



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Northern Ireland Audit Office Report
'Sickness Absence in the Northern Ireland
Public Sector': Northern Ireland Audit Office

19 February 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Daithí McKay (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Ms Michaela Boyle
Mrs Judith Cochrane
Mr Leslie Cree
Mr Paul Girvan
Mr Ian McCrea
Mr Peter Weir

Witnesses:

Mr Richard Emerson	Northern Ireland Audit Office
Mr Neil Gray	Northern Ireland Audit Office
Mr David Murdie	Northern Ireland Audit Office

The Chairperson: I welcome Neil Gray, director at the Audit Office; David Murdie, audit manager at the Audit Office; and Richard Emerson, who is the Assembly liaison officer for the Audit Office. Do you want to make some opening comments before we go into questions?

Mr Neil Gray (Northern Ireland Audit Office): Thank you, Chair. It might help if I spent five minutes talking you through the key points of the executive summary. The report is a follow-up to a piece of work that we did in 2008 on the management of sickness absence in the Civil Service. This time around, we widened the scope to include the health sector and the education sector. It is very much an overview and focuses squarely on the reported sickness absence data. So, it is important that we all recognise that it is not an audit of the policy and procedures around managing sickness absence in each of the individual bodies that comprise the Civil Service and the health and education sectors.

We found an overall declining trend — a trend that is generally downwards — across the three sectors. Nevertheless, wherever we can make the comparison, it shows that our rates of sickness absence are higher than those in GB. We estimate that this is costing us around £150 million a year. If we could reduce our average sickness absence rates to match those in GB, we could save ourselves around £37 million a year.

I will go into a little bit of the detail and look at the causes of absence. The particular problem area is very much long-term absence. We have not made the progress that we wanted to in order to reduce the levels of long-term absence across the system. Mental health issues are particularly recognised as the major cause of long-term absences.

Targets have been set in all three sectors. It is fair to say that achievement of those targets has been inconsistent. For example, the Civil Service had a five-year target to reduce overall absence to 9.5 days, but it did not manage to achieve that. Three out of the six trusts did not manage to achieve targets during the period that we were looking at, and the education authorities did not manage to achieve their targets for teacher absence in 2010-11 and in 2011-12.

With regard to the systems that they use to record sickness absence, we found that the Civil Service has generally good systems. We could not say the same about education and health. There is certainly some work to be done to establish management information systems in both those sectors that will give them consistent and accurate data.

That is a gallop through the key points in the executive summary. I do not know whether I have missed anything, David, that you want to add.

Mr David Murdie (Northern Ireland Audit Office): No, I think that those are the main points.

The Chairperson: Thanks very much for that. I appreciate the fact that it is a broad overview of the situation in certain parts of the public sector, but a few things stick out. Page 30 refers to the trusts and their targets. It states that two of the five trusts that had targets failed to meet them. So, three of the trusts did not even have sickness absence targets.

Mr Murdie: No, I think that the five trusts had the targets. I think that the Ambulance Service did not have a target. It was two of the five that had targets did not achieve them.

The Chairperson: Explain that one for me again.

Mr Murdie: Can you refer to the particular paragraph? You said page 30.

The Chairperson: Which three trusts did not have targets?

Mr Murdie: Sorry, can you let me know which paragraph you refer to?

The Chairperson: It is the first bullet point on page 30.

Mr Gray: I do not think that you are referring to page 30 of the report, are you?

The Chairperson: It is page 30 of our pack. It is page 7.

Mr Gray: You need to go to the detail in section 2.

Mr Murdie: Five of the trusts had targets and two of those trusts did not meet the target. I refer to the body of the report.

Mr Gray: It is figure 24 on page 41.

Mr Murdie: The five trusts and their targets are listed. The South Eastern Trust and the Belfast Trust did not achieve the target, but the other three — the Southern, Western and Northern — did.

The Chairperson: In general terms, some work was done on this in 2006, and from then until now there has been a significant drop in working days lost. The current situation is not acceptable, but what was the reason for that radical drop? Was it due to tighter management or better accountability within the sector?

