In partnership with

BRIEFING 66

STABILITY BEYOND CARE

WHY WELFARE ADVICE MATTERS FOR MENTAL HEALTH

SUMMARY

This briefing argues that welfare advice is an essential component of mental health care. Financial insecurity, debt, unstable housing, and overwhelming administrative processes are major drivers of psychological distress and mental health crises. People with mental health problems who are in inpatient or community settings can have difficulties managing the administrative processes related to personal finances, benefits and housing, and might not be aware of their rights.

We present evidence from three sites in England (Winchester, Kettering, and Sheffield) that demonstrate that embedding specialist welfare advisers within inpatient and community mental health services improves wellbeing, reduces stress, prevents homelessness, accelerates discharge, and decreases readmissions by addressing the socioeconomic factors that destabilise people's lives.

We describe the benefits to people, the NHS, and the wider system, including reduced pressure on clinical teams, reduced patient stays, significant amounts of people's debt written off, increased access to benefits, increased access to and sustainment of stable housing.

We identified the key components that make these partnerships between local charities and NHS trusts effective, such as being situated on site, strong cross-sector relationships, flexible funding and information sharing.

Finally, we identified the incoming integrated neighbourhood teams as a key policy opportunity to scale and sustain such models, particularly in light of the neighbourhood health framework policy paper published in March 2026. This states the expectation for the NHS and local authorities to work as a joint endeavour alongside wider partners, in a truly collaborative effort, while outlining practical recommendations to ensure welfare advice becomes a routine part of mental health support.

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- Citizens Advice Sheffield
- Citizens Advice Winchester District
- Hampshire and Isle of Wight Healthcare NHS Foundation Trust
- NHS Hampshire and Isle of Wight Integrated Care Board
- NHS South Yorkshire Integrated Care Board
- Sheffield City Council
- Sheffield Health Partnership University NHS Foundation Trust.

POLICY BACKGROUND

THE LINK BETWEEN MENTAL ILL HEALTH AND FINANCIAL DIFFICULTIES

A strong and well-documented relationship exists between financial difficulties and mental ill health. People experiencing mental health problems are disproportionately affected by poverty, insecure housing, problem debt, and unstable income (Cardoso and McHayle, 2024). These pressures intensify psychological distress, contribute to crisis episodes, and increase the risk of hospital admission. Evidence shows that financial strain is a significant social determinant of mental health, closely linked to heightened anxiety, reduced wellbeing, and a higher likelihood of relapse (Reece *et al*., 2022).

During inpatient stays, financial insecurity can worsen mental health symptoms. Many patients face disrupted income, missed benefit payments, rising debts, or threatened housing arrangements while they are hospitalised. These financial stressors can undermine recovery, delay discharge, and contribute to 'revolving door' admissions. Studies consistently highlight that addressing financial and welfare issues is essential to stabilising mental health, reducing distress, and supporting recovery (Woodhead *et al*., 2017).

Economic evidence also highlights the cost implications of this link. For example, mental health related financial instability can contribute to extended inpatient stays (averaging £330 per day) and increased risk of homelessness, which carries substantial public sector costs - £24,000–£30,000 per year (Parsonage, 2013). Effective support in managing welfare benefits, income, and housing is therefore not only vital for patient wellbeing but also for reducing systemic pressures on the NHS and wider public services.

Additionally, research from the Financial Conduct Authority (FCA), Money and Mental Health Policy Institute, and parliamentary reports have shown how vulnerable consumers are often more reliant on advice and suffer worse outcomes (FCA, 2020). These can be exacerbated from insensitive or inappropriate financial handling. For example, Money and Mental Health's 'Debts and Despair' report found that 50% of people in arrears reported suicidal thoughts during periods of aggressive or unsuitable financial communication (Murray and Bond, 2020). These experiences then also discourage vulnerable people from seeking help (Lally, 2024).

THE WELFARE AND ADVICE NEEDS OF PEOPLE IN CRISIS CARE

Given the close relationship between financial hardship and mental ill health, professional welfare advice is a critical component of holistic care for people using mental health services. Research from the last decade shows that many inpatients require specialist support with welfare benefits (e.g. universal credit, personal independence payment (PIP), debt management, housing problems, employment rights, and income maximisation (Irvine *et al*., 2025). These needs are often urgent and complex, particularly during hospital stays when administrative processes can easily be disrupted.

