Thriving at work

The Stevenson / Farmer review
of mental health and employers

October 2017

Dear Prime Minister,

On January 9th you asked us to undertake an independent review into how employers can better support the mental health of all people currently in employment including those with mental health problems or poor well-being to remain in and thrive through work.

This has turned out to be a very timely brief.

Our work has revealed that the UK is facing a mental health challenge at work that is much larger than we had thought. Not only is there a big human cost of poor mental health at work, there are also knock on impacts for society, the economy and Government. Employers are losing billions of pounds because employers are less productive, less effective, or off sick.

Happily our research has found green shoots of good practice. Using good practice and evidence where it exists, this review sets out a number of mental health core standards that can be adopted across all workplaces at little or no cost. We strongly recommend that change be encouraged by increasing employer transparency – not only internally to their employees, but also across industries and through the public domain. You will see in the report that we very much hope you will lead the way in committing the public sector to implement these measures, and use Government policy to encourage and support employers more effectively.

Our **vision** – which is in our view wholly realistic – is that in ten years' time the following changes will have happened:

- Employees in all types of employment will have "good work", which contributes positively to their mental health, our society and our economy.
- Every one of us will have the knowledge, tools and confidence, to understand and look after our own mental health and the mental health of those around us;

- All organisations, whatever their size, will be:

  · equipped with the awareness and tools to not only address but prevent mental ill-health caused or worsened by work;
  · equipped to support individuals with a mental health condition to thrive, from recruitment and throughout the organisation;
  · aware of how to get access to timely help to reduce sickness absence caused by mental ill health;

- We dramatically reduce the proportion of people with a long term mental health condition who leave employment each year and ensure that all, who can, benefit from the positive impacts of good work.

The UK could and should be one of the leading nations in relation to mental health. If the UK prioritises mental health at work, we can become global leaders in reducing stigma, improving the mental health of the population and support for those who need it, and in the process improve the UK's productivity.

We very much hope that Government is able to implement our recommendations, measure the results and make a long-term commitment to improving mental health at work.

Yours sincerely

Executive summary

The Prime Minister announced on 9 January 2017 that she was asking us to 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.

> **“Many employers are already creating healthy, inclusive workplaces, but more needs to be done so that employers provide the support needed for employees with mental health conditions.”**

Prime Minister Theresa May, January 2017

Executive summary

This study has led us to conclude that underneath the stigma that surrounds mental health and prevents open discussion on the subject, **the UK faces a significant mental health challenge at work**.

- While there are more people at work with mental health conditions than ever before, **300,000 people with a long term mental health problem lose their jobs each year**[1], and at a much higher rate than those with physical health conditions.
- Behind this, our analysis shows that **around 15% of people at work**[2] **have symptoms of an existing mental health condition**.

The human cost is huge, with poor mental health having an impact on the lives of many individuals and those around them. This manifests itself in a variety of ways both at work and at home, and impacts a person's ability to manage other elements of their personal life.

Then there is the ultimate human cost of loss of life through suicide. We know that rates of poor mental health and suicide are higher for employees in certain industries.

With the help of an independent study on the cost to employers commissioned from Deloitte, we have also found:

- There is a **large annual cost to employers of between £33 billion and £42 billion**[3] (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**[4]. 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**[5].

At a time when there is a national focus on productivity the inescapable conclusion is that it is massively in the interest of both employers and Government to prioritise and invest far more in improving mental health.** The UK can ill-afford the productivity cost of this poor mental health.

It could be argued that these costs are the "normal" cost of being alive and doing business. Our work suggests strongly that this is not the case.

- **Deloitte's analysis of the case studies where investments have been made in improving mental health show a consistently positive return on investment...** a finding which is bolstered by a number of **academic meta-studies which demonstrate the benefits of good work for mental health**[6] and key workplace enablers. As this review is going to press, the Lancet has also published findings from a study in the Australian Fire Service which found that a manager mental health training programme could lead to a significant reduction in work-related sickness absence, with an associated return on investment of £9.98 for each pound spent on such training.
- **This is borne out by our own conversations with over 200 organisations** which have uncovered a number of successful investments, activities and approaches in improving the mental health of employees.

Our approach and vision

We start from the position that the **correct way to view mental health is that we all have it and we fluctuate between thriving, struggling and being ill and possibly off work**. People with poor mental health including common mental health problems and severe mental illness can be in any of these groups. An individual can have a serious mental health problem but – with the right support – can still be thriving at work.

We need to move to a society where **all of us become more aware of our own mental health, other people's mental health and how to cope with our own and other people's mental health when it fluctuates. It is all our responsibilities to make this change.** However in line with the brief we have been given by the Prime Minister, **employers are perhaps able to have the greatest impact and scope to make an impact and are the focus of this review**. To quote Sir Simon Wessely, past President of The Royal College of Psychiatrists, "You own it!", meaning that employers can create a positive and supportive workplace culture themselves, free from stigma.

Our vision is that in ten years' time the following changes will have happened:

- Employees in all types of employment have good work, which contributes positively to their mental health, our society and our economy.
- Every one of us will have the knowledge, tools and confidence, to understand and look after our own mental health and the mental health of those around us.
- All organisations, whatever their size, will be:
  · equipped with the awareness and tools to not only address but prevent mental ill-health caused or worsened by work;
  · equipped to support individuals with a mental health condition to thrive from recruitment, and throughout the organisation;
  · aware of how to get access to timely help to reduce sickness absence caused by mental ill health;
- All of these measures result in dramatically reducing the proportion of people with a long term mental health condition who leave employment each year and ensure that all who can, benefit from the positive impacts of good work.

As we outline in the review, we believe that the number of people leaving work with mental health problems could be reduced by 100,000 to bring the number in line with physical health conditions in the first instance.

How can this vision be achieved?

To achieve this, the report sets out what we describe as **"mental health core standards" – a framework for a set of actions which we believe all organisations in the country are capable of implementing quickly**. These mental health core standards are as follows:

- Produce, implement and communicate a mental health at work plan;
- Develop mental health awareness among employees;
- Encourage open conversations about mental health and the support available when employees are struggling;
- Provide employees with good working conditions and ensure they have a healthy work life balance and opportunities for development;
- Promote effective people management through line managers and supervisors;
- Routinely monitor employee mental health and wellbeing.

These mental health core standards are drawn from best practice and, as far as possible, are evidence based, albeit we feel there is a pressing need for more evidence. In Annex A the reader will find guidance, suggestions, and tools to help with implementing the standards.

The report also outlines a series **of more ambitious 'enhanced' standards for employers who can and should do more to lead the way, building on the mental health core standards** these are as follows:

- Increase transparency and accountability through internal and external reporting
- Demonstrate accountability
- Improve the disclosure process
- Ensure provision of tailored in-house mental health support and signposting to clinical help

Three other factors will help the implementation of these "mental health core and enhanced standards".

1. **Increasing employer transparency** presents the biggest opportunity to encourage a greater breadth and depth of employer action on mental health, and strong leadership is vital to ensuring this change is felt throughout organisations. **Employer action on mental health is intrinsically measurable**. Increased transparency will go a long way to generating a culture of measurement and will enable the development of voluntary ranking schemes to help drive accountability and further improvement.

2. While we believe that it is clearly in the interests of all businesses and organisations to implement these mental health core and enhanced standards, we are calling on **trade unions, industry groups, professional and regulatory bodies to help with the implementation of these standards**.

3. **Digital tools and products** are an enabler of change and there is a significant opportunity for low cost, scalable interventions in workplaces. We are witnessing an explosion of such technology and it is vital that there is a firm evidence base that is accessible for employers and employees.

The role of the public sector

The public sector, which employs 5.4 million people[7], has a huge opportunity to lead the way. We believe the public sector is ideally placed to implement our recommendations, innovate and build the evidence base.

It is beyond the scope of this report to cover what is needed in the entire public sector. We acknowledge that we do not have all the answers and further innovation and work to build the evidence base is needed. Within the public sector, we have spoken to a number

of leaders who are already developing good practice, and have proposed specific areas of focus for the **three largest public employers: the National Health Service, Education and the Civil Service**.

We also draw attention to the need for particular focus to be given to areas of the public sector at **highest risk of stress and trauma**, and the need to establish clear accountability for supporting their mental health.

The role of Government

The report sets out a series of areas where Government can use its influence and its purchasing and legislative power to encourage faster change:

- Government can do more to make it simple for employers, **through support and online information platform and joining up existing provision aimed at employees and employers**.
- Government should consider **exploring further the role of incentives and public procurement to drive implementation of the mental health core standards**.
- We also suggest Government sets **clearer expectations of employers through legislation, and makes Statutory Sick Pay more flexible** to better support people with mental health problems to make voluntary phased returns to work where appropriate.
- There is a **significant role for the NHS to support workplace mental health by ensuring support is accessible, high quality and fits around work**.
- Government does more to prevent and end employer practices which contravene employment and equalities legislation.

Delivery and implementation

We very much hope that the Prime Minister and her colleagues will embrace this report and implement it publicly.

It is clearly important **this is done in a way that creates a self-sustaining and measurable change process which survives future elections changes in personnel and is visible for future generations**.

To that end, we recommend that all **Permanent Secretaries Chief Executives and equivalent senior leaders across the public sector, have a performance objective relating to ensuring the mental wellbeing of all employees, and accountability for adopting the 'mental health core and enhanced standards'**. We outline in the review how progress can be measured.

We also suggest that so as to achieve leadership across the private, public and voluntary sectors, the Prime Minister sets up a new **Mental Health and Employer Leadership Council**. We are glad to report that there will be many willing volunteers to serve on it.

Implementing the mental health core standards will be easier for workplaces that have scale and existing structures. **Small and medium enterprises and the self-employed** present different challenges. The implementation of the mental health core standards among these groups will be greatly helped by:

- Joined up efforts from **organisations who already work with small and medium enterprises and the self-employed** (for example, as this goes to press we understand that one of the major banking groups may be prepared to help implement them among their SME customers).
- Utilising local organisations and networks who are particularly important for reaching these groups. We very much support and encourage innovation including, for example, the work in areas including the West Midlands.

Local trials and nationwide research should be fully utilised and joined up to **build the evidence base of what works**.

On the following pages, we summarise our key recommendations.

Our recommendations for employers

1. We recommend that all employers, regardless of workplace type, industry or size adopt the mental health core standards. This will ensure 'breadth' of change across the UK workforce and lay the foundations for going further, and can be delivered proportionally depending on the size and type of business. The mental health core standards should provide a framework for workplace mental health and we have designed them in a way that they can be tailored to suit a variety of workplaces and be implemented by even the smallest employers. We believe all employers can and should:

    1. **Produce, implement and communicate a mental health at work plan**
    2. **Develop mental health awareness among employees**
    3. **Encourage open conversations about mental health and the support available when employees are struggling**
    4. **Provide your employees with good working conditions**
    5. **Promote effective people management**
    6. **Routinely monitor employee mental health and wellbeing.**

2. We recommend that all public sector employers and the 3,500 private sector companies with more than 500 employees, deliver the following mental health enhanced standards which will reach 46% of employees:

1. Increase transparency and accountability through internal and external reporting.
2. Demonstrate accountability
3. Improve the disclosure process
4. Ensure provision of tailored in-house mental health support and signposting to clinical help

The importance of transparency and leadership

3. We recommend that Government considers amending legislation and guidance , for example the Companies Act, to encourage employers to report on workplace mental health on their website or other channels

4. We welcome the adoption of workplace mental health indicators in employer rating initiatives.

External support for employers and the role of regulators

5. We recommend that industry groups provide guidance and support to enable employers to implement the mental health core standards, and take steps to support increased employer transparency and accountability on workplace mental health.

6. We recommend that professional bodies with responsibility for training or accrediting professional qualifications should include workplace mental health in their training programmes and assessments.

7. We would welcome industry efforts to support employers to be able to better understand and compare Employment Assistance Programmes and Occupational Health services by developing standards, and by developing online comparison tools.

8. We recommend that insurers explore how they could support and reward employers, in particular SMEs, who adopt preventative policies and provide mental health support to their employees.

9. We recommend that workplace regulators use the most suitable regulatory approaches available to them to encourage the take up of the mental health core standards amongst employers.

10. We recommend that the Equality and Human Rights Commission considers taking a more proactive role in monitoring and taking enforcement action against employers that discriminate against individuals on the grounds of mental health.

11. We recommend that the Health and Safety Executive revise its guidance to raise employer awareness of their duty to assess and manage work-related mental ill-health.

12. We recommend that the Health and Safety Executive builds on its risk assessment guidance and Management Standards approach by highlighting how these actions will help employers deliver key parts of the mental health core standards.

13. We recommend that Local Authorities adopt the same recommendations as the Health and Safety Executive throughout its guidance and practices, and ensure join up between its public health and health and safety enforcement roles.

Our recommendations for the public sector

14. We recommend that all public sector workforces should implement the mental health core and enhanced standards.

15. We recommend that public sector regulatory bodies who are regularly in contact with public sector employees include the employer's approach to employee mental health in their assessments.

16. We recommend that all Permanent Secretaries, Chief Executives and equivalent senior leaders across the public sector, have a performance objective to support the mental wellbeing of all employees, through the implementation of the core and enhanced standards.

17. We recommend that NHS England continues to develop its current offer on mental health in the Healthy Workforce Programme and other on-going initiatives, and look to ensure that every NHS Trust arms NHS employees with basic tools for prevention and self-care.

18. We recommend that the Department for Education implement the commitments in the published workload action plan and consider how teacher mental health can be incorporated into school mental health strategies, including the upcoming Children and Young People's Mental Health Green Paper.

19. We recommend that, in addition to its existing initiatives to train senior leaders and coaches in mental wellness, the Civil Service reviews and enhances mental health training for all grades and ensures all Departments have a planned approach to ensuring employees have received training appropriate for their role.

20. We recommend that public sector employers should identify employees at higher risk of stress or trauma and produce a national framework which coordinates support for these employees and establishes clear accountability for their mental health.

Our recommendations for Government

21. We recommend the formation of a mental health online information portal, co-produced by the voluntary, public and private sector, to promote best practice and enable employers of all sizes to implement the mental health core and enhanced standards.

22. We recommend that Government aligns the fragmented occupational health and practical support available currently from Access to Work, the Fit for Work Service and other NHS services to create an integrated in-work support service to better support the needs of those with mental illness, and other physical health conditions and disabilities.

23. We recommend Government protects and promotes the current tax relief for employers to invest in the mental health of their employees.

24. We recommend Government explores the potential to incentivise employers, especially SMEs, to implement the mental health core standards, including building on evidence from the West Midlands 'wellbeing premium' trial.

25. We recommend that public bodies encourage their suppliers to implement the mental health core standards.

26. We recommend that the Government consider legislative change to enhance protections for employees with mental health conditions, particularly fluctuating mental health conditions and clarify the role of employers in providing reasonable adjustments.

27. We recommend that Government examine what more it can do to require employer compliance with existing equalities and employment laws.

28. We recommend that Government develops a new flexible model for Statutory Sick Pay to better support those with a mental health condition, where willing and able, to return to work on a voluntary phased return and receive wages and SSP on a pro-rata basis.

29. In England, the NHS and Government should fully implement the Five Year Forward View for Mental Health, and the Scottish Government, Welsh Government

and Northern Ireland Assembly should consider how best to prioritise mental health in line with local needs.

30. We recommend that the Government and NHS bodies enable and encourage IAPT and other mental health services to provide quick and convenient access to care to fit around employment.

31. We recommend that NHS bodies should provide clear ratings for apps and other digital platforms which provide mental health support.

32. We recommend that the responsibility for completing fit notes is extended to mental health professionals and Government considers how to further improve communication between health professionals, employees and employers where appropriate.

