Fitness for work: the Government response to ‘Health at work – an independent review of sickness absence’
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Sickness Absence Review Response Steering Group
This UK Government Response has been co-ordinated by the Department for Work and Pensions and has been overseen by the Sickness Absence Review Response Steering Group comprising of all relevant parts of the UK Government namely; The Department for Work and Pensions; The Department for Business Innovation and Skills; Her Majesty's Revenue and Customs; Cabinet Office; The Department of Health; and Her Majesty's Treasury.

Scotland and Wales
The devolved Governments in Scotland and Wales have been involved in the development of this Response.
Foreword

1. In recent years our understanding of the relationship between work and health has improved dramatically. As a society, we have moved away from old-fashioned preconceptions about who can and cannot work, and from the view that being away from the workplace is always in the best interest of someone with a health condition.

2. We now know that losing contact with the labour market leads to worse outcomes across the board, including health. This understanding has shaped Government welfare policy, and underpinned our success in helping more people off benefits and into work. But all too often support is only available once someone falls onto out-of-work benefits, in spite of overwhelming evidence that early interventions are most effective in helping people to stay in work.

3. In 2011, we asked Dame Carol Black and David Frost CBE to take a critical look at sickness absence in Great Britain. This crucial period when people first become vulnerable to disconnection from the labour market had previously been much neglected by policy-makers and I am extremely grateful to the reviewers for producing a comprehensive and valuable analysis, which provides a strong base for policy thinking both now and in the future, as well as a series of thoughtful recommendations.

4. This paper sets out the Government response to those recommendations, and also how they fit into a broader strategy to support the health and wellbeing of the working age population.

5. Our aim is to build a framework where individuals, employers and healthcare professionals work together to support continued connection and early return to the labour market. If we can achieve this, the benefits are compelling – for employers through reduced sick pay and increased productivity, for the State through reduced long-term worklessness, and most importantly for the long-term future of people at risk of losing touch with the world of employment.

Lord Freud
“We know that the longer someone is off sick or out of work, the harder it is to get back to work, and worklessness comes at great personal and financial cost.”

Health at work – an independent review of sickness absence (2011)

Context

1. For too long it was assumed that people with health conditions should be protected from work. But in recent years the evidence has shown how detrimental this approach can be to individuals and their families.

2. Of course, there will always be occasions when people are unable to work or require time away to recuperate. But far from being something to avoid, we now know that work can be good for people’s health. Keeping people in work or getting them back to work more quickly if they do go off sick is now known to be a key factor in protecting their longer term health and wellbeing.

3. Thanks to the Government’s Health, Work and Wellbeing initiative, progress has been made. We know more about what works, and attitudes to health and work are changing with more employers and healthcare professionals now seeing the value of helping people to stay in and return to work.

4. There are still around 300,000 people a year falling out of work and into the welfare system because of health-related issues. A significant amount of this job loss may be needless, creating both a waste of individual talent and a burden on the taxpayer.
5. The State spends £13 billion a year on health-related benefits, with employers facing an annual bill of around £9 billion for sick pay and associated costs. In these harsh economic times, neither the Government nor employers can continue to bear these costs.

6. On top of this huge financial cost are the social effects. Once out of work, an individual's health is more likely to deteriorate and they risk falling into poverty – a downward spiral that has a devastating effect on both their family and the community in which they live.

The independent review of sickness absence

7. Recognising the scale of the challenge, in 2011 the Government asked Dame Carol Black, then National Director for Health and Work, and David Frost, then Director General for the British Chambers of Commerce, to assess the sickness absence system. This was undertaken within the broader context of government measures to encourage economic growth, including the parliament-long Employment Law Review.

8. The review, *Health at work – an independent review of sickness absence*, presented an important analysis of:

   • the impact of sickness absence on employers, the State and individuals; and
   • the factors which contribute to and prolong sickness absence and which, in too many cases, mean employees move out of work and on to benefits.

9. Dame Carol Black and David Frost undertook a rigorous examination of the current system and the roles that healthcare professionals, employers and government services play.

10. Their findings and recommendations raised complex issues which have required detailed consideration to address the feasibility, costs, benefits and wider consequences.

11. The Government welcomes their review, the evidence presented, the conclusions drawn and recommendations made.

Our Response

12. Our Response accepts many of the recommendations made and announces a range of measures to support people with health conditions both stay in and return to work. (For a summary of our Response to the recommendations see Appendix 1)

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13. We know this is an opportunity to make a long-term difference, and that it will only be achieved if we create a fully joined up system that supports the Government’s wider welfare reform programme.

14. So our Response is shaped to complement both health and welfare reforms and the growth agenda by introducing measures that directly support people with health conditions to stay in work, while also addressing business concerns about the sickness absence system.

15. Our overall approach has been to help individuals, employers and healthcare professionals meet their responsibilities while also creating a system that provides value for money for the taxpayer.

16. We believe the Reviewers identified areas where we can make a significant difference, in particular through the introduction of a health and work assessment and advisory service aimed at helping employees on sickness absence back to work.

17. This assessment and advisory service will make occupational health expertise more widely available to those employees and employers who need it most – employers will find it easier and more cost effective to manage sickness absence and GPs will have access to work-related health support for their patients, which is rarely available at the moment.

18. As well as responding to the recommendations made in Health at work – an independent review of sickness absence, we have also looked at the wider health and work agenda and how we can build on the progress already achieved.

19. Over the past few years, a growing awareness of the positive relationship between health and work has motivated employers, employees and healthcare professionals to change their attitudes and behaviours.

20. Employees are recognising the benefits of work to their wellbeing, employers are doing more to promote health at work and to manage sickness absence, and healthcare professionals are looking at what patients can do rather than just at what they can’t.

21. Many of the measures we are introducing as part of the Response would not have been possible without this significant change in attitudes and behaviours.

22. Partnerships with key stakeholders, including health and business leaders, have been crucial in motivating and driving this change. We will continue to develop these relationships to help find solutions to areas we know are as yet unresolved.
A health and work assessment and advisory service

23. In their Review, Dame Carol Black and David Frost called for a service that would provide healthcare professionals, employers and employees with an independent assessment of an individual's occupational health needs. We agree this is the best way forward and will go a step further by considering follow up actions to this assessment. Our response to this challenge is set out in Chapter 2. Our plans include:

- The establishment of a health and work assessment and advisory service to make occupational health advice more readily available to employers and employees, so they can better manage sickness absence. The new service will be delivered in 2014 and include:
  - a State-funded assessment by occupational health professionals for employees who are off sick for four weeks or more;
  - signposting to appropriate interventions including Universal Jobmatch, an online jobsearch service for those employees who are able to work, but unlikely to return to their current employer;
  - case management for those employees with complex needs who require ongoing support to enable their return to work.

Improving sickness absence management

24. We want to do more to help employers to manage sickness absence and take the necessary steps to help employees return to work earlier. The Reviewers set out a number of recommendations which they believed would support employers. Chapter 3 details our plans to address these recommendations, including the following:

- Retention of tax relief on Employee Assistance Programmes;
- considering the introduction of a tax relief on interventions recommended by the service and making a decision at 2013 Budget;
- abolition of the Percentage Threshold Scheme, releasing funds to be reinvested in the new assessment and advisory service;
- removal of the statutory requirement on employers to maintain sick pay records;
- using the Employer’s Charter to provide better guidance on what employers can do to manage sickness absence;
- improving standards of sickness absence management within the public sector;
- commissioning research to explore the details of sickness absence management and sick pay regimes in different types of organisations.
Supporting healthcare professionals

25. GPs play a key role in helping an individual back to work. We agree with the Reviewers' recommendations to revise fit note guidance and do more to improve healthcare professionals' knowledge and awareness of the benefit system and evidence on health and work, in particular their understanding of mental health and employment. In addition to the support provided to GPs by a health and work assessment and advisory service, in Chapter 4 we outline our plans to:

• revise fit note guidance;
• improve education on health and work for healthcare professionals;
• improve understanding of the relationship between mental health and employment.

Reforming the benefits system

26. While the employer has a role to play in supporting employees to stay in work, the State has an important role to play in helping people back to work. In Chapter 5 we set out our Response to the recommendations made by the Reviewers regarding the welfare system. Recognising the opportunities provided by the introduction of Universal Credit, our plans include:

• ensuring interventions are available for appropriate claimants to enable active engagement ahead of the Work Capability Assessment under the new Universal Credit conditionality regime;
• exploring ways to provide better health-related support for people who are out of work because of health problems.

The future direction for the health and work agenda

27. The Response marks the start of the next stage in our efforts to improve the health and capability of the nation's workforce. Chapter 7 outlines our future direction.

28. Up until now we have concentrated on the working age population as a whole. We recognise the workforce is ageing and that this will have a dramatic effect on the UK's workplaces. We need, therefore, to consider the needs of older workers and the support required to ensure people are able to work to a later age. We will also be looking at how younger people prepare for employment to see whether there is more we can do to improve their resilience for working life.
29. Addressing the needs of people who have mental health problems has long been identified as an area that needs more focus. So we will continue to shape our approaches to take into account the challenges of mental health and employment to ensure mental health gets the recognition and focus it requires.

30. We will continue to build on the partnerships we have formed with those who have been essential in helping us to build momentum and persuade people that the relationship between health and work is important.

Conclusion

31. The Government is committed to improving the health and wellbeing of the UK workforce and to reducing the cost and waste associated with health-related job loss and flows on to benefits.

32. Preventing people from falling out of work because of ill health is always better than having to pick up the pieces afterwards. So we want to support people at every stage – from out of work to in work, from receiving treatment to self-managing a condition – to ensure they get the appropriate help and advice.

33. Welfare reform, investment in the health and work agenda, and our Response to the independent review of sickness absence will all play a part in improving people’s lives, creating a sustainable workforce for the future and contributing to economic growth.
1. Over recent years, we have seen a growing recognition that the relationship between health and work has a significant effect on the lives of individuals and on wider society.

2. That relationship is complex and there are many influencing factors. We know, for example, that timely access to appropriate health treatment and advice is generally a pre-requisite for a successful return to work. However, health treatment alone may not be the deciding factor.

3. When people become ill their return to work is often influenced by how they think about their illness and by other factors in their lives. This is why two people with the same diagnosis and similar symptoms may respond differently to the challenge of returning to work and why access to expert advice is so important.

4. A combination of work-focused healthcare, timely advice and accommodating workplaces offers the best prospect of a sustained return to work.

5. In 2008, Dame Carol Black's independent review of the health of the working-age population in Great Britain was instrumental in bringing the relationship between health and work into sharp focus.

6. This review set out the economic cost of working age ill-health and the factors that stood in the way of reducing that cost. The resulting initiatives helped develop our understanding of what worked and what else needed to be done.

7. Since that review, various studies have explored health and wellbeing at work from the perspective of the employee, employer and the healthcare professional, especially the GP.

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The evidence shows that the majority of people of working-age believe work is “good” for both physical and mental health – even those who are out of work share this view. Similarly, the majority of GPs and employers appreciate the benefits of work to health or appreciate that this link exists (Figure 1.1). In a recent large-scale survey over two thirds of unemployed people agreed that working would lead to better mental health.3

![Figure 1.1: Levels of agreement that work is good for (or related to) health](http://research.dwp.gov.uk/asd/asd5/reports2011-2012/rrep750.pdf)

Working-age people want GPs to provide advice on the work they can do when they have long-term health conditions. They also want employers to play a supporting role when employees are ill.4 However, GPs, employees and employers struggle to access the necessary expert advice to inform an appropriate approach to sickness absence management.

While perceptions and attitudes regarding health and work appear to be changing, there are still too many people falling out of work and into the benefits system as a result of ill health.

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10. The consequences are devastating for the individuals concerned and their families. Once on sickness benefits, people can find their health deteriorating further, making it harder to return to work and leading to a downward spiral into longer-term poverty. Research shows that just over one-quarter of those claiming Employment and Support Allowance report a deterioration in their health over the 12-18 month period following their claim, with less than one-third reporting an improvement (Figure 1.2).

![Figure 1.2: ESA claimants' reported changes in health and health expectations](image)

11. Even when people claim benefits for reasons other than sickness, being out of work can adversely affect their health. A recent study found that about a third of new Jobseeker’s Allowance claimants experienced deterioration in their mental health over a four-month period, but entering work was linked to improvements in their mental health.\(^5\)

12. The financial burden for employers and taxpayers is substantial – money that would clearly be better spent elsewhere (Figure 1.3). All this waste stifles growth and has a damaging effect on the economy.

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13. The Government recognises the importance of these issues and has continued the investment in the health and work programme which followed the 2008 Black Review. The occupational health advice service pilots for small and medium sized enterprises and the Fit for Work Service pilots are fundamental to our understanding of what works best and have helped to shape the measures announced in this Response.

