

## **BACP Autumn Statement Representation 2023**

The British Association for Counselling and Psychotherapy (BACP) is pleased to provide a submission to the Autumn Budget Representation 2023.

BACP is the leading and largest professional body for counselling and psychotherapy in the UK, with over 65,000 members. Our members are drawn from the various professional disciplines in the field of counselling and psychotherapy, working in a broad range of settings including education, private practice, healthcare, workplace support and within the third sector, as well as working with service users across all age-groups.

BACP is committed to improving equality, diversity, and inclusion (EDI) by creating 'a profession for the future', addressing systemic barriers within the profession to improve access to psychological therapies for all who need them.

### **Executive Summary**

**1) Invest in a trained, professional counsellor in every secondary school, further education college and across community hubs in England to meet the growing mental health crisis facing children and young people.**

**2) Extend VAT exemption to all individual Professional Standards Authority registered and accredited members and registrants who are qualified counsellors and psychotherapists removing unnecessary barriers to access mental health support.**

**3) Invest in timely, appropriate and evidence-based interventions, such as counselling and psychotherapy, for those most affected by the current cost-of-living crisis**

**4) Tackle the mental health crisis, that threatens to undermine economic recovery and growth, by supporting investment in a wider range of psychosocial interventions in the workplace, including counselling and psychotherapy**

**5) Increase both access to counselling and psychotherapy through the NHS as well as tackling the workforce crisis the affecting psychological therapy services by creating opportunities for more existing qualified counsellors and psychotherapists to move into the NHS workforce.**

**6) Improve access and choice of therapy through investment in local community-based counselling services.**

**7) Invest in high quality, accessible and culturally sensitive services to people from marginalised community backgrounds and those at greatest risk of psychological distress and mental ill health, including refugees**

#### **Submission**

**1) Invest in a national secondary school and college-based counselling programme and counselling in community hub settings**

School-based counselling is a proven intervention for children and young people experiencing psychological distress but is not currently universally accessible in all schools and FE colleges within England. Schools struggle to pay for in-house counselling provision and third sector providers often work within limited geographical areas or have funding restrictions resulting in inconsistent provision. School counselling provision can change on an annual basis and is not currently sustainable for many schools.

We know that pre-lockdown, one in eight young people were struggling with diagnosable mental health issues, these figures now sit at 1 in 6, though for 17 to 19 year olds this has risen to 1 in 4. In order to effectively support the mental health of our nation's children and young people, now is a critical time for the Government to financially commit to a sustainable school and college counselling programme that will complement other departmental mental health and well-being strategies for this age group.

BACP have a number of fully costed school-based counselling options which would ensure universal access to counselling as well as meeting the need of targeted and more vulnerable groups that struggled disproportionately during the pandemic and continue to do so linked to the cost-of-living crisis.

We have a highly trained and qualified children and young people's counselling workforce with capacity to deliver against this ask. Our counsellors and psychotherapists work within a core competence framework ensuring the highest of professional standards.

Our workforce survey (2023) shows that approximately 19,000 counsellors have undertaken specific training for working therapeutically with children and young people. Of those trained specifically to work with young people, over half (55.5%) have indicated that they can provide additional paid client work and, on average, have capacity to take on an extra five clients per week. Extrapolating these figures suggests that our members are trained and available to work with over 51,000 additional young people per week, if funding was in place to facilitate this.

We believe that investing in this trained and available workforce would help alleviate current capacity issues linking to strains on the NHS and very much complements the flagship Mental Health Support Teams, which do not have the

capacity or reach to work universally across all schools. Added to this, counsellors are often a critical part of a step-care approach working with those who do not meet CAMHS thresholds but have more complex needs than mental health wellbeing practitioners or school staff are trained to work with.

School-based counselling in the UK is based on a non-directive humanistic approach to counselling. Research from four pilot randomised controlled trials has indicated that school-based counselling, as typically delivered in secondary schools, brings about significant reductions in psychological distress (*Cooper, 2013*). Research also indicates that it is valued by pupils and school staff and is seen as being able to bring about improvements in wellbeing and educational attainment.

There is robust research evidence that school-based counselling has a significant positive impact on young people's levels of psychological distress, self-esteem and achievement of personal goals (*Cooper et al., 2021*), over and above the positive effects that a school's existing pastoral care provision can provide.

