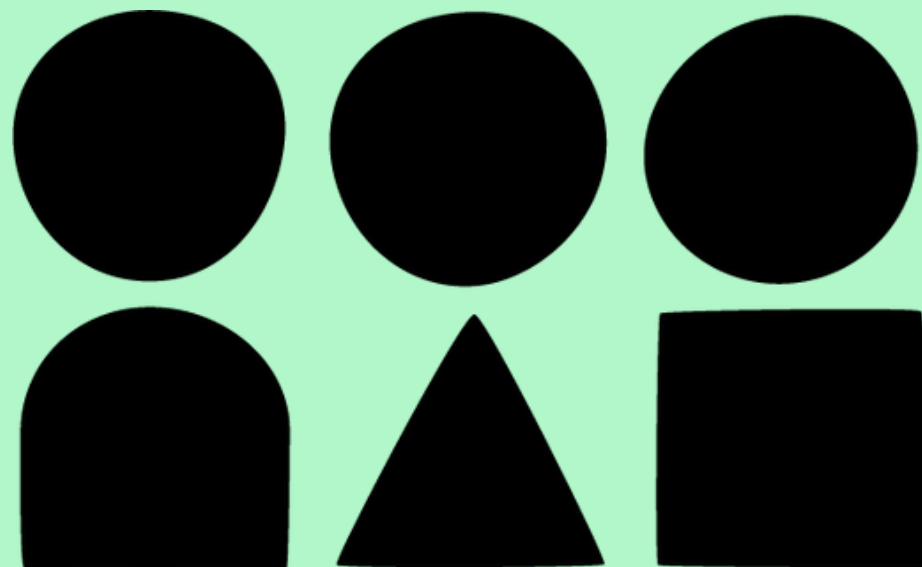# Long-term sickness absence in the UK: problems and solutions.
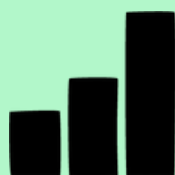
With supporting data from GoodShape's proprietary database.

GOOD SHAPE

Long-term sickness absence is threatening UK business productivity.

It's time to take action.

Contents.

A message from our CEO.

"Businesses and the UK Government are acutely aware that long-term sickness has a detrimental impact on the UK's economic growth, as referenced in the Government's Autumn Statement. But the solutions simply aren't hitting the mark."

Alun Baker
CEO
GoodShape

The long-term sickness crisis is worse than it's ever been.

Long-term absence is costing UK businesses millions each year.

Over the past 5 years, long-term absence has cost UK employers an average of £16.7 billion a year - that's £506 annually for every employee. Just over 100 million working days were lost to long-term absence in the last year alone, and the resulting impact on UK productivity is nearing catastrophic levels. With absence rates remaining high even after the subsiding of the pandemic, leaders must act to stabilise this through an intelligent approach to supporting their employees' health and wellbeing.

Traditional approaches aren't effective.

Occupational health is currently the primary support offering for employees with long-term health issues, supported by other wellbeing services targeting episodic issues, mental health, and musculoskeletal health. Individually, services can be of high quality, but the overall approach is inefficient and does not fully address issues due to fragmented service coordination, low employee engagement, and a lack of accurate data on issues, risks and outcomes.

The Government is taking notice, but is it enough?

It's encouraging to see that the Government is beginning to take action, both in their response to the two open consultations on occupational health that took place earlier in 2023, and in Jeremy Hunt's recent Autumn Statement. Remedial measures are one thing, but in order to achieve lasting change, governmental bodies and business leaders alike need to start understanding addressing the root causes of absence.

So what's the solution?

At GoodShape, we've spent over a decade helping hundreds of clients (representing almost one million employees) to significantly reduce the impact of absence by using a data-led technology approach called Enterprise Health Management. The steps are simple: gather enough of the right data to understand the issues, engage with the greater majority of the employees, and provide them with easy-to-access targeted support, all delivered via one centralised platform that integrates all the health and wellbeing services in a single location.

Research methodology.

In this report, we lift the lid on the UK's long-term absence crisis and propose solutions for employers.

This report aims to provide a comprehensive analysis of the UK's long-term sickness crisis with an emphasis on the financial burden on employers. It explores pressures, blockers, and government responses, before diving into statistical trends, and finally, suggesting a futureproof approach to overcoming common barriers and reducing absence levels.

For the purpose of this report, long-term absence is classified as spells of 20+ working days away from work.

Data utilised in this report is derived from GoodShape's extensive database of workplace absences, encompassing over 800,000 UK employee records.