Across England, various models of welfare advice provision have emerged to meet these needs:

- Colocated or embedded welfare advisers on inpatient wards, such as those in Sheffield and South London and Maudsley NHS Foundation Trust, who work directly with clinical teams (Administrative Justice Council, 2021)
- Internal hospital advice services, such as at Springfield Hospital, supporting income, housing, and discharge planning (Administrative Justice Council, 2021)
- Partnership models with Citizens Advice or other voluntary sector organisations, seen in settings such as Great Ormond Street Hospital (Administrative Justice Council, 2021).

These services aim to address the financial and social issues that directly impede recovery. Evidence shows that welfare advice can improve mental wellbeing, reduce stress, prevent homelessness, and accelerate discharge (Reece *et al*., 2022). Patients also report feeling more empowered and better able to engage in treatment when their financial circumstances are stabilised (Barker *et al*., 2018). Systemically, welfare advice within inpatient settings contributes to cost savings through reduced relapse rates, fewer bed days, and more effective discharge pathways (Irvine *et al*., 2025).

Addressing the complex mental health needs of the population has become a priority for the current government. People with severe and enduring mental illness, and people with long-term conditions are two of the priority groups which will be prioritised in the neighbourhood health services roll-out (DHSC, 2026)

TRAILBLAZERS - SHOWING A SOLUTION ALREADY EXISTS AND IS POSSIBLE

Voluntary, community, and social enterprise organisations (VCSEs) are strategic allies to statutory services for providing welfare advice. This is partly due to the organisational characteristics of charities: they are flexible, able to adapt quickly, and have shorter times for recruitment, system changes and service redesign, which are advantages over larger, more bureaucratic organisations. Charity staff bring professional, quality-assured, accredited experience of providing advice. They also often bring lived experience and strong motivation, supporting value-driven service delivery. NHS staff trust charity workers as they know they are specially trained to provide the welfare advice that is often linked to discharge processes, like housing, income (benefits), and community-based support. In the sections below we describe three examples of two charities who are delivering welfare advice to people with mental health needs in community and health care settings.

WINCHESTER

At Melbury Lodge, an inpatient mental health unit, Citizens Advice Winchester District (CA Winchester District) provides welfare advice to inpatients. The service as it is today started in 2022 with one single caseworker. The advice they offer is holistic, flexible, and determined by the person's needs. Most people need support with housing and finance, but the holistic, person-centred advice covers a wider range of areas such as accessing or sustaining employment (including requesting employment support according to their mental health needs and return to work programmes), and patients' rights under the Mental Health Act. It was designed jointly by the Hampshire and Isle of Wight NHS Trust and CA Winchester District.

> **"... people present with a wide range of complex and often inter-connected issues. We focus initially on building a trusted relationship with each person. We then work flexibly with them over time to unpack and resolve these to support their recovery."**
> - Chief Executive, CA Winchester District

The service is currently funded solely by Hampshire and Isle of Wight Healthcare NHS Foundation Trust and consists of four caseworkers in four inpatient units and rehabilitation wards. The service is currently introduced to people during their inpatient stay on the ward, and continues post-discharge as needed. Post-discharge support is seen as crucial to prevent cycles of stress-related admissions or readmissions. At an appropriate time, and if needed, they are sometimes given a warm handover to their local Citizens Advice service. This is also seen as key to encouraging people to access Citizens Advice services in the future, should they need to do so, and at an earlier stage.

The advice service is person centred and determined by the individual and their needs. The advice they need and seek usually falls in the categories of money/income, debt, housing, patient's rights, social care, and work/employment. Caseworkers receive Citizens Advice's in-depth training and accreditation for advice workers, alongside relevant NHS training on mental health conditions and trauma-informed care. They receive regular advice supervision from Citizens Advice and clinical supervision from NHS staff, ensuring services meet high quality professional standards.

Some of their impact figures show that, on average, patients gain more than £3,000 a year financially from the advice they receive through this service. (Hampshire and Isle of Wight Healthcare NHS Foundation Trust, 2024).

Another important impact of the service has been on the wellbeing and workload of mental health workers. Prior to welfare advice being embedded in the wards, clinical staff tried to help people with benefits, housing, utilities, or any other welfare concern that was not part of their clinical responsibilities. As well as being time consuming and reducing time for clinical duties, it is not appropriate for mental health workers to provide services outside their role. Without appropriate training, accreditation and supervision, there is a risk of providing poor advice which can adversely affect someone's circumstances. Staff mention that having Citizens Advice caseworkers in the wards for them has meant a reduced demand on them to provide welfare advice that they are not qualified to provide, reduced stress, and ability to focus on their clinical work.

