by 20% by 2001, and by 30% by 2003 (see recommendations 22 and 23 above);</li> <li>• Public sector organisations study over a trial period their true levels of absence by end 1999 and use these as a benchmark for judging improvements in performance;</li> <li>• Sponsoring departments, in liaison with the Cabinet Office and in consultation with employer and trade union representatives commission preparation and delivery of a professional programme to roll out and stimulate take up of best practice.</li> </ul>

## **A REVISED FRAMEWORK FOR MANAGING HEALTH, SAFETY AND SICKNESS ABSENCE IN THE PUBLIC SERVICE**

### **Departmental Commitment.**

- Department to demonstrate its general intention, approach and objectives for the management of health and safety within the Department.
- Board Member (Champion) with responsibility for delivering improvements in each department.

### **Accurate data collection on the causes of ill health, injury and sickness absence.**

- Systems in place to ensure that, at every level, staff are aware of their responsibilities to submit injury, illness and sickness absence data.
- Monitoring and analysis of data takes place at organisational and 'team' level so that trends can be identified and addressed.
- Monitoring/identification of costs of absences.

### **Setting of targets for reduction.**

- Establish departmental baselines.
- Targets and milestones to achieving them to be agreed in conjunction with employee representatives (TU, etc).
- Public reporting against progress to achieving targets in Departmental Annual Reports.

### **Implementation of measures to reduce ill health, injury and sickness absence.**

- Identify key areas from data sources.
- Establish what works.
- Put in place relevant employee assistance schemes and provide training to equipped managers with the right skills to deal with issues and just training on the systems and procedures.
- Identification and use of tools for addressing issues.
- Employee assistance schemes in place
- Put in place procedures for the rehabilitation of sick or injured employees to get them back to work as soon as possible.
- Develop and implement measures (with employee involvement) with built in evaluation aspects.

### **Arrangements in place for monitoring and evaluating success of 'measures' in meeting targets.**

- Systems in place for checking against agreed milestones.
- Board 'Champion' provided with regular reports on progress.
- Evidence collated on whether measures are working and warrant further dissemination.

### **Reporting progress on meeting targets to Task Force/ PSX Committee.**

- Report on progress towards overall Task Force targets.
- Share examples of best practice across Task Force/Public Sector.

### **Terms of reference from SR 2004**

The scope of the wide-ranging review will include, but not be limited to:

- the relative cost to the public sector of long-term absences;
- trends in the level and causes of long-term absence;
- good practice from across the public and private sectors, including contact with line managers, HR and occupational health professionals and management of the return to work; and,
- the scope for piloting innovative approaches across the public sector, including incentives for good attendance.

### **Health, Safety and Productivity Ministerial Task Force: Terms of Reference**

The objective of the Task Force is to ensure that ministerial and management effort is devoted to securing culture change in the management of sickness absence in the civil service and wider public sector. Its terms of reference are:

- to ensure that the government's departments and agencies have in place plans to reduce sickness absence rates;
- to inform and deliver the 'Review of the Public Sectors management of long-term sickness absence';
- to develop new approaches to managing health and safety issues in ways that deliver sustainable improvements by focusing on the prevention of work related sickness absence and getting people back to work sooner;
- to ensure that best practice in managing health and safety and sickness absence is shared across all departments and the wider public sector;
- to monitor progress and ensure that improvements are achieved, sustained and disseminated.

In addition the Task Force's longer term role is in:

- agreeing the overall target for reductions in sickness absence rates for the public sector and the contribution individual departments will make;
- making recommendations to ensure that targets are achieved and that improvements are sustained;
- agreeing arrangements for sharing best practice;
- considering what more can be done on prevention and getting absent employees back into work.