

<b>Title of Report</b>	<b>Addressing health inequalities among the hidden and essential workforce</b>
<b>For Consideration By</b>	Health and Wellbeing Board
<b>Meeting Date</b>	21 March 2024
<b>Classification</b>	Open
<b><u>Ward(s) Affected</u></b>	All
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Is this report for:

<input type="checkbox"/>	information
<input type="checkbox"/>	discussion
<input checked="" type="checkbox"/>	decision

Why is the report being brought to the Board?

The hidden workforce are those essential staff in routine, manual and service occupations who often work during anti-social hours and without whom businesses and the public sector could not function. Research and published reports have confirmed that shift workers often have significantly worse health and wellbeing with increased health inequalities.

To reduce such health inequalities, measures such as Safe Sick Pay are recommended to reduce sickness and absenteeism, increase productivity, and provide more financial stability, especially for workers employed via third-party contracts.

The Health and Wellbeing Board can play a key part in ensuring this is considered by businesses, members and anchors institutions in Hackney.

Has the report been considered at any other committee meeting of the Council or other stakeholders?

C&H Neighbourhood Health and Care Board - 23/1/24. The Board was supportive of the principles to reduce health inequalities among those in the hidden and essential workforce.

C&H Place Based Partnership Delivery Group - 14/9/23.

It is a subject of regular discussion at the City HWB and within the City of London Corporation more widely, and actions are being taken to assess what the cost implications would be of adopting recommended measures.

## 1. Background

Ill health within the working population has become an increasingly pressing and costly issue, exacerbated by the COVID-19 pandemic. Currently, 2.6 million people are out of the workforce due to ill health while 3.7 million people are in work with a work-limiting condition<sup>1,2</sup>.

Ill health and work-limiting conditions are not distributed evenly across the working population and people in low paid and insecure jobs, or lower quality jobs, have worse health and wellbeing<sup>3</sup>.

The COVID-19 pandemic demonstrated further how people working in routine, manual and service jobs, often referred to as “hidden workers”, who could not work from home but were essential for keeping businesses and organisations going, had worse outcomes in terms of their health and wellbeing.

In 2022, Legal & General (L&G), a business member of the “hidden workers” project team convened by [Business Healthy](#), commissioned research with people working in manual, routine and service jobs. Business Healthy is a City of London Corporation-based and Public Health managed workplace health initiative.

The resulting report *Working Well: Delivering Better Health Outcomes for Hidden Workers*<sup>4</sup> presents lived experiences and recurring themes, including sleep, shift and night working, working hours, travel and transport, caring responsibilities, money and cost of living pressures, and health services.

The report makes suggestions for immediate and longer term changes: daily modifications, management and procurement considerations. They include, among other things, introducing sick pay without a three day delay, death in service benefits, more predictable shift patterns, adequate space for breaks, and opportunity for engaging with health services (online or by phone).

Locally and nationally, momentum is building around this approach, including the [Safe Sick Pay campaign](#).

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<sup>1</sup> Office for National Statistics, [Labour Force Survey](#); [Health Foundation](#)

<sup>2</sup> In the UK, the total economic cost of sickness absence, lost productivity through worklessness, informal caregiving, and health-related productivity losses, are estimated to be over £100bn annually: Public Health England, [Health and Work Infographics](#)

<sup>3</sup> Source: University of Essex, Understanding Society, The UK Household Longitudinal Study, 2022.

<sup>4</sup> [https://group.legalandgeneral.com/media/o1wfg1qp/2829476\\_hidden-workers-report\\_v9-0-22-final.pdf](https://group.legalandgeneral.com/media/o1wfg1qp/2829476_hidden-workers-report_v9-0-22-final.pdf)

Adopting and implementing any of the suggested measures would directly contribute to the first strategic priority for Hackney Council to strive towards a fairer and safer Hackney, that aims to tackle inequality through, among other things, poverty reduction and creating pathways into decent jobs.