### Occupational health advice services

14. The Government-funded occupational health advice services, which are running in England, Scotland and Wales, provide access to high quality, professional advice tailored to meet individual occupational health issues.

15. Evaluation of the pilots found they successfully reached employers and employees in small and medium-sized businesses, and addressed a genuine need for professional occupational health expertise.

16. The services were highly valued for providing fast access to professional advice. More than 90 per cent of users found the advice useful and said they would recommend the service to others.\(^6\)

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17. Evidence gathered from employers about the perceived impact found:

- they were reassured the services could confirm that a proposed course of action was along the right lines;
- they assisted employees to return to work and, thereby, reduce staff absence;
- they made adaptations to the workplace in order to retain staff;
- they reduced intermittent staff absence; and
- they felt better equipped to deal with future employee health issues.

18. Over the past year, the advice service in England alone has offered occupational health information and advice to more than 21,000 people through its website and telephone lines. More than half of all enquiries ask for advice on mental health issues, with questions about fitness for work and the fit note also featuring strongly. Over 80 per cent of customers reported that the website knowledge base and specialist advice was “excellent” or “good” (Figure 1.4).

19. The occupational health advice services pilots were scheduled to finish on 31 March 2013. However, we will continue to fund them for a further year to provide employers with on-going support while we prepare for the introduction of the health and work assessment and advisory service, as outlined in Chapter 2.
The Fit for Work Service pilots

20. Where the occupational health advice services offer support primarily to small and medium sized businesses, the Fit for Work Service programme of pilots is testing Dame Carol Black’s vision for short, sharp multi-disciplinary action to help individual employees in the early stages of sickness absence return to work.

21. Now operating throughout Scotland and in six locations in England and Wales, the Fit for Work Service pilots recognise that issues other than health can keep people off work. So the pilots are testing a range of approaches that bring together services such as healthcare, employment, skills, housing and debt.

22. There is now clear evidence that a successful approach requires quick access to a ‘holistic’ assessment that identifies all the issues that may be stopping an employee from returning to work. We have used this evidence to inform our Response.

Case study:
Heather, a woman in her 40s, was employed by a small business. She had an excellent attendance record at work until she injured her back. She received physiotherapy for her bad back, but this was only partially successful and she still found it painful to move. During this time Heather also became depressed.

After being off work for about seven weeks, Heather contacted her local Fit For Work Service. She was referred by her case manager to physiotherapy and occupational health services and to see a mental health expert.

The physiotherapist recommended a detailed treatment plan. The occupational health specialist carried out a workplace assessment and produced a report which Heather then shared with her employer who made the necessary adjustments to her workstation. Heather also attended one-to-one sessions with the mental health specialist, who suggested self-management strategies to help her overcome her depression.

Heather’s employer was supportive throughout and adopted the suggestions made by the occupational health expert. Heather used the service for about three months before returning to work full-time.

The Statement of Fitness for Work or fit note

23. The 2008 Black Review identified the key role that healthcare professionals play in helping people with health conditions to stay in or return to work – and in particular the role of GPs, who are usually the first port of call for employees when they have a health problem.
24. GPs use fit notes to provide advice about employees’ fitness for work. Fit notes have been in use since April 2010, replacing the old sick notes as recommended by the 2008 Black Review, and focussing on what someone can do rather than what they can’t.

25. The fit note represented a fundamental change in the way sick leave is viewed – encouraging communication between all parties with a focus on what someone can do and a return to work where appropriate.

26. This cultural shift will take time to bed in, but in the time since the fit note was introduced, we can already see it is starting to have an impact on the way that GPs, employers and employees think about work and health.

27. GPs have told us the fit note has improved their discussions with patients and the advice they provide, including making them more likely to recommend a return to work. Employers have also welcomed the fit note and are keen to make more use of it to support employees to return to work – although they want the advice on the fit note to be as useful as possible.

28. Finally, employees themselves have told us the fit note can help them challenge possible negative assumptions about what they can do while they have a health condition, allowing them to have honest and open discussions about staying in or returning to work with their employer.

The electronic fit note

29. The electronic fit note started to roll out to GP practices in July 2012 and will be available to the vast majority by early 2013. The electronic fit note provides further support for GPs, employers and employees, by providing a printed statement that saves time for GPs, is clear to read for patients and employers and can be quickly reprinted if it is lost.

30. The electronic fit note saves GPs’ time by automatically completing basic details such as the date of issue and practice address. It also allows easier reference to previous fit notes to track patterns and improve continuity of patient care, particularly for patients with long term conditions. It can also be used for internal auditing of certification practice as GPs do with other areas of clinical practice.

Public Health Responsibility Deal in England

31. In March 2011, we launched the Public Health Responsibility Deal in England to tap into the potential for businesses and other influential organisations to make a significant contribution to improving the nation’s health.

32. The Responsibility Deal is made up of a series of networks, one of which covers Health at Work. Members commit to supporting their workforce to lead healthier lives and encouraging other employers to do the same. So far, hundreds of organisations have pledged to improve the health of the national workforce.

33. All these measures demonstrate the potential to have an impact on employees remaining in work or returning to work more quickly. As we examined the underlying issue of sickness absence more closely, it became clear that fundamental change to the system is required.

Health at work – an independent review of sickness absence

34. In 2011, the Government commissioned Dame Carol Black, then National Director for Health and Work, and David Frost, then Director General of the British Chambers of Commerce, to review the sickness absence system.

35. Their report, *Health at work – an independent review of sickness absence*, was published in November 2011 and provided a rigorous examination of the current system and recommendations for change.

36. The Review, which was sponsored by the Department for Work and Pensions and the Department for Business, Innovation and Skills, marked a milestone in the health and work story – it was the first time experts from a medical and a business background had come together to examine a system from the inside out.

37. The Reviewers made an important contribution to our understanding of the sickness absence system and offered challenging and new insights into this complex problem.

38. Their recommendations required detailed consideration to address the feasibility, costs, benefits and wider consequences, particularly with regard to the changing landscape on Welfare Reform and the economy.

39. The Reviewers identified the gaps within the current system which prevent many employers, especially small and medium-sized enterprises, from addressing the barriers that hinder an employee’s timely return to the workplace.

40. There is a clear need for reform to create a proactive approach towards information sharing between employees, employers and healthcare professionals; to improve access to occupational health expertise; and to enable appropriate early interventions to be carried out.

41. We welcome the Reviewers’ recommendations and the evidence they provided.
Our Response

42. To help develop our Response, the Government met with a range of stakeholders to find out what they think of the current system and how they would improve it.

43. Leading organisations and individuals representing business, healthcare and employees provided us with comment on what was being proposed. We have listened to stakeholders' views and reflected them within the Response.

44. We believe our Response creates a system where the responsibility for health and wellbeing is balanced between employees, employers, healthcare professionals and the State.

45. We will provide better support for employees and, in return, expect them to fulfil their responsibility to their employer.

46. We will make it easier for employers to do the right thing to support their employees to return to work and, in return, expect them to engage fully with the new system.

47. We will provide greater access to occupational health expertise for GPs to refer their patients to and, in return, expect healthcare professionals to work constructively alongside the new service.

48. For our part, the State will address the market and information failures and, in return, see the taxpayer benefit from the reduced flows on to benefits.
A health and work assessment and advisory service

1. Supporting employees on sick leave to return to the workplace as soon as possible is crucial if we want to stop short-term sickness developing into longer-term benefit dependency.

2. We know that the longer someone is on sick leave, the less likely it is they will return to work and that their chances of becoming dependent upon benefits increase.\(^8\)

3. The Reviewers identified a lack of access to independent occupational health advice within the current system as one of the key barriers preventing many people from returning to work. Employers also find it frustrating that in cases of long-term absence the State offers no more detailed occupational health assessment of their employees beyond the opinion of the GP.

4. So we have accepted the recommendation to address this gap and will introduce a new state-funded service to make expert occupational health assessments and advice more readily available for employees and their employers.

5. The service will provide an occupational health assessment after four weeks of sickness absence, as the Reviewers recommended. But we will go further and provide a more comprehensive service to optimise the impact by ensuring individuals receive appropriate interventions, case management and follow-up help after their assessment. In addition, the service will also provide advice for employers, employees and GPs throughout the sickness absence process (Figure 2.1).

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6. We know that many employers recognise the benefits of expert occupational health advice and have invested in provision. However, for many employers, particularly those with fewer employees who may need advice on a sporadic basis, investment in this area is not so straightforward.

7. A recent survey found that only one in 10 small employers provided employees with access to occupational health services in the previous year, compared with eight in 10 large employers. The Government-funded occupational health advice services have also shown employers are keen to seek expert advice.

8. And, research with GPs shows they would welcome a health and work assessment and advisory service, believing it will fill a gap in the support they are able to provide and make an important contribution towards enabling patients who are at risk of falling out of work completely to return.

9. By providing a health and work assessment and advisory service, we will make occupational health support more widely available to people who might otherwise struggle to get back to work.


Referral

10. Based upon the Reviewers’ recommendations, the core part of our new service will be an occupational health assessment (Figure 2.2).

11. GPs will retain their central role to ensure the service has as wide a reach as possible. A robust referral mechanism with limited exceptions should bring the vast majority of people who are absence for four weeks into the new service. Employers can expect to receive advice on how to facilitate a return to work for these employees without the need to make a referral themselves. Where an employee fails to engage with the service, no further fit notes will be issued.

12. At the core of the service is the requirement that GPs will refer those patients who have been on sick leave for four weeks, unless there are very clear and well-defined reasons for not doing so. We will explore whether the computer-generated fit note could provide a suitable vehicle to prompt GPs to make a referral to the new service.

13. We recognise that the service will not be necessary for all patients, such as those who are close to returning to work and do not require additional support or those with acute medical conditions undergoing treatment. In line with GPs’ wishes expressed in our research with them,\textsuperscript{12} clear guidance will be developed by occupational health experts and GPs to assist GPs in making appropriate referrals. This will make clear that referral should be the default position after four weeks of absence, and the criteria for exceptions will be limited and clearly defined. The service will confirm the appropriateness of all referrals and, as the new system beds in, we will monitor the process to ensure it is working effectively.

14. Of course, GPs may choose to refer certain individuals before they have been off work for four weeks if they consider them suitable for early intervention. And employees who are keen to be referred at any point during a period of absence will be encouraged to consult their GP on the benefits of the service for their individual circumstances.

15. If an employee has not been referred to the service at the four-week point and the employer does not feel the information provided by the GP on the fit note is sufficiently clear or helpful, they may refer the employee to the service themselves.

\textsuperscript{12} Fylan, F., Fylan Gwynn, B. and Caveney, L. (2012), GPs’ perceptions of potential services to help employees on sick leave return to work. DWP Research Report No 820.
Assessment

16. Once someone is referred, the health and work assessment and advisory service will ensure the resulting information and advice can be shared with all the relevant parties, especially employers.
17. Recognising common practice within the occupational health sector, the initial assessment of the employee will be carried out on the phone by an occupational health professional. This call will allow the service to judge the level of need, thereby ensuring the service provides the most relevant and effective support or treatment. Some issues may be resolved during that initial telephone assessment. For others a face-to-face assessment will be required and this will be arranged.

18. After the assessment, a report will be shared with the employee, employer and GP outlining how best to enable a return to work. The GP and employee will receive the same information while the employer version may be slightly amended to reflect the sensitive nature of medical information.

19. We expect employers to be able to rely on the report to provide definitive advice on whether the employee is able to return to work immediately, the likely timetable where more time is needed and adjustments that would help facilitate an earlier return to work. If the assessment does not identify a clear timetable for a return to work, the service will decide who is best placed to issue any subsequent fit notes, whether that be the service itself, a GP or another appropriate registered medical practitioner.

**Interventions**

20. It is clear that for the service to be truly effective, more than an assessment will be required for many individuals. Therefore, we want to ensure the process for any subsequent interventions is designed in partnership with those who will deliver them. This will also include further consideration of how face-to-face assessments could be carried out across the country for those individuals for whom it is deemed appropriate.

21. Outcomes of the assessment may include signposting to other services for support and/or treatment. It is likely that the support required will fall into one or more of three groups:

   • health-related issues;
   • workplace issues and workplace adjustments; and
   • non health-related issues and non-work issues.

22. Responsibility for taking forward the recommendations from the service is shared by the employer, the employee and the GP, although the service will follow up with individuals to ensure the recommended steps are understood and are being progressed.
Case management and follow up

23. Evidence from the Fit for Work Service pilots shows that some individuals, particularly those with multiple issues, may require ongoing support to help them back to work. Therefore, the new service will work with employers and their occupational health providers to ensure the necessary support is given and, where occupational health support is not available, the service will provide on-going management.