33. We recommend that Government and the NHS work to improve patient access to their personal health record, empowering employees to share their data and information with their employer when they wish to do so, where it can be done safely and securely, to support people to thrive in work.

Implementation and delivery

34. We recommend that Government invites leaders from a variety of organisations to join a Leadership Council to maintain the momentum built by this review.

35. We recommend that Government and other organisations should focus information, support and funding to support small and medium sized employers to implement the mental health core standards, and ensure the impact of this is evaluated.

36. We recommend that online platforms with large reach amongst self-employed workers link up with NHS-approved health and wellbeing support to provide mental health support and advice which can be accessed by those working through their technology.

37. We recommend that the relevant Government Departments explore ways of supporting and encouraging local networks, particularly through City Regions and combined authorities, to develop integrated approaches to improving workplace mental health.

38. Given the clear links between mental health and productivity, we invite 'Be the business' and similar initiatives to incorporate employee mental health in their tools and information.

39. We recommend that Government streamlines research and activity relating to workplace mental health to drive evidence-building and innovation, putting it at the heart of the 10 year research strategy.

40. We recommend that Government funded mental health campaigns include information and support for improving workplace mental health, and that where possible their impact is evaluated.

Throughout the review there are a number of other areas outside of these recommendations where we are calling for action or further progress to be made in order to achieve our vision for ten years' time. This is particularly the case in Chapter 6: The Importance of Transparency and Leadership, and Chapter 9: Implementation and Delivery.

Contents

❝ Employers have a huge positive role to play in improving the nations mental health and it also makes perfect business sense to keep our colleagues as mentally fit and productive as possible. I particularly welcome the fact that the review suggests practical steps that large and small businesses can take to start moving forward on this vital topic. ❞

Sir Ian Cheshire, Heads Together

1. Introductions and definitions

Our work has consisted of the following:

- We have drawn on the expertise of our **Leadership Panel** and **Expert Advisory Group**, to whom we are grateful for their insights and support throughout this review.

- We have held a series of meetings and workshops with **individuals with lived experience** of workplace mental health issues, who have shared with us their personal experiences – good and bad – and to whom we are extremely grateful for doing so.

- We have also consulted with over **200 employers** and stakeholders from across the voluntary, public and private sector. We have also tested our findings with regulators, professional bodies, health providers and trade unions. We are grateful to these employers for their insight and feedback.

- We have worked with **Deloitte**, who have produced an estimate of the total costs to business of mental ill health and poor wellbeing and the evidence for, and return on investment of, a range of interventions employers can make in order to demonstrate the business case for investment. Deloitte also supported the review by collecting examples of good practice internationally.

- Finally, we have had the privilege of working with an **outstanding team of Civil Servants**.

Introductions

As a result of decades of ignoring the problem, general understanding of mental health is limited. It is especially important therefore to be crystal clear about **definitions**.

First, **mental health** itself. By mental health we do not mean "mental ill health". We mean the mental health we all have, just as we all have physical health. The World Health Organisation defines good mental health as "A state of wellbeing in which every individual realises his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully and is able to make a contribution to her or his community."

This provokes the question as to what we mean by **poor mental health**. In this review we consider the full spectrum of poor mental health, from common mental health problems to more severe mental illnesses. One in four people in England have been diagnosed with a mental health condition in their lifetime. In 2014, one in six adults in England met the criteria for a common mental disorder in the past week. Of these, around half have more severe symptoms[8].

The prevalence of common mental health problems appears to have increased slightly over the last two decades[9], with the biggest rises in anxiety and depression, particularly among younger women and older men. Many individuals do not get diagnosed and of those who have a diagnosed mental health condition, some choose not to disclose it because of the perceived stigma or fear of potential consequences.

The scale of poor mental health in the population is significant, but it is very often preventable and recovery is possible for many people.

> **Everyone is somewhere on the mental health spectrum, so this is a business productivity issue which should be dealt with alongside other health and safety considerations. Creating a positive environment for mental health demonstrably costs less than failing to do so.**
>
> Nigel Carrington, University of the Arts London

Some key points of definition

And then there is the question of what we mean by **"mental health at work"**. In this Review we consider **any mental health problems at work** caused not just by work, but any mental health problems which are brought to, and experienced at, work. Most adults spend a significant proportion of their waking hours at work, so it is inevitably a setting where problems are often experienced. Employment can also have both a positive and negative impact on an individual's mental health.

The nature of work is changing and all workplaces are not the same. We have tried to ensure that our recommendations can be adopted regardless of the size or type of workplace. However, as the workplace and the workforce changes, so there is the need to do analysis to keep abreast of the implications of those changes, especially among small and medium-sized enterprises, the self-employed and those working in the gig economy.

In this context we should make clear that our review has been underpinned by the well-established academic evidence-base that **good work is good for mental health**[10], and we have considered the findings of the recent **Taylor Review of Modern Working Practices** in reaching our conclusions.

Good work consists of autonomy, fair pay, work life balance and opportunities for progression, and the absence of bullying and harassment. Good work can help prevent new mental health problems and support those with existing conditions to get on in work and thrive. We want all employers and employees to understand the benefits of good work, including those with mental health problems who may be off sick or out of work.

Finally, we should make plain **our approach** to analysing mental health at work. Our approach is to think of three phases that most of us go through at different points and between which we fluctuate during our lives. First, people who are at any point in time are **thriving**, second, people who are **struggling** and third, people who are **ill and possibly off work**. People with poor mental health including common mental health problems and severe mental illness can be in any of these groups. An individual can have a serious mental health problem but – with the right support – can still be thriving at work.
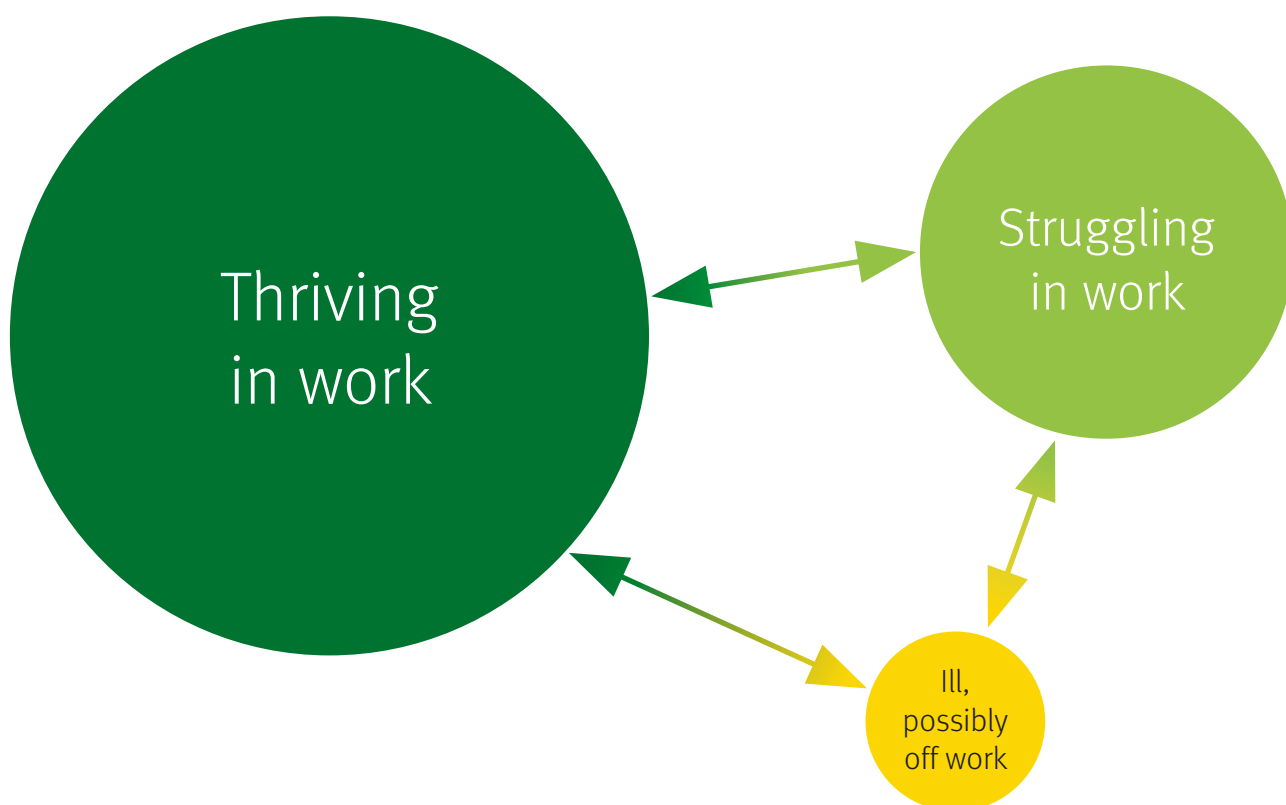
At any one time many employees will be thriving, but with frequent movement between thriving, struggling and those who are ill, and possibly off work.

Figure 1: Three phases people experience in work

There are two other important points of definition.

First, some individuals have mental health problems which have impacts that, in turn, prevent them from working. Whilst this is a vital group for improved support, we were asked to focus on those who are currently in work, including self-employment, for this review.

Second, it is important to acknowledge that for many people their mental health condition is not their only health problem. 71% of long term mental health conditions are present alongside other long term health conditions. One in four individuals with a long term mental health condition have 4 or more other long term health conditions, including musculoskeletal conditions, heart problems and chest or breathing problems[11]. Research has found that those with long term physical health conditions are two to three times more likely to experience poor mental health than the general population[12].

Whilst this review is focussed on workplace mental health, we should consider mental health alongside how employers can support employees with physical illnesses and disabilities and improve our understanding of how to support people with comorbidities to thrive in work.

> **I was diagnosed with Generalised Anxiety Disorder with a depressive episode, and whilst off work unwell it was really important to me that my manager kept in contact and gave me updates on what was going on at work as well as listened to me tell him how I was feeling in a caring and non-judgemental way. When I returned to work he agreed regular "check ins" to hear how I was settling back into work and if any adjustments were required. This helped build back my confidence in getting back to working efficiently.**

Steve Loft, formerly Transport for London

2. The facts

More people are in work with a mental health condition than ever before, but many individuals with mental health problems are struggling emotionally, off sick, less productive, or leaving employment. 300,000 people with a long term mental health condition leave employment every year, equivalent of the whole population of Newcastle or Belfast.

66 Presenteeism is particularly common in organisations where a culture of long working hours is the norm and where operational demands take precedence over employee wellbeing. Also, in periods of job insecurity, people may be more likely to go into work when they are ill, rather than take a day off sick, for fear their commitment to their job will be doubted. It is this culture and these fears that need to be addressed in order to reduce presenteeism at work. **99**

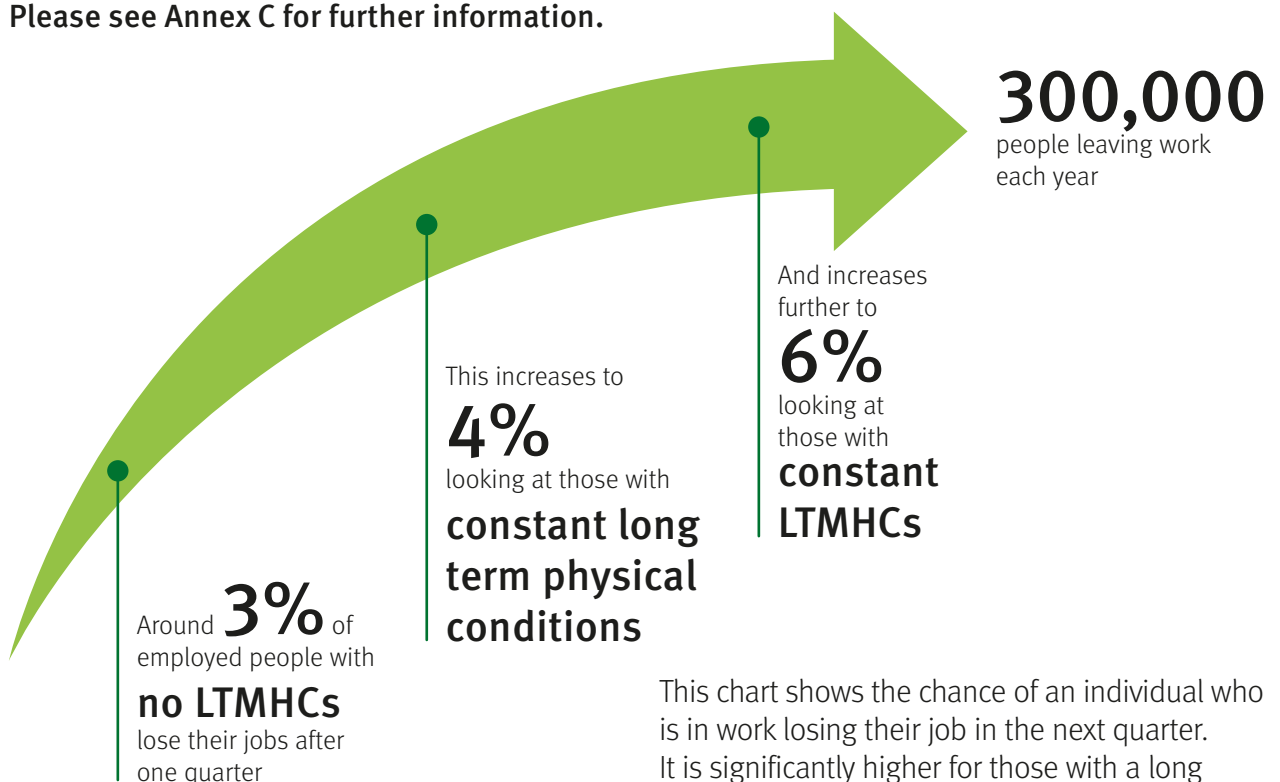Rachel Suff, Chartered Institute of Personnel and Development

The facts

We have been keen to introduce discipline into the analysis of the extent of mental health problems at work in an area where there is a lot of sweeping generalisation and anecdote. To this end with the help of the Government Economic Service we have conducted rigorous analysis on existing figures.

There is some good news. We know that individuals with a mental health condition can find it harder to find employment, but there are 1.5 million individuals in the UK with a diagnosed long-term mental health condition in work and the rate of employment has increased[13].

However, the bad news is that there are still major challenges around mental health at work:

- **Around 15% of those in work in England have symptoms of a mental health problem**[14].
- Individuals with long-term mental health conditions are still **far less likely to be in work** than those without any health conditions, or those with a physical health condition[15].
- Those with **psychotic conditions are less likely to be in work** than with common conditions such as anxiety or depression[16].
- Furthermore, our analysis has shown that those with a long-term mental health condition **lose their jobs every year at around double the rate** of those without a mental health condition and at a much higher rate than those with a physical health condition.
- **Finally it is perhaps most shocking that this equates to 300,000 people with a long-term mental health condition losing their jobs every year. This is the equivalent of the whole population of Newcastle or Belfast.**

Figure 2: Percentage of people leaving employment with no long-term mental health condition, a physical health condition and long-term mental health condition, per quarter. Please see Annex C for further information.