A study by Exeter and Cambridge University, looking at the longer-term effects of school-based counselling, as typically provided by Place2Be in primary schools, found significant improvements in children's mental health two years after the counselling intervention took place (*Finning, et al, 2021*).

Research also suggests that community-based counselling services for CYP may be more accessible to marginalised groups, particularly those from ethnic minority groups and those with complex additional needs (e.g. being a looked after child, experiencing problems at schools, home or in the community etc), as well as being associated with significant reductions in psychological distress (*Duncan, Rayment, Kenrick & Cooper, 2020*). This highlights the need for counselling services to be available in a variety of settings, including schools and the community. BACP are supportive of the [Fund the Hubs](#) ask and believe the combination of both school and community-based counselling access is vital for client choice.

### **Costs of delivering school-based counselling in England**

The delivery of school-based counselling varies from direct employment by the school to the commissioning of counselling services employing a number of counsellors and working across many schools. The costs associated with these delivery methods vary greatly, mostly due to the management costs associated with outsourcing.

Following a data collection exercise around school-based counselling services, BACP has developed the following cost estimates of delivering school counselling nationally in all England's state-funded secondary schools and academies as well as in FE College and Sixth Forms<sup>1</sup>. A separate calculation, based on the figures

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<sup>1</sup> These figures are based on:

- 3,470,000 kids in secondary school in England (11 - 18)

below, would also apply to counselling in special schools and alternative education settings:

- Based on our data, a typical secondary school might employ a counsellor for two days per week at a cost of approximately £14,500 per annum with a counsellor undertaking approximately 332 counselling sessions per academic year. School counsellors may also deliver additional counselling outside the school term.
- We estimate that the cost to deliver a single session of school counselling is between £34 and £47. Therefore, the total cost of a child accessing an average of five counselling sessions would be between £171 and £233; the figure of £229 is provided as an average cost of six counselling sessions in a school as outlined by the Children's Commissioner's Report (2017) where it is compared to £2,338 the average cost of a referral to a community CAMHS service.
- Upscaling the cost of delivering school-based counselling to all state funded secondary schools and academies in England, based on the need identified above, we estimate a national programme would cost between £76 and £104 million per annum.
- An alternative figure, if we consider the amount of young people in the last year of primary school, in state funded secondary schools and in Further Education and Sixth Form colleges (16-18 year olds), with a prevalence of need based on one in six children and young people needing counselling support, alongside the number of counsellors needed to meet demand over an academic year our estimate would be £188 million per annum.

Whilst a figure of up to £188m to introduce a counsellor for all 10 to 18 year is a significant outlay, especially at a time of economic difficulty, school counselling is a cost-effective early intervention. School counselling provides an appropriate step-up intervention for those caught between support offered by Mental Health Support Teams, where they are in place, and those that are either waiting for CAMH's support or who do not meet the threshold. A properly nationally funded school counselling programme will keep many children away from costly and

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- 683,333 (estimated) number of kids in year 6 - based on Besa statistics (<https://www.besa.org.uk/key-uk-education-statistics/>)
  - 707,000 number young people aged 16-18
  - Prevalence rate of 1 in 6 young people with a mental health problem = 16.67% (<https://www.centreformentalhealth.org.uk/sites/default/files/2021-02/CYP%20mental%20health%20fact%20sheet%202021.pdf>)
    - 16.67% of 3,470,000 secondary school pupils aged 11-18 is 578,449
      - Would cost between £98,914,779 to 134,778,617
    - 16.67% of 707,000 college pupils (16-18) is 117,857 - (Richard AoC)
      - Would cost between £20,153,547 and £27,460,681
    - 16.67% of 683,333 year 6 pupils is 113,912 (aged 10-11)
      - Would cost between £19,478,952 and £26,541,496
  - **Total estimated cost - £138,547,278 and £188,780,794**
  - **Total number of children and young people worked with - 810,218**
  - **Total number of counsellors FTE - 5,064**
    - Based on avg 5 sessions per kid / max of 20 kids a week / 40 working weeks a school year = 160 kids per academic year per counsellor
    - 810,218 (1 in 6 prevalence) divided by 160 kids per year/ per counsellor

overstretched CAMHs services and crisis care and potentially have a positive impact on social care. This is before considering the costs of untreated mental illness if left to continue into adulthood.

