



**Shadow Public  
Accounts  
Committee**

# REPORT NUMBER 1

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## **THE MANAGEMENT OF SICKNESS ABSENCE WITHIN THE STATES OF JERSEY**

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**Issued : December 2004**

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## The Shadow Public Accounts Committee

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The Shadow Public Accounts Committee was established by the States in January 2004. The Committee's remit is to investigate the value for money achieved by the States and other public bodies.

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The current members of the Shadow Public Accounts Committee are:

Mr Tim Dunningham	Chairman
Deputy Sarah Ferguson	Shadow Chairman
Deputy James Reed	
Deputy Geoff Southern	<i>From 26 October 2004</i>
Senator Ted Vibert	
Connètable Dan Murphy	<i>From 19 October 2004</i>
Deputy Jacqueline Huet	<i>From 24 November 2004</i>
Advocate Alex Ohlsson	
Mr Tony Grimes	
Mr Peter Fergusson	
Mr Cameron McPhail	

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As part of the Shadow Public Accounts Committee's review into sickness absence within the States of Jersey a public hearing was held on 12<sup>th</sup> July 2004. The witnesses who were questioned by the Committee were Mr Mick Pinel, Chief Executive of the States Human Resources Department, Mr Paul Nicolle, Director of Employee Development in the States Human Resources Department and Mr Kimon Wilkinson from the Change Team.

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**The Shadow Public Accounts Committee (SPAC) firmly believes that there should be clear lines of accountability and responsibility for the value for money and propriety of all States income and expenditure. In conducting its reviews the SPAC expects to see:**

- ➤ **Clear responsibilities of States employees to ensure that States policies are being implemented economically, efficiently and effectively;**
- ➤ **Key decisions documented and appropriately authorised;**
- ➤ **Business cases to support all major purchases;**
- ➤ **Due regard to the principles of corporate governance which should be present within the public sector;**
- ➤ **A willingness to continually improve the way in which things are done and a speedy and enthusiastic response to any recommendations the SPAC puts forward.**

The SPAC undertakes thorough research for all areas it investigates. Where appropriate, public or private hearings will be held with relevant States officials in order to ascertain facts and/or action taken or intended to be taken as a result of weaknesses we discover. Findings and recommendations for change are discussed with the relevant States officials and draft reports are referred to the senior officers within the department(s) under review in order to agree the factual content of these. Whilst committed to ensuring reports are accurate, the SPAC will stand by its recommendations and will not alter or dilute these as a result of comments received from Departments. In cases of disagreement or where points of significance are

**brought to our attention following our investigation and/or public hearing, we will request comments from the relevant Department for inclusion in our report.**

**When we identify areas where financial savings can be made, the SPAC will expect these to be quantified, monitored and delivered by Departments. The SPAC will conduct follow up investigations to ensure the savings have occurred and have resulted in a reduction to cash limits.**

# THE MANAGEMENT OF SICKNESS ABSENCE WITHIN THE STATES OF JERSEY

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## EXECUTIVE SUMMARY

In 2003, States of Jersey employees took an average of 10.3 days off work due to sickness. This equates to 4.56% of working days being lost due to sickness absence. 19% of the absences were uncertified. The total salaries and wages paid to States employees in 2004 is budgeted at £241 million. It is estimated that the annual cost to the States in relation to salaries and wages paid to those employees who are absent from work due to sickness is in the region of £10 million.

The Shadow Public Accounts Committee (SPAC) has been encouraged by the comprehensive nature of the initiatives being implemented by the States Human Resources Department, many of which should have a positive impact on absence levels in the States of Jersey. Significant progress has been made since the report issued by the (then) States Audit Commission back in March 2001 which looked at sickness levels within States Departments. Not least of all, after many years of waiting, States Departments now have a computerised absence reporting system, One-Click. However, the SPAC has subsequently been informed that the One-Click system, which has cost £374,000, was only intended to provide a short-term solution. The States Human Resources Department, together with the Change Team for the States, is currently considering the adoption of a new, improved personnel management system. In the light of this new information the SPAC intends to undertake a further review, at a later date, of the progress made in deciding to purchase any new system and the associated costs and benefits of this.

There is a clear managing attendance policy in place which includes specific guidelines for both employees and managers. However, the SPAC considers that there is now more work to do in terms of ensuring implementation of this policy and measuring whether the policy is having a positive effect in reducing absence levels throughout the States of Jersey. Based on its recent research, the SPAC considers that the key recommendations for the States Human Resources Department are that they should:

### **In relation to absence measuring and monitoring:**

- 1. Expand the annual report submitted to the States by the Policy & Resources Committee to include the following further information relevant to sickness absence:**

- ➤ **The proportion of certified and uncertified absence;**
- ➤ **An analysis of certified sickness between long term and short term absence;**
- ➤ **Targets for reducing sickness absence and progress against these;**
- ➤ **Summary of the annual report from BMI with regard to the achievements of the Occupational Health Scheme. (Paragraph 24)**

2. **Submit six monthly reports on sickness absence management to the Corporate Management Board, one of the six monthly reports being the annual report which will be submitted to the States. These reports should also be submitted to and reviewed by the Policy & Resources Committee. (Paragraph 24)**
3. **Estimate the total cost to the States each year as a result of sickness absence and include this estimate in the annual report to the States. (Paragraph 25)**
4. **Identify annual financial savings as a result of a reduction in sickness levels and report these to the Treasury so that they can be factored into the departmental budget setting processes. (Paragraph 26)**

The SPAC also recommends that the States Human Resources Department should:

**In relation to the Absence Management Policy:**

5. **Produce a one page user summary containing the main points from the Managing Attendance Policy. (Paragraph 13)**
6. **Undertake checks to ensure that the absence management policy is being complied with. (Paragraph 15)**
7. **Consider medical redeployment as one of the options for employees who are classed as unfit to work in their current job. (Paragraph 16)**
8. **Organise a meeting with representatives from the medical profession to discuss how the policy for sickness absence may be improved. (Paragraph 17)**

**In relation to the One-Click absence reporting system:**

9. **Hold meetings with the Heads of Human Resources in Departments to discuss with them their use of One-Click and to identify any Departments which could be making more use of the system. In relation to any replacement or upgrading of the One-Click system, a detailed cost/benefit analysis should be carried out prior to a final decision being made. (Paragraph 18)**

**In relation to absence measuring and monitoring:**

10. **Review the absence studies which are currently available and determine which could be used as benchmarks. (Paragraph 20)**
11. **Set appropriate targets for Departments to achieve with regard to sickness levels and benchmark actual sickness levels with other organisations. As well as comparing sickness levels in Jersey with those in the UK, it is recommended that attempts are made to make comparisons with the States of Guernsey. In particular there appear to be one or two “hot spot” departments that seem to have more serious absence problems**

and it is recommended that the States Human Resources Department should take action to address these immediately. It is also recommended that the Human Resources staff within departments should review sickness absence levels and associated targets on a quarterly basis with the senior managers within their departments. *(Paragraph 20)*

12. **Monitor the incidence of uncertified sickness in all States Departments. In relation to Departments with uncertified sickness above average, the States Human Resources Department should ascertain what steps those Departments are taking to reduce their levels of uncertified sickness. *(Paragraph 21)***
13. **To consider the merits and practicality of collating statistics on the number of cases of excessive sickness which result in disciplinary action against the employee. The Committee also recommends that it would be useful to try and establish whether absence levels are correlated with departmental morale and staff turn-over rates. *(Paragraph 22)***
14. **Review the allocation of ailments/medical conditions to the miscellaneous category on the One-Click system and give further consideration to the mandatory categories over which sickness absence should be analysed. *(Paragraph 23)***

#### **In relation to Return to Work Interviews:**

15. **Issue further guidance to Departments on the use of Return to Work Interviews. In particular Departments should be reminded of the importance of recording the results of the interview, even if this was an informal discussion. It is recommended that absence reporting forms used by Departments should include provision for recording that the interview has been held, with space for the manager to summarise any points arising from the discussion. *(Paragraph 32)***

#### **In relation to the Occupational Health Service:**

16. **Ensure that BMI (the States Occupational Health provider) produce a meaningful annual report on the work they undertake for the States. This report should provide clear information regarding the value of the Occupational Health Service in the past year and how the service has assisted in reducing sickness levels in the States of Jersey. *(Paragraph 34)***

Following the public hearing on sickness absence which was held on 12th July 2004, the States Human Resources Department produced an action plan of tasks they intended to undertake to address the issues raised by the SPAC. This Action Plan is included at Appendix A and the SPAC is pleased to note that all of the recommendations made in this report are included in the Department's Action Plan. The SPAC will monitor progress against the Action Plan to ensure that all the recommendations are implemented. It is intended that a further public hearing to review progress on managing sickness absence within the States of Jersey will be held. The SPAC intends to monitor the progress in

implementing the recommendations made in all of its reports. The SPAC will also ensure that Departments clearly identify the savings which are made as a result of the SPAC's recommendations. The savings resulting from the SPAC's recommendations will be monitored and reported in the Committee's annual report.

The SPAC is aware that as part of the Visioning project, it is intended to integrate the Human Resources function across the States. We consider that this will provide an ideal opportunity to streamline the processes and procedures in relation to sickness absence management to ensure that all Departments are approaching this important subject in a consistent manner and that the corporate policies are being adhered to.

## INTRODUCTION

1. The effective management of sickness absence is vital within any organisation. When an employee is absent from work, there is an associated cost to the States of Jersey. This may be a direct cost in the form of overtime payments to other staff who need to cover for the absence. There is also the cost of the employee's salary/wage whilst they are absent from work with no corresponding value or output being derived from this. Ultimately high sickness absence by employees will have a consequential impact on the level and quality of service provided to the States of Jersey's customers. Equally, prolonged or regular absences by employees can also have an adverse affect on their colleagues in terms of increasing stress and reducing job satisfaction.
2. In March 2001 the (then) States Audit Commission issued a report on sickness levels within the States of Jersey. At that time it was not possible to identify the total level of sickness across States Departments. The report identified many inconsistencies between Departments in the way sickness information was recorded and sickness absence monitored and managed. The report stated:
  - ➤ Although there is a policy for managing sickness absence, it is written in language more akin to a guideline rather than as a corporate requirement;
  - ➤ Data is not collected in a standard format across the public sector (and sometimes not within departments) i.e. there is no corporate form for recording sickness absence which would include the core data required;
  - ➤ Although the policy highlights uncertified short term sickness as a possible area for concern, departments are not required to produce information vis-à-vis certificated and uncertificated absence;
  - ➤ There is no corporate requirement for monitoring sickness at departmental or corporate level;
  - ➤ There is a lack of a suitable IT system to record and collate data and produce management reports;
  - ➤ There is no monitoring of sickness levels or trends by the States Human Resources (HR) Department.
3. The report stated:

*“We consider that it is the responsibility of Chief Officers to ensure that sickness absence is managed and monitored within their respective departments. We also consider that it is the role of the Human Resources Department to set standards and ensure that those standards are being met by monitoring information at a corporate level and by following up possible areas of concern.”*
4. The report recommended that:
  - i.i. The Managing Absence Policy should include a corporate policy on the format, collation and reporting of sickness absence;