Data covers the years 2018-2023, with each annual period spanning from 1st October to 1st October the following year.

Section 1:
The problem at hand.

Investment in health and wellbeing is increasing, but the core problems are still unaddressed.

Nearly four years on from the start of the pandemic, employers are still investing significant amounts into employee health and wellbeing, from support services to risk protection.

And yet, we're not seeing results. Absence levels are growing, and the looming crisis threatens to derail the UK's economy if a solution is not found.

The problem in numbers.

Unless otherwise indicated, all figures have been calculated by extrapolating GoodShape user data to build UK-wide estimates. Period covered: 1/10/22 - 1/10/23.

In the last year alone, long-term absence cost UK employers

£15.4 billion.

This is equivalent to

£466,000

per 1,000 employees.

50% of total working days lost are due to long-term absence, despite them making up just 6% of individual absence occurrences.

The average organisation has **41** health intervention services, but only **23%** of employees engage with the support available.*

*Vitality, 2022

UK employers spend approximately **£1.7 billion** on occupational health services annually,* plus a further **£606 million** on corporate wellness services** and up to a combined **£7 billion** between company-sponsored medical and risk protection insurance.***

*IBISWorld, 2022 | **IBISWorld, 2022 | ***LaingBuisson, 2023 & MetLife, 2021

The average length of a long-term absence spell is **49 days.**

In the last year, a total of **100 million** working days were lost to long-term absence.

Government response.

In their Spring Budget, the UK Government announced multiple avenues to be explored, with the aim of helping to increase the coverage and supply of Occupational Health (OH), and ultimately working to reduce long-term absence and associated economic inactivity. This includes tax incentives, subsidies, and regulation. Between July and October 2023, two consultations were conducted to gather opinions and help inform the government's approach:

"Tax Incentives for Occupational Health"

This consultation aims to review the extension of the existing Benefit in Kind (BiK) exemption for OH-related costs, seeking input on alternative tax incentives and their potential impacts on finances, the economy, businesses, and individuals (including workers with protected characteristics). The consultation also considers the effect on employers of different sizes, and the administrative burden and complexity that may arise during implementation.

"Occupational Health: Working Better"

In this consultation, the government seeks views on establishing an agreement and partnership between government, employers and OH providers to help drive an increase in OH coverage. Goals include the introduction of a national 'health at work' standard to help provide a best-practice baseline (and associated accreditation) for quality OH provision, and deploying new service models to develop workforce capacity and ensure a sustainable, multidisciplinary OH workforce.

What's next?

In their response to the above consultations, the Government confirmed that they are continuing to prioritise good work and health, with the aim of increasing OH uptake and workforce capacity. As part of their plans to develop national workplace health and disability standards and create a multidisciplinary workforce, the Government is providing voluntary minimum frameworks for quality OH provision, exploring new SME purchasing frameworks, and using existing workforce expansion schemes to develop a long-term, strategic OH approach.

In November's Autumn Statement, Jeremy Hunt pledged to reform the "fit note" process, meaning people who go to the doctor for physical or mental health problems will be offered treatment as a default rather than time off work. £1.3bn in funding has also been offered to help those in long-term unemployment due to health issues, but if after 18 months of "intensive support" those people do not take up work, they may be required to take up mandatory work placements or have their benefits ceased.

The government's Back to Work Plan, supported by over £2.5 billion in funding over the next five years, also aims to "help people look for and stay in work, manage their health conditions, and stem the flow into sickness-related inactivity."

Societal pressures.

There is a plethora of overarching societal factors affecting long-term absence levels, including but not limited to:

Mental health struggles due to economic pressures.

The cost-of-living crisis, rising housing costs, and financial instability have added significant stress to individuals. As a result, mental health issues such as anxiety and depression are more prevalent, leading to increased long-term absence rates. Financial concerns can also lead employees to continue working when they are unwell, ultimately exacerbating health issues further down the line.

Work-related stress due to staffing and workload pressures.

With more people out of the workforce and tight budgets across the board, remaining employees are facing increased workloads and pressure to perform. This work-related stress contributes to burnout and long-term absence.

Difficulty accessing services due to reduced NHS capacity.

With the NHS facing the same staffing pressures as the rest of the UK, unwell employees are often faced with high wait times for appointments. This can cause health issues to develop further and result in more time away from work.

Aging workforce and retirement concerns.

With an aging workforce and concerns about retirement savings, individuals may delay retirement and continue working, potentially dealing with chronic health issues that result in long-term absence from work.

