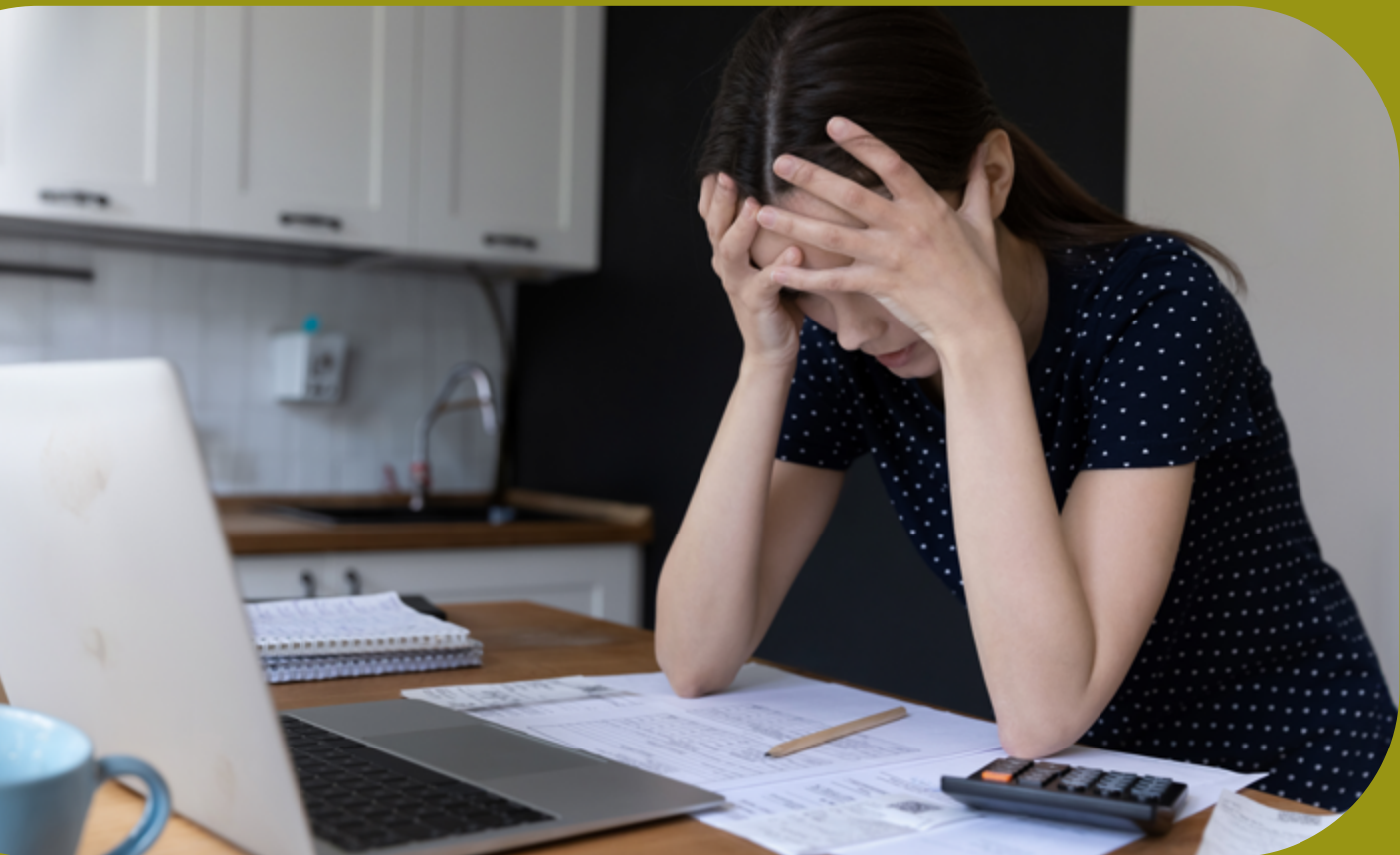


Understanding the cost of living crisis

Valuing our mental health

Exploring the impact of the cost of living crisis and the value counselling and psychotherapy has in supporting public mental health to influence Government policy and drive meaningful change.



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Executive Summary

The negative mental health impact of the ongoing cost-of-living crisis is widely acknowledged amongst policymakers and practitioners in numerous fields, with current financial struggles further exacerbating the pre-existing hardships stoked by the COVID-19 pandemic. The severity of this adverse impact has been noted in an extensive and growing evidence base, and is reflected in our own research.

The UK's mental health is at a critical juncture. Our most recent YouGov Public Perceptions survey showed that nearly three quarters of respondents (74%)¹ report that their mental health is being worsened by the current cost of living crisis, which increased from 53% in 2022.² The numbers are particularly high amongst women (77%), those aged 25-44 (83%), ethnic minority respondents (81%), *LGB+ people (80%), and those with a disability (79%).³ Financial stress is disproportionately hitting the nation's most vulnerable, and the services that they could ordinarily turn to are experiencing unprecedented demand and working to increasingly strained budgets.

Our 2023 survey of over 3,000 members found that over half (57%) had also seen an increase in generalised depression and anxiety amongst clients in the same time period, with 46% observing increased financial anxiety.⁴

Coping mechanisms are also being eroded as a result of the crisis: the Mental Health Foundation identified a cost-of-living paradox, in which some behaviours protective of mental health - such as sleeping well and maintaining social connections - are the very behaviours that people are reducing to cope with the rising cost of living.⁵

Unsurprisingly, demand for counselling and psychotherapy has increased: our 2023 Mindometer Survey highlighted that nearly half of the BACP members who responded described demand as being at overcapacity, resulting in clients either having to be placed on waiting lists or referred to other services.⁶ Consequently, many people in desperate need of help were unable to access support for their mental health, or had found themselves without the means to fund personal therapy. Our 2023 survey of BACP members showed that 56% of therapists agreed that clients have been cutting back on therapy sessions due to money worries in the last year.⁷

¹ British Association for Counselling and Psychotherapy/YouGov (2024). *YouGov/BACP Public Perceptions Survey*. Date received: March 2024.

² British Association for Counselling and Psychotherapy/YouGov (2023). *YouGov/BACP Public Perceptions Survey*. Date received: March 2023.

³ British Association for Counselling and Psychotherapy/YouGov (2024). *YouGov/BACP Public Perceptions Survey*. Date received: March 2024.

⁴ British Association for Counselling and Psychotherapy. (2023). *BACP Mindometer 2023*. Available at: <https://www.bacp.co.uk/about-us/about-bacp/bacp-mindometer-2023/> (accessed: 04.01.24).

⁵ The Mental Health Foundation. (2023). *Mental Health and the Cost-of-Living Crisis: Another pandemic in the making?* Available at: <https://www.mentalhealth.org.uk/sites/default/files/2023-01/MHF-cost-of-living-crisis-report-2023-01-12.pdf> (accessed: 07.03.24)

⁶ British Association for Counselling and Psychotherapy. (2023). *BACP Mindometer 2023*. Available at: <https://www.bacp.co.uk/about-us/about-bacp/bacp-mindometer-2023/> (accessed: 04.01.24).

⁷ British Association for Counselling and Psychotherapy. (2023). *BACP Mindometer 2023*. Available at: <https://www.bacp.co.uk/about-us/about-bacp/bacp-mindometer-2023/> (accessed: 04.01.24).

* The term LGB+ was utilised in this report as this is the category title used to collect the data for this survey.

What's clear from our analysis is that tackling this crisis will require investment in much more accessible and widely available mental health services across a range of settings that provide earlier intervention, and are free at the point of need. Trained yet underutilised counsellors and psychotherapists have a critical role to play within this enhanced offer. This report extends the current evidence base about how the Government and commissioners can best support them to do so, and based on this we make the following recommendations:

Recommendations

Recommendation 1: The UK Government urgently recommit to a cross departmental Ten-Year Mental Health Strategy for England, with a greater focus on addressing the determinants of poor mental health.

Recommendation 2: Commitment to Marmot principles must be rolled out across Governments in all nations of the UK, led by an appropriate Minister in each nation with Health Inequalities central to their portfolio.

Recommendation 3: Grant-funders and service commissioners must increase funding cycles to three to five years, and move away from short-term funding.

