

New
Philanthropy
Capital

Job well done

Employment and mental health problems

A guide for funders

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by Barclays Wealth

Executive Summary

Mental health is key to everyone's well-being. It affects our relationships, our work and our overall happiness, allowing us to fulfil our potential and have an enjoyable life. But at any one time, one in six people are suffering from mental health problems. This costs society £67bn every year—as much as the government has spent bailing out UK banks in recent years.

The economic cost of mental health problems is mainly down to unemployment, sick leave and poor performance at work. With unemployment soaring and tighter public spending, private funding is needed more than ever. This is a guide for funders who want to reduce these huge costs and improve people's lives. It identifies effective charities and approaches that are helping people who have mental health problems get back to work.

Struggles with work and unemployment can be both causes and consequences of poor mental health. Stress at work can play a part in exacerbating mental distress, but so can unemployment, and most people who are out of work due to a mental health problem say that they would like to get back to work. As one man with a severe mental health problem puts it:

'A job provides money, social networks, relationships, confidence, satisfaction, personal fulfilment and a sense of achievement. This is what I am, and this is what I do. I am no longer a mental health condition.'

Most adults with mental health problems would benefit from being in work, and they should receive support to get there, alongside psychological therapies and medication. Charities working in this field provide many different activities to help people find work and remain in work. Yet funding from government and employers is short.

Private funding is therefore critical to allow charities to scale up proven approaches, and to trial new approaches to identify which are most effective. We have identified four key funding options for private funders:

1. **Fund employment advisors within mental health services:** Individual Placement and Support (IPS) is a well-evidenced approach that makes sure employment support is integrated with treatment.
2. **Fund tailored employment support for people with mental health problems:** Many charities provide specialist, one-to-one employment support that is tailored to the needs of people with mental health problems. They often combine advice with job searching, job preparation, and in-work support.
3. **Train government employment advisors to deliver support:** There are a growing number of employment advisors based in mental health teams, but few closely follow the proven IPS model. Funding training and support for these advisors will help ensure quality and guarantee outcomes.
4. **Scale up charities that are helping to make workplaces mental health friendly:** Several charities train and advise employers on mental health matters, and some combine this with mental health promotion, screening and advice at work. A small investment by a private funder can lever in huge investment from employers to charities.

There is much potential for private funding to improve the lives of people with mental health problems, by helping them to find jobs and make the most of their work. Others also have their part to play: social investors can help to scale up innovative services, businesses can improve the way they support their workforce, and charities can do more to measure their impact.

This is a challenging and complex area, but charities and funders have the potential to help thousands more people with mental health problems to lead healthy and productive lives.

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Introduction

Mental health is key to everyone's well-being. It affects our relationships, our work and our overall happiness, allowing us to fulfil our potential and have an enjoyable life. But at any one time, one in six people are suffering from a mental health problem.^{1,2} This costs society an estimated £67bn every year, mostly because of problems with finding or staying in work.³

With unemployment soaring and tighter public spending, private funding is needed more than ever. This is a guide for funders who want to reduce these huge costs and improve people's lives. It identifies effective charities and approaches that are helping people who have mental health problems get back to work.

- Section 1 considers what mental health problems are, the scale and cost of the issue, and how employment fits in.
- Section 2 looks at what is being done to help people with mental health problems to find work, stay in work and make the most of their job. It identifies which interventions work best and how private funders fit in.
- Section 3 helps funders to work out what they should fund in this field and how they can make the most of their giving. The issue of mental health and employment is widespread and complex, affecting different people in different ways, and evidence of success is patchy. Nevertheless, we have identified many charities delivering innovative and high-impact initiatives to improve mental health and engagement with work. This section sets out the most promising interventions we have found.
- Section 4 looks at what more we can do to improve the situation of mental health and employment, beyond giving grants. It explores how funders can provide social investment, businesses can improve the way they support their workforce, and charities can do more to measure their impact.

We hope this report will inspire more individuals, companies and grant-making trusts to fund in the field of mental health and employment. This is a challenging and complex area, but by supporting effective charities and proven interventions, funders have the potential to help thousands more people with mental health problems to lead healthy and productive lives.

Working with Barclays Wealth

In 2011, Barclays Wealth commissioned NPC to identify the most costly social problems in the UK, and the most effective charitable interventions that address them. We came up with a list of options for private funders who want to improve the economic well-being of society, as well as improving lives.

As a result of this research, we published *Early interventions: An economic approach to charitable giving*. The report identified the three most costly issues in the UK: chaotic families, children with conduct disorders and mental health and employment.

Job well done provides funders with more detail on the third of these issues: mental health and employment. We will also publish more detailed reports on chaotic families and children with conduct disorders in early 2012.

We are grateful to Barclays Wealth for supporting the original research that provides the basis for this report.

¹ Sainsbury Centre for Mental Health (2007) *Mental Health at Work: Developing the business case*.

² Singleton, N. et al. (2001) *Psychiatric Morbidity among Adults Living in Private Households*. London: The Stationery Office.

³ See Section 1.

1. The issue

What are mental health problems?

Mental health problems include a wide variety of psychological experiences, from the anxieties we all experience from time to time, to an extreme sense of personal isolation and complete loss of contact with reality.

Mental health influences how we feel, perceive, think, communicate and understand. Without good mental health, people can struggle to fulfil their potential and play an active part in everyday life. They can find it difficult to find work or make the most of their job, and difficulties can be exacerbated by stigma and discrimination.

Mental health can fluctuate over a lifetime, and problems can develop for lots of different reasons. Some people inherit illness from their family and others develop problems as a result of head injury. There are also social, psychological and environmental factors, such as childhood trauma, job loss and substance abuse, which can trigger or amplify mental distress.

For some people, mental health problems are temporary or circumstantial. Others suffer from severe and enduring problems throughout their lives. It is not always easy to distinguish between mild and severe problems, because for each condition there is a spectrum of severity. Someone with a well-managed severe condition (like a psychotic disorder) may be able to live a largely normal life, while someone with a poorly managed moderate condition (like mild depression) may find it hard to function. (See Box 1 for definitions of the main groups of mental health problems.)

Box 1: Definitions*

Common mental health disorders include different types of depression and anxiety, which cause marked emotional distress and interfere with daily function, although they do not usually affect insight or cognition. Symptoms of depressive episodes include low mood and a loss of interest and enjoyment in ordinary experiences. Anxiety disorders include generalised anxiety disorder, panic disorder, phobias and obsessive compulsive disorder.

Psychotic disorders produce disturbances in thinking and perception that are severe enough to distort perception of reality. The main types are schizophrenia and affective psychosis, such as bipolar disorder. Symptoms include auditory hallucinations, delusional beliefs and disorganised thinking. These may be accompanied by unusual or bizarre behaviour, and difficulties with social interaction and daily activities. People with a psychotic illness can make a full recovery, although most have repeated psychotic episodes over their lifetime or some degree of persistent disability.

Personality disorders are longstanding, ingrained distortions of personality that interfere with the ability to make and sustain relationships. This can be a substantial burden on affected individuals, their families and wider society, especially because personality disorders are often found alongside mood and anxiety disorders, substance use and suicidal behaviour.

