

7 April 2017



Response to the 'Building our Industrial Strategy' Green Paper

Overview

The Faculty of Occupational Medicine (FOM) & the Society of Occupational Medicine (SOM) welcome the focus this green paper brings to the future direction of our economy, with its focus on productivity, growth and skills.

We applaud the paper's focus on ensuring our young people develop the skills required to do the high-paid, high-skilled jobs of the future, but there is not enough focus in the paper on ensuring our current workforce can stay healthy, improve productivity and contribute to the economy.

Employee health and wellbeing contributes to successful business performance and we know that highly effective companies commit to a culture of health.

We note that:

- poor employee health is associated with significant costs to employers
- a key benefit of occupational health interventions is avoided sick leave and significant savings to a range of employer's direct and indirect costs
- providing more financial and tax incentives would encourage more employers to invest in employee health and wellbeing

The avoidable costs of work-related ill health extend to the state and society as well as to individuals and their family members. In Great Britain around 24% of the cost is borne by the government, 57% by the individual and his/her family and 19% by the employer. These costs include:

- Individuals: lost income, prescription costs, quality of life of individual and family
- Employers: lost productivity, sick pay, employer's liability compulsory insurance premiums and compensation.
- Government/taxpayer: state benefits paid and lost tax receipts (~ 80%), NHS treatment (~20%).¹

Occupational health services need to be part of the industrial strategy - they are cost effective to organisations and good for business.

A The need to invest in health in the workplace, to increase productivity

We note that: *"Investing in worker health and, in the process, managing chronic health conditions and preventing disability and serious illness, can lead to both an increase in the quality of living for employees and cost savings for employers through productivity gains."* (<http://www.npcnow.org/issues/archive/health-and-productivity>).

The cost of ill health and absence from work are unsustainable for individuals, businesses and governments and need to be seen as a fundamental part of solving the "productivity puzzle":

¹ Zand M, Edwards H. *Costs to Britain of workplace injuries and ill health resulting from current day working conditions 2014/15*. HSE. Bootle. 2016.

- 175 million working days are lost to sickness absence every year;
- 300,000 people every year fall out of work through sickness and find themselves on benefits;
- Costing the country £13 billion a year on health-related benefits;
- Over and above the £121 billion spend on the National Health Service;
- In addition, Employers face an annual bill of £9 billion on sick pay².

B The need to invest in workplace health for an ageing working population

We note the UK has a rapidly aging workforce, this is due to increased life expectancy and the rising pensionable age. 40% of 50-64 year olds have at least one chronic disease or disability. In order to re-skill and stay economically active our working population needs to be fit and healthy.

There is a reference in the green paper to the report 'Future of an Ageing Population'. In that paper the Rt Hon Oliver Letwin MP said: *"As the population ages, so will the UK workforce. The productivity and economic success of the UK will be increasingly tied to that of older workers. Enabling people to work for longer will help society to support growing numbers of dependents, while providing individuals with the financial and mental resources needed for increasingly long retirements. Supporting fuller and longer working lives, removing barriers to remaining in work, and enabling workers to adapt to new technologies and other fundamental changes to the world of work will be critical to the nation's economic wellbeing."*

Greg Clark, Secretary of State for Business, Energy and Industrial Strategy, notes in the green paper: *"We have achieved higher levels of employment than ever before in our history – in fact 2.7 million more people in work than in 2010. But we have an ageing workforce and one in four people in the UK workforce is now aged over 50. By 2030, the number of people in the UK aged 65 and over will have increased by 50 per cent – this is alongside a rising retirement age. The Government needs to reflect that to support this changing dynamic we will need to respond to the health challenges an aging workforce brings. The UK cannot afford for this cohort to be economically unproductive, and there will be individual financial consequences if our ageing population is not in work"*

The industrial strategy must reflect the changing make-up of our workforce and how this cohort will need to be supported to work. For example, many older workers will have long term conditions and will want to work part time or work flexibly, so there will be increased onus on accommodating these needs.

Recommendations:

1. Training for NHS health professionals in the positive relationship between work and physical and mental health

There is a need for more training in occupational health for all health professionals; from their undergraduate training, postgraduate training and continuing professional development. Alongside this, awareness for the 'Fit for Work' scheme needs to increase.

2. Increased number of training places to meet the demand for the next generation of occupational health professionals

As the demand for Occupational Health specialists increases, Health Education England needs to increase funding for trainees specialising in occupational health or we shall fail to

(Frost, 2011)

meet this growing and clearly important need within the UK population. The number of medical graduates entering Occupational Medicine Training or Residency Programmes has fallen by 54% in the last 10 years.

3. Work as a health outcome to be integrated into NHS performance indicators for clinical interventions.

The success of medical interventions are seldom assessed in terms of whether they have helped a patient return to work. While it may be important to measure time spent in a hospital bed, or infection and readmission rates in terms of the quality and efficiency of a service, measuring return to work and return to function is long overdue, and until 'return to work' is seen as an NHS clinical outcome, clinicians are unlikely to see it as a goal.

4. That improved financial incentives are in place to encourage employers to invest in workforce health

The limit of £500 expenditure per employee per year on employee assistance programmes per year should be removed and the exclusion from tax exemption of associated costs, such as specialist equipment, workplace adjustments and travel expenses should also be removed.

5. The need for a joined up approach across Government in work and health

We would remind the government of its own consultation, the 'Improving Lives: the Work, Health and Disability Green Paper' where it states work should be seen as a health outcome. We would want to see a much greater cross over in the final Industrial Strategy between this publication and also the outcomes of the joint DWP and DH *Health and Work Unit* and their consultation on closing the disability employment gap.

For further information, please contact the acting Head of Communications and Policy, Gareth Siddorn, on 020 3116 6910 gareth.siddorn@som.org.uk

The Faculty of Occupational Medicine is the professional and educational body for occupational medicine in the United Kingdom. It seeks to ensure the highest standards in the practice of occupational medicine, overseeing the continuing professional development and revalidation of its members. It is also focused on promoting and supporting health at work, with its mission statement being 'to drive improvement in the health of the working age population.'

The Society of Occupational Medicine is the UK organisation for all doctors and other healthcare professionals working in or with an interest in occupational health. It is concerned with the protection of the health of people in the workplace, the prevention of occupational injuries and disease and related environmental issues.