

**STATEMENT TO BE MADE BY DEPUTY S.C. FERGUSON OF ST. BRELADE, SHADOW
CHAIRMAN OF THE SHADOW PUBLIC ACCOUNTS COMMITTEE ON 20TH JULY 2004**

Members cannot fail to have noticed that the Public Accounts Committee, (PAC), has been dealing with sickness levels in the Public Sector workforce. I have chosen to make a statement to the Assembly rather than conducting a discussion through the columns of the Jersey Evening Post. As most members are aware, I do not consider that the columns of the Jersey Evening Post, excellent an organ as it is, are the appropriate or primary place for policy discussions regarding States' matters.

Both the Human Resources Division of Policy and Resources and the Public Accounts Committee agree that the cost of sickness and absenteeism to the Public Sector is of the order of £10 million annually. It is, therefore, of the utmost importance in the management of the Public Sector that this area of considerable expense should be addressed.

Moreover, the cost of sickness and absence is greater than the direct payment of wages and benefits paid during the absence. The States must also consider the indirect cost of staffing, scheduling, re-training, lost productivity, diminished morale, and opportunity cost. The indirect costs often exceed the direct cost of absenteeism.

Effective supervisory efforts in attendance management will generate substantial savings, increased productivity and improved morale.

The concentration on the details of a newspaper report, based on estimates in an explanatory paper, has diverted attention from what was the focus of the PAC enquiry; the obtaining of reliable and relevant statistical base lines for the States of Jersey and the development of good management techniques to reduce this significant expenditure on an ongoing basis.

Those members who have read the benchmarking report will have noticed that the sickness levels depend on the sectors being compared and which set of statistics are used for comparison. Depending on the sectors, Jersey can be shown to be performing less well than the U.K. or can be shown to be performing better.

The PAC has noted the overall benchmarking statistics but considers that it is more important to establish the base level for Jersey and to reduce this in an orderly and constructive manner. The Chief Officer for Human Resources endorsed this approach. The estimated figures quoted, and the assumptions on which they were made, were used to emphasise the scale and cost of this aspect of public sector management. A reduction in the average absence levels of 1 day means a saving of approximately £1million to the States.

The Human Resources Department is making significant steps to address the issue of absence management; a process which will be made simpler once the system of ministerial government is in place. Currently there are a number of different pay groups within the public sector and the new computerised reporting system is not yet fully or correctly in use throughout the public sector.

The Minutes of the public meeting of the Public Accounts Committee have been sent to all members. Members will note that the PAC has asked for further work to be done to produce relevant and reliable statistics. In particular, we have asked for statistics on sickness and absence in the private sector in Jersey. These will provide more meaningful comparisons but it is continuous improvement in the public sector which is the common goal for both the HR Department and the PAC.

It was also agreed that further work needed to be done in development of management techniques and procedures, and in a number of other areas relating to the management of sickness and absentee levels. The PAC was also pleased to note that the HR Department had already addressed a number of the issues in the Audit Commission Report of March 2001.

Comments on the explanatory paper released by the PAC, using estimated figures, were not received by the PAC until the morning of the hearing. It was, therefore, too late to include them in briefing papers. At the same time the PAC had no intention of a misleading discussion of questionable statistics. The statistics were discussed briefly towards the end of the meeting but unfortunately the JEP journalist had already left. The PAC asked for the

additional statistics submitted to be included with the other information which has been requested. These will then be included in the report which the PAC intends to issue.

It was particularly inopportune that the letter to the Chairmen of the PAC was released to the Press before any comment was obtained from the PAC.

The Policy and Resources Executive met with representatives of the PAC last Thursday. It was agreed that there had a been breakdown in communications and it was also noted that it was unfortunate that the published report on the PAC hearing was based on a fraction of the meeting and focussed on peripheral matters rather than the substance of the meeting. The PAC also emphasised that the hearing concentrated on the establishment of a base level of sickness absences and the management techniques and procedures required for the management and reduction of absence.

I need hardly remind members that, in the members of the former Audit Commission, the PAC is blessed with independent members who have distinguished themselves in their chosen professions and who have a wealth of business experience. The Island is particularly fortunate in being able to draw on this pool of experience, especially as it is given in an honorary capacity.