300,000
people leaving work each year

And increases further to
6%
looking at those with **constant LTMHCs**

This increases to
4%
looking at those with **constant long term physical conditions**

Around **3%** of employed people with **no LTMHCs** lose their jobs after one quarter

This chart shows the chance of an individual who is in work losing their job in the next quarter. It is significantly higher for those with a long term mental health condition than a physical health condition or no long-term mental health (LTMHC). Annex C provides more details

For employers, there are a number of ways in which which poor mental health can display itself. These are:

- **Sickness absence:** Mental health is one of the greatest causes of sickness absence in the UK. While the overall rate of sickness absence has fallen by 15%-20% since 2009, **absence due to mental health reasons in this period has actually risen by around 5%**[17]. People with a mental health condition are also three times more likely to have a long term period of sickness[18].
- **Presenteeism:** Presenteeism is defined as showing up to work when one is ill, resulting in a loss of productivity and sometimes making an individual's condition worse. Whilst the percentage of days off due to any type of illness is around 25% lower than a decade ago, **various studies suggest that presenteeism is increasing year on year.**
- **Limiting progression:** Across all businesses, there are still few managers, directors and senior officials declaring a long term mental health condition. Employees **tend to perceive that having a mental health condition could hamper their progression:** 35% of people think they would be less likely to get promoted if they had depression[19], resulting in a loss of diversity and skills throughout organisations.
- **Impact on wider workforce:** people not being supported with their mental health by their employers can have a **knock on effect on other members of teams/organisations if problems are left un-managed** e.g. if someone isn't supported with the right adjustments to stay in work, they may need to take time off, meaning other team members have increased workload. There are also turnover costs from the recruitment and training new employees when someone is off sick from work or leaves the organisation.

- Impact on employee turnover: An employee may leave their employer if they feel unable to continue at that organisation due to poor mental health or the impact of work on mental wellbeing. There will be costs to the employer of finding a new employee and making them fully effective.

Together, this accounts to a significant loss of productivity and human and economic costs.

3. The costs

The human costs of mental illness are clearly significant, and mental health problems caused or exacerbated by work can have knock-on impacts across an individual's home life, even where they appear to be coping at work. The economic costs to employers, directly to Government and to the economy as a whole are also far greater than we had anticipated.

66 While I was at work my mental health was constantly used against me, I feel that telling my department was the worst decision I made…if I complained about one of my classes or my workload I was immediately told my mental health was the problem. Whereas everyone else in the department was allowed to complain about this…. my mental health gave everyone a get-out clause.99

Michelle Cush, Teacher

The costs

The human costs

We know that poor mental health has a huge impact on an individual's life and those around them. Impacts can range from lack of sleep or panic attacks; difficulty in concentrating; and low confidence. This can lead to a downwards spiral, as an individual may withdraw from social situations and lose their support networks and structures at a time when they need them most.

The knock-on impact on family life and friends is also important here, with many people 'holding it together' at work, but then not being themselves at home. Poor mental health also means that individuals can find themselves less able to cope with elements of their personal lives such as relationship breakdown, problem finance and housing worries.

The ultimate human cost is loss of life through suicide. We know that rates of poor mental health and suicide are higher for employees in certain industries though clearly there are a number of factors which contribute to such trends. For example, suicide rates among men working in construction and decorating are more than 35% more likely to take their own lives, and female nurses are 24% more likely to commit suicide than the national average for women[20].

66 Pressures vary significantly across different industries. In the predominately male construction industry, rates of suicide are particularly high, specific pressures include physically hard work, cold and harsh working environments, low pay, long hours, time pressures, job-insecurity and a 'macho' culture. All of these things along with significant periods away from home can lead to feelings of isolation, loneliness and poor mental health. 99

Shaun Atkins, Willmott Dixon Construction

66 I know from first-hand experience what it can be like to suffer from depression and heightened anxiety and be afraid to speak out at work for fear of what others might think. This led in my case to having a complete breakdown, being off sick for 3 months and being in a psychiatric hospital for three weeks. I now know if I had got help earlier much of what I suffered could have been avoided. My experience even back then was that people at work were much more supportive than I expected after the crisis. Thankfully at Deloitte we have taken some really great steps over the last 10 years to get training in mental health awareness and prevention firmly on the agenda. 99
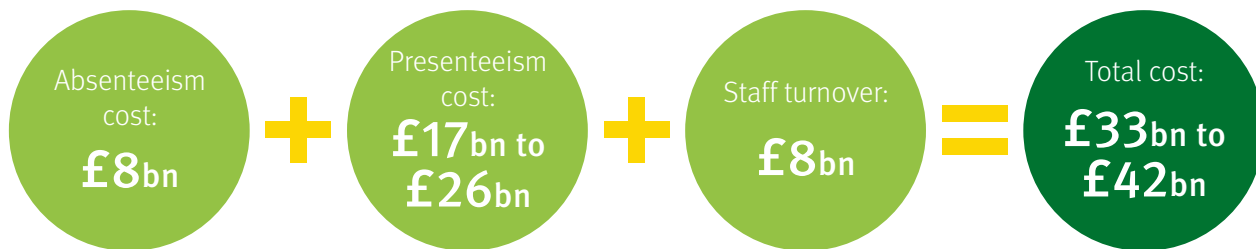
John Binns MBE, City Mental Health Alliance

Cost to Employers

Since 2003, the Centre for Mental Health has produced various analyses on the economic and social costs of mental health problems.

Deloitte have produced new analysis that not only considers the costs to employers of presenteeism, absenteeism and staff turnover due to mental health problems and for the first time this has also been broken down by industry. This analysis has been published separately and can be found at www.deloitte.co.uk/MentalHealthReview

Figure 3: Poor mental health costs employers between £33 billion and £42 billion a year[21].

This is made up of:

Absenteeism cost: **£8bn**

+

Presenteeism cost: **£17bn to £26bn**

+

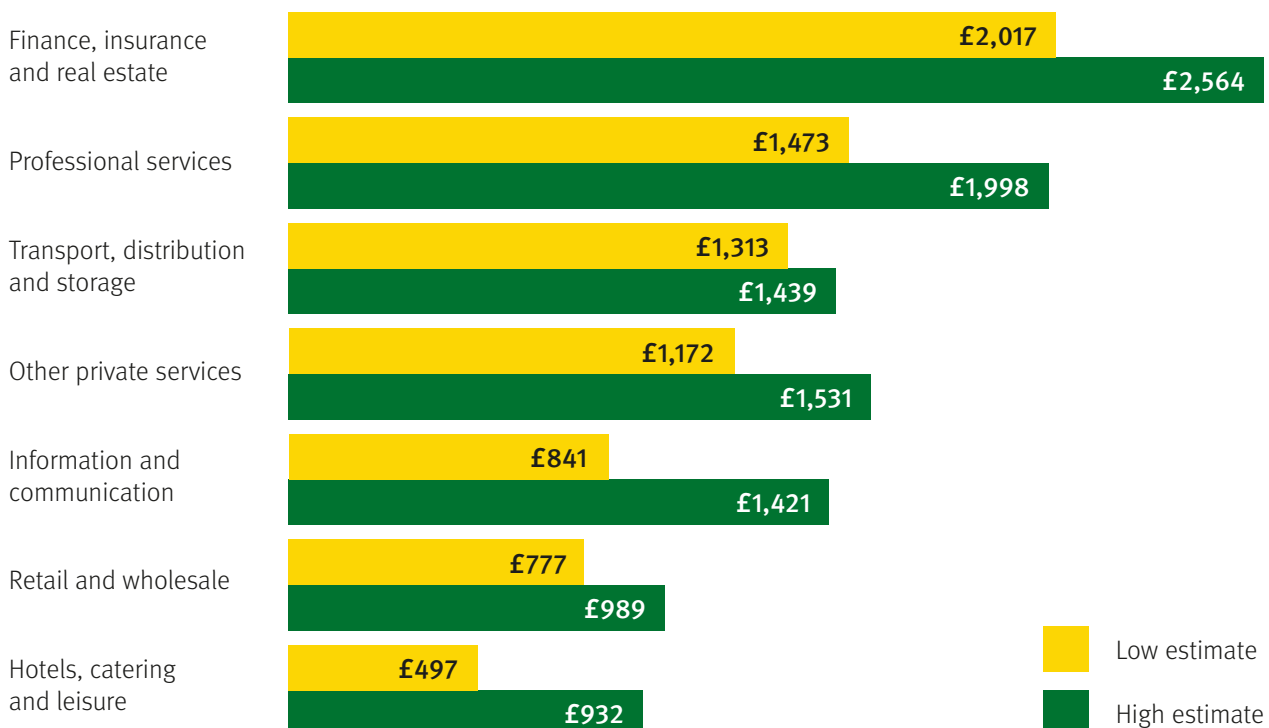Staff turnover: **£8bn**

=

Total cost: **£33bn to £42bn**

This amounts to a cost per employee of between £1,205 and £1,560 per year. This cost is for all employees, not just those who are ill.

These figures are higher than previous estimates but in line with other analysis, including from the Centre for Mental Health. We acknowledge that some of these costs will always exist and we acknowledge there is some uncertainty about the costs of presenteeism. However, even if we applied more conservative assumptions in particular to the calculation of presenteeism, the figures that emerge for the cost to employers are huge.

Figure 4: Private Sector mental ill health costs per employee

Average cost per employee: **£1,119 – £1,481**

Sector	Low estimate	High estimate
Finance, insurance and real estate	£2,017	£2,564
Professional services	£1,473	£1,998
Transport, distribution and storage	£1,313	£1,439
Other private services	£1,172	£1,531
Information and communication	£841	£1,421
Retail and wholesale	£777	£989
Hotels, catering and leisure	£497	£932

Low estimate
High estimate

The Deloitte report also looked at variation between sectors for the first time and found **the cost per employee varies significantly between sectors**. Figure 4 shows their estimates of the cost per employee in each sector for the low and high cost scenario. Industries such as finance and insurance have a much higher cost per individual per year (over £2,000 per employee per year) than the retail or leisure sectors (£500 to £1,000 per employee per year).
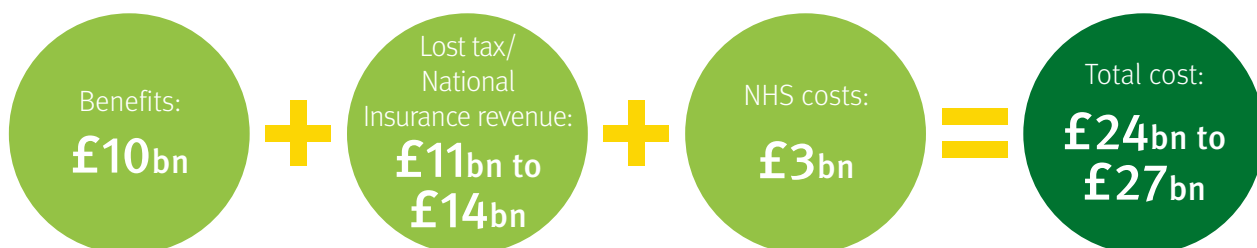
There are also higher costs per employee in the public sector (£1,551-£1,878 per year) than in the private sector as a whole (£1,119-£1,481 per year) so we will give additional focus to this workforce in chapter 7.

Deloitte also estimate a cost of around £1 billion per year of sickness absence to the self-employed. This presents unique challenges and we will consider self-employed later in this review.

Costs to Government

Figure 5: Cost of poor mental health to UK Government

Poor mental health at work costs Government between £24 billion and £27 billion per year[22].

Benefits:
£10bn

+

Lost tax/ National Insurance revenue:
£11bn to £14bn

+

NHS costs:
£3bn

=

Total cost:
£24bn to £27bn

The **direct cost to Government** is constituted of the cost of benefits paid to individuals who are out of work for mental health reasons, tax and national insurance foregone and additional cost to the NHS. The NHS costs are based on an estimate of mental health service usage among working age people out of work with mental health conditions.

Costs to the UK Economy

Figure 6: Cost of poor mental health to the UK economy

Poor mental health at work costs the UK economy between £74 billion and £99 billion per year[23].

Lost output:
£37bn to £52bn

+

Costs to employers/self employed:
£33bn to £43bn

+

NHS costs:
£3bn

=

Total cost:
£74bn to £99bn

The **wider cost to the economy** is an estimate of the extra output (goods and services) that could be created if there wasn't any working-age mental ill health, which prevented people from working or reduced their productivity in work. Here, we have also included the self-employed in the cost to employers. In addition it also includes a potential saving to the NHS as a result of reduced service usage because of improved mental health.

The cost to Government of welfare benefits and foregone tax revenue are not included in this estimate as this represents a transfer of money between different groups in society rather than a loss in output.

4. Green shoots: grounds for optimism

It could be argued that the substantial human and financial costs outlined in the previous chapter are the natural order of things. **In the same way that we all have physical health that fluctuates, we all have mental health that does the same.** Just as in any year a significant percentage of the workforce will develop flu or other illnesses, a certain level of people experiencing poor mental health is inevitable.

However, we are glad to report there are a number of reasons for believing that we can prevent more people from struggling with poor mental health at work; and reduce the impact of mental health problems on someone's ability to thrive in work.

66 I've been fortunate to have had very good experiences with three different employers regarding my bipolar disorder. These include two major city law firms and a local authority. In every case they dealt with me in a professional, supportive and careful way. I really could not fault them. **99**

Michelle Passfield, Marketing Professional
and Mental Health Advocate

Grounds for optimism

In recent years, there has been a growing emergence of work on workplace mental health, led by Business in the Community, the City Mental Health Alliance, Time to Change, Mental Health First Aid and Mind, amongst others.

Throughout this review we have observed increasing signs of good and successful practices emerging among the employers we have talked to. There are a growing number of companies large and small, who are demonstrating a tangible commitment to employee mental health, often championing their own policies and programmes, whilst engaging with industry and voluntary sector led benchmarking.

Deloitte conducted a systematic review of literature on the returns from investing in Mental Health in the workplace resulting in the inclusion of 23 high quality examples where investments were made in trying to improve mental health and where there was enough information to evaluate the impact. The return on investment of workplace mental health interventions is overwhelmingly positive. The average return per £1 spent was £4.20 (with a range of between 40p and £9), and this has been supported by international academic literature in the form of meta-studies[24].

As this review is going to press, the Lancet has also published findings from a study in the Australian Fire Service which found that a manager mental health training programme could lead to a significant reduction in work-related sickness absence, with an associated return on investment of £9.98 for each pound spent on such training.

The scale of the opportunity

If employers and Government work together to reduce the number of people who leave work with mental health problems to even the same rate as those with a physical health condition, this will prevent around 100,000 with a long term mental health condition leaving employment each year. This is entirely measureable and achievable, and will be a key way of determining success.

Other measures include identifying positive changes in the mental health of the UK population over time and measuring effective implementation of our mental health core standards throughout workplaces.

We understand that there will be challenges ahead, but we think there is a real opportunity here to become global leaders in workplace mental health.

> **I have really valued being supported through having sessions of Resilience Training. This has proved invaluable and has helped to address the potential work-related contributing factors that can lead to a bipolar episode, such as being overly sensitive when things 'go wrong', feeling I have to work even harder to make up for lost time, self-stigmatisation, and feelings of insecurity about the potential effects on my job security as a result of my mental health problems.**

Ian Callaghan, Rethink Mental Illness

5. Our recommendations for employers

Employers have told us they face a number of obstacles when trying to do more on mental health. Our review establishes a set of mental health "core standards" which we believe all organisations in the country should be capable of implementing – whether they are small, large, private, voluntary or public sector. We then outline a series of more ambitious mental health enhanced standards for employers who can and should do more to lead the way.

" I experienced depression and anxiety during a period of sick leave following a second requirement for major spinal surgery. The surgery, although lengthy and with its risk wasn't the concern I had, it was the fact that I wasn't going to be at work and wasn't sure how I would / could cope with that. I was able to be open and honest with my HR team and senior manager, discussing that I was feeling in a 'dark place' and getting anxious about being away for so long – my recovery time was anticipated at 12-16 weeks, which filled me with dread! In a short time frame, I was able to positively discuss what returning to work looked like for me – which with the agreement and support of the service allowed me to reduce my anxiety and allow me to have a more realistic and positive outlook for both physical and mental health recovery. My return to the service was 6 weeks on reduced hours / days. "
Jules Lockett, London Ambulance Service

Throughout the review, we have spoken to employees, line managers and employers about their role in supporting better workplace health and some of the challenges they face. We will start with summarising the key conclusions from this work.