The children of Wales, Northern Ireland and Scotland are already benefitting from national school-based counselling programmes. BACP believe that children and young people in England should receive the same access within their schools, ensuring universal access across the four nations.

To support this aim, we would urge the Government to:

- Financially commit to a sustainable school and college counselling programme that will complement other departmental mental health and well-being strategies for this age group and greatly contribute to the building back better agenda.
- Invest in this trained and available workforce, as this would help alleviate current capacity issues linking to strains on the NHS and very much complement the flagship Mental Health Support Teams.
- Financially commit to funding the hubs on a wider scale than the current one-year pilot roll-out so that children and young people across England can access counselling and other mental health support in community settings.

## **2) Remove VAT on counselling and psychotherapy**

Adding VAT to mental health services contradicts legislation on parity of esteem between physical and mental health and it highlights a significant and unfair anomaly between the treatment of health services provided by many other mental health professionals.

According to an HMRC brief issued in 2009 when psychologists' services became VAT exempt, 'medical care' is defined as any 'service principally aimed at the benefit of the patient and at the protection, maintenance or restoration of health of the person concerned', including mental health. Despite this, counselling and psychotherapy services, all provided for 'the protection, maintenance or restoration of health of the person concerned' remain subject to VAT. HMRC's definition of medical care therefore should also include services such as counselling and psychotherapy.

Registered and accredited individual and group practice counsellors are required to register for VAT when their income from the provision of mental health services exceeds, or is likely to exceed, £85,000 in a 12-month period. Clients are typically not VAT registered and therefore cannot reclaim VAT on fees, and while therapists are entitled to claim a deduction for expenses incurred on any practice expenses (electricity, phone, rent etc), this 'input VAT' will not usually be significant.

This requirement acts as a barrier to the expansion of private affordable counselling and psychotherapy at a time when Government is promoting the expansion of the provision of mental health services and are crucially needed to meet current and expected demand.

Another significant anomaly is the disparity of treatment within the mental health care professions. Whilst psychologists, art therapists and drama therapists who the Government chooses to regulate by statute, offer VAT exempt services, counsellors and psychotherapists cannot. All our trainees receive the same minimum standards of professional training and once qualified they all provide the same level of highly professional and ethical psychotherapeutic services within their own professional sphere and working to their level of competence.

Counsellors and psychotherapists are also recognised in the NHS Long Term Plan as part of the 12 distinct psychological professions delivering NHS commissioned healthcare alongside psychologists and other mental health practitioners.

As the country looks to 'build back better', VAT reduction is one of the measures available to facilitate economic renewal, consumer confidence and access to essential services as part of a wider package of recovery interventions.

Any additional cost, particularly during these challenging financial times, represents a significant barrier to vulnerable people being able to access vital mental health support when they need it and anything that provides or makes it easier for people to access mental health support should be facilitated and encouraged.

BACP believe that the removal of VAT on counselling and psychotherapy services is long overdue and would remove a needless barrier to people accessing care. Anything that provides or makes it easier for people to access mental health support should be facilitated and encouraged. In view of the highlighted anomalies and expected increase in demand for mental health support in the aftermath of Covid-19 and in response to pressures created by the cost of living crisis, we urge the Government to extend VAT exemption to all individual PSA registered and accredited members and registrants who are qualified psychotherapists and counsellors.

We believe the cost to the Treasury to introduce this exemption would be small. However, it would result in significant benefits in helping to support the nation through the current mental health crisis.

We would urge the Government to:

- Facilitate the accessing of vital mental health support by removing VAT on counselling and psychotherapy services.

**3) Invest in timely, appropriate and evidence-based interventions, such as counselling and psychotherapy, for those most affect by the current cost of living crisis**

The impacts of high inflation and the rising cost of living are still developing, however we know from existing and emerging data the vast difficulties experienced by almost all members of society, and the ensuing rise in mental ill health across the UK. Yorkshire Building Society's 2022 report 'Inflation Nation' found that over two-thirds of (67%) of UK adults are worried about impact of cost of living crisis, and nearly half (46%) reported worsening mental state as a result.

