

Demand growth

PHIN takes a deep dive into the drivers of record Q3 activity

Safety lessons

Emma Galland from Hill Dickinson looks at the evolution of PFD reports

CAMHS in crisis

The team at Candesic explores the challenges in children's mental health

APRIL 2025 | VOLUME 29 | ISSUE 3

HM

HealthcareMarkets

Independent. Intelligent. Insightful.

Infocus

Great expectations

How are independent providers responding to shifting attitudes to health and wellbeing?

LaingBuisson
INTELLIGENCE + INSIGHT

Children's mental health services are under more pressure than ever, with demand rising at the same time as service provision is falling. Drawing on data from its latest annual bed analysis of services, Candesic's **Dr Michelle Tempest** and **Dr Iham Kasem** explore the challenges and examine how policymakers, providers, and investors can help address the mounting crisis in the next generation's mental health



Out of kilter kids

addressing the CAMHS demand and supply crisis

The prevalence of mental health issues among children and adolescents in England continues to rise. NHS England has published a series of follow-up reports to the 2017 Mental Health of Children and Young People survey. The latest findings, published in 2023, indicate that a staggering 20% of 8 to 16-year-olds have a probable mental disorder. Figure One illustrates that this has risen significantly since earlier survey findings, which

THE NEED
FOR EARLY
INTERVENTION
IS NOW CLEARER
THAN EVER
BEFORE

report 13% and 18% in 2017 and 2021, respectively. Overall, this translates to an estimated 1.27 million 8 to 16-year-olds with a mental disorder in 2023.

Contributing factors to rising prevalence include the continued effects of the Covid-19 pandemic, rising levels of cyberbullying and academic pressures. The excessive use of social media has also been shown to be linked to symptoms of depression in children, with John Hopkins Medicine reporting associated

lack of healthy activities, poor sleep and increased social isolation as young people spend less time interacting with family and friends in person. In addition, the cost-of-living crisis has left many families struggling, with 22% of those with a probable mental disorder in 2023 citing a reduction in household income in the past year and 20% stating that their household could not afford to keep their home warm enough. In contrast, only 13% and 8%, respectively, of those unlikely to have a mental disorder cited those same household circumstances.

The need for early intervention is now clearer than ever before, yet CAMHS services are still struggling.

The status of care provision

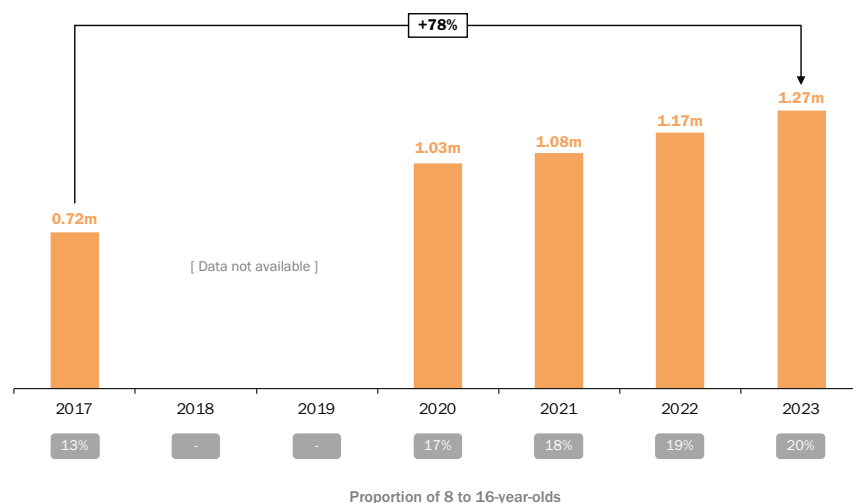
CAMHS services in England are structured into four tiers. Tier 1 involves GPs, health visitors and school nurses, while Tier 2 services are offered by a range of agencies and specialist mental health professionals which cater for children at risk of developing mental health problems. Tier 3 involves child and adolescent psychiatrists and a more extensive multi-disciplinary teams, often accessed via a referral and care being delivered in the community setting. Tier 4 represents the most specialised inpatient services for young people exhibiting severe and complex mental health conditions. These services encompass general adolescent units, eat disorder units, as well as secure forensic units among others.

The 2022/23 children's mental health services report published by the Children's Commissioner in March 2024 states that 'demand for children's mental health services continues to outstrip the availability of support'. Among other staggering findings, nearly 950,000 children and young people had active referrals for CAMHS services in 2022/23. Those who began treatment within that year waited an average of 108 days (mean). In addition, the report indicates that 39% of patients had their referrals closed before accessing services.

Although the number of people in contact with children and young people's mental health services has more than doubled to nearly 470,000 over the last six years (see Figure Two), it is clear that services are not meeting the growing needs of young people.