- ii. All departments should be required to comply with the policy;
  - iii. The Human Resources Department should monitor all sickness absence at a corporate level;
  - iv. The Occupational Health Service should be provided with information on sickness absence in each department;
  - v. The Occupational Health Service should be required to report on sickness levels and trends in its annual report;
  - vi. If appropriate, consideration should be given to providing departments with the PSD in-house absence monitoring system until such time as the corporate system is available.
5. The Shadow Public Accounts Committee (SPAC) has reviewed the progress in implementing the recommendations made by the States Audit Commission in 2001. In particular the SPAC decided to:
  - i. Review absence levels in States Departments;
  - ii. Select a sample of Departments and ascertain:
    - (a) the procedures adopted by the Department to record and monitor sickness absence.
    - (b) whether the Department is applying the absence management procedures laid down by the States Human Resources Department.
    - (c) whether the Department sets targets with regard to sickness absence.
  - iii. Estimate the cost to the States in 2003 as a result of days lost due to sickness absence.
  - iv. Review the role of the States Human Resources Department in monitoring and reducing sickness levels across the States.
  - v. Compare sickness levels in the States of Jersey to those in other organisations.
6. As part of the SPAC's review a public hearing on sickness levels in the States of Jersey was held on 12<sup>th</sup> July 2004. Mick Pinel, Head of the States Human Resources Department and his colleagues Paul Nicolle, Employee Development Director and Kimon Wilkinson from the Change Team, attended the hearing to answer questions posed by the SPAC. Prior to the hearing the States Human Resources Department provided SPAC with various reports from the One-Click system detailing sickness absence in States Departments in 2003.

## BACKGROUND

7. In 2003 States employees<sup>[1]</sup> took a total of 45,117 days off work due to sickness. This equates to an average of 10.3 days per States employee. Figure 1 shows the percentage of working days lost through sickness in each States Department in 2003:

**Figure 1 Percentage sickness absence by Department in 2002 and 2003**

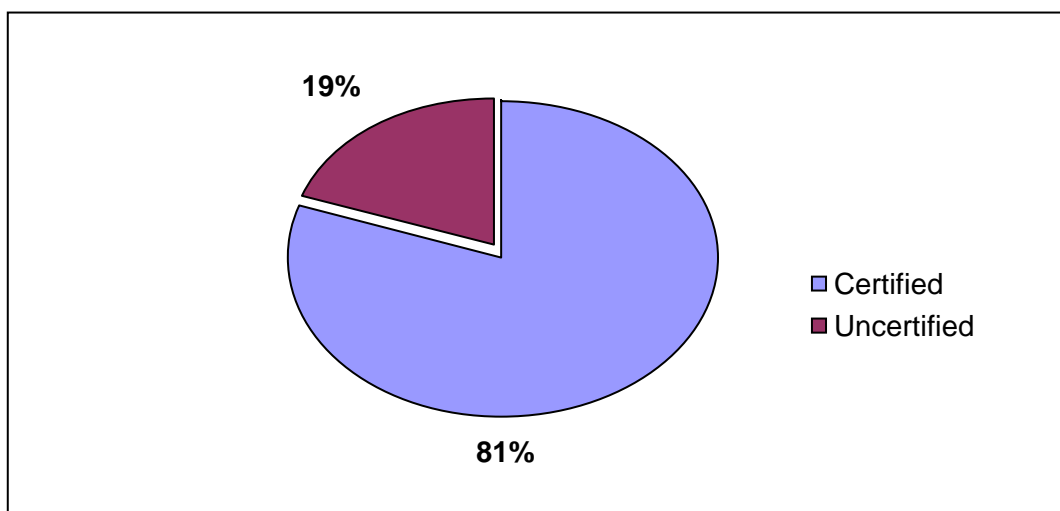
Department	2002 % sickness absence	2003 % sickness absence	Change
States Human Resources	6.75	3.63	-3.12
Lieutenant Governor	3.70	1.31	-2.39
Agriculture & Fisheries	6.69	4.59	-2.10
Impots	6.55	4.46	-2.09
Harbours	5.12	3.22	-1.90
Economic Development	2.78	1.38	-1.40
Probation	7.33	6.00	-1.33
Public Services	6.15	5.25	-0.90
Home Affairs	3.54	3.03	-0.51
Driver Vehicle Standards	4.72	4.32	-0.40
Planning & Environment	2.75	2.43	-0.32
Police	4.89	4.63	-0.26
Immigration & Nationality	1.93	1.74	-0.19
Fire Service	4.21	4.04	-0.17
Treasury	5.04	5.03	-0.01
Emergency Planning	0	0	0
Judicial Greffe	1.60	1.62	+0.02
Health & Social Services	4.03	4.09	+0.06
States Greffe	2.55	2.70	+0.15
Income Tax	2.76	2.94	+0.18
Sport, Leisure & Recreation	5.28	5.59	+0.31
Law Officers	2.85	3.52	+0.67
Employment & Social Security	3.25	4.05	+0.80
Policy & Resources	2.30	4.05	+1.75
Airport	2.94	4.98	+2.04
Prison	9.29	11.44	+2.15
Tourism	1.01	3.85	+2.84
Official Analyst	2.09	5.55	+3.46
Viscounts Office	5.02	8.67	+3.65
Housing	3.54	9.91	+6.37
Bailiffs Chambers	0.44	7.10	+6.66
Territorial Army	4.23	11.19	+6.96
Superintendent Registrar	0	9.19	+9.19
<b>AVERAGE</b>	<b>4.48</b>	<b>4.56</b>	

*All figures provided by the States Human Resources Department from the One-Click system.*

<sup>[1]</sup> Excluding employees from the Education Service because figures for sickness absence in 2003 were not available as Education only moved onto the One-Click absence reporting system from 1<sup>st</sup> January 2004. The Education Department has informed us that its sickness absence rate for the period 1<sup>st</sup> January – 30<sup>th</sup> June 2004 was 3.46%.