In 2024, this service commissioned an economic evaluation of its impact on NHS finances. The results of this evaluation show that the net benefit over nine months for all patients is £14.06 per pound spent. The return on investment was estimated to be 1,306% (Hampshire and Isle of Wight Healthcare NHS Foundation Trust, 2024). These are very significant financial benefits to the Trust that are likely to be an underestimate given the lack of inclusion of wider public sector benefits, benefits to carers, and benefits to staff. This clear piece of economic evidence provided the necessary business case to the Trust to continue funding this service.

For the future, Citizens Advice and the NHS Trust management note that demand for the service is high, and sometimes referrals have to be paused when they are at capacity. The current staffing (one part-time caseworker per unit) was based on a funding cap in the original pilot, rather than on demand. From the outset, demand for the service has been high, and there can be tension between the competing demands of supporting people post-discharge to fully resolve their problems, and demand from new patients on the ward presenting with urgent needs. To Citizens Advice and the Trust management, this suggests that it is meeting a clear need and has the potential to be scaled up further, possibly to include work with community mental health teams. This would need additional resourcing, including for piloting the support in earlier stages via collaborations with community mental health teams. Their rationale for working with community mental health teams is that it might help to prevent hospital admissions in the first place, with bigger still economic and health benefits.

KETTERING

Accommodation Concern provides advice in three areas: housing and homelessness, welfare benefits, and Financial Conduct Authority (FCA) regulated debt advice. They have been providing advice to the general population for almost 40 years. Their partnership with Northamptonshire Healthcare NHS Foundation Trust (NHFT) started around 2022 to provide better advice service to people with complex and intersecting welfare and mental health needs, prompted by mental health practitioners in the Trust.

> **"The narrative that was presented to us was that too often mental health care practitioners were being dragged into doing sort of practical support and advice in areas where their expertise wasn't best placed and it was slowing down sort of the recovery journey for clients."** - Accommodation Concern Managing Director

The partnership was developed to ensure that mental health practitioners were no longer required, or asked, to provide specialist welfare and financial advice outside their expertise, enabling them to focus on clinical recovery while Accommodation Concern provided professional welfare support. Accommodation Concern and the NHS Trust work together through a dual-referral system, codesigned by senior leaders from both organisations, where Accommodation Concern can also direct their own clients to mental health pathways.

The partnership started as Accommodation Concern receiving direct referrals from community mental health teams but then grew to receive referrals from all NHFT clinical and administrative teams. Additionally, Accommodation Concern has been integrated into the NHFT's 24-hour mental health hub, allowing the seamless transfer of phone calls between the two organisations. Advisers in Kettering provided advice and support on three areas:

- Welfare benefit support, which includes assistance with completing applications, and appeals, mandatory reconsiderations of benefit decisions, and guidance on entitlements for people whose mental health affects their ability to work or live a fulfilling life
- FCA-regulated debt advice, such as identifying debt problems, strategies for financial stability and crisis prevention, and offering administrative support for people suffering an administrative overload causing them significant mental health distress
- Housing and homelessness prevention, which includes identifying risks of eviction or homelessness, support navigating housing processes, requesting and accessing appropriate accommodation, and support for people whose mental health condition resulted in homelessness.

Accommodation Concern reports outcomes and impact to NHFT on a quarterly basis. The reports include demographic characteristics (including information on protected characteristics), pathway patient flows, number of users, financial outcomes (e.g. debt written off, financial gains, benefits claimed, prevention of eviction, ability to buy food, etc), wellbeing outcomes (e.g. self-confidence, self-advocacy, stress and anxiety levels, engagement with treatment plans), and case studies to illustrate client journeys.

> **"I think that the narrative socially and culturally is that, oh, we do it ourselves unless we really, really can't. And that means that clients feel this pressure to do it themselves and to [improve] on their own... it's a complicated process anyway for us as benefit advisers, let alone somebody who isn't very well, who's struggling to try and navigate their way through this form. The more stable we can create life around people, the more the higher chance they have of finding stability internally. And I think that's a big thing ... that external stability and reassurance is a huge thing, and that's definitely something we can offer."**
> - Welfare adviser

SHEFFIELD

Citizens Advice Sheffield (CA Sheffield) provides welfare advice for people experiencing mental health problems at inpatient mental health wards and community settings. They use a range of formats to engage with people, including face-to-face appointments, community-based sessions and telephone support (with only limited references to e-mail communication in some sites).