Other mental health problems include suicidal thoughts and self-harm, attention deficit hyperactivity disorder, and eating disorders.

*The NHS Information Centre for health and social care, *Adult psychiatric morbidity in England, 2007: Results of a household survey*.

The scale of mental health problems

'Unemployment makes mental health problems worse—it causes some mental health problems and exacerbates others.'

Rachel Perkins, formerly Director of Quality Assurance at South West London and St George's Mental Health NHS Trust

Mental health problems are widespread in England, affecting one in six adults at any one time.^{1,2} Most of these suffer from anxiety and mild depression. More severe problems, such as personality disorders, psychotic disorders and severe depression, are less common, affecting 1–2% of adults.

If left untreated and unsupported, people with mental health problems can struggle to lead full and productive lives. They can have particular problems with work, being unproductive in their jobs or taking time off—mental health problems account for an estimated 40% of sick leave, equivalent to 2.8 days each year for every employee.³

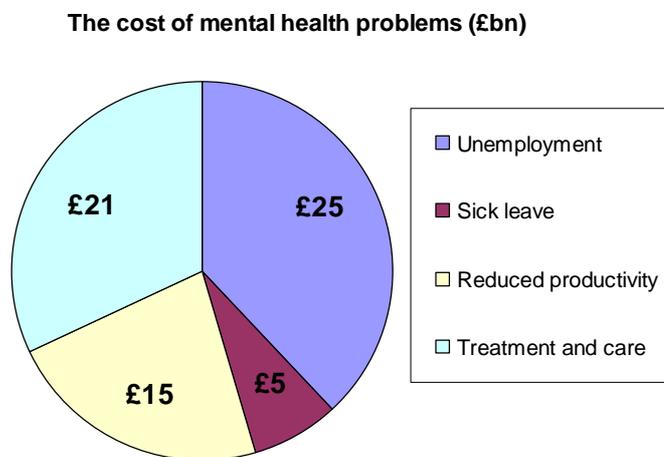
Stress at work can play a part in exacerbating mental distress, and in the most severe cases, mental health problems can cause people to leave their jobs, whether or not that work is stressful. Yet other people develop mental health problems during a time of unemployment, and unemployment itself can exacerbate mental distress.

Identifying cause and effect is complex, but unemployment is undoubtedly an issue. The scale of the problem is staggering: an estimated 2.3 million people with mental health problems do not work^{4,5}, and more than 70% of people on Incapacity Benefit have a mental health problem.⁶

The cost of mental health problems

There are significant human costs of mental distress, including considerable suffering experienced by individuals and their families. But there are also financial costs: mental health problems cost society an estimated £67bn each year, most of which is because of problems with finding or staying in work (see Figure 1).⁷

Figure 1: The cost of mental health problems



¹ Sainsbury Centre for Mental Health (2007) *Mental Health at Work: Developing the business case*.

² Singleton, N. et al. (2001) *Psychiatric Morbidity among Adults Living in Private Households*.

³ Sainsbury Centre for Mental Health (2004) *The economic and social costs of mental health*.

⁴ Perkins, R., Farmer, P. and Litchfield, P. (2009) *Realising ambitions: Better employment support for people with a mental health condition*. Department for Work and Pensions.

⁵ Black, C. (2008) *Working for a Healthier Tomorrow: Dame Carol Black's Review of the health of Britain's working age population*.

⁶ Ibid.

⁷ Estimate based on figures from Centre for Mental Health (2010) *The economic and social costs of mental health problems in 2009/10* and Centre for Mental Health (2007) *Mental health at work: Developing the business case*.

- Cost to businesses and individuals of lost employment and sick days: £30.3bn.
- Cost of people being at work but less productive ('presenteeism'): £15.1bn.
- Health and social care costs to individuals and the state: £21.3bn.

This gives a total cost of £66.7bn. We do not include human costs (£53.6bn) or lost benefits (£13bn).

Work as a solution

'The right type of work is an important part of the recovery process.'

Gary Johnston, Head of Health and Wellbeing, Shaw Trust

With the right treatment and support, many people with mental health problems are able to work, volunteer, or take part in education or training. Indeed, work can provide be a great boost to people's mental health and aid recovery from illness. As one study states: *'For people with a mental health condition, appropriate work has been shown to improve health outcomes and decrease the chances of relapse.'*¹

Most adults with mental health problems would benefit from being in some form of work, and they should receive support to get there. Employment support should complement medical and psychological treatment as part of a single plan. This can help people to get back to work and support them to remain in work, bearing in mind that they need not be entirely symptom free to make a successful transition into employment.²

Most people who are out of work due to a mental health problem say that they would like to get back to work.³, and they are more likely than people with other health problems to want to work.⁴ As one man with a severe mental health problem puts it:⁵

'The passion I have for my career is immense. A job defines you, provides money, social networks, relationships, confidence, satisfaction, personal fulfilment and a sense of achievement. This is what I am, and this is what I do. I am no longer a mental health condition.'

'A job provides money, social networks, relationships, confidence, satisfaction, personal fulfilment and a sense of achievement. This is what I am, and this is what I do. I am no longer a mental health condition.'

Not all people with mental health problems are able to move straight into 'open employment' (a paid job with a regular employer). For some, the return to work may have to be staged, with volunteering placements or internships to build up skills and experience, or a sheltered role with a social company. Such placements are stepping stones to open employment, and should be reviewed regularly to ensure that they are enabling this to happen. For some, a full return to work may take a very long time, even with the most intensive support. For a small number, various types of benefits and support are a barrier to moving into open employment. For example, people in high support accommodation cannot earn over £20 per week.

Despite the challenges, all people with mental health problems should be given the opportunity and support to find a job or remain in work. The next section explores what support is available and what it looks like.

¹ Perkins, R., Farmer, P. and Litchfield, P. (2009) *Realising ambitions: Better employment support for people with a mental health condition*. Department for Work and Pensions.

² Sainsbury Centre for Mental Health and British Occupational Health Research Foundation (2010) *Common mental health problems at work: What we know about successful interventions*.

³ Secker, J. and Membery, H. (2003) *Promoting mental health through employment and developing healthy workplaces: the potential of natural supports at work*. Health Education Research, 18(2): p. 207-215. April 2003.

⁴ Social Exclusion Unit (2004) *Mental Health and Social Exclusion*. Office of the Deputy Prime Minister.

⁵ South West London and St George's Mental Health NHS Trust (2009) *Journeys to Work: Accounts of 'Individual Placement and Support' in operation at South West London and St George's Mental Health NHS Trust*.

2. Effective support

Charities working in the field of mental health and employment provide many different activities to help people find work, remain in work and lead full and active lives. These activities vary widely, so it is impossible to paint a simple black and white picture of the sector made up of clearly defined interventions. Even so, there are three key aspects of support that people with mental health problems need to find work, return to work or stay in work:

- treatment;
- one-to-one employment support; and
- mental health-friendly workplaces.