Recommendation 4: With services reporting increased complexity of client issues and many people deferring help-seeking until they are in crisis, Governments across the UK must provide a much greater focus on prevention and early intervention to stop people reaching crises before they seek or receive help.

Recommendation 5: An additional funding commitment must be made in all Governments across the UK to fund early-help counselling interventions in primary schools and to also extend this across FE College and sixth form settings, ensuring all children and young people have equal access including at times of key transitions.

Recommendation 6: Funding for the pilot programme of early help community hubs for 11-25 year olds in 22 areas must be extended beyond the current one year commitment: this model must be rolled out across England.

Recommendation 7: With growing waiting lists and increasing demands on services across the UK, the Governments in Scotland, Wales, and Northern Ireland must fund and adopt the Youth Access YIACS model (youth information, advice and counselling services), with a full range of support services under one roof.

Recommendation 8: Full-time or substantive posts with fair pay for the school counselling profession must be built into the appropriate commissioning model in each nation, whether this is led at a national, local or school level. Counsellors working in education settings should be employed on permanent full-time or substantive contracts with a competitive salary (equivalent to NHS band 5-7) with sick pay and annual leave allowance built into the role specification, whoever the employer.

Recommendation 9: Learning from the Government-funded approach in Wales, officials allocating funding to counselling services across the UK must also explore extending access to counselling for school staff via additional funding streams.

Recommendation 10: UK Government, Scottish Government and Northern Ireland Executive must make similar investment in accessible and dedicated mental health support for small businesses.

Recommendation 11: To address the extensive economic cost of mental health to the economy, the UK Government and HMRC must undertake a review of investment in EAP workplace counselling services by UK employers, and consider a range of tax relief and Benefit-in-Kind measures which could facilitate greater uptake in accessible mental health support, including workplace counselling.

Recommendation 12: All Governments across the UK must provide improved access to a wider range of psychological therapies, including counselling and psychotherapy into the heart of rural communities. Any investment in more online mental health provision must additionally be met with investment in face-to-face provision. This requires utilising the counselling workforce in primary care settings across the UK, through the Primary Care Networks in England and within multi-disciplinary teams based within GP hubs in Scotland, Wales and Northern Ireland, alongside appropriate funding for third sector specialist services, recognising their vital role in local communities.

Recommendation 13: Area-based mental health plans, including those delivered by Integrated Care Systems in England and Northern Ireland, Integration Joint Boards in Scotland and Integrated Care Boards in Wales must incorporate funding formulas which better reflect the specific challenges and profile of rural communities.

Introduction

British Association for Counselling and Psychotherapy (BACP) is the leading and largest professional body for counselling and psychotherapy in the UK, with over 67,000 members. We set and maintain high standards of ethical practice and support for our members to provide life-changing

We decided to undertake this analysis to better understand how the ongoing financial crisis is impacting our members, the wider counselling and psychotherapy profession, as well as services across all sectors and - most importantly - their clients, or those who could benefit from psychological therapy. We organised a series of thematic expert roundtable meetings, comprising of specially selected therapists and services with direct insight into the challenges facing them and their client base. Our aim was to supplement the insights gained from the survey data we have collected throughout the cost-of-living crisis with further qualitative data, to gain understanding of the intricacies that are playing out on the ground and to help us identify a series of practical recommendations for policy makers and professional bodies. However, the report's policy recommendations must be understood as possible solutions that accompany the prioritisation of wider systemic changes that decrease socioeconomic inequality and poverty.

NHS and healthcare services

Even prior to the pandemic, NHS mental health support across the UK was experiencing high demand that outstripped its resources and investment.⁸ The shock of an unprecedented additional influx of members of the public with often acute needs during COVID-19 has had significant consequences for already extensive waiting lists⁹ and on the mental wellbeing of staff who have experienced overwhelming burnout.¹⁰ The turmoil of the cost-of-living crisis has only exacerbated tensions amongst NHS staff, whose discontent with the financial and emotional conditions of their work has been demonstrated via widespread industrial action.¹¹ This professional and financial instability amongst NHS staff is leading to recruitment and retention difficulties, where staff are seeking roles in other sectors such as retail, which can offer competitive salaries and working terms compared with NHS contracts.¹²

⁸ British Medical Association. (2023). COVID-19: Impact of the pandemic on healthcare delivery. Available at: <https://www.bma.org.uk/advice-and-support/covid-19/what-the-bma-is-doing/covid-19-impact-of-the-pandemic-on-healthcare-delivery#:~:text=Health%20services%20across%20the%20UK,being%20missed%20with%20growing%20frequency>

⁹ Institute for Fiscal Studies. (2024). The past and future of NHS waiting lists in England. Available at: <https://ifs.org.uk/sites/default/files/2024-02/The-past-and-future-of-NHS-waiting-lists-in-England-IFS-report-R302.pdf> (accessed: 25.03.24).

¹⁰ Gemine, R. et al. (2021). 'Factors associated with work-related burnout in NHS staff during COVID-19: a cross-sectional mixed methods study', British Medical Journal, 11/1, Page number 1-8. Available at: <https://bmjopen.bmj.com/content/bmjopen/11/1/e042591.full.pdf> (accessed: 25.03.24).

¹¹ The King's Fund. (2024). Counting the cost of NHS strikes. Available at: <https://www.kingsfund.org.uk/insight-and-analysis/blogs/counting-cost-nhs-strikes> (accessed: 25.03.24).

¹² NHS Providers. (2022). *Rising living costs – the impact of NHS, staff and patients*. Available at: <https://nhsproviders.org/media/694201/nhs-providers-cost-of-living-survey-briefing-september-2022.pdf> (accessed: 25.03.24).

Across the UK, NHS services are ill-equipped to tackle the mental health toll of the cost-of-living crisis on the wider public. Already prior to the pandemic, the number of those accessing NHS talking therapies in England was 22% below target.¹³ Estimates suggest that the 2023-24 NHS England ambition for 1.9 million people to receive talking therapy would mean that only around 25% of those with a diagnosed need would be reached.¹⁴ In Wales, Scotland and Northern Ireland, access targets continue to be missed for psychological therapies and CAMHS.

Counsellors and psychotherapists could play a key role to help address this widening backlog of cases.¹⁵ The racial homogeneity of the bulk of current practising Talking Therapists in the NHS has also likely contributed to lapsed engagement with services from racially minoritised groups, whose racial and cultural backgrounds require greater understanding on the part of counsellors; a more diverse NHS therapeutic workforce is therefore required to provide better support to a greater range of people.¹⁶

Tackling this crisis will require public investment across all nations of the UK in much more accessible and higher quality mental health services that provide earlier intervention, and are free at the point of need. Trained yet underutilised counsellors and psychotherapists have a critical role to play within this enhanced offer if the demand - which has increased as a result of the pandemic and been exacerbated by the cost-of-living crisis - is to be met.

Successive Government strategies - including the *Five Year Forward View* and the *NHS Long Term Plan* in England, as well as the Ten Year Mental Health Strategies in Northern Ireland, Scotland and Wales - have made mental health a priority; however, these plans have failed to successfully address the chronic shortage in the mental health workforce,¹⁷ meaning any service expansion is hampered by a lack of recruitment of professionals to deliver the services.

Counsellors and psychotherapists are often an overlooked and underutilised professional group within the NHS workforce skills mix.

Our members have significant additional capacity that could play a crucial role in helping the NHS meet its expanding workforce targets, as well as helping to reduce the growing and unsustainable waiting lists for therapeutic support.

¹³ Department of Health and Social Care. (2023). *Progress in improving mental health services in England*. Available at: <https://www.nao.org.uk/wp-content/uploads/2023/02/Progress-in-improving-mental-health-services-CS.pdf> (accessed: 25.03.24).

¹⁴ Department of Health and Social Care. (2023). *Progress in improving mental health services in England*. Available at: <https://www.nao.org.uk/wp-content/uploads/2023/02/Progress-in-improving-mental-health-services-CS.pdf> (accessed: 25.03.24).

¹⁵ Thomas, R. (2022). NHS 'needs thousands more staff to meet cost of living crisis demands', *The Independent*, 25 November [Online]. Available at: <https://www.independent.co.uk/news/health/nhs-staff-cost-living-b2230724.html> (accessed: 25.03.24).