In several locations in Sheffield, welfare advice is embedded directly into the clinical pathway. For example, at one hospital, the discharge facilitator, who also contributes to the triage process, screens for financial and social issues such as income, housing, and social support at the point of admission or early assessment. This allows early signposting or referral to welfare advisers. Referrals can also occur later in the therapeutic process or at any point during a hospital stay.

People who seek advice while struggling with their mental health frequently face intersecting challenges, including acute or long-standing mental health problems and financial precarity. Advisers consistently described the welfare and mental health care systems as cruel, complex, and inaccessible, especially for those who are already overwhelmed. This is even more pronounced for refugees and asylum seekers, who must comply with benefit system requirements such as declaring themselves 'available for work' despite facing legal, psychological, and economic barriers.

People can experience fear of the unknown if they are community based, and intense distress if they are being held in inpatient settings. They are described by advisers as frequently catastrophising based on misconceptions about creditors, the welfare system, and the health care system. Advisers say clients can often say what they think these systems want them to say even when it undermines their wellbeing or eligibility for support.

Advisers work on a case-load model, meaning that once a patient is assigned to a specific adviser and the same adviser continues supporting them throughout their journey. This continuity ensures consistency and trust rather than rotating people through multiple advisers.

Advisers in Sheffield provide specialist welfare advice tailored to the needs of people with mental health problems, including:

- Income maximisation, such as support with Personal Independence Payment (PIP), Universal Credit, and unclaimed benefits
- Income stabilisation, ensuring people access all entitlements and financial protections
- Debt advice, including debt consolidation, debt management, and in some cases debt write-offs
- Mental Health Crisis Breathing Space applications (a debt respite scheme)
- Advocacy and navigation support, helping people manage complex welfare or financial systems, including contacting Department for Work and Pensions (DWP) Vulnerable People's Champions, where available, to resolve issues or overcome system barriers
- Administrative support, including help with forms, appeals, capability assessments, mandatory reconsiderations, PIP appeals, and managing overwhelming administrative loads, requesting additional support markers for DWP processes, and supporting family members or statutory agencies to provide evidence statements for DWP processes.

Advisers are able to maintain contact after discharge if the case requires it. They follow up by email or phone to support and advise clients on longer-term processes, such as benefit applications or appeals. Advisers described that their involvement ends when the person has accessed the full range of support available, regardless of discharge, length of admission, diagnosis, or other circumstances. Support is only closed once the adviser is confident the individual has sufficient community-based supports and income protections in place. As one adviser described:

> **"We can make sure everything's sorted before we finish working with that person."**
> - Welfare adviser

Advisers work with two broad groups of mental health service users. Firstly, people whose complex mental health problems mean they re-enter services frequently. Secondly, individuals whose admissions arise from acute crises triggered by financial distress, debt, or sudden major life events. For the latter group, the adviser's role is often to remove administrative and financial burdens that feel unmanageable, enabling people to stabilise and move forward. Advisers recognise that for many people, financial issues are a core contributor to the crisis itself:

> **"...often the thing why the person's ended up in crisis is because of financial issues, debt... basically financial issues, and that is what we can help with whether that's maximising their income or helping with debt."** - Welfare adviser

In Sheffield, Citizens Advice's work within mental health services is jointly funded by the local authority, the DWP, and the NHS, reflecting a long-standing multi-agency collaboration continuing over time and through service restructures.

IMPACT - A WIN-WIN FOR ALL

IMPACT ON PEOPLE RECEIVING MENTAL HEALTH CARE

Welfare advice provides significant benefits for people with mental health problems, improving both their immediate wellbeing and their longer-term stability. When people access welfare support that truly reflects their lived reality as someone with mental health problems and socioeconomic precarity, it often leads to improved daily living, mobility, more trust in the system and less stress. Advisers report that recipients often become more confident, more able to make decisions, and experience a renewed sense of autonomy, particularly while they are in hospital when control over their everyday circumstances is often limited. Programme leaders mention that findings from theory-of-change evaluations with beneficiaries show they feel more in control of their lives, better able to manage future problems, reassured that there is a reliable safety net to support them, improved family relationships, feeling more seen and valued.