## 2. **Current Position**

Reducing health inequalities among hidden and essential workers will benefit both individuals and the businesses and organisations they work for, either as directly employed staff, or as outsourced workers. The following measures would contribute to this:

- 2.1. Implement Safe Sick Pay which includes removing the waiting period for sick pay for all absences, abolish the Lower Earnings Limit for Statutory Sick Pay, and increase sick pay so that it is in line with an employee's wages.
- 2.2. Offer death in service benefits to outsourced workers.
- 2.3. Provide access to workplace facilities e.g. kitchen or private space for breaks.
- 2.4. Offer access to Employee Assistance Programmes including e.g. access to 24/7 GP service and a private space to do so.
- 2.5. Ensure that outsourced contracts do not provide for lesser health and welfare benefits than employed staff.
- 2.6. Ensure any work to improve equality, diversity and inclusion (EDI) and reduce health inequalities includes the hidden and essential workforce.
- 2.7. Reviewing outsourced roles (e.g. in cleaning, security, facilities management and maintenance, hospitality) to ensure appropriate consideration is given to measures to improve the health and wellbeing of these workers.
- 2.8. Some of these measures will have cost implications. Although benefits, including long term reduction in absenteeism and presenteeism, as well as increase in productivity, will be bigger than the investment, it is acknowledged that in the short term, costs may increase but can be offset by other direct and indirect gains.
- 2.9. For illustration, a macro level business case for reform of Statutory Sick Pay was calculated by WPI Economics<sup>5</sup>:
  - Reduction of sickness absence of 12.5% among those who have to take time off sick and are newly eligible to Safe Sick Pay.
  - Reduction of sickness absence of 5% for workplaces by Safe Sick Pay.
  - Overall increase of productivity of half a day of extra output per employee affected.

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<sup>5</sup> Full report:

<https://wpieconomics.com/site/wp-content/uploads/2023/07/01.-WPI-Economics-Making-SSP-Work-FINAL.pdf>

2.10. UK cost and benefit:

- Cost to business: £4 billion per year.
- Benefit to business: £4.3 billion per year.
- Net benefit to business £0.3 billion.
- Government benefit: £1.7 billion (reduce benefits pay, increased tax due to increased output).
- Wider economy benefit: £2.1 billion (increased productivity, increases in labour supply, lowered spread of infectious illnesses).

2.11. For further illustration, a case example is provided below<sup>6</sup>.

<b>Reform</b>	<b>Direct Business Cost Per Year</b>	<b>Net Business Benefit Per Year</b>	<b>Government Benefits</b>
Day one sick pay	£60 per employee Total: £525m	£2.4bn	£800m
Removing the lower earnings threshold	£20 per employee Total: £125m	£1bn	£400m
Increase rate of SSP to National Living Wage	£90 per employee Total: £850m	£0.4bn	£700m

### 3. Recommendations for decision

- 3.1. Note the measures suggested and confirm support of the principles of reducing health inequalities among the hidden and essential workforce.
- 3.2. To confirm that the Board wishes to provide leadership to ensure the health inequalities of the hidden and essential workforce are addressed among Board members, including the Council and anchor institutions, and across the wider business, corporate and public sector community.
- 3.3. To request member organisations of the HWB review their procurement policies to strengthen focus on ensuring the health and wellbeing of outsourced hidden and essential workers are included in social value and responsible procurement policies.
- 3.4. To request member organisations of the HWB review current working arrangements of hidden and essential workers to ensure equal access to facilities including rest, food preparation etc are enabled.

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<sup>6</sup> As taken from [Safe Sick Pay Treasure Briefing](#), Centre for Progressive Change

4. **Policy Context:**

Please detail which, if any, of the Health & Wellbeing Strategy priorities this report relates to?

<input checked="" type="checkbox"/>	Improving mental health
<input type="checkbox"/>	Increasing social connection
<input checked="" type="checkbox"/>	Supporting greater financial security
<input type="checkbox"/>	All of the above

Please detail which, if any, of the Health & Wellbeing Strategy Ways of Working this report relates to?

<input checked="" type="checkbox"/>	Strengthening our communities
<input type="checkbox"/>	Creating, supporting and working with volunteer and peer roles
<input type="checkbox"/>	Collaborations and partnerships: including at a neighbourhood level
<input type="checkbox"/>	Making the best of community resources
<input type="checkbox"/>	All of the above

5. **Equality Impact Assessment**

Adopting the principles to support reducing health inequalities among hidden and essential workers, and seeking to adopt the measures to do so, would contribute to improved health and wellbeing outcomes and reducing health inequalities.

6. **Consultation**

Has public, service user, patient feedback/consultation informed the recommendations of this report?

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

Have the relevant members/ organisations and officers been consulted on the recommendations in this report

<input checked="" type="checkbox"/>	Yes
<input type="checkbox"/>	No

7. **Risk Assessment**

Implementing the measures suggested would likely come with an immediate cost implication which would need to be offset against the gains such as reduced absenteeism or presenteeism due to illness, reduced spread of illnesses within the work environment, and increased productivity.

8. **Sustainability**

Service providers are required to address sustainability as a key issue in procurement and delivery of services.

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Appendices	N/A