

Thematic session A – Municipal power and local policy implementation

Contribution by *Kirsten Brix Pedersen*, Danish Directorate of Labour: Monitoring the performance of municipalities, with emphasis on sickness absence action.

(1) We control by means of rules and targets.

The Danish government and the Danish parliament lay down and control the Danish Act on sickness benefits and other employment legislation at national level. The parliament lays down the legislative framework for the management and the substance of sickness absence action.

Pursuant to legislation, the local authorities administer sickness benefit legislation and the employment action used to follow up on citizens who are absent due to sickness. The follow-up action of the local authorities is also governed by a set of rules. Moreover, the Act includes a preamble stating the object of the application of the Act. Guidelines have been prepared to support the local authorities in their administration of the legislation.

Each year, the Minister for Employment announces a small number of targets for action areas with a need for improved performance in the coming year. For 2009, one of the three targets set concerns sickness benefits:

- “The job centres must ensure that the number of sickness benefit periods exceeding 26 weeks will be reduced compared to the previous year.”

The minister’s targets serve as guidelines for the efforts of the job centres and are an important part of the employment plan and the performance audit. The latest figures for the minister’s targets are also available on the Internet portal www.jobindsats.dk, which I will address later.

(2) We control by means of reimbursements.

Besides the statutory requirements for follow-up, the reimbursements paid by the Danish state to the local authorities also serve as a control measure. The reimbursement rules serve as further motivation and reward for the local authorities to ensure their compliance with the statutory requirements. Generally, the local authorities receive reimbursement of 65% from the Danish state when active efforts are made in respect of a citizen, compared with only 35% if the citizen remains inactive.

Experience shows that the local authorities pay a lot of attention to the direct costs relating to the choice of action in respect of citizens in their municipality requiring assistance.

In relation to sickness benefits, reimbursements are used to ensure that the local authorities take the action required by law. The local authorities will lose the right to reimbursement for

sickness benefits if the interview with the sick person is held too late. Similarly, the local authority may lose the right to reimbursement in respect of flex jobs if the referral is insufficiently documented. Another rule also applies in connection with timely activation, which should also be mentioned.

(3) We control by means of performance.

Employment plan

Job centres are required to prepare annual employment plans for the employment action to be taken in the following year. The employment plan describes how the job centre intends to approach political challenges in relation to employment so that the challenges are linked to the job centre's targets and strategies for meeting the targets.

Employment regions

Four employment regions have been established at regional level. Their principal tasks are to monitor labour market developments and follow up on the effect and results of the aggregate employment action of all 91 job centres.

The key role of the employment region in its dialogue with the job centres is to support and challenge each job centre in relation to the development of local employment action and generation of better results. This is affected through dialogue that rests on the labour market situation of each job centre, focuses on the key performance areas and is based on documentation and knowledge.

The individual dialogue with the regional job centres serves as a tool for the employment region to support and stimulate the job centres' performance development and thus as a tool to support improved performance in the region as a whole. The individual dialogue meetings with the job centres are therefore given a high priority by the employment regions.

If an employment region discovers that the employment action of a given job centre is either very different from that of comparable job centres or does not meet the statutory requirements for employment action, the employment region may sign a written agreement with those in charge of employment action at the job centre to improve its efforts.

Each year, the employment regions and the regional employment councils ("RBR") sign an agreement with the Minister for Employment. The agreement sets out the ambitions of the employment regions/RBRs and defines specific and quantitative performance targets for each of the minister's three targets and an action plan describing the specific activities planned by the employment region/RBR in order to meet the targets and performance targets with a focus on performance follow-up and dialogue with the job centres.

Jobindsats.dk

Jobindsats.dk is an Internet portal that is continuously updated with the latest employment action figures. Jobindsats.dk offers a large selection of data reflecting a long range of key results and effects of employment action. Jobindsats.dk makes it possible to closely monitor employment action, also at local level. It is possible to perform searches on a wide range of

variables, including areas, periods, gender, ethnic background, age and match category. The search criteria can be combined making Jobindsats.dk a suitable and efficient tool for monitoring employment action at many levels.

Performance audit

The performance audit is a management tool used to follow up on the employment action of job centres and works as a basis for discussions between the public administration, the local politicians and the social partners. Performance audits show the results and effects of employment action and are used retrospectively to evaluate employment action of the past year and, going forward, to plan future employment action.

Performance overview

With the aim of creating and retaining shared focus at all levels of the employment system with respect to performance, effects and key goals and indicators of employment action, the National Labour Market Authority prepared an A4-sized performance overview in 2008. The performance overview is intended to support a simple and transparent focus on the most important action targets. Thus, the performance overview is intended to contribute to supporting and strengthening dialogue in the political system in terms of employment and highlight ways to improve action and performance. The principal aim of the performance overview is to support the dialogue between employment regions and job centres. The presentation of results can also form part of the dialogue between management and employees of the job centre.

(4) We control by means of appeal and practice coordination by appeal bodies.

To ensure that local authorities comply with the law and apply the law in the same way.

Decisions made in the appeals system

Citizens are entitled to file complaints with the regional boards concerning decisions made by local authorities.

Leading cases heard by such boards may be re-opened by an independent government agency, the National Social Appeals Board.

Decisions are published, which enables all local authorities to align their decisions with the practice in the area.

The aim of the publication of decisions is to ensure that all decisions made throughout the country are the same, regardless of where the citizens live.

(For example, the public authorities make more than 500,000 decisions each year in the welfare area).

Investigations of practice by the National Social Appeals Board

In addition to making decisions in specific complaints proceedings, the National Social Appeals Board also collects decisions from the local authorities in selected theme areas. The

board then examines whether the day-to-day application of the rules is handled correctly. Guidelines for applying the rules are subsequently given to the local authorities in order to improve the quality of future decisions.

The results of the investigations are published.

(5) We control by means of municipal audit – how about the National Audit Office and the auditors of public accounts?

The municipal audit is intended to ensure that benefits are paid out in accordance with the rules. In case of non-compliance, the local authority must bear the cost alone since the right to reimbursement will be lost if there was no statutory basis for awarding the benefits in question. With the particular aim of providing an incentive for local authorities to comply with the legislation, it has been decided in certain areas that non-compliance will also lead to a loss of the right to reimbursement for a period of time.