Blockers to success.

Societal pressures underscore the importance of promoting employee wellbeing, addressing workplace stress, and providing support for mental health.

By now, organisations of all sizes are well attuned to the need for employee health and wellbeing support, and are dedicating a proportion of their annual budget to investing in services to help mitigate these issues. So why is long-term absence still on the rise?

A lack of reliable data.

Without accurate data on the issues, risks and outcomes surrounding employee health and wellbeing, it's impossible for business leaders to effectively target specific health challenges, efficiently allocate investment resource, and evaluate the value and impact of existing initiatives.

Fragmented and misaligned services.

Taking a spot-fix approach to wellbeing instead of implementing a cohesive strategy can jeopardise engagement rates and overall success. Introducing programs that are not tailored to the workforce's specific issues can result in wasted resource, and scattered services across various departments and/or platforms can leave employees unclear on where and how to access support.

Poor employee engagement.

Employee engagement is crucial for the success of health and wellbeing initiatives - even well-designed programs may fail if employees are unaware of the services or don't understand how to use them. A lack of buy-in from leadership and poor communication around on the benefits of health and wellbeing initiatives is likely to result in low utilisation rates and wasted investment.

Data analysis.

The impact of long-term sickness absence can no longer go unchecked.

The UK has witnessed a steady rise in long-term absence (LTA) over the past 5 years. Mental health has consistently been the primary reason - due in part to the effects of the pandemic, but also to a variety of societal pressures facing today's workforce.

The continued prevalence of LTA, both in terms of frequency and days lost, is causing significant productivity costs for business leaders.

In order to explore solutions, we first need to understand the extent of the problem, and where it stems from.

Long-term absence trends.

Calculated by extrapolating GoodShape user data to build UK-wide estimates. Reported figures are 5-year averages, based on data covering the period from 1 October 2018 to to 1 October 2023.

Every year...

2.1 million	**LTA spells are started.**
118.4 million	**working days are lost to LTA.**
56.3	**days are lost per LTA spell.**

This comes at a huge cost to employers:

£16.7 billion
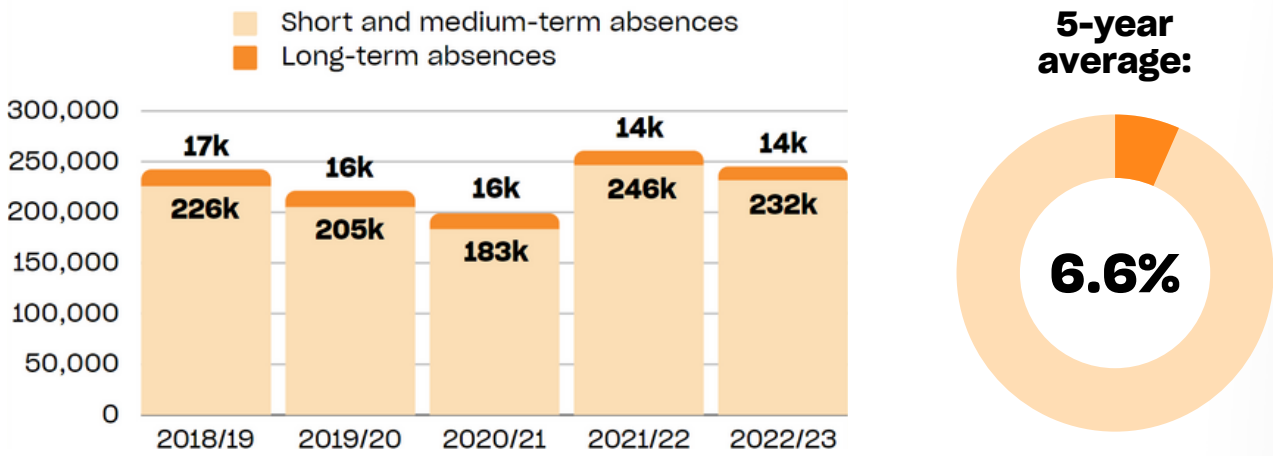
total per annum, equivalent to

£511k

per 1,000 employees.