¹⁶ NHS Race & Health Observatory. (2023). *NHS 'Talking Therapies' Review identifies Barriers in Accessing Care*. Available at: <https://www.nhsrho.org/news/nhs-talking-therapies-review-identifies-barriers-in-accessing-care/> (accessed: 25.03.24).

¹⁷ NHS Health Education England. (2021). *Psychological Professions Workforce Plan for England*. Available at: <https://www.hee.nhs.uk/sites/default/files/documents/Psychological%20Professions%20Workforce%20Plan%20for%20England%20-%20Final.pdf> (accessed: 25.03.24).

According to our members, the key barriers facing counsellors and psychotherapists entering and thriving in the NHS workforce are:

- 1. Narrow range of psychological therapy services with an over-dominance of CBT –** Whilst the existing services have helped many people, they don't meet the needs of all services users. This is often because of the narrow and prescriptive nature of the interventions offered, or because people don't meet the clinical thresholds to access existing services. Current provision across all nations of the UK needs to be extended to ensure that other NICE-recommended psychological therapies, beyond CBT, are more widely available. This could include bringing counsellors back into the primary care settings through the Primary Care Networks in England and also within multi-disciplinary teams based within GP hubs in Scotland, Wales and Northern Ireland.
- 2. Pay inequity and parity with other professionals –** Too often local NHS employers pay their counsellors below the paybands recommended by the NHS nationally, whilst other psychological professionals working in the same services and with clients of the same complexity are often paid one or two bands higher. This acts as a barrier to practitioners entering the NHS workforce, and contributes to feelings amongst staff that counselling is undervalued by the NHS, and to reduced staff retention.
- 3. Lack of roles immediately post-qualification –** Currently, most NHS roles that counsellors or psychotherapists can apply for require two to three years' post qualification experience - experience that they are unable to obtain in paid NHS roles. Continuing to develop a clearer entry route and career pathway into the NHS for counsellors and psychotherapists, from the point of qualification and throughout their professional journey, is vital.

However, wider investment is required in school counselling, the third sector and the workplace to ensure that wrap-around, holistic and specialised services are on-hand to provide early interventions according to the unique mental health needs of a diverse range of demographics. These sectors are each explored in the sections below drawing on evidence obtained during our series of cost-of-living roundtable events with dedicated experts.

Third Sector Organisations

Community-based third sector organisations play a vital role in addressing health inequalities, providing support to people known to be marginalised from mainstream services. Organisations and services that specialise in working with people from marginalised community backgrounds are critical to improving access to psychological support, and often receive referrals from NHS services in recognition of their specialisms.

Rising costs associated with the cost-of-living crisis are exacerbating pressure on voluntary and community sector (VCSE) organisations: with the cost-of-living crisis increasing financial stress and risking vulnerable minoritised communities becoming further disadvantaged,¹⁸ there is additional demand on mental health services that already work with growing waiting lists and to fragile financial margins.

We spoke with representatives from community third sector organisations providing counselling and psychotherapy around the UK, to gain insight into the challenges faced by their organisations and clients during the cost-of-living crisis.

Clients

Demand for counselling services

Despite financial constraints leading some to prioritise immediate practical challenges over addressing their mental health, services reported more demand for therapy: roundtable representatives shared that those seeking psychological support are presenting with increasingly complex issues, which can pose greater challenges to services. Counsellors recognised the significance of their services in alleviating mental strain during the cost-of-living crisis, but acknowledged limitations in addressing the broader practical issues being that clients are consistently being confronted with.

“As a result of financial pressure, people who were ‘just about managing’ are beginning to struggle with their mental health and those who had previously sought help for their mental health are now presenting with more complex issues.”

¹⁸ Mental Health Foundation. (2023). *Mental Health and the Cost-of-Living Crisis: Another pandemic in the making?* Available at: <https://www.mentalhealth.org.uk/sites/default/files/2023-01/MHF-cost-of-living-crisis-report-2023-01-12.pdf> (accessed: 07.01.2024).

Everyday challenges

Rising living costs were reported as compounding existing challenges for communities, with roundtable participants highlighting the collective trauma and helplessness felt by clients. In Northern Ireland, frustration has grown at the absence of a local legislative assembly and political leadership to support struggling communities and services. Services in North-East England emphasised the challenges faced by their service users who are being faced with downsizing in local companies, which is reminiscent of industrial closures. Disability services shared examples of clients facing difficult choices between essentials like food and vital support due to cuts to Universal Credit and the reassessment of their work capabilities. Financial stress was reported as intensifying grief for those who recently lost loved ones, hindering their ability to cope.

“We work with disabled people who are already a marginalised group in society. We are seeing some of them going hungry, choosing to spend what limited money they have on life-preserving equipment and supplies.”

Accessibility

Transport was also flagged as being of growing concern alongside financial pressures; in particular, clients from more rural areas experienced the cancellation of routes by public transport companies as part of cost-cutting, leaving those without cars in some communities cut off from support services. Carers were increasingly opting for phone-based or virtual support, reducing much-needed face-to-face contact, as they were unable to access respite or afford to use public transport to attend appointments and social activities.

Staff and services

Workforce toll

Third sector counselling organisations acknowledged the strain on therapists and support staff due to increased complexity of client issues and growing demand for therapy: they emphasised that these additional organisational stressors were resulting in an increase in the role and responsibilities of the organisation to support staff to be able to sustain vital services. Participants also shared that organisations were struggling to meet wage expectations amidst tight margins and stagnant income opportunities; unstable funding had exacerbated staff retention concerns, with job security being of particular concern. For some organisations, dependency on volunteer counsellors added to the instability, as volunteers faced financial constraints in reaching service centres via public transport. Third sector organisations were in the throes of grappling with the challenge of retaining staff and volunteers while balancing rising costs and income needs.

Access to funding

Many VCSE organisations shared that they were facing dwindling private donations amid rising operational costs - particularly fuel charges - raising fears of closures and loss of crucial community support. The National Council for Voluntary Organisations has expressed concern about these challenges potentially leading to the demise of vital third sector services,¹⁹ whilst the Charities Aid Foundation report high levels of anxiety among charity leaders regarding utility costs and increased service demands.²⁰

“We believe our staff should be remunerated properly for their work. When the real living wage increases, we will struggle to pay it – losing our status as a Real Living Wage employer, which in turn impacts our ability to attract grant funding.”

Community-based counselling services in England often work alongside, or are commissioned to deliver part of, NHS Talking Therapies - but many organisations reported struggling with mounting referrals without corresponding funding increases. Most organisations were witnessing declines in client donations and multi-year funding, placing pressure on them to seek new funding sources. In Wales, cuts to Health Board budgets were further diminishing funds for third sector groups. Funders' preference for financing new activities over sustaining existing services is increasing stress amongst organisations, and this anxiety was being elevated by short-term grants being offered that hinder long-term planning and service stability. Furthermore, funders were increasingly requesting details on the organisation's commitment to paying an increased 'fair wage' as part of applications, creating a barrier to funds for those with the least resources.

“The end of every financial year feels like a cliff-edge as grant-funding comes to an end. We are having to spend more and more time finding different ways of describing or packaging our service to meet the needs of new funders.”

¹⁹ The National Council for Voluntary Organisations (2023). *UK Civil Society Almanac 2023*. Available at: <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2023/> (accessed: 07.03.24)

²⁰ Charity Aid Foundation (2023). *CAF Charity Resilience Index*. Available at: <https://www.cafonline.org/about-us/publications/charity-resilience-index> (accessed 07.03.24).

Services adapting

To address increasing public and staff needs, services noted that they were adapting their models, procedures, and protocols. Organisational offerings were becoming more flexible, with some introducing options like self-help resources and one-session therapies. A Welsh mental health charity established a business-continuation fund and grants of £10k-£20k to support struggling local Mind organisations to extend their offer to vulnerable communities. Organisations were expanding from their therapeutic offer to include community initiatives such as pantries, second-hand uniform shops, warm spaces for those in fuel poverty, and digital access support; collaboration with food banks and advice organizations was also underway. The demand for longer-term therapy arising from the growing complexity of client concerns is posing challenges for services with set session quotas: in one organisation, this is being addressed with the introduction of support workers to assist clients in accessing additional services addressing practical needs.

