



NHS TRUSTS 'REAP BENEFITS' BY REDUCING SICKNESS ABSENCE RATES

'But sickness levels still a significant problem' says Auditor General

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More than £24 million in staff time was saved by the NHS in Wales between April 2004 and March 2008, thanks to a reduction in sickness absence rates. But, according to a report by the Auditor General for Wales (the Auditor General), sickness absence is still a significant problem in NHS trusts – costing money, taking up time and ultimately affecting the quality of patient care. The Auditor General is calling on the new NHS bodies, created later this year through the reorganisation of the service, to embed good practice in sickness absence management to bring levels down even further.

Since April 2004, sickness absence rates average around 14 working days per year, or just over 19 calendar days including weekends, for an NHS trust employee working a standard five-day week. This is a reduction from 2002-03 when rates averaged at just over 15 and a half working days per year, or just under 22 calendar days. Today's report estimates that this reduction has generated at least £6 million per year of additional staff time in work.

The Assembly Government has set all trusts a rolling annual target of a 4.2 per cent rate of sickness absence per calendar year. Since April 2004, the average for NHS trusts has stabilised at between 5.3 and 5.4 per cent, compared with a rate of 6.0 per cent reported for 2002-03. However, absence rates still vary greatly between trusts – between 4.1 to 7.0 per cent and most trusts doubt whether the 4.2 per cent target represented a realistic goal. Today's report recommends that the target is discontinued in favour of a smarter approach to target setting which reflects the circumstances of each of the new local and national NHS bodies, with a focus on continuous improvement.

The report found that NHS trusts have generally improved the way they manage sickness absence. Assembly Government targets and the drive for efficiency savings have helped focus attention on the need to reduce sickness rates. Most trusts have now updated and improved their sickness absence policies and all Welsh NHS trusts now record and report sickness rates through the England and Wales-wide Electronic Staff Record system (ESR). However, the wider development of the ESR has proved more complicated and time consuming than first envisaged. And the system is not yet being used to its full potential to support the management of sickness absence.

A report in 2004 by the previous Auditor General drew particular attention to inconsistencies in the provision of Occupational Health services for NHS staff and problems with often long waiting times for referral appointments. A planned review of Occupational Health provision across NHS Wales is still ongoing, as is the development by the Assembly Government of web-based guidance on existing policies, standards and good practice relating to Occupational Health and Safety issues. Despite this, NHS trusts have taken action to improve local Occupational Health services, although the issues raised in the previous report are still a cause for concern, at least in some trusts.

The report makes a number of recommendations for improvement, including:

- discontinuing the use of the generic 4.2 per cent target and agreeing targets which reflect the local circumstances of each of the new NHS bodies;
- agreeing core indicators to measure the performance of occupational health services and progressing as a matter of priority the ongoing review of Occupational Health provision in the context of the wider plans for NHS reorganisation;
- the Assembly Government should produce regular benchmarking reports for the service; and
- NHS bodies and the Assembly Government should work together to identify and address increases in sickness absence rates or related problems that may occur during the NHS reorganisation.

The **Auditor General, Jeremy Colman**, said today:

‘NHS trusts in Wales have made some good progress in tackling the continued problem of sickness absence rates but the figures are still too high. The new NHS bodies that emerge following reorganisation later this year need to embed good practice within their organisational culture, management structures and policies, with the help of clear guidance from the Assembly Government.’

Notes to Editors:

- The report considers whether good progress has been made to improve the management of sickness by NHS Trusts in Wales over the five years since the previous Auditor General’s report on the subject. Today’s report covers the period between 2004 and 2008.
- The previous Auditor General’s report *The Management of Sickness Absence by NHS trust in Wales* was published in January 2004 by the National Audit Office, Wales. That report, and today’s report, are both available on the Wales Audit Office website www.wao.gov.uk
- Fieldwork was carried out for this report at Powys Local Health Board and across the 14 NHS trusts in Wales that existed prior to the mergers that have involved a number of trusts since 1 April 2008.
- The Wales Audit Office is independent of government and is responsible for the annual audit of some £20 billion of annual public expenditure. Its mission is to promote improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across the Welsh public sector.
- The Wales Audit Office was created in April 2005 through the Public Audit (Wales) Act, 2004, which expanded the functions of the Auditor General for Wales and enabled the transfer of staffs from the Audit Commission in Wales and National Audit Office in Wales to his employment.

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