



Cynulliad National  
Cenedlaethol Assembly for  
Cymru Wales

# Audit Committee

The Management of Sickness Absence  
in the National Assembly for Wales

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# THE NATIONAL ASSEMBLY FOR WALES

## AUDIT COMMITTEE

Report presented to the National Assembly for Wales on 17 January  
2007 in accordance with section 102(1) of the Government of Wales Act  
1998

### The Management of Sickness Absence in the National Assembly for Wales

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## Summary

1. The Committee has reported previously on the management of staff sickness absence in the NHS and further education sectors and, from this work, it is evident that the basic principles of good practice in the management of sickness absence apply to all organisations, large and small. The 6,500 staff employed across the constituent parts of the National Assembly for Wales represent its biggest asset and the health, well being and attendance of these staff is crucial to the delivery of wider business objectives.
  
2. On the basis of a report by the Auditor General for Wales<sup>1</sup> we took evidence on 12 October 2006 from Sir Jon Shortridge (the Permanent Secretary), Bernard Galton (Director of the Human Resources Group) and Peter Kennedy (Head of Human Resources Delivery). We examined the progress being made in reducing the levels of sickness absence reported across the National Assembly for Wales, and the action being taken to improve the management of sickness absence. We concluded that:
  - a) clear leadership, backed by improved management processes, has contributed to a reduction in sickness absence; and
  - b) further improvements in sickness absence management are still possible.

### **Clear leadership, backed by improved management processes, has contributed to a reduction in sickness absence**

3. Between 2004 and 2005, sickness absence rates fell from an average of 10 days per member of staff, to an average of eight days, with a particular reduction in the level of long term absence. Further reductions have been delivered in first half of 2006. To have achieved these reductions at a time of considerable organisational change, including the Welsh Assembly Government's merger with a number of former

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<sup>1</sup> AGW report, *The management of sickness absence in the National Assembly for Wales*, 14 September 2006

Assembly Sponsored Public Bodies and implementation of its relocation strategy, is a notable achievement.

4. It is no coincidence that the reported reduction in sickness absence has come at a time when greater attention has been paid to this issue across the National Assembly for Wales, demonstrating the benefits of managing sickness absence in a pro-active manner. Key factors in this success have been a clear commitment by senior management, supported by updated policies and procedures that reflect wider good practice. For example, the revised attendance management policy developed by the HR Department clarifies roles and responsibilities for the management of sickness absence, placing particular emphasis on the role of line managers. The policy also introduced a requirement for return to work interviews to be carried out after any period of sickness absence.
5. There has also been an increase in expenditure on corporate health services, including health and safety, occupational health and staff support and counselling, from the equivalent of £160 per member of staff in 2004/2005 to around £200 per member of staff in 2005/2006. Part of this increase is due to the employment of an in house occupational health doctor who has had a particular role in reducing the level of long term sickness absence.
6. Staff employed across the National Assembly for Wales are provided with a range of flexible working conditions, designed to help them achieve a balance between work and their home life, and this seems to have had an impact on staff attitudes. The proportion of staff who agreed that they can strike a balance between their work and life outside work has increased from 58 per cent in 2004 to 70 per cent in 2005.

#### **Further improvements in sickness absence management are still possible**

7. There is still scope for further improvements in the management of sickness absence. One key area for improvement is management

information; the new 'Snowdrop' HR IT system promises to deliver significant benefits, although there have been delays in its implementation. These benefits will centre on: more accurate recording of all forms of absence; more detailed analysis of sickness absence trends; and promoting compliance with elements of the attendance management policy.

8. Despite rollout of the Confident Manager training programme, making line managers confident in their ability to manage sickness absence is a continuing challenge and it is clear that the renewed emphasis on line managers' people management responsibilities represents something of a cultural change across the National Assembly for Wales. Nonetheless, there are steps that can be taken to support this process including: ensuring that training meets managers' and organisational needs; ensuring that guidance for managers clearly sets out the requirements of the policies and procedures; and building managers' confidence in the support available from the HR Department and occupational health service.
9. In previous reports, we have found that many organisations have not provided adequate access to occupational health services for their staff. The increased expenditure committed to the corporate health service is therefore encouraging but the economy, efficiency and effectiveness of this service should be subject to appropriate scrutiny. In this regard, it is encouraging that the HR Department has already commissioned an independent audit of the service with a view to highlighting further improvements in service provision, and has revised the arrangements for the occupational health doctor to take account of the fact that an initial backlog of activity has been cleared.
10. Senior management are demonstrating their commitment to tackling work-related stress through the involvement of the National Assembly for Wales in piloting the Health and Safety Executive's Stress Management Index, and the development of an action plan in response to this work. However, there remain concerns about a long hours culture, particularly

among senior managers. While we recognise that working pressures may require senior managers to work beyond their contracted hours, if the pressures of doing so result in prolonged sickness absence, this can itself have serious consequences for the overall management and leadership of an organisation. The extent and impact of long hours working therefore needs further exploration.

## Recommendations

11. Our report considers the management of sickness absence across the constituent parts of the National Assembly for Wales. With the exception of recommendation i, our recommendations are applicable to the Welsh Assembly Government and the Assembly Parliamentary Service (ahead of and following establishment of the National Assembly for Wales Commission in May 2007).
  - i. The renewed focus on the management of sickness absence over the past two years has clearly had an impact on overall absence rates. **In the spirit of *Making the Connections*, we recommend that the Welsh Assembly Government should seek ways to share with other public sector organisations in Wales the reasons for its success in reducing sickness absence rates, as well as wider lessons from its development of a new electronic HR IT system to support the absence management process.**
  - ii. The new Snowdrop HR IT system promises to deliver much improved management information on sickness absence. **In addition to the measures recommended by the Auditor General, we recommend that the HR Department should use the Snowdrop HR IT system to:**
    - a. **record all forms of leave, including paid and unpaid special leave, and monitor, over time, whether there is any relationship between changes in the levels of sickness absence, and the take-up of other types of leave;**



**Department should fully analyse the scale of long hours working across the organisation, and develop appropriate actions to ensure that staff at all grades do not regularly work unreasonably long hours, particularly where this risks contravention of wider health and safety and EU working time directive regulations.**

- vi. The measures already taken to improve the management of sickness absence across the National Assembly for Wales are to be commended, but this is an ongoing management challenge which requires constant vigilance. **To support further improvement, we recommend that the HR Department should develop a clear action plan to implement our recommendations, and those contained within the Auditor General's report.**

## **Clear leadership, backed by improved management processes, has contributed to a reduction in sickness absence**

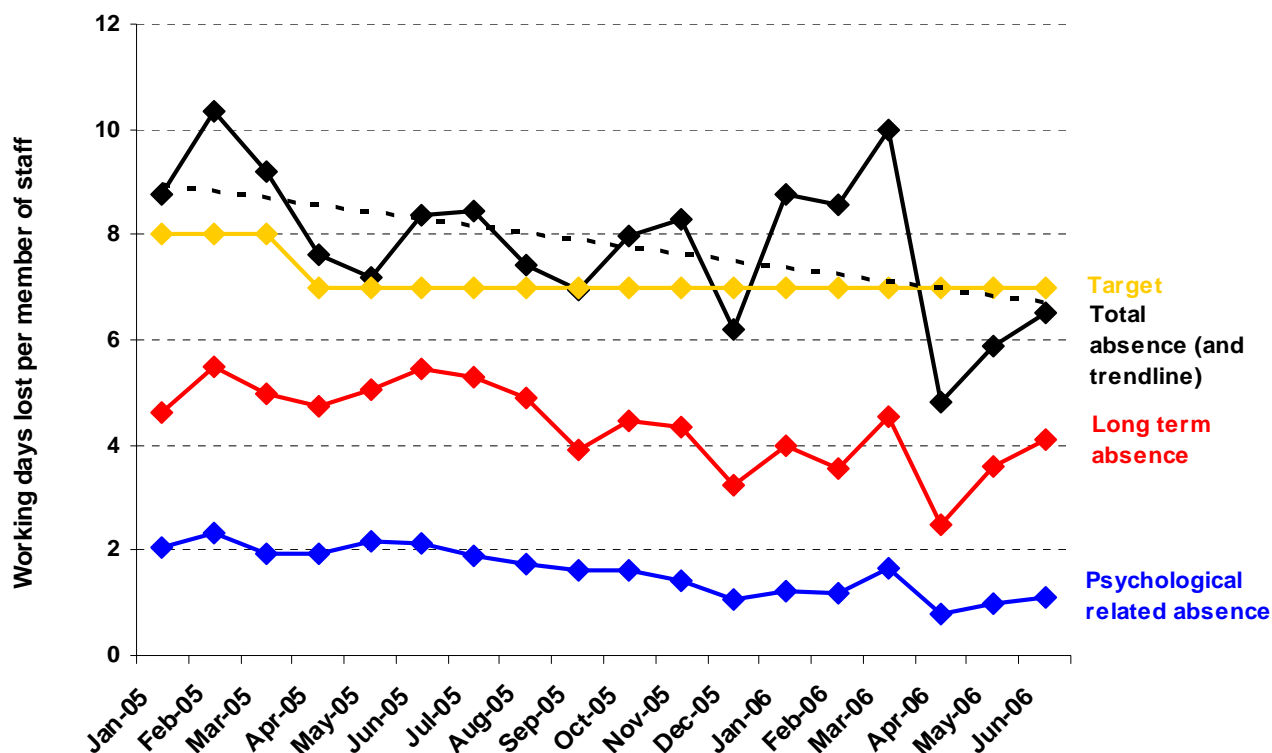
**Between 2004 and 2005, sickness absence rates fell from an average of 10 days per member of staff to 8 days**

12. The Auditor General's report shows that reported staff sickness absence rates across the National Assembly for Wales reduced significantly, from an average of 10 days per member of staff in 2004 to eight days in 2005. Figure 1 shows the general downwards trend in sickness absence rates between January 2005 and June 2006, a substantial part of which was due to reductions in the level of long term and/or psychological related absence. The witnesses explained that the number of people absent long term had, overall, reduced from over 100 to 41 since April 2004.<sup>2</sup>

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<sup>2</sup> Annex A, paragraphs 36, 172 and 205

**Figure 1: Trends in sickness absence between 1 January 2005 and 30 June 2006<sup>3</sup>**



**Note**

These figures represent an annual indicator by multiplying the actual level of absence per member of staff in each individual month by a factor of 12.

*(Source: Wales Audit Office analysis of the National Assembly for Wales’s HR management information reports)*

13. The Committee is aware that uncertainties inherent in organisational change can lead to rising levels of sickness absence.<sup>4</sup> We were therefore encouraged that the level of sickness absence reported in the three months following the merger of the Welsh Assembly Government with a number of former Assembly Sponsored Public Bodies (ASPBs) in April 2006 was, on average, lower than in the previous 15 months (Figure 1). This said, the scale of the reduction in April 2006 suggests that staff joining from the former ASPBs already had lower levels of sickness absence prior to the mergers. An alternative explanation, as the Permanent Secretary acknowledged, is that there may have been

<sup>3</sup> AGW report, figure 1

<sup>4</sup> AGW report, paragraph 1.10

some under-recording as former ASPB staff were becoming familiar with new processes within the National Assembly for Wales, although he was confident that all staff were now aware of, and implementing, common systems.<sup>5</sup> Despite these potential anomalies, to have achieved the reductions in sickness absence shown in Figure 1 at a time of considerable organisational change, including the implementation of the Welsh Assembly Government's relocation strategy, is a notable achievement.

14. It is surely no coincidence that the reported reduction in sickness absence has come at a time when greater attention has been paid to this, and other people management issues, across the National Assembly for Wales. Our earlier reports on sickness absence management in the NHS and Further Education sectors<sup>6</sup> demonstrate the benefits of managing sickness absence in a pro-active manner. Key features of the improvements in sickness absence management across the National Assembly for Wales include:

- a) senior management demonstrating a clear commitment to addressing sickness absence;
- b) updated policies and procedures which reflect wider good practice;
- c) strengthened corporate health capacity; and
- d) steps taken to help staff achieve a balance between their work and home lives.

