Mental health investment standard
June 2017

Introduction
The HFMA’s Mental Health Faculty is a network of organisations and finance professionals that share experience and expertise and use their combined numbers to try and influence thought and policy in their sector. The faculty’s steering group brings together finance leaders from NHS mental health providers. It is supportive of the national commitment to parity of mental and physical health and the delivery of the mental health investment standard.

Recent survey work
The steering group has conducted 3 surveys on this topic as follows:

• spring 2017 parity of esteem survey in conjunction with NHS Providers; the HFMA’s commissioning faculty was also surveyed to provide a balanced perspective on the issues raised
• winter 2017 parity of esteem survey – a short survey of HFMA mental health faculty members only
• spring 2017 mental health investment standard; the HFMA’s commissioning faculty was also surveyed to provide a balanced perspective on the issues raised (survey report attached).

All 3 surveys have reached broadly the same conclusions:

• within the financial context of the NHS, the ongoing national commitment for commissioners to increase their real term investment in mental health services is a significant challenge
• there is a continued lack of alignment between commissioners and providers over what it means to implement the mental health investment standard
• local visibility and transparency is critical: local sustainability and transformation partnerships (STPs) should be able to see where mental health money is spent and the priorities realised.

Future considerations
We recognise the significant and critical financial pressures faced by the NHS as a whole. We also recognise that the advent of the letter to be agreed and signed by NHS providers of mental health services and CCGs may have instigated greater transparency and local discussions that can and
should be pursued. However, the mental health debate is still not won and transparency is still to be achieved both within the NHS and between the NHS and local government partners. In our view, local visibility and granularity is critical to moving forwards so that all organisations involved in a STP can see the amount of money invested in mental health and where it is to be spent.

The steering group has considered the survey findings in the light of local STP discussions and in our view, it is timely to reconsider the approach at a national level. Rather than focussing on the individual investment made by commissioners, a wider perspective would be more helpful: to consider whether there are credible plans in place to deliver the Five Year Forward View for mental health and if these plans are embedded within sustainability and transformation plans for local delivery.
Mental health investment standard
Survey report

Introduction

Following our survey work on investment in mental health services in 2016 and the completion of the 2017/19 contracting round, the HFMA has collected members' views in relation to how the implementation of the Five Year Forward View (FYFV) for mental health is progressing from a financial perspective. The survey covered:

- the impact of the FYFV on 2017/18 and 2018/19 contracts
- the joint letter to be signed by providers and local commissioners at the request of NHS England to verify investment in mental health services
- members' views of the issues surrounding the implementation of the FYFV for mental health.

We have surveyed both providers and commissioners. Our focus is on the financial issues being faced across the whole sector in light of the national commitment to spending on mental health services and the current challenging financial climate.

Overview

Since 2012, there has been a sustained national policy focus on investment in mental health services. In February 2016, the final report of the mental health taskforce set out a ten-year strategy for transforming NHS mental healthcare, with 58 recommendations to help cement existing initiatives and ensure a more coordinated approach especially to prevention, early intervention and access. The NHS unified planning guidance for 2017/18 and 2018/19 requires clinical commissioning groups
(CCGs) to meet ‘…the ongoing requirement to increase (the local) baseline by at least the overall growth in allocations to deliver the Mental Health Investment Standard’.

This was reflected in the guidance for sustainability and transformation partnerships: plans must demonstrate substantial progress by 2020/21 in terms of:

- improving access to and availability of mental health services
- developing community services, taking pressure off inpatient settings
- providing people with holistic care, recognising their mental and physical health needs.

Over the past three years, several new funding streams have been announced, including:

- £600m funding for mental health as announced in the autumn statement for 2015/16
- £1.25bn for children and young people’s mental health services to 2020/21
- £1bn to implement the recommendations from the mental health taskforce over the course of the Parliament (details of which are contained within Implementing the Five Year Forward View for Mental Health).

This combination of policy and additional funding is intended to provide a framework to support local areas to prioritise resources for mental health services.

In February 2017, NHS England published the Five Year Forward View for Mental Health: One Year On. In it, NHS England announced that it would be conducting an exercise to ‘compare commissioner plans with projected allocations and the expectations of local providers’. This was undertaken by means of a letter to be shared, agreed and signed between CCGs and NHS mental health providers.

