



A Spending Review for wellbeing

Nick O'Shea and Andy Bell

Summary

The 2020 Spending Review is an important opportunity to put people's health first in the wake of Covid-19.

This policy briefing sets out evidence-based priorities for how the Spending Review can improve the nation's mental health and tackle mental health inequalities.

Our focus is on how areas of public spending outside of NHS revenue funding (already agreed) can be used to greatest effect.

Mental ill health has an economic and social cost of £119 billion a year, as measured in health spending, output losses and human capital.

The coronavirus pandemic, and the necessary steps the Government has taken to save lives, will have profound and lasting effects on the public's mental health. We estimate that at least half a million more people will experience a mental health difficulty this year as a result.

This makes a Spending Review for wellbeing essential for the future health of the nation in the wake of its biggest health crisis for a generation.

We recommend that the 2020 Spending Review should:

- 1. Commit to a cross-government approach to better mental health.** This could be achieved through a Budget for Wellbeing across all government departments. This approach is being used in New Zealand as a robust measure of how government spending impacts on citizen wellbeing. It has resulted in a range of coordinated investment measures which include a new mental health service, hospital building repairs and suicide prevention.
- 2. Invest urgently in local authority public health services.** Like-for-like spending on public health by local authorities fell by 8% between 2013 and 2018 (The King's Fund, 2018). Now is the time to invest in local services which are proven to reduce costs elsewhere in the system by preventing mental health problems (especially in the wake of Covid-19) and helping people to secure better life outcomes.
- 3. Expand access to evidence-based parenting interventions.** This can build on learning from the Republic of Ireland, the US and Canada, where governments have invested in progressively-universal programmes which offer support for all with further help to those who need it.
- 4. Commit to a fair and sustainable long-term social care settlement** that includes working age people.
- 5. Earmark capital funding for the NHS to update its mental health estate,** to ensure that high quality inpatient environments and alternatives to hospital admission are available close to home for people with a wide range of needs. Within the existing estate, it would cost £132m to complete all high and significant risk repairs. A programme based on New Care Models that reduces use of acute beds and out-of-area placements would save £70m per 1,000 patients per year.
- 6. Fund specialist counselling for parents who have been bereaved** by still birth or baby loss, providing an effective and much-needed national safety net for just £3.2m per year.

Introduction

The Spending Review is a process led by HM Treasury that occurs every three years to set out the Government's main public spending commitments.

The Government has already made unprecedented pledges of funding for NHS mental health services and HM Treasury has taken some specific additional actions to support people with mental health difficulties, for example the Breathing Space scheme to help people avoid getting into problematic

debt. The Government's measures to protect people's incomes during the pandemic, to alter the benefits system and to address rough sleeping will also have had significant mental health benefits.

This briefing identifies our priorities for the Government's 2020 Spending Review. It sets out key steps the Government can take to build a Spending Review for wellbeing.

The economic and social costs of mental ill health

Centre for Mental Health has collected evidence about the economics of mental health for many years. We have demonstrated the costs of failing to meet people's needs adequately and the benefits of effective approaches to preventing mental illness and responding better when people need support. We last calculated the economic and social costs for England in 2009/10. For the purposes of this briefing, we have reviewed and updated the previous estimate.

We now estimate that the economic and social costs of mental ill health in England are £119 billion a year (for the financial year 2018/19). This estimate precedes the coronavirus outbreak: a major trauma that will have a significant impact on the nation's mental health and likely produce a major increase in the cost in the period of this Spending Review.

The economic and social costs of mental ill health in England (2018/19)

	2003 £ (millions)	2010 £ (millions)	2020 £ (millions)
Health	£12,528	£21,300	£19,822
Output	£23,100	£30,300	£36,120
Human	£41,800	£53,600	£69,244
Total	£77,428	£105,200	£118,970

1) Commit to a cross-government approach to better mental health

Our mental health is influenced by many different factors during our lives. The determinants of mental health are the factors that either increase our risk of a mental health difficulty or that protect us against poor mental health. While not all of the determinants can be controlled by government, it does have the ability to influence many of them and to support individuals, families and communities to increase their chances of having good mental health.