8. Shaded entries in Figure 1 show Departments with sickness absence rates above the average absence rate in 2002 and 2003. There are no sickness absence rates for the Education Service as they only moved onto the One-Click absence recording system from 1<sup>st</sup> January 2004. Prior to this there were only manual sickness records for Education employees and the overall absence rate within the service was not calculated.
9. The statistics for the smaller States Departments shown in Figure 1 should be viewed with caution. In a small Department one or two people on long-term sick leave can have a dramatic effect on the overall percentage absent rates. Figures for the Superintendent Registrar, the Territorial Army, Bailiffs Chambers, Viscounts, Official Analyst and Probation are all above the average of 4.56% but these are all small Departments.

**Figure 2 Percentage of certified and uncertified sickness absence in 2003<sup>2[2]</sup>**



10. Figure 2 shows that in 2003 19% of the total sickness absence in States Departments was uncertified and 81% was certified.

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<sup>2[2]</sup> The analysis between certified and uncertified sickness absence excludes the Education Service, for whom no information was available. Health & Social Services has also been excluded as we were informed that managers within that Department were not completing the relevant part of the form to indicate whether sickness was certified or uncertified. In cases where the form was left blank the input to One-Click defaults to uncertified. H&SS have stated that they are taking steps to educate their managers to fully complete sickness absence reporting forms.

## SUMMARY OF FINDINGS

### THE ABSENCE MANAGEMENT POLICY

11. In October 2001, in response to the report by the States Audit Commission (see paragraphs 2-4), the States Human Resources Department issued a 'Managing Attendance Policy Statement'. This policy states that the aims are to:
- (i) introduce a culture where regular attendance is expected;
  - (ii) enable management to deal quickly and effectively with employees who are unable or unwilling to meet the organisation's standards;
  - (iii) define procedures to monitor absence levels and trigger action in a consistent and appropriate manner;
  - (iv) raise the awareness of supervisors and managers to the real cost of absence.

12. The policy states that:

*"It is the responsibility of Chief Officers to ensure that sickness absence is managed and monitored within their respective Departments. The States Human Resources Department has the responsibility of setting standards and ensuring that those standards are being met by monitoring corporate information on sickness absence."*

This is a direct quote from the report of the States Audit Commission. The Policy states that the States Human Resources Department will monitor absence levels at a corporate level and benchmark absence data with similar worker groups elsewhere.

13. There are two other documents which support the policy:

- ➤ 'Why Your Attendance Matters' – a handbook for all States employees.
- ➤ 'Managing Attendance Procedure for Line Managers and Supervisors'.

The SPAC considers that the policy statement and procedures for managers are comprehensive, well presented and helpful documents which, if fully complied with, would help to ensure that sickness levels within the States are kept to a minimum. However, at 17 pages in length the day-to-day practicality of the document is questioned by the SPAC. **It is recommended that a one page user summary containing the main points from the policy would help ensure compliance and also help avoid any confusion between policy and practice in the mind of the end-user.**

14. Training of line managers in sickness absence procedures and the requirements of the policy has been carried out. The training was mostly carried out when the policy was first introduced in 2001. However, the States Training Prospectus still includes an Absence Management Course for line managers. During the last two years 49 line managers have attended the course.
15. The States Human Resources Department does not undertake any checks to ensure compliance against the policy. As part of the SPAC's review we have undertaken some checks in a sample of Departments to monitor compliance with the policy. These checks were mainly to confirm whether Return to Work Interviews were being held and

documented where appropriate. Our findings on Return to Work Interviews are detailed in paragraphs 27-32. **We recommend that the States Human Resources Department undertakes periodic checks to ensure that individual Departments are complying with the Managing Attendance Policy. We consider that the plans to integrate the HR function, as part of the visioning project, should provide further opportunities to ensure that all departments are applying consistent procedures for sickness absence. It may be that internal audit can also assist by auditing compliance with the policy from time to time.**

16. The SPAC would like to ensure that medical redeployment is used within the States system whenever circumstances permit. In particular, the SPAC believes that to avoid some of the costs of long term sickness to the pension fund, an absent employee should be offered the opportunity to be redeployed elsewhere in the organisation. For example, although an injured police officer may no longer be able to tackle the physical demands of the beat, clerical based work could well be a better alternative than offering retirement through ill-health. **We recommend that the States Human Resources Department considers medical redeployment as one of the options for employees who are classed as unfit to work in their current job.**
17. The SPAC would also like to ensure that the views of the medical profession are factored into policy considerations. As part of this process, it would be useful to develop a better understanding of the sick note process and whether any aspects of the system can be improved. **We recommend that the States Human Resources Department organises a meeting with representatives from the medical profession to discuss how the policy for sickness absence may be improved.** The Department has informed us that this recommendation will be discussed with the Occupational Health Service providers, BMI, to decide how best to engage with the medical profession.

### **THE ONE-CLICK ABSENCE REPORTING SYSTEM**

18. The SPAC were encouraged by the progress made on the implementation of the One-Click system. As from 1<sup>st</sup> January 2004 all States Departments use the system. However, the Prison has stated that, whilst inputting absence data into One-Click, they continue to use their own absence reporting system for day-to-day management purposes. The Prison has its own in-house designed administrative database which, amongst other things, records all absences, leave etc. The Prison does not use One-Click for any management purposes. The input of data is carried out merely to satisfy the corporate reporting requirements of the States Human Resources Department.