24. Recognising the importance of ensuring actions are taken forward and completed following the assessment, the service will also follow up with employees and employers to ensure their advice is fully understood and encourage action where required, irrespective of whether case management support is needed.

Advice

25. We know that a range of support and advice will be relevant at different times throughout the sickness absence journey (Figure 2.3).

26. So to ensure all employees, individuals and GPs have access to the most pertinent information at the most appropriate times, we will provide further advice via a telephone and online service.

27. The telephone and web service will help employers to support those employees who have not been formally referred for an assessment, but require some additional help.

28. Recognising the importance of a preventative approach, employers may also choose to access advice to reduce the risk of employees going on sick leave and to support them to stay in work.

29. And it will provide employers with advice and information when employees are self-certifying their absence from work, as well as helping them to appropriately apply the advice within fit notes from GPs. This is in keeping with the findings from our research into employers’ experiences of the fit note where those employers without access to occupational health expertise indicated they would welcome access to suitable advice.

30. GPs will also be able to access the service for advice about the management of specific individual health and work issues, for example, where a patient is not on sick leave and so does not fit the criteria for referral to the assessment service.
31. For individuals, the service will provide advice on:

- how to manage health conditions at work or to aid a return to work;
- the types of workplace adjustments that may be helpful in facilitating a return to work; and
- how to appropriately apply the advice on fit notes from GPs.
Cost

32. We expect the annual cost of the service to fall between £25 million and £50 million and that around 560,000 absentees will use it every year. It will employ occupational health nurses, occupational therapists, physiotherapists, occupational physicians and other appropriate experts and will recommend interventions at a total cost between £20 million and £85 million.

33. The benefit to the Government in increased tax and National Insurance revenues is forecast at £100 million – £215 million, and in reduced benefit expenditures is a further £30 million – £60 million. Employers will save £80 million – £165 million a year in reduced sickness absence payments, while economic output will increase by £450 million – £900 million.

34. We expect the service to be delivered through external provision and be delivered certainly by the end of 2014, and from spring 2014 if we are able. We will issue an invitation to tender by early summer 2013 and award the contract by the end of this year.

Case study: Joanne

**Week 1**  Joanne is an assistant at a children's nursery. She has been experiencing personal problems and increasingly feels unable to cope with work.

Her GP recognises the symptoms of anxiety and depression and is concerned for her wellbeing. He signs her unfit for work, initially for one week, and then regularly reviews her to monitor progress.

**Week 4** After four weeks, Joanne feels she is improving, but is unsure if, and how, she can return to work. Her GP refers her to the health and work assessment and advisory service and after an initial telephone conversation, the service decides a face-to-face assessment is appropriate to better understand the situation and assess her ability to return to work.

**Week 5** During the face-to-face assessment, it is agreed that Joanne could return to work on a gradual basis. The OH professional from the service discusses work activities that might help Joanne's rehabilitation and those that should be avoided. They agree she would benefit from talking therapy and arrange for her to be referred for this, as well as some debt counselling. A report is prepared for Joanne and her employer, advising on a phased return to work.

**Week 6** Her employer finds the report helpful in understanding what they can do to support Joanne's return. They discuss and agree an action plan that clearly sets out the next steps. Joanne starts a gradual return to work the following day and within two weeks is back to working her normal hours.
Job search

35. At the heart of the Review was the will to increase the number and speed of employees returning to their employer.

36. Our Response mirrors this by, first and foremost, supporting the employer's role in helping their employees in helping them to return to work, whether that is to their original or an amended role.

37. At the same time, it encourages individuals to take greater responsibility for their own circumstances, whether that is returning to their existing employer or moving to a new job, if more appropriate.

38. For those who would benefit from finding alternative employment, the Review recommended introducing a job brokering service.

39. The Reviewers highlighted that while some employees would be unable to return to their current job or employer, they may be capable of a different type of work and there was a role for the State to help them find it. They recommended introducing a new job brokering service for anyone who had been off sick for 20 weeks or more.

40. The Government recognises the benefits of enabling people to find alternative employment if necessary, rather than falling out of the labour market and on to benefits. However, we are committed to early intervention and, as such, do not believe 20 weeks is an appropriate point for intervention.

41. We also tested the recommendation by analysing the likely return on investment for taxpayers' money. It was clear that many employees would be able to find another job themselves and, therefore, such a service would provide little value for money.

42. During our consultations, employers, healthcare representatives and employee representatives all said this would be a complex legal area for State intervention.

43. Emphasis was placed on the current employer maintaining responsibility for their employee's wellbeing and it was a common view that such a service would be needed by only a minimal number of people.

44. We understand the argument behind having a job brokering service, but accept stakeholders' views that the focus should be on employees returning to their current employer.

45. Employers agreed they should continue with their responsibilities to their employees and seek ways to accommodate a return to work first. They did not believe the State should intervene where an employee has a contract of employment and thought the State's efforts were best targeted at keeping individuals with their existing employer.
46. **However, recognising the need for provision for those who are unlikely to return to their current employer, the case management aspect of our health and work assessment and advisory service will be able to identify when such a move would be appropriate; what type of job might be suitable; and signpost individuals to a new internet job-matching service hosted by Monster Worldwide.**

47. Called Universal Jobmatch, this free service is open to anyone who is looking for a new job, including those already employed or those claiming benefits.

48. Users can create a personal account and upload a CV or gain help on how to make one. Crucially, the service will help jobseekers refine their job search and the job matches returned will help them to identify any skill gaps against their preferred job roles.

49. By highlighting skills gaps, jobseekers can gauge how far they are from obtaining the skills required and then find help to obtain new skills or update and improve existing ones. We also recognise that under Universal Credit many employees will be in contact with Jobcentre Plus already and, therefore, able to access further advice to find alternative employment.

50. Universal Jobmatch will also benefit employers who can post and manage vacancies, search and match potential candidates, and invite applications.
1. Many employers recognise the importance and benefits of playing a role in improving sickness absence rates in this country.

2. A quarter of all employers reported that sickness absence was a barrier to productivity in their organisation. And in the same large-scale survey, nearly 90 per cent of employers agreed they had a responsibility to encourage employees to be physically and mentally active.13

3. Yet while nearly 80 per cent of employers agreed that spending money on employee health and wellbeing was a worthwhile investment, this was less likely to be the case for smaller employers14 who have struggled to find the appropriate advice and support to help them manage sickness absence.

4. Clearly employers have a vital role to play in managing sickness absence, but some would benefit from additional help to support their employees.

Help for employers

5. We agree with the Reviewers that employers have an important role to play in helping employees return to work as quickly as possible, so we will encourage employers to implement the workplace adjustments recommended by the new service fully and rapidly, and support them to do this through the Access to Work scheme.


14 ibid
6. We also want to encourage employers to fund appropriate health-related interventions. However, the Government’s view is that the Reviewers’ recommendation that all expenditure on medical treatment or vocational rehabilitation for basic rate taxpayers should attract tax relief is too broad. The introduction of an assessment and advisory service gives us the opportunity to consider whether a more targeted relief focused on the cost of interventions recommended by the service, or an alternative approach based on the allowable business expense regime, would be effective in encouraging employers to provide greater support, and provide greater value for the Exchequer. **We will consider this further and make a decision at the 2013 Budget.**

7. In the meantime, **we can confirm that we will retain the existing tax relief on Employee Assistance Programmes (EAPs), as recommended by the Review.**

8. The Review suggested the tax system can discourage employers from investing in supporting employees stay in or return to work, and noted an Office for Tax Simplification recommendation that the existing tax relief on Employee Assistance Programmes (EAPs) should be removed.

9. Many employers pay for EAPs to prevent employees from falling out of work and provide early medical treatment to ease a quicker return if they do. The Review recommended the Government should retain the existing tax relief on EAPs to encourage employers to continue to provide them.

10. The Government decided not to abolish this relief alongside the 43 other tax reliefs that were removed in the 2011 Budget, but has considered the recommendation further in light of the evidence provided by the *Health at work review.*

11. We understand such programmes are valued by both employers and employees, and can be effective tools in tackling sickness absence. Therefore, we have accepted the recommendation to retain the tax relief on EAPs. However, it is important to note that all taxes and reliefs are kept under review as part of the normal Budget process.

12. We believe the free occupational health advice offered by a new health and work assessment and advisory service and the retention of existing relief on EAPs provide employers with a strong basis for supporting the health of their workforce.
13. The Reviewers also called for the abolition of the Percentage Threshold Scheme (PTS) which compensates employers for higher-than-average sickness absence.

14. They believed the PTS provides a perverse incentive for employers who rely on reimbursement through the scheme, rather than supporting them to actively manage sickness absence within the workplace. The Government agrees and will abolish the PTS.

15. Abolition will lift the administrative burden on employers associated with calculating entitlement to reimbursement and reporting details to HMRC of Statutory Sick Pay (SSP) paid to employees. In addition, ending the PTS would bring SSP into line with all other messages relating to sickness absence in terms of supporting and encouraging sickness absence management.

16. There is general acceptance for the need for reform. Employers find the current scheme cumbersome and complex to administer. Currently, about 100,000 employers claim reimbursement with a cost to the Exchequer of approximately £50 million per annum. Most of these payments are for small sums.

17. It is estimated the additional administrative burden associated with the scheme costs employers between £2.5 million and £5 million per annum. Employers would welcome an alternate form of support which would help them enable employees, wherever possible, to remain in work.

18. Bearing in mind the focus on encouraging employers to take a proactive approach to sickness absence, the Government intends to recycle the funding of the PTS into a health and work assessment and advisory service – providing better value for the taxpayer as this will benefit more employers and their employees, as well as increasing tax revenue and productivity within the workplace. The Government believes a health and work assessment and advisory service could save employers more than £80 million per year in reduced sickness absence costs.

19. To minimise any negative impact on employers, the Government will not remove the existing scheme in isolation. Any timescale for abolition of the Percentage Threshold Scheme would be linked to the introduction of a health and work assessment and advisory service.

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15 Based on HMRC returns from 2005/6 to 2010/11.
16 Based on a DWP Admin Burdens Measurement Exercise and in-house DWP/HMRC assessment, of the additional costs of making PTS calculations. Please note this is a rough estimate only.
Statutory Sick Pay record keeping

20. Under current legislation, employers are required to maintain records of sickness absence lasting four days or more and details of Statutory Sick Pay (SSP) payments for each employee for three years after the end of each tax year. The Government recognises the importance of maintaining records for sickness absence and payroll, and their key role in helping businesses to manage absence and costs. However, bearing in mind the statutory burden it places upon employers, the Review recommended the abolition of obligatory SSP record keeping requirements.

21. In practice the vast majority of employers meet their legal obligations to pay SSP. Similarly, they maintain sufficient records on absence and payments to their employees, regardless of the obligations imposed on them by the SSP scheme, to satisfy their HR strategies and payroll requirements. Therefore, while it is considered unlikely that the removal of this requirement, taken in isolation, will lead to significant savings, employers have informed us that they would welcome abolition and the removal of the obligation imposed by Government.

22. Recognising the advantages of enabling employers to keep records in a more flexible manner which best suits their organisation, the Government has accepted the recommendation for abolition of record keeping for Statutory Sick Pay. This also reinforces the Government’s commitment to reducing regulatory burdens upon employers which it has been pursuing through the Employment Law Review and Red Tape Challenge.

23. Employers are required to maintain records to comply with PAYE regulations, and in the event of a dispute with an employee around non-payment of SSP they may be asked by HMRC to produce evidence of absence and payment to defend a case. Employers who fail to pay SSP or pay incorrect amounts of SSP are also liable to a penalty.

Employer’s Charter

24. The Review recommended updating the Employer’s Charter (Appendix 3) to address the misconceptions that exist around what employers can or cannot do when it comes to managing sickness absence.

25. The Government updated the Charter in March 2012 to reassure employers that they can seek an independent assessment of an employee’s fitness for work and dismiss an employee if they have had a period of long-term absence or repeated short-term absences.

26. The revised Charter was launched on the Department for Business, Innovation and Skills website as part of a broader package of employment measures aimed at making it easier for employers to recruit and manage staff in a way that is flexible and economically efficient, whilst remaining fair for individuals.
Compromise and settlement agreements

27. The Review recommended modifying Employment Law to make it easier for both employers and employees to end an employment relationship where the parties could negotiate a financial settlement, but where neither would be judged to be at fault. The Reviewers wanted to see the rules on the sums paid in compromise agreements, also known as settlement agreements, laid down in law. They also wanted Government to explore the options around ‘protected’ conversations to allow employers to have honest, without prejudice conversations with their employee about their condition.