Mr Gray: You will be aware that there has been a drive to reduce sickness absence across the public sector. Sickness absence is one of those features that, as soon as you devote attention to it, you can generally see an improvement. So, that will undoubtedly have played some role in this. There are issues about exactly how tightly it has been applied by the Department since then. For example, as David said, targets were set for the acute trusts but not for the Ambulance Service, which, effectively, sets its own targets. That is something that the Department is looking at, and it now seeks to set uniform targets across the sector as part of the drive to manage this. So, it is one of those things that need constant management attention in order to continue to deliver improvements.

Mr Murdie: Paragraph 2.3 of the report states that the Department:

"has monitored sickness absence levels at Trusts since 2001".

After the Appleby review, closer attention seemed to be paid to it and targets were set. It may be a factor in the movement in sickness absence that attention was paid to it. One of the points that we made in the report was the need to continue with targets and the monitoring of sickness absence to give that due attention. Otherwise, if it is not being monitored or targets are not set, the risk is that levels of absence will increase again and not be driven down.

The Chairperson: Obviously, a large contributor to this has been the long-term absence factor. I am aware of a few individual cases that related to stress or a clash at work with somebody in management, for example. Are those situations being handled correctly? If they are handled incorrectly, they can lead to one or two people going off on long-term sick. I am sure that we are all aware of examples of that. Better management of such situations would obviously make a big difference in this case.

Mr Gray: I do not disagree with what you say. Clearly, we did not look at any individual cases as part of this piece of work but, logically, what you say fits together. I think it would make a good question for your future witnesses.

Mr D Bradley: Good morning. You were saying that the methodology of recording absences in education and health — did you say health?

Mr Gray: Yes.

Mr D Bradley: You said that it is not as robust as that used in the Civil Service. What changes need to be made in health and education in order to get a clearer picture of what is happening there?

Mr Gray: I will give you a couple of examples. Education monitors only the absences of teachers; so, if you are non-teaching staff, absence is not recorded, monitored or reported on. That is clearly a weakness in that system. The Health Department leaves the trusts to monitor their own sickness absence, and will record only the overall level. That is correct, is it not, David? You just keep me right in case I am saying something nonsensical. So, the Department holds summary information and it leaves the detailed information to the trusts, which clearly means that it does not have a detailed picture across the whole sector.

The Departments are planning to introduce a new HR system. That is one of the improvements that it wants to see so that it will be able to monitor at a much more detailed level across the whole system.

Mr Murdie: With the Northern Ireland Statistics and Research Agency (NISRA) carrying out monitoring and producing its report annually on sickness absence across the Civil Service, it is a fairly robust and rigorous approach to statistics and analysis. Although information is held in the health and education sectors, it was more difficult for us to try to get it at a summary level. We had to drill down. Reports were not produced regularly for monitoring. It was more difficult to get analysis of long-term and short-term causes of absence or analysis by gender, grade and so on. That sort of information was more difficult to access. From a management information point of view, that is the issue that we have drawn out. If you are going to get information at a level that you can monitor at organisational level, work needs to be done with regard to the systems that are used to record that and produce the reports.

Mr D Bradley: Previously, officials from the Department, I think, briefed us on the efforts by the Civil Service to deal with sickness absence. It seemed to have quite a coordinated approach. As you said, it has more accurate information. What is your assessment of the level of success that the Civil Service is meeting? If the health and education sectors adopted a similar approach, would we make reasonable additional progress?

Mr Gray: I will answer those questions in reverse, if I may. The key to that is quality information in the first instance. The Civil Service has generally good information, as David says. The involvement of NISRA in that gives it robustness. It means that decisions are taken on the basis of the best information. Clearly, at present, health and education are not. In that respect, the Civil Service is well ahead of both those sectors. If improvements in information can be delivered in health and education,

the management of sickness absence can be improved to match that of the Civil Service. What we are finding in the latest figures is that the Civil Service has delivered a downward trend and success. Over the past couple of years, that success appears to have plateaued. Do you want to say anything more about that?