Financial benefits are often captured through numbers of successful PIP applications, debt written off, and universal credit applications, and access to other benefits.

Advisers frequently describe seeing dramatic positive changes in people they have supported once financial and administrative pressures are addressed. When following up with people after discharge, advisers see the impact of reduced financial stress on psychological recovery and sustained mental health wellbeing. As one adviser explained:

> **"At the end of [advice support] it's like literally speaking and working with a different person."** - Welfare adviser, Kettering

IMPACT ON NHS

For many individuals admitted during a mental health crisis, sometimes with longstanding but undiagnosed conditions, welfare advice helps resolve the financial and bureaucratic burdens that contribute to their distress. Financial insecurity is a major driver of psychological distress. As Greg Fell OBE, Director of Public Health in Sheffield, notes, low or unstable income triggers stress responses that worsen mental health problems. Existing literature evidence has demonstrated the causal relationship of income security on mental health outcomes alongside longitudinal studies that show a smoothed income stream produces mental health improvement (Nettle *et al*., 2025). People receiving welfare advice in inpatient settings have shorter hospital stays, fewer readmissions, and reduced medication needs (Thomson *et al*., 2022). By addressing these issues early, welfare advice can reduce stress and anxiety, help make hospital stays recovery-focused and more positive, and the discharge outcomes more sustainable.

> **"Managing patient flow is...one of our top priorities...that means making sure that we've got a hospital bed available at the point of need and flowing patients through discharge back in the community... I suspect the evidence would support that actually with CAB support or support around welfare, we're more likely to be able to generate that level of flow."**
> - NHS Trust Executive.

Advisers possess a deep understanding of the welfare system that health care staff often lack due to time pressures and the complexity of welfare rules. Services like this reduce the pressure on mental health practitioners to deliver non-clinical support. Importantly, it is not the role of health care staff to provide advice on financial, legal, and other welfare issues as they are not trained nor qualified to provide such support or advice.

> **"... clinical teams are a secondary beneficiary to this service ... what their feedback tells us and has consistently told us right from day one of this service of this partnership is that their stress levels have reduced, the team morale has improved, their job satisfaction is higher simply as a result of having a Citizens Advice colleague sat with them as part of their team on the ward for a couple of days a week, which really shows to me how the burden of these social issues sits on the shoulders of those clinical teams..."** - Associate Director of Population Health, HIOW NHS Trust

Advisers are better equipped to identify socioeconomic vulnerabilities and ensure that people with mental health illness receive all the support to which they are entitled. Their skills and knowledge also help to alleviate the mental load on health care staff, allowing clinicians to focus on clinical work rather than advice work, while promoting wider awareness of the benefits of welfare advice for other patients. It also enables faster and more effective responses to welfare issues that can contribute to crises and lengthy hospital stays.

The input and direct collaboration with VCSE sector organisations can help people to access NHS services more effectively through signposting to crises pathways, mental health pathways and recovery colleges. This can make successful outcomes achieved for the beneficiary more sustainable.

> **"We [advisers] can tell them, you know if we know that there's a particular recovery college course that's available through [NHS] then we can you can sort of almost treat that as the aftercare for the advice that we give to say why don't you consider attending the course that the recovery college that are putting on... budgeting or ... managing a tenancy, or whatever it is that's relevant to their particular journey."**
> - Managing Director, Accommodation Concern

POTENTIAL IMPACT ON WIDER SYSTEMS

The impact is long term. People often achieve greater stability and only return for support around specific administrative events, such as benefit reviews or reassessments. They re-engage better with community services after discharge, including community mental health teams. This has the potential to act as a positive feedback loop, since community mental health team management, or community-based mental health support is associated with reduced hospital admissions, greater acceptance of treatment, and reduced deaths by suicide (Simmonds *et al*., 2018). Many feel confident contacting their adviser directly, knowing they will receive timely and knowledgeable help. Additionally, it can strengthen the referral pathways between VCSEs and NHS services, through formal collaborations and by being embedded in the community. A community-based approach can also mean that the advice a person receives is timely and expert, from an experienced team, which can be helpful to prevent crises and escalations.