28. We carried out a call for evidence on the case for compensated no-fault dismissal for micro-firms in summer 2012 and, as a result, decided not to take this idea forward. Instead, we are amending legislation through the Enterprise and Regulatory Reform Bill to make it easier and safer for employers and employees to propose settlement agreements as a means of ending employment relationships that are not working out.

29. Employers should not use settlement agreements as an easy way of dismissing people with health problems. Settlement agreements are an additional tool for employers and employees. They aim to supplement, not replace, effective performance management.

30. In situations where a worker is no longer able to do their current job, or an alternative job, then a change in their hours or responsibilities, or a simple workplace adaptation, might solve performance problems. Employers across all sectors already use performance discussions effectively to explore problems and identify possible solutions that enable them to retain the productive contribution of their skilled and experienced employees.

31. However, in some circumstances, where solutions aren’t possible, using settlement agreements to end the employment relationship without resorting to an Employment Tribunal can provide a positive outcome for both employees and employers, avoiding a potentially long, stressful and costly tribunal process.
Chapter 3 Improving sickness absence management

32. Tribunal awards

The Review also wanted to see more done to raise awareness about how few significantly large awards were made and how very few claims reached tribunal.17

33. We have taken steps to ensure all parties have a fuller understanding of the employment tribunal process. This includes publishing the median level of awards and average length of time it takes to receive a judgement in the major tribunal jurisdictions, including discrimination, to promote more realistic expectations about the process and levels of award made at tribunal.

34. We are also introducing a new requirement for potential claimants to contact Acas, to be offered conciliation, before lodging a claim at tribunal. This will give parties access to useful information about the points of law that are relevant to their claim and how the tribunal process works.

Pre-employment health questionnaires

35. The Reviewers asked us to reconsider the ban on pre-employment health questionnaires and urged for guidance to be published to help firms in this area of the recruitment process.

36. Restrictions in the Equality Act 2010 preventing employers asking about a job applicant’s health or disability before offering them a job or placing them in a pool for future vacancies were introduced because there was evidence that some employers were rejecting candidates from the outset, without first considering the person’s skills to do the work.

37. There are specific exceptions to this general prohibition, for example, to enable the employer to decide whether a potential applicant can carry out a function that is intrinsic to the job. Once a person has been made an offer of work, which may be an offer that is conditional upon the successful applicant meeting the employer’s health or other requirements, then they may be asked questions about their health or disability.18

38. Our view is that this provision is still valuable in ensuring disabled people are not discriminated against and excluded from the labour market. The legislation provides important safeguards at the pre-appointment stage and does not stop employers from discussing health issues with their employees or providing them with the support they need to remain in or return to work.

17 Ninety per cent of all discrimination awards were for less than £40,000 in 2010-11. Source: Employment Tribunals and EAT Statistics, 2010-11, Ministry of Justice, HM Courts and Tribunals Service, 1 September 2011.

18 The Government Equalities Office has issued the following guidance to assist employers in this area of the recruitment process: http://www.homeoffice.gov.uk/publications/equalities/equality-act-publications/business-recruitment-guidance/small-business-guidance?view=Binary
Access to Work grants provide practical support to help people with a disability, health or mental health condition to overcome barriers to doing their job. Recent changes to the scheme provide further support to disabled people and employers.

- Businesses with up to 49 employees will no longer pay a contribution towards the extra costs faced by disabled people in work. This will save them up to £2,300 for each employee who uses certain elements of the Access to Work fund.

- Since December 2012, disabled jobseekers in Merseyside who decide to set up their own business through the New Enterprise Allowance (NEA) have been eligible for Access to Work support to help them do so. If this is effective, the support will be made available nationally from early 2013.

The standard equipment list will be removed from Access to Work guidance, giving advisers the flexibility to work constructively with employer and employee to identify where Access to Work can assist. Other measures being introduced include:

- Funding the physical transfer of specialist equipment paid for by Access to Work to a new employer
- Introducing a ‘fast-track’ application process for customers who know what support they need
- Working with employers and disabled people’s user-led organisations to find new and innovative ways to support disabled people.

https://www.gov.uk/access-to-work/overview

Absence Management within the Public Sector

39. The Government recognises that all employers within the Public Sector have an important role to play in reducing sickness absence amongst the 5.6 million staff employed within this sector.19

40. The public sector accounts for around 19 per cent of the total workforce in Great Britain. Local Government employs 2.6 million, Education and the National Health Service (NHS) each employ around 1.5 million people, and public administration around 1.1 million, of which 420,000 work in the Civil Service.

41. In all parts of the Public Sector there are beacons of good practice where individual employers have made absence management a priority and achieved significant improvement. However, we accept that progress is not uniform across all public sector employers.

19 Public Sector Employment Q2 2012, Office for National Statistics (ONS).
Chapter 3  Improving sickness absence management

42. The Government agrees that the amount and cost of sickness absence for each public sector employer must be more transparent to the taxpayer. The first step will be to get employers to publish their data and to be accountable for managing the significant amount public money that this staff cost represents. More transparency and accountability for levels of sickness absence will drive the spread of best practice and highlight those employers where progress is not being made on reducing absence levels.

43. The Government will work with Education, Health and Local Government employers to secure progress in reducing sickness absence levels in their workforces.

44. Employers who receive public funds for the employment of staff must be accountable for managing the significant amount of taxpayers’ money that staff costs represent. The levels and cost of sickness absence experienced by each public sector employer must be made more transparent to the taxpayer.

The Civil Service

45. The Civil Service has made good progress over recent years to reduce sickness absence and plans to address the relative generosity of Civil Service Occupational Sick Pay (OSP).

46. The Civil Service publishes its reported absence levels via individual departmental annual reports.

47. Average Working Days lost (AWDL) per staff year stands at its lowest reported figure since 1999 at 7.6 days. AWDL per person (this is the more commonly available metric) is 6.8 days. This compares with a private sector average of 5.7 days per person according to the Chartered Institute of Personnel and Development (CIPD) and 5.9 days per person according to the Confederation of British Industry (CBI). The figures for the whole of the Public Sector from the CIPD and CBI surveys are 7.9 days and 8.1 days respectively.

48. Civil Service departments are reviewing the terms of their occupational sick pay scheme alongside other terms and conditions.

49. Within the Civil Service most departments currently provide an entitlement to six months’ full and six months’ half pay on entry to the Civil Service. This is considerably out of step with the level of entitlement in the Private Sector. One option that departments are considering is that entitlement to occupational sick pay should be earned over time with a maximum entitlement of five months’ full pay and five months’ half pay achieved only after four years’ employment.

50. The Civil Service is also harmonising its Occupational Health Provision to procure value for money contracts on behalf of the taxpayer, and deliver consistent, high quality health and welfare services.
51. The Civil Service Attendance Management Group meet quarterly to review progress, develop new Attendance Management policies for adoption by Civil Service departments to ensure the Civil Service proactively manages sickness absence in a supportive, but robust manner, and reviews guidance for managers on managing different aspects of absence and the benchmarking of absence targets and performance to drive improvement.

The National Health Service

52. In response to this review, the Secretary of State for Health is committed to:

- continuing to support the health and wellbeing of NHS staff and the further reduction of sickness absence levels across the NHS;
- promoting evidence of good practice;
- ensuring all NHS employers continue to publish details of their sickness absence rates (annual Average Working Days Lost or an equivalent metric);
- ensuring the NHS Staff Council keeps the national terms and conditions for Occupational Sick Pay in the NHS under regular review so they remain affordable and fit for purpose.

53. The NHS Constitution commits ‘to provide support and opportunities for staff to maintain their health and well-being and safety’ to help support their ‘commitment, professionalism and dedication for the benefit of the people the NHS serves’ (NHS Constitution page 11). The Department of Health (DH) is supported by NHS Employers (NHSE) and NHS trades unions in working to reduce sickness absence.

54. Progress includes good practice on the provision of rapid access to rehabilitation services; targeted interventions to help the most challenged organisations, and work to improve the effectiveness of occupational health services. As a result, the average number of days lost to sickness absence had reduced from 4.48% to 4.18% with many organisations making much more progress.

55. The NHS Information Centre already publishes NHS sickness absence rates quarterly. NHS Foundations Trusts (FTs) publish staff sickness absence rates in their annual reports.
56. The DH Annual Report and Accounts include total days lost to sickness absence and average working days lost which, from 2011/12 accounts are:

<table>
<thead>
<tr>
<th>Type of organisation</th>
<th>Total Days Lost</th>
<th>Average Working Days Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS Trusts and FTs</td>
<td>8,484,392</td>
<td>9.4</td>
</tr>
<tr>
<td>Primary Care Trusts</td>
<td>1,004,737</td>
<td>8.9</td>
</tr>
<tr>
<td>SHAs</td>
<td>13,971</td>
<td>4.8</td>
</tr>
</tbody>
</table>

57. The NHS Staff Council has been negotiating potential changes to the Agenda for Change (AfC) pay system which covers the majority of NHS non-medical staff (about 940,000). Proposals are currently out for consultation by the NHS trade unions.

58. These include that in future, pay during sickness absence should be at basic salary level (inclusive of any high cost area supplement for those working in London). Sick pay for the lowest paid staff will be unchanged as it will for staff absent due to a work-related injury or disease in the discharge of their duties. It is expected these changes to sick pay will save about £43million per year.

**The Public Health Responsibility Deal**

The Public Health Responsibility Deal, formally launched in March 2011, has a key aim to reduce sickness absence. It is relevant to employers and employees in all sectors of the economy and provides the relevant tools and structure to enable employers to address the principal public health harms facing employees and other workers. There are 175 Responsibility Deal Partners from the public, private and voluntary sectors who have so far signed up to a collective pledge to both record sickness absence and commit to its reduction.

An increasing number of NHS Trusts are signing up to the Responsibility Deal as a means of reducing their sickness absence rates and there are many examples of the public and private sectors working together and committed to more wider based community actions.

Wiltshire’s ‘Exercise after Stroke’ 14-week pilot (a partnership between NHS Wiltshire, DC Leisure and Wiltshire Council) started in September 2011 offering local stroke survivors the opportunity to take part in a class designed to promote recovery. Participants reported:

- physical problems gained a 14% improvement
- mobility gained an 11% improvement
- participation gained a 21% improvement
- recovery gained a 31% improvement

Further case studies can be found at: http://responsibilitydeal.dh.gov.uk/tag/health-at-work-case-study/
Education

59. The Department for Education (DfE) already publishes aggregated annual figures for teacher sickness absence via the School Workforce Census which was introduced from 2010, and sickness absence rates for teachers have been published annually since 1999.

60. In the 2010/11 academic year, details were published for the vast majority of publicly-funded schools that were open on the census date.

61. The DfE has seen some modest improvement in rates of sickness absence amongst the teaching profession over recent years. That said, there is no room for complacency and head teachers and governing bodies, as with all professions in the Public Sector, should be looking closely at ways in which both the days lost to sickness and the number of employees who leave work each year for health reasons can be reduced further.

62. Schools and academies are autonomous institutions largely responsible for the management of their own affairs and we are seeking to foster this autonomy by giving them greater freedom to organise themselves, including determining employment and management practices, without unnecessary influence from Government.

Local Government (including the Fire and Rescue Authorities)

63. The Government recognises the devolved nature of local authorities and fire and rescue service authorities and that each is an individual employer responsible for managing their own workforces. The Local Government Association (LGA) represents authorities, including in negotiations with trade unions over staff pay and conditions. It provides the sector with guidance and advice on workforce matters, including the management of sickness absence.

64. The LGA is clear that the effective management of sickness absence is a priority for local authorities and remains high on both the national and local agenda. Prevention and effective management of sickness absence is seen by authorities as an important area where significant cost savings and increases in productivity can be made.

65. There has been a welcome downward trend in sickness absence levels over recent years. For local authorities, the median figure in 2003/04 was 11.6 days and in 2010/11, 8.6 days. For fire and rescue authorities, the average of 10.0 shifts/days was lost per person by whole-time firefighters and 11.4 shifts/days by fire control staff in 2004/5 had reduced to 6.3 and 9.6 respectively in 2009/10.
66. To further support effective management of sickness absence, the LGA will:

- Revise and republish the Management of Ill Health Handbook, first published in 2002, to provide a comprehensive tool for implementing and managing a sickness absence strategy;
- encourage local authorities to take a consistent approach to recording and reporting absences, using a single set of methodology, including a standardised list of absence types;
- take steps to encourage local authorities to each publish data on sickness absence within their own workforce. This will enable comparison between employers and help the spread of best practice.

