

FUNDING MENTAL HEALTH: UNPICKING THE VARIATION

NHS Providers is the membership organisation and trade association for the NHS acute, ambulance, community and mental health services that treat patients and service users. We help those NHS foundation trusts and trusts to deliver high quality, patient focused care by enabling them to learn from each other, acting as their public voice and helping shape the system they operate in. NHS Providers has 95 per cent of all NHS foundation trusts and aspirant trusts in membership, accounting for £65 billion of annual expenditure and employing more than 928,000 staff.

SUMMARY

Despite sustained focus on and national commitments to improve the disparity between mental and physical health and funding boosts, **the necessary investment has not been reaching all frontline NHS providers, our recent survey of mental health trusts and clinical commissioning groups (CCGs), *Funding mental health at local level: unpicking the variation*, produced with the Healthcare Financial Management Association, finds.**

To move beyond simply calling for parity of esteem, a more sophisticated understanding of the remaining barriers to achieving full equity for mental health is needed. We need to create an environment where commissioners and providers work more closely together to determine how and where additional investment is spent.

NHS Providers welcomed the report of NHS England's **Mental health taskforce** in February, setting a stretching but vital agenda for delivering high quality, timely and widely accessible NHS mental healthcare. This latest push towards parity of esteem for mental health is an important one; however, it has become clear that there is a gap between the intention and the reality on the ground and there are questions over whether the Taskforce recommendations are funded adequately, given the scale of the financial challenge facing the NHS.

Key findings from our survey of mental health trusts and clinical commissioning groups:

- Only half (52%) of providers reported a real terms increase in funding for their mental health services in 2015/16.
- Limited confidence that funding increases will be delivered in 2016/17, with only a quarter (25%) of providers confident that their commissioners would increase the value of their contracts for mental health services.
- A higher proportion of providers received a real terms increase from their local CCGs than from central NHS England commissioning teams in 2015/16.
- Lack of alignment between commissioners and providers over what it means to implement parity of esteem – there is confusion over what services should be covered, and how much investment should be made. The consequence is a patchwork of investment and services for patients and service users.
- Over 90% of providers and 60% of commissioners were not confident that the £1 billion investment available to meet the Taskforce recommendations will be sufficient to meet the challenges faced by mental health services.

What we are calling for

To better support NHS organisations to meet their parity of esteem commitments and to deliver on the recommendations of the Taskforce, greater clarity and transparency is needed from the government and leaders of the arms-length bodies in the following four areas:

- 1 **How much funding** is being made available for mental health services, and in which areas
- 2 **Greater transparency across the system** about how much is actually being spent on mental health services
- 3 **Explicit alignment at national and local levels about what it means to meet parity of esteem** commitments to avoid organisations interpreting the requirements in different ways
- 4 **Better enforcement and support for local organisations** to help counter the significant local variation on how the rules are interpreted and responded to. Where organisations are struggling to invest in line with the guidance, support should be required to ensure that challenges are addressed.

FULL EQUITY FOR MENTAL HEALTH: CONDITIONS FOR PROGRESS

1. Clarity from the government and system leaders about how much funding is being made available for mental health services, and in which areas.

Necessary improvements in mental health services will be difficult to make or sustain without adequate funding. The phased introduction of access and waiting times for mental health, including those recommended by the Taskforce, will bring further welcome focus on performance of and access to mental health services, but our report's findings call into question how well providers are being resourced to deliver them.

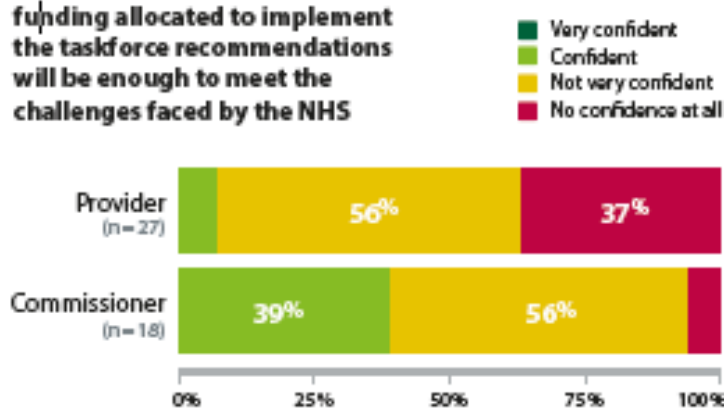
£1bn has been made available to meet the Taskforce recommendations however, our survey shows that 90% of mental health trusts and 60% of commissioners are not confident this will be enough, particularly given historic underfunding of mental health services. Without adequate funding, introducing maximum access times, may have a detrimental impact upon service users, such as increasing out of area placements, which increased by 13% in the past year.

Welcome and necessary new funding announced over the past two years, combined with new policy, should have created a framework to support local areas prioritise resources for mental health services. However, in many localities this is not being realised on the ground with a direct impact on patients and service users. Greater detail is needed on:

- How the additional investment will reach frontline services, and
- Which mental health services, will be prioritised.

These concerns are playing out against a backdrop of wider NHS financial pressures. NHS providers ended 2015/16 £2.45bn in deficit, with 65% of all providers were in deficit at the end of this period. Addressing this deficit has been identified as a priority for 2016/17. Sustainability funding will be made available this year, but targeted at acute rather than mental health providers.