“Parents are facing day-to-day challenges to find the money to pay for the basics to meet their family needs. When they come into therapy, we have to acknowledge these as contributory factors to their anxiety and depression and often counselling sessions are taken up by their financial concerns. There’s enormous pressure on service models where contracts are based on working to limited numbers of sessions.”

School Counsellors and Children and Young People

Background

The cost-of-living crisis has considerably impacted children and young people, with a greater number of children falling into poverty, or a deepened state of poverty.²¹ Absolute child poverty is forecasted to rise more dramatically than absolute poverty for those of working age in the year 2024/25.²² The mental health of pupils is becoming an increasing source of concern amongst schools, with concern being most acutely concentrated in already disadvantaged schools.²³ Financial strain negatively impacts on children and young people's mental health, with around 3/5 (61%) of 11-18 year olds worrying that their parents will be unable to financially support them in the current climate²⁴ and over half of young people sharing that their mental health has worsened as a result of the cost of living crisis.²⁵ Likewise, under 19-year-olds are significantly more likely to have emotional and anxiety disorders if their parents are in receipt of means tested benefits.²⁶ A shocking three quarters of young people (76%) are worried that the crisis will impede their present and future job opportunities.²⁷

We spoke with counsellors working both within and outside of schools about the stark impact that the cost-of-living crisis is having on children and young people's mental health, and on the wellbeing of the counselling workforce supporting them.

²¹ Barnardo's. (2022). *At what cost? The impact of the cost-of-living on children and young people*. (p.4). Barnardo House, Tanners Lane, Barkingside, Ilford, Essex.

²² House of Commons. (2023). *Poverty in the UK: Statistics*. House of Commons Library.

²³ National Foundation for Educational Research. (2023). *Cost-of-living crisis: Impact on schools*. Available at: https://www.nfer.ac.uk/media/4rzc10l/cost_of_living_crisis_impact_on_schools_pupils_and_families.pdf (Accessed: 22.02.24).

²⁴ Yorkshire Building Society. (2022). *Inflation Nation: A Report by Yorkshire Building Society*. Available at: <https://www.ybs.co.uk/documents/100493/323656/Inflation+Nation+-+A+report+by+Yorkshire+Building+Society+-+0522.pdf/de6cae76-3eb4-2649-cbec-996ef90e3f44?t=1653302854298&download=true> (accessed: 25.01.2024).

²⁵ Yorkshire Building Society. (2022). *Inflation Nation: A Report by Yorkshire Building Society*. Available at: <https://www.ybs.co.uk/documents/100493/323656/Inflation+Nation+-+A+report+by+Yorkshire+Building+Society+-+0522.pdf/de6cae76-3eb4-2649-cbec-996ef90e3f44?t=1653302854298&download=true> (accessed: 25.01.2024).

²⁶ NHS Digital. (2018). *Mental Health of Children and Young People in England*. Available at: <https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-of-children-and-young-people-in-england/2017/2017> (accessed: 24.01.2024).

²⁷ UK Youth; Censuswide. (2023). *How the cost of living crisis is affecting the youth sector*. Available at: <https://www.ukyouth.org/2023/05/how-the-cost-of-living-crisis-is-affecting-the-youth-sector/> (accessed: 20.01.24).

Changing demographic

Counsellors recalled that since the cost-of-living crisis, the children referred to them in schools had often more complex cases and were much younger than referrals typically experienced in previous years, with 10-13 year olds now comprising the bulk of clients; meanwhile, mental ill health amongst older children was not easing, but rather older children were more commonly attempting to contain their symptoms themselves.

“Since the start of the pandemic, we have seen a rise in the complexity of children and young people presenting for counselling. We’ve also seen older children (secondary school and college age) trying to cope with their distress by self-harming or using drugs or alcohol, and an increase in suicidal ideation and behaviours.”

Increased mental health needs

Counsellors were unanimous in their accounts of worsening symptoms of mental ill health amongst children and young people compared with before the cost-of-living crisis, noting increasingly disruptive and agitated behaviours amongst this demographic within the school setting.

“We have heard in sessions of young people’s increased hopelessness about the future: the pandemic and losing time in school, disruptions to exams, fear of war, environmental worries, the cost-of-living crisis, with statements such as ‘is it worth going to school’ becoming more normalised.”

As a result of escalating financial hardship amongst families, counsellors shared their anguish at being faced with an unprecedented scale of hunger, with accounts of children increasingly relying on breakfast clubs, accumulating debt on their dinner cards, cases of children stealing food from school canteen queues, and acting out due to a lack of food at home. Increased period poverty and second-hand school uniforms were also cited as becoming more prevalent.

“The increase of the number of children who come into sessions really hungry is alarming. Without supplying biscuits, I don’t think some children would be able to concentrate and get anything out of therapy. I know lots of school staff, including form teachers, admin staff and heads of years who regularly stock up on food just so they can help meet basic needs. There’s a knock-on effect with concentration levels and inevitably, behaviour.”

Behavioural changes and mental ill health amongst children were linked with the exacerbation of their parents' mental health struggles around financial hardship and debt: members shed light on children's absorption of their parents' anxieties, sharing examples of children taking on caregiving roles to look after their struggling parents.

Counsellors also noted children presenting with neurodiverse issues were struggling with parents not having the means to secure assessments for their children privately. This would mean children not receiving the necessary academic support for their neurodivergence, causing greater stress to both families and children.

“The identification of neurodiverse children and young people is a struggle. Access to enough scanning tests is a problem, as financially only a limited amount are allocated – so not all children can access these when needed, and aids cannot be given without the screening. This lack of provision causes anxiety and lessening self-esteem in those children, and can lead to lower school attendance.”

One counsellor highlighted that one month into the school year, the school had already run out of budget for psychological assessments accessed via educational psychologists.

Reduced services

Counsellors described schools as “mopping up” Child and Adolescent Mental Health Services (CAMHS) referrals because of their own strained capacity for supporting children’s mental health, whilst also feeling the pressure of Local Authority bankruptcy.

“It has become increasingly difficult over the last few years to get a referral accepted either by CAMHS or by Childrens Social Care. We have seen an increase year by year in the safeguarding reports raised by our counsellors, and children and young people being ‘bounced’ around services. Correspondingly, schools have been expected to do more and more to support students’ mental health needs, when staff themselves acknowledge they are not qualified to do so.”

Counsellors talked about higher levels of safeguarding concerns being raised, but highlighted that they lacked the resources to meet growing needs. They were also concerned about parents becoming increasingly dependent on schools to fill gaps in mental health provision, with families being less and less able to afford private support. Meanwhile, schools were highlighted as struggling to recruit counsellors because of unappealing short-term contracts being offered, and where private work can provide more stability and a greater income. Counsellors also shared that they were being forced to work in hostile or uncomfortable environments; many spoke of being unable to have heating in their counselling rooms as schools struggled to pay bills (for example, resulting in the need to wrap up in thermals for work), with some having to close their counselling room and cease their appointments as a result.

“When a member of the school mental health pastoral support team leaves, they aren’t replaced because the school needs the money for fuel.”

Strain on counsellors

The reported strain on the workforce was staggering. School counsellors shared that they were increasingly likely to be expected to work for free due to schools' funding being squeezed, denting counsellors' own finances. Those working outside of schools shared that agency fees and rent for their work premises were also increasing. They were also receiving more requests for discounted private practice rates from struggling families, with some sharing that their counselling business was merely breaking even and yielding no profit. Many had moved to private practice or online as a result of overwhelming capacity and pay issues working in schools, or shared that they were losing colleagues to other sectors or EAPs. There was a distinct sense of hopelessness and dwindling morale.

“How are we supposed to help children be hopeful when we have no hope ourselves?”

The sense of mounting pressure on counsellors professional and personal time and resources emphasised the lack of capacity for them to meaningfully help their clients. They emphasised teachers' burnout, although they were concerned that they lacked the capacity to cope with the saturation of mental ill health that teachers were having to outsource to them to address. They questioned who was there to look after them and help maintain their resilience whilst they tried to hold together their clients, and face the impact of the cost-of-living crisis themselves. They felt that it was becoming near impossible to maintain professional boundaries when faced with such struggles and desperation amongst the children with whom they were working and their families.