**Case Study:**

Fareham Borough Council reduced average sickness rates from 10.6 days in 2003/4 to 7.2 days in 2010/11 - saving “lost days” worth £446,000. Part of the solution was to develop in-house computer software that brought patterns of absence to managers’ attention. It enabled early action to address problems and helped managers identify staff who were persistently taking sick days. The system provides information about long and short-term sickness absence, enabling analysis by grade and service. (Source: Audit Commission)

67. The sickness pay scheme for most local authorities and Fire and Rescue authorities is agreed nationally. It is for National Employers and relevant trade unions to negotiate on these national frameworks. Government has no role in these negotiations.

68. For council staff, the National Employers have signalled that they wish to retain a national sick pay scheme within core terms and conditions. However, they would also like to see some reform to the national scheme in the context of wider negotiations around pay, terms and conditions.
1. Healthcare professionals can play a vital role in reducing sickness absence, both by encouraging their patients to return to work where appropriate and providing useful advice to employers about how they can support employees who have a health condition.

2. In particular, GPs are the first port of call for most people who experience health problems, and so have a unique opportunity to help people to stay in work or return more quickly by providing early advice and information.

3. GPs do this by using fit notes (introduced in April 2010) to provide advice to patients about how their health condition affects their fitness for work. Patients and employers can use this advice when discussing how the patient can be supported to return to work.

4. GPs will also be central to the new health and work assessment and advisory service and take the lead in identifying those who need the extra support it will provide. As mentioned in Chapter 2, research undertaken to inform the development of the new assessment and advisory service shows GPs welcome the extra support such a service will bring.20

5. The Reviewers highlighted the importance of the GP role and recognised that healthcare professionals in general would welcome more authoritative advice on the most effective ways to help people back to work.

6. Given their importance to the infrastructure of the whole health and work system, the Government agrees it is vital that GPs and healthcare professionals are supported to develop their knowledge and provide the most useful advice for employers and employees.

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The fit note

7. The majority of people who take sick leave spend just a few days off work and do not require medical treatment (Figure 4.1). People can self-certify their absence for up to seven days in a row, but from the eighth day of absence, they need to request a fit note from their GP or other doctor.

8. The fit note was introduced in April 2010, replacing the old ‘sick note’. The fit note represented a fundamental change in the way that sick leave is viewed – encouraging communication between all parties with a focus on what someone can do and a return to work where appropriate.
9. Under the fit note, if someone is not fit for any form of work, the GP will state they are ‘not fit for work’. However, if they are capable of some work, the GP will indicate that they ‘may be fit for work, taking account of the following advice’ and then specify how their health affects their general ability to work.

10. We do not expect GPs to be workplace experts – employers and employees are best placed to make decisions about how the advice in the fit note could translate into changes to their specific jobs and workplaces. If changes are not possible, the fit note can be treated as if it stated the employee was ‘not fit for work’.

11. A GP will not issue a fit note if someone’s health condition does not affect their fitness for work.

12. Our ongoing programme of research and evaluation into how the fit note is working has shown that it is already starting to have an impact on the way that GPs, employers and employees think about work and health.

13. GPs have told us that the fit note has improved their discussions with patients and the advice they provide, including making them more likely to recommend a return to work.21 Employers have also welcomed the fit note, and are keen to make more use of it to support employees to return to work – although they want the advice on the fit note to be as useful as possible.

14. Finally, employees themselves have told us the fit note can help them challenge possible negative assumptions about what they can do while they have a health condition, allowing them to have honest and open discussions about staying in or returning to work with their employer.

Changes to the fit note and impact on back-to-work advice in a survey of GPs...

...seven in 10 GPs reported the fit note had helped patients make a phased return to work.

...six in 10 GPs reported the fit note had improved the quality of their discussions with patients about a return to work (61 per cent).

... six in 10 GPs reported the fit note had changed their practice (62 per cent).

...around one in two GPs reported the fit note improved the advice they give to patients about their fitness for work (53 per cent).

...nearly one in two GPs reported an impact on the frequency of recommending a return to work as an aid to patient recovery (48 per cent).


Fit note guidance

15. The Reviewers recommended revising the guidance for GPs about using the fit note to clarify that the advice and assessment in the fit note should be about their patient’s general fitness to work, rather than specifically focus on their current job.

16. **The Government had planned to revise the fit note guidance after two years in operation and is currently working with GPs, employers and employees to update the guidance for all three groups** – building on our ongoing research and evaluation into how the fit note is working on the ground.

17. This updated guidance will reflect the Reviewers’ recommendation above, and emphasise that the advice in the fit note refers to someone’s fitness for work in general and is not specific to their current job.

18. This gives employers and employees the maximum flexibility to discuss how someone could be supported to return to work, instead of tying the advice to their existing tasks or workplace, which may be possible to change as part of their return to work plan.

19. We expect the revised guidance for GPs, employers and employees to be published shortly. We will continue to use our research into the fit note to update the guidance as necessary, so that GPs, patients and employers get the most useful advice on making the most of the fit note.

Improving healthcare professionals’ knowledge

20. In their review, Dame Carol Black and David Frost felt more could be done to improve the knowledge and awareness among healthcare professionals of the benefits system and of the importance of work to health. (Figure 4.2) shows GPs’ attitudes to health and work, including knowledge of the benefits system and guidelines around sickness certification.

21. **The Government accepts their recommendation and has already produced a guide to the benefits system for GPs, which will be updated to coincide with and reflect welfare reform changes. The fit note guidance referred to earlier will also re-emphasise the importance of work to health.**

22. The benefits system guide provides information for GPs about benefits that their patients may apply for, and what requests GPs may get in relation to them - including the assessment phase and the Work Capability Assessment elements of Employment and Support Allowance.

23. The guide also explains what different entitlement decisions mean in terms of ongoing support, and provides information about other benefits, allowances and credits. It includes further sources of support for GPs and patients.
The Royal College of General Practitioners (RCGP) also delivers training on health and work, developed in partnership between the DWP and the RCGP. This half-day workshop covers the evidence on work and health, strategies for challenging negative patient perceptions about work, and getting the most out of the fit note.

The workshop is designed to increase the knowledge, skills and confidence of GPs in dealing with clinical issues relating to work and health, and ensure GPs are aware of their responsibilities, so they and their teams are providing the best possible care for patients.

Figure 4.2: GPs’ attitudes to health and work

- Work is generally beneficial for people’s health
- Worklessness is generally detrimental to people’s health
- Helping patients to stay in or return to work is an important part of a GP’s role
- Staying in or returning to work is an important indicator of success in the clinical management of people of working age
- GPs have a responsibility to society to facilitate return to work
- A patient has to have recovered fully from their condition before I recommend a return to work
- I feel obliged to give sickness certificates for reasons that are not strictly medical
- I feel confident in dealing with patient issues around return to work
- My knowledge of guidelines on sickness certification is up-to-date
- My knowledge of the benefits system is up-to-date

Per cent

Completely Agree | Somewhat Agree | Somewhat Disagree | Completely Disagree

Weighted percentage of GPs, GB.
Source: Hann, N. and Sibbald, B. (2011). General Practitioners’ attitudes towards patients’ health and work
Chapter 4  Supporting healthcare professionals

26. Feedback gathered by the RCGP shows that GPs who attend a workshop have increased confidence in the link between work and health, discuss work during a consultation as a priority, and are more confident at using the fit note.

27. The RCGP has also developed an online resource providing information, guidance and e-learning on the management of health and work, in collaboration with the Faculty of Occupational Medicine and the Society of Occupational Medicine. The Healthy Working UK website provides guidance on the fit note, including a phone app, and regular updates on the health and work training available to GPs. (www.healthyworkinguk.co.uk)

28. The e-learning resources include elements that cover the health benefits of work, the adverse effect on health of worklessness, and assessing fitness for work and advising patients with health problems about returning to work or remaining in work.

Mental health conditions

29. The Reviewers recognised that common mental health problems present a particular challenge, reported as a main condition by just over one-quarter of ESA claimants who were in work before claiming, and accounting for nearly half of long term absence from work. Three in 10 GP consultations are with patients who have a common mental health issue and an estimated 90% of people in this group are treated in primary care only. Patient views about the value of work to mental health are strongly influenced by the advice and approach of their GP.

30. We are working with the RCGP to explore better support for GPs in this complex area. Our common aim is not only to improve GP knowledge, skills and confidence to deal with the clinical aspect of the relationship between mental health and work, but also to develop a better understanding of assessment and support through the welfare system.

31. Going forward we will work with RCGP to secure clinical leadership for an evidence-based mental health and employment education programme for GPs, subject to funding. This could include e-learning options as part of their programme of continuing professional development.

1. When carrying out their Review of the sickness absence system, Dame Carol Black and David Frost recognised the current benefits system was going to change with the introduction of Universal Credit in October 2013.

2. They identified two main concerns with the current system which they wanted to see addressed under the new benefits regime. These were:
   - the lack of intervention with claimants before the Work Capability Assessment (WCA) to determine eligibility for Employment Support Allowance (ESA); and
   - Jobcentre Plus policies and processes misdirecting claimants to sickness benefits.

3. The Reviewers highlighted the number of ESA claimants who sit in the waiting ‘assessment phase’ for a minimum of 13 weeks with no conditionality or support to find work. In order to limit inactivity, they recommended abolishing the ESA assessment phase and supporting that change by amending Jobcentre Plus claims policies and processes, so people were not inappropriately directed to ESA.

4. We accept the intent behind these recommendations and have outlined in our Response how Universal Credit will incorporate the recommendations by providing work-related support to all individuals from the point they make a claim.

**Universal Credit**

5. Universal Credit will sweep away more than 30 benefits and tax credits, so claimants stay on the same benefit with conditionality tailored to their needs, rather than moving from one benefit to another whenever there is a change in their ability to work.

6. This new system will modernise and simplify the claiming process to ensure claimants with health issues receive the most appropriate benefits and support to return to work.
7. The Government accepts the recommendation to actively engage with claimants ahead of the WCA and will achieve this through the Universal Credit conditionality regime.

8. At the moment, claimants who make an application for ESA on the grounds of sickness are referred for a WCA. During their assessment phase, they have no conditionality applied at all and so are at risk of being further disconnected from the labour market.

9. Universal Credit will see all claimants, including those who have a health condition or disability, receive personalised conditionality and back-to-work support from the beginning of their claim.

10. Work-related requirements will depend on the claimant’s personal circumstances and will be tailored to their individual capabilities. Advisers will have the flexibility to adjust these requirements to the needs of the individual, taking into account the claimant’s health condition or disability.

11. To provide greater clarity for claimants, the requirements will be recorded on a Claimant Commitment to ensure, where possible, they receive the correct support to return to work. The Claimant Commitment will be updated as health and other circumstances change.

12. As part of this, we intend to explore how best to help advisers determine what is the most appropriate conditionality for those claimants who have health conditions or are disabled. This could include, for example, testing approaches such as enabling access to occupational health advice or other ways of ensuring advisers in local offices have access to expert help and support. There may also be a role for early referral to further support.

13. This approach means that sick or disabled claimants will be kept in touch with the labour market while waiting for an assessment and will receive support from their adviser throughout that time.

14. Those who are assessed as having limited capability for work will move to the work-preparation group and will have more seamless support than available in the current system to help them prepare for a future move into work. It means advisers will be able to continue to work with claimants who have fallen ill and continue to move them towards work as far as possible, given their condition.

15. The simplified structure of Universal Credit will remove the artificial barriers between individual out of work benefits and provide much greater clarity on how much people will receive when they move into work or take on more work, and clearly reward them for doing so.
16. Universal Credit will also remove the barriers sick or disabled people may face in the current welfare system and, in particular, offer support to those who can only do small or fluctuating amounts of work. This will strengthen the incentives for disabled people and those with health conditions to move into work, while personalised conditionality will provide them with the right support to do so.

17. We are also exploring how to design a performance framework for Universal Credit which ensures the focus is on maximising the number of claimants participating in an active search for employment.

**Research on people claiming sickness benefits who come straight from work**

18. The Reviewers’ appraisal of the sickness benefits system was informed by a survey of Employment and Support Allowance claimants which suggested that about half are in work immediately before making their claim. Many were previously employed by small firms and appear not to have been paid sick leave by their employer.

19. The Reviewers recommended further research to understand the reasons behind this apparent trend, particularly how small firms manage their sickness absence obligations.

20. **We accept this recommendation and will commission research to explore the details of sickness absence management and sick pay regimes in different types of firms and how these regimes affect the journey from work to long-term sickness benefits.**

**The Work Programme**

21. To help claimants with differing needs further, advisers and managers in Jobcentre Plus have been given much more flexibility on how to best target the support they provide, with managers now able to focus on delivering outcomes instead of following processes.

22. This new way of working is complemented by the Work Programme – the biggest single payment-by-results employment programme Great Britain has ever seen.

23. The Work Programme has been designed to offer tailored, individual support to those claimants who need it most.

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24. Many of those claimants will have physical or mental health conditions, so the Work Programme aims to get them into work and then support them to stay there by helping them to manage their health at work.