The cost-of-living crisis is most visible in rising levels of food insecurity and fuel poverty. In recent years, there has been a sharp increase in the number of people experiencing food insecurity in the UK, with around 4.7 million adults now affected (Kings College London). At the same time, steep increases in energy costs now mean that many are unable to pay their bills and face stark choices between eating and heating. With rising inflation, stagnant wages, and uncertainty about whether benefits will increase in line with inflation, it is certain that the numbers affected will continue to rise sharply. Food insecurity and fuel poverty cause considerable anxiety and distress (Davillas et al, 2022). Those with disabilities and those experiencing poor mental health are more likely to be affected (Loopstra et al, 2019).

This is reflected in [ONS figures from September 2022](#), which showed that around one in four (24%) of those who reported it was very or somewhat difficult to pay their energy bills experienced some form of depression. This is nearly three times higher than those who found it very or somewhat easy to pay their energy bills (9%).

This is prevalent in all four Nations of the UK. As of August 2022, in Scotland 8% of people, up three points since May, have lost sleep due to financial anxiety. In Wales, the Bevan Foundation reported in July 2022 that the majority of people were cutting back on essential items: 57% cut back on heating, electricity and/or water, 51% cut back on clothing for adults, 45% cut back on transport costs and 39% cut back on food for adults between January and July. Similarly, the Northern Ireland Consumer Council reported that its new Household Expenditure Tracker shows that, "in January-March 2022, the most vulnerable households in Northern Ireland saw their income grow by only £0.27 (0.1%). Alongside this, their spending on basics increased by 3.5%, their discretionary income fell by 18.5%, and with gross household income of Northern Ireland's lowest earning households being 11% lower than those in the UK, the situation has become desperate for many."

To make ends meet, more and more people are [relying on credit cards and loans](#) to meet basic needs. [This is pushing more people into debt](#). An analysis of data from the Adult Psychiatric Morbidity Survey and an in-depth survey of people and professionals with experience of issues around suicide, led by the [Money and Mental Health Policy Institute](#), shows stark connections: those with problem debt are three times more likely to consider suicide than others, and over 100,000 people in debt attempt suicide in England each year. Persistent poverty and financial insecurity and threatening letters from lenders are key factors that impact on the experience of debt and increase anxiety. ([A Silent Killer: Breaking the link between financial difficulty and suicide](#)).

People with pre-existing mental health problems are among those at greatest risk from the cost-of-living Crisis. They are 3.5 times more likely to have been in financial difficulty before the crisis hit, and more than twice as likely to have relied on credit or borrowing to cover everyday spending – for example, on food or heating - during the pandemic (26% compared to 11%). They are also much more likely to have no savings (Mental Health Foundation, 2023).

As part of their analysis of the Chancellor's plans the Office for Budget Responsibility (OBR) has estimated that living standards will fall a further 7% over the next two years, constituting the largest fall since Office for National Statistics (ONS) records began in 1956-57. This will have a profoundly damaging and long-lasting effect on the mental health of the nation. Investment in timely, appropriate and evidence-based interventions, such as counselling and psychotherapy, has never been more important.

Research by the Money and Mental Health Policy Institute found that the cost of living is directly affecting the treatment people receive for their mental health. Nearly **one in five (19%)** respondents to a 2022 survey said they had missed an appointment related to their mental health care, with some explaining that they simply cannot afford the cost of travelling there. This reflected the findings of a [recent members survey](#), which showed 60% of members seeing clients cutting back on therapy sessions due to money worries and almost half (47%) reporting that clients are cancelling or pausing sessions because they can no longer afford them.

These figures show that people are struggling to access the services they require due to cost of living constraints. The Autumn Budget presents an opportunity to address access to the right psychological support, and to improve outcomes for people who have been disproportionately affected by the cost-of-living crisis.

To support this aim, we would urge the Government to:

- Provide real and sustained investment in timely, effective, mental health services, tailored to counteract the impact of the cost-of-living crisis.
- Offer clients full and informed choice when accessing psychological therapies. This should include choice around therapists as well as therapy type, mode of delivery including both face-to-face or online, appointment times and location of intervention.

#### **4) Tackle the mental health crisis, that threatens to undermine economic recovery and growth, by supporting investment in a wider range of psychosocial interventions in the workplace, including counselling and psychotherapy**

The last three years have put considerable strain on the financial, social, physical and mental health of the UK. The Covid-19 pandemic resulted in one of the largest ever shocks to the UK economy and public finances, the legacy of which has been surpassed by war in Ukraine and a deepening cost of living crisis.