Private Sector Business

Pre-pandemic estimates from Deloitte UK put the cost to employers of poor mental health among employees at £42bn – £45bn each year; made up of absence costs of around £7bn, presenteeism costs between £27bn and £29bn and turnover costs of around £9bn.²⁸ The latest mental health research from Deloitte, reveals that the cost to employers of poor mental health has increased, to up to £56bn in 2020-21 compared to £45bn in 2019.²⁹

This trend has continued, with research showing that the economic and social costs of mental ill health in England reached £300 billion in 2022.³⁰ This figure captures economic costs (including those related to sickness absence, presenteeism, staff turnover and unemployment) of £110bn, 'human costs' (in terms of reduced quality of life and wellbeing) of £130bn, and health and care costs (including informal care) of £60bn.

While the UK is less exposed to the direct impact of the war in Ukraine, it has put pressure on prices already squeezed by labour shortages, slow post-pandemic recovery and the impact of Brexit. These factors have created the conditions for slow growth, reduced consumer spending, spiralling input costs and falling revenues.³¹ These pressures have greatly impacted the mental health of workforces, which is unsurprising given the link between poor mental health and financial strain.³² A large-scale 2023 survey found that rising prices were perceived as the greatest threat posed to the mental wellbeing of employees, with a majority (91.8%) of people worrying about increasing prices, alongside reported concerns about redundancy and increased workload associated with the cost-of-living crisis.³³

Small and medium-sized enterprise (SME) employers have been particularly hard hit,³⁴ with many businesses that survived the COVID-19 pandemic now facing uncertain futures³⁵ due to staff retention and recruitment, spiralling costs and dwindling revenues as consumer spending reduces. Mental ill health is one of the leading causes of sickness absence in SME workplaces,³⁶ with significant knock-on effects on finances and service quality.

²⁸ Deloitte (2020). *Mental Health and Employers: Refreshing the Case for Investment*. Available at: <https://www2.deloitte.com/uk/en/pages/consulting/articles/mental-health-and-employers-refreshing-the-case-for-investment.html> (accessed: 08.05.24).

²⁹ Deloitte (2021). *Mental Health and Employers: The Case for Investment, Pandemic and Beyond*. Available at: <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consultancy/deloitte-uk-mental-health-report-2022.pdf> (accessed: 07.03.24).

³⁰ Centre for Mental Health (2024). *The Economic and Social Costs of Mental Ill Health*. Available at: https://www.centreformentalhealth.org.uk/wp-content/uploads/2024/03/CentreforMH_TheEconomicSocialCostsofMentalIllHealth-1.pdf (accessed: 08.03.24).

³¹ Chatham House. (2022). *UK trade and the war in Ukraine*. Available at: <https://www.chathamhouse.org/2022/09/uk-trade-and-war-ukraine> (accessed: 04.01.24)

³² Money and Mental Health Policy Institute. (2021). *The State We're In: Money and Mental Health in a Time of Crisis*. Available at: <https://www.moneyandmentalhealth.org/wp-content/uploads/2021/11/The-State-Were-In-Report-Nov21.pdf> (accessed: 20.01.2024).

³³ Health Assured. (2023). *Mental Health Survey – February 2023*. Available at: <https://www.healthassured.org/mentalhealthsurvey/february2023/> (accessed: 05.11.2023).

³⁴ FSB50. (2023). *Small Business Index, Quarter 3, 2023*. Available at: <https://www.fsb.org.uk/resource-report/small-business-index-quarter-3-2023.html> (accessed: 12/01/2024)

³⁵ FSB50. (2023). *Small Business Index, Quarter 2, 2023*. Available at: <https://www.fsb.org.uk/resource-report/small-business-index-quarter-2-2023.html> (accessed: 12/01/2024)

³⁶ Office for National Statistics. *Census 2021: Sickness absence in the UK labour market: 2022*. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/articles/sicknessabsenceinthelabourmarket/2022> (accessed: 09.11.23).

We spoke with representatives of business support organisations, including Chartered Institute of Personnel and Development (CIPD) and Acas business membership bodies and workplace mental health service providers to discuss the impact of the cost-of-living crisis on UK employers and employees.

We welcome the recent establishment by UK Government of a new Occupational Health Innovation Taskforce which will look to improve visibility for employers on quality occupational health provision, including counselling, to better support employees in the workplace.³⁷ This will also focus on developing a new voluntary occupational health framework for businesses - which will set out minimum levels of occupational health needed to stop sickness-related job losses, and help businesses better support those returning to work after a period of ill-health. The Taskforce is being chaired by Dame Carol Black.

Impact of the cost-of-living crisis

Delegates at our roundtable to discuss the cost-of-living crisis on UK employers and employees reported heightened anxiety amongst workers across a range of occupations, fueled by job insecurity, the risk of redundancy, the falling value of wages and increased workload due to labour shortages.

Some occupations, including finance, law and retail, had seen significant increases in mental health related sickness absence, often where staff shortages were more prevalent and consumer price rises sharper. In the retail sector this has led to increasing verbal and physical aggression toward retail staff which has left many workers feeling anxious and vulnerable to the threat of physical harm.³⁸ The rising complexity and demand for mental health support was reported as was a growing need for trauma-informed therapy across occupations.

“I spoke to a retail shopworker with two children who told me that they’re doing the work of two people, yet they’ve defaulted on their mortgage and have a £2000 debt with their energy provider. The tipping point for them was when a customer spat at them because their shopping bill had increased so much. They’re off sick now with anxiety and likely to be for a long time”.

³⁷ Department for Work and Pensions; Department of Health and Social Care (2024). *New Occupational Health Taskforce to tackle in-work sickness and drive down inactivity*. Available at: <https://www.gov.uk/government/news/new-occupational-health-taskforce-to-tackle-in-work-sickness-and-drive-down-inactivity> (accessed: 07.03.24)

³⁸ British Retail Consortium. (2024). *Crime Survey 2024*. Available at: <https://brc.org.uk/media/3q0miv5a/crime-survey-report-2024.pdf> (accessed: 19.03.24).

Employee Assistance Programmes (EAPs)

EAPs were cited as being the most utilised tool amongst employers for tackling mental ill health within their workforces. There was some disagreement surrounding the role and scope of EAPs: whilst some argued that, with sufficient funding, EAPs could provide specialist services to tackle higher level mental health issues (such as Eye Movement Desensitization and Reprocessing (EMDR) therapy, or longer-term therapy sessions), others stressed that EAPs were originally introduced to only tackle low-level issues like anxiety and low-mood, and therefore could not be expected to support those presenting with more severe mental ill health symptoms. Speakers shared that many workplaces were seeking high-level interventions via EAP services whilst only being willing to pay very little per head.

EAPs offer the advantage of incorporating external mental health expertise into a company's repertoire and can serve as effective preventive measures when properly funded and utilised. The importance of 'prevention over cure' to help those whose mental health needs are not yet acute but who are struggling was reflected throughout the discussion, with it being stressed that workplace interventions have the potential to deliver well-needed interventions early on.

Consensus was that whilst investing in an EAP could help to alleviate some mental health symptoms, the problem of increased demand for mental health services required more systemic tackling than such programmes could offer. For example, participants shared that EAPs cannot act as compensation for the mental health risks posed by poor work, bad working conditions or toxic cultures.

Moreover, with waitlists for NHS mental health services skyrocketing, participants reported increasing dependence on EAPs in place of services that they would ordinarily seek NHS support for, despite EAPs often lacking the capacity or expertise to deliver them. Cases being referred to EAPs are increasingly complex – an example was given of an individual suffering with schizophrenic symptoms who was forced to turn to their company's EAP for support due to long NHS waiting times. Participants noted that EAPs should not be tasked with reversing the systemic damage suffered by those with higher level mental health needs going unsupported due to underinvestment in state-provided mental health provision.

“The EAP model was set up to offer short-term support to people experiencing mild to moderate mental and/or physical health issues that were impacting their ability to work...the scale and pace of increasing demands on workers, due to external challenges, has severely tested this model.”