Covid-19 has demonstrated the importance and fragility of our mental health. Levels of worry, stress and loneliness rose during the lockdown. And while for many people they will fall again after the pandemic, for some the mental health effects will outlive the physical emergency. People who lose loved ones and livelihoods, people who have experienced traumas, and people who faced prolonged anxiety will be at risk of mental ill health for a long time to come.

A cross-government mental health strategy would seek to maximise the nation's wellbeing and reduce inequalities by:

- Introducing a 'budget for wellbeing' to maximise the health benefits of public spending decisions
- Putting mental health in all policies, ensuring that all decisions made by government seek to boost wellbeing and reduce mental health inequalities
- Taking action to promote good mental health in families, communities, schools and workplaces.

Case Study: New Zealand

In 2019, the New Zealand Government presented the first Budget for Wellbeing (New Zealand Treasury, 2019). It aims to maximise the nation's capital, categorised as:

- Human
- Financial
- Natural
- Social

Its core principle is to measure the success of Government investment through the new matrix of wellbeing and has enabled New Zealand to start quantifying the impact of existing spending in a new and relevant way.

The Budget has also resulted in new investment. Mental health is a key component of capital maximisation and has resulted in new front-line mental health services for 6.8% of the population (equivalent to 4.6m people in the UK). A similar per capita spend in the UK would be £3.1bn.

Our view is that their matrix for investment could be replicated in the UK by building on the existing data collected by the Office of National Statistics (2019). Further measures may encompass healthy life expectancy, smoking cessation and increases to minimum pricing on alcohol. Crucially, the Wellbeing Budget is less about new investment and more about how to unify government spending to meet the agreed and measurable aim of optimal wellbeing.

Recommendation: The Spending Review is the ideal opportunity to set a clear ambition of securing better mental health for all and to begin work to construct a Budget for Wellbeing across all government departments.

2) Invest in public health in local government

Local authorities in England play a pivotal role in preventing mental health difficulties through their public health responsibilities as well as through the provision of early years services, youth services, support for schools and colleges, and social care for people of all ages. Public health services have stepped up during Covid-19 to protect health in their communities. They also have a crucial role in securing the public's mental health and preventing suicides in local communities.

Yet financial constraints have held public health services back and led many to cut the very services that are known to prevent later problems and support resilience in their communities. An Institute of Fiscal Studies (2019) report on Sure Start centres, for example, demonstrated that they significantly reduced the chances of hospital admissions on children from more deprived backgrounds,

yet spending on these services fell by two-thirds between 2009/10 and 2017/18. This is one example of cost-cutting policies leading counter-productively to a concentration of resources in high-cost services resulting from a lack of earlier, cheaper, help (O'Shea, 2018).

Public health services are critical for better mental health. They will be at the frontline when it comes to preventing mental health problems resulting from the pandemic.

Recommendation: A five-year settlement for public health services, growing at least at the same rate as the NHS, would enable them to invest now for better mental and physical health for all and to address the health inequalities in their local communities.

3) Support parents and families

Children with mental health problems from a young age face a lifetime of disadvantage and physical and mental ill health. About 8% of children have serious and ongoing mental health difficulties, including serious behavioural and developmental problems (Morrison Gutman et al., 2018).

Evidence-based parenting programmes have been shown to bring about significant improvements in family wellbeing and children's behaviour. They are a low-cost intervention with major benefits to children, families, schools and communities. As children return to school in greater numbers after the lockdown, the need for support with parenting has never been greater, and it is now possible to deliver some of these evidenced-based programmes digitally (self-/parent-directed). Yet access to effective parenting interventions is patchy, with few areas offering a comprehensive range of options. As a result, most parents who seek help do not get it.

