COVERING THE COSTS OF THEIR CRISIS

THE CASE FOR A LEVY ON THE CORPORATIONS FUELING AND PROFITING FROM THE YOUTH MENTAL HEALTH CRISIS

January 2025

Flourish Economics

This research was led by Flourish Economics, a heart-led non-profit organisation seeking to break the myths of mainstream economics, explore radical alternatives and build community. Flourish offers community centered learning, unconventional education, research and analysis that challenges the status quo. Find out more at www.flourisheconomics.com.

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Summary

This research explores the links between profit-seeking corporate behaviour and the widely documented and growing crisis in youth mental health, as well as the potential for imposing a levy targeting harmful corporate activities that could shift corporate practices, and fund mental health treatment for young people.

Over recent decades neo-liberal policy making has led to a steady change in our economic, social, and environmental conditions and structures, resulting in what some have termed a polycrisis; where climate change, rising costs of living, and deepening inequality are interacting to create an overwhelming burden on our mental and physical wellbeing.

Young people in the UK are now the most unhappy in Europe,[1] part of a global trend of declining youth mental health closely tied to the dominant capitalist thinking that is shaping our world.[2] The crisis in young people's wellbeing, accelerated by the COVID pandemic, is deeply exacerbated by a historical neglect of mental healthcare within the NHS and more than a decade of austerity which has resulted in chronic undersupply of appropriate youth mental health care, and the destruction of wider systems of support young people replied upon.

One in five children in England are believed to have had a probable mental health disorder in 2023 - equivalent to around 2.6 million children and young people in 2022 - and over a quarter of a million children and young people are on waiting lists for care in England alone. [3] Many languish in that queue, waiting for care, for over two years, but the situation is so bad that some suicidal children and young people are not even granted a place on a waiting list.[4]

This reality is the clear consequence of government decision making, shaped by corporate lobbyists, and the business models of companies across a broad range of industries. This report argues that we will never effectively end this crisis without directly naming these economic and corporate drivers of this crisis, and taking far-reaching policy actions to change the context within which young people are growing up.

[1] "Happiness Recession" Guardian Article August 2024
[2] The Lancet Psychiatry Commission on youth mental health September 2024
[3] Children's Commissioner: Over a quarter of a million children waiting for mental health support
[4] Suicide-risk children refused places on NHS England waiting lists

Essentially, capitalism is making us sick, and we need to hold the corporations responsible to account.

The research looked into seven corporate sectors that have an element of their activity that could be considered harmful. The sectors were Betting and Gaming, Social media, advertising and fashion, Fossil fuels, Housing, Outsourcing and privatisation of public services. In total the estimated UK revenue of the 7 sectors reviewed totalled £213.7 billion, equivalent to around 10% of UK total economic activity in 2022.

There is a long and demonstrably effective history of using taxation to raise money to fund public services from societally harmful economic activity, and strong evidence that such taxes can force changes in corporate behaviour to reduce the negative effects of their operations. Existing levies on the eight sectors studied raised £8.88 billion in taxes in 2022/23, equivalent to around 4.15% of these sector's total revenues.

The aim of additional levies on these sectors would be to raise revenue from the industries responsible for the problems our young people are facing; encourage a shift by the public and corporations away from harmful activity; and to fund policy interventions that will improve the mental health of young people.

Basic modelling was undertaken to understand the scale of youth mental health disorder and the costs to treat this through the NHS. Whilst we believe we need holistic changes in economic and social policy, and more investment in prevention services that stop young people's mental health deteriorating, we have focused for illustrative purposes on funding needed to close the gap in funding between existing levels of care, and the amount needed to significantly improve access to mental health services for young people.

The cost of treating all young people in England with a probable mental health issues with appropriate care, is estimated at £6.3bn per year. With existing NHS budgets this would leave a funding shortfall of around £5.2 billion. A levy of 2.5% on corporate sectors identified as having harmful activities would be sufficient to cover the funding shortfall.

A note on data

The initial research was undertaken January-February 2024, with refinements to the modelling and updates to the final document made in Autumn 2025 before publication at the start of 2025. Many of the statistics in the report reference data which was the latest available at the time of the initial research (January 2024). Some of the statistics have now been updated; due to time and budget constraints it was not possible to update all of the statistics in the report however the overall findings remain the same, with some of the statistics around youth mental health actually worsening over the last 12 months.

This report is intended to provoke conversation and whilst the underlying statistics may change from quarter to quarter, year to year; the overarching narrative remains. Capitalism is harming us all, with wide ranging impacts on our physical, mental and planetary health. This research seeks to shed light on the scale of impact of capitalism and predatory corporate behaviour on youth mental health and is hopefully a starting point for further research, conversations and proactive policy making that addresses these multifaceted harms.

A note on geography

Healthcare in the UK is devolved, which means much of the data, evidence and research in this report is based on England only data. The headline numbers and corresponding treatment costs demonstrate the scale of youth mental health issues in England only and there remains a research gap to understand the scale of mental health issues in Northern Ireland, Scotland and Wales.

Introduction

Just Treatment commissioned Flourish Economics in January 2024 to undertake research and analysis to inform a new campaign focussed on the crisis in mental health among young people (aged 25 years and under) and the role of corporations in driving that crisis by creating precarious, difficult and dangerous conditions young people are forced to exist within.