**It is recommended that the States Human Resources Department holds meetings with the Heads of Human Resources in Departments to discuss with them their use of One-Click and to identify any Departments who could be making more use of the system.**

**During the course of agreeing the content of this report with the States Human Resources Department the SPAC was informed that consideration is currently being given to moving to a new, improved Personnel Management System. This is being progressed jointly between the States Human Resources Department and the Change Team as part of the Human Resources Integration project. At its meeting on 23<sup>rd</sup> April 2001 the (then) Human Resources Committee agreed that “a suitable ‘off the shelf’ package that would deliver absence reporting would be identified and**

made available to departments.” One-Click was this ‘off the shelf’ package. The Committee Act from the meeting goes on to state:

“The Committee agreed that the above approach should be viewed as a short to medium-term delivery of the Manpower and Personnel Information Systems Project until such time as the reports on the future direction of manpower and payroll systems had been determined.”

The SPAC notes that the cost of the One-Click system has been £374,000 which apparently was only ever intended to provide a short-term solution. In relation to any replacement or upgrading of the One-Click system, the SPAC expects that, prior to any decision being made, a detailed cost/benefit analysis should be carried out to demonstrate the savings/efficiencies expected from a new system. The SPAC intends to undertake a further review, at a later date, of the progress made in deciding to purchase any new Personnel Management System and the associated costs and benefits of this.

### **ABSENCE MEASURING AND MONITORING**

19. It has only been recently, with the full implementation of the One Click System, that the States of Jersey is in a position to measure absence properly. Previously reporting has been patchy and it has not been possible to make comparisons between departments, between organisations or indeed to monitor trends over time. Hopefully, these fundamental shortcomings will now become a thing of the past.
20. The SPAC is concerned that there is a lack of agreement and clarity about how best to use comparative absence data. The Committee believes that this issue can be resolved and encourages the States Human Resources department to make more use of the appropriately caveated data available from particularly, but not exclusively, the UK. As a step towards this objective, **it is recommended that the States Human Resources Department reviews absence studies currently available and determines which could be used as benchmarks.** Once this exercise has been completed, then all interested parties should at least be singing from the same statistical hymn sheet. Moreover, a broader understanding of absence levels elsewhere will also help the States set appropriate performance benchmarks for absence levels. On this somewhat vexed issue, it is interesting to note that in the UK Gordon Brown has recently joined in this debate with a fairly uncompromising attack on what he views as unacceptably high public sector sickness levels. The Chartered Institute of Personnel and Development (CIPD) issues national UK sickness absence statistics annually. In its most recent survey, published in July 2004, the CIPD found that public sector absence in the UK averaged 10.7 days per employee. The equivalent rate for the States of Jersey in 2003 was 10.3 days per employee. The average sickness days per States of Jersey employee varied significantly between Departments and employee groups. **It is recommended that the States Human Resources Department sets appropriate targets for Departments to achieve with regard to sickness levels and benchmark actual sickness levels with other organisations. As well as comparing sickness levels in Jersey with those in the UK, it is recommended that attempts are made to make comparisons with the States of Guernsey. In particular there appear to be one or two “hot spot” departments that seem to have more serious absence problems and we recommend that the States Human Resources Department should take action to address these immediately. It is also recommended that the Human Resources staff**

**within departments should review sickness absence levels and associated targets on a quarterly basis with the senior managers within their departments.**

21. Figure 2 shows that the level of uncertified absence across States Departments in 2003 was 19%. However, the SPAC noted that some Departments were well above this average. **It is recommended that the States Human Resources Department monitors the incidence of uncertified sickness in all States Departments. In relation to Departments with uncertified sickness above average, the States Human Resources Department should ascertain what steps those Departments are taking to reduce their levels of uncertified sickness.**
22. The SPAC recognises that the vast majority of sickness absence is genuine and bearing this in mind, it is heartening to see the professional support given by the States to its employees. Nonetheless, care must also be taken to ensure that in cases where there appear to be “issues” around repeated absence, these are also actively managed. The Committee considers that the use of the Bradford Factor<sup>3[3]</sup> as a measure of the incidence of sickness per employee is a very useful management tool. The SPAC is surprised that no statistics are available on the nature and extent of disciplinary actions being taken against problem employees. **It is recommended that the States Human Resources Department considers the merits and practicalities of collating statistics on the number of cases of excessive sickness which result in disciplinary action against the employee. The Committee also recommends that it would be useful to try and establish whether absence levels are correlated with departmental morale and staff turn-over rates.**
23. At the public hearing the SPAC had questions about the categorisation of sickness. One particular issue was the overuse of “miscellaneous” in the recording process. The SPAC were concerned to note that in 2003 almost 50% of sickness absences were recorded against the miscellaneous category. The States Human Resources Department has issued a list of ailments/medical conditions to Departments to assist them in allocating sickness to the 13 categories of sickness included on One-Click. This list allocates 48 ailments/medical conditions (23% of the total ailments/medical conditions listed) to the miscellaneous category. The fact that so many instances of sickness are being booked to the miscellaneous category undermines the value of the information provided from the One-Click system about the reasons for absence. **It is recommended that the allocation of ailments/medical conditions to the miscellaneous category is reviewed by the States Human Resources Department.** Another issue the SPAC raised is how the system captures more sensitive sickness issues such as stress or addictions. Although there is no easy answer to this, it would seem that, at the moment, the current approach to recording the nature of illness provides little information to help management either understand or improve the situation. **It is recommended that the States Human Resources Department gives further consideration to the mandatory categories over which sickness absence should be analysed.** The Department has agreed to discuss the absence categories with the occupational health service provider, BMI.
24. The Policy & Resources Committee submits an annual report on sickness absence levels to the States. The last such report was presented to the States on 2<sup>nd</sup> December 2003 and detailed the percentage absence rates for each States Department as at 30<sup>th</sup> June 2002,

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<sup>3[3]</sup> Bradford factor = S x S x D where S is the number of spells of absence in the last 52 weeks and D is the number of days absence in the last 52 weeks.