Barriers to EAP engagement

Stigma and shame around asking for help was cited as a common barrier to EAP access; participants discussed the need for workplaces to encourage discussions around mental health and normalise help seeking behaviour. Several factors that relate to this issue, including gender were discussed. Notions of toxic masculinity prevent male workers, particularly older generations, from accessing support due to feelings of associated 'weakness' or the fear of ridicule. This is especially prevalent in male-dominated or masculine blue-collar professions, though many referred to high levels of stress and burnout associated with unhealthy attitudes to health seeking among C-suite, corporate professionals too.

Participants shared testimonies of people being anxious that managers would discover that they were accessing EAPs, which they worried would impact the way senior staff regarded them; this aligned with observations that there was mistrust amongst the workforce surrounding the anonymity of their interaction with EAPs.

Workplace accountability

Debates arose over employer accountability for workforce wellbeing. Whilst it was agreed that employers must provide a healthy and diplomatic work environment – which would naturally ease stress amongst workers - some participants highlighted that, as a result of both the pandemic and the cost-of-living crisis, lines had blurred between home and work, leading to confusion as to where responsibility lay for safeguarding mental health.

Whilst larger companies with greater resources were perceived as increasingly acknowledging the importance of - and investing in – workforce mental health, some participants spoke sympathetically of the plight of SMEs who could not afford to make such investments. Concerns surfaced that such companies might be vulnerable to less effective, poorly regulated providers of mental health training or psychological therapies. The rise of 'uber' providers was a particular concern for some – leaving employers and workers vulnerable to market entrants from outside the UK that operate without the same standards as do UK-based providers. There was a general sense that Government needed to do more to support mental health at work, especially for SMEs possibly through the establishment of a dedicated ministerial post and to extend further tax incentives for employers to invest in support.

“...We're at a tipping point, employers are streets ahead of statutory services in terms of understanding the needs of their people. We can take a key role in helping the economy grow and recover, yet we're still trying to get recognition from Government that some very simple, low-cost financial levers would help more people access our services and free up public sector resources...it's frustrating”.

Rural Mental Health

The cost-of-living crisis has greatly impacted rural communities. In rural areas, the average wage is 7.5% less than the urban equivalent;³⁹ throughout the cost-of-living crisis, those residing in the countryside have been subject to the 'rural premium', which has meant that their everyday costs such as fuel and transport can amount to 10-20% more than the wider population.⁴⁰ Likewise, inflation of raw and agricultural resources (by which rural industries are disproportionately impacted) reached sums of 25-30%, compounding distress amongst rural communities.⁴¹

We spoke with counsellors and psychotherapists working with rural communities to gain insight into the distinct challenges facing their clients during the cost-of-living crisis, and what support and changes are needed to improve their mental wellbeing.

Unique needs of rural communities:

Loneliness and economic strain

Participants shared that more remote communities, already paying the 'rural premium' for housing costs and food, have been left further isolated due to increased public transport and fuel prices, heightening the impacts of loneliness. Inflation has left some people in rural communities having to make increasingly difficult decisions, such as choosing between food and heating. Economic and environmental challenges have been fluctuating throughout periods of financial instability, making the mental health support required to aid them inconsistent; participants emphasised that the mental struggles of more rural clients can be compounded due to delayed accessing of support until mental health issues may have reached crisis point.

“...before we can begin to attend to the mental health impacts of the cost-of-living crisis, we must address some of the antecedents, especially isolation. How can a person, who has no car or can't afford to run one, or who has seen their local bus service reduced or cut altogether, be expected to travel to mental health services – assuming they're even available?”

³⁹ Citizens Advice Rural Issues Group. (2022). *Hopeless: A Summary of our Report on Poverty in Rural Life*. Available at: <https://rsnonline.org.uk/images/meetings/RSP-Vulnerability-Group/25.04.22/citizens-advice-summary-report.pdf> (accessed: 03.01.24).

⁴⁰ The All Party Parliamentary Group for Rural Business and the Rural Powerhouse. (2023). *THE RURAL PREMIUM: exploring the impact of the cost-of-living crisis in rural areas*. Available at: https://media.cla.org.uk/documents/APPG_The_Rural_Premium.pdf (accessed: 09/12/23)

⁴¹ The All Party Parliamentary Group for Rural Business and the Rural Powerhouse. (2023). *THE RURAL PREMIUM: exploring the impact of the cost-of-living crisis in rural areas*. Available at: https://media.cla.org.uk/documents/APPG_The_Rural_Premium.pdf (accessed: 09/12/23)

Cost-of-living impacts on different demographics

Participants shared that farmers face numerous, unique mental health challenges due to closures from disease, bad weather, reduced Government support, and post-Brexit funding issues. Rising input costs worsen their situation: policymakers are often perceived as lacking understanding of external market forces and their effect on the farming sector. This disconnect fuels the belief that farmers are being neglected, a stance that was reinforced by the Government's response to the EFRA Committee report into Mental Health and Rural Areas.⁴² Additionally, the blurred line between home and work in family-run farms can make it hard for farmers to 'switch off', contributing to their mental health struggles amid gruelling working hours and tough financial conditions.

“Many farmers work into their 80’s, often with multiple conditions that include dementia and musculoskeletal problems. For them the rigours of farming have taken a lasting toll, and these can either be the cause of, or exacerbate, existing mental ill health. That’s why we need approaches that are properly targeted on need, and incorporate an ecosystem of support”.

Meanwhile, island residents experience heightened isolation and fuel costs, which damages the ability to maintain relationships and mental wellbeing. Fuel scarcity has led to increased crime in some areas, such as theft of fuel and heating oil. Moreover, it was raised that social housing in these areas often lacks proper insulation and heating, with expensive prepayment meters exacerbating poor living conditions.

Beneficial aspects of rural life

It was raised that there are aspects of rural life that can be beneficial to mental health, including access to green spaces and close-knit, often supportive communities. However, the positive aspects of rural life can serve to fuel unhelpful narratives and minimise the harsh realities of rural living. Some argue that these misconceptions have been reflected in ill-thought-out policymaking which reinforce the stereotype that the countryside is 'good' for people, and therefore the Government has tended to leave rural communities to 'get on with it'.

⁴² House of Commons Environment, Food and Rural Affairs Committee. (2023). *Rural Mental Health*. Available at: <https://committees.parliament.uk/publications/39991/documents/195139/default/> (accessed: 19.03.24).

Effective mental health support

Participants emphasised the importance of applying holistic health models that integrate different mental health support approaches to rural clients, alongside financial and physical support. This was thought to be the best way to reflect the multiple and often interrelated issues experienced by those in rural and remote communities. Support should incorporate the biopsychosocial aspects of health and wellbeing, rather than narrowly focusing on single interventions.

The potential merits of outdoor therapy in rural and remote communities were raised, with examples shared of green social prescribing in some areas (supporting people to engage in nature-based interventions and activities to improve their mental and physical health). This reflected wider discussion about the need for more research to develop the evidence base for the effectiveness of preventative activities and interventions, including psychological therapies.

Barriers to accessing help

Stigma

Barriers to accessing mental health support included the stigmatisation of mental health amongst rural communities, who were described as often priding themselves on being 'particularly hardy and resilient'. Despite this, participants were insistent that there is a growing need for counselling in rural communities, and that when support is deemed accessible, people will engage with it.

Digitisation

The increasing availability of digital therapies presents opportunities to reach those who might otherwise struggle to access services in person, including those with specific needs or those in areas with limited public transport. However, with many rural areas lacking digital infrastructure or having poor reception, telephone and or online therapies may be less viable. Additionally, the added cost of broadband services may be prohibitive for some.

It was raised that some therapists can visit farms, with such a model provided by the charity RABI through BACP member organisation Red Umbrella/Care Coins.

“...people in rural areas can be hardy and stoic, but they’re also vulnerable and open to receiving help – when it’s done right. Our experience of providing counselling to farmers in remote areas show that if you’re prepared to take services to the people who need them, they will engage. We’ve literally saved lives operating this way and have shown it can be done”.

Financial feasibility

For many, high prices make private therapy impossible: the lack of available or accessible NHS services in some rural areas means that third sector organisations often 'pick up the tab' for underinvestment. Third sector providers are keen to work more collaboratively to expand referral networks and meet the growing demand for psychological therapies; however, they hope to learn how to better engage with NHS and crisis services in doing so.