FIGURE ONE
ESTIMATED POPULATION OF 8 TO 16-YEAR-OLDS WITH A PROBABLE MENTAL DISORDER IN ENGLAND, 2017-23

NUMBER OF CHILDREN



SOURCE NHS ENGLAND; ONS; CANDESCIC RESEARCH AND ANALYSIS

CAMHS inpatient services

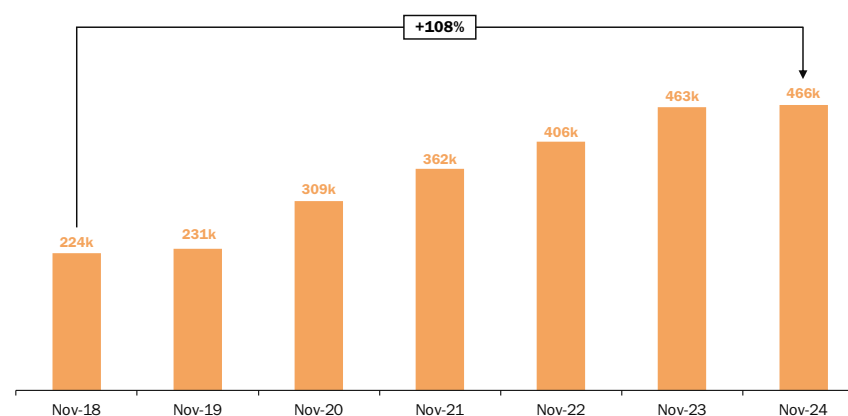
A fundamental component of the CAMHS system is the availability of inpatient beds to serve those most in need. Candescic has conducted an extensive mapping of the availability of Tier 4 inpatient beds in England. The results indicate that provision has fallen by 16% from 2021 to 2025. Figure Three demonstrates that NHS provision appears to have remained flat, while independently provided beds have reduced by 36%. Furthermore, we have seen a 30% reduction in CAMHS Tier 4 beds days over this period (see Figure

Four). All this at a time when the mental health needs of young people have risen.

A national surveillance study led by researchers at the University of Nottingham and published by BMJ Mental Health in 2023 discovered that over one-fifth of young people waited more than ten days to be admitted to an adolescent mental health unit, and a further c.18% waited for seven to ten days. Surprisingly, given the clinical urgency and need, just 9% waited less than one day. While waiting for an appropriate CAMHS bed, most patients waited in general hospital settings including paediatric wards, adult medical

FIGURE TWO
PEOPLE IN CONTACT WITH CHILDREN AND YOUNG PEOPLE'S MENTAL HEALTH SERVICES IN ENGLAND, 2018-24

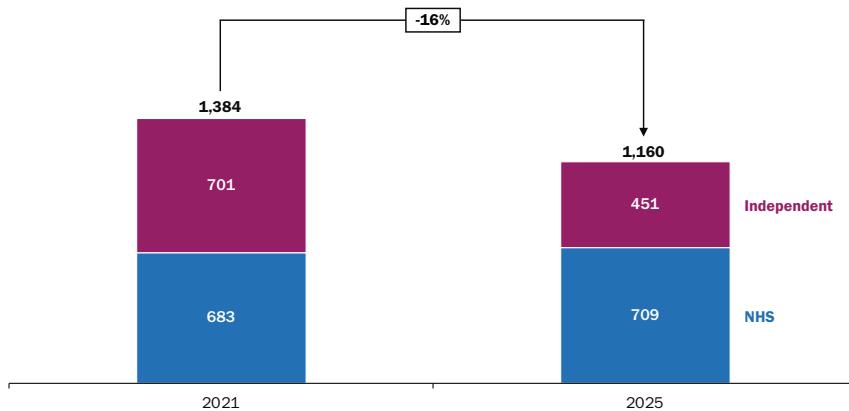
NUMBER OF CHILDREN



SOURCE NHS ENGLAND; CANDESCIC RESEARCH AND ANALYSIS

FIGURE THREE
CAMHS INPATIENT BEDS IN ENGLAND, 2021 AND 2025

NUMBER OF BEDS



SOURCE CQC; NHS; COMPANY WEBSITES; CANDESCIC RESEARCH AND ANALYSIS

wards or the emergency department. These settings are largely unsuitable for those requiring inpatient psychiatric care, with a separate 2024 report by the Health Services Safety Investigations Body highlighting the risks associated with placing children with mental health needs on general paediatric wards.

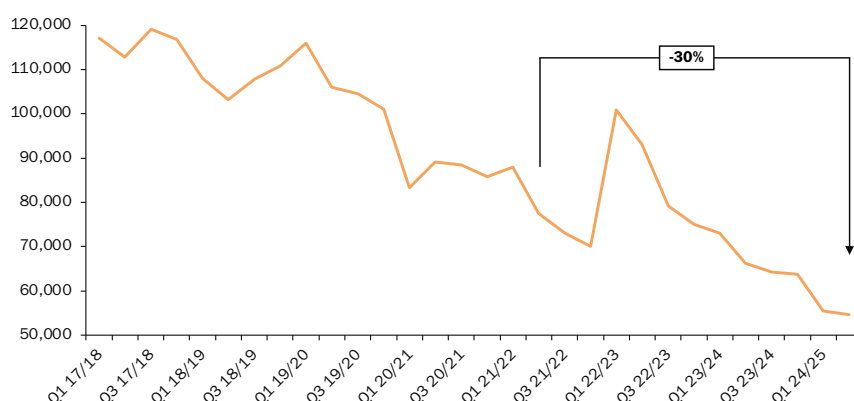
The lack of adequate CAMHS inpatient beds is consequently resulting in patients being placed far away from their homes. The University of Nottingham surveillance study found that of young people admitted at-distance to a mental health unit (greater than 50 miles from home or out of region), c.40% were being placed over 100 miles away.