As the rest of this section shows, each of these areas contains a variety of different interventions. For each area, we present the evidence for what works (which is a challenge in itself, as Box 2 shows), the extent to which approaches are provided by government, charities and employers, and opportunities for private funding. At a time of rising needs and tightening public sector finances, private funders could have a huge impact on the lives of thousands of people.

Box 2: Interpreting the evidence

There are several different challenges when it comes to interpreting the results of impact evaluations in the mental health field:

- **Patchiness:** Some interventions are better evaluated than others. For example, the Individual Placement and Support model has much more evidence than sheltered employment schemes. It can therefore be difficult to work out whether a particular intervention is actually more effective than others, or whether it just has better evidence of its effectiveness.
- **Comparability:** The methods used to evaluate charities' impact vary widely, from routine monitoring data to sophisticated randomised controlled trials. Charities rarely use exactly the same indicators of success as each other, and may even define employment outcomes in different ways. This variation in methods and indicators makes it hard to compare data provided by different charities.
- **Spectrum of need:** People with mental health problems face a wide range of different illnesses, issues and needs. To understand which interventions work for which people, evaluations need to record more accurately the problems that the people using the service are experiencing.
- **Interpretation:** It can be difficult to judge whether a charity has had a high impact because of the intervention it used or because of other factors, such as the quality of the staff or the area in which the intervention was delivered. This can make it difficult to identify promising or even proven approaches.

We have done our best to identify the most effective interventions using the evidence available. However, this report is not the final word on what works best in this field. More needs to be done to evaluate promising interventions.

Treatment

Effective treatment is essential to helping people with mental health problems to recover from or manage their condition, and live a full and active life.

What works

Psychological therapies

Mental health problems are primarily treated through psychological therapies and medication. cognitive behavioural therapy (CBT) (see Box 3) is particularly effective at treating people with common mental health problems. For example, for people who become severely depressed, CBT lifts around 60% out of their depression within four months.¹ CBT also reduces the amount of sick-leave that people take from work, and doubles the rate at which unemployed people with mental health problems find work.^{2,3}

Various other psychological therapies are available, but there is less substantial evidence of how they influence whether people return to work.⁴ This is partly because non-CBT therapies have undergone less research when it comes to mental health and employment, so greater investment is needed to build the evidence base.

Box 3: Cognitive behavioural therapy (CBT)

CBT is a type of 'talking therapy' that aims to solve problems concerning dysfunctional emotions, behaviour and thoughts. It is a way of talking about how these three things affect each other, and how they can change. CBT can involve a variety of techniques, such as keeping a diary of events and their associated feelings, thoughts and behaviours, and trying out new ways of behaving or reacting.

Lifestyle

As well as receiving psychological and medical support, people can help to manage a mental health condition through their lifestyle, including exercise, diet, sleep and routines.

Provision

The NHS provides mental health treatment through two routes:

- People with more severe conditions are treated through secondary health services, which include treatment in the community (outpatient clinics and community mental health teams) and inpatient treatment in psychiatric units.
- More common mental health problems, such as mild anxiety and depression, are treated through primary health services, provided by GPs and therapists.

In the past, mental health treatment disproportionately focused on the relatively small number of people who had severe mental health problems. In 2007, more than two-thirds of people with

¹ Layard, R. (2005) *Mental health: Britain's biggest social problem?* Strategy Unit Seminar.

² British Occupational Health Research Foundation (2005) *Workplace interventions for people with common mental health problems: Evidence review and recommendations.*

³ Proudfoot, J. et al. (1997) *Effect of cognitive-behavioural training on job-finding among long-term unemployed people.* *Lancet*, 350, 96-109, 12 July.

⁴ A review of the evidence found no studies of non-CBT psychological therapies that had substantially increased the rates at which people return with common mental health problems to work. Sainsbury Centre for Mental Health and British Occupational Health Research Foundation (2010) *Common mental health problems at work: What we know about successful interventions.*

a psychotic disorder were receiving treatment, compared to a third of people experiencing a common mental health problem.¹

This is changing. Treatment is being extended to many more people with common mental health problems thanks to the Improving Access to Psychological Therapies (IAPT) programme, which started in 2008. Through IAPT, GPs refer patients to therapists or online treatment (computer-based CBT), aiming to give every adult suffering from anxiety or depression access to psychological therapies. Effective treatment to people with mild problems should prevent their condition worsening and requiring more costly acute care.² The government also hopes that treatment will prevent people from losing their job, or help them return to work. Because of IAPT, talking therapies are now available in 60% of the UK, and the government has said they will be available nationally by 2015.³

Funding mental health treatments

Treatment for mental health problems is more available than ever, and provision is set to expand. The need for employment support is therefore greater than the need for more treatment. In particular, there is a need for employment support that is integrated into treatment, to avoid treatment getting in the way of people with mental health problems returning to work (see Box 4).

Box 4: Paul's story*

'When I said I wanted to work I was told this was an unrealistic goal, that I was too sick and the stress would be too much. [But I managed to get a job as a drugs worker anyway]. I was so excited. I had a reason to get up in the morning, I was able to tell people I met, 'I am a drugs worker'! ... Unfortunately the Community Mental Health Team were unsupportive of my goals, but it meant so much to me to make a new life for myself I disengaged from mental health services and gave up psychiatric medications and treatments.

For the next eight years I worked my way up through the drugs agency and eventually became the Outreach Manager responsible for a team of eight staff. Unfortunately, I became sick again. I was sectioned in hospital and it took over five months to bring me down again and I hit the ground with a bang.'

* From South West London and St George's Mental Health NHS Trust (2009) *Journeys to Work: Accounts of 'Individual Placement and Support' in operation at South West London and St George's Mental Health NHS Trust.*

¹ In 2007, 130,000 of the 200,000 people with psychotic disorders were in treatment, compared to 1.8 million of the 7.6 million people with anxiety or depression. Office for National Statistics & NHS Information Centre (2009) *Adult psychiatric morbidity in England, 2007: Results of a household survey.*

² Department of Health (2011) *Talking therapies: A four-year plan of action.*

³ Department of Health (2011) *Talking Therapies: A four-year plan of action, A supporting document to No health without mental health.* Note that there is anecdotal evidence that people with common mental health problems are waiting long periods in IAPT areas. Also, IAPT does not treat people with more severe mental health problems, such as psychosis, most of whom are referred to secondary mental health teams. These secondary mental health teams are likely to struggle to meet all demand, given slower growth in budgets and the uncertainty created by NHS reorganisation.

Employment support

Many people with mental health problems would benefit from tailored employment support to help them get back into work.

What works

Individual Placement and Support (IPS)

IPS is the employment support model that has the strongest evidence of being effective at getting people with mental health problems back to work. It is tailored, one-to-one support that aims to help people find paid work quickly, then helps them to stay there.

IPS is based on eight key principles (see Box 5). It is delivered by employment advisors based in mental health care teams, ensuring that employment support is integrated with and complements treatment. It also means that treatment does not get in the way of work, and work does not prevent recovery.