Although on average only 1 in 16 employees took LTA in the past year - equating to around 62 people per every 1,000 employees - the cost of working days lost for this sample alone equalled £466k. This figure doesn't take into account other costs such as replacement staff and lost productivity, making the true cost much higher.
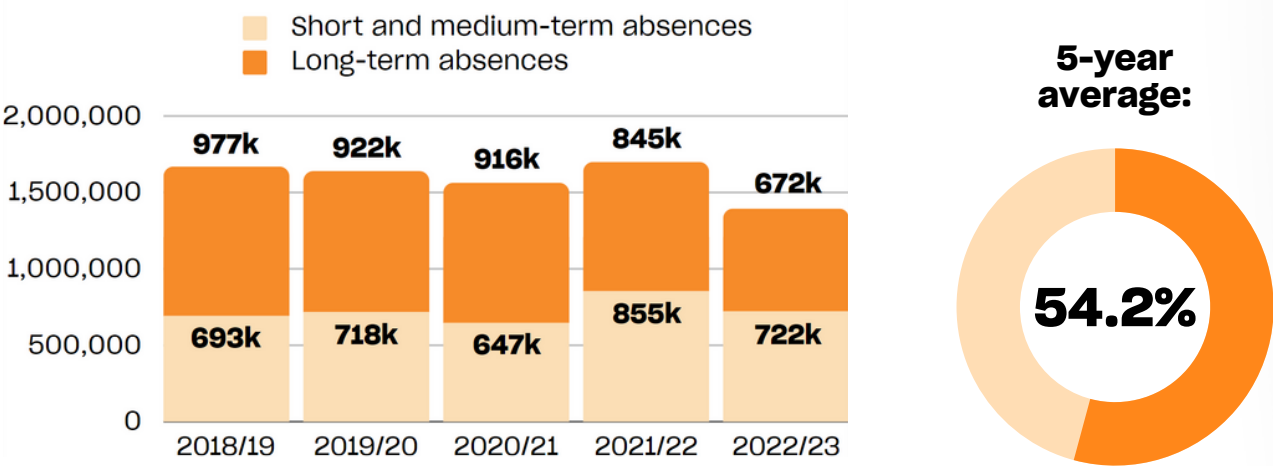
Long-term absence trends.

GoodShape database figures (sample of 220,000 employees across various industries).

Total spells - LTA as percentage of all absence

Short and medium-term absences
Long-term absences

Year	Short/medium	Long-term
2018/19	226k	17k
2019/20	205k	16k
2020/21	183k	16k
2021/22	246k	14k
2022/23	232k	14k

5-year average:

6.6%

Working days lost - LTA as percentage of all absence

Short and medium-term absences
Long-term absences

Year	Short/medium	Long-term
2018/19	693k	977k
2019/20	718k	922k
2020/21	647k	916k
2021/22	855k	845k
2022/23	722k	672k

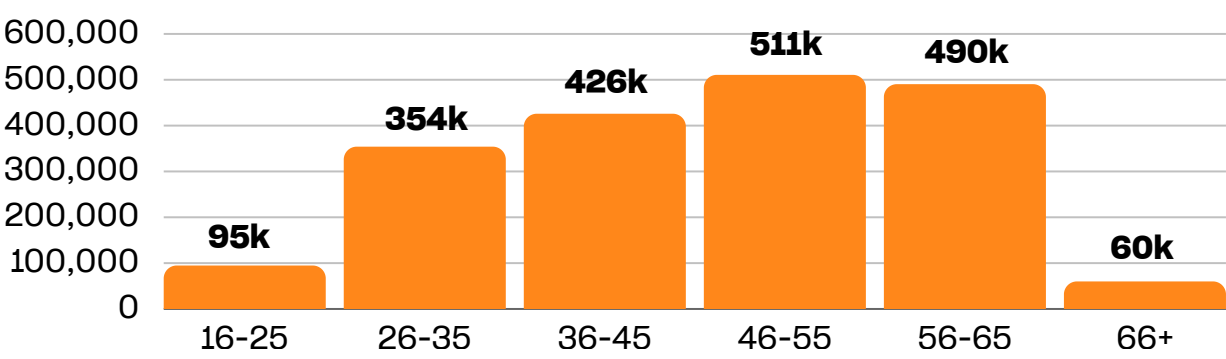**5-year average:**

54.2%

Although it may only represent a small percentage of overall absence, the impact of LTA can be significant. Despite having made up just 6% of absence cases over the past 5 years, it has consistently accounted for around half of all lost working days.
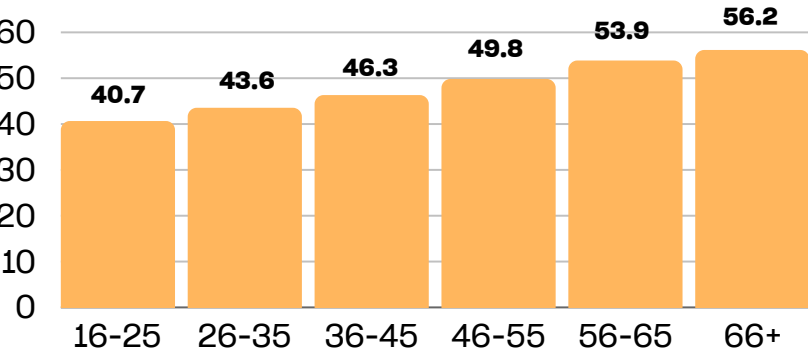
LTA statistics by age group.