An example of an evidence-based parenting intervention is Triple P, a programme which has had significant achievements:

- Reduced child and adolescent behavioural problems, including in children with ADHD and autism; preventing crime, violence and antisocial behaviour.
- Reduced child and adolescent mental health problems, including anxiety disorders.
- Reduced child abuse cases by 23.5%; reduced hospital-treated child maltreatment injuries by 10.5%; diversion from foster care increased by 9.1% (Prinz et al., 2009; 2017 – USA).
- Improved parental mental health, including reduced parent reported depression by 26% (Sanders et al., 2008 – Australia) and stress by 30% (Fives et al., 2014).
- Stronger relationships between parents and reduced parental conflict (Early Intervention Foundation, 2017).

Costs of a proportionate universalism model of evidenced-based parenting support

Option 1: England-wide, 152 Local Authorities = £60,888,865 (over 3 years)

- Expected reach: 1,990,008 or 30% of families of 0-16 year olds
- Cost: £31 per family (who attends/engages with an intervention)

Option 2: North-East England, 12 Local Authorities = £3,855,601 (over 3 years)

- Expected reach: 87,411 or 30% of families of 0-16 year olds
- Cost: £44 per family (who attends/engages with an intervention)

Option 3: 20 most deprived Local Authorities, based on IDACI (2019) = £8,253,342 (over 3 years)

- Expected reach: 212,144 or 30% of families of 0-16 year olds
- Cost: £39 per family (who attends/engages an intervention)

Recommendation: The Spending Review should invest in a national programme to expand access to evidence-based parenting interventions.

4) Create a long-term settlement for social care

The Government has pledged to take action to resolve the long-running issue of the way adult social care is funded in England. A sustainable and fair funding settlement for social care is vital for the future health of the nation. Adult social care is not just for people in later life; it provides vital support for people of all ages. The funding settlement needs to reflect that.

Mental illness tends to begin early in life and often emerges during someone's teenage years and twenties. Learning disabilities and autism are usually lifelong conditions. A social care funding settlement that requires people to

save or insure themselves for future risk cannot meet the needs of people of working age. We need a settlement that provides fair access to social care support for people of all ages and that removes the ambiguity between health and social care (Centre for Mental Health, 2019).

Recommendation: The Spending Review should commit to developing a fair and sustainable long-term social care settlement that includes working age people.

5) Modernise mental health hospital buildings and reduce reliance on acute beds

Modernise

The Independent Mental Health Act Review (Wessely et al., 2018) concluded that “people are often placed in some of the worst estate that the NHS has, just when they need the best.” And it called for major capital investment in renewing the mental health NHS estate to put this right.

“Poorly designed and maintained buildings obstruct recovery by making it difficult to engage in basic therapeutic activities (getting outdoors or social interaction with others) and contributing to a sense of containment and control. Wards are experienced as cold and impersonal places, that some say are more similar to a prison than a hospital, making a return to the community, with all its everyday stimuli and risks, more challenging.” (Wessely et al., 2018).

Data from NHS Estates Returns reporting (2018/19) details the cost of repairing the whole estate, site by site. The table below shows that £132m is needed to repair all ‘high’ and ‘significant’ issues across the mental health (and related) estate. £433m was invested across the entire NHS estate in 2017/18.

There are 935 sites across the NHS providing mental health care, with 658 solely providing treatment for mental health. This is approximately 10% of the total number of sites (9,312) and is in line with the best available proxy for inpatient numbers: number of meals served.

With £2.2bn spent on improving existing buildings or constructing new ones in 2017/18, we call for at least 10% of future investment to be spent on the mental health estate and for that amount to be announced publicly each year. This would equate to enough money to pay for the current backlog of significant or high-risk repairs to be paid for almost twice over.

