



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales

Y Pwyllgor Archwilio
Audit Committee
Bae Caerdydd / Cardiff Bay
Caerdydd / Cardiff CF99 1NA

Mr Jeremy Colman
Auditor General for Wales
Wales Audit Office
2-4 Park Grove
Cardiff
CF10 3PA

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AUDIT COMMITTEE REPORT: The Management of Sickness Absence by Further Education Institutions in Wales

I enclose a copy of the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report *The Management of Sickness Absence by Further Education Institutions in Wales*. The response was laid before the Assembly on 13 December 2005 in accordance with Standing Order 12.5. It can also be found on the Assembly intranet and internet sites.

The Committee would be grateful for your advice on the contents of the response and on any follow-up action which the Committee might take.

Yours sincerely

Kathryn Jenkins
Clerk for the Audit Committee

Kathryn Jenkins
Clerk - Audit Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

The Welsh Assembly Government's Response To The Report Of The National Assembly Audit Committee's Report On The Management Of Sickness Absence By Further Education Institutions In Wales: Committee Report (2) 05-05

The Welsh Assembly Government is grateful for the report. We welcome the findings and offer the following response to the seven recommendations in the report.

Recommendation i.

It is not possible to manage sickness absence in the absence of the necessary information. Since 11 of the 25 institutions do not routinely measure absence levels, it seems likely to us that the relatively good performance of the sector is a matter of luck, rather than design. We recommend that each institution measure sickness absence, using the same definition to facilitate benchmarking.

Agreed. The availability of accurate information is fundamental to institutions' ability to monitor and manage staff sickness absence. Furthermore in order to facilitate comparison through a benchmarking approach it is essential that absence data is gathered and reported in a consistent manner. This will include stress related absence (see Recommendation 3). ELWa is currently working with *fforwm* to gain institutions' agreement on the definition and basis of calculation of absence. The introduction of a sector based approach to the recording and measurement of sickness absence will enable meaningful benchmarking and will also provide a sound basis for the sharing of existing good practice. A pilot scheme involving around 5 colleges will be completed by June 2006 with the intention of extending the approach to the whole FE sector with effect from August 2006.

Recommendation ii.

The role of boards of governors is strategic leadership. But where sickness absence is a real problem in an institution – where it is clearly affecting its core business – these matters should be raised at the level of the board of governors. In order to ensure that sickness absence management retains a sufficiently high profile, we recommend that boards of governors – or an appropriate sub-committee - should receive at least yearly reports on the levels of sickness absence and the costs. We also recommend that senior management teams, whose function is more operational, receive at least quarterly reports.

Agreed. ELWa is currently drafting guidance on the recording, monitoring and management of sickness absence to be issued to all FE Institutions in December 2005. This guidance will set out the reporting requirements for the monitoring of sickness absence to be undertaken by governors and senior managers. The guidance will stress the importance of more frequent monitoring where absence levels remain comparatively high or where any adverse trends are highlighted.

Recommendation iii.

Stress has become a significant factor in sickness absence, contributing a considerable proportion of cases of long term absence. In many cases, it is difficult to determine the precise cause of stress and whether it is work-related. Since this issue affects most institutions but can be very complex, we recommend that the Council, along with fforwm, should disseminate best practice on how to collect the necessary data on absence through stress and how to manage it.

Agreed. The guidance to be issued by ELWa will deal with the sensitive issue of stress related absence including the collection and analysis of data. Best Practice on how to collect the necessary data will form part of Recommendation 1. The advice of experienced human resource professionals will be incorporated within the guidance together with suggested sources of other professional advice. The well-being of staff will be an important element of this section of the guidance. Existing good practice within the sector on the management of stress related absence will be included.

Recommendation iv

While there is the risk that setting targets for reducing sickness absence may lead to perverse incentives, there is merit in their application, not least as a way of signaling the importance attached to the issue. There is no reason why institutions should not set themselves targets for carrying out the basic procedures properly, such as obtaining self- and medical certificates for absence, and for conducting return to work interviews, as this has been an area of weakness. When institutions have a reliable and robust set of sickness absence data in place, and when they consider that better management would effect a reduction in absence levels, we recommend that they should set targets for reducing sickness absence. We also recommend that institutions set themselves targets for complying with their own procedures if that is an area where they need to improve performance.

Agreed. ELWa and fforwm agree that the setting of targets in appropriate circumstances can be a useful tool to improve performance in the management

of sickness absence. The guidance to be issued will include suggested areas of sickness absence where target setting could contribute to the enhancement of the process of managing sickness absence which should in turn help to reduce sickness absence levels. Correct certification of sickness absence and the conducting of return to work interviews are key features of a comprehensive sickness absence policy. Targets for reducing sickness absence levels will only be effective when sickness absence statistics and management information are reliable. One of the main objectives of the guidance and of the establishment of a consistent basis of measurement of sickness absence is to improve the reliability of such management information. The guidance will promote the setting of targets and the monitoring of performance against such targets. This will be on an individual institution basis reflecting their specific circumstances. It is anticipated that this will commence in respect of the academic year starting in August 2007.

Recommendation v.

More sophisticated – and hence more effective – management of sickness absence requires good management information on trends. The analysis of patterns of absence on certain days of the week, the causes of absence and length of absence is critical in determining where policy initiatives and management action should be directed. We recommend that institutions develop the necessary information systems to capture the necessary data and carry out the detailed analysis that will enable fully-informed decisions to be taken in managing sickness absence.

Agreed. ELWa and *fforwm* recognise that reliable management information on sickness absence is a pre-requisite to the determination and implementation of actions to improve absence levels. The guidance will include advice on the type and frequency of management information that should be maintained and will incorporate suggested trend analysis.

Recommendation vi.

Sickness absence cases can be difficult and sensitive to handle, and potentially a legal minefield. But these factors should not be used to absolve line managers from responsibility for managing the sickness absence of their staff, as they are closest to the issue and therefore best placed to resolve it. We therefore recommend that line managers take on responsibility for managing sickness absence and receive the necessary specialist training to enable them to do this confidently, consistently and sensitively.

Agreed. Front line responsibility for dealing with sickness absence lies with line managers. The ELWa guidance will recommend that all line managers receive appropriate training in the application of their institution's staff absence policies and procedures. In collaboration with fforwm ELWa will arrange sector wide training events for senior managers by July 2006. The guidance will encourage institutions to disseminate the training to the lower levels of their management structures.

Recommendation vii.

The role of occupational health is essential in managing sickness absence, not only in facilitating return to work but also potentially in other ways, such as putting preventative measures in place. In light of the dissatisfaction expressed by a number of institutions on the quality of the service received, we recommend that the Council take the lead in addressing this issue by bringing institutions together and formulating an action plan for improvement, including the possibility of institutions sharing suppliers.

Agreed. Working through *fforwm's* established Personnel Managers' Group, ELWa will identify the shortcomings of current occupational health service arrangements. The practice at institutions that consider that they have satisfactory occupational health arrangements will be shared with other institutions and collaborative arrangements will be promoted where this is feasible, leading to the development of improvement action plans by July 2006. Again, advice on principles and importance of an effective occupational health service will be incorporated within the ELWa guidance.