Box 5: The principles of Individual Placement and Support

1. Competitive employment is the primary goal.
2. Everyone who wants it is eligible for employment support.
3. The job search is consistent with individual preferences.
4. The job search is rapid, beginning within one month.
5. Employment specialists and clinical teams work and are located together.
6. Support is time-unlimited and individualised to both the employer and the employee.
7. Welfare benefits counselling supports the person through the transition from benefits to work.
8. Employer engagement and job development helps secure job opportunities for clients.

'My Employment Specialist has enabled me to make the journey towards recovery and realise my aim of contributing to society again through fulfilling employment.'

The employment advisors help people with mental health problems to overcome their barriers to returning to work (see Peter's story in Box 6). Advisors start by looking at the interests and skills of their clients, explore what kind of work would be appropriate for them, and help them prepare a CV and prepare for interviews. They also provide advice on welfare benefits, which can become a barrier to returning to work.

Before making the placement, advisors liaise with new employers to make sure the work environment is appropriate to the client. Support continues for as long as it is needed after the person gets a job. This is crucial, as mental health problems often persist or return.

IPS workers offer help to anyone who wants to work. This is key, as health workers often wrongly assume their clients are not ready for work. One psychiatric nurse in Sussex whose mental health team took on IPS says:¹

'When [the Employment Support worker] first came to our team I thought, "What are they here for? We work with people who are really ill, you know?" But they totally showed me I was wrong. I refer people now who say they want to work even if I think it's impossible for them to ever get a job as I'm constantly proved wrong.'

IPS is the employment support model that has the best evidence of being effective at supporting people with mental health problems back to work. There have been at least 16

¹ Source: Email from Bob Grove at the Centre for Mental Health. This quote was taken from feedback from a psychiatric nurse participating in the Centre for Mental Health's Regional Trainer pilot.

randomized controlled trials (a particularly rigorous form of evaluation) of IPS in the UK, Europe and the US, showing that it increases the rate at which people return to work. Several European studies have shown that people are twice as likely to gain employment through IPS than through a 'train and place' approach (which provides people with training in a sheltered environment before finding work).¹

Box 6: IPS in practice: Peter's story*

Peter (not his real name) received IPS from South West London and St George's Mental Health NHS Trust. This is his story.

'I have struggled with my mood since my teenage years. Despite this I did reasonably well at school but at university my mental health deteriorated. After three overdoses I left university without completing my degree and got through the next decade working more or less successfully. In my mid-thirties I suffered my first manic episode and was sectioned with a diagnosis of rapid-cycling bi-polar disorder. I was out of work for over a year.

I expressed at the earliest stage that my aim was to return to work and I was referred to the Employment Specialist in the Community Mental Health Team. In our initial meetings he helped me to identify the type of work I wanted to return to. As part of this process I began to make a list of my skills and attributes and this enabled me to focus on applying for jobs in administration. As I began to identify job vacancies he helped me to work on my CV and think about what an employer might be looking for. My sessions with him also led me to fundamentally change my approach to application forms and focus on conveying how I met the person specification for the post and give specific examples.

I began to apply for administrative jobs in both the public and private sectors and within two months I was invited for an interview. My Employment Specialist ... taught me techniques such as how to maintain eye contact and pause momentarily before answering, as well as how to answer commonly asked questions. This preparation certainly came in useful in the interview ... A week later I found out I had got the job ...

The support I received from the Employment Specialist did not cease when I started work. I continued to meet him about every three weeks but ... I knew I could phone him any time between appointments ... He came to meet me in a café close to my place of employment so I could talk through issues and concerns about my work. He helped me with assertiveness and how to cope with the appraisal process and saw my employer twice.

The support has been immeasurably important ... Over a year later I am still working successfully. I now focus more on opportunities in life and less on my condition. I regularly socialise with my colleagues after work and actually feel content to be a taxpayer again. My Employment Specialist has delivered both for me and the net benefits of society as a whole. He has enabled me to make the journey towards recovery and realise my aim of contributing to society again through fulfilling employment.'

* From South West London and St George's Mental Health NHS Trust (2009) *Journeys to Work: Accounts of 'Individual Placement and Support' in operation at South West London and St George's Mental Health NHS Trust.*

¹ Sainsbury Centre for Mental Health (2009) *Doing what works: Individual placement and support into employment.* Campbell K., Bond G. R., and Drake R. E. (2009) *Who Benefits From Supported Employment: A Meta-analytic Study.* McDaid, D. (2011) *Background document for The Thematic Conference on Mental Health in the Workplace: Promotion of Mental Health and Well-being in Workplaces.*

Tailored employment support

Many charities provide specialist, tailored employment support that seems to be highly effective. Enham and Mental Health Matters look particularly promising, although they would benefit from more robust evaluations to prove that they are effective and test whether they still get good results when scaled up.

The disability charity Enham ran its Business Ability Programme in the South East of England until funding came to an end in 2011. The programme helped disadvantaged people, including those with mental health problems, to become economically active by running their own business. Participants received tailored support from business advisors, including advice on their business idea and business planning, advice on benefits, and financial assistance (grants or loans). Two fifths of the programme's participants who had mental health problems set up their own business, and these businesses were still running three months after the support came to an end.¹ Although the self-employment programme has now ended, Enham continues to explore ways in which it can support people into work

Mental Health Matters runs a 'Back in Touch' employment service in Wakefield, to help adults with mental health issues find and stay in work. Though one-to-one support, an employment coach helps individuals to develop a plan for returning to work, identify appropriate courses to attend, identify voluntary and work placements, and prepare for work. Coaches also carry out job searches and help to create job opportunities with local employers. The employment coaches continue to support their clients once they are in work, and the service gets just over a third of its clients back into open employment.²

'Clubhouse members are embedded in service delivery rather than being passive recipients of a service. With information, advice and support to employment, it can be a powerful means of helping people back to work.'

Clubhouses

Clubhouses follow a strict model: they are community centres that use a work-ordered day and support members with employment, education, housing and long-term relationships. Clubhouses promote recovery from mental illness, reduce hospital stays, and help their members into different kinds of work (transitional, supported or independent).^{3,4,5}

Hillside Clubhouse in north London finds part-time, entry-level jobs that require no previous experience or skills. Each participating employer then trains a placement manager (usually a clubhouse staff worker) to support a member to take on the job for a limited period, typically six to nine months, after which another member takes over. Hillside Clubhouse helped more than half of its members to find paid work of some kind in 2009/2010.⁶

Graeme Jones, the executive director of Hillside Clubhouse, told us that clubhouses can be a powerful way of helping people back to work:

'The clubhouse model is one of co-production whereby members work alongside staff to deliver and plan the day-to-day functions and activities of the clubhouse. This gives hands-on, practical work experience but also the essential soft skills like reliability, timekeeping, colleague relationships, teambuilding and decision making, because members are so embedded in the service delivery rather than being passive recipients of a service. Combined with specifically-focussed information, advice and support to employment, it can be a powerful means of helping people back to work.'

¹ 250 of 600 participants with mental health problems set up a business. Source: Enham (2009) *Enham Business Ability: Evaluation of operations from January 2004 to December 2008*, Enham: Unpublished evaluation report.

² Mental Health Matters (2011) *Back in Touch Annual Report 2010/2011*.