Additionally, the study found that distance from home contributed to delayed discharge in more than a third of such cases, further affecting delivery of appropriate care and placing additional strain on available capacity.

Overall, existing CAMHS Tier 4 inpatient provision is inadequate to meet demand. Our survey of the clinical community within both NHS and independent operators revealed many opportunities for improvements, while the key challenge was how to recruit and retain safe staffing levels for high acuity specialist services.

FIGURE FOUR
CAMHS TIER 4 WARDS BED DAYS FOR PATIENTS UNDER THE AGE OF 18 IN ENGLAND, 2017/18-23/24

TOTAL NUMBER OF BED DAYS



SOURCE ROYAL COLLEGE OF PSYCHIATRISTS; NHS ENGLAND; CANDESCIC RESEARCH AND ANALYSIS

Considering the long-term impact

It is important to highlight the under-provision of behavioural health support for children, as consequences are likely to materialise later in adult life. The *Student Mental Health in England* research briefing released by the UK Parliament in September 2024 reports that the proportion of home university students disclosing a mental health condition to their university increased from below 1% in 2010/11 to 5.7% in 2021/22. This is likely correlated with the growing unmet need in mental health care provisions for young people.

Poor mental health has widespread impacts on the national workforce. The Office for National Statistics reports 185.6 million working days lost to sickness or injury in 2022, with mental health accounting for 7.9% of absences. Additionally, the effects of mental health disorders are likely to have a long-term impact on the individual's future employment and income prospects.

Recent analysis published by the Centre for Mental Health estimates that the impact of childhood mental health problems leads to £1 trillion in lost earnings across the generation. Overall, the consequences of inadequate mental health services in early life are likely to have long-lasting and significant impacts down the line. It is evident that more must be done to address the shortage of care.

Staffing challenges: A major barrier

As with most of the healthcare sector, workforce shortages are among the most pressing issues in CAMHS, particularly tier 4 services which require the highest level of specialist input. Analysis from the Royal College of Psychiatrists 2023 workforce consensus found that CAMHS has faced the highest consultant vacancy rate of any psychiatry specialism, with one in five consultant posts remaining vacant. When the analysis considered posts being covered by locums, the total vacancy rate was found to be more than 36%. Additionally, Health Education

England reported the CAMHS nursing vacancy rate to be 18% in 2022 compared to 14% in 2021. With the highly specialised nature of healthcare professionals in the sector, recruitment and retention continue to be a problem for CAMHS.

In conclusion

Lord Darzi's report on the state of the NHS mentioned mental health 129 times – more than any other key terms such as GPs, cancer and public health. It is evident that mental health must be a central priority for the NHS and the government, yet we have seen little progress towards achieving this goal.

According to Dr Quazi Haque, chief medical officer at Elysium Healthcare, a provider of Tier 4 Specialist services: 'While transformation of mental health support in the community is welcome, this shouldn't detract from the need to have readily accessible in-patient care. We recognize how challenges in the sys-

WITH THE HIGHLY
SPECIALISED
NATURE OF
HEALTHCARE
PROFESSIONALS
IN THE SECTOR,
RECRUITMENT
AND RETENTION
CONTINUE TO BE A
PROBLEM

tem mean young people are left behind, with many not being referred for treatment until their needs are highly acute or at crisis point.'

Candesic has identified key steps to address the under-served need. First, continued investment in additional inpatient beds is necessary to address persistent shortages, including building modern facilities that meet the highest standards of care. Second, the workforce needs to be better supported to improve recruitment and retention, such as the Royal College of Psychiatrists' campaign to encourage more doctors to enter the speciality. Third, we see an increasing role for technology, enabling earlier intervention to better support young people before they require higher levels of specialist care.

Finally, we advocate for everyone reading this article to solve for success as supporting the next generation is both the right thing to do and economically imperative.

LaingBuisson
INTELLIGENCE + INSIGHT

**With policy under the
spotlight, what next for
independent mental
healthcare services?**

Mental Health Hospitals

UK Market Landscape Report Fifth Edition

The UK's mental health hospital market is steadily expanding, now valued at £2.35 billion.

You can now access a comprehensive analysis of policy, legislation, and regulatory changes, over the last five years, to gain a detailed picture of the current landscape and strategic developments.

Covering:

- Market
- Politics, Legislation and Policy
- Regulation
- Payors
- Major Providers



**BUY YOUR
COPY NOW**

 laingbuisson.com

 +44 (0)20 7841 0045

 sales@laingbuisson.com