The aims of this research were to:

1. Set out the evidence and research demonstrating the links between corporate activities and youth mental health.
2. Provide a case for intervention, including tax rate analysis which sets out how a corporate levy could support mental health treatment.
3. Provide a summary of the evidence gathered and findings from the research which can be utilised for Just Treatment in their ongoing campaigns.

The following chapters set out the case for change, detailed review of key corporate sectors with links to deterioration in mental health, an overview of modelling undertaken to estimate the potential revenue raised from a levy on corporate sectors and how this could be used to fund treatment for young people suffering from poor mental health.

Case for change

Over recent decades there has been a gradual change in our economic and social structures which are now combining to form what some have termed a polycrisis; where crises in global climate, rising costs of living and deepening inequality are interacting to create an overwhelming burden on our mental and physical wellbeing.

The growth of neoliberal capitalism has encouraged individualism, reduced controls on actions of corporations, privatisation, and de-funding of public services alongside explosive growth in culture norms centered around consumerism and materialism. A key requirement of this economic system is a necessity for continued economic growth, secured in part through a reduction in worker's rights, and extraction of natural resources at huge environmental cost. The imposition of these policies has resulted in a decades-long decline in income and wealth inequality.

Through liberalisation of markets and increasing privatisation of public services, global corporations have grown in wealth and power, giving them unparalleled influence over government policy making that allows them to further entrench their wealth and power.

Young people are living with the consequences: increased societal expectations around competitive consumption; high levels of poverty, deprivation and hunger; unprecedented rates of debt from university education; declining wages in real terms; unaffordable and inadequate housing; technological change that has spurred industries that profit from maximising engagement with harmful content; the disappearance of libraries, youth clubs and other social support structures; and failing health services completely unable to meet needs. All this is occurring whilst effective action on climate change fails to materialise, and the chance of averting a future where they are forced to live through catastrophic climate collapse slips away.

In some ways, the rise in poor mental health might appear to be the only rational human response to such conditions.

Capitalism, corporate power, and youth mental health

Whilst capitalism[5] has been around in its early form since the 16th Century, the election of Reagan in the US and Thatcher in the UK in the late 70s and early 80s marked a pivotal change in prevailing culture and economic policy making. Both leaders spearheaded neoliberal economic thinking which 50 years later has drastically changed the global economy, societies and culture. Key to neoliberal thinking are ideas of "free" markets, free trade, privatisation of public services and small government with limited intervention which has resulted in increased concentration of wealth and power in the hands of corporations and their owners. Alongside these structural shifts, economic thinking also quietly entered our culture with homo-economicus or "rational economic man" entering public consciousness, a shift towards individualism and movement away from community[6].

Inequality is embedded within a capitalist economy. Between 1990 and 2022 the UK's billionaire wealth increased by over 1000% whilst 4 million children live in poverty. Despite rhetoric that argues resources are scarce, they aren't. Almost 300,000 households in England were classed as homeless[7] in 2022/23, whilst around 1.5 million homes are unoccupied. Whilst hundreds of thousands of clothing items are sent to landfill each year in the UK, 5.5 million adults don't have basic clothing.

Capitalism requires continual economic growth to prevent economic collapse[8]. We are used to Western governments promoting growth, with 3% annual growth seen as reasonable but this would mean a doubling of economic output in just 23 years[9]. This is achieved through expansion, extraction and exploitation, typically through empire seeking, rent seeking behaviour[10] and exploitation of land, resources and human labour. With the drive to produce ever more and citizens morphing into consumers, our collective

[5] Capitalism is an economic and political system in which property, business, and industry are controlled by private owners rather than by the state, with the purpose of making a profit.
[6] In Prosperity without Growth, Tim Jackson talks about a "social recession" in western society, with increases in loneliness and decline in trust and belonging.
[7] Assessed as owed a homelessness duty being threatened with homelessness or already being homeless in 2022/23.
[8] As the means of production are owned privately, investors demand returns or dividends on their investment, which requires businesses to generate profits which increase year on year. The only way to achieve this is through greater efficiency and productivity which simultaneously puts more pressure on workers but also drives further consumption and degradation of the planet.
[9] Taken from Jason Hickel's "Less is More".
[10] Rent seeking behaviour is where individuals seek to capture more of the economic activity, wealth or income for themselves rather than generating income or wealth themselves. This is often through power dynamics such as lobbying governments to change legislation or tax to the benefit of yourself or your business.

appetite for material goods appears to be insatiable. According to the United Nations, material extraction and processing is responsible for 90% of total global biodiversity loss and water stress. Whilst there has been a significant emphasis on carbon emissions, the Stockholm Resilience Centre now estimates 6 planetary boundaries have now been crossed which increases the risk of irreversible environmental changes. The processes essential to modern capitalism are driving us towards climate changes that will make the earth increasingly uninhabitable - a cause of deep eco-anxiety amongst the generations who will live through this uncertain future.

As the power of corporations has grown, they have been able to lobby for further deregulation around worker's rights, workplace health and safety, consumer rights and environmental protection with some academics now arguing that governments no longer exist to protect the welfare of citizens, but to safeguard the welfare of the corporate world.