> **"... we found that actually the demand ... in wards was less than we'd anticipated, but the demand for attending some of those community venues and the advice that was being delivered through the crisis pathway, through referrals from practitioners, and through the mental health hub was much more than what we'd anticipated."** - Managing Director, Accommodation Concern

Advisers also play a critical role in repairing gaps in the social safety net. They identify entitlements that have been missed, prevent people from falling into debt, and can even secure debt write-offs when appropriate. For example, one adviser identified that a client of pension age had not received housing benefit, leading to significant arrears. By recognising this oversight, securing backdated housing benefit, and arranging debt write-offs, the adviser transformed the client's financial position before discharge.

> **"Because of our good relationships with the local authorities as well, we've been able to act almost as a mediator between the NHFT and the housing department in our local authority to help, I suppose oil the gears between who owes the housing duty to that client right now, whether they've got somewhere safe to be discharged into, and whether they're going to have the support once they are discharged to be able to manage that tenancy well on their own."** - Managing Director, Accommodation Concern

Overall, welfare advice mitigates the financial drivers of mental health crises, strengthens recovery, and fills structural gaps in welfare and health care systems. It delivers direct benefits to individuals while reducing pressure on overstretched mental health services and the wider public sector.

THE ROLE OF INTEGRATED NEIGHBOURHOOD TEAMS

Integrated neighbourhood teams represent a policy window to implement, embed, and sustain these partnerships.

Currently, multiple government departments, including Department of Health and Social Care (DHSC), Ministry of Housing, Communities and Local Government (MHCLG), Department for Work and Pensions (DWP), and Department for Culture, Media, and Sport (DCMS), have developed their own neighbourhood agendas, yet these operate in isolation and lack cross-departmental coordination. This fragmentation can limit the effectiveness of neighbourhood initiatives and leaves local systems struggling to 'stitch together' disparate national priorities.

This lack of coordination is reinforced by the absence of institutional ownership for poverty alleviation. No single agency or department is responsible for income maximisation or reducing poverty across the population. Instead, each organisation approaches poverty through its own lens (e.g. public health, economics, criminal justice, or employment) resulting in partial, siloed strategies. National efforts so far have focused narrowly on child poverty, while broader structural and life-course dimensions of poverty remain unaddressed, leaving both national and local systems without a coherent operational plan that does not reflect the lived reality of vulnerable people with intersectional needs.

We think that, within this fragmented landscape, neighbourhood teams create a unique policy window. Because they are meant to be designed to bring together health, social care and community organisations at local level, they offer a practical platform for integrating and operationalising welfare advice not only for people with mental health conditions at crisis points, but for everyone who needs it. Neighbourhood teams can function as the coordinating mechanism that the wider system currently lacks, providing shared accountability, early identification of socioeconomic need, and a route to embed welfare support into everyday community care. They can provide a way to strengthen the social safety net and close the gaps that prevent people from participating in their community.

HOW TO DO IT? - FOUR KEY COMPONENTS

We identified four key components in the successful welfare advice programmes showcased in this briefing.

ADVISERS WORKING CLOSELY WITH NHS STAFF

Advisers can work with discharge facilitators, ward managers, care coordinators, and other staff at the frontline. This enables effective and timely information sharing (with patient consent), such as care plans, occupational therapy reports, and fit notes, which are documents routinely used for welfare administrative processes. The partnership between the two institutions is seamless and in real time, which avoids some of the common pitfalls of a referral partnership such as delays in sharing information and repeating histories, which can be traumatising for the patient. Personalised support provided by the adviser to the beneficiary to meet them where they are with flexibility, adaptability, and continuity is also important. Crucially, information sharing at the ground level is underpinned by mutual trust in the professionalism and skills of the two delivery partners, the VCSE organisation and the NHS.

> **"I think the way that the partnership has really worked is that from day one it has been dealt with a real trust and a cultural trust, particularly from [NHFT senior executive] who's been our sort of main point of contact in making sure that that there is an appreciation of the work that the VCSE sector does and in particular ... the work that we do as an organisation".**
> - Managing Director, Accommodation Concern

COLOCATION WITH NHS STAFF TO FACILITATE COLLABORATION

Having an adviser physically present on the inpatient ward enables tailored engagement and increases participation among patients who may otherwise avoid or be unable to access advice services. Face-to-face interactions support trust building and strengthen the working relationship between adviser and beneficiary, improving outcomes and engagement.