Calculated by extrapolating GoodShape user data to build UK-wide estimates. Data shown covers the period from 1 October 2022 to to 1 October 2023.
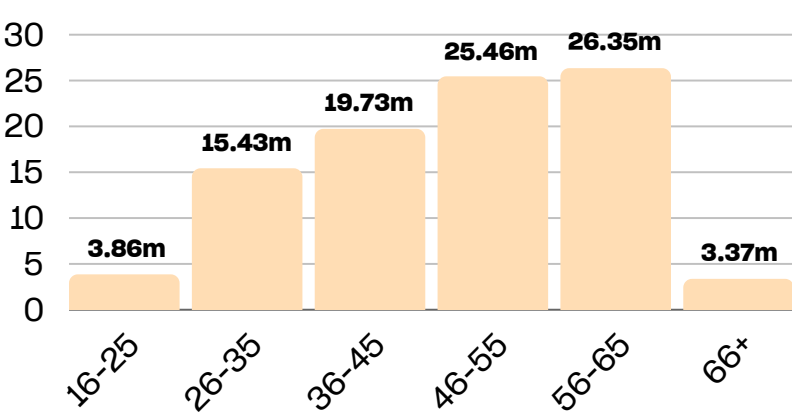
By no. of absence spells started

Age	Spells
16-25	95k
26-35	354k
36-45	426k
46-55	511k
56-65	490k
66+	60k

By average absence length (working days)

Age	Days
16-25	40.7
26-35	43.6
36-45	46.3
46-55	49.8
56-65	53.9
66+	56.2

By total working days lost (millions)

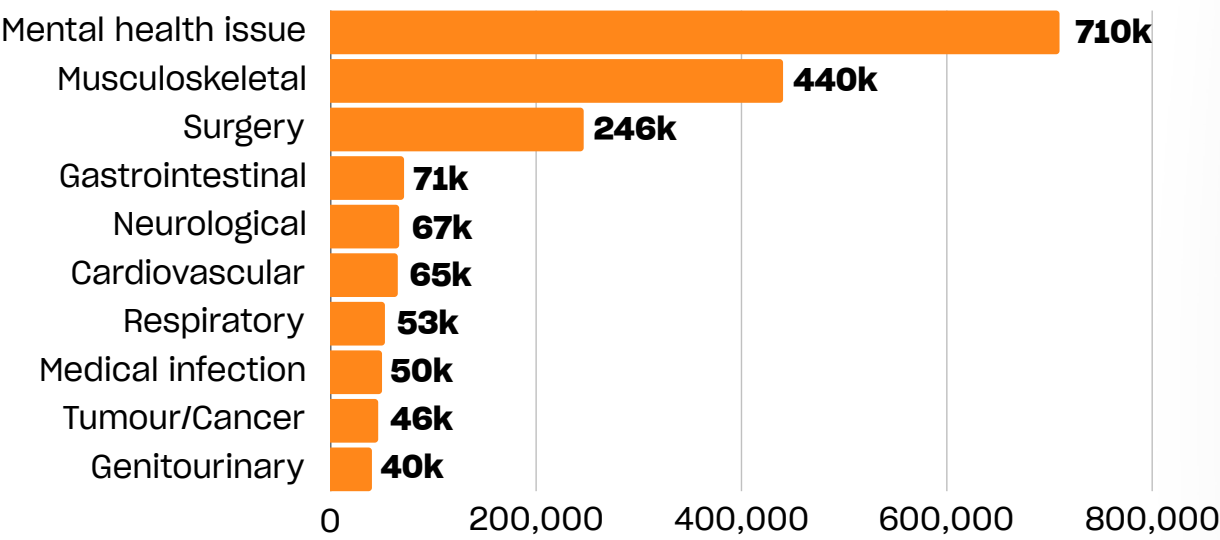| Age	Days lost
16-25	3.86m
26-35	15.43m
36-45	19.73m
46-55	25.46m
56-65	26.35m
66+	3.37m

As can be expected, the frequency and severity of long-term absence increases with age, with employees aged 46-55 having the highest number of total LTA spells, and those aged 56-65 accounting for the most working days lost.