³ 1. Mowbray, C.T. et al (2009) 'Characteristics of users of consumer-run drop-in centers versus clubhouses.' *Journal of Behavioral Health Services & Research*, 36(3):361-71.

⁴ Di Masso, J., Avi-Itzhak, T., & Obler, D.R. (2001) 'The clubhouse model: An outcome study on attendance, work attainment and status, and hospitalization recidivism.' *Work*, 17, 23-30.

⁵ Macias, C. et al (2006) 'Supported Employment Outcomes of a Randomized Controlled Trial of ACT and Clubhouse Models', *Psychiatric Services*, 57, 1406-1415.

⁶ In 2009/2010 the charity supported a significant number of members into education, volunteering or work: 57 members started paid work of some kind; 68 members were supported to undertake mainstream education or training; and 20 members were involved in some form of mainstream volunteering. (All information from charity Hillside Clubhouse Charity Analysis conducted by NPC for the Stones Foundation.)

Mosaic Clubhouse in south London provides its members with education, training and career and benefits advice, and helps them to find paid and voluntary work. In 2009/2010, Mosaic Clubhouse helped 10% of its members to get into open employment and a further 22% into education or training.¹

Social firms

First Step Trust runs social enterprises that provide volunteer work and training opportunities for people who are excluded from ordinary working life due to disadvantages like mental health problems. In 2010/2011, 5% of the charity's beneficiaries moved into open employment. Altogether, around a third of the volunteers who left FST moved into paid work, voluntary work or education.² Although these figures are not as high as the other interventions reviewed above, it is important to bear in mind that open employment is not the only aim. The work of social firms, such as those run by First Step Trust, can also be considered a success if they help someone to maintain positive and stable mental health.

Provision

'If we are to meet the employment aspirations of service users, IPS will have to be embedded in every mental health team in the country.'

Bob Grove, Centre for Mental Health

In 2008, only half of people who use mental health services reported receiving any help with employment.³ The Department for Work and Pensions runs two programmes in this area: Work Choice (providing work entry support and in-work support) and the Work Programme (helping longer-term benefit claimants back to work).⁴ Many of the people who are referred to the Work Programme have mental health problems.

There is little evidence that these government programmes are attuned to the needs of people with mental health problems, and they are unlikely to reach everyone who might benefit.

As part of its IAPT programme, the government will also provide funding to all Primary Care Trusts to provide one employment advisor for every eight therapists by 2013, which could amount to 750 employment advisors.⁵ However, *'the approach taken on this is for local determination,'* so in practice, many teams of IAPT therapists may choose not to have an employment advisor.⁶ Also, few secondary mental health teams have an in-house employment advisor for patients.

Another issue is that government employment services do not consistently conform to models of support proven to be effective for people with mental health problems. Neither Work Choice, nor Work Programme nor IAPT employment advisors consistently follow the proven IPS model of support. Bob Grove, an advisor at the Centre for Mental Health, told us:

'If we are to meet the employment aspirations of service users, IPS will have to be embedded in every mental health team in the country. This will not happen by magic—it is skilled work and employment support workers have to learn their trade ... A regional trainer can be astonishingly effective in speeding up this process and dramatically improving employment outcomes.'

There is therefore a need for more tailored, one-to-one employment support for people with mental health problems to complement government support.

Most employment support from charities, including social firms and clubhouses, comes in the form of 'train and place' approaches. Comparative studies suggest that train and place

¹ At the Mosaic Clubhouse in 2009/2010, out of a total 200 beneficiaries, 20 accessed employment and 44 enrolled in education and training opportunities. (All information from charity Mosaic Clubhouse Charity Analysis conducted by NPC for the Stones Foundation).

² Source: personal communication with Ronnie Wilson, Chief Executive, First Step Trust.

³ Healthcare Commission (2008) *Mental Health Service Users Survey*.

⁴ Department of Work and Pensions (2010) *The Work Programme Prospectus—November 2010*.

⁵ Department of Health (2011) *Talking Therapies: A four-year plan of action, A supporting document to No health without mental health*.

⁶ Department of Health (2011) *Talking Therapies: A four-year plan of action, A supporting document to No health without mental health*.

approaches are not as effective as the IPS model at getting people with mental health problems back to work.¹ For this reason, we recommend that more charities provide employment support on an IPS model. However, we should not rule out non-IPS approaches. Some other approaches appear to be particularly effective at supporting people who find it particularly difficult to get work.

Funding employment support

There is a need for more tailored one-to-one employment support for people with mental health problems, and this is a worthwhile funding opportunity. We encourage funders to consider supporting IPS, which is a well-evidenced model. However, there are other approaches that also show promising evidence of their impact, particularly for people who are finding it most difficult to find and stay in work. These charities and the people they serve would benefit from funding both to deliver their services and to build stronger evidence of their impact.

Support in the workplace

What works

Employers have a significant role to play when it comes to looking after people's mental health. They can provide a good working environment, keep an eye on employees' workloads and stress levels, and support employees who are experiencing mental distress. As Emma Mamo from Mind told us:

'A preventative approach to mental health problems in the workplace ... involves promoting mental health awareness, reducing stigma around seeking help, helping staff develop resilience, effective sickness management and emotionally intelligent management supervision.'

Many people experience mental health problems while they are employed, and if they are identified early, lots of these problems can be treated or managed so that the employee can remain in work.

There is limited academic evidence to demonstrate how people with mental health problems can best be supported to stay in work. However, there are some promising case studies.² For example, BT has run a series of 'work fit' programmes for different aspects of physical and mental health. Its 'positive mentality' programme promotes resilience and well-being among staff by providing advice on exercise, diet and relaxation, and encourages staff to discuss problems and ask for help. BT claims that these programmes have reduced mental health-related sickness absence by 30% among staff.³ Another company that has taken steps to improve mental health among employees is Unilever, as Box 7 shows.

¹ Sainsbury Centre for Mental Health (2009) *Doing what works: Individual placement and support into employment*. Campbell K., Bond G. R., and Drake R. E. (2009) *Who Benefits From Supported Employment: A Meta-analytic Study*. McDaid, D. (March 2011) *Background document for The Thematic Conference on Mental Health in the Workplace: Promotion of Mental Health and Well-being in Workplaces*.

² McDaid, D. (2011) *Background document for The Thematic Conference on Mental Health in the Workplace: Promotion of Mental Health and Well-being in Workplaces*.

³ Wilson, A. (2007) *The Commercial Case for Health and Wellbeing*. Presentation to the National Employment and Health Innovations Network, London, 20 July 2007.

Box 7: Unilever's workplace health promotion programme*

Unilever has developed a workplace health promotion programme for office-based employees in the UK. It includes:

- a personalised health and well-being report, including areas for improvement and practical suggestions;
- access to a personalised lifestyle web portal that included articles, assessments, and interactive behaviour-change programmes;
- tailored emails every two weeks on personal wellness topics, and information and seminars on key health topics.

The programme cost Unilever £100 for each employee—a cost that was more than outweighed by the benefits. An evaluation of the programme found that participants had significantly reduced health risks (including work-related stress and depression), reduced absenteeism and improved workplace performance.

