



York & North Yorkshire Local Enterprise Partnership

York Covid Outbreak Management Board

26 January 2022

Mental Health and the Economy

1.0 Purpose of the Report

1.1 This paper provides an overview of activity to support people to become and remain economically active in the face of mental health challenges, alongside activity to ensure businesses can access the tools necessary to support their workforce towards resilience and better mental health.

2.0 Background

2.1 In 2017, the government requested Stephenson and Farmer carry out an independent review into how employers can better support all individuals currently in employment including those with mental ill health or poor well-being to remain in and thrive through work. The [Thriving at Work](#) report was published in October 2017 and informed the LEPs commissioning of mental health support programmes for people and businesses and the inclusion of health and wellbeing in its current strategic priorities.

3.0 Data and Evidence

3.1 In their report, Stephenson and Farmer noted the following:

- around 15% of people currently in work have symptoms of existing mental health conditions.
- 300,000 people with a long-term mental health problem lose their jobs each year and at a much higher rate than those with physical health conditions.
- There is a large annual cost to employers of between £33 billion and £42 billion (with over half of the cost coming from presenteeism – when individuals are less productive due to poor mental health in work) with additional costs from sickness absence and staff turnover.
- The cost of poor mental health to Government is between £24 billion and £27 billion. This includes costs in providing benefits, falls in tax revenue and costs to the NHS.
- The cost of poor mental health to the economy as a whole is more than both of those together from lost output, at between £74 billion and £99 billion per year.

3.2 Data from both UCL and the Mental Health Foundation demonstrate that people with pre-existing mental health conditions going into the pandemic were more likely to experience worsening wellbeing over 2020-2021 than those with good mental health at the beginning of the pandemic. In turn this elevates the risks of long term sickness and presentism in the workforce.

¹ [REPORTS | COVID Social Study](#)

¹ [Coronavirus: The divergence of mental health experiences during the pandemic | Mental Health Foundation](#)

- 3.3 The LEP commissioned [York and North Yorkshire Labour Market Analysis](#) shows that amongst people in employment who have a health or disability problem, depression and bad nerves (poor mental health) is the most widespread condition.
- 3.4 Evidence also shows that mental health is a key reason why young people aged 16-24 are out of work. Out of 30,000 16-24yr olds on sickness related benefits in York, North Yorkshire and East Riding (2018 ONS), 45% report poor mental health as the key reason.

Mental health and work data produced by [OHID](#) shows that young professionals have emerged as the most vulnerable demographic in the workplace. They are twice as likely to suffer from depression compared to other age groups in the workforce, and more susceptible to leaveism and financial concerns.

- 3.5 The gap in the employment rate for those in contact with secondary mental health services (e.g. hospitals, community mental health teams etc) and the overall employment rate in York and North Yorkshire is 59.3%. Whilst this is higher in Yorkshire and Humber and England at 63% and 67.2% respectively, this is still a significant gap. Incidentally, the gap is wider for males (64.4%) than females (55.3%) [OHID](#).
- 3.6 The Covid pandemic had a significant impact on the nation's mental health particularly over periods of 'lockdown'. Evidence shows mental health challenges have not returned to pre-pandemic levels where one in six or 15% of the adult working population reported symptoms of an existing common mental health condition. Data also suggest some sectors of our society have been more adversely affected than others and this may require a renewed approach to mental health support in the future to ensure support is effectively targeted.
- 3.7 According to the Office for Health Improvement and Disparities [Covid-19 Mental Health and Wellbeing Surveillance report](#) the proportion of adults aged 18 and over reporting a clinically significant level of psychological distress increased from 20.8% in 2019 to 29.5% in April 2020, then falling back to 21.3% by September 2020.
- 3.8 The report indicates that young adults and women have been more likely to report larger fluctuations in self-reported mental health and wellbeing than older adults and men. Although this may be due to a greater reluctance by men to identify and access support.
- 3.9 Unemployed adults and adults with lower incomes have reported higher levels of psychological distress, anxiety, depression and loneliness during the pandemic than adults with higher incomes. Loss of income and employment has been associated with worsening mental health during the pandemic. On average, any connection to a job or income (even if reduced compared to before the pandemic) has been better for mental health and wellbeing than none.