The power of corporations and their collective lobbying have successfully managed to reduce corporate taxation, increase tax credits and also reduce environmental, consumer and worker protections. Corporations have also enjoyed freedom to expand their influence over our lives, through mergers and acquisitions[11] and use of advertising and social media to encourage further consumption of their products. This lobbying power has increasingly led to policy making that boosts their profits through the erosion of multiple indicators of the social determinants of health including education, safe and affordable housing, secure employment, quality food, safe environment, and social cohesion and community. Commercial determinants of health now dominate our wellbeing.

Increasingly psychologists and social observers are drawing links between the culture of consumerism in Western countries which "promotes unproductive status competition and has damaging psychological and social impacts on people's lives[12]. Conspicuous consumption[13] is encouraged through social media influencers who encourage people to find meaning in the purchase of material goods. There is evidence[14] which demonstrates

[11] Whilst capitalism offers the illusion of choice, large conglomerates such as Johnson & Johnson, Pepisco, Procter & Gamble and Unielver own numerous well known brands across a range of sectors which actually limits consumer choice.
[12] Tim Jackson's Prosperity without growth.
[13] Conspicuous consumption was first mentioned by Veblen in 1899 commenting on wealthy individuals who consumed goods and services to demonstrate their wealth and therefore increase their social status.
[14] Tim Kasser's book on the High Price of Materialism and various academic articles provide further reading, although they were not examined in detail this research.

the negative impact of social media, advertising and materialism on mental health, with materialistic individuals demonstrating lower levels of well-being and further research linking materialism with competitiveness and selfishness. Coupled with the commodification of mental health and medical consumerism there is a clear link between the corporate behaviour behind many of these activities and mental health issues.

The case for Government intervention

There are various mechanisms for Government intervention to prevent or reduce activities that cause harm, such as regulation, prohibition, licensing and taxation. This research focuses on corporate levies to fund mental health treatment for Young People.

Other groups have set out compelling arguments for taxes and levies on industries undermining our health utilising the "make the polluters pay" logic. IPPR's recent final report of its Commission on Health and Prosperity recommends increased levies on gambling, tobacco, alcohol, and food manufacturers, aiming to raise £10bn a year within five years to improve health outcomes.

Government taxation and spending

Taxation is a vital tool used to fund essential services and infrastructure. Whilst media coverage often focuses on the tax burdens of businesses, individuals can often face a significantly higher burden of taxes than businesses with income tax raising almost a third of HMRC revenue compared to 10% from corporation tax. Since 1985 individual tax rates have increased to 10% of economic activity whilst corporation tax rates have reduced to 3%. Alongside reduction in overall taxes, corporate tax credits have risen significantly from 2% of HMRC expenditure in 2003/4 to 30% in 2022.

Taxation

Government uses taxation to raise money to pay for infrastructure, social welfare policies and to subsidise activities that are viewed as socially beneficial. Businesses and citizens pay towards these basic necessities through general taxation such as income tax, corporation tax and Value Added Tax (VAT).

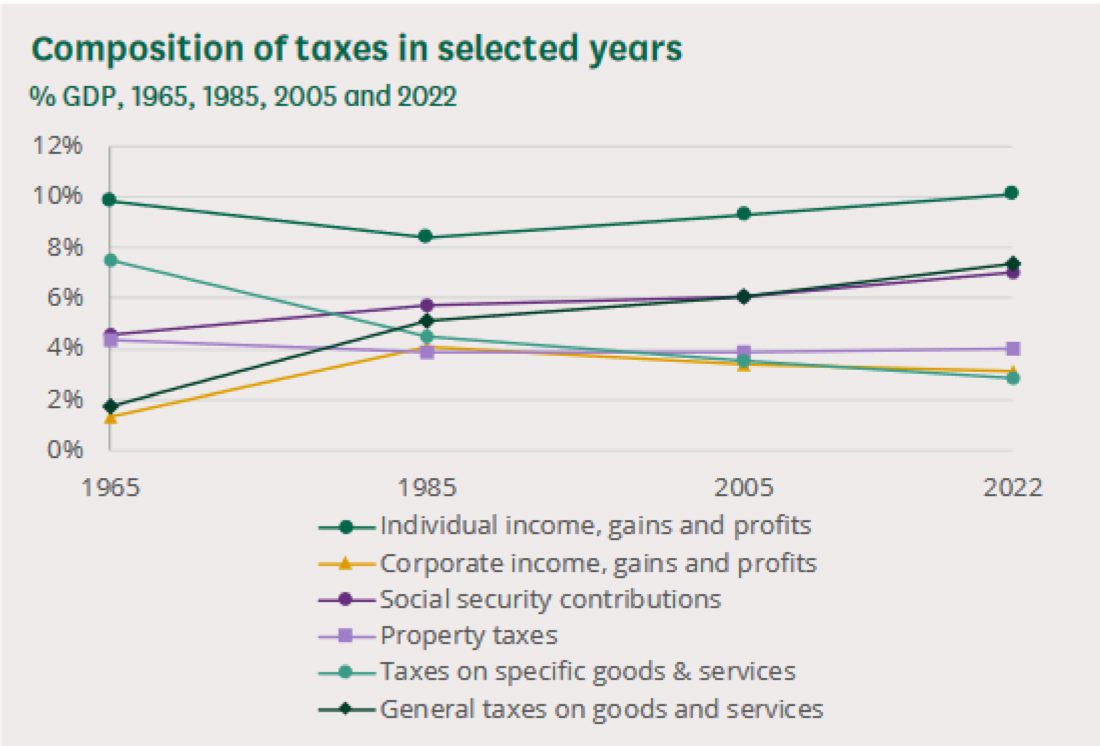
Separate to this general taxation are further taxes, duties and levies[15] imposed on corporations or activities deemed socially harmful. It is important to note that in different policy areas the taxes are raised in different mechanisms; either on the consumer or on

