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## Supporting health can help to boost employment

New policy direction and action can help reverse the trend of worsening health and declining employment in the UK, says **David Finch**

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The rise in the number of people claiming disability and health related benefits is unlikely to be a surprise to many GPs,<sup>1</sup> who are often the first port of call for those with an emerging health problem. This situation has contributed to a wider recognition of the poor state of the nation's health and the consequent social and economic costs.

There has, however, been far less focus on the factors behind the deteriorating health of working age people and the erosion of the conditions needed to support good health. The policy response to date has largely focused on those people out of work with health conditions, but has failed to learn from previous shortcomings in the design and delivery of disability and health benefits. It has not delivered the scale and breadth of action needed to make headway against the long term trend of worsening health in working age people.

The annual spend on disability and health related benefits in Great Britain is estimated at £78bn in 2023-24—a real terms increase of £11bn in the past five years—and is set to grow by double that in the next five years.<sup>2</sup> The main driver of the increased spend is the growing number of working age people receiving benefits.

The introduction of personal independence payments in place of the disability living allowance from 2013 aimed to reduce spend on disability related benefits, primarily by restricting levels of support for people with lower levels of need.<sup>3</sup> There have, however, been more applications, more successful claims, and a greater number of people than anticipated entitled to higher rate payments.<sup>4</sup>

More recent policy developments have focused on another driver of higher future spend—a sustained rise in the proportion of the working age population who are out of the labour market because of ill health. The current approach consists of two main elements. The first is a mix of pilots and small interventions to provide practical support to people to tackle barriers to work. While these approaches are promising—especially with one in four people who are out of the labour market because of ill health reporting that they want to work<sup>5</sup>—their small scale and gradual rollout will limit progress.

The second element limits entitlement to higher levels of financial support for people claiming benefits by reducing eligibility for the health related criteria of income related working age benefits. This risks being counterproductive. Insufficient income can lead to further deterioration of health if people are unable to afford essentials and are placed under excess stress from trying to make ends meet. It can also mean that

people are less able to focus on overcoming employment barriers and moving back into work.

Progress in this area requires a different tack. We need a more preventative approach that is focused on supporting people's health in the first place, coupled with rapid support when health starts to deteriorate. Doing this well will mean that employers are able to identify where a health need exists—and are aware of the most effective support for different circumstances. It also means a cross-sectoral approach where employers and government are focused on keeping people connected to the workplace and barriers to remaining in employment are reduced before people fall out of work altogether.

Some of the required policy direction would not be new—but as the external context has changed, policy success will be more difficult. The share of the working age population with a long term health condition has been growing. An important factor is the increasing prevalence of mental health conditions, particularly among younger people.<sup>6</sup> This has long term implications. A period of mental ill health in the population now, especially combined with adverse outcomes to the labour market, increases the risk of worse health and employment outcomes in the future, given the bi-directional link between health and employment.

Public finances are under significant strain. The combination of a period of austerity followed by the covid-19 pandemic and the cost-of-living crisis has eroded public services, including the NHS and wider support systems that promote good health.

New approaches are needed. There are now 3.7 million people with a work limiting health condition who are working, similar to the number out of work.<sup>6</sup> The scale of the population now reporting long term health conditions requires more fundamental consideration of the structures and policies that are in place.

The key policy question is what type of support is needed for this population of increasingly younger people with work limiting mental health conditions in order for them to be in employment. Instead, current health policy tends to focus on tackling waiting lists and relieving NHS pressures with little regard to how this supports employment. The social security policy focus is on restriction of access to support to bring down spending levels.

To get to the root of these problems, the Health Foundation has launched a Commission for Healthier Working Lives. This will bring together employers, trade unions, and policy experts, and will be informed

by a programme of research and public involvement. Central to deliberations is understanding how best to build a new system of employment and health to support people through their working lives, rather than limited action involving adapting existing structures that were not built to tackle the problem.

Competing interests: None.

Commissioned, not externally peer reviewed.

- 1 [https://obr.uk/docs/dlm\\_uploads/E03004355\\_November-Economic-and-Fiscal-Outlook\\_Web-Accessible.pdf](https://obr.uk/docs/dlm_uploads/E03004355_November-Economic-and-Fiscal-Outlook_Web-Accessible.pdf)
- 2 [www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2023](http://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-2023)
- 3 <https://assets.publishing.service.gov.uk/media/5a7c3d6040f0b66affe0984a/dla-reform-wr2011-ia.pdf>
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