However, the sustained drive for additional investment comes at a time when the overall financial position of the NHS is extremely challenging. Having rapidly deteriorated over the last few years, the main financial pressure has been on the provider side, particularly acute providers:

- 2013/14 providers £108m in deficit – CCGs £712m in surplus
- 2014/15 providers £822m in deficit – CCGs £151m in surplus
- 2015/16 providers £2,445m in deficit – CCGs £16m in surplus
- 2016/17 providers £791m in deficit (CCG figures are still to be released).

In 2016/17, the deterioration appears to have slowed down. At quarter 4, the provider deficit was £791m against a forecast outturn deficit of £873m. This is underpinned by the £1.8bn sustainability and transformation fund (STF) monies.

This is a significant achievement with providers achieving efficiency savings of 3.7% and faced a 3.0% increase in A&E admissions and 20.6% increase in delayed transfers of care in 2016/17 compared to 2015/16.

NHS England is predicting an overall balanced position for 2016/17 and held an £800m contingency reserve from CCG allocations to offset the provider adjusted deficit.

It is in this context that the HFMA has surveyed both providers (through its Mental Health Faculty) and commissioners (through its Commissioning Faculty) with concurrent and mirrored surveys.

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2 STP aide-mémoire: Mental Health and Dementia, NHS England, 2016
5 Performance of the NHS Provider Sector year ended 31 March 2017, NHS improvement, 2017
NHS mental healthcare providers and 13 clinical commissioning groups (CCGs) completed the respective surveys. Not all organisations answered every question and the percentages referred to are percentages of respondents answering the specific question. (Some tables may not add up to 100% due to rounding or the completion of multiple options by respondents.)

**Key findings**

The survey revealed the following key points:

- there is limited investment in 2017/18 in secondary care mental health services: 65% of providers responding had not seen any increase in baseline funding by at least the overall growth in allocations in 2017/18 raising to 83% in 2018/19
- while more than 60% of commissioners responding to the survey stated that they had increased baseline funding by at least the overall growth in allocations in both 2017/18 and 2018/19, overall affordability is the overwhelming issue
- some services have seen investment in 2017/18 although for some this is also accompanied by disinvestment in several secondary care mental health services
- the position appears even tighter for 2018/19: 86% of responding providers have not seen any investment in contracts for 2018/19 over and above that needed to meet the mental health investment standard
- 86% of responding providers stated that the letters of agreement for completion of the NHS England exercise have been signed with several caveats; 10% of responding commissioners and providers had not signed their letters.

**Survey results**

**Approach to the mental health investment standard**

The first part of both surveys sought to determine the approach taken to the mental health investment standard in the recently completed contracting round.

Providers were asked whether the ongoing requirement for CCGs to increase baseline funding by at least the overall growth in allocations was reflected in 2017/18 and 2018/19 baseline contracts with their organisation. The results were as follows:

<table>
<thead>
<tr>
<th>Investment</th>
<th>2017/18</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes- recurrently</td>
<td>30</td>
<td>13</td>
</tr>
<tr>
<td>Yes- non-recurrently</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>No</td>
<td>65</td>
<td>83</td>
</tr>
</tbody>
</table>

69% (2017/18) and 62% (2018/19) of commissioners responding stated that they had increased baseline funding by at least the overall growth in allocations in both 2017/18 and 2018/19. Comments included:

**Providers**

‘The CCG investment standard has been utilised to fund increases in NHS continuing healthcare and long term NHS packages of care as social services have reduced their purchasing of these.’

‘2 main commissioners for mental health: one invested below their growth allocation even non-recurrently (1.4% v 2.0%); the other met the allocation growth on a non-recurrent basis (2.2% v 2.0% allocation).’
'CCG has increased total spend by that level but as that included prescribing, acute trust, voluntary sector and primary care investment it has meant more modest % investment with us as main mental health provider.'

Commissioners

There is a ‘significant deficit in the community therefore (it is) not possible to invest above (parity of esteem), however no savings targeted at mental health services hence they are hit proportionately less than physical health services.’

‘Although a 2-year contract has been signed there will be a lot more debate about year 2 before we actually get there.’

‘Partly allocated directly to providers where plans were known. Remainder to be allocated to providers as plans are developed but will be allocated in full.’

The surveys then asked if there had been any investment over and above that needed to meet the mental health investment standard i.e. towards the delivery of the FYFV commitments: 78% of providers answered no; 62% of responding CCGs answered yes. This suggests that, in line with our 2016 survey results, whilst secondary care providers are not necessarily seeing increased investment, commissioners are meeting requirements through investment in a broader range of services.