[15] For ease the report will refer to taxes, although the terms tax, duty and Levy are used across different policy areas.

the business, usually on their profits from the socially harmful activity; with the tax revenue either ring fenced for activity to counteract the social harms or simply added to the pot of tax revenue with no specific requirement for spending in particular policy areas.

Development of an effective tax or Levy requires clear identification of policy objectives, an understanding of the corporate sector and clear mechanisms for how revenue raised will be used to achieve stated policy aims. There are many examples where taxes or levies have not worked as expected due to poor policy design.

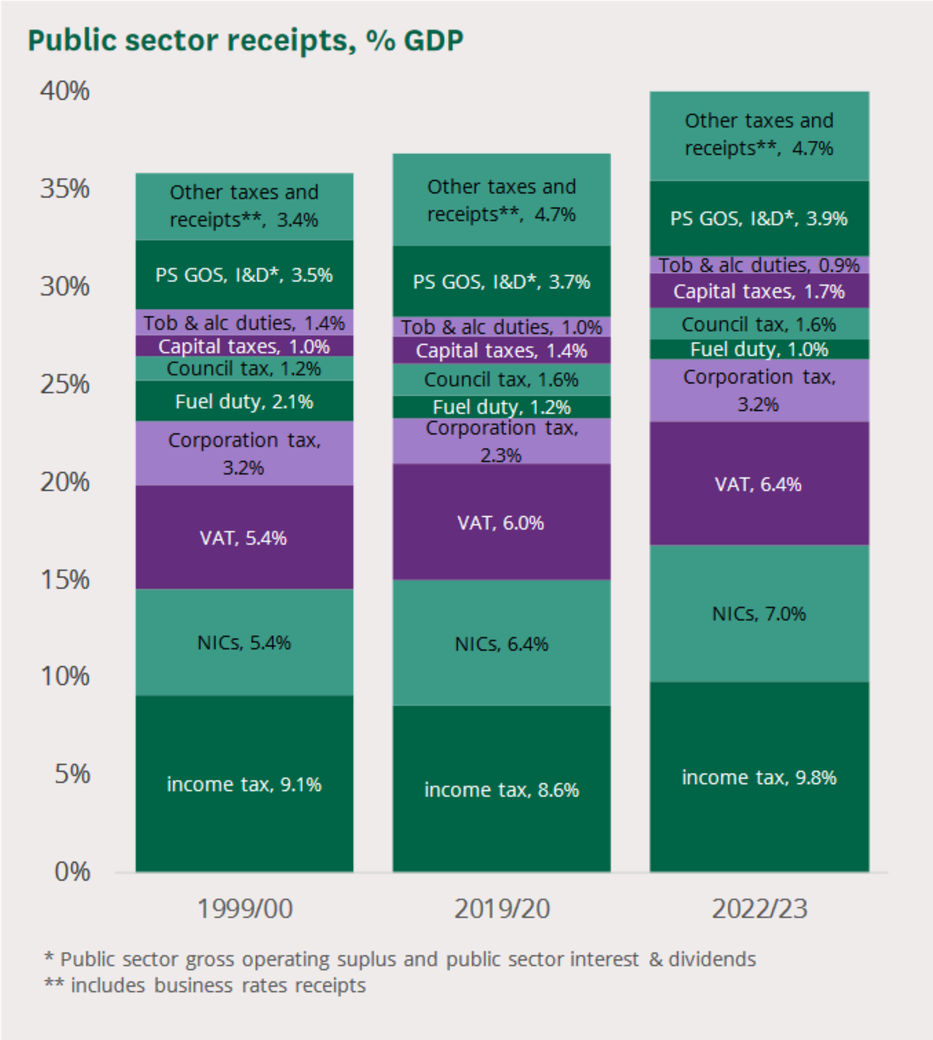
Current neoliberal economic thinking places emphasis on low taxes and corporations in particular have been effective at reducing their overall tax liabilities as a proportion of GDP since 1985. Something striking about the composition of tax revenues[16] is the level of individual taxes has risen from 9% of GDP in 1985 to 10% in 2022 whilst Corporate taxes have declined from 4% to 3%.