25. Working with specialist mental health and employment providers, the Work Programme is building workforce capability through a jointly produced mental health and employment toolkit. The toolkit is designed to help employment advisers support people with mental health conditions to get into work and stay there.

26. In addition, we are also looking to improve health-related support for sick and disabled claimants who have longer recovery prognoses, so that fewer claimants lose touch with the labour market and experience the crisis in confidence that so often has a greater bearing on their chances of returning to work than the health condition itself.

Work Capability Assessment

27. The Work Capability Assessment (WCA) assesses eligibility for the Employment and Support Allowance. It was designed with input from representatives of various disability organisations, with the aim of focusing on what people can do, rather than on what they can not.

28. This means that rather than writing off people with an illness or disability – with an assumption that they should never work again - the test distinguishes more effectively than its predecessor between people who are fit to work, those who cannot work because of health problems and people who, albeit with additional support, can expect to return to work.

29. Since its introduction, the Government has been committed to continuously improving the WCA to ensure the assessment is as fair and accurate as possible.

30. The first stage of this process was a DWP-led review, which engaged with both independent experts and specialist disability groups to publish a report in March 2010. The review found that generally the WCA was accurately identifying individuals for benefit, but it recommended improvements, including doing more to accurately assess people with mental health conditions and taking greater account of people's adaptation to their disability or health condition.

31. On top of the changes arising from the DWP-led review, we also have a statutory commitment to independently review the WCA annually for the first five years of its operation.

32. Professor Malcolm Harrington, a highly respected Occupational Physician, has recently published his third independent review, building on his two previous reports in which he found that the WCA approach, with its aim to be the first step on the route back to work, is the right concept. In his three reports he has identified a number of areas where the process could be improved and made recommendations accordingly.

33. The Government has accepted these and is in the process of implementing them, leading Professor Harrington to note in his last report that the ‘recommendations are affecting change for the better... I am confident that significant and lasting improvements are coming and DWP... will see the job completed’.
1. In the previous chapters we have set out our plans for reducing the cost and waste of sickness absence and for improving the advice and support available for individuals, employers and healthcare professionals.

2. The relationship between health and work is complex and we are committed to continuing to develop our understanding of the issues highlighted in both the Review and its Response.

**Exploiting routine data**

3. We will continue to make the best use of information we routinely collect and to explore new ways to exploit developing sources of information. Information collected in the administration of benefits presents opportunities to further inform our work on supporting people with health conditions to enter jobs.

4. The launch of Universal Credit, supported by improved PAYE systems which will provide up to date information about an individual’s circumstances while they are in work, will enable us to understand the interactions between work and health, and the routes into and out of work for people with health conditions.

5. The roll out of electronic fit notes will enable us to enhance our understanding of the causes of sickness absence, long-term absence durations and to monitor trends over time. We will explore how this and data from the health and work assessment and advisory service may together offer new opportunities to measure progress across the sickness absence system from first fit note to return to work.
Continuing our programme of analysis and delivery

6. Since 2010, we have been monitoring progress on the Health, Work and Wellbeing initiative using seven indicators. The data underpinning these indicators comes from a variety of sources. We have also commissioned new research on health and work including surveys of GPs, employers, employees, and the general public which have improved the evidence base in this area considerably (Figure 6.1).

7. We will continue this programme of research to monitor the health of the working-age population and attitudes towards health and work by updating our indicators publication annually and, where necessary, by periodically commissioning new research.

Gathering evidence to inform service delivery

8. Taken together, our research and evaluation programmes provide a significant step forward in our understanding of the interaction between health and work. Our future plans, in particular the key structural improvements offered by the introduction of a health and work assessment and advisory service, are the next stages in this journey.

9. As we move into designing the service and next steps, we will put in place an integrated programme of testing, research and data collection to inform service development and embed continuous improvement, ensuring quality and value for money across the system and contributing to the international evidence base for health and work.

Measuring progress – evidence sources

<table>
<thead>
<tr>
<th>Indicators</th>
<th>The seven indicators are:</th>
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<tbody>
<tr>
<td>We will continue to update the Health Work and Wellbeing indicators and incorporate additional measures as new data becomes available. In particular we will consider how to integrate the new data sources associated with the electronic fit note, the health and work and assessment and advisory service and welfare reform.</td>
<td>Indicator 1: Knowledge and perceptions about the importance of work to health and health to work.</td>
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<td></td>
<td>Indicator 2: Improving the promotion of health and wellbeing at work.</td>
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<td></td>
<td>Indicator 3: Reducing the incidence of work-related ill-health and injuries and their causes.</td>
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<td></td>
<td>Indicator 4: Reducing the proportion of people out of work due to ill-health.</td>
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<td></td>
<td>Indicator 5: Improving the self-reported health status of the working age population.</td>
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<td></td>
<td>Indicator 6: Improving access to appropriate and timely health service support.</td>
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<td></td>
<td>Indicator 7: Improving business productivity and performance.</td>
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Forthcoming Research

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<tr>
<th>Output</th>
<th>Detail</th>
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<tr>
<td><strong>Fit for Work Service: final report</strong></td>
<td>• Process evaluation – to understand how the service is operating in practice and perceptions of service delivery form multiple perspectives (published March 2012).</td>
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<tr>
<td>The evaluation of the Fit for Work Service pilots continues with the final report expected in 2013 and includes a process and impact evaluation.</td>
<td>• Impact evaluation – to examine whether the service is effective in achieving desired health and work outcomes and the whether the benefits outweigh the costs.</td>
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<td>The final report is expected to be published in 2013.</td>
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### Measuring progress – evidence sources

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<th>Output</th>
<th>Detail</th>
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| **Fit note evaluation**<br>The fit note evaluation continues with the following three pieces of research expected in 2013:  
• Impact study  
• Survey of employees  
• GP survey | • Impact study – fit note data collection across 48 GP practices in England, Wales and Scotland. Analysis of approximately 50,000 fit notes (with comparison against sick note data held for the North West region).<br>• Survey of employees – Labour Force Survey module of questions on the fit note. Analysis of employees in receipt of fit notes and their interaction with their GP and employer.<br>• GP survey – repeat survey to measure GPs attitudes to health and work. Analysis of GPs attitudes to health and work, their attitudes to the fit note, and measuring progress against the 2010 baseline survey. These reports are expected to be published in 2013. |
| **Research on pathways to long-term sickness absence** | Research to explore the details of sickness absence management and sick pay regimes in different types of firms and how these regimes affect the journey from work to long-term sickness benefits. A publication is expected in 2013. |
| **Employers and employees**<br>The Survey of employers and Survey of employees, published in 2011, set out the baseline for attitudes to health and work. As system changes are introduced, we will explore the best approach to measure progress that offers the greatest value for money. | |
| **Electronic fit note**<br>The data will inform policy development/focus, by presenting a national picture of fit notes issued. For example, this will provide information on numbers issued, outcome of the fit note (may be fit for work versus not fit for work), and types of conditions. | Employers, healthcare professionals and service providers are key audiences for fit note data. We will consider how best to make to make this useful and available at high level whilst maintaining patient and GP practice confidentiality. Technical solutions to data transfer are still being explored and publication will follow. |
Chapter 7  The future direction for the health and work agenda

1. Publication of the Response to the independent review of the sickness absence system marks a further significant milestone in the development of the health and work agenda.

2. The importance of the relationship between work and health is now generally accepted and there is clear evidence of a change in both perceptions and behaviour among healthcare professionals and employers.

3. More employees, employers and healthcare professionals recognise how simple work-focussed healthcare and accommodating workplaces can help people to stay in or return to work.

4. This has been achieved through close working with a range of key organisations; through the development of a sound evidence base; through testing and evaluation of initiatives; and by building momentum and giving profile to the issues.

5. The general support we have received during consultation for many of the measures in our Response would not have been possible without this major change in attitudes and behaviours having already taken place.

6. As we go forward, it's clear that successful implementation of our proposals will need further culture change and ongoing engagement with our partner organisations.

7. We know we will also need to focus on the areas that will have the most significant impact on the health and capability of the workforce of the future.

8. So we intend to build our future health and work strategy on the foundations of the culture change already achieved and on the system changes outlined in this Response by giving appropriate focus to:
• **Older people** – as the workforce ages, an increasing number of employees will be managing long-term health conditions. This means the way we support employee health will become increasingly important, both at work and in terms of better management of chronic health conditions. Increases to the State Pension Age (SPA) and removal of the Default Retirement Age already signal to society the need to work longer. People also need to recognise that as they get older they are more likely to suffer from health conditions and this could have a significant impact on their working life. Enabling older people who can work to stay in work is critical to economic growth and pensions sustainability, as well as to individual financial, health and social wellbeing. We will look to adapt our policies and initiatives to better reflect the ageing workforce, so we can meet future workforce requirements and address the challenges of an increasing burden of chronic disease.

• **Younger people** – the Government is committed to raising the age of compulsory participation in education or training so that all 16 and 17 year olds are expected to continue in some form of education or training by 2015. We are transforming vocational education following the Wolf Review, creating a new 16-19 Study Programmes that will focus on substantial qualifications, English and maths and work experience where appropriate. The reforms in the Special Educational Needs Green Paper will help to support these young people to participate. We are providing skills training for young adults aged 19 to 24 in England (19 to 23 from August 2013) who have not yet achieved Level 3 and putting in place personalised support through the Work Programme for those who are unemployed. The Youth Contract will provide nearly half a million new opportunities for 16-24 year olds - including wage incentives, incentives to take on apprentices and extra work experience places. As part of the Youth Contract, additional support is being provided to 16 and 17 year olds who are not in education, employment or training and have low qualifications to move into learning, an apprenticeship or job with training. As younger people become increasingly critical to the workforce of the future, we will further explore how to ensure they are better prepared for working life and equipped to deal with health-related issues when they arise.
• **Mental Health and Employment** – Employment rates for people with depression, anxiety and other common mental health disorders remain persistently low. So as we reform the Welfare State, we will pay as much attention to the needs of people with mental health issues as we do to those with physical health conditions. The NHS, Jobcentre Plus and other public sector partners will work together with private and third sector service providers to better integrate health and welfare services for the individual. The Government’s mandate to the NHS Commissioning Board (NHS CB) sets out the objectives the NHS CB should seek to achieve in England. The mandate includes specific objectives for the NHS CB to put mental health on a par with physical health, including to improve access and waiting times for mental health services, and for the NHS CB to work in partnership with other public sector organisations to support people experiencing mental ill health to remain in or return to work. Individuals should expect the right support, so they do not find they can no longer work when mental health problems occur. The Government will explore new integrated approaches across the health and welfare system, including more support for GP education on mental health and employment, improved access to talking therapies for people who are out of work, and early intervention and better access to occupational health advice for employers, employees, employment advisers and healthcare professionals in primary care.

9. The important role key organisations play has already been identified. As part of this the Health, Work and Wellbeing National Stakeholder Council was a crucial partner in developing earlier strategy and policy. We are extremely grateful for their advice and support which has helped to shape the Government Response to *Health at Work*. To mark the next stage in the health and work journey, we will reshape and refresh this key stakeholder body to better reflect the issues facing us today and our future direction of travel.