2017/18 contracts

Services that have seen investment in 2017/18 (identified by providers and commissioners) – although not necessarily in addition to the minimum requirement included:

- children and young people
- perinatal care
- improving access to psychological therapies (IAPT)
- early intervention in psychosis (EIP)
- employment support
- crisis and acute care
- acute hospital liaison
- health and justice
- other specific schemes – for example, local care homes and primary care mental health.

This investment has been funded from CCG allocations and disinvestment in other mental health services. Disinvestment in 2017/18 was identified in relation to:

- children and young people
- IAPT
- Employment support
- crisis in acute care
- acute hospital liaison
- other- for example, addiction, dynamic psychotherapy, older adult services.

One provider responding had been asked to identify their own service areas for disinvestment.

88% of CCGs and 67% of providers responding stated that the investment was accompanied by the need to deliver additional service requirements – for example, a change in patient pathway, safer staffing, provision of alternative capacity to avoid out of area placements.
61% of providers had been asked to undertake additional reporting requirements/ data collections to provide supporting evidence of service changes. One provider reported that this relates to both financial and impact reporting.

Where additional investment has not been forthcoming in 2017/18, the overwhelming view of responding providers is that this is a result of affordability issues. One provider commented that ‘the CCG has had to use its resources to pay for extra general acute activity, price modification to acute tariffs and (the) better care fund (compensating for reductions in adult social care)’.

Another said that the ‘STP is not yet in balance and therefore the CCG cannot commit to any uplifts until the system submits a plan that is in line with the published control totals’.

### 2018/19 contracts

86% of responding providers have not seen any investment in contracts for 2018/19 over and above that needed to meet the mental health investment standard i.e. towards the implementation of the FYFV. However, for several providers this will be subject to further negotiation during 2017. One provider commented that their organisation had received ‘block demand growth - further investment in FYFV gaps (IPS, PMS, CAMHS … etc.) subject to in-year business cases against new STP transformation funding to be received’.

In 2018/19, funding is coming from both CCG allocations and transformation funding. However, several providers are anticipating further disinvestment in 2018/19:

‘Expect further quality, innovation, productivity and prevention (QIPP) re. older adults - net impact will be a disinvestment.’

‘Local authority (public health) funded substance misuse service and especially dual diagnosis - very concerning for the (mental health) 'system'.’

For those few providers anticipating additional investment in 2018/19, 55% of respondents are required to meet additional service requirements and 18% undertake additional reporting/ data collection to accompany the planned investment.

Where additional investment has not been forthcoming in 2018/19, the overwhelming view of responding providers is that this is a result of affordability issues. One provider commented: ‘Uncertainty of commissioner finances and lack of confirmation of any funding for (the) FYFV.’

From the commissioner perspective, 36% of respondents were making additional investment over and above that required to meet the mental health investment standard (all from CCG allocations) while the remaining 64% did not anticipate making any additional investment. Services likely to benefit are:

- children and young people
- perinatal care
- IAPT
- employment support
- crisis and acute care
- other including primary care mental health.

50% of responding commissioners stated that the investment was accompanied by additional service requirements; with 25% requiring providers to supply additional data/ reporting of evidence.

### Local agreement

Given the timing of the survey and the recent issuing of letters of agreement to CCGs and their local NHS provider of mental health services, both surveys asked whether the letters had been signed and
if so, with or without caveats. Whilst 80% of commissioners responding said that they had signed the agreement in full, 86% of providers responding stated that their letter had been signed with caveats. 10% of responding commissioners and providers had not signed their letter.

Comments from providers included:

‘Caveats covered joint business cases and funding requirement with CCGs after NHS England expansion funding stops in 2 years for IAPT, long-term conditions and perinatal.’

‘Letter acknowledges that one of our main commissioners is withdrawing investment in wider mental health local economy - e.g. out of area, voluntary sector.’

‘Letter described intention to invest in the future but not currently in the contract.’

‘Yes, with confirmation that the financial value within the 2017/18 contract is as agreed and signed off. It is our opinion that this does not necessarily constitute a sufficient investment towards the five year forward view.’

No comments were received from commissioners.

**Conclusion**

Within the current financial context, the ongoing national commitment for commissioners to increase their real term investment in mental health services is a significant challenge. Our survey highlights the impact on 2017/18 contracts and that concerns remain for 2018/19. What is clear is that we need to regularly review what is achievable and over what timescale.