



Local Government
Analysis and Research

CAMHS funding and priorities

Summary

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In light of recent developments, notably passage of the Children Act 2004, subsequent implementation of 'Every Child Matters: Change for Children' and the recent substantial increase in Child and Adolescent Mental Health Services (CAMHS) funding to councils, the Local Government Association (LGA) asked the National Foundation for Educational Research (NFER) to examine the funding mechanisms and priorities in CAMHS. This summary presents findings from the study.

The local authority CAMHS grant

- Usually, decisions about the allocation of the CAMHS grant were made jointly by the local authority and the Primary Care Trust(s) (PCT(s)). Where there was a clear CAMHS strategy and agreed joint priorities, disagreements about the allocation of the grant were reported to be less likely. In addition, close working between commissioners and CAMHS and the development of children's services joint commissioning arrangements were considered to be helpful in preventing disagreements.



The PCT core CAMHS grant

- It was common for the PCT core grant to be effectively, but not formally, pooled with the local authority CAMHS grant. Formal pooling through a section 31 agreement, which was only evident in a few local authorities, was considered to be complex and time consuming and to take control away from individual organisations.

Recommendation: Where the local authority and the PCT grant are treated separately, authorities might wish to consider pooling these monies. Where informal pooling arrangements are already in place, despite the complications involved, putting this on a more legal footing may be beneficial for the security of CAMHS funding.

- There was a local authority view that the amount of PCT CAMHS funding was difficult to distinguish from the overall PCT budget. In addition, some claimed that uncertainty regarding future overall PCT funding meant that PCTs might not be able to honour their joint investment plan agreements. This funding uncertainty was confirmed by health interviewees in at least five areas where PCT funding was reported to remain uncertain or to have been 'lost in the system'.

Commissioning arrangements

- In the overwhelming majority of cases there were joint local authority and PCT commissioning arrangements.

Recommendation: Where not currently in place, joint commissioning arrangements could allow a strategic overview of both local authority and health priorities and for service developments to be considered across all four tiers of service delivery.

- A number of local authorities were in the process of developing commissioning more broadly across children's services. This would allow resources across children's services to be examined as a whole, but could mean that CAMHS might easily become 'sidelined'.

Recommendation: Local authorities might wish to weigh up the pros and cons of having a joint commissioning group across children's services, of which CAMHS commissioning is a part, together with an advisory sub group with wider, more specialist knowledge to further inform the decision-making process.

- Where commissioning was more provider led, it was thought to make it more difficult to undertake changes and initiate developments. This may be an important distinction, particularly given the need to move towards comprehensive CAMHS and the traditional view of CAMHS as a clinically based service.

Recommendation: A clearer purchaser/provider split may be more helpful. Evidence to the effect that input into tiers 1 and 2 could reduce waiting lists at tier 3, freeing up clinicians to provide greater quality input to children that require higher level provision, if it were forthcoming, might act as an important lever for CAMHS.

The impact of current funding mechanisms on joint working

- Local authority and health representatives agreed that a lack of formal ring fencing of the PCT CAMHS grant could result in reduced funding for CAMHS and withdrawal of funds in some PCTs had led to difficulties in maintaining working relationships between health and local authority staff. Ring fencing for CAMHS funding was therefore seen as crucial for improving joint working.

- Local authority and health staff thought that having pooled budgets and funding streams which require partnership working encouraged an effective use of funds and incited a feeling of shared responsibility, as well as supporting Every Child Matters (ECM) and the National Service Framework (NSF) for Children, Young People and Maternity Services. Local authority interviewees and regional health interviewees suggested also that the provision of Local Area Agreements or Service Level Agreements could further aid partnership working.