Although people aged 66+ make up only a small percentage of the working population, they have the highest absence length on average.
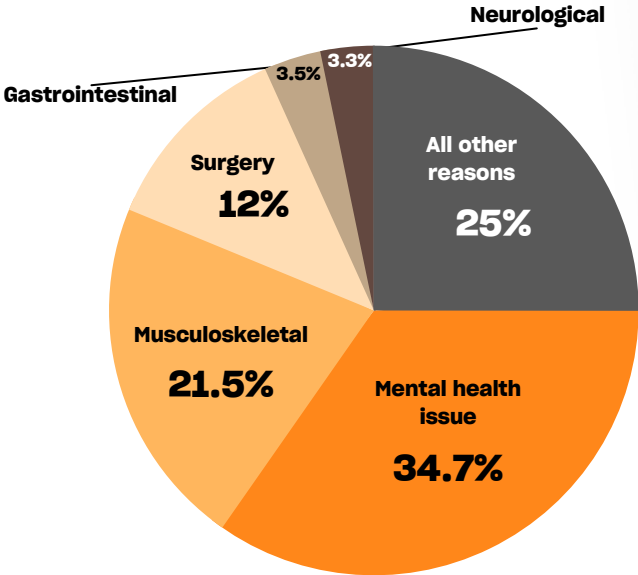
Top reasons for long-term absence.

Calculated by extrapolating GoodShape user data to build UK-wide estimates. Data shown covers the period from 1 October 2022 to to 1 October 2023.

By no. of absence spells started

Reason	Value
Mental health issue	710k
Musculoskeletal	440k
Surgery	246k
Gastrointestinal	71k
Neurological	67k
Cardiovascular	65k
Respiratory	53k
Medical infection	50k
Tumour/Cancer	46k
Genitourinary	40k

By percentage of all LTA spells

Neurological 3.3%
Gastrointestinal 3.5%
Surgery 12%
All other reasons 25%
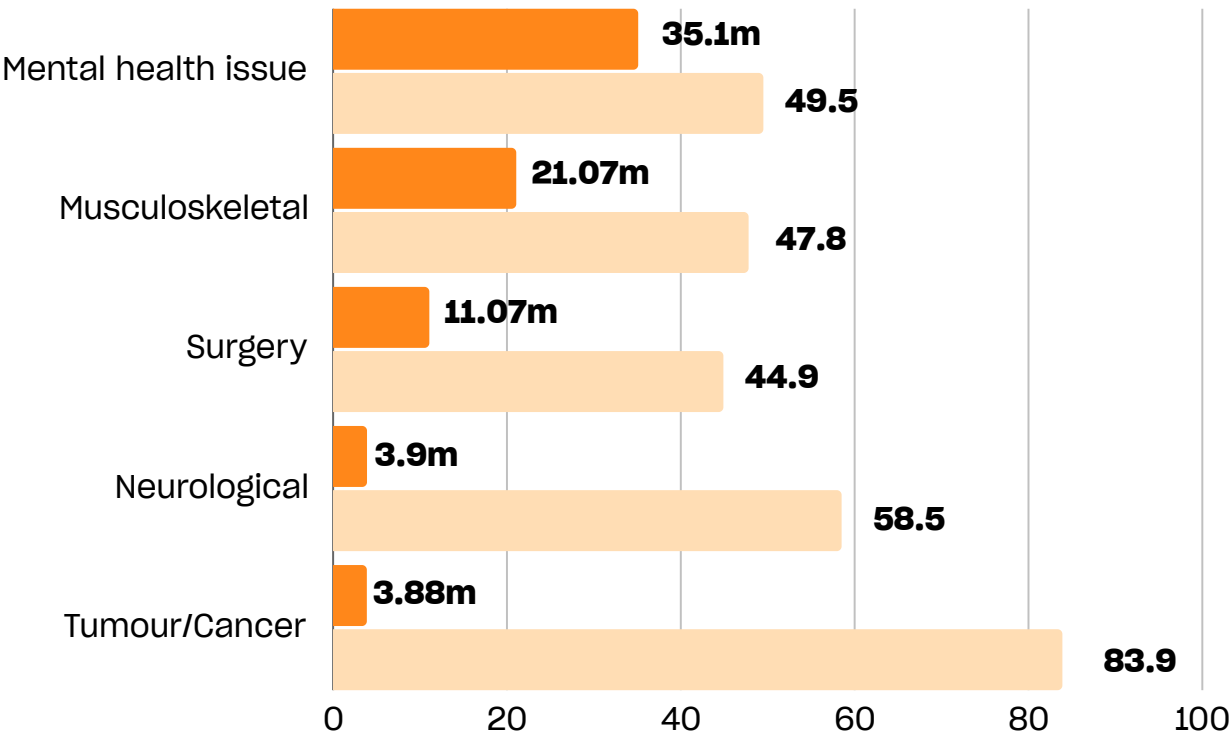Musculoskeletal 21.5%
Mental health issue 34.7%