> **"We've had to make sure that this particular cohort is dealt with quickly, because if you find someone's referred to you and on that day they're feeling well enough to engage with that advice, we need to at least start the ball rolling, do a triage, get them on our system, start getting some initial information, because there's no guarantee that tomorrow that person will be in the right headspace to be able to actually contribute to their own outputs and outcomes in the advice cases that they're dealing with."** - Managing Director, Accommodation Concern

FLEXIBILITY IN FUNDING ARRANGEMENTS

This flexibility is facilitated in part through service contracts (rather than grants or other rigid funding arrangements) as they allow greater flexibility in how funds are spent and it is aligned with charity finance rules. These funds are usually used as a dedicated budget for advisers, either in community settings or in mental health wards. Contracting arrangements also allows advisers to work flexibly with patients, waiting until individuals are mentally and emotionally able to engage, which is important in inpatient mental health settings, and to provide follow-up in cases where it is necessary after reinsertion in the community. Importantly, flexibility in how funds are used can allow charities to fund the core infrastructure they require to deliver a service on top of hiring dedicated staff to deliver that service.

PILOTING

The purpose of piloting would not be to prove that welfare advice is needed by people with mental health problems as there is plenty of evidence, including this report, backing this up. The piloting would instead be aimed at testing and trialling different delivery and funding arrangements to best meet local needs. Initial trial runs of ideas, funding arrangements, contractual obligations, service delivery scope, location, and responsibility have been incredibly helpful to charities to test the financial and operational feasibility of different arrangements to provide welfare advice services and to identify which model can best satisfy demand.

> **"A pilot that we carried out with the local authority in West Northamptonshire where the amount that we were given only covered one afternoon a week's worth of advice...it [did not fund] the casework generated from that afternoon... it was fewer hurdles to start it off as a pilot in North Northamptonshire because of the amount of money we required and then it delivered those tangible outcomes... It only took nine months from starting off a pilot...to it being commissioned county-wide on a multi-year framework. It only took nine months to be able to demonstrate that impact"** - Managing Director, Accommodation Concern

ADDRESSING THE CHALLENGES AHEAD

This section identifies a comprehensive, but not exhaustive list of key challenges that were common across all three sites providing welfare advice for people with mental health problems, and discusses ways to address these in current and future welfare services.

1. Capacity and workforce for increasing and sustained demand

The three services described how current demand far outstrips their availability to provide support to the people who need it, particularly in the context of worsening mental health across the population and the cost-of-living crisis. To address this challenge, they suggest is expanding the workforce by increasing adviser days on mental health wards or recruiting additional advisers. They also suggest to proactively expand general debt advice provision in the community as long waiting times can escalate financial stress and trigger mental health crises.

2. Social security and welfare system culture

All three services reported difficulties in communicating with statutory welfare systems, mainly because of cumbersome processes that have overly stringent requirements for support related to mental health difficulties. The services considered that these processes were designed to act as 'barriers' and saw their work as helping people overcome those barriers to access the support they needed. To address this, they suggested encouraging a shift in cultural attitudes towards mental health related welfare support, and redesigning processes so they are rooted in offering support for those in need rather than on suspicion of the person's need and clinical condition.

3. Funding, governance, and cross-organisational collaboration

Currently, the precarious nature of funding for the VCSE sector providing welfare advice or poverty-alleviation services makes it difficult to develop long-term, reliable provision. Funding application processes can also be complex.

Replacing annual funding cycles with multi-year, stable funding models and streamlining and simplifying funding applications would enable the VCSE sector to reduce the administrative burden and develop sustainable provision.

Clearer local and national governance structures with explicit integrated and shared governance for welfare advice within neighbourhood health care planning could reduce institutional friction by improving collaboration, communication, and data sharing between statutory and VCSE partners.

> **"I think the single thing that would make the most difference is more integrated governance that makes [impact] visible... What are our shared objectives? How are we each performing against those objectives and how can we improve together? ...I don't know because I don't see that."** - NHS Executive

Joint working that embeds welfare advice into recovery planning and discharge processes should also be encouraged. This requires a shift of priorities and funding towards prevention and outcomes that have been traditionally considered 'too hard' to measure. It also requires clear, consistent, and collective governance across local government and integrated care boards to take collective responsibility for addressing the social determinants of mental health. Although all sites in this briefing emphasise that collaboration would have not been possible without values being aligned, and the right people in the right positions, a cultural change at an organisational level can help to build and replicate these models, with appropriate support to build that trusting relationship between delivery partners.