Source: OECD. Revenue Statistics and OBR. Public finances databank

Source; House of Commons Tax statistics Research briefing; now updated with 2023/24 data

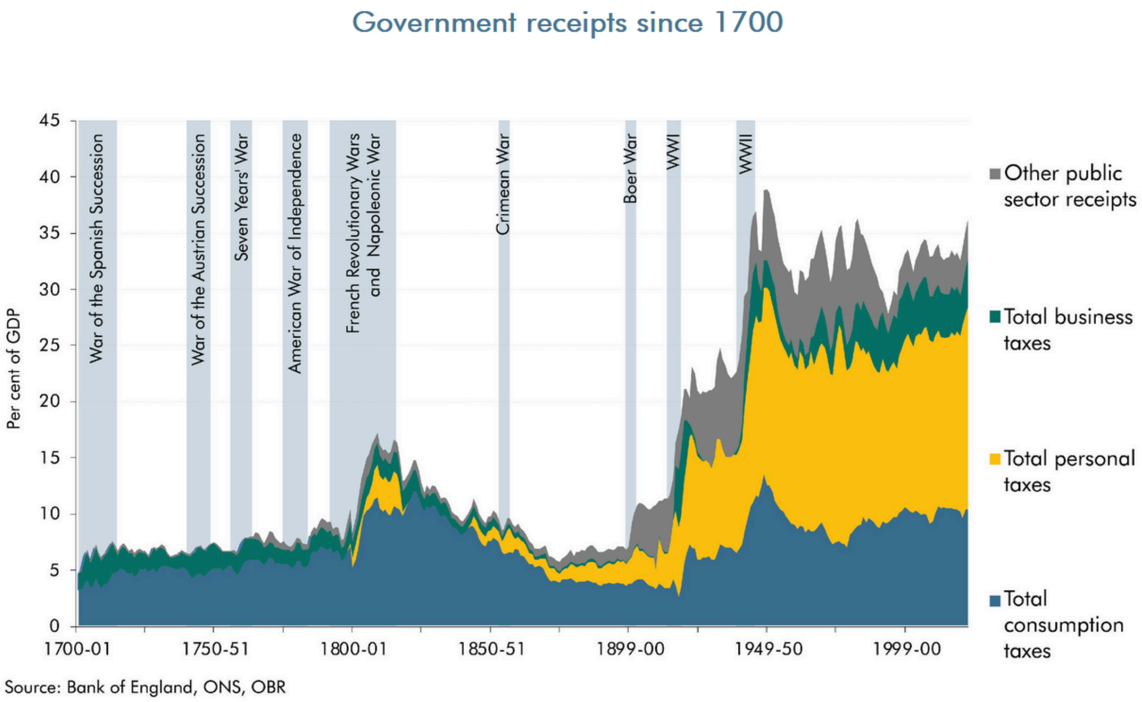
[16] The text and chart are taken from the 2022/23 House of Commons Tax statistics research briefing which has now been updated with 2023/24 data. The 2023/23 report is no longer available on the HoC website.



Notes: Corporation tax shown above excludes the energy profits levy
source: OBR, Public finances databank – December 2023 (accessed on 11 January 2024)

Source; House of Commons Tax statistics Research briefing: now updated with 2023/24 data

Putting this into broader historical context, although personal taxes might seem primordial, they were first introduced in around 1800 approximately 100 years after the first business and consumption taxes were introduced. Looking at data from government receipts since 1700, it is striking how personal taxes have risen considerably to overtake business and consumption taxes. This again demonstrates how the narrative around taxation has shifted from primarily raised on business activity, to now normalised as being paid on personal income.