31<sup>st</sup> December 2002 and 30<sup>th</sup> June 2003. This report stated that the average absence rate across the States as at 30<sup>th</sup> June 2003 was 4.5%, which was comparable to the results of a survey by the Chartered Institute of Personnel and Development which showed that the average sickness level in the UK public sector in 2003 was 4.6%. The SPAC considers that these annual reports should continue to be presented to the States as this gives out a clear message that sickness absence is being taken seriously at the highest level of the organisation. However, **it is recommended that the content and scope of the report to the States is widened to contain the following further information relevant to sickness absence:**

- ➤ **The proportion of certified and uncertified absence;**
- ➤ **An analysis of certified sickness between long term and short term absence;**
- ➤ **Targets for reducing sickness absence (see paragraph 20) and progress against these;**
- ➤ **Summary of the annual report from BMI with regard to the achievements of the Occupational Health Scheme.**

**It is also recommended that prior to submission to the States, the annual sickness absence report should be referred by the States Human Resources Department to the Corporate Management Board for debate and agreement.** This would also provide the opportunity to obtain the commitment of all Chief Officers to achieving the corporate and departmental targets set. **It is further recommended that reports on progress in managing and reducing sickness levels should be reported to the Corporate Management Board on at least a six monthly basis. These reports should also be submitted to and reviewed by the Policy & Resources Committee.**

25. As part of the SPAC's review of sickness absence within States Departments, the Committee estimated that the annual cost of sickness absence to the public purse is in the region of £10 million per annum. This figure represents the cost of lost time (based on salaries/wages) of employees who are absent from work due to sickness. However, for management purposes, it would also help if figures were available for the indirect costs associated with sickness such as overtime payments to other employees who need to cover for the absent member of staff. It is acknowledged that the cost of overtime in relation to covering for sickness absence is a key issue for services which have to operate with minimum manning levels, such as the uniformed services. In other areas of States activities, the absence of a member of staff does not necessarily result in additional payments over and above the salary/wage of the absentee. In these cases either work does not get done, with a consequential deterioration in efficiency, or the work of the absent member of staff is allocated to other members of the team. **The SPAC recommends that the States Human Resources Department should estimate the total cost to the States each year as a result of sickness absence and that this total cost should include an estimate of indirect costs such as overtime worked to cover periods of absence. The estimated total cost should be reported to the States in the annual report on sickness absence.**
26. An estimate of the total cost of sickness absence together with clear targets for reducing the incidence of sickness would enable the States to agree financial savings targets relating to absence. **It is recommended that annual financial savings should be identified as a result of a reduction in sickness levels and that these savings should be factored into the departmental budget setting processes.** As a minimum, the SPAC considers that savings in overtime payments from covering for sickness absence could be made.

## **RETURN TO WORK INTERVIEWS**

27. The States Managing Attendance Policy Statement says:

*“The States of Jersey recognises that the ‘Return to Work Interview’ is an effective tool in addressing staff absence. Managers must conduct, or arrange for an appropriate supervisor to conduct, a private return to work interview when an employee returns to work after a period of absence, regardless of duration.”*

28. The Managing Attendance Procedure for Line Managers and Supervisors goes on to state that a formal interview may not be necessary in every case. The procedure states:

*“The interview is part of the support structure of the procedure. Where a member of staff with a good attendance record, and a high level of personal commitment returns to work, Managers may apply their discretion to use the return to work interview as a means of welcoming back the member of staff, enquiring after their health in an informal and supportive manner, whilst discussing the affect of their absence on their work priorities. Where an individual has a poor attendance record or a perceived underlying health or performance problem the return to work interview will still be used as a means of welcoming back the member of staff. However, this should be conducted in a more formal manner, and should include discussing the affect of their absence on their work priorities or team, targets for reducing absence levels, or referral to the Occupational Health Service.”*

29. The procedure also provides further guidance on the aspects which should be addressed in the Return to Work Interview such as discussing the reason for the absence and establishing whether there are any underlying causes (eg personal problems). Appendix E of the procedures includes a suggested form for recording a Return to Work Interview. However, this form is designed for use in cases where absence is considered to have reached ‘unacceptable levels’. The Policy states that such an interview should be held when:

- ➤ Employees are on probation, and after the first absence so that the relevance of sick absence can be discussed and explained;
- ➤ A pattern of short term absence is beginning to emerge;
- ➤ Poor attendance is recorded over a period of time.

30. We randomly selected 53 States employees from six departments who had taken time off work due to sickness in June and July 2003. In particular we sought to confirm whether a return to work interview with the employee had been held and if so whether this had been documented. The results of this are shown in Figure 3:

**Figure 3 Results of enquiry about whether Return to Work Interviews are held**

Return to Work Interview held?	Yes	27
	Not applicable*	19
	No	7
Return to Work Interview documented?	Yes	20
	No	7

\* Return to Work Interview not applicable as the employee had not returned to work at the time of our enquiry.