Other elements which help support cross-organisational collaboration are having financially supportive partnerships, adequate infrastructure governance, information sharing agreements, and feasibility testing with theory-of-change frameworks. Building relationships at the early stages of a partnership and meaningful coproduction to shape the service design are also important.

4. Infrastructure and digital access

In two sites there was evidence of the negative impact that limited and outdated telecommunications infrastructure (landlines, mobile reception, Wi-Fi) had on the advisers' work. Improving ward-based digital infrastructure, including reliable Wi-Fi and dedicated adviser landlines would substantially improve the work done by advisers which is inherently heavily administrative which requires reliable communication infrastructure.

CONCLUSION

Welfare advice for people with mental health problems should not be an optional add-on to clinical care but a core component of effective, person-centred support. The evidence across multiple case studies shows that financial insecurity, debt, unstable housing, and administrative overload are not peripheral challenges; they are important drivers of psychological distress and key contributors to mental health crises, especially for vulnerable people.

Integrating specialist welfare advice providers like Citizens Advice or Accommodation Concern into inpatient and community mental health pathways directly addresses these pressures, helping people regain stability, autonomy, and confidence. This approach delivers measurable benefits for individuals and strengthens the social safety net, which can contribute to preventing mental health and welfare crises before they escalate, and ensure that vulnerable people receive the entitlements and protections they need to recover.

For the wider system, embedding welfare advice generates clear and significant value. It reduces pressure on overstretched NHS staff, shortens hospital stays, prevents readmissions, and enables clinical teams to focus on clinical care rather than navigating complex welfare systems on behalf of patients. At the same time, it strengthens cross-sector collaboration between the NHS, local authorities, DWP, and VCSE partners. Stronger relationships are essential for effective community-based care but often hampered by fragmented governance and siloed responsibilities. Integrated neighbourhood teams offer a timely policy opportunity to embed and sustain these models at scale, providing the coordination, shared accountability, and preventative focus that the current landscape lacks. By investing in integrated welfare advice in mental health care services, policymakers can support recovery, relieve systemic pressures, and build fairer, more resilient communities where financial hardship no longer undermines mental health.

RECOMMENDATIONS

1. The Department of Health and Social Care should provide dedicated funding to all NHS mental health service providers to enable the creation of welfare advice services that are embedded within both community and inpatient services. It should stipulate that these must be available as standard within every neighbourhood nationwide, within an agreed period of time. Consider alliance-contracting approaches: multiple funders, one provider organisation, co-produced outcomes, and clear grant specifications. Encourage creative commissioning.
2. NHS England's forthcoming Modern Service Framework for serious mental illness should stipulate that welfare advice is expected to be provided as part of every secondary mental health service. It need not prescribe the model, which may be different depending on local circumstances, but could set expectations over coverage, quality, and independence (for example that these must be provided by a VCSE organisation). It should include broader outcomes that capture the therapeutic journey and holistic needs of people with mental health needs and social risk, such as considering employment and work as valid clinical outcomes for this patient group (Greg Fell OBE, Director of Public Health, Sheffield). Existing and newly formed strategic authorities have the opportunity to build a shared understanding across the NHS, DWP, local government, and VCSE sectors that income, debt, employment, and life circumstances are relevant to a person's clinical status.
3. Integrated care boards in England and health boards in Wales and Scotland should ensure that welfare advice is commissioned at the necessary scale to cover all of the secondary mental health services in their areas. Every integrated neighbourhood team, and their equivalent structures in the devolved nations should include a welfare advice function as a way to embed welfare advice into everyday community mental health care. This should also incorporate living standards programmes and poverty-alleviation work as core components of local integrated care. Neighbourhood models should be operationalised as comprehensive primary community health care with a life course, whole-population approach. This should be supported with powers to address regional bottlenecks for support, such as long queues for the National Debt Line, DWP helpline, and housing advice. Staff in these welfare support roles should be trained along the principles of the DWP's Vulnerable People's Champions, with an emphasis on training frontline helpline staff to handle complex adviser requests. This could benefit a wide range of people who are seeking support from health services, including those with mental health problems.

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CENTRE FOR MENTAL HEALTH

BRIEFING 66

STABILITY BEYOND CARE: WHY WELFARE ADVICE MATTERS FOR MENTAL HEALTH

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