Mr Murdie: Our report, which covered the Civil Service figures up to March 2012, showed that downward trend. The graph at figure 11 on page 21 of the report illustrates that downward trend. Last year, there was a slight increase in the overall level of sickness absence. It was 10.1 in 2011-12 and 10.6 last year. So, it does seem to have plateaued or increased slightly in the past year, although since 2006-07, there obviously has been a downward trend.

Mr D Bradley: The fact that we do not have quality information in health and education is obviously costing us money. Are you able to put any sort of rough figure or estimate on that?

Mr Gray: Yes. As I told you, across the piece, we have a figure of around £150 million for the losses that sickness absence is costing us across the system. We can break that down across health, education and the Civil Service. In the Civil Service, sickness absence costs us about £30 million. In the health sector, it is costing about £73 million. In the education sector, it is costing around £32 million. As I said, if we can reduce it and just match what they are achieving in GB, we can save ourselves around £37 million.

Mr D Bradley: The performance of the Civil Service is better than that of the health and education sectors. If we were able to progress health and education to perform in the same way as the Civil Service here, what estimated savings might we make?

Mr Gray: I do not think that we estimated it like that, did we?

Mr Murdie: No. We looked at the overall GB figures as the comparator, rather than at what they would be if, say, the health sector were at the same level as the Civil Service.

Mr D Bradley: But there would be a saving.

Mr Gray: Undoubtedly.

Mr Murdie: We also made a point in the report about comparisons between the sectors. One of the points that was made to us during the production of the report was about looking at the structures and the nature of work in the different sectors. When drawing comparisons between sectors, there is a need to be aware of differences as well.

Mr D Bradley: What needs to be done to bring the education and health sectors up to the same level of performance as the Civil Service?

Mr Gray: In short, get the information. Get similar policies and procedures for how that is managed at local level. Set some targets. It does not get very much more sophisticated than that with regard to managing sickness absence.

Mr D Bradley: One of the points that you made was that the Department is largely unaware of the underlying reasons behind sickness absences. Is there not a need for the Health and Education Departments to have more detailed and accurate information so that they have a proper overview of what is happening in those sectors?

Mr Gray: Yes, and I think that they recognise that. They need to put the investment in first so that they have the information systems that will deliver that. When they have good information, they can take good decisions.

Mr D Bradley: And that is in hand at the moment.

Mr Gray: Yes.

Ms Boyle: Thank you, Neil. You are all very welcome. Have there been any major changes in trends since the 2008 Audit Office report?

Mr Murdie: If you look at the trends in the graph for the Civil Service in 2008, you see that there was beginning to be a reduction in the level of sickness absence. It had come down even further over the following couple of years. Again, as Neil said, it seems to have plateaued somewhat.

Ms Boyle: I see in paragraph 1.21 of the report the slight reduction in the gap between males and females. It has narrowed in some way. Going back to the education sector, I see that you have included pregnancy-related illnesses in 1.21. Are we talking about postnatal depression?

Mr Murdie: Again, that is the work that NISRA would do and analyse. There is fairly robust data in the Civil Service regarding —

Ms Boyle: I was just trying to define what that meant.

Mr Murdie: In comparing male and female absences, they will adjust. I do not know the specific details of the pregnancy-related illnesses.

Ms Boyle: I am just wondering whether morning sickness and postnatal depression, for example, were taken into account when this was compiled.

Mr Murdie: I am not exactly sure of the detail. It is an attempt to make a more reasonable comparison between the two, as I understand it.

Mrs Cochrane: Having been in the Civil Service for a number of years, I know that, if you are off with a pregnancy-related illness such as morning sickness, it is not counted towards the normal triggers for discipline and stuff like that. That is normally why, when they gather that information, they set it to the side. I hope that helps.

Ms Boyle: Thank you, Judith.

Mrs Cochrane: I cannot remember what I was going to ask. *[Laughter.]* You talked about potential savings in the health and education sectors and across the Civil Service as a whole. Are you more likely to make the savings in health and education because you have to bring somebody in to do jobs in those sectors because a lot more of it is based on service delivery, whereas in the core Civil Service, I am not sure whether anybody else necessarily comes in to do the work? Would that be a correct assumption?