Post-pandemic changes in working patterns and increased financial uncertainty are negatively impacting employee mental health in and outside of work. A recent report found that almost half of UK workers are 'running on empty,' with burnout, mental ill health, and work-related stress now costing the economy £28 billion annually.

Poor mental health accounts for more than half of all work-related illnesses, around 51% of long-term sick leave is due to stress, depression, or anxiety. Employees are reporting increased workplace intensity and more significant pressure at work, with 55% of workers reporting that they feel that work is getting more intense and demanding and 61% of workers say they feel exhausted at the end of most working days. Deloitte reported that 64% of managers have considered quitting for a job that would better support their wellbeing and 70% of managers cited organisational barriers to supporting staff wellbeing, including company policy, heavy workload, and unsupportive workplace culture.

This represents a trend over recent years, with survey data from the Chartered Institute of Personnel and Development (CIPD) showing a significant increase in the number of reported instances of mental ill health in 2021, in both large and small organisations. Overall, nearly four-fifths (79%) of respondents to the CIPD's survey reported some stress-related absence in their organisation over the last year, although this rises to 91% of organisations with more than 250 employees.

Pre-Covid estimates from Deloitte UK (2020) put the cost to employers of poor mental health among employees at £42bn - £45bn each year; made up of absence costs of around £7bn, presenteeism costs between £27bn and £29bn and turnover costs of around £9bn. The latest mental health research from Deloitte (2021), the third in a series of reports, revealed that the cost to employers of poor mental health has increased, to up to £56bn in 2020-21 compared to £45bn in 2019.

The overall increase in total costs is due to higher staff turnover. [Deloitte's survey](#) also found that 28% of UK employees either left their job in 2021 or planned to leave it in 2022, with 61% of respondents saying this was due to poor mental health. Young people (18-29 years old) were found to be most likely to have moved jobs or be considering a job move. One in five (21%) young people surveyed said they were planning to leave and one in four (24%) said they had intentionally left their job in the past 12 months. Of those who had intentionally left or planned to leave their job, two in three (65%) said this decision was driven by poor mental health.

Several significant and cross cutting challenges are contributing to these increases in poorer mental health within workplaces, including burnout and financial anxiety. Several recent research reports have demonstrated the link between the cost-of-living crisis and worsening mental health. Many employees and employer representative bodies, including ACAS and FSB, report increased levels of occupational stress, due to staff shortages, changing consumer attitudes and exposure to vicarious trauma compounded by the anxiety caused by financial uncertainty. Our own research shows that two thirds (66%) of therapists say cost of living concerns are causing a decline in people's mental health.

The survey of our members found that six in 10 (61%) therapists say their clients are anxious about whether they can afford to pay their household bills. The research further highlights some of the mental health issues that have worsened due to the cost-of-living crisis, such as insomnia, with 52% of therapists reporting clients are losing sleep due to money worries.

SME employers have been among the hardest hit, with many of those businesses to survive the impact of the Covid-19 pandemic now facing uncertain futures due to factors including staff retention and recruitment, spiralling costs and dwindling revenues as consumer spending reduces. Unsurprisingly, mental ill health is the leading cause of sickness absence in SME workplaces, with significant knock-on effects on finances and service quality. These difficulties have been felt more keenly in some sectors than others, especially frontline care settings where burnout from compassion fatigue and trauma are common, and among retail workers who are increasingly exposed to verbal and physical aggression from customers.

Research undertaken by the Retail Trust in 2021 found that 91% of line-managers have seen an increase in mental health issues but are struggling to support staff. More than two thirds feel burdened by their team's problems and 28% say they don't have enough support from their employer. Last year (2022) the Retail Trust published further research that showed 84% of retail staff said their mental health had deteriorated over the year amidst concerns around finances, customer abuse and post-pandemic fatigue, with nearly a third (31%) of people working for the UK's biggest retailers are planning to quit the sector.

More than eight out of 10 (83%) said they have experienced a decline in their mental health in the last year, with retail workers aged between aged 16 and 29, those working in distribution and warehouses, and employees of larger retailers found to be struggling the most.