### **Senior management has demonstrated a clear commitment to addressing sickness absence**

15. Senior managers play an important role in demonstrating a corporate commitment to the management of sickness absence.<sup>7</sup> The Permanent

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<sup>5</sup> Annex A, paragraphs 12 and 14

<sup>6</sup> Audit Committee reports, *The Management of Sickness Absence by NHS Trusts in Wales*, 5 August 2004; and *The Management of Sickness Absence by Further Education Institutions in Wales*, 2 November 2005

<sup>7</sup> AGW report, paragraph 2.3

Secretary recognised the importance of strong leadership and believed that his own personal emphasis on this issue sent a signal through the organisation.<sup>8</sup> For example, he told us that he would formally write to a Head of Department asking for an explanation of any unusual or surprising trends in the sickness absence figures reported for that department.<sup>9</sup> The Auditor General's report suggests that this signal from senior management has, at least, reached most managers; 87 per cent of managers involved in the Auditor General's focus groups agreed that sickness absence management was regarded as an important issue across the National Assembly for Wales.<sup>10</sup>

### **Updated absence management policies and procedures reflect wider good practice**

16. In 2004 the HR Department issued a revised attendance management policy which now requires that return to work discussions are undertaken following all absences and has strengthened the trigger points for the management of frequent short term sickness absence (defined levels of absence where some form of management intervention should be considered).<sup>11</sup> Mr Galton explained that he drew on research by the Health and Safety Executive, the Cabinet Office, and the Department of Trade and Industry in developing the policy. He also told us that he and the Deputy Minister for Education Lifelong Learning and Skills sit on a group chaired by Lord Hunt from the Department for Work and Pensions which was looking at spreading best practice on sickness absence management across the public sector, particularly in the Civil Service. We welcome this commitment to learning from and sharing good practice and it was also pleasing to hear that Lord Hunt had, in light of the Auditor General's report, commended the progress made by the National Assembly for Wales in this area.<sup>12</sup>

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<sup>8</sup> Annex A, paragraphs 10, 35, 67 and 230

<sup>9</sup> Annex A, paragraphs 35 and 67

<sup>10</sup> AGW report, paragraph 2.4

<sup>11</sup> AGW report, paragraphs 2.2, 2.11 and 2.14

<sup>12</sup> Annex A, paragraph 137

17. The Permanent Secretary and Mr Galton told us that this revised policy emphasised the roles and responsibilities of line managers.<sup>13</sup> We agree that the responsibility for managing sickness absence should rest principally with line managers who, as noted in our previous reports on this issue, are best placed to understand and respond to the individual circumstances of the members of staff they manage.<sup>14</sup> However, the Permanent Secretary recognised that this represented something of a cultural change across the National Assembly for Wales.<sup>15</sup> Mr Galton said that he had been driving this change by emphasising that people management was a core part of line managers' day jobs, as well as trying to provide appropriate support to line managers in exercising their responsibilities.<sup>16</sup>
18. Return to work discussions, which involve line managers holding a discussion with staff when they return from a period of sickness absence, are generally recognised as a powerful tool in absence management.<sup>17</sup> The Permanent Secretary endorsed the importance of return to work interviews and Mr Galton pointed to their benefits in developing the relationship between managers and their staff.<sup>18</sup> The Auditor General's report shows evidence of these interviews taking place more frequently across the National Assembly following introduction of the revised attendance management policy.<sup>19</sup> Although Mr Galton recognised that there were still likely to be gaps in compliance he was confident that, based on feedback from his HR advisers, managers were increasingly undertaking these interviews.<sup>20</sup>

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<sup>13</sup> Annex A, paragraphs 64, 133-134, 137, 139, 187, 210 and 230

<sup>14</sup> Audit Committee reports, *The Management of Sickness Absence by NHS Trusts in Wales*, 5 August 2004; and *The Management of Sickness Absence by Further Education Institutions in Wales*, 2 November 2005

<sup>15</sup> Annex A, paragraphs 134 and 187

<sup>16</sup> Annex A, paragraph 139

<sup>17</sup> AGW report, figure 4

<sup>18</sup> Annex A, paragraphs 163-164

<sup>19</sup> AGW report, paragraph 2.13 and figure 4

<sup>20</sup> Annex A, paragraphs 163 and 166

## **Strengthened 'corporate health' capacity has contributed to the reduction in sickness absence**

19. Expenditure on corporate health activities across the National Assembly for Wales, which includes occupational health, health and safety and staff support and counselling, increased from £656,000 (around £160 per member of staff) in 2004/2005 to £862,000 (around £200 per member of staff) in 2005/2006.<sup>21</sup> As part of this increase, the Permanent Secretary stated that, to his knowledge, the Welsh Assembly Government was the only government department to have directly employed its own occupational health doctor.<sup>22</sup> The witnesses all drew particular attention to the contribution of this doctor, along with the wider occupational health team, in tackling long term sickness absence.<sup>23</sup> The Permanent Secretary and Mr Galton also highlighted the wider services provided by the corporate health team that contribute to the prevention of absence and promote the health and well-being of staff, such as providing well-man and well-woman clinics.<sup>24</sup>
20. Mr Galton also explained that an employee assistance programme, similar to a scheme operated previously by the Welsh Development Agency, was soon to be provided for all staff. Mr Galton said that the Welsh Development Agency had found it to be a cost effective way of providing 24 hour support for staff, and that he was nearing the end of a tender process for a system to be extended across the organisation.<sup>25</sup>

## **Flexible working conditions are contributing to improved work-life balance**

21. Staff employed across the National Assembly for Wales benefit from flexible working arrangements designed to enable them to achieve a balance between work and their home life. There is also a range of paid and unpaid special leave that is intended to help staff to manage personal circumstances and responsibilities that may require them to be

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<sup>21</sup> AGW report, paragraph 2.20

<sup>22</sup> Annex A, paragraph 170

<sup>23</sup> Annex A, paragraphs 36, 170-173, 179, 182, and 208

<sup>24</sup> Annex A, paragraphs 173 and 182

<sup>25</sup> Annex A, paragraphs 176-177

away from work.<sup>26</sup> It appears that these provisions are having a positive impact as the results of the National Assembly for Wales's staff survey show that, in 2005, 70 per cent of staff stated that they were able to achieve a balance between their work and life outside work, up from 58 per cent of staff in 2002.<sup>27</sup> Mr Galton told us that, in his view, these flexible working arrangements have a direct impact on sickness absence, as they enable people to work term-time or compressed hours, and to work around childcare and other caring commitments.<sup>28</sup> However, it is also possible that part of the reason that sickness absence has reduced may be that there has been an increased uptake of special leave which still represents lost working time.

## **Further improvements in sickness absence management are still possible**

22. Despite the clear progress made since 2004, the Permanent Secretary and Mr Galton clearly acknowledged that there was scope for even further improvements in the management of sickness absence, and in the levels of sickness absence in general.<sup>29</sup> Four particular areas for improvement appear to be:

- a) realising the benefits of the new 'Snowdrop' HR IT system;
- b) delivering confident managers and a coordinated approach to absence management;
- c) evaluating and further improving the provision of corporate health services; and
- d) identifying and addressing work-related stress.

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<sup>26</sup> AGW report, paragraph 2.28 and Appendix 4 ; Annex A, paragraph 222

<sup>27</sup> AGW report, paragraph 2.30

<sup>28</sup> Annex A, paragraph 222

<sup>29</sup> Annex A, paragraphs 45, 145 and 230,

## Realising the benefits from the new 'Snowdrop' Human Resources IT system

23. The Permanent Secretary acknowledged that, to date, he had not had at his disposal a high quality HR management information system to support the management of sickness absence, but that this was being addressed with the introduction of the new 'Snowdrop' HR IT system.<sup>30</sup> There have been significant delays in the delivery of this system and while these can more recently be explained by changes in the system specification, demands in relation to the merger with ASPBs, and the need to integrate successfully with other IT systems, the Permanent Secretary recognised that implementation had taken longer than he would have liked.<sup>31</sup> We look to the HR Department, on behalf of the wider organisation, to realise the benefits of Snowdrop as soon as is practicable.

## More accurate and timely management information

24. Despite the constraints of not having a good quality HR management information system, the HR Department has, over the past two years, already taken action to improve the quality of the information on sickness absence levels presented on a monthly basis to senior management. Nevertheless, the Auditor General's report clearly sets out the scope for further improvements in the quality of this information, particularly by recording and reporting sickness absence in relation to the contracted time lost as working patterns become more flexible.<sup>32</sup> The Permanent Secretary recognised the potential of the Snowdrop system to deliver these improvements although he also emphasised that the information currently available did, importantly, enable him to monitor month-on-month trends on a consistent basis. Without an electronic system to support the production of this information, he explained that it would have been too time consuming to have already actioned the further

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<sup>30</sup> Annex A, paragraph 43, 72, 97, 98 and 230

<sup>31</sup> Annex A, paragraphs 100, 102 and 114

<sup>32</sup> AGW report, paragraphs 1.15-1.21

improvements in the measurement of sickness absence recommended in the Auditor General's report.<sup>33</sup>

25. The Permanent Secretary also confirmed that the new Snowdrop system will enable line managers to record all absences electronically as they occur. This should reduce the risk of recording errors, compared with the previous paper recording system, and provide more 'real-time' information, although it will still rely on staff and managers fulfilling their responsibility to report and record sickness absence accurately.<sup>34</sup>
26. We were surprised that the levels of sickness absence reported for the National Assembly for Wales did not include part day absences, and we were concerned that any trends in such absences may therefore go unnoticed, even if they would have a relatively small impact on the organisation wide figures.<sup>35</sup> The Permanent Secretary explained that part day absences were being recorded but that they were not entered onto the payroll system due to Civil Service terms and conditions related to occupational sick pay.<sup>36</sup> Given that the information from the payroll system is used to help trigger management interventions, trends in part day absences may have been overlooked. In our view, all absences should be recorded, regardless of length, to check for trends and to see whether the particular member of staff has any underlying problems which managers, HR or the corporate health team can help resolve. Whether these absences are counted for occupational sick pay purposes is another matter. We were therefore pleased to see, in the Permanent Secretary's note, confirmation that half day absences will continue to be recorded on the 'Snowdrop' HR IT system, which should enable closer monitoring of these absences in future.<sup>37</sup>

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<sup>33</sup> Annex A, paragraph 72

<sup>34</sup> AGW report, paragraph 1.22; Annex A, paragraph 97

<sup>35</sup> AGW report, paragraph 1.21

<sup>36</sup> Annex A, paragraphs 72-95; Annex B

<sup>37</sup> Annex B

## Improved analysis of trends in sickness absence

27. One important benefit of the new Snowdrop system will be its ability to provide more detailed analysis of absence trends across the organisation than has been possible to date.<sup>38</sup> However, there has been already been some progress in identifying and addressing pockets of absence. For example, Mr Galton explained that the figures for his HR Department include both the traditional HR/personnel function, but also facilities management staff such as security guards, the post room and messengers. It was the latter of these groups of staff that contributed disproportionately to the relatively high level of sickness absence reported for the HR Department. Mr Galton told us that work was underway to look at improving the conditions of service and the quality of these jobs which may in turn contribute to a reduction in sickness absence.<sup>39</sup>
28. The Auditor General's report recommends that the HR Department, to manage the risks posed by organisational change, should separately monitor trends in absence among staff from former ASPBs or those affected by relocation. We understand the concerns expressed by the witnesses about singling out particular groups of staff when they were trying to create a single organisational culture, but examining sickness absence trends in this way is, in our view, no different to disaggregating information by age, gender or any other variable.<sup>40</sup> Furthermore, given that organisational change can impact on staff wellbeing, we believe it would be prudent to continue to monitor sickness absence among those staff most affected by the ASPB mergers and relocation even if there has not, to date, been any evidence of an increase in sickness absence because of these changes.<sup>41</sup>

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<sup>38</sup> AGW report, paragraph 1.23; Annex A, paragraphs 35, 62, 97, 98, 129 and 230

<sup>39</sup> AGW report, paragraphs 1.5 to 1.7 and figure 2; Annex A, paragraphs 24-27 and 41;

<sup>40</sup> AGW report, recommendation iv (a); Annex A, paragraphs 47-50 and 62

<sup>41</sup> AGW report, paragraph 1.10; Annex A, paragraph 65

## Driving and monitoring compliance with core policy requirements

29. The Auditor General's report highlights some ongoing issues with the consistency of application of return to work interviews and management intervention in response to absence trigger points, although there is evidence of improvement over time.<sup>42</sup> The Permanent Secretary explained that the 'Snowdrop' HR IT system will be able to be used to encourage more consistent application of these procedures, for example by notifying managers when a trigger point has been breached.<sup>43</sup> This automated process should resolve the problems highlighted in the Auditor General's report, whereby the intermittent nature of the trigger point reports generated from the payroll system meant that not all breaches of these trigger points were identified. It should also improve the timeliness with which an individual's manager was notified of an absence that had caused the breach of a trigger point.<sup>44</sup>

## Delivering confident managers and a coordinated approach to absence management

30. The development of robust management information systems to support the management of sickness absence is clearly important but, as Mr Galton emphasised, this is ultimately a people issue<sup>45</sup> and we recognise that the quality of the interaction between managers and their staff, with appropriate support from HR and occupational health staff, is critical to success. The Auditor General's report suggests that there is still room for improvement in this regard as around half of the managers who took part in the Auditor General's focus groups said they did not feel well trained to manage sickness absence; 43 per cent said they did not feel well supported by HR in managing sickness absence and almost half did not feel well supported by occupational health.<sup>46</sup>
31. The Permanent Secretary was disappointed but not surprised at these findings. He told us that many managers will not necessarily feel

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<sup>42</sup> AGW report, paragraphs 2.11-2.19

<sup>43</sup> Annex A, paragraphs 97-98, and 230

<sup>44</sup> AGW report, paragraph 2.16.

<sup>45</sup> Annex A, paragraph 127

<sup>46</sup> AGW report, paragraphs 2.8, 2.10 and 2.24

confident until they have had more practical experience of dealing with sickness absence cases.<sup>47</sup> We recognise that experience is important, but there are areas for improvement which would also help to build managers' confidence, including:

- a) ensuring that training meets managers' and organisational needs;
- b) ensuring that guidance for managers clearly sets out the requirements of policies and procedures; and
- c) building managers' confidence in the support services provided by HR and occupational health.

### **Ensuring that training meets managers' and organisational needs**

32. Managing sickness absence can be challenging and, as Mr Galton recognised, staff need to be equipped with the skills to manage difficult personal circumstances in a sensitive manner.<sup>48</sup> The fact that half of line managers did not feel well trained to manage sickness absence, despite almost all attending the Confident Manager training course (which includes a module on attendance management) is concerning.<sup>49</sup> We hope that the attendance management module in the current round of compulsory management training will have a greater impact on managers' confidence.<sup>50</sup> Managers also have access to a more in-depth course on attendance management although this is voluntary and the Permanent Secretary told us that he relies on managers to attend the course if they feel they need to.<sup>51</sup>
33. The Permanent Secretary and Mr Galton explained that they were discussing with the new training provider for the National Assembly for Wales how they could get better performance evaluation information in

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<sup>47</sup> Annex A, paragraph 187

<sup>48</sup> Annex A, paragraph 166

<sup>49</sup> AGW report, paragraph 2.7 and 2.8

<sup>50</sup> Annex A, paragraph 148

<sup>51</sup> Annex A, paragraphs 149 and 152

relation to the training programmes provided.<sup>52</sup> In the case of attendance management training, one component of any evaluation could be to explore the relationship between the provision of this training and outcomes in terms of sickness absence rates in different parts of the organisation.