3.10 Key Messages

Mental health was a significant economic and health challenge before the Covid Pandemic. The pandemic has made things worse and there is a need to:

1. Support those individuals furthest from the job market to a position where they are able to actively seek employment
2. Provide appropriate training to individuals to support their employment potential
3. Provide tools and support for individuals in work to prevent sickness absence
4. Support businesses to become more inclusive employers and provide managers with the skills they need to support staff to avoid unnecessary sickness absence, presenteeism and job losses.

4.0 LEP Strategic Priorities

4.1 The LEP has a clear vision: To work together for a Greener, Fairer, Stronger Economy where:

- natural capital is protected and prioritised, aiding job creation and accelerating the transformation to a carbon negative economy
- **opportunity is inclusive, with quality of life raised for all people and communities**
- the economy is more resilient, able to adapt to challenges and harness growth potential

4.2 The LEP [Skills Strategy](#) has three clear ambitions that encompass the mental health of our workforce, those out of work and supportive workplaces

- People can thrive in good workplaces,
- Local organisations support good growth and thriving healthy communities
- The economically excluded and isolated are empowered to succeed through quality support.

5.0 LEP Commissioned Activity

5.1 Following the publication of the Thriving at Work report, the LEP commissioned activity informed by the report's recommendations. The LEP built a programme of support, using its European Social Fund allocation, for both individuals and businesses, tailored to local need, and based on progressive learning.

5.2 Activity for businesses and their workforce.

- *The Mental Health and Wellbeing Toolkit* (Value £20k)
A [toolkit](#) for businesses including the self-employed housed on the Growth Hub website to safeguard workplace wellbeing. It includes information about mental health problems, business owners legal responsibilities, managing your own mental health and what to do if you are worried about a staff member.

- *Thriving at Work*
(Value £900k to support 55 SMEs become inclusive employers, 350 employees to 'thrive' in the workplace and 319 people with diversity training).
This project has a particular focus on supporting inclusive workplaces that can unlock the potential of staff who are neurodiverse, disabled or experience mental health challenges. It includes package of inclusive support, aimed at helping businesses realise the benefits of creating an inclusive workplace, diversity training and personalised 1-2-1 in-work coaching and mentoring for people who self-identify as being neurodiverse, disabled or experiencing mental health challenges. This project was commissioned following feedback and learnings from the Mental Health and Wellbeing Toolkit and the Action Towards Inclusion Programme outlined below. More information available [here](#)

[Lisa's Story](#) – Thriving at Work

Lisa, employed, had suffered with poor mental health since 2008. Despite numerous interventions and therapies, she had experienced long episodes of absence from work. During the most recent absence, her line manager suggested the Thriving at Work programme. Lisa said *“I have had many dark days through depression and my anxiety has at times been so debilitating. Ricky has given me the tools to control my emotions and not let my mental health control me but learn to live with it....”*

- *The Growth Hub Webinar Programme* – an initiative started by the LEP during the covid pandemic to support businesses with a bite-sized online resource. [Webinars](#) have included topics such as Resilient Leadership, Maintaining Positive Mental Health and Wellbeing in Difficult Times, Building Resilience and Supporting Team Wellbeing, Returning to Work and Leading through Change and Adversity. On average each webinar was accessed by 20 viewers either live or on-demand. The resource will stay on the Growth Hub website for businesses to access in the future.
- *The Beacon Project* – This project will be completed in 2022. Utilising existing BEIS funding for Growth Hub Activity, the YNY Growth Hub will support the development and integration of resources (national and localised) to support employers with issues relating to mental and physical health in the workplace. An example of the resource, first developed by Cornwall and the Isles of Scilly LEP is available [here](#)

5.3 Activity for those not in work

- *Action Towards Inclusion*
(Value £11.5m supporting 3,100 people)
This project is delivered through a partnership of skilled keyworkers and intervention partners who work for organisations in the voluntary and community sector. It offers support to those who are the furthest from the labour market due to barriers such as mental health issues, debt and lacking qualifications. Already ATI has supported over 2000 participants and enabled over 1000 of them into jobs, training or job

seeking. A short video showcasing the support available through one of the ATI partners for mental health, **St Nicks**, is available [here](#). Internal monitoring is showing the significant impact the project is having on wellbeing. All participants complete the Warwick and Edinburgh Mental Wellbeing Scale (WEMWBS) at the entry and exit point of the project. To date; 1313 participants have completed both entry and exit forms.

