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Dear Chair

## **ASSEMBLY GOVERNMENT RESPONSE ON THE MANAGEMENT OF SICKNESS ABSENCE BY NHS TRUSTS IN WALES**

The Clerk's letter of 6 May 2010 requested my advice on the latest response from the Minister for Health and Social Services to the Committee's June 2009 follow-up report, *The Management of Sickness Absence by NHS Trusts in Wales*.

In August 2009, the Minister wrote to you indicating that the three recommendations in the Committee's report had been accepted. However, the Minister did not provide any more detail at that point in terms of what the Assembly Government and/or NHS bodies were doing in response to those recommendations. This latest response from the Minister provides a helpful and comprehensive assessment of progress against each of the Committee's and our own recommendations.

The Committee's report had expressed concern that the recent process of NHS reorganisation could exacerbate problems with morale and workforce engagement and increase stress, potentially leading to higher rates of sickness absence. The report also noted that the reorganisation might divert attention from the management of sickness absence cases. With those concerns in mind, the Committee's recommendations included a request for an update on sickness absence trends across the service. The Minister's response offers some encouraging news as, in Appendix 2, it points to an average sickness absence rate of 5.1 per cent across NHS bodies between August 2008 and July 2009. This level of absence compares favourably with the average annual rate of 5.3 to 5.4 per cent reported by the Committee for the period between April 2004 and March 2008.

In Table 2 of Appendix 1 the Minister has provided a month by month analysis, from December 2008 to November 2009, of sickness absence rates based on the new NHS structures. These figures do show a slightly higher rate of absence for the two months immediately following the NHS reorganisation (October and November 2009). Although not directly affected by the reorganisation, the rate of absence at the Welsh Ambulance Services NHS Trust was particularly high during these two months. Seasonal factors may help to explain the increase.

The Committee's recommendations made clear that it expected to see the Assembly Government publish sickness absence figures alongside other key staffing information, both at an organisational level and for common staff groups. Similar action had been recommended in the Committee's earlier report on this topic in 2004, but the Assembly Government had not taken the necessary steps to make this happen. The Minister's response points to plans to publish this information on the StatsWales website by 30 April 2010. We have since been told by officials that the Assembly Government decided to defer the publication of this new information until after the General Election. However, we understand that exactly when this information will now be published has not yet been agreed.

The Committee's report noted that there was evidence of improved sickness absence training for line managers, supported by the launch of a new e-learning tool (NHSWales@Once). The Minister has indicated that, as recommended by the Committee, there has been an evaluation of the effectiveness of the new e-learning tool, undertaken by the National Leadership and Innovation Agency for Healthcare (NLIAH). The Minister has not described the results of that evaluation but states that those results have been shared more widely with a Public Sector Employers Group. That Group will, in early June, receive a practical demonstration of the toolkit with a view to then considering the feasibility and cost-effectiveness of its wider application.

Through its recommendations, the Committee requested a formal response setting out the action that the Assembly Government intended to take, or had already taken, to address the recommendations in our own report which was published in January 2009. The Minister has described a range of action in response to these recommendations, although there is clearly more work to do in some areas.

- The previous 4.2 per cent sickness absence target for all NHS bodies has been replaced with an approach which is focusing instead on setting continuous improvement targets for individual NHS bodies. This approach is explained in more detail in Appendix 2 of the Minister's response.
- All NHS bodies are now working to a common all-Wales sickness absence policy. This policy was formally ratified by the Welsh Partnership Forum in December 2009.
- Working with NLIAH, the Assembly Government's Department for Health and Social Services has been developing a set of model reports from the Electronic Staff Record system to support future benchmarking and performance management across the service. The Minister's response suggests that there are still some concerns about the quality of data input to the system, particularly in terms of the number of sickness absence reasons coded as "unknown", although a target has been set to reduce this to below 10 per cent by the end of October 2010.
- The NHS sickness absence leads group is still considering the usefulness of measuring in closer detail the amount of replacement staff cover caused by staff sickness absence. A decision on any future approach is expected by the end of October 2010 in time, if necessary, to inform the Annual Operating Framework for 2011-12.

- Plans for a long-awaited review of occupational health services for NHS staff are now caught up in a wider review, lead by Professor Sir Mansel Aylward, who has been tasked with developing a costed delivery model for a national occupational health service, provided by the NHS and made viable by contributions from employers. The Minister expects to receive the recommendations emerging from this exercise in November 2010. In the meantime, the Assembly Government is looking to agree with the service, by the end of July 2010, some interim Occupational Health Standards (described in Appendix 3 of the Minister's response). The Assembly Government is also updating its Occupational Health and Safety Framework guidance, which has been developed as a web-based resource.

One of our recommendations suggested that the Assembly Government should draw together some consolidated sickness absence guidance for the new NHS bodies. The Minister's response emphasises that the new all-Wales sickness absence policy is, in itself, a good practice guide in terms of the management of sickness cases. And the work undertaken to establish model sickness absence reports should also establish some minimum expectations in terms of the collection and use of sickness absence data. The development of the all Wales e-learning tool and the Occupational Health and Safety Framework website guidance also provide a basis for promoting a more consistent approach to sickness absence management across the service.

Overall, the Minister's response indicates that some good progress has been made to develop a more consistent approach to the management and reporting of sickness absence in the context of the recent NHS reorganisation, although the future provision of occupational health services is still unresolved. The Wales Audit Office shall continue to monitor trends in sickness absence across NHS bodies as part of our routine audit work. I shall, of course, bring to the attention of the Committee any concerns that may emerge in terms of whether the NHS is able to sustain the improved sickness absence rates reported over recent years. The introduction of new improvement targets for individual NHS bodies should also help to maintain a focus on this issue across the service.

In the short-term, I do not consider that the Minister's response warrants any further action by the Committee. However, the Committee may wish to seek further clarification from the Assembly Government in terms of when sickness absence trend data will now be made available publicly on the StatsWales website.

Yours sincerely



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Auditor General for Wales