### **Ensuring that guidance for managers clearly sets out the requirements of the policies and procedures**

34. Linked to the issue of training, line managers may not be confident in managing sickness absence because, as the Auditor General reports, elements of the policy and procedures may be unclear.<sup>53</sup> The Permanent Secretary acknowledged the need for further refinement of the policy<sup>54</sup> and, the Auditor General's report focuses on the need for clearer guidance in respect of documenting return to work interviews, the extent of discretion that can be exercised should staff breach absence trigger points, and how to measure improvements in attendance following breaches of these trigger points.<sup>55</sup>

### **Building managers' confidence in the support provided by HR and occupational health**

35. If they are to feel confident dealing with staff sickness absence, managers need to feel well supported by the HR Department and the occupational health service. We agree with Mr Galton that managers should not be left feeling exposed and vulnerable, especially if they are managing a difficult case.<sup>56</sup> The Auditor General's report notes that restructuring of the HR Department and the introduction of professional HR adviser teams, working alongside departments to get a better understanding of their business, has been recognised to have improved the quality and availability of support to individual managers.<sup>57</sup> However, both the HR Department and occupational health service need to examine why so many managers still do not feel well supported by them

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<sup>52</sup> Annex A, paragraphs 154-156

<sup>53</sup> AGW report, paragraphs 2.11 to 2.19

<sup>54</sup> Annex A, paragraph 10

<sup>55</sup> AGW report, recommendation ii and paragraphs 2.11-2.19

<sup>56</sup> Annex A, paragraph 195

<sup>57</sup> AGW report, paragraph 2.10

in managing sickness absence, although some had limited recent experience of the service. The existing customer reference groups which Mr Galton described appear already to offer a vehicle for feedback.<sup>58</sup> We also note that the Auditor General has provided the HR Department with some more detailed findings from its focus groups with managers which may highlight particular issues that need to be addressed.<sup>59</sup>

### **Evaluating and further improving the provision of corporate health services**

36. In our previous reports on sickness absence management in the NHS and Further Education sectors, we have highlighted problems with the provision of occupational health services, and variation in organisations' commitment to promoting wider corporate health related activities.<sup>60</sup> We are therefore encouraged that the Permanent Secretary clearly emphasised his belief that the Assembly Government should set a clear example to other organisations by investing proportionately in this area.<sup>61</sup>
37. Nevertheless, the Permanent Secretary acknowledged that the corporate health service provided is not cheap.<sup>62</sup> Although there have been clear benefits, particularly the contribution of the occupational health doctor in reducing long term sickness absence rates, it is important that the overall benefits of this expenditure are properly evaluated and that the economy, efficiency and effectiveness of the service is subject to appropriate scrutiny. This is not straightforward as some of the benefits, such as those accruing from being seen to be an exemplar employer, are not readily quantifiable.<sup>63</sup> Nonetheless, we welcome the fact that the HR Department has already commissioned an independent audit of the corporate health service, with a view to further

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<sup>58</sup> Annex A, paragraph 145

<sup>59</sup> AGW report, Appendix 1

<sup>60</sup> Audit Committee reports, *The Management of Sickness Absence by NHS Trusts in Wales*, 5 August 2004; and *The Management of Sickness Absence by Further Education Institutions in Wales*, 2 November 2005

<sup>61</sup> Annex A, paragraph 182

<sup>62</sup> Annex A, paragraph 182

<sup>63</sup> Annex A, paragraph 182

developing the service offered to staff.<sup>64</sup> Prior to the conclusion of this audit, Mr Kennedy explained that the arrangements for employment of the occupational health doctor had already been revised to reflect the fact that an initial backlog of activity had been cleared. He also told us that there were other alternatives to employing an occupational health physician, with evidence suggesting that an occupational nurse led service can also be effective where appropriate systems are in place to deliver it.<sup>65</sup>

### Identifying and addressing work-related stress

38. We recognise that it is often difficult to separate out the various causes of stress and isolate work related causes from wider issues in people's personal lives.<sup>66</sup> Mr Galton told us that the occupational health doctor has been interviewing staff on long term absence due to stress to establish the extent to which there is a work-related element.<sup>67</sup> However, the new 'Snowdrop' HR IT system presents an opportunity to more rigorously record where work related factors may have contributed to a period of sickness absence and, in the case of work-related stress, the system could be used to automatically trigger a management response.
39. One of the causes of work-related stress can be workload pressures that mean staff are unable to complete their work within contracted hours. Despite the increasing proportion of staff who report being able to balance their work and home life, 41 per cent of staff still said that they could not get their work done in their contracted hours; of whom two-thirds said they worked more than five hours over their contracted hours in an average week.<sup>68</sup> The Permanent Secretary and Mr Galton told us that long hours working was primarily an issue for senior managers, although this would clearly not account for all of the 40 per cent of staff working longer hours.<sup>69</sup>

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<sup>64</sup> AGW report, paragraph 2.22; Annex A paragraph 175;

<sup>65</sup> Annex A, paragraph 179

<sup>66</sup> Annex A, paragraph 199

<sup>67</sup> Annex A, paragraphs 200-201

<sup>68</sup> AGW report, paragraph 2.30

<sup>69</sup> Annex A, paragraphs 216-217

40. We recognise that, as in most organisations, there are particular pressures on senior managers that may require them to work beyond their contracted hours. However, senior managers must also avoid sending the signal to staff that the National Assembly for Wales is an organisation where career progression is somehow dependent on demonstrating a willingness to work long hours. Moreover, should the stress induced by long hours working result in prolonged sickness absence among members of senior management, this can itself have potentially serious consequences for the management and leadership of an organisation.
41. Mr Galton told us that work is underway to examine whether there is a culture of long hours working and we expect that this work will be used as a basis for a detailed plan to address this issue.<sup>70</sup> This review should, in our view, examine in more detail how many additional hours staff are working, in the context of wider health and safety legislation and the EU Working Time Directive. We also recognise that the involvement of the National Assembly for Wales in piloting the Health and Safety's Executive Stress Management Index, is leading to the development of an action plan to address work related stress across the organisation.<sup>71</sup>

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<sup>70</sup> Annex A, paragraph 217

<sup>71</sup> AGW report, paragraph 2.27; Annex A, paragraphs 204, 206 and 213



**Cynulliad Cenedlaethol Cymru  
Y Pwyllgor Archwilio**

**The National Assembly for Wales  
The Audit Committee**

**Dydd Iau, 12 Hydref 2006  
Thursday, 12 October 2006**

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included.

*Aelodau o'r Cynulliad yn bresennol: Janet Davies (Cadeirydd), Leighton Andrews, Mick Bates, Alun Cairns, Jocelyn Davies, Mark Isherwood, Irene James, Carl Sargeant, Catherine Thomas.*

*Swyddogion yn bresennol: Bernard Galton, Cyfarwyddwr y Grŵp Adnoddau Dynol, Cynulliad Cenedlaethol Cymru; Peter Kennedy, Pennaeth yr Is-adran Adnoddau Dynol (Cyflenwi), Cynulliad Cenedlaethol Cymru; David Powell, Swyddog Cydymffurfio Cynulliad Cenedlaethol Cymru; Syr Jon Shortridge, Ysgrifennydd Parhaol, Cynulliad Cenedlaethol Cymru*

*Eraill yn bresennol: Gillian Body, Swyddfa Archwilio Cymru; Jeremy Colman, Archwilydd Cyffredinol Cymru; Matthew Mortlock, Swyddfa Archwilio Cymru; Anthony Snow, Swyddfa Archwilio Cymru.*

*Gwasanaeth Pwyllgor: Kathryn Jenkins, Clerc; Dan Collier, Dirprwy Glerc.*

*Assembly Members in attendance: Janet Davies (Chair), Leighton Andrews, Mick Bates, Alun Cairns, Jocelyn Davies, Mark Isherwood, Irene James, Carl Sargeant, Catherine Thomas.*

*Officials in attendance: Bernard Galton, Director of Human Resources Group, National Assembly for Wales; Peter Kennedy, Head of HR (Delivery) Division, National Assembly for Wales; David Powell, National Assembly for Wales Compliance Officer; Sir Jon Shortridge, Permanent Secretary, National Assembly for Wales.*

*Others in attendance: Gillian Body, Wales Audit Office; Jeremy Colman, Auditor General for Wales; Matthew Mortlock, Wales Audit Office; Anthony Snow, Wales Audit Office.*

*Committee Service: Kathryn Jenkins, Clerk; Dan Collier, Deputy Clerk.*

*Dechreuodd y cyfarfod am 9.30 a.m.  
The meeting began at 9.30 a.m.*

### **Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introduction, Apologies, Substitutions and Declarations of Interest**

[1] **Janet Davies:** I welcome everyone, including those in the public gallery, to the committee.

[2] First, I need to say that the committee operates bilingually. Headsets can be used to listen to a translation of Welsh contributions or to hear the whole proceedings more clearly. The interpretation is available on channel 1 and the proceedings as

spoken are on channel 0, if you need amplification.

[3] Please turn off your mobile phones, pagers and other electronic devices, as they interfere with the broadcast and the translation service. In the case of an emergency, committee members and the public should leave via the nearest exit and follow the ushers' instructions.

[4] I have received an apology from Denise Idris Jones, but not from anyone else. Do any Members present have any declarations of interest? I see that they do not.

9.31 a.m.

**Rheoli Absenoldeb Oherwydd Salwch yng Nghynulliad Cenedlaethol Cymru**  
**The Management of Sickness Absence in the National Assembly for Wales**

[5] **Janet Davies:** The committee has previously looked at the management of staff sickness absence across the national health service and the further education sector in Wales, but this is our first opportunity to examine in more detail the management in a single organisation. I am pleased to note the significant progress made by the National Assembly for Wales in this area over the past couple of years. However, the report highlights the need for vigilance during the period of organisational change—as we know, we have had a fair bit of change, and we are likely to have some more, I think. In this session, we can look at the progress that has been made across the constituent parts of the National Assembly, while also exploring areas in which further improvements are needed. I welcome the witnesses and I ask them to formally introduce themselves for the Record.

[6] **Sir Jon Shortridge:** I am Jon Shortridge, the Permanent Secretary.

[7] **Mr Galton:** I am Bernard Galton, director of the human resources group.

[8] **Mr Kennedy:** I am Peter Kennedy, head of human resources delivery.

[9] **Janet Davies:** Welcome to the committee. I will start as usual with a general question to Sir Jon. On paragraph 1.2, the reduction in the reported rates of staff sickness across the National Assembly is a significant achievement. Could you tell us briefly, by way of an introduction, what you think are the main reasons for the reduction?

[10] **Sir Jon Shortridge:** My management board and I, over the past few years, have given strong leadership on this. I see it as a big issue, and that sends a signal through the organisation. I insist on having monthly reports to the management board on the latest position, so that we can discuss them if we wish to do so. I also have my monthly meetings with the human resources side, so that I can understand fully what has happened in the last month and put it into context. Strong leadership, supported by good, clear policies, which the report acknowledges, reflects what is currently thought to be best practice. As the report indicates, those policies need further refinement, but it is about strong leadership, good, clear policies, and, increasingly, although we have some way to go, growing confidence among our managers to deal with sickness absence in a professional and appropriately supportive way.

[11] **Janet Davies:** Thank you. If we go on to paragraph 1.3 and figure 1 on page 12, in the first quarter of the current financial year after the merger of the Assembly sponsored public bodies, the rate of sickness absence fell below the target of the annual equivalent of seven days of absence per member of staff. To what extent do the low levels of absence in the first quarter of 2006-07 reflect the fact that you inherited a group of new staff with fewer historical sickness absence problems, which brought down the average figures presented in the report?

[12] **Sir Jon Shortridge:** I cannot give you a definitive answer to that. I would need to have done a survey on precisely why the figure fell like that. I have thought about it and I have possible explanations, but I cannot give you a definitive explanation. When you take on an extra 1,700 staff, who have different patterns of sickness absence, you expect a change in the pattern. I was slightly surprised that the change was to bring it down rather than to bring it up. There are two possible explanations, which may work in combination. On the figure for April, which was the month following the merger, I was surprised at how low that was. That was perhaps due to the fact that people coming into the organisation wanted to make their mark and do all that they could not to be away on sickness absence. That could be one explanation. It could be that the standards of sickness reporting that we inherited were different. Perhaps it is due to a bit of both those things. I cannot give you a definitive answer, but the figures have moved up a bit since then, as you will see.

[13] **Janet Davies:** Someone cynical might say that perhaps these staff coming in had not got to grips with how absences were recorded here. Perhaps it was due to that, and I know that that is a very cynical suggestion, but it needs to be put to you.

[14] **Sir Jon Shortridge:** There may have been some of that, but whoever your employer is, if you are sick, you have a responsibility to report the sickness so that the matter can be dealt with. In the very short term, there may have been a hiccup around the sheer confusion associated with becoming part of a new, larger organisation. Perhaps people were not quite clear on the procedure and so they thought that they would have a day off, but then decided that it was not worth it. I honestly do not know. On one level, I do not think that it matters. The main point is that, going forward, everyone should use a common, single attendance management policy and associated systems, as they do now, and should have a clear understanding of how those systems work so that we can produce very accurate data.

[15] **Jocelyn Davies:** Could Sir Jon elaborate on his earlier answer when he stated that he was a bit surprised because he expected the sickness absence to increase in that period? Why did you expect it to increase, Sir Jon?

[16] **Sir Jon Shortridge:** I do not think that I said that I expected it to increase; I think that I said that, when an organisation grows by 1,700 people, the patterns and incidence of sickness absence associated with those 1,700 people are likely to be different to those among the 4,500 people that we had before. So, I expected a shift, but I was neutral on whether it would be up or down. I would have been surprised if it had just remained the same.