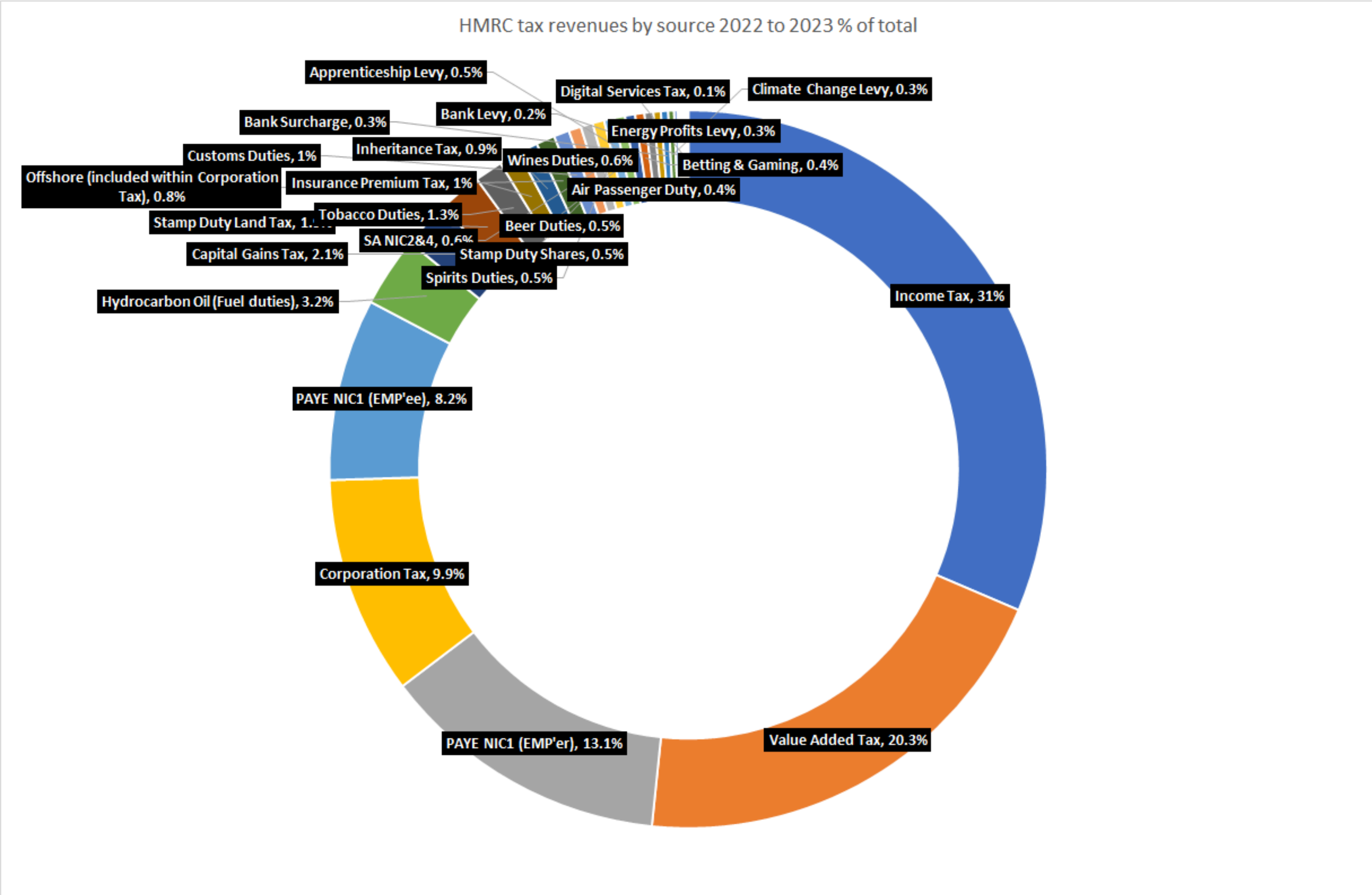


Source; [300 years of UK public finance data July 2023]

So what?

Understanding tax revenues helps to contextualise the narratives commonly presented in mainstream media. Whilst corporation tax gets a lot of coverage it only makes up around 10% of HMRC's total revenue. Income tax provides almost a third (31%) of HMRC revenue in comparison.

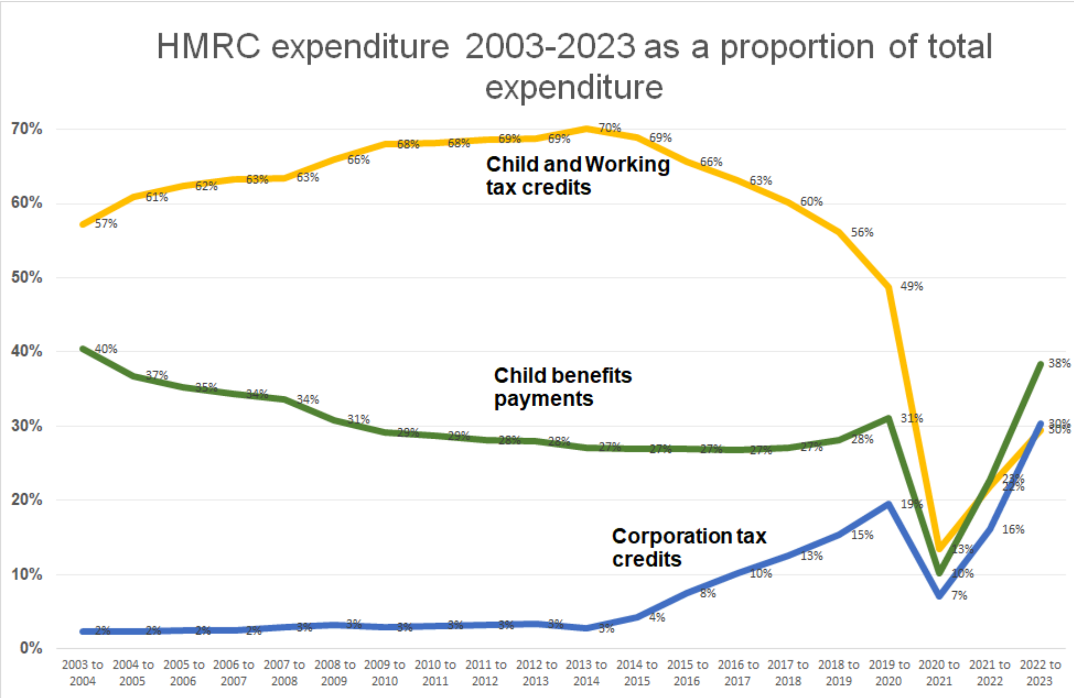
Later stages of this research reviews the revenues raised by existing corporate levies and finds that levies and duties on the Betting and Gaming industry provided the greatest proportion of total HMRC revenues in 2022/23 (0.4%), followed by the Energy Profits Levy (0.3%), Climate Change Levy (0.3%) and Digital Services Tax (0.1%). The Soft Drinks Industry Levy and Residential property Levy raised less than 0.1% of total HMRC revenues respectively.