*Mills P.R. et al (2007) *Impact of a health promotion program on employee health risks and work productivity*. *Am J Health Promotion* 2007; 22(1):45–53.

Employees who have mental health problems often benefit from 'independent case management'—typically through an advisor who can work with the individual and his or her employer to improve the situation. As well as helping the individual to access treatment, the advisor could also facilitate an alteration to the working day or encourage working from home.¹ The evidence from one IAPT programme in Wandsworth is that a slightly adapted form of IPS is highly effective at playing this case management role and helping employees return to work.²

Provision

There are two main government programmes that help people with mental health problems retain their job. Firstly, in some areas, IAPT employment advisors help people with more common mental health problems to remain in work, by providing independent employment advice. Secondly, the DWP Access to Work programme helps people who have disabilities or mental health problems to retain their job, by paying for adjustments to the work environment. At present, only 1% of people accessing the Access to Work programme have mental health problems.³

Very few employers provide mental health support in the workplace. Indeed, three quarters have no workplace mental health policy at all.⁴ This may be because they do not understand the prevalence of mental health problems—nearly half think that none of their staff will ever have a mental health problem, even though one in six people have a mental health problem at any one time.⁵ Also, many employers are unaware of the substantial costs of these problems to their business—estimated to amount to £20bn each year in the UK.⁶ There is a clear economic

¹ Sainsbury Centre for Mental Health and British Occupational Health Research Foundation (2010) *Common mental health problems at work: What we know about successful interventions*. Sainsbury Centre for Mental Health and College of Occupational Therapists (2008) *Vocational Rehabilitation: what is it, who can deliver it, and who pays?*

² Wandsworth Psychological Wellbeing Service provided IPS-style employment support to 274 people in 2010/2011. Of these 231 went back to work from sick leave, or 84% of the people they worked with. (Source: Monitoring data provided by email on 29th November 2012 from Miles Rinaldi, Head of Recovery and Social Inclusion, South West London & St George's Mental Health NHS Trust).

³ In 2010, 330 people with mental health problems were supported by Access to Work, out of a total of 24,340 people. Department for Work and Pensions (2010) *Access to Work: Official Statistics*.

⁴ Trajectory (2010) *Mental Health: Still The Last Workplace Taboo?—Independent research into what British business thinks now, compared to 2006*. Shaw Trust.

⁵ Sainsbury Centre for Mental Health and British Occupational Health Research Foundation (2010) *Common mental health problems at work: What we know about successful interventions*.

⁶ Sainsbury Centre for Mental health (2010) *The economic and social costs of mental health problems in 2009/10*.

case for employers to address mental health problems in the workplace, but more needs to be done to convince them. As Emma Mamo from Mind told us:

'Mental health is still the elephant in the room in most workplaces. Employees are reluctant to raise the subject, for fear of discrimination, while managers often shy away from the subject, for fear of making matters worse or provoking legal consequences. This culture of silence means undetected mental health problems can spiral into a crisis, resulting in sickness absence.'

'Mental health is still the elephant in the room in most workplaces.'

Emma Mamo, Mind

Employers need to provide more support in the workplace, but they also need external, independent services that help employees with mental health problems recover and return to work more quickly, or prevent problems arising in the first place. In the past few years, charities have started to do more to support employers improve the mental health of their staff. Mind, Stand to Reason and the Centre for Mental Health all offer training to line managers, aiming to make them better able to pick up on mental health problems among the people they manage, and advise them on how to get help. Mind and Stand to Reason also provide advice and support to employers that want to develop mental health policies.

Funding support in the workplace

If employers are to be convinced that such services are worth investing in, they need to see evidence that these services reduce the cost of mental health problems in the workplace. Mind, Stand to Reason and the Centre for Mental Health have worked with dozens of employers and received positive feedback. Some are starting to evaluate their impact, and early findings are positive. However, there are no published evaluations of the impact on sickness absence, productivity or return to work. This evidence is critical to building the business case to employers. Funders should consider funding charities to evaluate the impact of their workplace interventions.

3. What to fund

Too many people with mental health problems end up out of work, off sick or not working productively. Most private funders steer clear of this issue, either because they consider it to be government's role, or because it is challenging and complex. We think there is a clear case for private funding. If they support the right interventions, funders can help people to avoid, manage, or overcome mental health problems, giving them happier and more fulfilling lives. In turn, this could create huge returns for people with mental health problems, their families, the state and employers.

Deciding what to fund

The issue of mental health and employment is broad and complex. It includes everyone from a highly trained professional who takes a few days off work because of depression, to someone who has few qualifications, has experienced psychosis, and has spent years out of work. Interventions range from those that help to prevent problems arising to those that deal with people who have spent years struggling with a severe problem. Funders should therefore consider what group of people and what point of intervention they are interested in supporting.

Funders should also consider the risks, returns and opportunities of different funding options. These will depend on a range of factors, including the amount they want to give, their level of ambition, their willingness to engage with government or other partners, and their attitude to risk.

- **Risk:** Just as with commercial investment, risk plays a role in charitable funding, and it is not in itself a bad thing. Indeed, the ability to take risks is what gives private funders a distinct role in tackling social problems. Funders should weigh up risks on factors such as quality of evidence, the time it may take for results to be delivered, and external risks.
- **Returns:** In charitable or social work, the return on funding means what that funding achieves. It is about social impact: how many people will be helped by an intervention, and by how much. This report focuses largely on economic return in the form of improved economic well-being: how much money is saved for society. When assessing returns, funders should think about success rates, cost-effectiveness and wider impact (for instance, proving that an intervention works can lead it to being scaled up).
- **Opportunity for funding:** Funders should consider whether there is a clear and distinct role for their funding, and whether this means more than just writing a cheque. They should look at what type of funding is needed (for example, project funding or long-term support to grow an organisation), the level of engagement required, and whether there are opportunities for social investment.
- **Building the evidence base:** A key role for funders is to pay for evaluations of interventions that help people with mental health problems back to work. As a minimum, funders should provide funding (we would suggest at least 6% of the total grant) for their grantees to measure their impact. More ambitious funders could invest in high quality evaluation (for example, randomised controlled trials) of promising interventions to identify how effective they are.

Funding options

We have identified four promising funding options for private funders, summarised in Table 1. In the rest of this section, we name several charities delivering these interventions and a couple that our research suggests are particularly effective. This list is not exhaustive—there are dozens if not hundreds of charities delivering employment support to people with mental health problems around the country.

Table 1: Summary of funding options

Funding option	Stage of intervention and target group	Type of funding opportunity	Cost	Return	Risk
1. Fund employment advisors within mental health services	Fairly early intervention with unemployed people who have mental health problems	Grant for service delivery, with potential further engagement	Approx. £970 per service user	Medium to high	Low to medium
2. Fund tailored employment support for all people with mental health problems	Varying stage of intervention with unemployed people who have mental health problems	Grant for service delivery, with potential further engagement	Approx. £970–£1,224 per service user	Low to medium (more evidence needed)	Medium to high
3. Train government employment advisors to deliver support	Fairly early intervention with unemployed people who have mental health problems	Grant for scaling up services	£11,250 per advisor trained, £281 per service user	High (more evidence needed)	High
4. Scale up charities that are helping make workplaces mental health friendly	Prevention and early intervention with employed people who have, or are at risk of developing, a mental health problem	Grant or social investment for scaling up services, with potential further engagement	Depends on ambition of funder	Medium (more evidence needed)	High

1. Fund employment advisors within mental health services

The Individual Placement and Support (IPS) approach places a specialist employment adviser within a mental health team, to ensure that employment support and treatment are integrated. This support could be delivered by employment advisers who are employed by charities.