[17] **Jocelyn Davies:** Sorry, I misunderstood. I will check the transcript because I

thought that you said that you expected it to increase.

[18] **Leighton Andrews:** Figure 2 on page 13 looks at the difference between departments in terms of performance on absence. Can you set out why you see the differences between the particular departments? Those are quite stark in some cases.

9.40 a.m.

[19] **Sir Jon Shortridge:** First, this is a bit of a snapshot and there is some variability through time. Not all departments are the same—they have different types of people doing different types of jobs. The Care Standards Inspectorate for Wales has always been an outlier; the report comments on that. I think that it is still a special case. These people, to a significant extent, are dealing with members of the public in quite difficult circumstances. In addition to that, if you have an infectious disease and you are dealing with, possibly, vulnerable members of the public, you should not be at work. So, there is probably a stronger built-in reason why there will be a higher incidence within the care standards inspectorate. I have read the comments in the report that state that, to a significant extent, these staff originated from local authorities and former health authorities where there was perhaps an inherited pattern of higher sickness absence. So, perhaps it takes time for some of our policies and the support arrangements that we have put in place to kick in. Bernard can talk about human resources, which is his department. However, there is also a great variety of people in human resources, including security guards. The report comments on the higher incidence of sickness absence among security guards in the Assembly Parliamentary Service. So, depending on the type of work and the type of employee, you will get these differences.

[20] **Leighton Andrews:** Are the security guards contained within the human resources department?

[21] **Sir Jon Shortridge:** They are for the Assembly Government offices, if I can put it that way, because Bernard looks after the estate as well as staff.

[22] **Leighton Andrews:** So, your human resources department is not, in the conventional sense, a human resources department; it is a human resources and facilities management department.

[23] **Sir Jon Shortridge:** Yes, indeed.

[24] **Leighton Andrews:** Perhaps we can look at human resources, because I was concerned that the department that manages sickness absence itself has one of the worst performances on sickness absence. What you have just said may explain some of that. However, if you were to take out the security guards issue, which is identified in the report, what would that do to the rest of the performance of the human resources department?

[25] **Mr Galton:** In the HR department, I have two distinct parts to my business: the HR bit, or the personnel bit, in old terms, and facilities management. On facilities management, I do not just have the security guards, but messengers, the post room and a number of jobs that are quite difficult. Working in the post room is quite a dirty

job and there are a number of problems there. If you take out that side of it and then look at my personnel bit, my figures match the average. I do not have the figures with me, but it is something that I look at as a head of department. On a monthly basis, I look at the trends within my department. I know that I have had a particular issue with the post room, messengers and security guards, which boosts the figures.

[26] **Leighton Andrews:** In terms of security staff, what is being done to try to address that issue, alongside the Assembly Parliamentary Service?

[27] **Mr Galton:** Taking facilities management as a whole, because it is not just the security guards, we are looking at ways of improving the quality of jobs, because coming to work is not just about being paid the right amount of money; it has to be about the right conditions of service and the right quality of job. So, in the post room, we are exploring going forward on a self-directed-team basis, rather than using the more traditional way, to empower people a bit more. I have talked to all of these groups of staff recently to see how we can get them to have more control of what goes into their jobs and make the jobs more interesting. A security guard spends most of the day standing around waiting for an incident to happen, so we want to involve them a bit more in the reception and conferences. I am keen to improve the overall quality of their job, as well as look at the straightforward issue of pay. I would also like to see whether there are any underlying reasons for sickness absences. This set of data is useful, because it makes you think and it makes you start to look at whether there are trends and underlying reasons. Without this sort of measurement and the granularity that we have beneath it, you cannot start to look at trends.

[28] **Leighton Andrews:** Are the security staff contracted staff?

[29] **Mr Galton:** No.

[30] **Leighton Andrews:** These are full-time staff.

[31] **Mr Galton:** Yes. We have a couple of agency staff, who are included in my numbers. That is why the number for HR—341 staff—looks quite high. It is because it covers that wider part of the business. We have 89 sites around Wales and some of those have facilities and security staff.

[32] **Leighton Andrews:** You referred to the granularity of the information. Some of these departments are large, and the human resources department is one of them. Do you have sufficient information systems in place to allow you to get beneath the overall aggregated figures to identify specific problem areas?

[33] **Mr Galton:** Yes, we do, by breaking it up by department. One thing that has made a difference in the last two years is having what we call HR advisers, namely parts of my HR team that are, effectively, bedded out in the different departments. All these departments are different, and they have different pressures. The Permanent Secretary talked about care standards, and that is different, for example, from the work of staff in the Department for Environment, Planning and Countryside. There are quite a few clerical staff in that area paying out grants to farmers, but it takes a different sort of approach, and has different reasons. We also have the geographical split. However, having the HR advisers means that they can get to know that part of

the business, and they can look underneath the figures to see whether there are any hotspots, any underlying trends, or whether any further training, assistance or involvement is required from other parts of HR or management. So, we use that extensively, and we have far more information than we could show in this report.

[34] **Leighton Andrews:** You referred to this being a leadership issue for you, Sir Jon. So, what specifically is being done with the departments that have higher levels of absence?

[35] **Sir Jon Shortridge:** In my monthly meetings looking at the latest data, if I see something that is different, unusual, or surprising—at the wrong end of surprising—I will write to the head of department asking for an explanation, as a way of sending that strong signal that they have an accountability to me for how this is handled. Going forward—and we will probably come to this at some point—the Snowdrop system will give me and my top team an enormous amount of much more detailed information. We can then use that forensically, among other things, to identify the hotspots in terms of sickness absence, and particularly its impact on business, so that I can follow that up in much more detail than I am able to now.

[36] Another example of what I have done, with Bernard's help, relates to the sickness absence figures. Three years ago, the management information that I was getting was telling me that we had more than 100 people on long-term absence. Therefore, we made a series of interventions to address that, including enhancing our occupational health service. Bernard probably has the latest figure, but I believe that we have got the figure down to 41 people on long-term sick leave. That really affects the figures.

[37] Going back to your figure 2, one explanation for the differences between departments is that a department with two or three people on a long period of long-term sickness absence in the year would be pushed over to the right hand side of the graph.

[38] **Jocelyn Davies:** Security guards come into close contact with many people, and probably catch more things as a result. There comes a point where you cannot expect to bring the figure down unless you have someone who is on long-term sick. You must accept that people who come into contact with a great many people every day are bound to be off sick from time to time, if they catch things.

[39] **Leighton Andrews:** I do not accept that.

[40] **Jocelyn Davies:** Do you accept that, Mr Galton?

[41] **Mr Galton:** It can vary. There are other reasons for absence, and we need to look behind the details. I am not a doctor, so I cannot comment on whether security guards are more susceptible to picking up colds, coughs and flu; it is logical, because they meet more people than others. However, this is also about ensuring that we can put them in the right environment. For example, in Cathays park, we have just invested in a new door, which takes away draughts. In winter, when the two doors were open, it was extremely cold and unpleasant; now, it is a far more pleasant environment. So, we are tackling it on several fronts, including ensuring that line

managers know what is happening with their staff and spotting any particular issues or trends, improving the environment, the training and the quality of the job. We are tackling it on all the different fronts in trying to reduce absences.

9.50 a.m.

[42] **Mick Bates:** Moving to paragraphs 1.9 and 1.12, we have already made mention of the organisational changes, such as the mergers and relocations, and the potential therein for high levels of sickness absence. Interestingly enough, that does not seem to have happened yet, as is clearly shown in figure 1 on page 12. Can you sustain these ongoing reductions in absence levels as the recent ASPB mergers bed in and the relocation strategy begins to take effect?

[43] **Sir Jon Shortridge:** I certainly hope and believe so. I have brought one of my management charts with me, which the committee may be interested in, showing a comparison of a particular month this year with a particular month last year, so you can see that there has been a sustained and really quite significant reduction over the past year. I can show it to you if you are interested. The way that I look at this is by applying an 80:20 rule to it. I am putting substantial pressure on the organisation and saying, 'I am looking for improved outcomes'. I expect my managers and all staff to respond to that to deliver better outcomes. That is working at the moment, though there will come a point at which just putting that pressure will do no more than get me to a plateau. Once I am on that plateau, I will need to do other things. As it happens, and as the report says, the HR IT system is due to come in imminently. That will give me and others the management information that we need to identify particular problems in far more detail than we can at the moment, so that we can be more forensic in dealing with issues. When I say 'dealing', I mean helping—by providing more help, to managers or to staff, to deal with particular problems, because, at times, sickness is a manifestation of poor teamwork, pressures and those sorts of things. So, it is a management issue that has to be addressed, and the sickness absence is often a manifestation of it.

[44] **Mick Bates:** In the early part of that reply, you said that you will know when you have reached a plateau. Is it your experience that the pressure that you are applying will lead to a stage at which you will be able to identify, 'That is it, any more pressure will not reduce this level any further'?

[45] **Sir Jon Shortridge:** Logically, we will not be able to continue to reduce sickness absence at the rate of 1 day, or a bit more than 1 day, per person per year—you will just run out of days. So, logically, I expect that it will plateau, and probably quite soon. The comparative data—and you may come on to that—are not nearly as good as we would all like, so it is difficult for me to benchmark myself accurately against other civil service organisations, say. However, the intelligence that I get suggests that, while we are improving relative to other civil service organisations, there is still a long way to go before we are in the top quartile, where I would like us to be. So, the present approach is continuing to deliver benefits, and I would expect and hope for it to do that for at least another year. However, we will then have to be far more forensic if we are to address what I see as the underlying management issues, as opposed to the manifestation of sickness in a member of staff being the issue.

[46] **Mick Bates:** Recommendation 6 talks about separately monitoring the attendance rates of staff from former Assembly sponsored public bodies and those affected by relocation to ensure that there are no hidden trends in absence among those groups of staff. Do you think that you will be able to do that?

[47] **Sir Jon Shortridge:** I am not all that attracted to that recommendation, in that I am seeking to establish an enlarged, merged organisation, and I am not keen to differentiate between those who came from one place and those who came from another within the organisation. The signal that that would send to the staff concerned would be unwelcome.

[48] So, although I would have the capacity to do it with our new HR IT system, it would be quite a difficult thing to explain to the staff concerned. I would be more interested in monitoring individual departments. We know which departments have a substantial number of people from the merging ASPBs, and so I would just like to be able to look at what is happening in those departments to see whether there are differences there that need to be addressed, as opposed to risking the perception that I am in some way stigmatising people from a different background. From a management point of view, that is not necessarily the right thing to do.

[49] **Mick Bates:** I would be interested to hear what Mr Kennedy has to say about that recommendation.

[50] **Mr Kennedy:** As the Permanent Secretary said, we will have a capacity to monitor using the online system that is being introduced. We can monitor against a host of aspects. However, I would support the Permanent Secretary's position on this—we are looking to develop, as far as we can, one culture in this organisation, and there is the potential for this to be quite divisive. It is important that we understand the situation across departments, and it is also important that we marshal our occupational health resources to identify trends and areas where we need to spend more time redesigning processes perhaps, and providing additional support to the staff concerned.

[51] **Mick Bates:** Thank you for that. So, do you intend not to implement that recommendation?

[52] **Sir Jon Shortridge:** This is a recommendation in a report that is for the committee to consider. If the committee was to recommend that I do it, I would look very carefully at doing it. I always start from the position of wanting to implement your recommendations. So, I am not saying that I will not do it; I am just explaining to you why I currently have some reservations about doing it.

[53] **Mick Bates:** Of course, for future relocations or mergers, it would help to understand the trends that there are, and you cannot identify those trends unless you undertake this recommendation, can you, really?

[54] **Sir Jon Shortridge:** I acknowledge that.

[55] **Mick Bates:** Fine. Chair, there could be an interesting discussion on recommendation 6, perhaps.

[56] **Janet Davies:** Before you go on to your next questions, Mick, several Members have asked to come in on this point.

[57] **Mark Isherwood:** I have two points to make, if I may. This has highlighted, as we were just discussing, an apparently different pattern between those who have come in with the ASPBs, and existing staff. What work are you undertaking, if any, to identify what good practice led to that difference, which could be adopted on a corporate basis?

[58] Secondly, to my mind, general corporate health, as well as the obvious things such as health and safety and staff welfare and so on, is driven largely by change management. You talk about looking more at the role of managers in a year's time. What change management procedures do you have in place to drive this agenda, given its key impact on absenteeism?

[59] **Sir Jon Shortridge:** On the question of what learning we have taken from the different practices within the mergers, the short answer at this stage is 'None, really'. I would say—and I think that the report reflects this—that the attendance management arrangements in place in the Assembly at large now pretty much reflect best practice, and the report has not come up with any proposals to do things substantially differently; indeed, it states explicitly that it has not done that. So, I do not think that it would be particularly good use of management time and capacity to do some detailed study of the differences between the attendance management arrangements in the WDA pre-April and what we have now, to see whether there is more learning to be taken. It could be done, but, in all the circumstances, I do not see it as a priority and, therefore, a sufficiently productive use of management resources.

10.00 a.m.

[60] On our approach to change management, we could take all morning on that. I will just say that I invest a lot of my time in trying to lead and manage change through the organisation, and I expect my top team to do that as well. You do it in a variety of ways, but, in this context, mainly through the training that we put in place and the work that we do to build the confidence of managers to do the things that they should be doing, but which, in the past, they either have not been required to do or they have not been sufficiently encouraged to do. A lot of training goes on and every year we design a management training course that we think reflects the particular needs of the organisation at that time. That course is nearly compulsory for people to attend. You give them the opportunity to learn. The other thing that we have done to assist with the management of change in this context is that Bernard has introduced HR advisers who sit with the individual departments across Wales, so that managers have HR support and expertise available to them, either to advise them on how to deal with a particular issue or, if it is a very difficult issue, to step in and help them to deal with it.