Reduce reliance on acute beds

The challenge of renewing the NHS mental health estate also needs to consider where services are located. NHS England has already committed to end out-of-area acute hospital admissions, and there is a growing acknowledgement that ‘locked rehabilitation’ wards, where people can spend many months and years far from home, and secure services also need to change fundamentally (Mohan, 2019). The New Care Models programme for

The costs of repairing the NHS mental health estate

Repair status	Mixed	Mental health	Learning disability	Mental health + learning disability	Total
High	£16,015,923	£12,326,768	£147,300	£405,360	£28,895,351
Significant	£26,600,261	£69,312,096	£4,663,402	£2,901,529	£103,477,288
Moderate	£40,154,956	£75,291,692	£2,333,179	£6,122,015	£123,901,842

children's mental health services has also demonstrated clear financial, as well as clinical, benefits from reinvesting in services close to home (O'Shea, 2020). It is therefore vital that investment is targeted in a way that will make it unnecessary for anyone to be sent away from their local area for anything but the most specialised treatment.

Approximately 4,500 children and young people were admitted to specialist inpatient units in England and Wales during 2016/17 – double that of 2006/07. New Care Model Pilots (now known as Provider Collaboratives) have demonstrated that reducing reliance on acute beds – particularly those out of area – can result in significant financial savings. To do this, areas invested in better community provision which enabled patients to leave acute beds and receive treatment close to home. In all sites, securing the best clinical outcome for each patient was the primary goal, achieved through an objective clinical decision process, but the financial impact of this new way of working has been impressive.

Our independent evaluation of the six Phase 1 and 2 sites showed that £15.3m of reduced expenditure was achieved by redesigning treatment and care for just 217 people; an average of £70.6k per person (O'Shea, 2020). The budgets agreed by NHS England to achieve this was £291m.

Plans to roll out Provider Collaboratives have been agreed for 2020/21. An expanded programme which impacted on 1,000 people could save £70m annually if sites can replicate the success of the Phase 1 and 2 teams. There is similar scope for savings to be made in adult and forensic services.

Recommendation: The Spending Review should earmark capital funding for the NHS to update its mental health estate, to ensure that high quality inpatient environments and alternatives to hospital admission are available close to home for people with a wide range of needs.

6) Provide specialist counselling to parents who experience still birth or baby loss

Every year about 5,000 families experience the tragedy of still birth or the death of a newborn baby in England and Wales. Such losses can affect any family and are often devastating. For many parents, these tragic circumstances result not only in grief but also in trauma.

Specialist counselling by the charity Petals meets the specific mental health needs of parents who have been affected by the loss of their baby. It has been shown to bring about improvements to mental and physical health, couple relationships and employment outcomes (O'Shea, 2019). Yet it is only available in a small number of local areas and is often funded precariously.

Nationwide coverage of this service would cost £3.2 million a year, offering a vital safety net to help parents at this incredibly difficult time. We

estimate that this investment would bring about a net saving to government of £9.8m a year through reduced health costs, social security payments and unemployment.

The Government and NHS England has rightly committed to fund specialist mental health services for pregnant women and mothers with young babies. But there is a risk that those who lose their babies miss out. Investing in specialist counselling will close that gap.

Recommendation: The Spending Review should fund specialist counselling for parents who have been bereaved by still birth or baby loss. The cost is low – £3.2m annually – but would provide a national safety net for people experiencing profound grief.

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2. **Invest urgently in local authority public health services.** Like for like spending on Public Health by Local Authorities fell by 8% between 2013 and 2018 (The King's Fund, 2018). Now is the time to invest in local services which are proven to reduce costs elsewhere in the system by preventing mental health problems (especially in the wake of Covid-19) and helping people to secure better life outcomes.

3. **Expand access to evidence-based parenting interventions.** This can build on learning from the Republic of Ireland, the US and Canada, where governments have invested in progressively universal programmes which offer support for all with further help to those who need it.

4. **Commit to a fair and sustainable long-term social care settlement** that includes working age people.

5. **Embed capital funding for the NHS to update its mental health estate,** to ensure that high quality inpatient environments and alternatives to hospital admission are available close to home for people with a wide range of needs. Within the existing estate, it would cost £132m to complete all high and significant risk repairs. A programme based on New Care Models that reduces use of acute beds and out-of-area placements would save £70m per 1,000 patients per year.

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