

Letter sent to the participating members of the Statutory Sick Pay Review Working Group in response to their report.

Thank you for sending me your report on your review of Statutory Sick pay.

I note that after a thorough examination of the Statutory Sick Pay scheme, you have established that radical change is not appropriate and that employers and employees, while concerned about SSP complexity, are primarily concerned about attendance management. You have concluded, therefore, that easements and simplifications to the current scheme should be combined with priority being given to helping employers' with effective management of attendance, supported by modernisation of certification arrangements and facilitation of vocational rehabilitation.

I am pleased to accept in full your suggestions to reduce the administrative burden of the current scheme's record keeping and the requirements placed on employers to provide information for benefit purposes, without reducing protections for employees. These changes will be introduced to coincide with the introduction of Employment Support Allowance in October 2008, subject to Parliamentary approval.

Similarly, I welcome your recommendations on attendance management. These are entirely consistent with our Health, Work and Well Being agenda. To this end, we have already begun a review of the medical certificate. Your views will be taken into account when considering what needs to be done to improve medical certification for all those who rely upon it.

I have also asked my officials to see what they can do to improve all Government communications on attendance management, so that they are clear, consistent and well sign-posted.

However, given our determination to improve absence management in the UK, I remain un-persuaded of the value and the benefit of the Percentage Threshold Scheme. This scheme does nothing to help employers reduce and effectively manage sickness absence. To this end, I will be giving further thought to possible alternative ways of supporting employers which would be

more in line with our overall priorities on the health and work agenda. I understand this may disappoint some of you.

You will be aware that Dame Carol Black, the National Director for Health and Work, is currently undertaking a review of the health of Britain's working age population. The review will help to inform and guide our strategy on health and work over the coming years. I am hopeful that Dame Carol's findings will help us to develop an approach that provides real support to employers, helping employees stay healthy and in work and improving business efficiency. More information on Dame Carol's review can be found at www.workingforhealth.gov.uk.

Finally, I would like to give you my personal thanks for all your help and hard work in this area. Your thorough and considered input has been instrumental in pulling together well rounded and workable recommendations for the future shape of SSP and related matters. I very much appreciate your giving us your time.

Bill McKenzie