Our key findings from these discussions are:

Many employers know they are missing opportunities to intervene early when employees are struggling, as the stigma of disclosing a mental health condition is still a significant barrier to employees seeking support.

Only **11%** of employees discussed a recent mental health problem with their line manager, and half of employees say they would not discuss mental health with their line manager[25].

> 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 that opportunities to support someone in the workplace are being missed, resulting in staff being off sick or falling out of the workplace altogether.

Emma Mamo, Mind

A significant number of employers are not currently very transparent about the mental health and wellbeing of their employees, and not many ensure that there is adequate accountability at a senior leadership level.
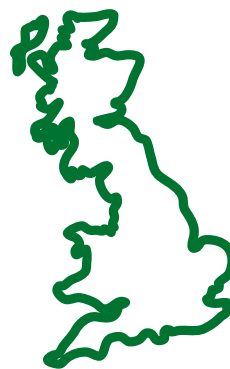
Only **11%** of the Top 100 companies inGreat Britain have disclosed information about their initiatives to support their employees' mental health in their annual reports[26].

> The need to address employee mental health is increasingly recognised in boardrooms, but there is more to do to ensure widespread and consistent reporting. We know that investors are demanding a clearer and more consistent way to understand how organisations are managing their most important asset – people.

Louise Aston, Wellbeing Director, Business in the Community

Many employers have a general lack of awareness of how to promote good mental health for all, support someone with a mental health condition and where to start looking for external support.

Overall, around **4 in 10 organisations** (39%) have policies or systems in place to **support** employees with common mental health[27].

66 So why is mental health at work still far from being widely accepted and understood? Take this example from our helpline, where one employer said of a member of their staff: "She hasn't got a disability as such, it's just the mental health issues". Irrespective of the diagnosis or correct definitions, perhaps the word "just" is the worst part of that sentence. 99

Adrian Wakeling, Advisory Conciliation Arbitration Service

Most employers are not regularly monitoring and assessing the mental health of their employees, either through organisation-wide employee surveys or ensuring all staff have regular conversations with a line manager or supervisor to check-in.

8 in 10 employers report no cases of employees **disclosing** a mental health condition[29].

66 Measuring well-being is beneficial in two broad ways. Firstly, the boards of companies can use the information from surveys to establish well-being leads and strategies, targeting those areas of staff well-being and engagement most in need. Secondly, for individual employees...feedback allows individuals to take positive action to improve their own health and well-being, driving up employee well-being as a whole. 99

Christian van Stolk, RAND

Employers want to do the right thing but line managers lack the training, skills or confidence required to effectively support others at a very basic level.

Only **24% of managers** have received some form of **training** on mental health at work[28].

66 We need to de-medicalize discussion around mental health because the most important factors are the preventative role of line managers and good people management. 99

Rachel Lewis, Affinity Health at Work, Kingston Business School

All of this leads to our key recommendation.

Figure 7: Employers can provide support for all employees to thrive, and more targeted and tailored support for those who may need it

Support for all employees to thrive

Targeted support for those who are struggling

Tailored support for those who are ill and possibly off work

Support for **every** employee, including those who may be thriving with a long term mental health condition

Support for **some** individuals who need support from their employer

---

Aviva has well-being strategy which incorporates health checks, nutritional advice, a wellbeing app, mental health support and income protection provided free to all staff. They have appointed a senior executive as mental health champion and heavily promoted to employees the benefits of opening up and seeking support. Line managers are being provided with training to help facilitate this.

❝ If the review generates an appetite for agreed standards of employment practice, shared across the wide range of stakeholders, that will be a significant step. ❞

Dame Carol Black

Introducing the mental health standards for employers

In light of the feedback received from a wide variety of employers, we feel confident in concluding that an increasing number of employers want to improve the mental health of their workplace but need help in doing so. Therefore, we have devised a common sense package of standards that we believe any employer in the UK could implement.

The mental health standards are built on a range of existing good practice and evidence, where it is available. We have reviewed a wide range of academic literature, guides and toolkits from organisations such as What Works Centre for Wellbeing, Mind, CIPD, NICE and Business in the Community. We have also considered conclusions from previous government reviews and data from a range of surveys which Government and other organisations have undertaken. Deloitte's review of international evidence[30] and return on investment analysis has also informed this work.

Introducing the mental health core standards

We believe all employers can and should:

1. **Produce, implement and communicate a mental health at work plan** that promotes good mental health of all employees and outlines the support available for those who may need it.

2. **Develop mental health awareness among employees** by making information, tools and support accessible.

3. **Encourage open conversations about mental health and the support available when employees are struggling,** during the recruitment process and at regular intervals throughout employment, offer appropriate workplace adjustments to employees who require them.

4. **Provide employees with good working conditions** and ensure they have a healthy work life balance and opportunities for development.

5. **Promote effective people management** to ensure all employees have a regular conversation about their health and well-being with their line manager, supervisor or organisational leader and train and support line managers and supervisors in effective management practices.

6. **Routinely monitor employee mental health and wellbeing** by understanding available data, talking to employees, and understanding risk factors.

Introducing the mental health enhanced standards

Our long term ambition is that many employers can and will go beyond our mental health core standards outlined above. We therefore recommend that public sector employers and the 3,500 private sector companies with more than 500 employees, deliver the following mental health enhanced standards. Together, this will ensure the core and enhanced standards reach around 46% of the working population[32] who work in these organisations.

We suggest these employers can and should:

1. **Increase transparency and accountability through internal and external reporting,** to include a leadership commitment and outline of the organisation's approach to mental health. (We will discuss this further in chapter 5.)

2. **Demonstrate accountability** by nominating a health and wellbeing lead at Board or Senior Leadership level, with clear reporting duties and responsibilities

3. **Improve the disclosure process** to encourage openness during recruitment and throughout, ensuring employees are aware of why the information is needed and make sure the right support is in place to facilitate a good employer response following disclosure

4. **Ensure provision of tailored in-house mental health support and signposting to clinical help**, including digital support, employer-purchased Occupational Health or Employee Assistance Programmes, or NHS services, amongst other sources of support.

Larger employers also have significant influence through their supply chains, customers and contractors, and can use this influence to encourage and support smaller employers to implement the mental health core standards, as well as sharing resources and knowledge.

Many smaller employers will also aspire to, or be able to implement, the enhanced standards.

South Liverpool Homes Housing Association has involved all staff in creating their mental health and well-being policy, which has now been built into the overall business approach and vision. Colleagues are offered the opportunity to meet with a life coach individually and are offered advice on helping to adopt a healthier attitude to life and work. Their package includes mentoring opportunities, a monthly focus on wellbeing which is integral to their people management approach – the first question that is asked at monthly one to ones is and "How is your wellbeing?"

66 **Talking about mental health at work can be hard. Sometimes it's easier to start the conversation by focusing on the practical factors that affect our mental health, rather than mental health itself. A quarter of employees are in a difficult financial situation, with debt and a lack of savings meaning a simple unexpected cost, like a broken down car, can cause real distress. Offering support or providing access to specialist help with issues like debt or money worries can have a huge impact on mental health – without necessarily having the same stigma attached.** 99

Money and Mental Health Policy Institute

The **Global Workforce Happiness Index**[31] is an annual study of workplace wellbeing. In 2016, Denmark, Norway, Sweden and Finland all scored in the top ten countries and there is a lot we can learn from this study:

- Work-life balance is an absolute priority and employers have strategies in place to ensure their people are achieving this. The average working week in Denmark, across industries and job roles, is 37 hours and overtime is actively discouraged.
- Employees are often elected to sit on a workplace wellbeing panel and play a vital role in promoting everything from healthy lifestyle habits and work-life balance, to improved nutrition and exercise.
- Employees in Nordic countries report feeling a sense of autonomy in their work, something that has long been associated with high job satisfaction.

Canada provides a structured framework for workplace mental health. Their framework, called 'the Standard' provides a comprehensive framework to help organisations of all types improve their workplace mental health offer to provide the best return on investment. The Mental Health Commission of Canada has developed a variety of resources to help organisations implement the Standard.

Further details about what the mental health core and enhanced standards involve, along with links to helpful organisations and resources, can be found at Annex A.

The mental health standards can be applied across very different workforces

We firmly believe these mental health standards are **doable for all employers and the self-employed**, and we will discuss communication channels and additional support in Chapter 10.

Some organisations with fewer than 500 employees will also want to go further and implement, or aspire to implement, the mental health enhanced standards too.

We acknowledge that **workforces are incredibly diverse**. It is vital that employers tailor the mental health core and enhanced standards to fit their organisational cultures and practices, and to meet employees' needs. Employers may wish to build the mental health core standards into a broader offer to employees to attract or retain employees, improve engagement or boost productivity – de-medicalising their mental health offer to ensure it is embedded throughout the organisation's structures and processes.

We also know that the **nature of work is changing**, with more people working remotely and more flexibly than ever before. It is vital that employers consider their full range of employees when implementing the mental health core standards, including those working part-time or on shift patterns, or those with additional needs or at a higher risk of stress or trauma. We are also aware that in some roles where developed vetting is required, having a mental health illness can preclude individuals from gaining work – this must be in minimal circumstances where based on legal or regulatory requirements, and reasons should be made clear to employees.

Most of the mental health core and enhanced standards can be implemented at little or no cost, but employers may choose to invest in interventions to support and build on these mental health core standards.

> There's a clear link between relationship satisfaction and job performance, with 25 per cent of employees surveyed telling Relate that stress at home adversely affects them at work. With one-in-five UK adults in a distressed relationship, the impact on productivity is likely to be significant. Not everyone will deal with relationship distress such as bereavement or divorce in the same way – for some, work might prove a welcome distraction. Others may find it difficult to concentrate. However, people are inclined to cope, knowing that someone is there to talk to if it all gets too much can make a big difference.
>
> It's good to see employers doing more to invest in the wellbeing of their staff by offering individual counselling as part of Employee Assistance Programmes (EAPs) but we're calling on calling on employers to make relationship counselling available to employees and their partners as part of EAPs. Of course, the quality of our relationships at home is also influenced by stress at work, so offering flexible working and not expecting employees to work unreasonably long hours will also make a big difference.

Chris Sherwood, Relate

The mental health standards can and should support all employees and managers

Much of 'what works' to support all employees to thrive can be effectively applied to individuals with **serious illnesses**. If appropriate measures are put in place from day one, and there is culture and environment where both employee and employer can be open to discussing potential challenges and options, this can reduce fears for both the employee and employer.

We have spoken to employers who shared concerns that employees might feign mental health problems as an excuse for poor attendance or low productivity. We believe that this can be addressed through ensuring that line managers are well trained to have practical and engaging conversations with employees, and create a culture where working with a mental health problem is supported.

Our hope is that he mental health core standards will encourage awareness and training amongst those who might find it difficult, but also put in place wider structures and processes which encourage managers to develop skills and understanding of mental health whilst providing alternatives sources of support for employees.

Employers should also recognise that their role goes beyond what happens in the workplace as technology and other factors increasingly blur the line between work and home life. Flexible working can benefit all employees, including those with caring responsibilities. Employers can also play a more significant role in supporting employees through major life events which may include bereavement, problem debt, and relationship breakdown, which can cause or exacerbate mental health conditions.

6. The importance of transparency and leadership

We believe increasing employer transparency presents the biggest opportunity to encourage a greater breadth and depth of employer action on mental health, and strong leadership is vital to ensuring this change is felt throughout organisations. Throughout this review, we have heard from employers where change has been driven by organisational leaders opening up about their own experiences or those of family or friends. We have heard from a number of inspirational leaders, including Sue Owen at the Department of Digital, Culture, Media and Sport, who by sharing her own problems with mental health was able to encourage employees to be open about their own experiences.

Nigel Wilson, Chief Executive of Legal & General, has also shown impressive leadership of the Not a Red Card Offence campaign which aims to reduce the stigma of mental health problems throughout the organisation. We need to encourage this leadership throughout different workplaces.

> **In my experience there is a strong correlation between the authenticity of an organisation's support and commitment and the willingness of staff to speak up. This is governed by how supported individuals feel and how visible, active and credible their most senior leaders are on this front.**
>
> Jeremy Heywood, Cabinet Secretary

Internal Transparency

Employers can improve internal transparency by adopting our mental health "core standards", in discussion with their employees. It is vital that employees can help steer initiatives to ensure that the mental health core standards are adopted in a way that meets the particular interests and needs in that organisation.

Employers can also be transparent internally about the impact of any initiatives or support. Employers can measure employee mental health and well-being through surveys and mood trackers. Organisations can report on findings internally in order to encourage discussion throughout the organisation and increase accountability of the organisation to employees for delivering against the mental health core or enhanced standards.

❝ In many sports a Red Card is the ultimate punishment for bad or inappropriate behaviour. We're using its symbolism to help lift the mental health taboo and encourage more conversations in the workplace about mental health. It's OK to have a mental health problem, just like it's OK to have a physical health problem. We talk about physical health so why don't we talk about mental health? ❞

Not a Red Card Offence campaign, Legal and General

❝ At Thames Water the Board of Directors are accountable for staff wellbeing. Its Executive Team review company absence figures and trends and for all work related illness cases an Executive review is undertaken triggering conversations with local managers about each case. Occupational Health are brought in to find the cause of illness and to learn from every individual case what the issues are, crafting solutions to support each individual and promote any wider business learning. ❞

Thames Water

External transparency

We believe greater public transparency will create a sense of competition between employers, promoting success and driving and maintaining cultural change. Yet according to data gathered by Business in the Community, only 11% of the Top 100 companies in Great Britain have disclosed information about their initiatives to support their employees' mental health in their annual reports[34]. This needs to change.

First, employers can signal commitment to mental health through publicly committing to delivering the mental health core and enhanced standards to protect and improve the mental health of their employees.

All employers can also publicly commit to mental health by signing a pledge, or publishing a statement or plan. Thousands of employers have worked with Time to Change and Mindful Employer over the last 15 years.

There are already various platforms in place to encourage public sector organisations to signal commitment on mental health, and private sector organisations are encouraged to commit to various social, ethical or environmental priorities through legislation and guidance. In chapter 4, we recommended public sector employers and the 3,500 private sector companies with more than 500 employees report externally on their work to improve workplace mental health. **We recommend that the Government considers amending legislation and guidance, including the Companies Act, to encourage employers to report on workplace mental health on their website or other channels.**

Employer action on mental health is intrinsically measurable. Employers can track a number of measurements including sickness absence; staff survey results; take up of Employee Assistance Programmes or Occupational Health Services; and disclosure rates. On certain measures, we would expect numbers to rise initially as people become more confident in discussing their mental health and aware of the support on offer to them.

Increased transparency will go a long way to generating a culture of measurement and will enable the development of voluntary ranking schemes to help drive accountability and further improvement. **We welcome the adoption of workplace mental health indicators in employer rating initiatives.**

As employers implement the mental health core and enhanced standards, bench-marking exercises provide an opportunity to test the impact and effectiveness of their support and highlight areas of opportunity to do more. Benchmarking programmes exist to evaluate employer performance on mental health through key wellbeing performance indicators, employee surveys and external assessment. Top performers are publicaly recognised and their good practice promoted to other employers. Two examples of benchmarking include:

- **Mind's 'Workplace Wellbeing Index'**[35], which uses an employer and staff survey to assess an employer's current policy and practice. The higher tiers of this assessment include staff interviews carried out by a Mind consultant to gather qualitative feedback to be integrated into a comprehensive report.

