

EXECUTIVE SUMMARY

MENTAL HEALTH & EMPLOYMENT PARTNERSHIP EVALUATION FOR THE LIFE CHANCES FUND: SECOND INTERIM REPORT

This briefing summarises the key findings of the second interim report from the evaluation of the Mental Health and Employment Partnership (MHEP) projects commissioned under the Life Chances Fund (LCF).

The LCF is a £70 million outcomes fund to support locally commissioned social impact bonds (SIBs), launched by the Department for Culture, Media & Sport (DCMS) in 2016. There are five MHEP SIBs contracted under the LCF, each of which supports the delivery of an intervention known as ‘Individual Placement and Support’ (IPS) to help people experiencing mental health issues or learning disabilities to find and remain in competitive, paid work. The report adopts a mixed methods approach, drawing on qualitative interview data and aggregate quantitative performance data.

The report contains significant practical insights and recommendations on how policymakers, local commissioners and providers can better enable impactful delivery of employment services for those experiencing mental health conditions.



THE PROJECTS

MHEP was established in 2015 by Social Finance, backed by social investment from Big Issue Invest for a total of £1.2m across Haringey and Barnet, Shropshire, Enfield, Tower Hamlets (Mental Health), and Tower Hamlets (Learning Disabilities).

Key findings



Improved commissioning practice

A data-driven and collaborative culture significantly improved the ability of commissioners to manage IPS delivery under the MHEP SIBs. Through continuous reporting and regular contract review meetings, commissioners gained a new understanding of how best to manage performance, and could draw on more developed contractual levers to do so.



The challenge of complexity

MHEP’s payment arrangements and multiplicity of contracts were seen as unnecessarily complex. The complex payment arrangements were perceived to have consequences on staff motivation, mission alignment between actors, and losses in outcome payments.



Scaling and improving IPS

MHEP has contributed to the widespread scaling of IPS, setting new standards of what ‘good’ looks like. It informed the introduction of outcome performance to the IPS fidelity framework, and has led to the creation of IPS Grow, an organisation which supports standardisation and coordination across the UK.



Meeting job outcome rates

Amongst participants with severe mental illness, the job outcome rate up to September 2023 was 32.3% which is similar to the lower-end rates seen in the IPS implementation literature (generally 30-50%) and the NHS England’s benchmark for a new IPS service (30-40%).



INDIVIDUAL PLACEMENT AND SUPPORT (IPS)

IPS follows a ‘place then train’ model, where employment specialists support service users to secure employment quickly, before providing them with ongoing support to ensure sustainment. The IPS model has a large international evidence base, and services are measured against a 25-point fidelity scale to ensure adherence to IPS principles.



1

Does the MHEP SIBs affect service quality?

There were four perceived improvements in service quality as a result of the SIB: more rigorous caseload management, emphasis on integration to clinical team, higher attention to a wider range of outcomes, and continuous discussions on fidelity. However, there were some concerns about the fidelity assessments taking staff time away from service delivery. As a result of the MHEP SIBs experience, outcome performance has been included in the fidelity framework for all IPS providers, regardless of funding model.



2

How did the structure of the MHEP SIBs affect service delivery?

The service delivery on the MHEP SIBs was perceived to be complex, particularly in terms of payment structures, causing challenges around staff motivation, mission alignment between actors, and outcomes payments. Social Finance acts as an intermediary, responsible for contract monitoring and performance management, and was generally perceived as providing positive support to providers. Providers and commissioners expressed an ideal SIB structure of outcome payment at 5% of the contract value, investors paying a minimum of three to six months of providers' working capital and progressive payments in an outcome chain weighted for time and cost-savings.



3

Through what incentives do MHEP SIBs operate?

MHEP SIBs operated through financial incentives from outcomes payments, although these were muted by design issues. In practice, providers seemed to respond more to intrinsic motivation, supported by greater perceived competence, autonomy and efficiency from working with MHEP SIBs.



4

Does MHEP have a legacy?

For the wider IPS sector, MHEP has created the NHS-backed IPS Grow, which provides a toolkit for self-performance management, and helps with standardisation and coordination across all UK sites. For providers and commissioners, the MHEP experience provided capacity development for both individuals and organisations in support skills, monitoring systems and partnership working.



5

Is there greater accountability in SIB-funded IPS?

Providers, commissioners, and MHEP staff all perceived a greater level of accountability in the MHEP SIBs compared to traditional funding arrangements of IPS. This enhanced sense of accountability was seen to emerge from improvements in commissioning practice, including continuous and active monitoring, more developed contractual performance levers, and a collaborative problem-solving approach focused on learning (rather than punitive enforcement of outcomes payments).

Read more about these in their respective chapters