[61] **Alun Cairns:** Sir Jon, I would like to pursue Mick Bates's last point. I can understand the reason for not wanting to monitor ex-ASPB staff separately and the issues around that, but do you accept that one reason for sickness, among a whole suite of reasons, could be the culture? The different cultures that exist in the ASPBs could contribute to the different sickness levels. Secondly, would the new Snowdrop

scheme allow you to monitor the ex-ASPB staff in a simple and straightforward way, without putting you and your managers to additional effort in terms of time and commitment?

[62] **Sir Jon Shortridge:** You know who those staff are and the Snowdrop system will enable me to just produce reports on those staff; it can be done. The issue is if it is done and seen to be done and acted upon, how that will have an effect. That is my concern. Your other point was on what?

[63] **Alun Cairns:** It was on culture. Do you recognise that the culture can contribute to sickness levels?

[64] **Sir Jon Shortridge:** Yes, indeed. At the moment, the department that consistently has the lowest level of sickness absence is the Department for Enterprise, Innovation and Networks. Culture is clearly part of that, including the nature of the work, the attitude of the people doing that work, their commitment to the services that they are providing and so on. Culture is very important. However, it is not just the culture of that part of the organisation that is important, because there is not a lot that I can do about that—to a significant extent I think that it relates to the nature of the work that is being done in those organisations. The big cultural issue that I am focused on is that around managers who, in the past, did not see it as part of their job to support people who were off sick and to build teams and confidence that make work that much more attractive to people. That is the cultural issue that I am seeking to deal with, to improve people's capacity and confidence to deal with their staff in an appropriate and supportive way.

[65] **Jocelyn Davies:** Can I come back on the issue of not wanting to separately monitor ex-ASPB staff? You do not want to create the perception that those staff are being dealt with differently. However, did you not partially explain away the absentee figures in the Care Standards Inspectorate for Wales by saying, 'Of course, a lot of those staff came from local government and the culture there was different'? The Auditor General makes a good point that this is part of managing the risk of organisational change. Are you going to say to us in several years' time, 'Well, of course, those people came from a different place and the culture was different'? You will use that as an excuse or a reason in the future, as you have already done this morning.

[66] **Sir Jon Shortridge:** In the case of CSIW, I was just reading from the report and that fact has been built into the report. If I am asked for explanations for differences, then I will seek to provide some, although I did say at the outset that I do not have a strong evidence base to explain these differences and I have not really seen the need to get one.

[67] I was talking about the 80:20 approach earlier. I have been focused on getting these figures down for the organisation as a whole and we have done that pretty successfully and, while that success is still going on, I do not feel the need to get under the figures that much more to see whether there are explanations that would then enable me to have a differential approach to treating issues in different parts of the organisation. However, as I said to Mr Andrews, if I am concerned about what is happening in any particular department, then that head of department gets a letter

from me and I ask for an explanation. It has to be done in that formal way so that I send a signal through the organisation that these things are important and that I have certain expectations.

[68] **Mr Galton:** I will just add, if I may, that, on the culture side, we have brought people into human resources from the ASPBs and they are now working in the new departments, so we are gaining information from them about how things worked in the old organisations. We are ensuring that, where they had good practices, we are incorporating those. There were two very important studies in 2005, one from the Health and Safety Executive and one from the Cabinet Office, about best practice in managing attendance and it is about incorporating all of those into our procedures but also learning from what went on in the ASPBs. Our head of corporate health, for example, was the head in the Welsh Development Agency, so by having him there as head of corporate health, we are working across in terms of helping to integrate cultures.

[69] **Janet Davies:** We will return to you now, Mick.

[70] **Mick Bates:** That was very interesting.

[71] Returning to paragraphs 1.19 to 1.20, we see that figures produced on sickness absence do not reflect staff working patterns and do not count some absences, such as half days or staff on phased returns to work. Why are half days of sickness absence not counted in the figures produced by the HR department and does this mean that trends in such absences may be overlooked?

[72] **Sir Jon Shortridge:** This goes back to my 80:20 rule. I do not have an IT system to do this for me at the moment. To have a manual system that seeks to relate, for everyone who is off sick, what their contracted hours of work are and to do that calculation, is pretty time-consuming stuff. I do not regard it as sufficiently justifiable to devote that time to it. I am focused on looking for month-on-month improvement and if you have a consistent set of data, even though it contains certain heroic assumptions, the time series will give me pretty much the right answer. The actual calibration, for the reasons that you have indicated, will not be quite right, but, from a management point of view, that is not a big issue for me now; I have the data that I need to satisfy myself that we are going in the right direction. However, I am not ignoring it. There is a huge investment, as this report states, in our HR IT system, which will give me sickness absence data that I can calibrate in the ways in which you have suggested. That will be coming on-stream shortly. Last month, we rolled out an initial IT sickness absence system, which will give us some of the things that you have asked for. So, it has been a process.

[73] **Mick Bates:** To get this clear in my own mind: half days are not counted, so, if somebody has five half days off, that does not count.

[74] **Sir Jon Shortridge:** No, if you go sick after 11 a.m., that is not counted as an absence on that day, and that, as I understand it, is a civil service rule, and we apply the civil service rule.

10.10 a.m.

[75] **Mick Bates:** So, presumably, if someone left work on five consecutive days after 11 a.m. that would not be recorded, would it?

[76] **Sir Jon Shortridge:** No, but it would be a disciplinary matter. So, one way or another, it would be dealt with.

[77] **Mick Bates:** But that would not be recorded in this system?

[78] **Sir Jon Shortridge:** No, because that is the civil service rule.

[79] **Mr Galton:** It is the level of sophistication that we are able to achieve at the moment, and that is one reason why we are investing in the Snowdrop system.

[80] **Leighton Andrews:** You say that it is a civil service rule, but who makes the rule?

[81] **Sir Jon Shortridge:** Bernard will know where it is, but I imagine that it is in some civil service management code that this is the way that you handle these things.

[82] **Leighton Andrews:** Come on, you are the most senior civil servant in Wales.

[83] **Sir Jon Shortridge:** Those rules will be signed off by the Cabinet Secretary in London.

[84] **Leighton Andrews:** We acknowledge that you operate within a whole series of rules set down by the Treasury on accounting, and so on, but this is a new one for many of us. So, this civil service rule is laid down by the Cabinet Secretary. Does that mean that it is part of the negotiations process between the civil service in the UK and the trade unions? Is that where it has come from?

[85] **Sir Jon Shortridge:** We have lots of devolved negotiating capacity with the trade unions, but this one has not been devolved, and I guess that it gets back to the whole question of having consistency on these matters across civil service organisations.

[86] **Leighton Andrews:** I think that a note is called for, Chair.

[87] **Sir Jon Shortridge:** If the committee wanted to suggest to me that it is about time that this was changed, I would be very happy to pick it up. I am not here to defend it—I am just reporting it.

[88] **Leighton Andrews:** I think that a note is called for first.

[89] **Janet Davies:** I think that it is time that devolution went a bit further.

[90] **Jocelyn Davies:** I will just make a point on this, if I may, because someone who stayed regularly at work until 11 a.m., might not be doing that deliberately, they could genuinely have a problem that is not being picked up if it is not being recorded that that person is ill, and there could be great benefits for staff in re-thinking this. It is

not us for us to assume that everyone that does it is pulling a sickie without it being recorded, but it could be of huge benefit to the staff if you were to look at that again.

[91] **Sir Jon Shortridge:** If it was being recorded.

[92] **Jocelyn Davies:** Yes, if it was being recorded. There could be a pattern there with someone, and there could be genuine reasons why that pattern is occurring, rather than the fact that someone is saying ‘Oh well, it is 11 a.m.; let us go’.

[93] **Mick Bates:** Elevenses would have a new meaning. [*Laughter.*]

[94] **Sir Jon Shortridge:** On Mr Andrews’s point, I certainly need to give you a note, because when it says in point 1.21 ‘rules on occupational sick pay’, I had read that as being civil service rules, but it may be wider rules. So, we need to have a note. I think that we can overstate this a bit. Most of us work in teams and there is interdependence between the teams. Part of my values statement for the organisation is that we should be valuing people. So, if someone is exhibiting some quite strange timekeeping, that would be addressed. Irrespective of how it is being recorded, it will be noted, dealt with and addressed, so one should put this into context. As I said to Mr Andrews, you and, for that matter, I need a bit more explanation as to the background and history to this.

[95] **Mick Bates:** That is fine, as long as we get this note.

[96] **Alun Cairns:** Sir Jon, I would like to talk a bit more about the Snowdrop scheme. Can you tell us how it will help to improve the management of sickness absence, and the new opportunities that it might give to help staff and the organisation to reduce sickness absence?

[97] **Sir Jon Shortridge:** It has not done it yet, because we still have not fully rolled it out. If you think about it, you will see that it means that the whole of the sickness absence recording will be done online. So, when you report in sick, your line manager takes up your record and records online that, on a certain day, you have said that you have had whatever—diarrhoea and vomiting—and there it is. When you come back to work, you, with your line manager, complete the form, so that there is a record of how long you were off.

[98] You can do all sorts of things around that. This report talks of the trigger system that we have. When a trigger point is reached, the IT system will send an e-mail to the line manager and say, ‘You have hit this trigger point; there are things that you need to do’. Subsequent trigger points will be hit and you will get that information. So, the IT system will performance-manage the attendance management process, which is a great advantage. It also produces a flexible database. When it is running, I will be able to run all sorts of inquiries; I can analyse sickness absence by age, gender, geographical location, and pay band, in any way that I want. Therefore, I can begin to see whether there are particular categories of staff who have a higher incidence of sickness, about whom I should, perhaps, be doing more—referring them or getting the occupational health system involved to address them. So, I will have a very flexible set of data, which will help with the strategic management of attendance, but I will also have a system that enables the line manager to perform his or her role

in relation to a particular incident of sickness.

[99] **Alun Cairns:** Thank you. It clearly sounds as if there are some great opportunities in terms of managing sickness and improving the management of sickness. Why have there been six years since this was originally conceived as an idea or project? Why has it been so delayed?

[100] **Sir Jon Shortridge:** First, it has taken much longer than I would have liked. With hindsight, it could have been done quicker. However, I would not like the committee to think that this is some very simple system that you can put in place, operate and run. While the work started on it some six years ago, we procured the Snowdrop system only in 2003. The original concept was that we needed a stand-alone HR system that would enable us to do certain things; as we got into the project and started to think about it more, we realised that we actually wanted this system to be the hub from which all our other record systems involving staff would run. So, the concept is that you simply record who you are, where you work, and all the other details on this system, and it immediately hits into the payroll system, the finance system, the Merlin IT system, and the directory of business—that is a much bigger concept. Putting all that in place, where you get big benefits, actually takes up quite a lot of development time.

[101] **Alun Cairns:** I appreciate that.

[102] **Sir Jon Shortridge:** There are other explanations. The mergers took up quite a lot of management capacity and we also needed to have all of those 1,700 staff members on the system. Therefore, we had to pause it while we got the mergers through and then had the capacity to move all of these other members of staff onto it.

[103] **Alun Cairns:** It also says, Sir Jon, that significant progress has been made since March 2005; so, although I accept that there have been added complications with the merger of the ASPBs, the comment in paragraph 1.24 states that more progress has been made than with the new project manager in place. What I am getting to is by how many years has it been delayed from the ideal solution that we were looking for at the outset?

[104] **Sir Jon Shortridge:** If we knew everything that we know now at the time that we started, I would have hoped that we could have put it in somewhere between three and four years.

10.20 a.m.

[105] **Alun Cairns:** Okay, let us take the longer estimate of four years. What estimates do we have of the additional sickness absence, the financial cost of sickness absence or the lack of support for people going off sick, which this new model would give us, for the two-year period that we did not have this system?

[106] **Sir Jon Shortridge:** I do not want to evade the question, but I would need the evidence base associated with how we use the data for two years before I could then—

[107] **Alun Cairns:** Are there any models saying what can be done with such a system that you can apply?

[108] **Sir Jon Shortridge:** I am sorry, could you repeat that?

[109] **Alun Cairns:** Are there any models around, from its being used elsewhere, that you could apply that say that it reduces sickness absence by 5 per cent or improves management of staff by whatever time?

[110] **Sir John Shortridge:** If you are saying that you would like me to do some research and provide a note for the committee, then I would do that. On the other hand, as the report reflects, it has been only since about 2003, for a variety of reasons, that I personally have been putting pressure on sickness absence. So, if we had made earlier progress on the IT system, I do not know whether that would have necessarily significantly improved the position, compared with where we are now.

[111] **Alun Cairns:** That is a fair point.

[112] **Janet Davies:** I will come in on that point, Alun. How strongly do you want this, because would the amount of staff time taken up in preparing that be worthwhile?

[113] **Alun Cairns:** I agree; that is why I looked to you. My line of questioning was seeking to underline that there could well have been a financial cost and a lack of support for staff during the interim period, while we did not have the new system in place. That is what I was seeking to expose.

[114] **Sir Jon Shortridge:** I have acknowledged, fairly openly, that this has taken longer than I would have liked and that it is not a brilliant story. So, I accept your principle. I have some figures on the financial benefits that we expect from this, which are in there; if you like, I will give you a note on that.

[115] **Alun Cairns:** Thank you. I do not want to pursue it to the nth degree. My final point is that the Assembly Parliamentary Service is using Snowdrop before any other divisions do so. Why is that the case and what lessons have been learned from that?

[116] **Sir Jon Shortridge:** You are ahead of me on that. It is not in the report and I do not think that I was conscious of the fact that it was ahead.

[117] **Alun Cairns:** Yes, it is in the report on page 18.

[118] **Janet Davies:** It is in points 1.23 and 1.24 on page 18.