- **Vitality's 'Britain's Healthiest Workplace'**[36] which requires employees to fill in an online survey about their general health, lifestyle behaviours, mental health status and their work environment. High performing organisations receive awards.

> **Where mental health and wellbeing sits is less relevant than whether or not it reports to or has exposure to the Chief Executive & Board of Directors. In high risk industries, injury and safety are a Board and instead of, it should be the same for health and illness. It is a multidisciplinary matter that should be owned by the whole organisation, be reflective in People Management Policies and be at the forefront of business decision making.**

Karl Simmons, Head of Health, Safety, Security & Wellbeing, Thames Water

> **The biggest problem is the absence of reliable data or an accepted common definition of mental health. This makes it difficult for businesses to assess the workplace mental health, understand their responsibilities and benchmark the level of support they should put in place.**

Nigel Carrington, University of the Arts London.

Since 2014, RBS has taken a holistic Bankwide approach to wellbeing focusing on mental, physical and social wellbeing. The Banks initiatives have gained traction across the organisation, leading to an 8% increase in their wellbeing index (part of the annual employee survey) in 2015, with the score having been maintained in 2016 and a further increase of 4% in September 2017. They have seen a significant increase in the number of employees accessing support such as their Employee Assistance Programme (EAP), mindfulness toolkits and health checks.

7. External support for employers and the role of regulators

Employers do not need to carry all the burden, we are also calling on industry groups - trade unions, professional bodies and accrediting organisations to help implement the mental health core and enhanced standards. We also recommend that regulators, including the Health and Safety Executive and Local Authorities, develop their approach to mental health.

❝ Practical solutions are often best derived through engagement between employers and employees or their representatives. Mutually agreed solutions offer greater chance of buy in and sustainability.❞

Sir Brendan Barber, Chair of ACAS

Industry groups and trade unions

Many employees are members of trade unions or professional bodies. Trade Unions have a significant interest in supporting the mental health of their employees, and many Trade Unions are developing their offer on mental health. Likewise, we have heard from professional bodies who are providing tools and information on mental health to their members. We welcome this engagement and would encourage trade unions and professional bodies to support implementation of the mental health core and enhanced standards, and help to join up information and support for their members.

Industry groups also have a crucial role to play to help facilitate the adoption of our mental health core standards amongst employers. Many of these organisations are already starting to champion change and disseminate good practise on mental health, such as the Institute of Directors, Federation of Small Businesses and EEF: The Manufacturer's Organisation. **We recommend that industry groups provide guidance and support to enable employers to implement the mental health core standards, and take steps to support increased employer transparency and accountability on workplace mental health.**

Professional bodies and accrediting organisations

Many employees are required to register and maintain professional accreditations, and professional bodies that register or accredit qualifications **promote the mental health and wellbeing of their members.** There are 3,500 such organisations, ranging from the Royal Medical Colleges to the Association of Plumbing and Heating Contractors to the Federation of Master Builders. Some of these organisations will directly award or accredit qualifications that are required to practice in a certain field, such as the Association of Chartered Certified Accountants . Training bodies, including City and Guilds and Business Schools, also

have incredible opportunities to include mental health awareness and training in their courses. **We recommend that professional bodies with responsibility for training or accrediting professional qualifications include workplace mental health in training programmes and assessments.**

Mates in Mind is an initiative established in 2016 in support of the construction industry's desire to improve the mental wellbeing of its workforce. Supported by the British Safety Council and the Health in Construction Leadership Group, it delivers tailored, targeted training programmes which encourages workers to be aware of their own and their colleagues' mental health.

This initiative is working collaboratively through supply chains to support SMEs and aims to reach 100,000 workers in its first year.

Occupational Health Providers, Employee Assistance Programmes and Insurance

Employers can buy in products and services to support the mental health of their employees, whether they are in work or off sick. Products include Employee Assistance Programmes and Occupational Health provision. These products and services can be effective if properly utilised, but many employees have told us that they are unclear about what is on offer for mental health from such providers. There also seems to be significant variation in the quality of services and the evidence base for support, leading to some scepticism amongst employers.

There is also a role for providers of these products and services in helping to deliver the mental health core and enhanced standards. We have heard from some SMEs that they struggle to access such provision due to the costs involved or they do not know what to buy to best support their employees. **We would welcome industry efforts to support employers to be able to**

better understand and compare Employment Assistance Programmes and Occupational Health services by developing standards, and by developing online comparison tools.

Employers are able to buy insurance products to help support the mental health of their employees, including private medical insurance, health cash plans and Group Income Protection. Many insurance products provide early support for mental health conditions for individuals who are still working and those who are off sick to help them recover and return to work. They also often qualify for corporation tax relief, providing a financial incentive for employers to procure the policies.

If employers prioritise the mental health of their employees, this should reduce the risks for insurers. Insurers discount premiums based on safety measures or other efforts, such as burglar alarms which can reduce home insurance premiums. **We recommend that insurers explore how they could support and reward employers, in particular SMEs, who adopt preventative policies and provide mental health support to their employees.**

Workplace regulators

Regulators have an important role to play in encouraging employers to effectively implement the mental health core and enhanced standards. There are over 70 regulators in the UK which either directly regulate a workforce, such as the Nursing and Midwifery Council, or regulate sectors which employ a large number of people such as the Financial Conduct Authority. These regulators can and should be doing more to drive up employer standards on workforce mental health. **We recommend that workplace regulators use the most suitable regulatory approaches available to them to encourage the take up of the mental health core standards amongst employers.**

Public sector regulators will also help the Government lead the charge in transforming standards of mental health and wellbeing in the public sector workforce. We will go on to describe this further in Chapter 6.

The Health and Safety Executive and Local Authorities

❝ In many workplaces, safety is managed as a separate process, largely disconnected from the business imperatives of production and profit. However, health and safety is not a process in its own right but an outcome of business decisions, strategy, culture and performance. ❞

Mathew Nelson, Ernst and Young

The Health and Safety Executive is the national regulator in England, Scotland and Wales for work-related health and safety. The 'Management of Health and Safety at Work Regulations 1999', require all employers to conduct a risk assessment to identify and capture any hazards in their workplace, including risks to physical and mental health and safety.

However, we have found that too often employers only focus on the risks to physical health and safety in the workplace. This should not be the case, and there is no such limitation in the Health and Safety at Work Act. Employers should risk assess and manage work-related mental ill-health in the same way as they would for work-related physical ill-health. **We recommend that the Health and Safety Executive revise its guidance to raise employer awareness of their duty to assess and manage work-related mental ill-health.**

HSE has developed the 'Management Standards' for work related stress which cover six key areas that, if not properly managed, can be the primary sources of stress at work. Whilst this is a first step, this can encourage employers to take a narrow approach to workplace mental health. Employees with mental health problems can present or face particular risks in the workplace, whether or not their condition was caused by or brought to work.
HSE's guidance could provide a more holistic

approach that helps support employers to protect and enhance the mental health of their workforce. **We recommend that the Health and Safety Executive builds on its risk assessment guidance and Management Standards approach by highlighting how these actions will help employers deliver key parts of the mental health core standards.**

When an employer has a high rate of safety incidents, this can trigger inspections. HSE inspectors will visit organisations to examine the arrangements in place for assessing and controlling risks from work-related pressures or other health and safety at work issues. **The Health and Safety Executive should increase the focus on workplace mental health and safety during its inspections.**

Whilst regulation of comparatively higher risk workplaces is the responsibility of HSE, lower risk activities and premises are regulated by Local Authorities or the relevant sector regulator. HSE and Local Authority inspectors have the same regulatory powers and are governed by the same guidance. Local Authorities can also undertake a whole range of interventions such as awareness raising and advice visits and may also undertake initiatives as part of their wider responsibilities to promote public health. **We recommend that Local Authorities adopt the same recommendations as the Health and Safety Executive throughout its guidance and practices, and ensure join up between its public health and health and safety enforcement roles.**

Germany's 'Psyche' Work Programme is a nationally-led programme, in partnership with insurance companies to reduce work related mental ill-health. This programme will aim to ensure that 6000 labour inspectors are qualified in psychological stress and strain at work and can conduct reviews of workplace mental health. These reviews will consider factors including how an employer assesses the mental health of their employees and the risk of facing trauma.

8. Our recommendations for the public sector

We will set out opportunities for the public sector to lead the way to implement our recommendations, innovate and build the evidence base. Within the public sector, we have proposed specific areas of focus for the 3 largest public employers: the NHS, Education and the Civil Service.

Particular focus must be given to areas of the public sector at highest risk of stress and trauma, and establish clear accountability for protecting their mental health and we hope that the mental health core and enhanced standards can be effectively implemented to benefit all public sector employees.

Delivering the mental health core and enhanced standards

The Prime Minister asked us to make recommendations on how to improve mental health at work. The obvious place for the Prime Minister to start, is of course, the entirety of the public sector.

The public sector has the potential to have a very powerful impact, since it employs 17% of those in work, equating to 5.4 million people in the UK[37]. The public sector is very diverse and there is significant variation in the type of jobs people are doing.

Sickness absence rates are higher in the public sector compared with the private sector[i]. Deloitte's analysis estimates that the cost per employee of mental ill health is higher in the public sector (£1,551-£1,878 per year) than the private sector (£1,119-£1,481 per year). Within the health sector these costs are even higher, potentially more than £2,000 per employee per year.

Public Sector mental health costs per employer
Average cost per employee:
£1,551 – £1,877
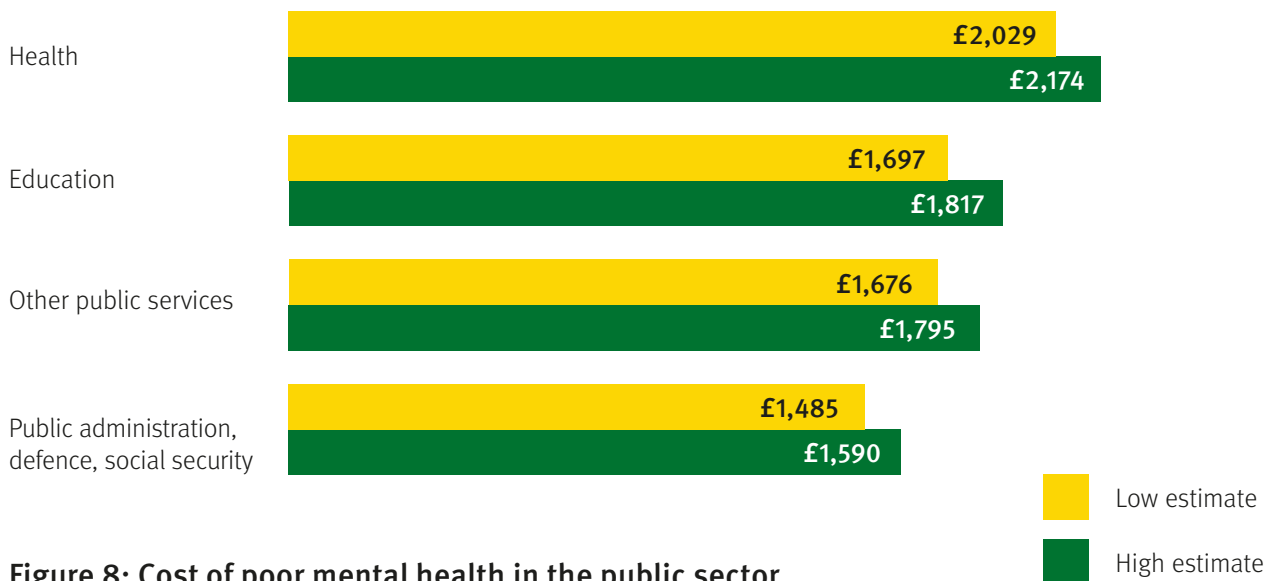
Figure 8: Cost of poor mental health in the public sector

In total, poor workplace mental health costs public sector employers between £8 and £10 billion per year.

We recommend that all public sector workforces should implement the mental health core and enhanced standards.

The standards will need to be tailored to fit organisational cultures and practices, as well as employee needs. Implementation will require prioritisation and leadership across the public sector and can be encouraged through increased internal and external transparency. Many changes can be made at little or no cost, but small amounts of investment may be required to accelerate this change across the public sector.

We suggest that three other changes could be made to ensure smooth implementation:

We recommend that all Permanent Secretaries, Chief Executives and equivalent senior leaders across the public sector, have a performance objective to support the mental wellbeing of all employees, through the implementation of the core and enhanced standards. Performance reviews can consider a range of measurements, which may include sickness absence; staff survey results; take up of Employee Assistance Programmes or Occupational Health Services; and disclosure rates.

Commitments should be reflected in Single Departmental Plans and similar assurance processes to hold Public Sector Employers to account for delivering the mental health core and enhanced standards. At present many public sector regulators consider the mental health of service users but not employees. We believe the mental health of employees should be considered by public sector regulators. This should be done a way which encourages honest feedback from employees, without fear of this impacting assessment scores or ratings on service delivery. We recommend that public sector regulatory bodies, who are regularly in contact with public sector employees, include the employer's approach to employee mental health in their assessments.

> The **Environment Agency**'s 'Healthy Minds programme' aims to create a positive, safe environment, helping staff break down any barriers and talk without fear of stigma; by providing tools, techniques and information on how to spot emotional distress and access appropriate support.

Leadership in the three largest areas of the public sector

Through the study of public sector practice through this review, we have identified significant variation in practice across different workforces. We have made specific observations and recommendations regarding the three largest areas of the public sector, choosing to focus our energies on these areas whilst of course acknowledging that all public sector staff need to be appropriately supported to thrive at work.

The three largest areas of the public sector[38] are:

- NHS – employing 1.62 million people
- Education – employing 1.52 million people
- Civil Service – employing 420,000 people

There is a range of good practice being developed in these workforces and we invite employers in these areas to continue to develop and innovate, and share their evidence with other public sector employers.

2016 NHS Staff Survey found that 37% of NHS employees had experienced work related stress[39] and this has remained constant over the last few years. NHS England is introducing their Healthy Workplace programme that has the overall objective to improve the health and wellbeing of NHS employees, including through stress audits and improving access to counselling. NHS Employers has also produced an Emotional Wellbeing Toolkit which provides resources on developing a mentally healthy workforce. Health Education England also recently published 'Stepping forward to 2020/21' which committed to set an exemplar in creating a mentally healthy workplace and increasing board-level accountability for workplace mental health. **We recommend that NHS England replace with continues to develop its current offer on mental health in the Healthy Workforce Programme and other on-going initiatives, and look to ensure that every NHS Trust arms all NHS employees with basic tools for prevention and self-care.**

In the 'Education and Support Partnership's latest Health Survey, 75% of people working in education staff reporting suffering from stress in the last 2 years[40].Lack of flexibility and unacceptable workloads have been identified by teachers and teaching unions as significant factors for poor mental health in

the profession, as have constantly changing processes, and continuous pressure to improve performance. We have found that the majority of support for governors and teachers is available through the various teachers unions and the voluntary sector. The Department for Education recently published its action plan to reduce teacher workload and Ofsted also have a role to play in taking account of the mental health of teachers in its inspections and processes. **We recommend that the Department for Education implement the commitments in the published workload action plan and consider how teacher mental health can be incorporated into school mental health strategies, including the upcoming Children and Young People's Mental Health Green Paper.**

The approach in the Civil Service is supported by the 'Five Strategic Priorities for Health and Well-being (2017-2020)' to which every department within the Civil Service has signed up to. There is a core offer to all civil servants which includes access to support through Employee Assistance Programmes, Occupational Health, counselling and talking therapies. However, there is variation in terms of how widely and effectively this offer is promoted across the Civil Service. **We recommend that, in addition to its existing initiatives to train senior leaders and coaches in mental wellbeing, the Civil Service reviews and enhances mental health training for all grades and ensures all Departments have a planned approach to ensuring employees have received training appropriate for their role.**

There are other significant areas of the public sector workforce, including in the Devolved Administrations and Local Government, who are developing offers to support the mental health of their employees. We welcome this leadership and invite public sector employers to work together to build and share good practice and evidence of what works**.**

Employees at **Ark Conway Academy** have time set aside for wellbeing and the culture encourages staff to discuss mental health openly, including during dedicated weekly staff meetings where staff can discuss how they are feeling and the strategies they are taking to sustain a positive wellbeing. Staff also receive peer to peer support, regular check-ins, have access to an Employee Assistance Programme and effective and compassionate people management processes.