85% of retail managers also reported an increase in mental health problems among their teams and more than half (54%) said team members have experienced issues that they felt ill-equipped to deal with. A quarter (26%) of retail managers say they also want to leave the industry. The Retail Trust also interviewed leaders of 20 household name retailers for its Health of Retail report and worked with employee engagement platform WorkL to assess the wellbeing of a further 4,500 retail workers, which found that retail is one of the unhappiest industries to work in compared to other sectors. A quarter (26%) of retail managers say they also want to leave the industry.

These various challenges needn't have the debilitating impact on individuals and business, by investing in appropriate psychosocial interventions (WHO, 2022), including workplace counselling, employers can significantly reduce the costs of disruption to their business and the wider economy.

Investing in a thriving workforce improves financial performance and competitiveness. The consolidated evidence from academic literature and industry studies supports the economic value proposition (EVP) for investing in employee health and wellbeing and creates a compelling investment case. If businesses invest in the right initiatives the positive returns from improved attraction,

retention and productivity, combined with the cost savings of lower attrition, absenteeism and presenteeism could unlock a cumulative value across the UK of c £130-£370 billion (6-17% of UK GDP) or the equivalent of £4,000 - £12,000 per employee (Business in the Community 2023, Prioritise People: Unlock the Value of a Thriving Workforce).

Research has shown that workplace counselling can halve sickness absence in organisations (McCleod, 2010) and that those with accessible services, provided as part of an EAP programme or otherwise, return to work sooner, are more resilient, productive and less likely to become long-term sick. Similarly, research commissioned by BACP and undertaken by the Institute of Economic Studies (IES) supports the effectiveness of workplace counselling in securing employer and employee benefit, including reduced staff turnover, greater productivity and less instances of sick leave. The return on investment (ROI) of workplace counselling, as part of an employee assistance programme (EAP) has consistently been shown; with EAP Association figures showing that for every £1 spent on an EAP UK employers see an average return on investment of £7.27.

For many organisations the cost of investment in occupational health and allied mental health interventions remains to be a significant barrier, which is why we are calling on the Government to do more to support UK business. In previous years then Chancellor Rishi Sunak announced changes to the way welfare counselling provided by employers is taxed, extending the scope of non-taxable counselling services to include related medical treatment when provided to an employee as part of an employer's welfare counselling services.

We welcomed this move and again urge the Government to go further in supporting both the physical and mental health of UK workers, such that they can play a vital role in strengthening the UK's ongoing economic recovery and build resilience against future challenges.

To support this aim we would urge the Government to:

- Provide small and medium sized employers opportunities to access the occupational health (OH) services that are often beyond their reach and incentivize small and medium sized OH providers to boost collaboration with professionals in their sector, including workplace counsellors.
- Encourage and support the development of preventative whole system approaches to managing psychosocial health and wellbeing at work, including the adoption of a recognised standard or benchmark, e.g., the BiTC Workwell Commitment or Thriving at Work core standards.
- Resist calls to mandate minimum standards, including making mental health first aid (MHFA) a legal requirement. Whilst psychoeducation can play a part in a whole organisation approach to mental health, the evidence for its effectiveness is limited and we consider it just one element of a package of interventions that should be implemented in the workplace.

**5) Increase both access to counselling and psychotherapy through the NHS as well as tackling the workforce crisis the affecting psychological therapy**

services by creating opportunities for more existing qualified counsellors and psychotherapist to move into the NHS workforce.

The policy and funding focus for health must prioritise meeting the rising demand for mental health services. This should include increasing the availability of counselling and psychotherapy for all people in society, reducing waiting times for seeing a counsellor or psychotherapist and ensuring that people are given a choice of treatment options, so they can choose the one they think will best fit their needs.

Successive Government strategies, including the Five Year Forward View and the NHS Long Term Plan have made mental health a priority however these plans have failed to successfully address the chronic shortage in workforce; meaning any service expansion is hampered by a lack of workforce to deliver the services.

As the leading professional body for counselling and psychotherapy in the UK we see first-hand just how the skills of counsellors and psychotherapists are frequently undervalued by policy makers, the NHS and service commissioners and that they are frequently an overlooked and underused in the workforce.