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## Appendix 1
Summary of recommendations and Government response

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Government Response</th>
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</table>
| 1              | The Government accepts the recommendation.  
We will establish a health and work assessment and advisory service which will:  
• Deliver a state-funded assessment by occupational health professionals for employees after four weeks on sick leave  
• Signpost to appropriate interventions  
• Provide employers and employees with advice on overcoming the barriers that prevent them from returning to work  
We will also go a step further than the Review’s recommendation:  
The service will provide case management for the minority of employees with complex needs who require ongoing support to enable their return to work. |

The Government should fund a new Independent Assessment Service (IAS). The IAS would provide an in-depth assessment of an individual's physical and/or mental function. It would also provide advice about how an individual on sickness absence could be supported to return to work. This service should usually be accessed when an individual's absence spell has lasted around four weeks. |

| 2              | The Government accepts the recommendation.  
We will publish revised fit note guidance for GPs, employers and individuals during the first quarter of 2013 which will emphasise the importance of assessing an individual's health condition in relation to work in general and not just for one specific role. |

The Government should revise fit note guidance to ensure that judgements about fitness to work move away from only job-specific assessments. |
<table>
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<tr>
<th>Recommendation</th>
<th>Government Response</th>
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| 3              | The Government should do more to improve knowledge and awareness among health care professionals, particularly those involved in certification, of the Work Capability Assessments (WCAs), the benefits system generally and the importance of work for health.  
**The Government accepts the recommendation.**  
We have already:  
- Produced a GP’s guide to the benefits system which includes information about the Work Capability Assessment and which will be updated to reflect the introduction of Universal Credit  
- Developed training for GPs, in partnership with the Royal College of General Practitioners, focusing on the importance of work for health and related clinical issues
| | 
| 4 | Expenditure by employers targeted at keeping sick employees in work (or speeding their return to work) such as medical treatments or vocational rehabilitation should attract tax relief. This should be targeted at basic-rate tax payers.  
**The Government will make a decision on this recommendation in the 2013 Budget.** |
| 5 | Existing tax relief on Employee Assistance Programmes (EAPs) which provide information, advice and counselling on a variety causing absence and/or performance problems should be retained.  
**The Government accepts the recommendation.**  
The current tax relief on Employee Assistance Programmes will be retained as EAPs promote sickness absence management in the workplace. |
| 6 | Government should abolish the Percentage Threshold Scheme (PTS) which compensates mainly smaller employers for very high rates of sickness absence in their organisations, but reduces incentives to manage absence.  
**The Government accepts the recommendation.**  
We will abolish the PTS and recycle the funding into the new health and work assessment and advisory service which will provide invaluable support for employers. |
| 7 | Record-keeping obligations under SSP should be abolished, thereby helping to reduce employer administrative burdens.  
**The Government accepts the recommendation.**  
We will abolish the SSP record keeping enabling employers to keep records in a more flexible manner which best suits their organisation. |
<table>
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<tr>
<th>Recommendation</th>
<th>Government Response</th>
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<tr>
<td>8 Government should update its Employer’s Charter to address misconceptions around sick absence management, especially legal uncertainty.</td>
<td>The Government accepts the recommendation. The Employer’s Charter was updated in March 2012 to clarify what employers can do to manage sickness absence.</td>
</tr>
<tr>
<td>9 Government should carry out further research into the reasons behind the significant number of people claiming ill health benefits who come straight from work, especially from smaller employers, but appear not to have been paid sick pay by their employer before hand.</td>
<td>The Government accepts the recommendation. We are in the process of commissioning research to explore the details of sickness absence management and sick pay regimes in different types of firms and how these affect the journey from work to long-term sickness benefits.</td>
</tr>
<tr>
<td>10 Public Sector employers should take immediate action to bring worst performing parts of the Public Sector up to the standards of the best. Government should also review OSP in the Public Sector.</td>
<td>The Government accepts the recommendation. Civil Service Departments are already reviewing occupational sick pay scheme as part of the general review of Civil Service terms and conditions. We will work with education, local government and health employers to:  • ensure all Public Sector employers publish an annual Average Working Days Lost metric  • urge them to consider a review of their occupational sick pay regime.</td>
</tr>
<tr>
<td>11 The introduction of a new job-brokering service to help long-term sick employees find new work (where appropriate) before they fall on to the benefits system. This service should be offered free by the State in case of very long-term absence) at 20 weeks or sooner if the Government is convinced of the business case to do so), but should be available earlier for individuals and employers that are willing to pay for it. The government should consider delivering the service as an extension of the Work Programme.</td>
<td>The Government partly accepts the recommendation. We recognise that some sick employees will not return to their employer and will need help to find new work. However, we do not believe a new job-brokering service is necessary to support this. The new health and work assessment and advisory service will instead signpost employees in this position to Universal Jobmatch, a free internet job-matching service launched in November 2012.</td>
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<tr>
<td>Recommendation</td>
<td>Government Response</td>
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| 12 The Government should end the Employment Support Allowance (ESA) assessment phase altogether. People should only go on to Employment Support Allowance after a Work Capability Assessment, or as at present, if they qualify to pass directly on to ESA without a face-to-face WCA. | The Government does not accept the recommendation.  
We do not believe ending the ESA assessment phase is practical as by the time legislation could be put in place most new claims will have been superseded by Universal Credit.  
**We do, however, accept the principle underlying the recommendation:**  
We will address this within Universal Credit by ensuring all claimants receive the appropriate level of conditionality when they make a claim or have a change of circumstances. There will be no blanket exemption for people claiming UC on grounds of sickness. |
| 13 The recommendation above should be supported by Jobcentre Plus’ claims policies and processes to prevent large numbers of people being inappropriately directed toward ESA. | The Government accepts the recommendation.  
Thanks to welfare reforms, income-based ESA will be replaced by the new Universal Credit. Universal Credit will be more supportive to those with health conditions because conditionality will be based on individual circumstances, rather than by fixed benefit rules. This will allow for more help and support to be targeted at those who need it most. |
Appendix 2
Costs and benefits of a health and work assessment and advisory service

Introduction

1. Our approach to this analysis follows closely the approach taken in the independent sickness absence review. We have based our assumptions on the two definitive reviews of evidence in this field, and the further insights of Dr Nick Kendall, Professor Kim Burton and of Dr Steve Boorman.

Headline costs and benefits

2. Our analysis suggests that a health and work assessment and advisory service will generate yearly net benefits to employers of £65 million – £80 million and to Government of £105 million – £225 million and will increase economic output by £450 million – £900 million per year.


36 Co-author of Vocational rehabilitation: what works, for whom, and when?

37 Co-author of Is work good for your health and well-being and Vocational rehabilitation: what works, for whom, and when?


39 All costs and benefits are presented in 2012 terms. Unless stated otherwise, figures are quoted on a yearly average basis to the nearest £5 million.
### Health and work assessment and advisory service advice process

<table>
<thead>
<tr>
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<th>Yearly impact</th>
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<tr>
<td></td>
<td>Low</td>
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<tr>
<td><strong>Employers</strong></td>
<td></td>
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<tr>
<td>Interventions</td>
<td>£20 million</td>
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<tr>
<td>Sick pay saving</td>
<td>£80 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£65 million</td>
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<tr>
<td><strong>Government</strong></td>
<td></td>
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<tr>
<td>Advisory service</td>
<td>£25 million</td>
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<tr>
<td>Out of work benefits</td>
<td>£30 million</td>
</tr>
<tr>
<td>Tax &amp; NICs</td>
<td>£100 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£105 million</td>
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<tr>
<td><strong>Economy</strong></td>
<td>£450 million</td>
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</table>

### Service cost

3. The service itself will cost Government £25 million – £50 million per year to operate and will recommend £20 million – £85 million in interventions, of which £5 million – £25 million is tax and National Insurance Contributions liable on the interventions, which are treated as a benefit in kind under the current tax regime. This assumes that employers will accept all recommendations made by the service and will meet their full cost, including both employer and employee tax and National Insurance liabilities that arise. We have also assumed that employees are basic rate taxpayers.

4. This compares with the £30 million per year service recommended in the Review, which was based on 200,000 users per year requiring significant contact time with the service (on average) and not accounting for treatment costs [the working assumption was that the NHS would eventually be liable for treatment costs, so moving these earlier didn’t represent a net cost to government].

5. Following expert advice, our analysis is predicated on a more modest average of 60-130 minutes of contact time, including follow-up for each of 560,000 users, of whom 80,000-230,000 are referred to interventions costing £150-£250 (before tax). We have treated these interventions as being fully outsourced and have not presumed any corresponding saving for interventions that would otherwise have fallen to the NHS to deliver.

### User volumes

6. The Review assumed, as we have done, that half of those eligible for the service will use it, but restricted eligibility to the 40 per cent of employees without access to Occupational Health (OH) services at work. We propose that the service sit alongside existing OH services, making 100 per cent of the 1.1 million employees reaching four weeks of sickness absence eligible, and furthermore to embed referral processes in GPs’ IT systems, which may push take-up well beyond 50 per cent (we have nevertheless retained this conservative assumption).

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40 This figure is a conservative estimate of those without access to Occupational Health at work.
Staffing needs

7. We anticipate the need for 330-740 occupational health professionals and 5-10 physicians specialising in occupational health and/or vocational rehabilitation to deliver the service. We also anticipate the service generating demand for the equivalent of 240-1,300 full time equivalent healthcare professionals to provide interventions like physiotherapy, talking therapies or workplace mediation.

8. A recent Deloitte report for the DWP into the availability of healthcare professionals to conduct health assessments in the context of benefit eligibility suggested that there the UK currently has 65,000 nurses, 19,000 physicians, 9,000 physiotherapists, 4,000 Occupational Therapists and 500 psychiatrists who would be able absorb additional demand in their respective markets.

9. This analysis doesn’t provide any firm conclusions, but suggests that the service will noticeably increase the demand for healthcare professionals, though not at an unprecedented level. We will continue to keep market capacity under consideration as we refine the service delivery model and specifically what roles professionals play in it.

Benefits of the service

10. The service will reduce employers’ sick pay costs by £80 million – £165 million per year, will reduce the cost to Government associated with out-of-work benefits by £30 million – £60 million per year and will increase tax and National Insurance revenues by £100 million – £215 million per year (including £5 million – £25 million in tax on interventions). It will also increase economic output by £450 million – £900 million per year.

Evidence sources

11. Our expert advisers agreed the projection that the service would reduce the net cost of sickness absence associated with its customers by 20 per cent to 60 per cent, which is consistent with interventions of this nature. We have, therefore, made the conservative assumption that the service reduces sickness absence duration for its customers by just 20 per cent to 40 per cent and that this is the saving before taking account of the cost of the service (ie gross, not net).

12. We have also made extensive use of information flowing in from the evaluation of the Government’s Fit For Work Service (FFWS) pilots in reaching conclusions about service use volumes and substream use volumes.

42 All staffing needs are presented as Full Time Equivalent requirements.
Service specification

13. Our expert advisers emphasised the centrality of the configuration of the service in determining whether or not it will achieve the projected reductions. Specifically, the service needs to offer a personalised approach supported by effective action planning, a robust, fully integrated evaluation with real-time elements and operate within a supportive, collaborative culture.

- **Personalised approach** – each individual should be treated according to their specific needs;
- **Effective action planning** – a service should assign responsibilities to named parties to achieve and communicate specific outcomes and should describe the means by which they will be secured;
- **Robust evaluation** – evaluation against transparent outcome measures should be fully integrated in the service and should contain real-time feedback elements to support continuous improvement;
- **Supportive culture** – from GP referral and conversations with managers to core service to delivery of interventions, the service culture should support the messages that:
  - work is good for health: helping sick or disabled people remain in or return to work as soon as possible leads to better health outcomes and avoids the detriment of social isolation;
  - recovery is something that can and should happen while continuing work, event after an initial period of absence, if necessary.

Employers

14. Based on views of our expert advisers, we have assumed that the service will result in a 20 per cent to 40 per cent reduction in the sickness absence duration of those engaging with it. The benefit to an employer of an employee’s early return to work is the saving in sickness pay, which for the sake of conservatism we have assumed is paid at the statutory minimum.

15. The median duration of sickness absence for those reaching the four week point is 42 working days, for which a 20 per cent to 40 per cent reduction yields 8-17 extra working days. Over the 560,000 users, this amounts to a saving to employers of £80 million – £160 million. If, instead, employers were to compensate employees during sickness absence at the lower quartile rate of pay, then employer savings would be £350 million – £690 million. Evidence suggests that around half of employers pay sickness absence above the statutory minimum, though this will still be on average lower than an employee’s usual rate of pay.

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43 Classical economic theory predicts that the cost and benefit to an employer of employing an individual will cancel one another out, while the cost of paying them for no productive output while they are unwell is a clear cost.

44 Around £86 per week in 2012, or £17 per working day.

45 While the mean is a more reasonable measure in this context, it is more conservative in this context to use the median, which is 15 working days shorter.


Government

16. Earlier returns to work generate two benefits to Government:

• individuals moving from lower rates of pay (during sickness absence) to higher rates (at their normal working level) generate higher tax and national insurance revenues; and
• we assume flows to unemployment benefits are reduced.

Tax and National Insurance revenues

17. Evaluated over the 560,000 users and based on the absence reductions given above tax and national insurance, revenues rise by £90 million – £190 million. This is based on an increase from £17 per day to £73\(^{48}\) generating £8 in income tax, £5 in employee’s National Insurance Contributions and £6 in employer’s contributions. As before, we assume an 8-17 day reduction in sickness absence for each user.

18. If service users are paid above the statutory minimum during periods of sickness absence, then this revenue falls: as assumed sickness pay approaches an employee’s normal rate of pay, this revenue declines to zero. The reason, then, for retaining the assumption that individuals are paid at the statutory minimum are:

• individuals using the service are expected to be disproportionately those paid at the statutory minimum during sickness absence spells, which is consistent with their being lower quartile earners;
• the loss that a higher sick pay level would generate in our evaluation of government revenues is more than offset by a gain to employers, whose sickness pay savings increase significantly as a result, so the assumption is, on balance, a conservative one.