Areas of the public sector at higher risk of stress or trauma

We know that some public sector roles, such as those in the Armed Forces, emergency services, social workers and prison officers carry a significant degree risk of developing or exacerbating mental health problems. For example, a survey in 2015 of members of the Prison Officer Association[41] found that 49.9% of individuals felt stressed from work. Employees in these roles require more targeted help and clear accountability from responsible departments, and we support work including the Police Welfare Fund which is investing in support for employees which may be at higher risk of mental health problems. **We recommend that public sector employers should identify employees at higher risk of stress or trauma and produce a national framework which coordinates support for these employees and establishes clear accountability for their mental health.**

9. Our recommendations for government

We have a significant opportunity to become a global leader in improving the mental health of our population and Government has a vital role to play in encouraging and facilitating change. Government should consider doing more to make this simple for employers, through an online information platform and joining up existing support aimed at employees and employers.

Government should look at incentivising employers to prioritise workplace mental health, including using Government procurement to encourage take up of the mental health core and enhanced standards. Legislative changes should be considered to enhance protections for people with mental health problems in employment, and to make Statutory Sick Pay more flexible. Finally, we recognise the crucial role of the NHS in supporting people and it is vital that Government and NHS bodies continue their work to put mental health on a par with physical health.

Streamlining information and financial support

Employers are able to access a wealth of information from Government, private providers and the voluntary sector on workplace mental health. However, employers have told us this is fragmented and confusing, and often they do not know where to start or who to trust. From Government alone, online advice and support tools are available from NHS and public health organisations in each nation (including Public Health England, Northern Ireland's Public Health Agency, Public Health Wales and Health Protection Scotland); work and health organisations (including the Scottish Centre for Healthy Working Lives and the Joint Work and Health Unit)l; Business in the Community; the Health and Safety Executive, and programmes part-funded by Government including Time to Change and the What Works Centre for Wellbeing. **We recommend the formation of a mental health online information platform, co-produced by the voluntary, public and private sector, to promote best practice and enable employers of all sizes to implement the mental health core and enhanced standards.**

Government offers support to employees and employers to help employees remain in work and return to work after a period of sickness absence. These include the Access to Work Scheme, Fit for Work Service (which both operate in some form across England, Scotland and Wales), and locally led support available through IAPT services, amongst others. However, we found that the mental health offer from these support programmes to be disjointed and not well utilised, particularly by SMEs. **We recommend that Government aligns the fragmented occupational health and practical support available currently from Access to Work, the Fit for Work Service and other NHS services to create an integrated in-work support service to better support the needs of those with mental illness, and other physical health conditions and disabilities,** and other physical health conditions and disabilities.

Australia's Mentally Healthy Workplace Alliance brings together a large number of stakeholders and provides a significant resources and advice for employees, line managers, employers and employer organisations. This has enabled employers to implement a number of workplace interventions, examples of which include providing access to a company doctor and an Employee Assistance Programme and a range of mental health training for all staff. There is also specific guidance and advice to help small business to create a mentally healthy workplace.

Incentivising employers

All employers can and should adopt the mental health core standards in order to protect and improve the mental health of all employees. However, even with the sound business case for prioritising workplace mental health and access to support, some employers may need further encouragement.

The tax system already encourages employers to invest in employee mental health, through exemptions or reductions for training and other provision. Yet awareness of these exemptions are poor and take up is low. **We recommend Government protects and promotes the current tax relief for employers to invest in the mental health of their employees.**

The review has found that workplace initiatives can have wider benefits to Government and society. We have also heard that small employers may respond to financial incentives though further evidence would be required to support such a change. **We recommend Government explores the potential to incentivise employers, especially SMEs, to implement the mental health core standards, including building on evidence from the West Midlands 'wellbeing premium' trial.**

Some people will ask why we have not suggested going further on incentivising employers to prioritise workplace mental health during this review. There are two main reasons: we believe the business case is strong enough for many employers who want to do more to support the mental health of their employees, but just do not know where to start. It is also our belief that the core and enhanced standards will provide the basis for new measurement and transparency initiatives, which in turn will help to develop the evidence base for what is most effective. We welcome further consideration of financial or other incentives in the future, and adopting our standards could form one part of the employer requirements.

Public procurement

Public sector procurement was worth £277 billion of UK central government spend in 2016/17[42], and £45 billion of local government spend in England in 2014[43]. There is already a precedent for ethical and social priorities to be included in public sector procurement models, including the purchase of environmentally sustainable products and encouraging the recruitment of disabled people. We believe this purchasing power should be used to positively influence the behaviour of suppliers and their supply chain to support and improve workplace mental health.

The Crown Commercial Service is responsible for the legal framework for public sector procurement and can encourage public bodies to disseminate good practice through their supply chains and hold organisations to account through contracts. **We recommend that public bodies encourage their suppliers to implement the mental health core standards.**

The role of legislation

Too many people experience discrimination on the grounds of mental health in the workplace, and employers often go unpunished for not taking appropriate action.

Government should look to set clearer expectations of employers, who tell us they often do not feel clear on their minimum legal and regulatory responsibilities when it comes to mental health, nor confident in fulfilling these responsibilities. This should start with clarifying the legal provisions through the Equality Act 2010 (the relevant equalities legislation in England, Scotland and Wales). This legislaton does not provide sufficient protections for individuals with fluctuating mental health conditions, and does not give employers clear accountability for providing reasonable adjustments. **We recommend that Government consider legislative change to enhance protections for employees with mental health conditions, particularly fluctuating mental health conditions and clarify the role of employers in providing reasonable adjustments.**

The rate of workplace discrimination on the grounds of mental ill-health is significant, and some employers are not doing enough to end discriminatory practices. The Equality and Human Rights Commission monitors and enforces equality legislation in England Scotland and Wales, and can take enforcement action in respect to workplace mental health discrimination. **We recommend that the Equality and Human Rights Commission considers taking a more proactive role in monitoring and taking enforcement action against employers that discriminate against individuals on the grounds of mental health.**

Unfortunately there will still be employers who will deliberately choose not to fulfil their duties under equality and employment law. As it stands it is too easy for employers to escape punishment, with the enforcement powers of the Equality and Human Rights Commission or the threat of an employment tribunal often not a strong enough deterrent. **We recommend that Government examines what more it can do to require employer compliance with existing equality and employment laws.**

Current Statutory Sick Pay arrangements don't respond to the reality of returning to work after a period of absence due to mental health problems. Many people returning to work find it easier to manage the transition through a phased return – working reduced hours or fewer days for a period of time. International evidence suggests that a more flexible approach to sick pay can have a positive effect, and evidence from Finland shows that promoting partial returns to work has proved successful in reducing the time before an employee returns to their normal duties. Alongside retaining the current Statutory Sick Pay system for people who are unable to work, **we recommend that Government develops a new flexible model for Statutory Sick Pay to better support those with a mental health condition, where willing and able, to return to work on a voluntary phased return and receive wages and SSP on a pro-rata basis.**

The role of the NHS

Only three quarters of people with mental health problems receive any support[44]. Among those who do receive care, too few have access to the full range of evidence based interventions. Government and NHS bodies need to continue their work to put mental health on a par with physical health. Mental health problems will always exist and we still need improvement in the access to, and quality of, clinical care available through the NHS.

There is a large variation in access and waiting times for NHS mental health services, particularly those requiring treatment for severe conditions. The longer it takes for people to access the treatment they need the longer they may be 'struggling' in work, or be off work. We know that across the UK, plans such as Together for Mental Health in Wales, are being implemented to ensure that people can access the support they need. **In England, the NHS and Government should fully implement the Five Year Forward View for Mental Health, and the Scottish Government, Welsh Government and Northern Ireland Assembly should consider how best to prioritise mental health in line with local needs, and their specific mental health plans.** There has been a significant expansion in access to psychological therapies following the introduction of the national Improving Access to Psychological Therapies (IAPT) programme in England, and we support the expansion of employment support supervisors in IAPT services. However, there is a significant variation in waiting times to access IAPT[45] services and individuals cannot always access services near their place of work, meaning they may need to take time off work to access the treatment they need. **We recommend that the Government and NHS bodies enable and encourage IAPT and other mental health services to provide quick and convenient access to care to fit around employment.**

Individuals need clearer advice on using appropriate digital support, which has the potential to provide low cost, scalable support for employees. We have found that individuals and employers do not have a clear idea of whether available technology is effective, and some individuals are using digital support that does not have strong clinical evidence. **We recommend that NHS bodies should provide clear ratings for apps and other digital platforms which provide mental health support.**

The 'fit note' system needs improvement to provide patients with the support they need to get back to work, and we welcome the current review of the fit note. There is limited evidence that the current 'fit note' process is effectively encouraging GPs and patients to discuss work and health. Currently only GPs and hospital doctors can sign a fit note, and many feel that they are often not best equipped to provide employment advice for people with a mental health condition and many are concerned about the implications of ticking 'may be fit for work' when support might not be available to the individual. **We recommend that the responsibility for completing fit notes is extended to mental health professionals and Government considers how to further improve communication between health professionals, employees and employers where appropriate.**

Patients should have more ownership over their medical records. Accessible summary medical records could empower employees to request reasonable adjustments from their employer, or enable employees to share this information where appropriate and it would benefit them. **We recommend that Government and the NHS work to improve patient access to their personal health record, empowering employees to share their data and information with their employer when they wish to do so, where it can be done safely and securely, to support people to thrive in work.**

10. Implementation and delivery

Achieving change will not be easy. We believe a 10 year plan is required to achieve the levels of cultural change required amongst employers and throughout organisations, but this underpinned by urgent action required in the next 2 to 3 years. We need joined-up efforts from organisations who already communicate with SMEs and the self-employed to support the delivery of the mental health core standards and ensure information has the largest reach possible.

Local organisations and networks are particularly important for reaching these groups, and we support innovation in areas including the West Midlands. Local trials and nationwide research needs to be fully utilised and joined up to build the evidence base of what works. Ultimately, workplace mental health is one part of a wider programme of mental health awareness and culture change across communities and we hope that employers can help to deliver this change.

Leading the change

We have already suggested many key steps to achieving the change.

To drive and maintain this support, we recommend that Government invites leaders from a variety of organisations to join a Leadership Council to maintain the momentum built by this review.

Second, the Government should lead this change in the public sector to reach a significant proportion of the working population and develop and demonstrate good practice for other employers to learn from.

Third, this is embedded by ensuring that the senior management in the public sector have their employees' mental health and wellbeing as one of the criteria by which their performance review is assessed and linked to the regular delivery of measurable results so as to ensure that there is real meaning behind the assessment.

Fourth, these commitments are further enforced by being reflected in the Single Departmental Plans of Whitehall Departments. We hope that Government's response to this review is coordinated by the Joint Work and Health Unit, properly coordinating with the devolved administrations and other relevant Government Departments.

Throughout the review we have tried to make the recommendations implementable on a UK-wide basis. However, there are some differences in policy approach and organisations responsible for delivering certain measures. This is particularly the case in Northern Ireland, where they have their own Health and Safety Executive and separate equalities legislation, for example. It is vital that the Devolved Administrations are engaged and consider how to take forward the recommendations in this review.

In this final chapter we cover a number of the more difficult areas that will be faced in the implementation in particular the challenges dealing with SMEs and the self-employed.

Build public and employer awareness for culture change

Workplace mental health needs to be an important part of the wider transformation of how society approaches mental health, empowering individuals as employees to require transparency of their employers, and understand how to support themselves and others. Existing public education campaigns including Time to Change, and the ambition to train 1 million members of the public in mental health awareness and skills will help, but we should utilise workplaces as conduits for such campaigns and ensure tools and materials are relevant for work related risks and support. **We recommend that Government funded mental health campaigns include information and support for improving workplace mental health, and that where possible their impact is evaluated.**

Ensure the mental health core standards reach everyone

We expect adaption to suit workplaces but we have identified two particular areas of focus for implementing and spreading the mental health core standards:

The SME challenge: 60% of employees in the private sector work for small and medium sized employers (organisations employing less than 250 employees) and SMEs account for 99% of UK businesses. However, lack of time and resources mean they are not all able to offer as much support for employees and tend to be very reactive. **Only 1 in 10 SMEs[46] offer occupational health support compared to 8 in 10 large organisations, they are less likely to have mental health policies in place[47]** and are less likely to utilise existing government support programmes such as Access to Work and Fit for Work. This is in part due to simple misunderstanding that many of the ways to promote good mental health at work do not require significant financial resources. It is worth also noting that in many

ways SME cultures can be more conducive to good mental health as a result of closer relationships, and individuals understanding the part they play in the business.

It is therefore vital that the mental health core standards and support available are promoted to SMEs through the various channels we discuss in earlier chapters; incentives, regulators, professional bodies, trade unions and large companies using their supply chains to help share resources and influence the behaviour of smaller companies. We also need to utilise the numerous touch points that already exist, such as embedding the mental health core standards online when businesses register with Companies House, or engage with HMRC. Banks or providers of employer's liability insurance can also have influence here. **We recommend that Government and other organisations should focus information, support and funding to support small and medium sized employers to implement the mental health core standards, and ensure the impact of this is evaluated.**

The self-employed

There are 4.8 million self-employed workers in the UK[48], and growing, many of whom operate through online businesses or within the GIG economy. This group has a higher risk of mental health problems due to the nature of their work, which can be isolated and less stable. Deloitte analysis suggests that sickness absence due to mental health reasons results in a £1 billion annual cost for the self-employed. **There are many organisations that do not directly employ individuals but could use existing channels to convey information to a large proportion of the self-employed population. Public awareness campaigns as mentioned above will also go a huge way to reach those who won't receive support from an employer.**

There are an increasing number of high quality digital health apps available to help people manage their physical and mental health. Companies including Silver Cloud,

Big White Wall and Babylon Health provide health services via digital apps which provide a combination of GP consultations, online Cognitive Behavioural Therapy, mental health self-care toolkits and advice as well as access to support networks. The advantages of these technologies is that they can engage with a much higher volume of users than face-to-face treatments, they are accessible anyplace, anytime and are available on all kind of platforms e.g. phones, personal computers and treatment can be adapted and tailored to the needs of the user. **We recommend that online platforms with large reach amongst self-employed workers link up with NHS-approved health and wellbeing support to provide mental health support and advice which can be accessed by those working through their technology.**

Local networks are particularly important to SMEs and the self-employed, who will often use Local Enterprise Partnerships and similar networks as an important source of information and advice. **We recommend that the relevant Government Departments explore ways of supporting and encouraging local networks, particularly through City Regions and combined authorities, to develop integrated approaches to improving workplace mental health.**

A number of organisations are already working to improve information and support regarding mental health for SMEs. Alongside Public Health England and others, the Federation of Small Businesses has developed 'Wellbeing in Small Business: a short guide', and The Institute of Directors has also launched an online portal of information for SMEs. **We encourage more join-up of central points of information to SMEs to ensure clear messaging that reaches a broad range of SMEs.**

Building the evidence base

We have worked with Deloitte to provide examples of return on investment for mental health interventions. However, in many areas there is not a comprehensive evidence base of what specific interventions work to improve mental health and wellbeing in the workplace. To drive forward change and achieve our vision, **we need to have a better understanding of what interventions work. This will involve better adoption of interventions by employers and clear reporting on what does and does not work.**

There is some excellent work going on across the country in locally devolved areas, where various initiatives are being trialled. The West Midlands is one example of this, where their mental health commission is trialling a 'Wellbeing Premium' with the support of central Government. This is a tax incentive that rewards employers demonstrating their commitment to mental health and wellbeing. Working with over 100 companies it hopes to establish whether a financial incentive, accompanied by an employer action plan, reduces staff sickness absence, improves productivity and prevents people leaving work due to mental ill health. **Government should support the evaluation of such trials and help local areas to share their findings with other areas.**

Government funded research on workplace mental health is fragmented between Departments and various programmes, and needs to better joined-up to improve effectiveness. We support the Department of Health's 10 year research strategy on mental health, which Government should ensure has workplace element. **We recommend that Government streamlines research and activity relating to workplace mental health to drive evidence-building and innovation, putting it at the heart of the 10 year research strategy.**

Monitoring and measuring impact of delivery

We believe our recommendations are ambitious but achievable. Expecting all employers to implement the mental health core and extended standards would create a significant change to how mental health is viewed across the UK and support the mental health of employees. People will rightly want to know what progress is being made and we would encourage regular monitoring of employer take up of the standards, potentially through the annual Employer Engagement Survey. Implementation will also require measurement of the impact on employee mental health and other factors, including whether there is a reduction in the number of people leaving employment due to mental health problems through the Labour Force Survey.