Source; [HMRC Tax receipts and National Insurance Contributions for the UK] 2022/23

Government Spending

Tax rates and revenues are only part of the story. The Government uses the revenue raised to pay for essential public services such as schools, public roads and NHS care. Alongside revenue data, HMRC also provide data on their [expenditure](#) which includes child and working tax credits, tax free childcare, child benefits and corporation tax credits. Whilst HMRC expenditure only accounts for 4% of total revenue raised,[17] it is striking how corporation tax credits have increased from 2% of total HMRC expenditure in 2003/4 to 30% in 2022. This is in direct opposition to Child and Working tax credits which have decreased from 57% of expenditure in 2003/4 to 30% in 2022/23.



Source: [HMRC tax receipts and National Insurance Contributions for the UK](#)

This data leads to the question of whether corporate businesses are paying their "fair share" of tax, given the lower levels of corporation tax and tax credits they currently enjoy combined with the potential societal harm of some corporate activities.

[17] The majority of HMRC revenue raised through taxation will go into general government spending, routed through HM treasury and Government Departments.

Mental Health

Around 1 in 4 people in England will suffer from poor mental health each year, with 1 in 5 children in England believed to have a probable mental health disorder in 2023 equivalent to around 2.6 million children and young people in 2022. Around 74,000 young people were estimated to have had a severe mental illness in England in 2022. Over 700,000 children and young people in England accessed community NHS services over the last 12 months, with an additional 70,000 attending A&E due to psychiatric conditions. The NHS budget in England for children and young people's mental health is £1.1 billion for 2023/24.

Whilst the NHS had made commitments to increase mental health spending above general spending, there are already excessive waiting lists for some mental health assessments and there has been a 50% increase in England of children being referred for emergency mental health care over the last three years.

In recent decades, the importance of good mental health has risen in public consciousness as growing evidence demonstrates the severe impacts of poor mental health. Anxiety and depression are the leading global mental health conditions with 3.8% and 3.5% of the world's population suffering from these illnesses in 2019.

Focussing on youth mental health, according to the World Health Organization (WHO) "around 20% of the world's children and adolescents have a mental health conditions, with suicide the leading cause of death among 15-29 year olds."

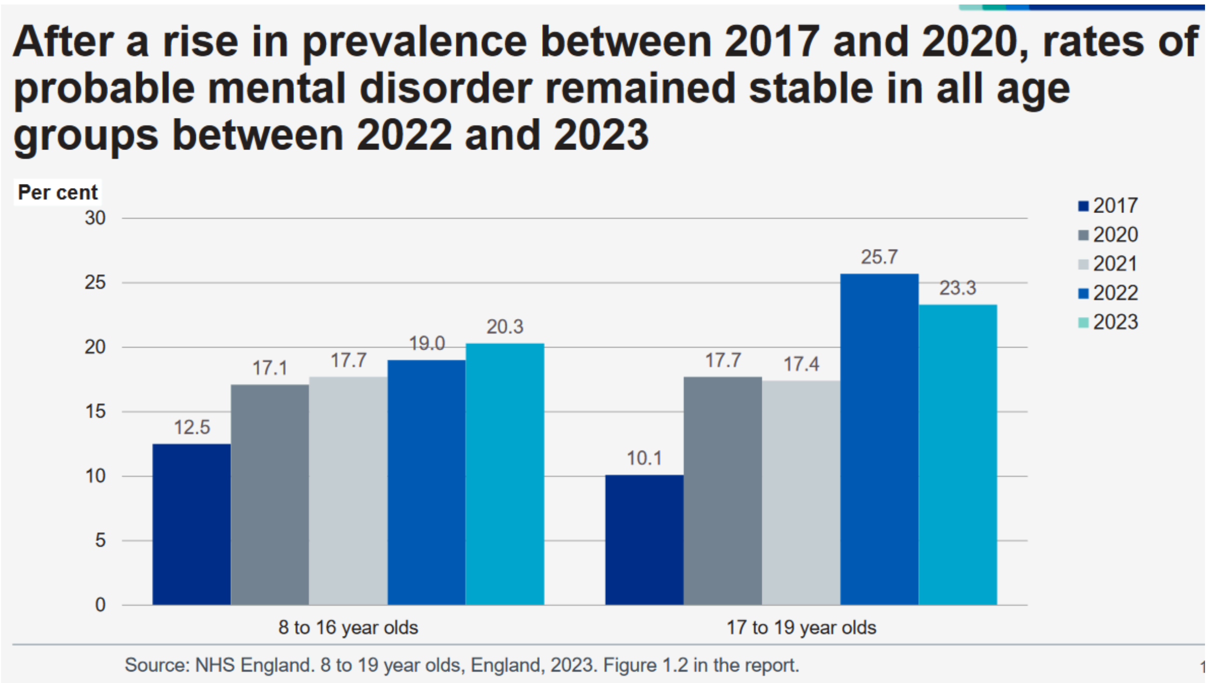
Poor mental health matters as it can have severe impacts on those with the condition, but also their family, friends and wider society. The WHO finds that people with severe mental health conditions die almost two decades earlier than mentally well individuals, whilst estimating that depression and anxiety cost the global economy $1 trillion each year.