Mental health is currently the leading cause of long-term absence for workers aged 18-60. For workers aged 61+, musculoskeletal concerns take the top spot.

Top reasons for long-term absence.

Calculated by extrapolating GoodShape user data to build UK-wide estimates. Data shown covers the period from 1 October 2022 to to 1 October 2023.

■ **By total working days lost (millions)**
■ **By average absence length (working days)**

Reason	Total working days lost (millions)	Average absence length (working days)
Mental health issue	35.1m	49.5
Musculoskeletal	21.07m	47.8
Surgery	11.07m	44.9
Neurological	3.9m	58.5
Tumour/Cancer	3.88m	83.9

Across the board, poor mental health remains the most prolific cause of long-term absence, making up over a third of LTA spells and costing UK employers over 35 million lost working days over the past year.

Musculoskeletal problems come in second, accounting for 1 in 5 long-term absences. The sedentary nature of the modern workplace can lead to the development of musculoskeletal issues (such as back and neck pain) among employees, which can escalate into long-term absences if not promptly identified and addressed.

Our proven solution.

Enterprise Health Management turns absence data into an engagement pathway.

GoodShape have been partnering with public and private organisations for over a decade to transform the way they manage employee health and wellbeing. We have helped our clients to halve absence rates, achieve up to 5x ROI, and get more employees back to health and work sooner by providing first-class clinical support.

The core to our unique solution is a comprehensive, data-led technology platform that touches every area of your business, from streamlining the absence process for employees and helping managers with resource availability, through to providing HR and business leaders real-time analysis on health trends and the success of their existing initiatives. We're with our clients every step of the way on their journey to taking control over their absence levels for good.

Enterprise Health Management.

What is Enterprise Health Management?

Enterprise Health Management (EHM) is a comprehensive, data-led approach to managing employee health, with a strong emphasis on using technology and analytics to improve overall wellbeing and reduce health-related risks in the workplace. Compared to traditional health and wellbeing programmes, EHM typically has a much more holistic focus and integrates all your wellbeing initiatives into one centralised platform.

What are the benefits of EHM?

Accurately understand health issues and predict future risks.
EHM's data-led approach allows for better understanding of the health concerns facing your people, helping you to proactively assess both present and future risks to workforce health.

Facilitate appropriate service selection and design.
EHM makes it easy to track engagement levels and get feedback on all your services, helping you to measure ROI, save costs, and make informed decisions on where to invest next.

Improve employee engagement with wellbeing services.
Hosting all your health and wellbeing services in one place makes promotion and employee accessibility easier, helping to drive appropriate engagement in all your subscribed services.

Maintain compliant processes to reduce risk.
EHM guides you through your processes, helping managers and HR teams to to remain compliant and accountable all the way from absence reporting to OH referrals and returns to work.

Futureproof your business with a fully scalable solution.
EHM is a solution that grows with your business - it's highly adaptable to your employees' changing needs and enhances your organisation's reputation, retention, and overall success.

Reduce absence levels and improve employee health.
Ensuring early intervention through day one signposting to appropriate services can significantly improve employee health by addressing issues before they become a bigger problem, in turn lowering absence rates.

GoodShape's EHM platform offering.

Three core components.

Engagement Hub.
Capturing data, identifying issues, and triggering actions.

- 24/7 absence reporting, triggers and alerts
- Automated, compliant process management
- Personal medical profiles and health tracking
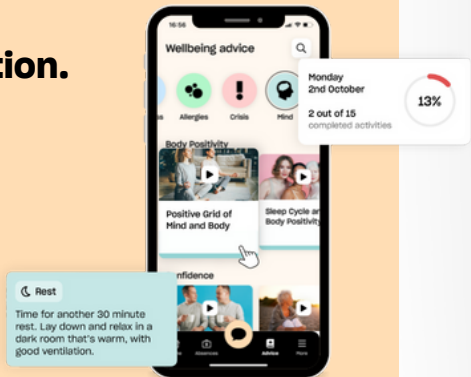- Integrates with health apps and your HR systems

Services Hub.
All your health services in one convenient location.