[119] **Alun Cairns:** I certainly read it here.

[120] **Sir Jon Shortridge:** I cannot find it.

[121] **Alun Cairns:** I am sorry; it is on page 17, footnote 10. It refers to the HR team in the Assembly Parliamentary Service. It is in red ink.

[122] **Janet Davies:** It is in the small print.

[123] **Sir Jon Shortridge:** I am sorry; the Permanent Secretary never reads the small print.

[124] **Alun Cairns:** I knew that it was there somewhere.

[125] **Mr Galton:** We worked with the APS HR team to develop its system for 290 staff, effectively on one site, to be able to develop that capability separately. We worked with APS on that area because it was not directly affected by merges and by the fact that we were going from 53 sites to 89 sites—it is the sites that have to be connected and not just getting people on the system. We were able to give that support and John Morgan, the project manager, has actively worked with APS. We have not worked separately on this issue. We have worked with APS because it is quite a small group contained within this site. It was easier to do that, while also learning lessons.

[126] **Alun Cairns:** What kinds of lessons have been learned?

[127] **Mr Galton:** When you look at best practice it is all to do with people: it is not computer systems that improve sickness absence—it is people and it is managers. We trust people and we trust managers to follow the systems and the processes. We have been embedding those sorts of best practices with managers, including all the managers in APS. They are able to record their data—they are not using any different systems, as such—because they were able to move faster than us.

[128] **Jocelyn Davies:** If possible, I would like Sir Jon to expand on the advantages of Snowdrop. You said that it would be possible to manipulate this information, and you mentioned age, gender and pay band, and that the system would allow you to manipulate such information. Are you not worried about the perception of monitoring, for example, women over 50 on a certain pay band—the perception that they might be singled out?

[129] **Sir Jon Shortridge:** If I were just looking at them, that could be a problem, but not if I am analysing across the piece by gender, ethnicity and pay and so on. That is what you should be doing with an information system like this. Otherwise, I, or my successor, could come before this committee to be questioned as to why we have not made the maximum use of this database to improve our attendance management. I do not see this as something threatening. Attendance management is about helping and supporting people to be as effective as they can in the workplace and to acknowledge that, when they have health difficulties, we are here to provide them with help and support on that. The investment that we made on occupational health reflects that. Just about everyone would accept that we are doing this for their good as much as for the organisation's good, which is the message that I consistently seek to put across.

[130] **Carl Sargeant:** Sir Jon, you said that the people who work in the system are the most important part of this. That is who you are trying to help and support. While you are having some success in bringing in line the monthly figures, and it is going in the right direction, they are very raw data. It seems that when the management information system comes into place, we are in for a big shock when recording those

who go off sick after 11 a.m. will be featured in this database. I am surprised that we have had any Plenary sessions, given that people can go before 11 a.m.. [*Laughter.*] I think that it is quite reasonable for that to happen.

[131] However, if we are going to have this system, and you said that it was a question of managing the system, who is in charge of managing sickness in co-ordination with a computerised system? I used to work in an industry where sickness was highlighted. A recording system that works will be of huge benefit to you, but if all you will say in six or 12 months' time is that it is a civil service rule and that you cannot do much about it, then what is the point of this massive investment in a wonderful recording system that will not be of much use apart from providing you with data?

[132] **Sir Jon Shortridge:** Let us get this into context; I do not have the figures, but the number of people who are sick at work and leave after 11 a.m. is small. So, this rule, good or bad, is not significant in terms of the overall statistics that are currently being produced. The IT system will enable us to produce much more accurate information. The point made earlier by Mr Bates is a more appropriate criticism, namely that if someone is contracted to work for only three days a week and are off for two working weeks, we will record four days of sickness absence when they were not being paid to be at work. We will be able to fix that through this system.

[133] On your other question, the responsibility for managing the sickness of an individual rests with that person's line manager. We seek to make individual line managers more aware of that responsibility and how they should exercise it. That is why all this training is going in.

10.30 a.m.

[134] When Bernard Galton talked about this being a cultural issue, one big cultural change that I have to make is to get managers to recognise fully and appreciate that they have this role and that, sometimes, it can be quite a challenging role, which is why, later in the report, people say that they are still not confident about it. We have to get them through that. So, the responsibility rests with the individual manager. People such as me and Bernard have an overarching responsibility to ensure that the underlying systems are fit for purpose—and I think that this report acknowledges that they are fit for purpose—and that we have the training and the support in place for the individual managers so that they can perform their role properly.

[135] **Carl Sargeant:** I think that others might want to drill down into the detail of that, but I would like to concentrate on the policy. How did you identify good practice in incorporating the policies and procedures for managing sickness absence, and how different are the revised policy and procedures from what you had before?

[136] **Sir Jon Shortridge:** I will hand you over to Bernard, because he put the policies in place.

[137] **Mr Galton:** There has been quite a lot of research into this area over the last two or three years. The Health and Safety Executive, the Cabinet Office, and the Department of Trade and Industry produced a lot of information. The Deputy Minister

for Education, Lifelong Learning and Skills, Christine Chapman, sits on a workforce task group that is chaired by Lord Hunt from the Department for Work and Pensions. This is looking at sickness absence across the public sector, but predominantly in the civil service, and at how best practice can be shared. I support the Deputy Minister on that committee and I attended a meeting on her behalf this week. The committee commented on this audit report and Lord Hunt commented that he was very impressed that the Welsh Assembly Government had implemented all of the recommendations of the task force and the research that I have just mentioned. So, you can only ever keep looking around for best practice and things that work. We are willing to learn from others. It is a basic premise; we are working with people and we expect individuals and line managers to be honest and straightforward and to build relationships with each other. Line managers need to know the staff and why they are off sick. We are there to support them. It is not there as a punitive system, but we are there to support and the rules have to be clear. So, in terms of best practice, we have learned a lot over the last couple of years and I think that that is reflected in the report that we are considering today.

[138] **Carl Sargeant:** On the basis of what the improvements have shown, do you accept that sickness absence was previously not being tackled effectively?

[139] **Mr Galton:** I apologise; I did not quite answer that part of your question, did I? We did not suddenly bring in something brand new in 2004; we built on what was already there. We tried to clarify the procedures, but they involve line managers much more. There was a tendency to look at this as a role for HR and to think that HR would manage sickness, but that is not the right way; it has to be looked at by line managers. So, it was a matter of turning things around, involving line managers in helping us to put together the training material, the policies and the procedures, and then training them. This is a journey and we have to keep reinforcing it and ensuring that we are training people properly and helping staff. Putting things into perspective, managers do not have a problem with sickness absence every day of the week, so if something comes to a manager, he or she may not have dealt with that in the recent past. So, we have to make sure that the support is there to help that line manager to deal with that particular issue as quickly as possible.

[140] **Jocelyn Davies:** Do you feel that you have sufficient capacity to do that?

[141] **Mr Galton:** Do you mean capacity in HR?

[142] **Jocelyn Davies:** Yes.

[143] **Mr Galton:** I believe that we have. The way in which sickness absence levels are now reducing demonstrates the fact that we are able to engage line managers across the piece. It is easy for a line manager to say, 'I have a day job; I cannot manage staff as well'. Over the last few years, we have had to say, 'The day job is managing your staff and we are here to support you'. From the focus groups and the information that is drawn out in the report, it is clear that managers find that engaging with their staff and dealing with sickness absence in that way is helpful. There are never enough resources, I suppose, to do everything that you want to do, but I am confident that we have allocated an appropriate resource to tackle this problem. The results are extremely encouraging.

[144] **Jocelyn Davies:** The report says that half the managers—in the focus groups, anyway—said that they did not feel well supported in managing sickness absence.

[145] **Mr Galton:** It is a journey, and we keep working with managers. For example, in terms of one in seven absences, there was no return-to-work interview; I accept that it is not absolutely perfect. We are an organisation now of over 6,000 people—over 4,000 of those are managers—and we just have to keep working with them. As I said, if you deal with the problem every week, you become an expert; if you deal with something only once a year, then you need some help and support. I have to ensure that I am putting the right resources into the HR advisers' teams, so that they can be agile and react quickly. I hold regular feedback sessions with my customers—we have a customer survey index and so on—to try to get back from them whether we are providing the service that they need, and whether we are quick enough. Therefore, we are always looking for ways to improve.

[146] **Jocelyn Davies:** Thank you. That has covered my questions.

[147] **Leighton Andrews:** On managing sickness absence, the report mentions the managers' focus groups, and the feeling that, if training is voluntary, will those who need to buy into it do so. There is then the question of whether that is managed actively down the line—are people given sufficient time to gain the skills that they need in those areas? There is some suggestion in the report that perhaps an element of requirement might be needed to ensure that that happens.

[148] **Mr Galton:** Since the report was written, we have let a new core contract with Eliesha, and the Permanent Secretary and I meet with the managing director regularly. You will be interested to know that the action-centred leadership course, which is mandatory for managers, includes a module on attendance management. Therefore, we believe that this is important for managers, and we are investing in that. We do not just rely on the intranet; we look at many different ways of doing this and case studies to ensure that people, and managers in particular, are doing what they need to do. It is about building that confidence. Therefore, the action-centred management training course, which leads on from our phase 1, which was the confident manager programme, will give managers the training.

[149] **Sir Jon Shortridge:** On that point, it is a judgment, is it not? Do I and my management board say that we will just be really prescriptive and tell you, staff, what training is good for you, and you just have to do it, and we will put you all through the sheep dip, and you will come out the other side? We do some of that, which Bernard referred to in terms of the annual confident manager course. It gets rebranded every year, but we expect every one to go on that course. Hanging off that, there is much discretionary training, and there are two serious courses—one on attendance management, and one on stress management. However, those are discretionary, and we expect people who feel the need for those courses to go on them.

[150] When we further develop the HR IT system, people will record on that system the training that they have had, so I will be able to identify those people who have not been on particular courses, including attendance management courses. If their line managers believe that there is an attendance management problem here, and the

people in the management line have not been on the courses, we will be able to direct them, and ensure that that happens. However, it is getting this balance right, and establishing an adult-adult relationship, through the management chain, as opposed to an adult-child relationship.

[151] **Leighton Andrews:** Okay, but the reality is that this is all about signals. If the signals that are being perceived are that certain things are voluntary and certain things are rewarded within the framework of the job evaluation, or whatever, and the signals suggest that the technical duties of the manager's job are more important than the wider managerial responsibilities—and I have been a manager in a different kind of public sector organisation, and I know what goes by the board; occasionally, I had a line manager who suggested that perhaps I should go on a course from time to time in one or two areas—the reality of day-to-day life in large organisations means that, without the occasional prod, some of these things do not happen. Is that not fair?

10.40 a.m.

[152] **Sir Jon Shortridge:** I agree. However, attendance management is in every induction course, and it is certainly in our prescribed course for managers this year, so it is not as if I am holding back completely. However, telling everyone that they have to go on a day's attendance management course, when some of those people will be very competent at it, is not the right balance. So, I need to be able to rely on people, ideally, to realise what their training needs are and to take advantage of the opportunities available, but to also go a stage beyond that to ensure that their line managers are actively considering whether their teams have had the necessary training to perform properly.

[153] **Mark Isherwood:** Briefly, following up on that point, training without implementation is meaningless; it has to be systematic. How do you monitor the implementation of the training to ensure that it has been understood and that it is happening effectively?

[154] **Sir Jon Shortridge:** That is a hard thing to do for a lot of this stuff. I will hand over to Bernard on this, but one of the things that I am debating with our new training provider is how they can help me to get much better performance evaluation information out of the training programmes. It is doing some follow-up interview work with the people who have been on courses to try to get at this information. I will hand you over to Bernard.

[155] **Mr Galton:** It is a tough one. First, for the mandatory courses, it is quite easy to monitor uptake, but then finding out whether or not people have learned anything from them is another issue. There are the fairly typical sheets at the end of the courses asking if they are valuable. However, prior to that, there is a discussion with the line manager before the individual goes on a course about what he or she hopes to learn from it, and then there is the normal evaluation sheet at the end of the training to look at whether it met those needs. However, we have tasked Eliesha to work with my learning and development team on better evaluation three or six months down the line, in terms of how we can see whether what has been learned has been embedded. We are working on that project at the moment.

[156] There are other indicators as well. How many employment tribunals do we get to where it is seen that the process has not been followed properly? That is something that the organisation could use in extremis. We are trying to embed this among managers. We are a big organisation, and this new policy came in and was expanded to 1,700 more people. Realistically, it will take time to roll that out and to embed it. We are working with all our staff and managers to do that, and with our training partner, Eliesha.

[157] **Catherine Thomas:** Mark asked my question. How you evaluate the training is incredibly important. The concern is sometimes that, if you do not evaluate properly, it is just another box that is being ticked. So, my question has been asked.

[158] **Janet Davies:** We will now take a coffee break before looking at part 2 of the report. I would be grateful if you got back here at around 10.55 a.m..

*Gohiriwyd y cyfarfod rhwng 10.42 a.m. a 11.02 a.m.  
The meeting adjourned between 10.42 a.m. and 11.02 a.m.*

[159] **Janet Davies:** Irene, you wanted to start, did you not? Well, you are starting, anyway. [*Laughter.*]

[160] **Irene James:** Thank you, Chair.

[161] Paragraphs 2.11 to 2.13 highlight the good practice of the return-to-work discussion, but I have to say that it does not always seem to be uniform, across the board. How important do you feel the return-to-work interviews are in managing sickness absence, and are you confident that there has been a further increase in their use since the period covered in the auditor general's report?

[162] **Sir Jon Shortridge:** I will answer first, and then I will hand over to Bernard.

[163] The return-to-work discussions are fundamental, and they are probably the single biggest reason why we are making improvements in our overall attendance management. I agree that they are not yet universal, although figure 5 is quite revealing in that we are on a rising trend here. I do not have any evidence for how that has improved since the auditor general's report, but Bernard may have. He can amplify what I have just told you.