For rural areas, the Government funding support received for public services is much lower per head than for their urban counterparts. As a result, public services in these areas suffer and the residents, businesses and communities who rely on them are greatly disadvantaged by location. Service provision is more expensive to run in rural areas: this disparity is not sufficiently reflected in funding formulae used to distribute national funds to support local services. Increasing demand for steadily more expensive statutory services is leaving fewer funds available for 'discretionary' spending - including for the third sector, which plays such an important role in providing mental health services.

Conclusion and recommendations

Testimony shared during our five thematic roundtable events highlighted the stark impact that the cost-of-living crisis is having on the mental health of the nation, and the counselling and psychotherapy profession and their clients.

- Third sector counselling services are trying to meet ever-increasing mental health needs of the communities that they support with dwindling financial means of their own, whilst struggling to maintain the mental and financial stability of their staff.
- School counsellors are working with children shouldering increasingly grave familial financial distress; the counsellors themselves are losing hope, often having to work for free to support children and young people being denied statutory mental health support due to staggering CAMHS wait lists.
- SMEs are often unable to invest in employee mental health or are ill-equipped to tackle the mounting mental health crisis amongst staff - despite this crisis leading to unprecedented staff absence and impacting their productivity and profitability.
- Mental ill health in rural communities is being exacerbated by increasingly hostile working and financial conditions, declining transport, and poor access to appropriate mental health services, heightening feelings of isolation and despair.
- Stigma and shame around seeking mental health support for many in the UK remain a barrier in accessing, and authentically engaging with, mental health support even when it is available.

The change needed to tackle the issues foundational to the mental health crisis associated with the cost-of-living crisis is systemic; socioeconomic inequality and poverty *must* be prioritised and addressed by the Government for a transformation of the nation's mental health.

An emphasis on early intervention is critical, to address mounting waiting lists for statutory mental health support and ensure that people receive compassionate support before their mental ill health spirals. The needs of minoritised groups, who have been doubly disadvantaged by the pandemic and cost-of-living crisis, must also be expertly met with a culturally sensitive approach. But effective intervention models can only be achieved with sustainable funding being delivered to third sector organisations; with stable and fair salaries and working conditions for school counsellors; and with incentivisation for workplaces to address mental health amongst their staff.

Despite often working in adverse environments and within strained financial margins throughout the cost-of-living crisis, counsellors and psychotherapists have provided vital mental health support in numerous settings in times of unprecedented struggle. The counselling and psychotherapy workforce has the expertise and capacity to be a pivotal tool for reversing trends in deteriorating national mental health and providing life-changing support - but funding needs to be made available to ensure that this critical workforce themselves aren't additional victims to the cost-of-living crisis and are paid a fair and sustainable wage.

Recommendations to address the mental health impacts

Addressing health inequalities

It is critical that Governments across the UK develop a cross-departmental approach to address mental health inequalities that are exacerbated by the impact of poverty. We are supportive of the approach in Northern Ireland, Scotland and Wales, which all include actions to address the wider determinants of mental health within their Ten-Year Mental Health Strategies.

Recommendation 1: The UK Government urgently recommits to a cross departmental Ten-Year Mental Health Strategy for England, with a greater focus on addressing the determinants of poor mental health.

There is extensive support for this from across the wider Mental Health sector. Along with 60 other organisations, in September 2023, we signed the commitment to a *Mentally Healthier Nation*, which called on the UK Government to urgently commit to a 10-year, Cross Government plan for Mental Health focusing on better prevention, equality and support in England.

Governments across the UK must recognise the real and damaging impact of poverty on the mental health of people and communities. A commitment must be made in each nation of the UK to delivery through the prism of the eight Marmot principles to ensure that health equity is central to all Government policies. Marmot focusses on the determinants of health inequalities - early years, education, work, income, healthy places, tackling discrimination and racism, environmental sustainability, and ill health prevention.⁴³ This approach has been piloted in over 40 Local Authorities and 8 City regions in the UK and the intent to use this as a national framework is a current policy proposal by the Labour Party.⁴⁴

Recommendation 2: A commitment to Marmot principles must be rolled out across all nations of the UK, led by an appropriate Minister in each nation with Health Inequalities central to their portfolio.

⁴³ **The eight Marmot principles are:**

1. Give every child the best start in life.
2. Enable all children, young people and adults to maximise their capabilities and have control over their lives.
3. Create fair employment and good work for all.
4. Ensure a healthy standard of living for all.
5. Create and develop healthy and sustainable places and communities.
6. Strengthen the role and impact of ill health prevention.
7. Tackle racism, discrimination and their outcomes.
8. Pursue environmental sustainability and health equity together.

⁴⁴ Labour Party, Build a NHS for the Future, Sept 2023, <https://labour.org.uk/wp-content/uploads/2023/05/Mission-Public-Services.pdf> (accessed: 27.03.24).

Fair and sustainable funding for third sector providers

Cuts to Local Authority budgets are having devastating impact on VCSE organisations and the communities they serve. 62% of charities delivering public contracts do not receive the full value it costs to deliver and it has been estimated that the VCSE sector subsidises state services by £2.4bn a year.⁴⁵

Short-term funding places huge pressure on counselling organisations - particularly in terms of recruitment and retention of staff - and prevents disruption to much needed vital support.

Recommendation 3: Grant-funders and service commissioners must increase funding cycles to three to five years, and a move away from short-term funding.

Community-based services require recognition of their true value, and more dedicated investment and support as providers of early intervention and play a vital role underpinning gaps in national health service provision across the UK.

Recommendation 4: With services reporting increased complexity of client issues and many people deferring help-seeking until they are in crisis, Governments across the UK must provide a much greater focus on prevention and early intervention to stop people reaching crises before they seek or receive help.

More accessible support for children and young people

To address the ongoing crisis in children and young people's mental health, we call on the UK Government to invest in national primary school, secondary school and college-based counselling programmes and within early help community hub settings ensuring universal access to counselling services whatever the setting. Currently post-primary counselling is funded by devolved Governments in Scotland, Wales and Northern Ireland.

Recommendation 5: An additional funding commitment must be made in all Governments across the UK to fund early-help counselling interventions in primary schools and to also extend this across FE College and sixth form settings ensuring all children and young people have equal access including at times of key transitions.

We welcome the UK Government's recent investment in a pilot programme of early help community hubs for those aged 11-25 in 22 areas across England. This will deliver free at the point of access counselling alongside a range of other additional support services, often delivered by third sector community providers.

Recommendation 6: Funding for this must be extended beyond the current one year commitment: this model must be rolled out across England.

This model goes some way to engage with young people who don't traditionally access statutory health and education services. In one study carried out by BACP and Youth Access⁴⁶ it was found that young people from more marginalised communities, including young women, benefit from an early help community hub model, including having high levels of satisfaction with the service they received.

⁴⁵ New Philanthropy Capital (2024). State of the Sector 2024. Available at: <https://npproduction.wpenginepowered.com/wp-content/uploads/2024/02/NPC-State-of-the-Sector-2024-Ready-for-a-reset.pdf> (accessed: 07.03.24).

⁴⁶ Duncan, C.; Rayment, B.; Kenrick, J.; Cooper, M. *Counselling for young people and young adults in the voluntary and community sector: An overview of the demographic profile of clients and outcomes*. *Psychol. Psychother. Theory Res. Pract.* 2020, 93, 36–53. <https://bpspsychub.onlinelibrary.wiley.com/doi/epdf/10.1111/papt.12206> (accessed 27/03/24)

Recommendation 7: With growing waiting lists and increasing demands on services across the UK, The Governments in Scotland, Wales, and Northern Ireland must fund and adopt the Youth Access YIACS model (youth information, advice and counselling services), with a full range of support services under one roof.

Poor pay and conditions for counsellors in education settings leads to recruitment and retention challenges which have worsened by the current cost-of-living crisis with schools making savings by reducing counsellor's hours (when employed directly or on a sessional basis) counsellors rarely being on full-time or 52 week a year contracts. Some third sector providers can offer full-time and substantive posts, but these are usually the larger organisations with successful, longer term tendering processes in place with local health or education funding.