Our membership of over 65,000 frequently report that they have capacity to take on additional work, and we know that their skills and expertise as psychological professionals makes them a crucial part valuable ally in meeting the mental health needs of the country. Analysis BACP have undertaken through our member's survey shows that many of our practitioner members are under-deployed. On average they have told us that they have the capacity to undertake 4.9 hours of additional client hours each week. This amounts to over 260,000 hours per week, if funding was in place to utilise this much needed capacity.

To support these aims, we would urge the Government to:

- Provide an increase in the funding settlement for the NHS to ensure that the system can both cope with a previously unforeseen increase in demand for services as a result of the pandemic and cost of living crisis as well as continuing to deliver the ambitions within the Major Conditions Strategy, as without this the principles of increasing access to quality mental health services could be lost and inequalities facing people with mental health problems continue to worsen.
- Fund a recruitment campaign for counsellors and psychotherapists to work in the NHS - capitalising on their vast untapped potential and bringing them into the NHS workforce so the public can benefit from their skills and expertise.
- Commitment to tackling the barriers faced by counsellors and psychotherapists in taking up roles in the NHS.
- Provide a psychological support service for NHS staff and other key workers, and to look to the counselling and psychotherapy workforce as a way of quickly

bringing additional capacity and skills into the mental health workforce to meet this need.

- Ensure ICS's have sufficient funding to enable them to realise their potential to achieve greater integration and coordination between all agencies involved in delivery of mental health care.

## **6) Improve access and choice of therapy through investment in local community-based counselling services**

The cost-of-living crisis and rising fuel costs are creating a growing threat and pressure on community-based VCSE organisations with potentially catastrophic consequences for the mental health and wellbeing of the communities they serve. Long-standing community-based counselling services are closing due to lack of funds at a time when demand for their support is greatest.

The Mental Health Foundation's 2023 report on the mental health impact of the cost-of-living crisis demonstrates an increasing demand for psychological support, placing additional demand on services that already work with growing waiting lists and to fragile financial margins.

In September 2023 *Charity Excellence Foundation* reported on the drastic impact that cuts to public contracts to the VCSE sector is having, with data showing that 86% of charities surveyed reporting they will be worse off, of which nearly a third (32%) face significant financial challenges and another third (34%) have a serious cash flow problem or have or may have to consider reducing or closing services, making staff redundant, merging or closing their charity

Currently, community-based counselling services across England, complement IAPT provision, with many reporting working closely and accepting referrals from commissioned services, *but these referrals are not accompanied by funding*, with many services struggling to cover costs. Pressure on these services is growing, with increased demand and growing rates of referral from NHS sources, but without funding for their services. Many VCSE organisations are experiencing reduction in private donations to support their charitable work while also experiencing rising running costs due to increases in fuel charges. Many are under threat due to financial pressures, with some reporting loss of staff and volunteers, concerned for their own futures. The National Council for Voluntary Organisations has shared concern that all of these factors will result in closure of third sector organisations and loss of a vital lifeline for people and communities. The Charities Aid Foundation reports that 82% of charity leaders are worried about the cost of utilities and 71% are concerned about increased demand for their services.

Integrated Care Systems present an opportunity for greater third sector involvement in planning and delivery of psychological support. The value of the sector and its importance to improving the mental health and wellbeing of individuals and communities will only be truly recognised when funding is made available to allow for delivery that meets community needs.

Community-based third sector organisations play a vital role in addressing health inequalities, providing support to people known to be marginalised from mainstream services. Organisations and services that specialise in working with people from marginalised community backgrounds are critical to improving access to psychological support and often receive referrals from NHS services in recognition of their specialisms.

As demand for mental health and wellbeing support increases, the capacity that exists within the third sector provision of counselling services can, with investment, reduce the pressures on NHS services, meet mental health demand earlier, and increase access and choice for people in need of psychological support.

To support this aim, we would urge the Government to:

- Recognise the critical role of third sector providers of mental health services and map the rates of unfunded referrals for psychological support from NHS to VCSE providers.
- Increase the levels and sources of funding that is available for third sector providers of psychological services which complement statutory service provision and reduce health inequalities in their reach and impact.

**7) Invest in high quality, accessible and culturally sensitive services to people from marginalised community backgrounds and those at greatest risk of psychological distress and mental ill health, including refugees.**

The mental health inequalities first laid bare by the impacts of the pandemic have been further widened due to the current cost of living crisis. This presents a critical opportunity for investment in timely, appropriate and culturally sensitive interventions to address the mental health difficulties disproportionately faced by marginalised groups within society.