[164] **Mr Galton:** They are so important, because they help to ensure the development of the relationship between the line manager and the individual, looking beyond that one dimension. After the mergers, we dipped slightly, because we now have another 1,700 people, and we are playing catch-up to try to improve. As you can see, there is a rising curve in the figure, and we fully expect to be well up in the 80s and 90s and beyond. I do not have any detailed research; that is just from purely going around my different HR advisers. However, it is very important, and we just need to work harder on the training, on reminding line managers, and on HR advisers working with particular cases to ensure that these happen for every absence. So, we recognise that we have more to do there.

[165] **Irene James:** You mentioned training, so do you intend to discuss with line

managers during that training what they should be discussing with the employees, about the reasons for sickness absences and what goes along with that?

[166] **Mr Galton:** The training includes the individual role of the line manager, and we make it quite clear to individuals what is expected of them when they have taken absence. There is a lot of training for the line manager, because we have to ensure that the interviews are handled sensitively and appropriately. I know that, at first, some managers felt that they might be seen to be a bit too intrusive, and so they have to be carefully managed. The training therefore helps them with this, but then, if they have a particular issue, the HR advisers are there to support them. This goes back to what we said earlier, in that this is a culture change, and is about influencing behaviours. One training course over two or three weeks will not change that, and we have to keep working with managers and individuals. I am certainly encouraged by the fact that, in the two years since we introduced this policy, we have seen positive results, but we know that we have more to do.

[167] **Irene James:** I am delighted to hear that, because the back-to-work discussion is totally different for someone who has been off for a week compared with that for someone who has been off 26 weeks. So, I think that the training is very important, and what is discussed is vital to the training.

[168] **Mr Galton:** It is. Certainly for the longer absences, occupational health is involved, for which we have the full-time provision of occupational health GPs. We have more than one individual, but it equates to a full-time equivalent. So, that has been so useful in working with line managers on the more difficult back-to-work cases, for people who have been off for longer periods. It is difficult. Normally, the line manager is fully aware of the reason for longer periods of absence, and so it is more about asking, 'How can we help you to integrate back and to get a back-to-work package that will be appropriate for you?'. So, they are very important, but, as you say, they are different discussions.

[169] **Mark Isherwood:** Referring to paragraphs 2.20 to 2.24, on the increased investment in occupational health doctors and a corporate health team, do you believe that these additional resources have provided value for money? Has the independent audit of activities in this area, which you commissioned, highlighted any further opportunities for improvement?

[170] **Sir Jon Shortridge:** I will hand over to Bernard on this, as it concerns his team. My view is that we have had enormous benefits from that, particularly since we appointed our occupational health doctor. Earlier, I quoted the reductions in the number of people on long-term sickness absence. I think that I am right in saying that we are the only Government department—if you will allow me to describe us as a Government department for this purpose—in the whole of Whitehall that has an occupational health doctor. I think that it has been a hugely important part of the relative success that this report demonstrates.

[171] **Mr Galton:** I will just say a little more on that. It was an innovative approach because, although we have occupational health nurses, we felt that there was a bit of a gap in terms of the information that we were getting, and we were relying quite a lot on individual GP practices. Of course, an occupational health doctor is not there just

to review long-term sickness cases, but also to work with the people who may well move towards becoming a long-term sickness case. So, it is more preventative than anything else.

[172] I have a monthly meeting with the occupational health doctor and Peter Kennedy, at which we go through all the long-term sickness cases, because I need to be assured that we are keeping up, in terms of intervention, involvement with welfare and referrals to occupational health, and that individuals are being kept in contact. That is an important process and we have got it down from 102 cases in April 2004 to 41 cases. Of course, the cases change over time, but at least my HR team and I are aware of those difficult and ongoing cases.

[173] The approach involves far more than an occupational health doctor; it involves a number of the other things that we provide across Wales. I will hand over in a minute to Peter who has been more responsible for the Mercer report, as the research that we have done is called. We are always looking to improve. We have well-man and well-woman clinics, and we have done a number of innovative things to help people who have been out with long-term psychological-related illnesses. We are trying to tackle a number of different issues that will make a difference, but trying to do so in such a way that there can be business-related benefits as well. I will hand over to Peter, who will be able to say what we have done in terms of the Mercer report.

[174] **Mr Kennedy:** Further to the monthly meetings that I have with Bernard on the long-term sickness absence cases, I meet with each of the HR advisers and the respective occupational health support staff to look at all those cases, so that I can be really confident that we are doing what we should be doing, when we should be doing it, and that we are not allowing those cases to drag on. That would not be in the best interests of the individuals concerned. We also encourage line managers, where we can, to ensure that a phased return to the working environment is adopted.

[175] Bernard mentioned the Mercer report. Just after the merger, we commissioned an independent team to review the provision of corporate health services across the piece, to learn from the sponsored bodies that were coming in, but also, wider than that, to ensure that we got a view of the best practice that is out there. That report is just concluding, and I will see a draft version of it later this week. That will have some interesting recommendations on how we further develop the support that we provide to staff.

[176] One thing that we learned about early on was the introduction of an employee assistance programme that the WDA, for example, had in place. It provided cover for staff 24 hours a day, seven days a week, from a support perspective, at the end of a telephone, but also broader than that. That was a cost-effective, effective and efficient service from the WDA's perspective and that of other organisations.

11.10 a.m.

[177] We are coming to the end of a tendering process for that type of service to be provided across the piece, which is an enhancement of the provision that we have delivered previously. We have also learned from some of the work that the Assembly

sponsored bodies have done in this area.

[178] **Mark Isherwood:** Previous Audit Committee reports have identified problems with the former external occupational health services. How successful do you think that bringing it in-house has been, and do you intend to continue to support the appointment of the in-house doctor in the longer term?

[179] **Mr Kennedy:** As was mentioned previously, the significant impact that we have had, especially across some of the long-term sickness absence cases, has been as a direct result of engagement with an occupational health physician. I cannot understate how effective that has been. We need to continue to review how effective that service is in the longer term. We have revised the arrangements in the last six months, where we have recognised that we had a bulk of activity to get through to ensure that we were delivering effectively, but I would not like to say that we will always have one, because it will depend on the circumstances. There is a school of thought out there that suggests that an occupational-nurse-led service can be effective when systems are in place to deliver it. I hope that that answers the question. I would not like to say today that we will always have a physician, but, to date, it has proved to be very effective and good value for money, and it continues to be so for the time being.

[180] **Mark Isherwood:** Do you anticipate that the Assembly Government will continue to work in partnership with the Assembly commission beyond May 2007 on occupational health?

[181] **Sir Jon Shortridge:** As far as I am concerned, that will be a matter for the Assembly commission. If it wanted to make use of our services, I would certainly seek to find a way of making that happen, but it would be a matter for the commission.

[182] I will come back to your original question, if I may. We need to focus on the value for money of this; it is not cheap, as the report indicates, so I will be looking at it carefully. In the short term, the statistics demonstrate how much benefit we have had. There are two other related points. My view is that the Assembly Government should be an exemplar employer in Wales. We should set an example to others, so I would hope that we can continue to show how much can be achieved by proportionately investing in an occupational health service. That is where I am coming from, but I will be looking carefully to see, in general terms, that the level of expenditure can be justified. It is not just a question of getting people back to work; it is also about providing support to people who are already in work. I have referred people who were in work to the occupational health service. It provides counselling for people—it has a counselling contract—and if you can help people through a problem and keep them in the workplace, that has to be a good thing. So, early intervention, through the occupational health service, is important.

[183] **Mark Isherwood:** I hear what you are saying, but, nonetheless, paragraph 2.23 states that staff could have been absent for up to two months before human resources or the occupational health team became aware of their absence. Is that not too late, especially in terms of identifying individual divisions, units or teams that might have higher levels of sickness absence, requiring some sort of intervention to

help them to better understand and implement the absenteeism policy?

[184] **Sir Jon Shortridge:** I will have to ask Bernard to answer that in detail. I guess that that is just referring to one of the trigger points, but, as managers, we all know that the occupational health service is there, and we can bring it in whenever we like, irrespective of the trigger points. The trigger point determines the longest wait that there should be. I suspect that that is the answer.

[185] **Mr Galton:** It is also about sharpening up processes. It is the art of the possible with a system like Snowdrop in place. We have sharpened up the processes since then. It used to be something like the fifteenth of the month before I got details of the previous month, but those details are now available within the first five working days of the month, so we have managed to sharpen that up. However, until Snowdrop comes in, that will not provide us with the real time information. So, we accept that there is a risk of that, but we need to have a more sophisticated system, which is Snowdrop, and that will help us to ensure that we are more agile in dealing with this. However, I rely on the human resources advisers to feed information back to occupational health before a spreadsheet hits the desk. They should be the ones who are aware of any issues within the different departments. It is a lot better than it was, but I realise that there are still improvements that need to be made in this area.

[186] **Mark Isherwood:** Finally, Sir Jon is constantly and rightly referring to the role of line managers, but, nonetheless, paragraph 2.24 states that almost half the managers in the focus groups still did not feel well-supported by occupational health in managing absence. Bernard Galton rightly referred earlier to internal customers, therefore how do you propose to engage with almost half of your managers who feel this way, so that they can have a direct input into identifying how things can be done differently?

[187] **Sir Jon Shortridge:** I think that this is part of the cultural problem that we were talking about earlier. I am trying to drive a change through the organisation to make managers realise that they have the responsibility for attendance management, and that it is not just something that they can pass off to human resources. Many people will still have not had much experience of doing this, so even if they have had the training they will not necessarily feel confident until they have been through one of these situations two or three times. So, I am disappointed but not necessarily surprised by that. We have systems in place to ensure that, progressively, the confidence and competence of managers to deal with this improves over time.

[188] **Mr Galton:** It is one of the reasons why we have the external research. We have now gone ahead with this employee assistance programme, which will come into place very shortly. So, the information in this report is extremely helpful in helping us to improve and look at what we need to do over the coming years. It takes time to embed this, and, as you say, it is half of the managers in the focus groups, and we strive to improve in this area and improve the services that are available.

[189] **Mark Isherwood:** You will accept that if, as customers, they have a service problem, then that has to be acknowledged, and simply saying that we do not understand is not sufficient—

[190] **Sir Jon Shortridge:** Yes, and we do have the market in that the human resources advisers are there. They do know who to turn to if—

[191] **Mark Isherwood:** But they are not—that is the point.

[192] **Sir Jon Shortridge:** Well, in part, it is probably because they have not been in a situation like this, so if you have not done something, you will not necessarily be confident about how you handle it.

[193] **Mr Galton:** More than half felt that they did feel supported.

[194] **Mark Isherwood:** Quite right, but if almost half of any sample—

[195] **Mr Galton:** We are on a journey, and we must work hard and listen to our customers. The human resource advisers are my intelligence in the business to get feedback. We have customer reference groups and we respond to what they say, because the last thing that we want to do is to leave managers and individuals in a place where they feel exposed or vulnerable. So, we must work with them in terms of the training and ensure that the support is available.

[196] **Mark Isherwood:** So, you agree that they must be part of the solution, and that you must ask rather than tell?

[197] **Mr Galton:** Yes, very much so—we would have to.

[198] **Catherine Thomas:** I refer to paragraphs 2.25 to 2.27, which state that the Assembly is placing a particular emphasis on addressing psychological and stress-related illness. This is borne out in figure 1 on page 12, which shows that the level of psychological-related sickness absence has fallen since January 2005, and, even though it seems to start to rise again in March 2006, it is on its way down again. Do you know how much of the absence that is linked to stress is work-related?

[199] **Sir Jon Shortridge:** No. I will bring in Bernard, but this is just a definitional problem. Usually when stress hits the point where you become incapacitated by it, you cannot necessarily differentiate between the extent to which it is work-related and the extent to which it is family-related—there will often be a combination of factors. So, being able to prescribe it very specifically is not something that we have achieved although, in my monthly meetings, I am regularly probing the psychological-related statistics to see the extent to which this reflects on my duty of care as an employer. However, I have never really been able to get the unambiguous information that I would like and that you are asking for.

11.20 a.m.

[200] **Mr Galton:** It is really difficult, especially for self-certificated absence or short-term absence, relying on what is written on the certificate, to get beneath that. When it gets to, or approaches, long-term absence, that is where the occupational health doctor comes into his own. What I ask him to do is to segment the sickness absence, if it is a matter of breaks and strains for people who are, unfortunately, suffering from a terminal illness or whatever, and ask him to get down to the

psychological-related issues, and I ask for his judgment, after he has been out to interview people, and an assessment as to whether or not he believes that there is a work-related element involved.

[201] It is a judgment, because we have complex lives, but if there appears to be something that is work-related, or if there seems to be a trend, that gives me the opportunity to investigate further. I can be confident, for some of the cases that come forward, that, because of what is happening to that individual, or because that individual perhaps has a history of mental illness, psychosis, or something like that, it is actually more psychological-related than necessarily work-related. However, it is a tough one, and I rely on the professional judgment of the occupational health staff to help us because I cannot make that judgment on my own. The last thing that we want to have is a workplace where there is a prevalence of stress-related illness. We have to try to identify and eradicate those areas.

[202] **Catherine Thomas:** I will go on to ask you about the findings in your stress survey, which was taken in April 2006. I feel strongly that, if the stress that an individual has is work-related, it is important to establish that and to find out what has caused that stress. Is it bullying perhaps, is it because someone does not have the adequate skills for his or her position, or is the workload too heavy? If you are absolutely serious about tackling this, it is crucial to try to identify it. I appreciate that it is not easy to do that. It is stated in paragraph 2.25 that:

‘our review of staff sickness absence records highlighted several examples of staff who had returned to work after long periods of absence due to stress related to strained working relations with their managers or colleagues’.