- 53% report low wellbeing at entry – reduced to 17% at exit
 - 39% report moderate wellbeing at entry – increased to 56% at time of exit
 - 8% report high wellbeing at entry – increased to 27% on exit.
- *Community Grants*
(Value £2.7m, 174 grants awarded, 3061 people supported to date)
Grants of between £5,000 and £20,000 fund dynamic, community based support projects that move unemployed or economically inactive people who are over 18 closer to employment, volunteering or further education. Since 2016, 174 projects have been funded across York, North Yorkshire and East Riding supporting more than 3000 people into better outcomes. **Claro Enterprise** is one project funded by community grants who have been working with partners Veterans' Woodcraft to deliver basic skills courses and support individuals with mental health issues toward recovery and employment. A short video about the project is available [here](#)

6.0 Future Opportunities and Risks

6.1 There are a number of initiatives and programmes delivering mental health support and information across our region. The ones of note are listed below:

- MIND – Local Mind services supported over 425,000 people across England and Wales this year. Their services include talking therapies, crisis helplines, drop-in centres, employment and training schemes, counselling and befriending.
- [IAPT](#) service, funded through NHS, accept self-referrals as well as GP referrals and support people both in and out of work.
- FSB offer a [Wellbeing Hub](#) which provides information to its small business members on mental health
- [NYCC Workplace Wellbeing Award](#) encourages organisations to support their workforce to adopt healthier lifestyles including a focus on mental health.
- The [Good Business Charter](#) is backed by the City of York Council and has been adopted as part of its wider plans for its economic strategy. The Charter promotes responsible behaviour through ten key components, one of which is employee well-being. In recognising that the physical and mental well-being of people really matters, this component can be used to promote and support mental wellbeing in the workplace.

- City of York Health & Wellbeing Board published a [Mental Health Strategy 2018-23](#) and have a mental health sub-group which is focusing on all aspects of mental health.

6.2 The LEP has recently approached its partners and stakeholders with a view to building an investment pipeline for skills projects. Out of 75 projects put forward, a suitable proportion support the mental health of those currently out-of-work, those in work as well as support for employers to safeguard the mental health of their workforces.

6.3 The LEP proposes a co-ordinated approach to future investment in mental health support, provision and information across York and North Yorkshire to ensure a comprehensive offer to individuals and businesses and prevent duplication of effort and funding. The Beacon Project, in providing a framework and platform for Growth Hubs to develop their own dedicated webpages to support SMEs to manage health in the workplace, offers an opportunity for collaboration between the LEP, CYC and NYCC Public Health to develop localised resources to support both businesses and individuals on mental health in work workplace.

6.4 A clear risk moving forward is the lack of clarity on future funding. The majority of the projects outlined in section 5 above are funded through European Social Funds due to end in 2023. The government is yet to launch its UK Shared Prosperity Fund Prospectus and the expectation now is that there will be an inevitable gap in funding between ESF and UKSPF. Not only will this affect recipients of current support, but partnerships built up over the lifetime of ESF risk disintegration or at least depletion of capacity and capability before the next pot of funding is secured. This has the potential to have significant delivery implications moving forward.

8.0 Recommendations

8.1 Using the Beacon project referenced 5.2 a joint working approach is adopted to ensure future funding for mental health and the economy programmes is co-ordinated, aligned and uses lessons learned.

9.0 Additional Information

9.1 Appendices – none

9.2 Background Documents – None

9.3 Contact –

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