Unemployment benefits

19. Based on the figure from the original review that 110,000 people flow from sickness absence spells at work on to Employment Support Allowance (ESA) every year,\(^{49}\) we used a simple linear function to estimate flows on to the benefit at different stages of sickness absence and fitted it to this number. This simply means that someone in their 28th week of absence is 28 times as likely to flow on to ESA as someone in their first week of absence and twice as likely as someone in their 14th week of absence.\(^{50}\) Based on this, a 20 per cent to 40 per cent reduction in service users’ absences reduces ESA onflows by 4,800-9,600 per year.

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48 ASHE 2011 figures uprated to 2012 values.
49 According to the review, a further 140,000 flow on to ESA straight from employment; it is likely that further volumes will flow onto Jobseekers’ Allowance having left work for health reasons, but for the sake of making our analysis conservative, we have not included estimates of the impacts of reducing either of these flows.
50 While it is more likely that the function describing the likelihood of flowing on to ESA given a spell of sickness absence is non-linear, and specifically S-shaped (with low and low-growing probability of flowing on to ESA with shorter absences, a turning point when the probability grows rapidly, then a flattening out of the probability over much longer absences) the projections of onflow reductions become much more conservative with a linear function, hence this is what we have used.
20. We multiplied this reduction in claim volumes by the average cost of a claim, which is based on an uprated figure of £8,500 per year published as part of the DWP’s Worklessness Co-Design Project\(^51\), reduced pro-rata to reflect the average claim duration used in the Review analysis (eight months). This gives a £30 million – £60 million ESA saving.

**Economy**

21. According to classical economic theory, in a normal state of affairs the value of an individual’s productive output will be equal to their total cost of employment, which is their salary and benefits (including any taxes for which the employer is liable) plus costs of infrastructure etc. We can, therefore, estimate the improvement in productive output for the economy based on an increase of 8-17 working days per service user, whom we assume is paid at the lower quartile level (£73 per day) and who attracts 30 per cent on-costs (to cover employers’ taxation liabilities, the need to provide a workspace and facilities and so on).

22. With 560,000 users the total increase in economic output is £450 million – £900 million per year.

**Sensitivity**

23. We expect core staff needs to be set by expected service take-up, while demand for healthcare professionals will be set by actual take-up of the service. It is, therefore, reasonable to assert that an anticipated fall in service take-up will result in a pro rata fall in both the costs and the benefits of the service. An unanticipated fall will result in a pro rata fall in treatment costs and service benefits, but service costs will remain fixed.

24. An unanticipated shortfall in take-up of 50 per cent would leave service costs unchanged at £20 million - £50 million, bring treatment costs down to £10 million - £30 million, reduce ESA savings to £15 million – £30 million, reduce tax revenue increases to £50 million – £90 million, reduce employer savings to £40 million – £80 million and reduce the improvement in economic output to £220 million – £450 million.

\(^51\) www.dwp.gov.uk/docs/dwp-worklessness-codesign-ir.pdf
Appendix 3
Employer’s Charter

As an employer – as long as you act fairly and reasonably...

You are entitled to:

• contact a woman on maternity leave and ask when she plans to return;
• reject an employee’s request to work flexibly if you have a legitimate business reason;
• talk to your employees about their performance and how they can improve;
• dismiss an employee for poor performance;
• withhold pay from an employee when they are on strike;
• require an employee to take their holiday at a time that suits your business;
• stop providing work to an agency worker (as long as they are not employed by you);
• make an employee redundant if your business takes a downward turn;
• seek an independent assessment of your employee’s fitness for work;
• dismiss an employee if they have had a period of long-term absence or repeated short term absences.
You can also ask an employee:

- to take a pay cut or change some other terms and conditions, for example, their normal working hours;
- whether they would be willing to opt-out from the 48 hour limit in the Working Time Regulations;
- about their future career plans, including retirement.

1. **You can ask a job candidate** during interview questions that are relevant to the requirements of the job (but questions need to be fair and unbiased)

2. **To settle a dispute, you can** protect yourself against some claims from an employee by entering into a ‘compromise agreement’, (often in return for an agreed payment).

_This is intended to help employers understand what they can do in general. Of course, individual circumstances may vary and employers need to act in accordance with their legal obligations. In the online version, clicking on any of the points will take you to more detailed guidance on those obligations._

## Appendix 4
### Abbreviations and acronyms

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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>ABME</td>
<td>Administrative Burdens Measurement Exercise</td>
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<td>AWDL</td>
<td>Average Working Days Lost</td>
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<td>BCC</td>
<td>British Chamber of Commerce</td>
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<td>BIS</td>
<td>Department for Business, Innovation and Skills</td>
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<td>CBI</td>
<td>Confederation of British Industry</td>
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<td>CIPD</td>
<td>Chartered Institute of Personnel and Development</td>
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<tr>
<td>CO</td>
<td>Cabinet Office</td>
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<tr>
<td>DH</td>
<td>Department of Health</td>
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<td>DWP</td>
<td>Department for Work and Pensions</td>
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<tr>
<td>EAP</td>
<td>Employment Assistance Programmes</td>
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<tr>
<td>ESA</td>
<td>Employment Support Allowance</td>
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<td>FFWS</td>
<td>Fit For Work Service</td>
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<td>FOM</td>
<td>Faculty of Occupational Medicine</td>
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<td>FSB</td>
<td>Federation of Small Businesses</td>
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<tr>
<td>GP</td>
<td>General Practitioner</td>
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<tr>
<td>HCP</td>
<td>Healthcare Professional</td>
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<tr>
<td>HMRC</td>
<td>Her Majesty’s Revenue and Customs</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>HMT</td>
<td>Her Majesty's Treasury</td>
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<td>JCP</td>
<td>Jobcentre Plus</td>
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<td>OSP</td>
<td>Occupational Sick Pay</td>
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<td>PAYE</td>
<td>Pay As You Earn</td>
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<td>PS</td>
<td>Public Sector</td>
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<tr>
<td>PTS</td>
<td>Percentage Threshold Scheme</td>
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<tr>
<td>RCGP</td>
<td>Royal College of General Practitioners</td>
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<td>RTI</td>
<td>Real Time Information</td>
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<tr>
<td>SAR</td>
<td>Sickness Absence Review</td>
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<tr>
<td>SOM</td>
<td>Society of Occupational Medicine</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>SSP</td>
<td>Statutory Sick Pay</td>
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<tr>
<td>TC</td>
<td>Tax Credits</td>
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<tr>
<td>UC</td>
<td>Universal Credit</td>
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<td>WCA</td>
<td>Work Capability Assessment</td>
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## Glossary

<table>
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<th>Term</th>
<th>Definition</th>
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<tr>
<td><strong>Access to Work Programme</strong></td>
<td>The access to work programme offers help to individuals with a disability or health condition that affects the way they do their work. Access to Work advisers can give the employee and their employer advice and support with extra costs that may arise because of individual needs. Access to Work provides support for transport to work, support workers and specialist adaptations and equipment over and above that which is a reasonable adjustment under the Equality Act. If an individual needs communicator support when at an interview, Access to Work may be able to pay some or all of the communicator costs.</td>
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<tr>
<td><strong>Basic rate tax payers</strong></td>
<td>People who pay the lower of the two bands of income tax (paid by the majority of people).</td>
</tr>
<tr>
<td><strong>Disability Discrimination Act</strong></td>
<td>The Disability Discrimination Act (DDA) defines a disabled person as someone who has a physical or mental impairment that has a substantial and long term adverse effect on his or her ability to carry out normal day-to-day activities.</td>
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<tr>
<td><strong>Electronic fit note</strong></td>
<td>Fit notes generated on a computer by a GP instead of by hand.</td>
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<tr>
<td><strong>Employee Assistance Programmes</strong></td>
<td>An Employee Assistance Programme (EAP) is an information and advice service, sponsored by employers, for employees. They are designed to assist productivity and attendance issues within the workplace and support employees to identify and resolve personal concerns that may affect job performance. These issues might include health, marital, family, financial, alcohol, drug, legal, emotional, stress, or other personal issues. EAPs act as a gateway to a wide range of services and support functions.</td>
</tr>
<tr>
<td><strong>Employer’s Charter</strong></td>
<td>The Employer’s Charter is a guidance note which aims to dismiss some of the myths about what employers can and can’t do in managing their workforce. It tells them what they are reasonably entitled to ask and know about their employees, and what action they can take if there are problems.</td>
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<tr>
<td><strong>Employment and Support Allowance</strong></td>
<td>Government benefit for which eligibility is based on an assessment of what the individual is capable of and what help they need to manage their condition and return to work. There are two types of employment and support allowance (ESA): contribution-based employment and support allowance and income-related employment and support allowance. To be entitled to contribution-based ESA you must have paid enough national insurance contributions.</td>
</tr>
<tr>
<td><strong>Fit For Work Service</strong></td>
<td>The Fit For Work Service (April 2009 - March 2013) pilots help employed and self-employed people to get back to work more quickly when they are signed off sick. It also helps people who are at risk of long term sickness absence to remain in work.</td>
</tr>
<tr>
<td><strong>Fit note</strong></td>
<td>The fit note is a form the doctor gives a patient when their health affects their ability to work. It replaced the old sick note and focuses on what people can do rather than on what they cannot.</td>
</tr>
<tr>
<td><strong>Ill-health/illness</strong></td>
<td>When a health condition impacts on a person’s wellbeing or quality of life, affecting their activities. It is not just the presence of symptoms, a disease or a medical diagnosis.</td>
</tr>
<tr>
<td><strong>Jobcentre Plus</strong></td>
<td>Government agency that provides advice and support to those of working age who are workless, administers claims for certain welfare benefits, and helps employers fill vacancies.</td>
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<tr>
<td><strong>Jobseeker’s Allowance</strong></td>
<td>Government benefit payable to unemployed people who are available for and actively seeking work.</td>
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<tr>
<td><strong>National Health Service (NHS)</strong></td>
<td>United Kingdom system that provides free medical care and is paid for by taxes.</td>
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<tr>
<td><strong>Percentage Threshold Scheme (PTS)</strong></td>
<td>The PTS scheme provides a measure of compensation for employers faced with high levels of sick absence.</td>
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<tr>
<td><strong>Public Health Responsibility Deal</strong></td>
<td>The Public Health Responsibility Deal aims to tap into the potential for businesses and other influential organisations to make a significant contribution to improving public health. Organisations signing up to the Responsibility Deal commit to taking action voluntarily to improve public health through their responsibilities as employers, as well as through their commercial actions and their community activities.</td>
</tr>
<tr>
<td><strong>Small and Medium-sized Enterprises (SMEs)</strong></td>
<td>Small enterprises are defined as businesses employing fewer than 50 people. Medium-sized enterprises are defined as employing more than 50 but fewer than 250 people.</td>
</tr>
<tr>
<td><strong>Statutory Sick Pay (SSP)</strong></td>
<td>SSP is the minimum employers are required by law to pay their employees who satisfy the qualifying conditions when they are incapable of work. It is up to the employer to decide in the first instance whether they accept that their employee is incapable of work. An employer is entitled to ask for reasonable evidence of the employee's incapacity for work. If an employer has good reason to believe that their employee's incapacity is not genuine, they can refuse to pay SSP despite medical evidence.</td>
</tr>
<tr>
<td><strong>Tax relief</strong></td>
<td>Tax relief reduces the tax liability of an individual or business and may be targeted at providing aid for a certain cause.</td>
</tr>
<tr>
<td><strong>Universal Credit (UC)</strong></td>
<td>Universal Credit is a new benefit for people of working age, designed to top up income to a minimum level. Universal Credit will replace benefits for people who are out of work and tax credits for people in work.</td>
</tr>
</tbody>
</table>
**Universal Jobmatch**

Universal Job Match is a free online job posting and matching service. It will automatically match jobseekers’ CVs and skills to jobs posted. Jobseekers will get details of new jobs matching their job search criteria.

**Welfare reform**

Welfare reform refers to the process of reforming the framework of social security and welfare provisions.

**Wellbeing**

Subjective state of being healthy, happy and contented comfortable and satisfied with one’s quality of life. It includes physical, material, social, emotional (‘happiness’) and development and activity dimensions. (Waddell and Burton 2006).

**Health, Work and Wellbeing**

Health, Work and Wellbeing is a cross-Government initiative to protect and improve the health and wellbeing of working age people. The initiative promotes the positive links between health and work and aims to help more people with health conditions to find and stay in employment. It brings together employers, trade unions, healthcare professionals and other partners and builds on a growing evidence base that working is good for health.

**Worklessness**

Not being in paid employment and not actively seeking employment.
This publication can be accessed online at:
www.dwp.gov.uk/sickness-absence-review

For more information about this publication, contact:

Health and Wellbeing Directorate
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Copies of this publication can be made available in alternative formats if required.

This publication is also available at:
www.official-documents.gov.uk

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