Recommendation 8: Full-time or substantive posts with fair pay for the profession must be built into the appropriate commissioning model in each nation, whether this is led at a national, local or school level. Counsellors working in education settings should be employed on permanent full-time or substantive contracts with a competitive salary (equivalent to NHS band 5-7) with sick pay and annual leave allowance built into the role specification, whoever the employer.

We recognise the growing burn out facing many teachers and support staff in schools.

Recommendation 9: Learning from the Government-funded approach in Wales, officials allocating funding to counselling services across the UK must also explore extending access to counselling for school staff via additional funding streams.

School counsellors are well placed to deliver these services as they have a working knowledge of issues school staff face with the added bonus that their foundation counselling training is generally adult focused, enabling them to competently work with this age group. In Wales these additional services are delivered by counsellors working across different schools so there is no conflict with any dual role. These services are only currently available when workforce capacity allows and are not offered across every local authority area.

Improving Workplace Mental Health

Poor mental health now accounts for more than half of all work-related illness; around 51% of long-term sick leave is due to stress, depression, or anxiety. BACP's most recent YouGov survey showed that three quarters of respondents (76%) reported that their mental health had been impacted by the cost-of-living crisis; which has increased from 53% in 2022.⁴⁷ New research from Centre for Mental Health and commissioned by the NHS Confederation's Mental Health Network, showing that the economic and social costs of mental ill health in England reached £300 billion in 2022, with the largest burden falling to businesses (total cost of £101bn) due to lost productivity and the costs of absence and presenteeism.⁴⁸

⁴⁷ British Association for Counselling and Psychotherapy/YouGov (2023). *Survey of BACP Members*. Date received: March 2023.

⁴⁸ Centre for Mental Health; Mental Health Network. (2024). *The Economic and Social Costs of Mental Ill Health*. Available at: https://www.centreformentalhealth.org.uk/wp-content/uploads/2024/03/CentreforMH_TheEconomicSocialCostsofMentalIllHealth.pdf (accessed: 27.03.24).

Research has shown that workplace counselling can halve sickness absence in organisations: having accessible counselling services as part of an EAP programme can help staff to return to work sooner, boost resilience and productivity, and reduce long-term sickness rates.⁴⁹ Similarly, research commissioned by BACP and undertaken by the Institute of Economic Studies (IES) supports the effectiveness of workplace counselling in securing employer and employee benefit, including reduced staff turnover, greater productivity and less instances of sick leave. The return on investment (ROI) of workplace counselling, as part of an employee assistance programme (EAP) has consistently been shown; with EAP Association figures showing that for every £1 spent on an EAP UK employers see an average return on investment of £7.27.

However, many sole traders and small and medium size businesses are not resourced to access this much needed support. A recent survey of small business owners by Mental Health UK showed that despite having a higher level of prevalence of mental health challenges, with 80% reported they had experienced symptoms of poor mental health, almost half of SMEs (44%) have never accessed mental health support.⁵⁰

To address this, dedicated Government support must be put in place for businesses across the UK, which particularly supports the needs of smaller businesses and sole traders. In Wales, an £8 million scheme was launched by Business Cymru in June 2023 to deliver In-Work mental health support Services to SMEs and sole traders across the nation as part of a two-year programme,⁵¹ including those working in the third sector. The service provides free access to therapeutic support and is available for people who are absent or at risk of becoming absent from work with mental or physical ill-health, with the aim of helping them to remain in or return to work.

Recommendation 10: The UK Government, Scottish Government and Northern Ireland Executive must make similar investment in accessible and dedicated mental health support for small businesses.

Recommendation 11: To address the extensive economic cost of mental health to the economy, the UK Government and HMRC must undertake a review of investment in EAP workplace counselling services by UK employers and consider a range of tax relief and Benefit-in-Kind measures which could facilitate greater uptake in accessible mental health support, including workplace counselling.

⁴⁹ McLeod, J. (2010). 'The effectiveness of workplace counselling: A systematic review', *Counselling and Psychotherapy Research*, 10 (4), pp. 238-248. <https://rke.abertay.ac.uk/en/publications/the-effectiveness-of-workplace-counselling-a-systematic-review>

⁵⁰ Mental Health UK and Iwoca, <https://mentalhealth-uk.org/blog/four-in-five-small-business-owners-tell-us-theyre-experiencing-poor-mental-health/> (Accessed 27/03/24)

⁵¹ Business Cymru. (2023). New scheme to help staff at small businesses access well-being support. Available at: <https://www.gov.wales/new-scheme-help-staff-small-businesses-access-well-being-support#:~:text=The%20service%20will%20provide%20free,in%20or%20return%20to%20work> (accessed: 27.03.24).

Better mental health support for rural communities

Mental health support is often concentrated in areas of high population and access to services in rural and remote communities can be limited to a lack of facilities and other factors, such as limited public transport. Attendees at our rural roundtable testified that a low visibility of mental health service in these communities can lead to culture of self-reliance which can prevent people from seeking support earlier, instead only seeking support when they have already reached 'crisis' stage.

Farming and other agricultural related professions are known to face particular mental health challenges, with higher-than-average rates of depression and suicide. The Office for National Statistics report that 36 farm workers die by suicide each year,⁵² whilst research by Edinburgh University has shown that the rate of suicide in the veterinary profession is at least three times that of the general population. According to the Farm Safety Foundation, 81% of farmers under 40 believe that mental health is the biggest hidden problem facing farmers today and 92% believe that promoting good mental health is "crucial" if lives are to be saved and farmers kept safe.⁵³

Recommendation 12: All Governments across the UK must provide improved access to a wider range of psychological therapies, including counselling and psychotherapy into the heart of rural communities. Any investment in more online mental health provision must additionally be met with investment in face-to-face provision. This requires utilising the counselling workforce in primary care settings across the UK, through the Primary Care Networks in England and within multi-disciplinary teams based within GP hubs in Scotland, Wales and Northern Ireland alongside appropriate funding for third sector specialist services, recognising their vital role in local communities.

Devolved healthcare also has a critical growing role to address local mental health inequalities.

⁵² Office for National Statistics (2021), *Suicide by occupation, England and Wales, 2011 to 2020 registrations*, Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/adhocs/13674suicidebyoccupationenglandandwales2011to2020registrations> (accessed: 09.05.24)

⁵³ Farm Safety Foundation (2023), *Mental Wellbeing*. Available at <https://www.yellowwellies.org/mental-wellbeing/>

Recommendation 13: Area-based mental health plans, including those delivered by Integrated Care Systems in England and Northern Ireland, Integration Joint boards in Scotland and integrated Health Boards in Wales must incorporate funding formulas which better reflect the specific challenges and profile of rural communities.

We support the growth in provision of online NHS mental health support services across the UK, giving greater choice and accessibility in hard-to-reach remote and rural communities; however, this cannot be at the expense of providing accessible face to face support. Governments across the UK must address the digital divide for rural communities, who often face lower quality broadband, poor mobile connectivity and additional training needs to get online. Poor connectivity can render the use of cost effective, accessible mental health services, including digital/mobile counselling, unworkable in many areas. We welcome the recent £5 billion investment by UK Government in Project Gigabit to enable hard-to-reach communities across the UK to access lightning-fast broadband being rolled out this year.

Understanding the cost of living crisis

Valuing our mental health



Children and young people

Children and young people from households in the lowest **20%** of incomes are **4 times** more likely to have serious mental health problems by age **11**

(NHS Confed, 2023)

Cost of living and mental health in the UK

People with pre-existing mental health problems are **3.5 times more likely** to have been in financial difficulty pre cost of living crisis

(MHF, 2023)



Students

Almost 1/5 of students considered dropping out of education due to cost of living increases

(Office for Students, 2023)



Workplace and employment



Mental ill health costs society and the economy **£300 billion** per year

(Centre for Mental Health and NHS Confederation, 2024)

Health inequalities

95% of NHS Trust Leaders say that the cost of living crisis has either significantly or severely worsened health inequalities in the local area

(NHS Providers, 2023)



Four nations



75% of adults in **Scotland** are concerned about maintaining their standard of living

(MHF, 2023)



44% of adults in **Northern Ireland** are anxious about their money situation, rising to **55%** for **18-45** year olds

(MHF, 2023)



57% of households in **Wales** are cutting back on heating, electricity and/or water

(Bevan Foundation, 2022)

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