Mr Gray: I think that is absolutely right. If you look at the part covering teachers, for example, you will see that we put a figure on the cost of substitution, which is around £12 million a year, so you can add that to the cost of the absence itself in the education sector. There are clearly costs in health for employing locums and agencies, but we had a great deal of difficulty getting to that as part of this exercise. Some of you will be aware that the C&AG reported on the use and cost of locums in Health and Social Care (HSC) just a year or so ago.

Mr Cree: Two points occur to me every time I see these statistics. One is the incidence of long-term sickness in this whole equation, which makes a big difference. I guess that needs more attention than perhaps the other does. It certainly needs first attention. Is there any evidence that that happens?

The second issue, which I have always been bemused by, is that, in the straight arithmetical calculation of so many days at x number of pounds a day equalling y, no cognisance is taken of the productivity of others who are acting in a person's absence, which would mitigate that figure. What could we do about that, if anything?

Mr Gray: Again, I will take those points in reverse order. The cost calculation is a pretty blunt instrument. It cannot, by its very nature, take account of differing levels of productivity among different grades or, indeed, among different individuals. It is difficult to do that. All figures on potential costs and savings, whether in this or any other report, are, by their nature, estimates.

Sorry, I have forgotten the first question now.

Mr Cree: The incidences of long-term sickness in all of that.

Mr Gray: There is evidence that attention is paid to long-term sickness absence, particularly in the Civil Service. At an individual trust level, we know that work is going on. The difficulty is that, because the Department lacks the numbers and information at a global level in HSC, it is not in a position to influence any of that. It is all left to the individual level. I cannot tell you too much more about that because, obviously, we did not go down to that level when we were doing this piece of work.

Mr Cree: The other thing, of course, is a direct comparison between the sizes of the trusts. If you are talking about 5.2% across the range of the trusts, obviously those that employ twice as many people will have much higher costs. Sometimes, I think that we ignore that.

Mr Murdie: The calculation in here was based on a percentage across the piece and the whole cost of the sector, but, yes, I take your point.

Mr Gray: You have certainly hit on a very important issue, which is that of how everybody goes about measuring their losses.

Mr Cree: It is fundamental.

Mr Gray: Some of them measure it in days, and the trusts tend to measure it as a percentage of working days lost. There are differences, and, as David said, it makes comparisons between those sectors a little difficult. You can do it, but you need to be aware that the comparisons are not at all direct.

Mr Cree: It is apples and oranges.

Mr Gray: Yes, absolutely.

The Chairperson: Targets for the different Departments are laid out on page 25 of the report. DCAL had a target of 6.5 days for 2010-11, and it had the same target for 2011-12. Its actual days lost went up from 7.5 to 8, so what assurance is there that the Departments are setting realistic targets? How are we benchmarking those targets? Are we just looking to across the water or down South to see what they are doing as an indicator or are we having more local factors included in how we set our targets?

Mr Gray: On how the targets are set, you are right: the Departments set them, but DFP has a role in this. It acts as the watchdog to make sure that nobody is stepping out of line and setting themselves targets that are either fundamentally unachievable or, indeed, easily achievable.

The Chairperson: Why is DSD's target such a large number of days? Its target is for 12.8 days compared with 6.5 for DCAL.

Mr Gray: Which figure are you looking at?

The Chairperson: The figures on page 25. DSD met its target of 12.8 days with an actual figure of 11.1 days. Its target gave it a lot of scope, did it not?

Mr Gray: It certainly did. Traditionally, DSD has been one of the Departments with a higher rate of sickness absence. It has been put to us that the nature of work in DSD, a lot of which is customer facing, creates a certain amount of stress.

The Chairperson: Is that down to the Housing Executive, primarily?

Mr Murdie: It is the Social Security Agency.

Mr Gray: That element of dealing with the public apparently causes stress.

Mr Murdie: If you look at the information on the levels of absence at different grades at DSD, you will find that it is more likely that there will be higher levels of sickness absence among admin customer-facing grades. The structure of that Department is that there is a higher number of those grades of staff in there. That is a factor in the higher levels.

The Chairperson: Gentlemen, thank you very much.