

NHS Funding Bill

Royal College of Psychiatrists' briefing | January 2020



Mental illness represents up to 23% of the total burden of ill health in the UK but only 11% of NHS England's budgetⁱ. The NHS Funding Bill is an opportunity to legally put mental health services on an equal footing with physical health by guaranteeing that the proportion of the NHS budget that is spent on mental health continues to increase each year until we have reached full financial parity between mental and physical health.

Why do we need financial parity of esteem between physical and mental health?

The Conservative Manifesto made the bold commitment that the next Government would treat mental health with the same urgency as physical health. The proposals set out in the NHS Long Term Plan, including increasing investment in mental health services by at least an extra £2.3 billion a year by 2023/24, are an important step towards achieving this ambition.

After years of under investment, mental health services are showing that when they are given the resources they need, they can make a big impact on patients' lives. At least 13,000 extra mothers were helped by the expanded perinatal services last year and 70,000 more children have been helped with their mental illness, hitting the target two years ahead of schedule.

We have however, seen that without clear oversight money put aside for mental health can get diverted to bail out other parts of the NHS which are running big deficits. The proposal would ensure that this could not happen and that the planned increase in the share of NHS budget spent on mental health reaches the frontline services who desperately need it.

The public are clear that increasing investment in mental health needs to be prioritised. Just before the election, Ipsos Mori asked people which area of health spending the Government should prioritise and mental health services came out as the clear winner taking 54% of the vote.ⁱⁱ

What would this change mean in practice?

The Government has estimated that mental illness represents 23% of the total disease burden but only 11% of NHS England's budget. This gives us an indication of what financial parity of esteem looks like.

Under this proposed law the Secretary of State would report annually to Parliament on progress made towards financial parity of esteem setting out how they have increased the proportion of NHS spending on mental health and the other steps they have taken to put mental health on an even footing with physical health.

Once the Secretary of State is confident that parity of esteem had been reached they would report to Parliament and ask for a confirmatory vote. This would allow Parliament to scrutinise other factors than just a simple calculation of the disease burden in their report on parity.

This would have the advantage of allowing the Secretary of State to report on annual improvements in mental health services and giving Parliament the chance to scrutinise progress towards parity of esteem.

As the newly published Bill only applies until 31 March 2024 the amendment would require the Secretary of State to publish a statement, on that date, saying how much additional money has been invested in mental health and what further plans the Government has to reach parity of esteem.

Would this require extra funding from the Treasury?

No, the law would require that the current planned spend is allocated as set out in the NHS Long Term Plan.

The proposals set out in the NHS Long Term Plan, already include a commitment to increase the proportion of NHS England spend allocated to mental health. This will mean that investment in mental health services will rise by at least an extra £2.3 billion a year by 2023/24. This law would, for the first time, guarantee this investment and require the Secretary of State to report back to Parliament on the progress.

We will not however reach parity by 2023/24 and this law would commit the Secretary of State to publish a statement on their future plans to put mental health on an equal footing with the rest of the NHS. We would no longer be dependent on the Royals and celebrities keeping mental health in the public spotlight.

ⁱ <https://www.england.nhs.uk/wp-content/uploads/2018/03/Business-plan-2018-19-Annex-Update.pdf>
<https://www.england.nhs.uk/publication/nhs-mental-health-dashboard/>

ⁱⁱ General election polling for The Health Foundation – Public perceptions of the NHS and social care, Ipsos MORI, November 2019