This approach intervenes fairly early and targets unemployed people who have mental health problems. As it is based in mental health teams, people should receive employment support as

soon as they start treatment. Funders could provide valuable support for IPS in areas where it is not available from government.

Who to fund: Employment support that is integrated into treatment is delivered by several charities, including Mental Health Matters, various local Mind associations, Rethink, the Shaw Trust, and many local charities. However, none of the charities we reviewed explicitly follow an IPS model, so they may need support to adopt it.

Cost: IPS costs approximately £970 for each service user.¹

Returns: Medium to high. IPS has good evidence of success: employment services that deliver high quality IPS in the US achieve average employment outcomes of 42%, and as high as 61% in some areas.² NPC conservatively estimates that such a service would deliver value equivalent to £1.60 for every £1 invested in the first year.³ The true return is likely to be even higher, as our estimate is based on a service that delivers lower job outcomes than IPS.⁴ These returns would accrue mainly to the service users in wages, but the state would also benefit. Assuming people remain in work, the value of the benefit would grow over time.

Risks: Medium to high. The IPS model is proven to be effective, but few charities use it, so more work is needed to embed the approach.

2. Fund tailored employment support for all people with mental health problems

Many charities provide specialist, one-to-one employment support that is tailored to the needs of people with mental health problems. They often combine advice with job searching, job preparation and in-work support. This tends to be most effective when it focuses on getting clients into open employment and is tailored to their individual needs. There are many tailored employment support models delivered by a range of charities. Although we recommend a couple of particularly effective models, there are many more out there. More needs to be done to build the evidence for which is most effective for which groups.

This approach can be used at various stages. It can help people who have been unemployed for a long time or people who have only just lost their job. Funders could provide grants for charities to deliver employment support, although given the huge variation in the success of different charities, funders will need to scrutinise evidence of impact. Also, there is a role here for funders to help build the evidence base. If charities can demonstrate that their new interventions work, they are much more likely to attract additional funding and be spread more widely.

Who to fund: Charities that deliver tailored employment support include Mental Health Matters, several local Mind associations, Rethink, the Shaw Trust, and many local charities. We particularly recommend Mental Health Matters, as it has provided evidence of above-average employment outcomes.

¹ This is based on Mental Health Matters' Back in Touch service, which costs £223,000 per year and works with 230 clients.

² Becker, D. R. et al. (2011 in press) *A Mental Health Learning Collaborative on Supported Employment*. Psychiatric Services.

³ Mental Health Matters Wakefield helped 37 people into employment in 2010. We have assumed that five of these would have secured work anyway. (This is based on several studies that have shown that up to 13% of people with mental health problems not receiving treatment or support find work anyway. Rinaldi, M. and Perkins, R. (2007) *Implementing evidence-based supported employment*. Psychiatric Bulletin 2007 31: 244-249. Proudfoot, J. et al. (1997) *Effect of cognitive-behavioural training on job-finding among long-term unemployed people*. Lancet, 350, 96-109, 12 July.) We assumed that the remaining 32 people earned the national minimum wage and remained in employment for the year after being helped into employment. The gross wage is £11,563.50, with most benefit going to the individual (£9,903) and the remainder to the state (£1,660). This means the economic benefit to society of MHM Wakefield's service is £370,032 (32 x £11,563.50) in year one. The service costs £223,000 to run each year. So a conservative estimate of the return on investment of this service is £1.60 for every £1 invested in year one.

⁴ We have based these figures on the Mental Health Matters' Back in Touch service that gets just over a third of beneficiaries into work. As IPS typically gets more people back to work (40–60%), we would expect it to get higher returns.

Cost: Mental Health Matters' Back in Touch service costs approximately £970 per service user.¹

Returns: Low to medium, although more evidence is needed. The success of employment support services vary considerably between different charities. First Step Trust, for example, gets around 5% of its clients into paid work, whereas Enham gets 42% back to work.² Results vary partly because some interventions are more effective than others, but also because some charities work with clients who have more complex needs.

Risks: Medium to high. Some charities have good track records. However, there are few 'proven' interventions, and more needs to be done to build the evidence base.

3. Train government employment advisors to deliver support

Government has increased the number of employment advisors based in mental health teams in recent years. Few of these advisors closely follow the proven IPS model. Funding training and support for advisors will help ensure quality and guarantee outcomes. The most promising approach we have seen is the Centre for Mental Health's Regional Trainer programme. This programme works intensively with employment advisors and their managers to develop employment support that strictly follows an IPS model, through training and other support. The Centre has been running a small-scale pilot of this approach called 'Sussex Trainer', working with employment advisors based in 19 clinical teams across East and West Sussex and Brighton and Hove.

This approach intervenes fairly early because it is based in mental health teams, so people should receive employment support as soon as they start treatment. Funders could provide grants to scale up such services, by supporting charities to run pilots, which could then be rolled out more widely. In time, there would be a case for government to take over funding.

Who to fund: The Centre for Mental Health is currently the only large-scale programme of support to help mental health employment advisors deliver high quality IPS. However, there are other smaller scale providers of training, including, for example, Miles Rinaldi from South West London and St George's Mental Health NHS Trust.

Cost: The Regional Trainer Sussex pilot cost £65,000, which is £11,250 per employment advisor trained (60 in total), and £281 per service user (2,400 in total).

Returns: High, but more evidence is needed. Early findings from the Sussex pilot of the Regional Trainer programme are promising. After it was introduced, the number of people who were supported to go back to work rose from 88 to 186, an increase of 111%, despite rising unemployment nationwide. With each employment outcome worth £11,563, the overall return is £1.1m. Comparing this with the costs provides a return on investment of £17 for every £1 invested in the first year.³ However, these figures should be treated with caution, because although we have assumed that all change is due to the trainer programme, some change may have happened anyway.

Risks: High. There is an established charity—the Centre for Mental Health—prepared to deliver. However, it has only been piloted in one place in the UK, and there are risks to scaling it up. In particular, health service reform could make it difficult to engage with health commissioners, which would be a real challenge to rolling the approach out nationally.

¹ This is based on Mental Health Matters' Back in Touch service, which costs £223,000 per year and works with 230 clients.

² *Enham Business Ability: Evaluation of operations from January 2004 to December 2008*, Enham: Unpublished evaluation report.

³ Based on NPC calculations. The pilot of the Centre for Mental Health Regional Trainer programme in Sussex increased the number of people employment advisors help into employment by 98. With each additional employment outcome worth £11,563.50 (based on current figures for the national minimum wage), this creates a return of £1,133,223. The service costs a total of £65,000. Comparing costs and returns gives a return on investment of £13 for every £1 invested in year one (NPC calculation).