As we have stated throughout the Review, **increased transparency** will go a long way to generating a culture of measurement and will enable the development of voluntary ranking schemes to help drive accountability and further improvement.

Over the past year Sir Charlie Mayfield has been working with a group of senior business leaders to understand the UK's productivity performance, and what can be done to improve it. "Be the business" is a portal which provides: practical business-developed tools and products, case study examples, articles, reports, videos and podcasts. They are also working to provide a set of measurements for businesses to determine how productive their business is. **Given the clear links between mental health and productivity, we invite 'Be the business' and similar initiatives to consider incorporating employee mental health in their measurement tools and information.**

Conclusion

Workplace mental health should now be a priority for organisations across the UK. We need the right leadership amongst employers in the public, private and voluntary sectors, and a mandate from policy-makers to deliver the mental health core and enhanced standards. Together we can support all employees, including those with mental health problems, to thrive in work.

> "Employees will respond negatively to wellbeing initiatives if they believe they are merely being implemented to get them to work harder. This is why harnessing the right culture in the workplace is important. So it is an environment where employee wellbeing can flourish. Leadership is key to developing this culture and its success relies upon buy-in and cooperation of all leaders from the board level down."

Professor Sir Cary Cooper, CBE, Professor of Organizational Psychology and Health, Manchester Business School

Acknowledgements

Acknowledgments

We would like to thank the members of our Leaders Panel, Lived Experience Panel and Expert Advisory Group, whose advice and guidance has been invaluable in helping us draw together and test the recommendations for this review. We would like to particularly thank Matthew Shaw, Sue Owen, Jeremy Heywood, Cary Cooper, Christian van Stolk, Nancy Hey, Rachel Suff, David Halpern, Victoria Fussey and Karl Simons.

We have also consulted with over 200 employers, academics, think tanks and individuals. This has been through a combination of face to face conversations and focus groups, larger themed workshops and an online survey. We would particularly like to thank those who have shared their personal experiences of living and working with a mental health problem, including those who took the time to attend our workshop arranged by Rethink Mental Illness, and all those who came to our launch event at Number 10.

We would specifically like to thank our three panels who we appointed at the start of this review and have acted as a sounding board for us:

Our Leaders Panel: a group of senior leaders across the public, private and voluntary sectors, who have acted as a support and guide to the Review, particularly around implementation.

Moya Green	Royal Mail
David Sproul	Deloitte
Robert Peston	ITV
Nigel Wilson	Legal & General
Sally Boyle	Goldman Sachs
Gaenor Bagley	Price WaterHouse Coopers
Brian Heyworth	HSBC
Susan Bright	Hogan Lovells
Sir Ian Cheshire	Heads Together
Sue Owen	Department for Digital, Culture, Media and Sport
Sir Brendan Barber	Advisory, Conciliation and Arbitration Service (ACAS)

Our Lived Experience Panel: a group of people are working to improve prevention or support in their own organisations or have personal experiences of mental health and workplace issues.

Adam Spreadbury	Bank of England
John Binns MBE	City Mental Health Alliance
Pete Rogers	KPMG
Sue Baker	Time to Change

Our Expert Advisory Group: a group of individuals who have contributed evidence, examples of good practice and practical advice to the Review.

Andy Bell	Centre for Mental Health
Dr. Max Henderson	Leeds & York Partnership NHSFT
Steve Bevan	Institute of Employment Studies
Karen Steadman	Work Foundation
Dame Carol Black	Adviser to PHE and NHSE on Health and Work
Rachel Suff	Chartered Institute of Professional Development
Prof. Sir Simon Wesseley	Royal College of Psychiatry
David Haslam	National Institute for Health and Care Excellence
Paul Litchfield	British Telecom
Paddy Watt	BUPA
Nigel Jones	City Mental Health Alliance
Beth Robotham	BUPA
Gregor Henderson	Public Health England
Louise Aston	Business in the Community
Matthew Shaw	BBC
Poppy Jaman	Mental Health First Aid England
Polly Mackenzie	Money and Mental Health
Mark Winstanley	Rethink Mental Illness

We would like to extend our special thanks to the team from Deloitte who created an excellent piece of work which provides significant supporting analysis that there is a quantifiable business case for creating workplaces that enable all employees to thrive at work.

Finally, we would like to thank our dedicated team of Civil Servants, under the leadership of Clare McAvinchey, who has been instrumental to this review. We are very grateful to Charlotte Kume-Holland for her insight throughout, and to all of our team who have each gone beyond the call of duty: Elenor Styles on stakeholder engagement; James Silcox for helping to land key recommendations; Leo Warren, Charles Aldridge; and our Analytical team Chris Sutton, Rosina Citrone and Caroline Floyd. The team have also been supported by Madeleine McGivern of Mind who deserves real credit for her input.

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Endnotes

1   See Annex C for more detail
2   NHS Digital. Adult Psychiatric Morbidity Survey 2014; 2016
3   Deloitte report www.deloitte.co.uk/MentalHealthReview
4   See Annex C for more detail
5   See Annex C for more detail
6   (Waddell and Burton 2006) and the Marmot Review – 'Fair Society, Healthy Lives'(2010)
7   Office for National Statistics. UK Labour Market: September 2017; 2017
8   NHS Digital. Adult Psychiatric Morbidity Survey 2014; 2016
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18   Department for Work and Pensions. Work, health and disability green paper: data pack; 2016.
19   Department for Transport. British Social Attitudes Survey 2015; 2017.
20   Office for National Statistics. suicide by occupation, England: 2011 to 2015; 2017.
21   Costs are rounded to the nearest £billion and may not sum due to rounding. More detail on the methodology is available in the Deloitte publication (add link)
22   Costs are rounded to the nearest £ billion and may not sum due to rounding. More detail on the methodology is presented in Annex C
23   Costs are rounded to the nearest £ billion and may not sum due to rounding. More detail on the methodology is presented in Annex C
24   'Mental Health Interventions in the Workplace and Work Outcomes: A Best Evidence Synthesis of Systematic Evidence' Wagner et al Jan 2016
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Annexes

Annex A:
Further information and support for employers

We have recommended that all employers, regardless of workplace type, industry or size adopt a set of mental health core standards. For employers who can and should go further, we have presented some mental health enhanced standards.

We know that some employers will find our mental health standards easier to adopt than others, and the standards will need to be adapted differently to suit organisations and meet particular employee needs. For example, producing a mental health at work plan does not need to be burdensome and for small employers this could be an informal meeting to discuss their approach and reflect on resources available rather than a formal document.

For all employers, our hope is that they provide a framework to structure an approach, and will support employers who currently do not know where to start. We have therefore provided:

- A more detailed explanation of each of the mental health core and enhanced standards.
- A collation of links to information, advice, training and practical resources which can support employers to help implement the mental health core standards. This list is not exhaustive and we are aware of lots of other good sources of support that employers and employees can access.
- A guide to support employers to offer workplace adjustments for employees who need them (see Annex B).

Mental health core standards	
What should I do?	**How could I do this?**
1. **Produce, implement and communicate a mental health at work plan** that encourages and promotes good mental health of all staff and an open organisational culture.	An organisation's mental health plan should outline the approach to improving and protecting the mental health of all employees, including any awareness activities or training, and the support available to employees who need it. The plan can be developed collaboratively with employees, through an informal discussion for small and micro employers, but to include mental health champions or other leads in larger organisations.
	The plan could include how employers are improving the physical environment to improve employee mental health, or how the organisation encourages and supports employees to engage in physical activity, staff networks or social action.
	The workplace mental health plan could also be linked to other plans in an organisation, including strategies to improve staff engagement, corporate social responsibility plans, supportive and proactive sickness absence policies, and improving the physical workplace environment.

Mental health core standards	
What should I do?	**How could I do this?**
2. **Develop mental health awareness among employees** by making information, tools and support accessible.	We know that employee awareness of mental health, including for line managers and supervisors, will encourage individuals to care for themselves and help them to provide support to others. There are many sources of information available from Government, voluntary sector organisations and other bodies (some are included in the next section), many of which include free to use materials that employers can share within their organisation. Employers may also wish to appoint employee champions to share their experiences of mental health problems or other challenges through peer support and mentoring, and provide training courses or other tools for employees to use to further develop their knowledge and skills.
3. **Encourage open conversations about mental health and the support available when employees are struggling,** during the recruitment process and at regular intervals throughout employment, with appropriate workplace adjustments offered to employees who require them.	Mental health should be discussed openly with employees wherever possible and appropriate. This is not just about discussing mental health problems, but about creating an environment in which employees feel able to talk openly. Engaging with external campaigns to address stigma are a good first step, and encouraging staff networks and groups of individuals with similar interests and experiences can also encourage openness. Where someone is struggling or is absent from work for any reason, conversations about workplace adjustments or returning to work should include mental health. Tools are available to encourage and support ongoing conversations, including 'Wellness Action Plans' which can be kept up to date by employees (more information available at www.mind.org.uk/workplace/mental-health-at-work/taking-care-of-your-staff/employer-resources/wellness-action-plan-download/).

Mental health core standards

What should I do?	How could I do this?
4. Provide your employees with good working conditions and ensure they have a healthy work life balance and opportunities for development.	Creating good working conditions for employees can help to prevent new mental health problems and support those with existing conditions to get on in work and thrive. Good work and jobs consists of components such as fair pay, job security, good working conditions, education and training, staff consultation and representation. The What Works Centre for Wellbeing have produced evidenced guides on characteristics of a good job and team working, where we know that control, autonomy and social networks are crucial for a positive experience at work.
5. Promote effective people management to ensure all employees have a regular conversation about their health and well-being with their line manager, supervisor or organisational leader and train and support line managers in effective management practices.	We know that effective people management at all levels is crucial for supporting the mental health of all employees. It is vital that managers, supervisors or someone else have regular conversations with their employees so that employees have an opportunity to raise any issues. Giving and receiving feedback, as part of wider positive management processes, can help to identify problems early. Managers and supervisors can receive training and support to be confident in spotting signs of distress, ensuring they're own behaviours are positive and dealing with problems as early as possible. Employers should look for training which provides practical examples, and is tailored to the specific practices of their organisation. Resilience, stress management training and line manager communication training have been shown to be particularly effective. A recent study published in the Lancet has shown face to face training comprising of specific components has had a particularly strong return on investment. The research can be found at: http://www.thelancet.com/pdfs/journals/lanpsy/PIIS2215-0366(17)30405-4.pdf.
6. Routinely monitor employee mental health and wellbeing by understanding available data, talking to employees, and understanding risk factors.	An approach to measuring staff wellbeing will vary depending on employer size. The majority of employers will hold basic information about their employees, including sickness absence data, which can be used to spot problems and focus any support. Employers can also use staff surveys, mood trackers and other tools to improve communication with their employees and better understand risks to employee mental health.

Mental health enhanced standards

What should I do?	How could I do this?
1. **Increase transparency and accountability through internal and external reporting,** to include a leadership commitment and outline of the organisation's progress on mental health	In additional to communicating the mental health and wellbeing plan in the mental health core standards, this is about reporting more formally both internally and externally. Internally employers should consider producing an annual report on mental health, potentially within a report on wider employee health and wellbeing, to be shared with all employees. This can include; a statement from the individual accountable for the plan, priorities for the next period, relevant data such as staff survey or mood tracker results, sickness absence data, engagement in mental health activities or take up of support, or mental health disclosure rates within the organisation. Employers should seek opportunities for staff feedback on this report. Externally employers may wish to share information with board members or publicaly through their websites or annual reports.
2. **Demonstrate accountability** by nominating a health and wellbeing lead at Board or Senior Leadership level, with clear reporting duties and responsibilities	Board level reporting ensures that mental health is prioritised and taken seriously. This could be part of the Human Resources or Health and Safety functions in larger organisations. It is important that this lead has clear accountability for protecting and support mental health of employees throughout the organisation, and looking for opportunities to increase collaboration.
3. **Improve the disclosure process** to encourage openness during recruitment, ensuring employees are aware of why information is required and make sure the right support is in place to facilitate a good employer response following disclosure.	Any processes designed to encourage employees to discuss mental health or disclose any mental health problems need to be clear and fair to avoid discouraging employees from being open. For example, employers should explain on any forms why individuals are being asked to share information about any mental health problems and what will happen with that information.
4. **Ensure provision of tailored in-house mental health support** and signposting to clinical help, including digital support, employer-purchased Occupational Health or Employee Assistance Programmes, or NHS services, amongst other sources of support.	We know that there will always be some employees who are struggling, and may need clinical help or other practical support. Employers can provide support in house or buy in additional support for their employees, including access to Cognitive Behavioural Therapy (including through digital platforms), Occupational Health, counselling or through Employee Assistance Programmes and other tailored mental health and well-being support. Some employers are extending such support to organisations in their supply chain, particularly for smaller employers, to help them improve the mental health of their employees.

Information, advice and training

All employers can share information about how to protect and maintain mental health with their employees; signposting to tools and support; and offering training. This information can be made available through digital channels; during employee events; and as part of employee training to ensure it is practical and tailored to the employee's role and responsibilities. Mental health champions, individuals with lived experience of poor mental health and other leads in the organisation can also help by providing awareness and training sessions.