[203] I am just picking up what you said earlier about the importance of your managers, in whom you obviously have to invest a great deal of trust, but if they are line-managing someone and they are the cause of the work-related stress, it is very difficult for that employee then to deal with that situation because the person to whom they should be turning for help could be causing the problem. Have you had situations like that?

[204] **Mr Galton:** Yes, we have. To answer the first part of your question, we are very conscious of the fact that we need to be ready to respond if there are areas of stress. We entered into a partnership with the Health and Safety Executive so that we can ensure that we are meeting its stress management index—I cannot remember the exact wording but it is something like that. The first phase is a survey, and the second phase entails a whole group of structured focus groups, which started two weeks ago. Therefore, we are working with our staff so that we will end up with an index in terms of whether or not there is more work that we need to do in terms of tackling the various elements of stress at work, whether that be through an environmental issue, training, or resources. However, it is a matter of getting that sort of evidence in addition to the raw data in terms of sickness absence.

[205] In reducing our long-term sick cases from 102 to 41 over a period of two years, there has been an element of getting people back into work. We have moved them into different areas, we have looked at how we can change their working patterns, and we have looked to see what other sort of assistance they might need, but

we have had to deal with that on a case-by-case basis.

[206] There have not been a huge number of such cases, but there have been a couple of such cases that I can recall. However, the line that I always take is that we are a team made up of individuals; it is not a case of one size fits all, and we have to work with each case to see what the solution is for that individual. There will be different things that we will need to use. However, by working with the Health and Safety Executive, and through the work that we do with other departments and other organisations, we are looking to see how we can ensure that we are pushing forward best practice.

[207] **Catherine Thomas:** What is your approach when someone is returning to work, perhaps after being absent due to a psychological illness, because it is not easy for someone who has experienced acute depression to come back to work? I want to ask about phasing in and flexibility, and how you approach the issue of stigma, because not only is facing up to mental illness difficult in itself, it is also difficult because of the huge stigma that still exists. Introducing someone gradually back into the workforce means that you have to be flexible as an employer, and those working with that individual also have to be hugely understanding. Linking into that, what equality training do your managers undertake, because that is important, especially in relation to mental health illnesses, and understanding them and treating people appropriately?

[208] **Mr Galton:** It is a difficult area, and the longer someone is away from the workplace, the harder it is for them to get back into the workplace. So, we work up individual back-to-work schemes for those individuals. Occupational health, the individual and the line manager work up these schemes, and so it cannot be a case of the line manager dictating that it has to be a certain way and, equally, it has to be mutually agreeable in terms of what is right for that individual to help him or her back into work, taking professional advice from occupational health.

[209] That phased approach could be over a reasonably lengthy time, depending on the nature of the illness. Equally, with other individuals, getting them back into work over, say, three or four weeks would be more helpful, but it depends on the case. However, we are sensitive to that, and a lot of the success that we have had is down to helping people back into work. If they have problems with mobility, we give them a car parking space in the car park for a short period, if they work in Cathays park, for example. We also look to see whether there is any other welfare support that they might need in terms of getting into work.

[210] We work quite a lot on that but, you are right, the line managers and the people in the team need to be sensitive to the individual's problems. In society as a whole there is a tendency for there to be a stigma if someone has a particular mental health problem, and we have to work against that through training and raising awareness. We keep battling with that one. It is about ensuring that we are doing something that suits the individual and suits the line manager.

[211] Equality training is extremely important, and the Permanent Secretary and the board take a lot of interest in it. We have the mandatory training and a lot of training on race equality, and we work closely with the equality commissioners in Wales on

disability, gender and race. We are also looking to see what else we can do in terms of mental illness with the provisions within the disability discrimination legislation. So we are always looking to see how we can improve, but there is a lot of training in place and the occupational health and the equality team work with us to help line managers.

[212] **Catherine Thomas:** Has the survey shown a higher level of stress than was shown in the figures in the report? Has the survey shown that there are people who have not taken a leave of absence, but are still stressed? Has that come out?

[213] **Mr Galton:** We are still working through the information, because the survey is just part of the overall work that we are doing. It is still a pilot scheme with the HSE, and so we are informing HSE about how that is working for us. The focus group started two weeks ago, so that is building on the raw data. We need to establish from that whether there is an underlying problem that, as you say, is not manifesting itself in sick leave. It is too soon to tell on that, but we will certainly be in a better position, in a few months' time, after Christmas, as we go forward with this work with the HSE.

11.30 a.m.

[214] **Leighton Andrews:** On paragraphs 2.28 to 2.30 on work/life balance, flexitime and special leave arrangements, do you agree that there is a culture of working long hours?

[215] **Sir Jon Shortridge:** That is a difficult issue. I certainly seek to encourage my staff and commend to them that they work broadly within their contracted hours and that if there is a problem with working within those contracted hours, then that needs to be addressed—it may be that things can be stopped and that there has to be an intervention to put in more staff to deal with the issue. So, I issue that message all the time.

[216] However, when you get to more senior levels of the organisation, it is not possible for some of us to do our jobs professionally within 37 or 40 hours a week. If we were to pretend that we could, we would be dishonest. If we were actually to do that, we would let down the organisation to which we have made a commitment. So, if you are in a senior management or leadership position in an organisation as large and as complex as this, you have to acknowledge that you will be working more than 40 hours a week.

[217] **Mr Galton:** May I add to that? The surveys that we have undertaken would appear to support the Permanent Secretary's line: the more senior you get, the more difficult it is to work within contracted hours. There are people who say that they find that to be a problem. It is not, from the surveys that we have seen, a problem further down in the organisation. However, we are not complacent about that. Every year, when we undertake our staff survey, we look at two issues from the survey and consider what we will do during the year to get some more information and probe into those. From the staff survey in 2005, we looked at whether we had a problem of staff working long hours. So, one of my colleagues has been working hard on this over the year by holding focus groups, further surveys and talking to staff. He will report back

to us in the next few weeks on whether or not a long-hours culture exists or whether there are parts of the organisation where working longer hours is more prevalent than in others. We could go, in time, to a full-time electronic recording system. That would be an investment and an option, but with Snowdrop, there is an opportunity to record that, so we will have more real-time data. However, we rely on people putting in their hours realistically, which does not always capture the fact that people are working at home or working away from the office. There are several different ways in which we survey, question and look at this to ensure that the working culture does not develop in that way.

[218] **Leighton Andrews:** Sometimes working from home can be a better way of working and sometimes it can be equally demanding. Do you feel that you have the technological support in place for people to do their jobs adequately from home?

[219] **Mr Galton:** Increasingly, yes. As we go through the transformation programme, broadband is being rolled out across Wales. It will then be much easier for people to work from home, but we must ensure that people can do so safely. So, in terms ensuring that people are not bunched up on a beanbag for hours on end, we undertake several display screen equipment assessments for people who work at home on a formal basis. We have an informal, ad hoc policy, but if they work from home formally, we will ensure that people are working safely and also undertake specialist assessments. However, technology is changing all the time, which will make it easier for us to work in more flexible ways over the coming years.

[220] **Leighton Andrews:** With your reference to beanbags, I was worried that you had been in my office.

[221] On special leave, you have, in appendix 4, what appears to be quite a generous range of paid and unpaid special leave for people. To what extent does that contribute to the reduction of sickness absence in your view?

[222] **Mr Galton:** The flexible working practices are extremely important and have a direct impact on sickness absence, because people can work term-time hours or compressed hours, such as a nine-day fortnight, or flexible hours that help with children and caring responsibilities. However, we also have to ensure that people are not using sick leave when they should be using special leave, either paid or unpaid. Looking at the trend data, we can look at whether we suddenly get a major increase in sickness absence during October half-term, for example. Does it tend to be women with school-age children? We are looking at those trends. If that is the case, then we need to remind staff and HR advisers that there is special-leave provision, unpaid provision, or an opportunity to undertake different working hours to tie in with that. Undoubtedly, there will be an element of that and we are trying to ensure that people are fully aware and fully briefed with regard to the fact that there are other provisions within our working practices that will help them with their caring responsibilities.

[223] **Leighton Andrews:** Presumably, you are also looking at men with school-age children, not just women.

[224] **Mr Galton:** Yes, men as well. You look for trends. It tends to be women, but I accept that men also have those responsibilities. I have children as well. However,

you have to look at the probabilities and trend data and then get underneath it to find out some more information.

[225] **Leighton Andrews:** Do you think that you have adequate measures in place to protect against the abuse of flexi-time and special leave?

[226] **Mr Galton:** We rely on trusting people. We are an organisation that values people and trusts them. If you have policies where you think that there will be a high incidence of fraud, then that develops a culture that we would not want to encourage. However, we rely on people to record their hours and we rely on managers to manage. Increasingly, people are working in teams and there is peer pressure. We do not have a full electronic recording, so it is difficult to say if there is any abuse. We get survey results in the organisation showing that over 80 per cent are proud of the job that they are doing, and over 90 per cent know how they fit into the organisation, so that sort of pride and positive attitude help us to believe that we have reasonable measures in place.

[227] **Leighton Andrews:** Chair, I think that my questions on the ASPBs have already been asked by others.

[228] **Janet Davies:** I am sorry about the noise that we have had; apparently it was due to a helicopter hovering overhead. I hope that it was not the one that kept me awake for a couple of hours the night before last as it hovered over Roath. Perhaps it has got it in for me.

[229] Just to finish, Sir Jon, the report has highlighted that good progress has already been made. What do you regard as the key priorities to deliver further improvements? In particular, do you think that there are any key lessons that other public sector areas can help us with?

[230] **Sir Jon Shortridge:** In the short term, the key priority is to get this HR IT system up and running. In this session, we have gone into the value that that will give. The other key issue is for me to continue to provide the leadership to help managers in the organisation to be sufficiently confident to implement these policies effectively. Those are the two things that I think will yield the most benefits. In terms of what I would commend—I covered this, in part, at the outset—I think that strong leadership is very important. If the leader of the organisation, through his or her behaviour and words, gives the message to the organisation that this is not important, you will get one outcome; if the message is the opposite, you will get a different outcome. You need good, clear policies. You have to have—which I do not yet have—a high-quality and very visible management information system that will help to monitor performance but which will also help to drive the attendance-management process. You also need to have an intelligent management information system that will prompt managers, telling them that the trigger points are there and that something has to be done about them, and that they have not yet done the back-to-work interview. If those things existed together, as a package, across the public sector in Wales, there would be substantial improvement in attendance management.

[231] **Janet Davies:** Thank you, Sir Jon, Mr Galton and Mr Kennedy, for your helpful answers today. As you know, you will be sent a transcript before publication

for you to discuss any difficult points, or points that may be incorrect.



Cynulliad Cenedlaethol Cymru  
National Assembly for Wales

Sir Jon Shortridge KCB  
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Permanent Secretary

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Clerk to the Audit Committee  
National Assembly for Wales  
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30 October 2006

*Dear Kathryn*

**FURTHER INFORMATION RESULTING FROM ASSEMBLY AUDIT COMMITTEE EVIDENCE SESSION, 12 OCTOBER 2006 ON THE MANAGEMENT OF SICKNESS ABSENCE IN THE NATIONAL ASSEMBLY FOR WALES**

At the Committee's session on 12 October 2006, I undertook to write to you with further information on a number of issues.

The Committee asked for further information on the rules governing incidents of sickness absence which arise after 11am. I have asked for further clarification on the background to this and as a result can confirm that such absences are currently recorded on an individual's sickness absence record to determine whether there is any pattern of absence. Where there is no good reason for such absences they will give rise to the appropriate management action. The adoption of 11am as the cut-off time is generally accepted practice across the Civil Service. The recording of such absences will continue with the implementation of the HR Information System. Such absences are not, however, included in the calculation for reduced pay and are not therefore recorded on the payroll system. This is in line with the Civil Service Pay and Conditions of Service Code upon which the National Assembly's Pay and Conditions of Service Code is based. This states that:

*'An officer, who because of illness, either arrives late or ceases work during the course of the day may be regarded as having attended for the whole day (paragraph 4.1.13)'*

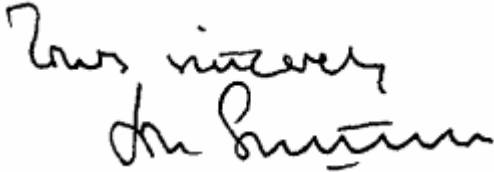
In summary, these absences are recorded on an individual's record to determine whether there is any pattern of absence. They are not however recorded on the payroll because they are not included in the calculation for reduced pay. Such a calculation in any case only becomes applicable after someone has been absent for

6 consecutive months, so the application of this rule will rarely if ever have any direct financial implications.

The Committee also asked for further information on the financial benefits of the attendance recording function of the HR Information System. The HR Information System, as described in the Wales Audit Office report, is critical to the Assembly's Absence Management Policy. The target stated in the Corporate Health and Safety Plan is to reduce absence levels by 1 day per person per year until we reach the lower quartile for Civil Service Departments. The estimated annual value per day, as reflected in the Report, is £540,000. At present, the Benefits Plan assumes a minimum of 3 days achieved in the 5-year Plan. If this is achieved within the first three years, the accumulating value is:

|  |                          |                 |
|--|--------------------------|-----------------|
| Year 1                                     | £0.54m                   | = £0.54m        |
| Year 2                                     | £0.54m + £0.54m          | = £1.08m        |
| Year 3                                     | £0.54m + £0.54m + £0.54m | = £1.62m        |
| Year 4                                     | £0.54m + £0.54m + £0.54m | = £1.62m        |
| Year 5                                     | £0.54m + £0.54m + £0.54m | = £1.62m        |
| <b>Total value over the five-year Plan</b> |                          | <b>= £6.48m</b> |

I am copying this letter to the Auditor General for Wales and the Assembly Compliance Office.



**JON SHORTRIDGE**