31. Figure 3 shows that in 79% of cases where the employee had returned to work after a period of sickness absence, their line manager said that they had held a Return to Work Interview. In 74% of these cases the Return to Work Interview had been documented. However, frequently the documentation was just a short note on the absence reporting form saying that the person was now fit to work. The absence forms used by some Departments only ask the line manager to answer Yes/No to a question as to whether a Return to Work Interview has been held – there is no space for any detail. It is recognised that in many cases a formal Return to Work Interview will not be necessary. For example: where an individual has had a short time off work and has no history of regular absences. The main circumstances where formal Return to Work Interviews would be required are either in relation to an employee who has had a prolonged absence from work or where the employee has a history of absence, particularly short term absences.
32. **It is recommended that the States Human Resources Department issues further guidance to Departments on the use of Return to Work Interviews.** This should include further guidance about the circumstances in which a formal interview is required. Departments should also be reminded of the importance of recording a Return to Work Interview, even if this was only an informal discussion with the employee. **It is recommended that absence reporting forms used by Departments should include provision for recording that the interview has been held with space for the manager to summarise any points arising from the discussion.**

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**OCCUPATIONAL HEALTH SERVICE**

33. The States Managing Attendance Policy Statement says that “if an employee is absent for a protracted period, e.g. over 40 calendar days, managers should consider seeking advice and support from the Occupational Health Service.”
34. The SPAC supports the Occupational Health Service provided by BMI. Indeed the SPAC considers that BMI have a vital role to play in helping to reduce sickness levels within the States of Jersey. However, it was noted that the 2003 “BMI Report” was not in a format that allowed the SPAC to make an informed judgement about how BMI was performing as it comprised of merely statistics with no narrative to provide an overview of the work and achievements of BMI. We have been informed by the States Human Resources Department that this reduced level of reporting was agreed for 2003 due to the pressure of work at BMI. The cost of the BMI service in 2003 was £323,681. We have seen evidence that previous years’ reports comprised of both statistics and a covering narrative report. **It is recommended that the States Human Resources Department should ensure that BMI provides a meaningful annual report on the work they**

**undertake for the States. This report should provide clear information regarding the value of the Occupational Health Service in the past year and how the service has assisted in reducing sickness levels in the States of Jersey.** It should be noted that this was also a recommendation of the March 2001 report by the States Audit Commission.

## **COMMENTS BY THE STATES HUMAN RESOURCES DEPARTMENT**

The States Human Resources Department accepts the recommendations made by SPAC in their report on sickness absence. The Department has produced the Action Plan contained at Appendix A, which includes all the recommendations made in the SPAC report and assigns timescales for implementation of each of these.

With regard to the One-Click system the Department has made the following comments:

*“First, it is important to stress that the Department is happy with the provision of absence data at both a departmental as well as a corporate level by means of the existing One-Click computer system.*

*During 2003, the Department had been made aware of an upgrade to this system which was due to be implemented in the early part of 2004. This was perceived as an improvement on the functionality of the existing system and one which would be covered within the terms of the existing licensing agreement that the States had with the computer company. Thus, it was viewed as simply an enhancement on existing arrangements and one which is normal when software companies issue improvements to their existing products.*

*It was in September 2004 that the Department was made aware of the fact that the delayed upgrade to the One-Click system was, in fact, not a new version of One-Click, covered by existing licensing arrangements, but an entirely new product. However, at that time, the decision to implement this new product, referred to as “HR.net”, was overtaken by the review of the Human Resources Function and the identification that there was a potential need to invest in a system which provided much greater functionality than the current One-Click system. (For example, it has been identified that there could be advantage in investing in a system that would utilise internet technology to allow employees to amend certain of their personal data held on the personnel database.)*

**THE MANAGEMENT OF SICKNESS ABSENCE WITHIN THE STATES OF JERSEY**

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**ACTION PLAN OF THE STATES HUMAN RESOURCES DEPARTMENT**

<b><u>RECOMMENDATION</u></b>	<b><u>COMMENTS FROM THE STATES HUMAN RESOURCES DEPARTMENT</u></b>	<b><u>TIMESCALE FOR IMPLEMENTATION</u></b>
<p><b>1. Expand the annual report submitted to the States by the Policy &amp; Resources Committee to include the following further information relevant to sickness absence:</b></p> <ul style="list-style-type: none"> <li>➤ ➤ <b>The proportion of certified and uncertified absence;</b></li> <li>➤ ➤ <b>An analysis of certified sickness between long term and short term absence;</b></li> <li>➤ ➤ <b>Targets for reducing sickness absence and progress against these;</b></li> <li>➤ ➤ <b>Summary of the annual report from BMI with regard to the achievements of the Occupational Health Scheme.</b></li> </ul>	<p>The analysis of sickness absence in the annual report will be expanded to incorporate the data that has been identified, although further consideration will need to be given as to the feasibility of including an analysis of long and short-term absence.</p>	<p align="center">December 2004</p>
<p><b>2. Submit six monthly reports on sickness absence management to the Corporate Management Board, one of the six monthly reports being the annual report which will be submitted to the States. These reports should also be submitted to and reviewed by the Policy &amp; Resources Committee.</b></p>	<p>The first report that will be submitted to the States will also be made available to the Corporate Management Board. Thereafter action will be taken to update the Board on a regular six-monthly basis.</p>	<p align="center">December 2004</p>

<u>RECOMMENDATION</u>	<u>COMMENTS FROM THE STATES HUMAN RESOURCES DEPARTMENT</u>	<u>TIMESCALE FOR IMPLEMENTATION</u>
<p><b>3. Estimate the total cost to the States each year as a result of sickness absence and include this estimate in the annual report to the States.</b></p>	<p>A review will be carried out to establish the most effective manner in which to derive such costs. The implementation of any new personnel data system will also be considered in this light.</p>	<p>March 2005</p>
<p><b>4. Identify annual financial savings as a result of a reduction in sickness levels and report these to the Treasury so that they can be factored into the departmental budget setting processes.</b></p>	<p>The derivation of financial savings is extremely complex and discussions will need to be held with Treasury to establish how these might be identified and factored into departmental budgets.</p>	<p>December 2004</p>
<p><b>5. Produce a one page user summary containing the main points from the Managing Attendance Policy.</b></p>	<p>- Completed and issued to all States Departments.</p>	<p>- N/A</p>
<p><b>6. Undertake checks to ensure that the absence management policy is being complied with.</b></p>	<p>- It is considered that the most appropriate way in which to undertake checks is through internal audit examining departmental practice at the time that they are applying other audits within a department.</p> <p>It is also recognised that unification of the HR function might enhance opportunities to ensure the consistent application of the absence policies across the States of Jersey. This aspect will be examined as the HR function review is implemented.</p>	<p>- 2005</p> <p>March 2005</p>