The impact of current funding mechanisms on preventative work and mental health promotion

- The provision of the local authority CAMHS grant was thought to have facilitated the development of preventative services. However, there was also a view that, with no further increase in local authority CAMHS funding, current progress may suffer.
- Local authority and health staff agreed that government targets and requirements were focused on acute services. They thought that government targets making prevention and mental health promotion compulsory and dedicated funding for prevention and promotion work would ensure that more funding was spent in these areas.
- There was also some consensus that the high demand for acute services was a further obstacle to preventative/promotion work, together with mixed views as to whether investment in tiers 1 and 2 reduces demand in tiers 3 and 4. The view of CAMHS as a traditionally clinically based service was considered a further obstacle to change as it was felt that changes in working practice could threaten levels of professional expertise.

The provision of the local authority CAMHS grant was thought to have facilitated the development of preventative services

Effective use of CAMHS funding

- There was evidence that performance management data in relation to CAMHS was considered inadequate. Yet, the availability of evaluation and performance management information was considered vital for gauging service effectiveness and identifying gaps in provision.
Recommendation: With performance management relating to CAMHS in its infancy, it is likely that most local authorities would benefit from the sharing of good practice in this area in order to ensure that service development is based on sound performance management information.
- A wide range of additional sources of CAMHS funding was identified.
Recommendation: Taking a broad view of CAMHS, as is currently the case in some authorities, might enable local authorities to tap into more funding streams than they do at present.

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The balance between prevention/promotion and acute provision

- The majority of local authority and local health staff sampled stated that there was not enough prevention and promotion work taking place. There was a view that a shift in balance towards preventative work could only be achieved with additional ring-fenced funding.
- However, suggestions were made for managing demand differently or for new working practices.
Recommendation: Local authorities may need to consider significant changes to CAMHS working practices. A reduction in the use of out of county placements and examination of alternative models of service delivery at tier 4, with a redirection of resources into community facilities, could be beneficial in many authorities.

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- It was thought that, with training, frontline staff working with children and young people, such as teachers, could understand and deal with low-level mental health needs.

Recommendation: One way forward may be to bolster support for universal services to enable them to address low-level mental health needs and to capitalise on the contribution which voluntary and community organisations can make in this respect.

Factors influencing joint working between CAMHS and frontline services

- It was commonly reported that misunderstandings between frontline services (schools in particular) and CAMHS, together with unrealistic expectations of CAMHS, created barriers to joint working. An understanding of each other's roles and responsibilities, a recognition of each other's skills and clear and realistic expectations, were therefore considered beneficial.
- It was reported that it was becoming difficult for CAMHS workers to develop coherent strategies across an area of schools and that communicating with schools was problematic as they could no longer all be accessed through the local authority.

Recommendation: The need for joint working may need to be enshrined in government policy in order for this to be effective.

Future funding pressures

- Over two-thirds of the local authority personnel and about half of the health personnel interviewed identified that general low funding and the pressure to make savings would be problematic for the development of comprehensive CAMHS. A key concern was the lack of future development money. Local authority staff warned that, with funding for preventative work in jeopardy, this could lead to a vicious circle, with increased demand at tiers 3 and 4 and a subsequent increase in costs.
- There was also consensus on many of the specific areas under future funding pressure, including specialist CAMHS (particularly tier 4 services), services for children with learning disabilities and services for 16 to 18 year olds.

Main conclusions

- Despite a history of under funding for CAMHS in many areas, the injection of money through the local authority CAMHS grant appears to have led to significant progress in the development of comprehensive CAMHS. However, it is possible that, for current progress towards prevention and promotion to be maintained, further funding, which is protected to ensure it is spent on the purpose intended, may be required.
- The findings indicate a lack of performance management data in relation to CAMHS, this being an area currently in its infancy. Further progress in this area is required in order to inform effective service development.
- There was evidence that, in some areas, the clinical focus of CAMHS has created a barrier to change. This, together with the lack of a clear purchaser/provider split within some local authorities' commissioning arrangements, could hinder local authority progress towards the delivery of comprehensive CAMHS.
- There was also some evidence that, despite the call for greater school involvement in mental health and increasing dialogue between CAMHS and schools, increasing school autonomy could make it more difficult for services, such as CAMHS, to engage with schools and to develop coherent strategies across an area of schools. In addition, there is a need for them to understand each others' constraints more fully.



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