For information, advice and tools for creating a workplace mental health plan and increasing employee awareness of mental health, the following sources of information are available:

● The Business in the Community Mental Health Toolkit is a helpful guide to follow for formulating a plan and has many links to useful resources and case studies of good practice https://wellbeing.bitc.org.uk/sites/default/files/mental_health_toolkit_for_employers_-_small.pdf

● Mental Health First Aid England has produced a 'Workplace Wellbeing Toolkit' https://mhfaengland.org/mhfa-centre/campaigns/wmhd17/

● The What Works Centre for Wellbeing provides evidence based guidance on a range of mental health and workplace issues. (https://www.whatworkswellbeing.org/product/why-invest-in-employee-wellbeing/) characteristics of a good job, improving job quality and team working

● The Institute of Directors has produced a mental health hub of advice, best practice and resources to help small and medium-sized businesses develop their approach to mental health https://www.iod.com/news-campaigns/mental-health

● Healthy Working Wales provide face-to-face, telephone, online and one-to-one support around health and safety, sickness absence and workplace approach to managing health and wellbeing. www.healthyworkingwales.wales.nhs.uk/about-hww

For practical and downloadable guides to promote mental health awareness in an organisation:

● Time to Change England and Wales have produced guidance and a range of free resources on how to create a workplace mental health plan and other ideas for workplaces. (In England https://www.time-to-change.org.uk/ and Wales http://www.timetochangewales.org.uk/en/)

● Mind offers a range of information for employers and employees, and related training courses and consultancy. https://www.mind.org.uk/workplace/mental-health-at-work/

● Rethink Mental Illness has published a range of mental health factsheets. https://www.rethink.org/news-views/2016/1/8-ways-to-start-your-conversation

● NHS England has published the 'Five ways to Wellbeing' to improve public awareness of how to look after mental health. http://www.nhs.uk/Conditions/stress-anxiety-depression/Pages/improve-mental-wellbeing.aspx

● ACAS also provide a range of guidance http://www.acas.org.uk/index.aspx?articleid=1900

● The Federation for Small Businesses has produced an online portal of guidance specifically for small businesses and the self employed https://www.fsb.org.uk/standing-up-for-you/our-campaigns/wellbeing-hub/wellbeing-in-small-business-hub

Training and guidance for general awareness:

- Mind offer a range of training courses https://www.mind.org.uk/workplace/training-consultancy/upcoming-courses/mental-health-awareness/?ctaId=/workplace/training-consultancy/courses-for-anyone/courses-for-anyone/mha-training/

- Business in the Community has published a range of toolkits to help employers communicate about mental health and implement effective training courses. https://wellbeing.bitc.org.uk/all-resources/toolkits

- Mental Health First Aid England provide various online free resources and workplace training courses https://mhfaengland.org/organisations/workplace/

- Time to change offer training and guidance for mental health awareness https://www.time-to-change.org.uk/resources

There are many other external campaigns working to tackle stigma which are worth connecting to and promoting such as: Time to Change England and Wales, Heads Together - https://www.headstogether.org.uk/, See Me Scotland - https://www.seemescotland.org/ and Inspire Wellbeing - https://www.inspirewellbeing.org/ for Northern Ireland

Training and guidance for line managers, supervisors and leaders:

- The Chartered Institute for Personnel and Development (CIPD) offer various modules and guides in line manager training such as how to have difficult conversations and compassionate leadership https://www.cipd.co.uk/knowledge/culture/well-being/mental-health-factsheet

- Mind and CIPD have produced 'Managing and supporting mental health at work' a guide for employers to help them manage employees' mental health positively and sensitively https://www.mind.org.uk/media/44253/Managing_and_supporting_MH_at_work.pdf

- Mental Health First Aid provide a line manager resource to support employees experiencing mental health issues and create a mentally healthy workplace

- ACAS run practical training courses for managers, supervisors and HR professionals http://www.acas.org.uk/index.aspx?articleid=2002

Local Advice and Support

In some instances, local advice and support may be more suitable for employers to engage with. There is a range of local Minds across England and Wales https://www.mind.org.uk/information-support/local-minds/. There are also local movements such as Thrive London which can provide links to local services.

Annex B:
Making workplace adjustments for employees with mental health problems

Mental health problems can be experienced very differently by different people and as a result individuals themselves are best placed to identify what their needs are. Any workplace adjustments should be decided in consultation with the individual concerned.

Some people may not know what might be helpful to them so exploring their options in a safe, constructive and supportive environment is recommended. It's also a good idea to set a trial period after which the employer and employee can review together how effective the adjustment has been, and whether any other changes are needed. Employers should be creative and flexible in considering and applying different workplace adjustments.

Under the Equality Act, disability, which includes mental health, is a 'protected characteristic'. Workplace adjustments themselves do not address the specific mental health problem, but are designed to address the disadvantage that the mental health problem might cause for a person in their role or the wider workplace. The following suggestions are not designed to be exhaustive but provides ideas to help guide these conversations

Changes to how employees perform their role:

- Flexible hours or change to start or finish times. Change of workspace e.g. quieter, more or fewer people around, dividing screens
- Working from home at certain times or on certain days in a given period
- Changes to break times
- Provision of quiet rooms
- Light-box or seat with more natural light
- Agreement to give an employee time off for appointments related to their mental health, such as therapy and counselling

Changes to the role itself (temporary or permanent)

- Temporarily changing duties, for example changing the balance of desk work and customer facing work, reducing caseloads, changing shift patterns
- Reallocation of some tasks or amendments to the employee's job description or duties
- Redeployment to a more suitable role

Extra support

- Increased supervision or support from manager, buddy or mentor. Extra help with managing and negotiating workload
- Debriefing sessions after difficult calls, customers or tasks
- Mediation can help if there are difficulties between colleagues
- Access to a mental health support group or disability network group
- Identifying a 'safe space' in the workplace where the person can have some time out or access support
- Provision of information to promote self-care
- Encourage employees to work on building up their resilience and doing things that support good mental health such as exercise, meditation or eating healthily
- Provide regular opportunities to discuss, review and reflect on people's positive achievements – this can help people to build up positive self-esteem and develop skills to manage better their triggers for poor mental health.

Government support for Employers

Access to Work (available in England, Wales and Scotland) is a publicly funded employment support programme that aims to help more disabled people start or stay in work. It can provide practical and financial support if you have a disability or long term physical or mental health condition. Support can include referral to the **Mental Health Support Service**.

All employers across England and Wales can refer employees who have been off work for four weeks or more for a free occupational health assessment, as part of the Fit for Work Service. The occupational health professional will identify obstacles preventing the employee from returning to work. A Return to Work Plan will be agreed providing recommendations tailored to the employee's needs, which can replace the need for a fit note.

Annex C:
Analytical evidence and Methodology

The Economic Cost of Working Age Mental Ill Health

This review has looked to estimate the total cost of working age mental ill-health to employers, the whole economy and to the Government.

Deloitte have produced an estimate for the cost to employers and have published the details of their methodology which can be found here: www.deloitte.co.uk/MentalHealthReview

Government analysts have produced an estimate of the costs to the wider economy and the costs to Government below. The assumptions made for each component are detailed below.

	Cost Element	Methodology	Estimate (to nearest 0.1 bn)
Economic Cost	Lost output due to worklessness	This has been estimated by applying the proportion of Employment and Support Allowance claims with mental health as the primary condition (49%) to the estimate of lost output in the Work, Health and Disability Green Paper.	37.0-52.4 bn
	Lost output from those in work	This has been assumed to be the same as the cost to employers and the self-employed in the Deloitte report.	£33.4-£43.0 bn
	NHS Cost	The 2014 Adult Psychiatric Morbidity Survey for England shows that out of work people with mental health conditions are more likely to be in receipt of treatment than those in work. We estimate that the NHS spends an estimated £3.3bn a year in treatment costs caused by mental health conditions affecting working age people's ability to work – this is equivalent to about 60% of total mental health service spend for working age people.	£3.3m:
Total			£73.7-98.7 bn
Cost to Government	Welfare Benefits	This has been estimated by applying the proportion of ESA claims with mental health as the primary condition (49%) to the estimate of the cost of welfare benefits in the Work, Health and Disability Green Paper, which covered ESA and an estimate of the proportion of other benefit expenditure (for instance Housing Benefit) attributable to incapacity to work.	£9.6 bn:
	NHS Cost	As above	£3.3bn
	Lost Tax/National Insurance revenue	Individuals out of work or off work on sickness absence due to mental ill health will be paying less tax and national insurance than if they had been in work. This has been estimated by applying the same flowback rate (23.5%) as in the Work, Health and Disability Green Paper to the combined lost output from worklessness (£36-£51bn) and those in work on sickness absence (£8.7bn of the cost to employers/self-employed).	£10.8-14.4 bn:
Total			£23.7-£27.3 bn

These assumptions are consistent with those set out in the estimate of ill health amongst the working-age population in the technical Annex to accompany the Government's Work, Health and Disability Green Paper *'Improving Lives (October 2016)'*[1] and have been adjusted from an estimate of Great Britain to the United Kingdom based on ONS population estimates. This is with the exception of those made for the cost to employers which are consistent with those made by Deloitte in their analysis. Further detail on that methodology is available in the Deloitte report.

Flows in and out of employment for people with mental health conditions

This new analysis looks at the rate at which people move in and out of work) for people with a long term mental health condition (LTMHC) and compares those with an equivalent long-term physical health condition (LTPC) and those with no long-term[i] MH conditions.[ii]

Data

The two-wave longitudinal Labour Force Survey (LFS) has been used to conduct this analysis. Each individual in the data is measured at two snapshot interviews, one quarter apart. The data does not capture any movements before or after this quarterly period, or any short-term moves that may have been reversed between the two snapshot interviews. It should however give a broad measure of the degree of 'churn' for different groups.

Due to sample rotation and non-response, the sample sizes of the two-wave longitudinal datasets are smaller than the regular Labour Force Survey. To generate more robust sample sizes, and to average out any seasonal variations, four quarterly cohorts of data (Q2 2016-Q2 2017) have been combined. However, each individual is only measured for a single quarter-on-quarter period within that time.

As this analysis is based on longitudinal survey data, the precision and accuracy of these estimates can be affected by response errors, sampling errors and attrition bias. This analysis should be seen as experimental and designed to give a broad order of magnitude.

Methodology

Individuals aged between 16 & 64 in both quarters were selected and their health condition and employment status in both of the quarters were recorded.[iii]

For the purpose of this analysis we are only considering those that report the same health condition in both quarters. This eliminates those individuals that may not self-identify as having a LTMHC all the time, some of whom may be subject to reporting errors (see Caveats).

The following table looks at the flows in and out of work for both of these groups between the first and second quarter. The number of movers can then be taken as a proportion of the stock of employed people with the consistently-reported health condition in the first quarter, to obtain the proportion who lose their job each quarter. The 6% per quarter who lose their job each quarter is approximately 300,000 instances (to nearest 50,000) per year. If it were the same rate as those with a physical health condition it would be approximately 100,000 lower per year (to the nearest 50,000).

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1 https://www.gov.uk/government/statistics/work-health-and-disability-green-paper-data-pack

Table 1: Flows in and out of work per quarter by health status

(table in 100,000s) average per quarter	Status in the first quarter	Status in the second quarter		% falling out of work per quarter
		In employment	Out of work	
Long term mental health condition in both quarters	In employment	12.0	0.7	5.7%
	Out of work	0.7	18.7	
No long term mental health condition in both quarters	In employment	279. 2	7.5	2.6%
	Out of work	8.9	70.7	
Long term physical health condition in both quarters	In employment	50.0	1.8	3.5%
	Out of work	1.6	33.3	

Caveats

There are factors which suggest our estimate of the 300,000 individuals losing their jobs each year may be too high, but also that it may be too low.

Firstly, there are two factors which suggest our estimate may be too high.

Double Counting

It is possible that an individual that was in work in the first quarter may have lost their job in the second quarter, may then have found another job in the 3rd quarter and subsequently lost it in the 4th or 5th quarter of this analysis. Therefore, with the estimate of 300,000 individuals per year losing their jobs there may be some individuals, who frequently move into and out of work, counted twice.

Attrition bias

One of the main issues with using longitudinal data is the issue that attrition can cause; attrition being the drop-out of individuals from one quarterly survey interview to the next. This can cause attrition bias – if people who were interviewed in both waves are not representative of the wider population.

It is not possible to fully quantify attrition bias however, based on table 1, the employment rate of people reporting LTMHCs is 42.5% in the first quarter and 42.5% in the second quarter – a change of less than of 0.1%pts over the average quarter.

Over the same period (Q2 2016-Q2 2017), the regular 'snapshot' LFS (which is unaffected by attrition bias) suggests that the employment rate for this group increased by an average of 0.96 percentage points a quarter.

The difference between these two estimates gives an indication of the scale of any attrition bias. In other words, if the data suggests that around 5.7% of people in employment who consistently report a MH condition move out of work each quarter, without attrition bias the estimate could be less than 5%. We cannot measure if the 0.96 percentage point difference is due to more people joining work or fewer leaving, than estimated here. However, if half of this difference was due to reduced outflows, this would have a dampening effect on the 5.7%, bringing it closer to 5.2%.

The employment rate for those with no reported LTMHC had a percentage change of 0.66 percentage point over the average quarter. The 'snapshot' LFS differences over this time was 0.15 percentage points, suggesting minimal attrition bias for those with no LTMHC

However, there are also two factors which would suggest our estimate is too low.

Constant health condition

We have only included individuals who self-identified with the same health status in the two consecutive quarters. By doing this, we have excluded 25% of individuals who have **had a LTMHC at any time**. People can change their reported health status due to changes in their health condition and how it affects their activities. However, reporting can also change purely due to the respondents' own perceptions (which in turn can be linked to employment changes), or inconsistent reporting – especially if the answers in one of the quarters were given by a 'proxy respondent' (another member of the same household) on their behalf. For the reasons outlined above, there is uncertainty around the movements of those who change their reported MH status. However, including these in the LTMHC group still leads to an estimate of around 6% leaving employment, suggesting that results on the proportion who flow out of work are not particularly sensitive to this aspect of the methodology.

However, this also means that we do not include these individuals with fluctuating conditions in the calculation of the 300,000 who lose their jobs. Whilst we do not know whether they had a long term mental health condition when they lost their job this will lead to an under-estimate of the numbers.

Increase in the number in work

Over the past year the number of individuals reporting a long-term mental health condition who are in work has increased by around 200,000 due to a higher employment rate. Therefore, we would expect that the number who would flow out of work in the next 12 months would increase, if the percentage flow remained constant, compared to this estimate. When assessing the numbers losing their jobs each year, these two factors provide an off-setting effect to the potential attrition bias and double counting described above.

Summary

In summary, taking all the caveats into account, we can still draw the conclusion that:

- Those with a consistently reported LTMHC are around twice likely to flow out of work than those without and significantly higher than those with an equivalent physical health condition
- This equates to up to around 6% per quarter with a LTMHC falling out of work each quarter which equates to around 300,000 instances per year.

Additional Tables

Table A1 – Time Series of the employment rate of those with a long term health mental condition and the number in work

| | People with a long term mental health condition | | |
Year	Employment rate	Employment	Total
2017	44%	1.5m	3.4m
2016	40%	1.3m	3.3m
2015	37%	1.2m	3.1m
2014	36%	1.0m	2.9m
2013	32%	0.9m	2.6m
2012	29%	0.7m	2.4m
2011	26%	0.6m	2.3m
2010	27%	0.6m	2.2m
2009	25%	0.5m	1.8m
2008	24%	0.4m	1.8m
2007	23%	0.4m	1.7m

Note: Percentages rounded to the nearest 1 percent. Numbers rounded to the nearest 100,000

Source: Labour Force Survey Q2 (April-June)

Table A2 – Current employment rates by long term health condition

	Employment rate	In employment
None	80%	23.4m
Mental Health	44%	1.5m
Physical Health	62%	6.0m

Percentages rounded to the nearest 1 percent. Numbers rounded to the nearest 100,000

Source Labour Force Survey Q2 (April-June) 2017

Endnotes

i   This category might include people with short-term MH conditions however these people aren't identified by the LFS.
ii See footnote i.
iii Those that had missing data on the health condition question have been excluded from this analysis. This excludes a group of only 1.4%.