Many of the groups at higher risk of financial stress now will be the same as those who were most negatively affected during the Covid-19 pandemic, i.e. younger workers, low wage earners, lone parents, people with pre-existing mental health problems, and people from Black and minority ethnic communities<sup>2</sup>, as well as asylum seekers and refugees. A recent (January 2023) report from the Mental Health Foundation found that someone from a Black, Asian or minority ethnic group is twice as likely to experience poverty as someone from a white Scottish or British background. This indicates that people from minority ethnic populations are likely to be among those hit hardest by increasing costs of living and to experience related mental health problems.

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<sup>2</sup> We know the acronym BAME (Black Asian and Minority Ethnic) is controversial. It can be problematic in terms of putting different groups into a single category, which obscures identities and the particular challenges experienced by those groups referred to in the BAME acronym. However, it can be useful as shorthand to refer to groups who don't experience White privilege (though this is complicated by fact that "Minority Ethnic" does include some groups who are generally perceived to be White). It can also be useful when working with other organisations that also use this term on shared goals to do with these groups. However, we acknowledge the problems with the term mean it's ultimately unsatisfactory and we're currently reviewing the use "BAME" within BACP.

There's substantial evidence of elevated rates of mental ill health among refugees and asylum seekers. It's estimated by the Refugee Council that 61% of asylum seekers experience serious mental distress, and refugees are five times more likely to have mental health needs than the UK population. Refugees are also up to 15 times as likely as the general population to be diagnosed with depression or post-traumatic stress disorder (PTSD) (Bojic et al, 2015). The World Health Organisation has identified that the good physical and mental health of refugees benefits both refugees and host populations.

BACP knows from our discussions with third sector organisations working with refugees and asylum seekers that once they reach the UK, they face a long wait for appropriate mental health support, and many find themselves having the additional challenge of navigating often overstretched and complicated routes to treatment, with little support.

Ethnic minority groups experience clear inequalities in access to NHS Talking Therapies and overall, ethnic minority groups were less likely to refer themselves to NHS Talking Therapies and less likely to be referred by their GPs, compared with White British people (NHS Race & Health Observatory, Feb 2022).

The issue of accessibility of appropriate mental health support is longstanding. A 2002 study, 'Breaking the Cycles of Fear' (*Centre for Mental Health, 2002*), concluded that Black people 'are put off from using services because of an understandable and realistic fear of heavy-handed treatment as well as the fear that our mental health status will lead to stigma and discrimination from all communities'. As a result, Black people are deterred from accessing support where it is available, and are more likely to reach a crisis stage, which results in hospital admission and traumatising responses from services and/or the police.

In its 2019 report 'Racial disparities in Mental Health', the Race Equality Foundation calls upon policy makers and commissioners to provide better access to talking therapies according to local need, and engagement with Black and Minority Ethnic communities to ensure the therapies are culturally appropriate and geographically accessible. The report encourages practitioners in all disciplines to increase understanding of cultural and faith beliefs of Black and minority ethnic communities and how this impacts on beliefs and behaviours around mental health. The report also recognises the importance of the role of the voluntary, community and social enterprise sectors in supporting people from BAME communities, filling the gap where statutory service is missing or inadequate to meet needs.

Many counselling services that specialise in working with clients from marginalised community backgrounds report an increasing demand for services. Often referral is made to VCSE services from NHS sources, recognising the value of their specialism, but without the funding to cover the costs of delivery. Action is needed to ensure that third sector organisations are involved in the planning and delivery of community-focussed services and are funded to deliver them.

To support this aim, we would urge the Government to:

- Provide real and sustained investment in timely, effective, culturally appropriate mental health services, tailored to counteract the impact of trauma and multiple disadvantages still pervasive in our society. These should be delivered alongside sustained action to address diversity within the mental health workforce.
- Offer clients full and informed choice when accessing psychological therapies. This should include choice around therapists (for example based on those characteristics protected in the Equalities Act 2010 (HM Gov, 2010), as well as therapy type, appointment times and location of intervention.
- Increase funding for local community-based projects that improve access to therapy for diverse and/or disadvantaged communities, removing barriers that people experience in accessing mainstream psychological support services.

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