- Clinical support with instant referrals
- Daily self-care plans for each absence
- Wellbeing guidance on 100+ health topics
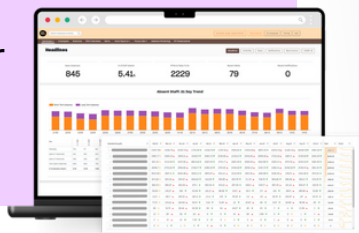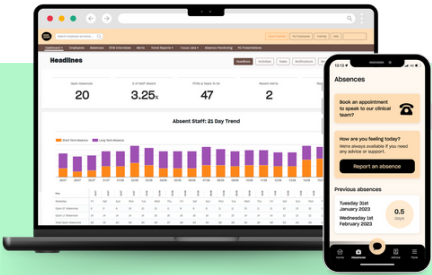- Signposting to third-party services

Data Hub.
Real-time data and predictions for empowered decision making.

- Real-time data dashboards highlighting key risk areas
- Configurable reports for trend analysis
- Predictive analytics on future absence and turnover
- Task tracking for RTW, reviews and risk reports

Four stackable services.

GoodShape Central
The ultimate health management platform for managers.

GoodShape App
Absence reporting and wellbeing services in your employees' hands.

GoodShape Health
On-demand clinical support and trusted health guidance.

GoodShape Insights
Comprehensive data for forecasting and risk reduction.

Leverage the power of the UK's biggest workforce health database.

1.2bn
data points to power your decisions.

Our proprietary database is the largest of its kind in the UK. Trusted by everyone from the Government to Bloomberg and verified by Deloitte, it contains nearly two decades of absence data collected directly from over 23 million individual absences across more than 800,000 total employees.

Our database powers our intelligence - and it can power yours too. Granular data across a range of ages, genders, industries and occupations helps you to predict trends and identify potential risks within your workforce with high accuracy.

Reduce cost

- Lower your absence rates.
- Review and target your wellbeing spend.
- Increase productivity levels.

Minimise risk

- Nurture a healthier workforce.
- Be securely legally compliant.
- Maintain regulatory standards.

Improve EVP

- Prove your commitment to care.
- Attract and keep the best talent.
- Build your brand reputation.

Client success stories.
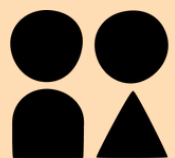
On average, our clients achieve:

5:1 ROI
and investment return in 6 months.

20%
reduction in absence within 12 months.

70%
employee engagement.

3x
lower symptom reoccurrence.

50%
reduction in absence within first 12 months.

NHS

1,000
extra front-line worker hours put back into the Trust daily.

"I can't tell you how important it is to have a service like GoodShape in an organisation like mine. Having a first day absence reporting system where the person is having a structured conversation and getting to a clinician when they need it feels like an absolute must do."
CEO, NHS Ambulance Trust

40%
reduction in working days lost per employee from 2016-2019. During this period, absence rates fell from 4.73% to 1.89%.

mitie

"Year on year, the figures have improved, and we've saved more than £500,000 since we launched the system."
HR Director, Bouygues Energies & Services.

BOUYGUES

45k
fewer overtime hours annually.

MAG London Stansted Airport

"The GoodShape partnership has enabled managers to focus their support on their colleagues, by reducing the time needed to manage the data."
Operations Planning Manager, London Stansted Airport.

Conclusion.

The key to success? Data analysis and continual improvement.

To reduce the frequency of long-term absence and improve overall employee health, employers must first focus on the fundamentals. By leveraging data and predictive modelling, organisations of all sizes can gain valuable insights into their employees' needs and create a strategic plan for improvement that sits within their budget and is regularly reviewed and iterated.

Continually analysing the impact of current health and wellbeing initiatives in correlation to employees' real-time and ongoing needs will help leaders to formulate effective strategies that will not only improve employee health, but in turn also positively impact engagement and productivity levels, efficiency, loyalty, and ultimately, your organisation's bottom line.

Ready to explore how our platform can help transform your business?

Request your free GoodShape demo today.

Enterprise health management for improved employee wellbeing.

goodshape.com

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GOOD SHAPE