4. Scale up charities that are helping to make workplaces mental health friendly

Several charities train line managers on mental health awareness and advise employers on mental health matters. Some combine this with mental health promotion, screening, advice and treatment. These programmes have the potential to cover their own costs, because employers can buy their services. A small investment by a private funder could be used to get more businesses improving mental health in the workplace. In so doing, they could lever in huge investment from businesses to charities.

This approach can prevent some mental health problems from arising, and can intervene early when mental health problems are developing. It benefits employed people who have, or are at risk of developing, a mental health problem. This is a particularly good opportunity for corporate funders, which may wish to sponsor a programme in their own workplace.

Who to fund: Mind, Stand to Reason and the Centre for Mental Health all offer training to line managers on mental health awareness. Mind and Stand to Reason also provide advice and support to employers that want to develop mental health policies.

Cost: The cost of such services varies depending on the level of commitment and the form of funding. Mind, Stand to Reason and the Centre for Mental Health all charge for their services and have the potential to reach financial sustainability, although they have not achieved this yet. They need additional grant funding and social investment to help increase their rate of expansion and uptake by employers.

Returns: Medium, but more evidence is needed. Various studies have shown that workplace interventions create a positive return on investment for employers.¹ An illustrative calculation by NPC suggest that employers could save £2.50 for every £1 they invest.² However, we need more evaluations of the impact of charities' workplace-based interventions on sickness absence, productivity and return to work. This evidence is likely to convince more employers to use these interventions. In this way, with the right level of support, private funders could lever in millions of pounds from businesses and have an impact on thousands of workplaces.

Risks: High. Some projects have promising feedback on their work, but none have robust evidence of the impact of their workplace support on sickness absence, productivity or return to work. Most of the project being delivered are at an early stage and have limited staff capacity. There is also a significant risk that employers may not be willing to engage, given the challenging economic situation.

¹ This is based on the experience of Unilever (Mills P. R., Kessler R. C., Cooper J. and Sullivan S. (2007) *Impact of a health promotion program on employee health risks and work productivity*. American Journal of Health Promotion 2007; 22(1):45-53); an Australian project called WORC (*Getting upstream of psychological disability in the workforce – who are we not seeing and at what cost? The WORC Project Valuing Healthy Employees* (2007) The University of Queensland and Harvard University); and BT (Wilson, A. (2007) *The Commercial Case for Health and Wellbeing*. Presentation to the National Employment and Health Innovations Network, London, 20 July 2007.

² The National Institute of Clinical Excellence in England (NICE) calculated that early action to tackle stress and mental health problems in workplaces could reduce productivity losses to employers by 30%. Overall for a 1,000 employee company there would be a net reduction in costs in excess of £264,000, generating savings of £264 per employee. An evaluation of the Unilever programme concluded that the costs (£105 per employee) were more than outweighed by a reduction in absenteeism and improvements in workplace productivity, although the savings for the employer were not published. Comparing Unilever's costs with NICE's benefit calculations produces a cost-benefit of around £2.50 for every £1 invested each year.

4. Beyond funding

There is much potential for private funding to improve the lives of people with mental health problems, by helping them to find jobs and make the most of their work. But social investors, businesses and charities also have their part to play.

Social investors: scaling up services

Several charities, including the Centre for Mental Health, Mind and Stand to Reason, are paid by employers to promote good mental health in the workplace. Yet these charities are working with dozens of employers, not hundreds or thousands, and they tend to be ambitious to expand. There is an opportunity for investors to provide long-term, low interest loans to help these charities scale up their services.

There may also be an opportunity for social investors to create a Social Impact Bond to finance services that help people with mental health problems return to work. Social Impact Bonds are a form of contract, in which private investors pay for interventions that are delivered by service providers (such as charities), and public sector commissioners commit to repay the investment following improved social outcomes (such as reduced unemployment).

Companies: supporting employees

It is in the interest of all employers to have a healthy workforce—employees with healthy minds and healthy bodies. A few employers are investing in improving mental health in their workplaces. However, more could follow suit. Businesses should work with charities and experts to build a business case for promoting good mental health in their workplace. Once they have commitment from the right level, they could then buy in support from charities like the Centre for Mental Health, Mind and Stand to Reason. With support from charities like these, businesses can help to prevent mental health problems, identify emerging problems early, and help staff manage their problems.

Charities: evaluating impact

In the field of mental health and employment, some interventions (such as IPS), are well-evidenced by numerous high quality evaluations. But the vast majority of interventions are evidenced only by monitoring data from individual charities. With support from funders, charities should do more to measure their impact and the value they create. Organisations like the Centre for Mental Health and NPC are keen to help with this work. We think there are three key areas for improvement.

- Charities could do more to build the evidence base for many interventions. For instance, there are few high-quality evaluations of charities providing workplace-based interventions, sheltered employment and clubhouses, often with people who have severe and enduring mental health problems. These charities may well be providing the most effective intervention for this particular group, but they can only prove that through better impact measurement. Charities should improve routine outcomes measurement, and funders should support more rigorous impact evaluations, such as randomised controlled trials.
- Charities could work together to make impact data more comparable. Where evidence of impact is available, it is often difficult to compare, because the methods and indicators used vary hugely. The only way to overcome this problem is for charities to use more common outcomes indicators and tools (such as questionnaires). NPC is keen to work with charities to develop these common ways of measuring their impact.

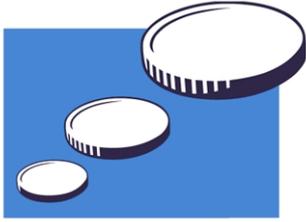
- Charities could do more to calculate and communicate the savings they generate for individuals, the state and employers. This is crucial to making their case for funding at a time when competition for funding is fierce.

A final word

The field of mental health and employment has too often been neglected by private funders. Many have opted to let government take the lead, considering the issues involved to be too complex or sensitive.

Yet private funders have the potential to make a big difference here. They could fund the promising but unproven approaches that government tends to avoid, and at a time of tight public funding, they could help to address needs that are not met by government provision.

By identifying clear funding opportunities, we hope that this guide will encourage more private funders to support proven charities. NPC is always keen to work with funders to explore how they might target their resources in the most effective way. If you are interested in discussing how we might help, please contact Casey Stander on cstander@philanthropycapital.org or 0207 620 4850.



New Philanthropy Capital

New Philanthropy Capital (NPC) is a charity think tank and consultancy dedicated to helping funders and charities to achieve a greater impact.

We provide independent research, tools and advice for funders and charities, and shape the debate about what makes charities effective.

We have an ambitious vision: to create a world in which charities and their funders are as effective as possible in improving people's lives and creating lasting change for the better.

For **charities**, this means focusing on activities that achieve a real difference, using evidence of results to improve performance, making good use of resources, and being ambitious to solve problems. This requires high-quality leadership and staff, and good financial management.

For **funders**, this means understanding what makes charities effective and supporting their endeavours to become effective. It includes using evidence of charities' results to make funding decisions and to measure their own impact.

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