Confidence in whether the funding allocated to implement the taskforce recommendations will be enough to meet the challenges faced by the NHS



2. Greater transparency across the system about how much is being spent on mental health services

Data collection to measure what is important to ensuring access high quality, timely mental health care to meet demand must improve. Timely access to high quality mental health services requires informatics that more accurately depict the demand and services provision across the country, to show where gaps and variation in quality exist. Capturing critical information, analysis and intelligence on mental health services and outcomes has been such a low priority that it has been described by the Taskforce and a government minister as "a black hole". Lack of data and transparency has held back progress in mental health and means there is a lack of accountability over how money is spent. It is vital that this changes.

- The National Audit Office's April 2016 report identified that NHS England does not have reliable data to match expenditure to different mental health conditions, making it difficult to track how money actually reaches frontline services but also undermines the evidence base available with which to prioritise investment.
- When there is such little transparency, it is difficult to hold organisations to account – commissioners are required to report their total spend on mental health services, but not how much they have spent on different types of treatments and services.

Data collection programs such as the NHS Benchmarking projects on mental health are essential to driving improvement but at present rely on self-funding through membership by providers; efforts to improve the data collected by NHS Digital (HSCIC) Mental Health Services Dataset and the work of the National Collaborating Centre for Mental Health (NCCMH) to develop data-driven commissioning guidance for access to mental health services are also essential and must receive sufficient funding.

The mental health data "black hole" is holding back progress; more and better data together with greater transparency are essential to achieving parity of esteem for mental health

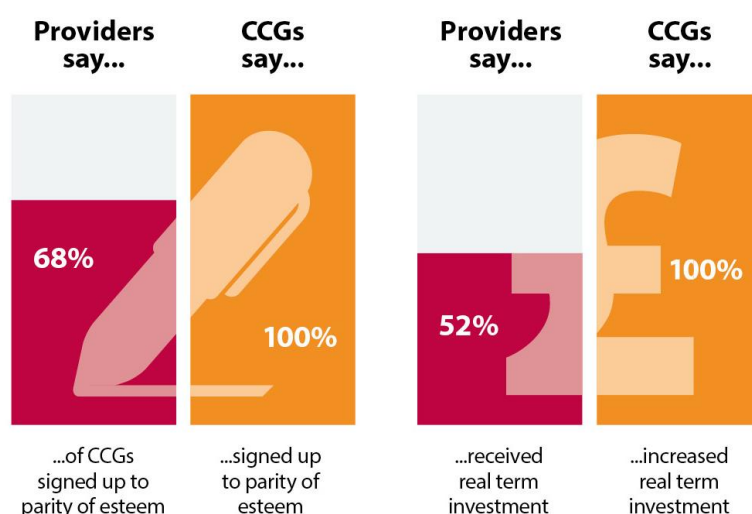
There is little or no national data available for how 67% of mental health funding is used locally.

3. Better support for local organisations to help counter significant local variation about how rules are interpreted

The Taskforce identified commissioning as the most critical system level factor for building stronger foundations for high quality mental healthcare. However, there is currently a two-fold difference in apparent per capita spend on mental health by CCGs across England.

Historically, comprehensive provision of mental health services has been hampered by sustained underinvestment and a complicated national approach to payments for services that obscures the true scale of need. Taskforce recommendations 47-50 offer practical solutions to improving secondary mental health service commissioning but there has been no clear response on whether and when these recommendations will be applied.

Commissioners will be held to account for increasing mental health spending in line with increases to their budgetary allocations in 2016/17. Our members are extremely concerned that proportionate funding will not reach secondary mental health services. Only 52% of providers surveyed received a real term increase in investment for mental health services in 2015/16 when commissioners were under similar instructions. Just 25% of providers are confident that their commissioners will increase the value of their mental health service contracts in 2016/17.



Poorly resourced and joined-up mental healthcare places additional burdens across the system. While commissioners face extreme budgetary pressures, they must work together with providers to ensure money allocated for mental health reaches the frontline. Where organisations are struggling to invest in line with guidance, support should be provided to address challenges.

4. Explicit alignment at national and local levels about what it means to meet parity of esteem commitments to avoid organisations interpreting the requirements in different ways

Feedback to our survey clearly indicated a disconnect between commissioners and providers over what it means to implement parity of esteem – there is confusion over what services should be covered, and how much investment should be made. It is concerning that investment priorities and funding are not currently aligned at local level. This is leading to a patch work of investment and services for patients and service users.

In addition, there is uncertainty about whether NHS England, as national commissioner of specialised mental health services, is required to sign up to the principle of parity of esteem. This sends a conflicting message to local commissioners, with NHS England asking CCGs to increase investment in mental health services, while not applying this consistently across its own specialised commissioning teams:

- A higher proportion of providers received a real terms increase from CCGs than from NHS England teams in 2015/16.
- Only five respondents reported that both their lead CCG and NHS England commissioners had increased their investment in line with growth in budget allocations.

In response to our survey, commissioners cited conflicting messages over how they should respond to competing pressures:

- For a CCG in financial recovery, improving finances was the priority over increasing investment in mental health.
- One provider finance director highlighted that their trust has 'three lead commissioners who have taken different approaches due to their financial position. ... some have invested [in mental health services] and others have not.'

Clarification is needed from system leaders at a national level so that local organisations are supported to invest more in mental health services.