<u>RECOMMENDATION</u>	<u>COMMENTS FROM THE STATES HUMAN RESOURCES DEPARTMENT</u>	<u>TIMESCALE FOR IMPLEMENTATION</u>
<p><b>7. Consider medical redeployment as one of the options for employees who are classed as unfit to work in their current job.</b></p>	<p>A policy on medical redeployment has been developed and is currently out with departments and union representatives for consideration and comment. Depending upon the feedback, action will then be taken to implement the policy. Implementation of the proposed policy would require amendment to existing legislation relating to the Public Employees' Contributory Retirement Scheme (PECRS) and would therefore need the approval of the Management Committee of PECRS and the States of Jersey.</p>	<p>2005</p>
<p><b>8. Organise a meeting with representatives from the medical profession to discuss how the policy for sickness absence may be improved.</b></p>	<p>Through the intermediary of the States Occupational Health Service, action will be taken to review with the Island's general medical practitioners whether improvements can be made in the manner in which the States absence policy is applied.</p>	<p>January 2005</p>
<p><b>9. Hold meetings with the Heads of Human Resources in Departments to discuss with them their use of One-Click and to identify any Departments which could be making more use of the system.</b>  <i>This will equally apply to any other system which replaces One-Click.</i>  <b>In relation to any replacement or upgrading of the One-Click system, a detailed cost/benefit analysis should be carried out prior to a final decision being made</b></p>	<p>Consideration is currently being given to the type of system that will be used in future to support the re-organised HR Function. It is anticipated that this system and the type of support that it will be able to provide in connection with absence will be identified during 2005.</p>	<p>2005</p>

<u>RECOMMENDATION</u>	<u>COMMENTS FROM THE STATES HUMAN RESOURCES DEPARTMENT</u>	<u>TIMESCALE FOR IMPLEMENTATION</u>
<p><b>10. Review the absence studies which are currently available and determine which could be used as benchmarks.</b></p>	<p>Significant progress has already been made in establishing benchmarks in connection with absence rates for equivalent pay groups. It is anticipated that remaining data will be obtained in the near future.</p>	<p>December 2004</p>
<p><b>11. Set appropriate targets for Departments to achieve with regard to sickness levels and benchmark actual sickness levels with other organisations. As well as comparing sickness levels in Jersey with those in the UK, it is recommended that attempts are made to make comparisons with the States of Guernsey. In particular there appear to be one or two “hot spot” departments that seem to have more serious absence problems and it is recommended that the States Human Resources Department should take action to address these immediately. It is also recommended that the Human Resources staff within departments should review sickness absence levels and associated targets on a quarterly basis with the senior managers within their departments.</b></p>	<p>- Departments have been requested to establish absence targets for their particular departments. The targets relate to the 12 month period commencing 1<sup>st</sup> July 2004. The responses from departments are being collated.</p> <p>Action has already been taken to discuss with those departments with high levels of absence what actions might be taken to reduce these levels.</p> <p>Current practice already requires managers and HR practitioners to review absence rates on a regular basis.</p>	<p>November 2004</p> <p>Ongoing</p> <p>Ongoing</p>
<p><b>12. Monitor the incidence of uncertified sickness in all States Departments. In relation to Departments with uncertified sickness above average, the States Human Resources Department should ascertain what steps those Departments are taking to reduce their levels of uncertified sickness.</b></p>	<p>Action has already been taken to request departments to ensure that data in connection with certification/non-certification is captured accurately.</p> <p>Within the context of the corporate data collection of absence levels, this matter will be kept under review and acted upon where considered appropriate.</p>	<p>N/A</p> <p>Ongoing</p>

<u>RECOMMENDATION</u>	<u>COMMENTS FROM THE STATES HUMAN RESOURCES DEPARTMENT</u>	<u>TIMESCALE FOR IMPLEMENTATION</u>
<p><b>13. To consider the merits and practicality of collating statistics on the number of cases of excessive sickness which result in disciplinary action against the employee. To seek to establish whether absence levels are correlated with departmental morale and staff turn-over rates.</b></p>	<p>This matter will be considered, although there is concern that the capture of such information might make excessive calls upon managers' time. The proposed new personnel data system might be able to provide support in this area.</p>	<p>March 2005</p>
<p><b>14. Review the allocation of ailments/medical conditions to the miscellaneous category and give further consideration to the mandatory categories over which sickness absence should be analysed.</b></p>	<p>This matter will be reviewed in conjunction with the States Occupational Health Service provider.</p>	<p>March 2005</p>
<p><b>15. Issue further guidance to Departments on the use of Return to Work Interviews. In particular Departments should be reminded of the importance of recording the results of the interview, even if this was an informal discussion. It is recommended that absence reporting forms used by Departments should include provision for recording that the interview has been held, with space for the manager to summarise any points arising from the discussion.</b></p>	<p>A review of the existing policy will be carried out and any revisions to the Return to Work interview process will be notified to departments.</p> <p>The States of Jersey continues to offer training to support managers in the application of return-to-work interviews and other aspects of managing absence.</p>	<p>December 2004</p> <p>Ongoing</p>
<p><b>16. Ensure that BMI (the States Occupational Health provider) produce a meaningful annual report on the work they undertake for the States. This report should provide clear information regarding the value of the Occupational Health Service in the past year and how the service has assisted in reducing sickness levels in the States of Jersey.</b></p>	<p>BMI provides data on a regular basis and their activity is overseen by an Occupational Health Steering Group.</p>	<p>Ongoing</p>