Young People's mental health in England[18]

Research suggests that 1 in 4 people in England will suffer from poor mental health each year, most commonly mixed anxiety and depression, generalised anxiety disorder and post-traumatic stress disorder. In 2023 around 1 in 5 children and young people in

[18] NHS data is gathered at the Trust level and aggregated to England. For more information see "a note on geography" on page 7

England had a probable mental disorder[19], with those suffering from poor health more likely to have experienced bullying and less likely to feel safe at school.



Source; [Mental Health of Children and Young People in England 2023]

Whilst the latest data shows a levelling off of probable mental health disorders in young people in England between 2022 and 2023, the longer term trend shows the likelihood of young people having a mental health problem increasing by 50% in the last three years. Analysis of NHS and ONS data suggests that over 2.6 million children and young people[20] in England had a probable mental disorder in 2022. Further analysis[21] indicates around 74,000 8-25 year olds in England had a severe mental illness in 2022 and NHS data shows over 70,000 young people attended English A&E departments due to psychiatric conditions in 2020/21.

[19] The Mental Health of Children and Young People in England 2023 research used the Strengths and Difficulties Questionnaires which is a behavioural screening process for 2-17 year olds which is used to estimate the prevalence of mental health disorder prior to or in the case of this survey without formal clinical diagnosis.
[20] Excludes children under 8 years old. NHS Mental Health of Children and Young People in England 2023 combined with ONS Population estimates mid-2022. Children and Young People aged 8-25 years old. Underlying data and analysis available in the Levy Modelling spreadsheet accompanying this report.
[21] Data from Public Health England was combined with ONS population data to estimate the numbers of 8-25 year olds in England with severe mental illness in 2022.

Mental health and climate anxiety

A growing body of evidence indicates the links between the perceived threat of climate change, mental distress and poor mental wellbeing. With 84% of young people globally reporting to be at least moderately worried about climate change, the potential negative impacts on their mental wellbeing and society more broadly are significant. Climate anxiety has been linked to inaction and inadequate government response to the effects of climate change already being experienced across the world.

Why does this matter?

Mainstream media, charities, consultancies and the government often focus on the economic cost of poor mental health, with research suggesting mental health problems cost the UK at least £118bn every year. This perpetuates the narrative that humans' only function is to serve the economy, and we must have a robust economic case to support adequate funding for mental health care, rather than supporting humans in need of support. However this fails to acknowledge that retaining an economic system that serves capital rather than human wellbeing will never succeed at treating mental health. Once patients are treated, they return to systems focussed on profit, productivity and scarcity which creates precariousness around the basic necessities for human life.

NHS funding and treatment

NHS England's spending on mental health services has increased from £12.5bn in 2018/19 to £16.8bn planned spend in 2023/24. The planned NHS England's 2023/24 spend on Children's and Young People's (CYP) mental health is £1.1bn, with a further £95 million for eating disorders. There is a commitment that spending on CYP's mental health services will increase faster than overall spending on mental health which according to the NHS is being met. There is an increasing trend for the NHS to rely on private providers to deliver mental health services, with an estimated £2bn a year spent on private hospital beds for mental health patients. This is covered in more depth in the outsourcing section of this report.

The most common form of NHS England treatment for mental health issues, mainly depression and anxiety is talking therapy or CBT, previously known as Improving Access to Psychological Therapies (IAPT) now known as NHS Talking Therapies. The NHS aims to reach 15% of people with common mental disorders through talking therapies each year and treat 75% of people within 6 weeks of referral.

There were over 1.8 million referrals to NHS England talking therapies for depression and anxiety in 2021/22, an increase of 25% on 2020/21. Over 90% of patients accessed services within 6 weeks of referral however this varies considerably by geography. Children and young people (under 25) comprised around a quarter of referrals which is lower than their share of the population and they were less likely[22] than older age groups to access mental health services once referred. According to NHS England data over 700,000 children and young people were treated via NHS community services over the last 12 months to Q1 2023/24. The NHS currently has a 35% target treatment rate for CYP with a diagnosable mental health condition. This target was set in 2004 and questions should be asked about; 1) why this hasn't been updated to reflect the increased incidence of probable mental health disorders and emergency referrals (see below), 2) why a 35% treatment rate was ever viewed as acceptable. Flipped this means **the NHS has a 65% non-treatment target for Children and Young People with a diagnosable mental health condition.**

Whilst around 50% of referred patients were classified as moving into recovery, young people in England showed lower recovery and improvement rates than average and worse deterioration rates. Some critics also question the appropriateness of talking therapy, treatment costs and recovery rates with further research required on whether the current NHS treatment approach for depression and anxiety leads to long term recovery.

Recent analysis of NHS England data shows a 50% increase in children referred to emergency mental healthcare over the last three years with 32,521 emergency and urgent referrals in 2022/23. NHS research also suggests association between household finance pressures, access to basic necessities and leisure activities and poor mental health which demonstrates the linkages between the cost of living crisis and mental health.

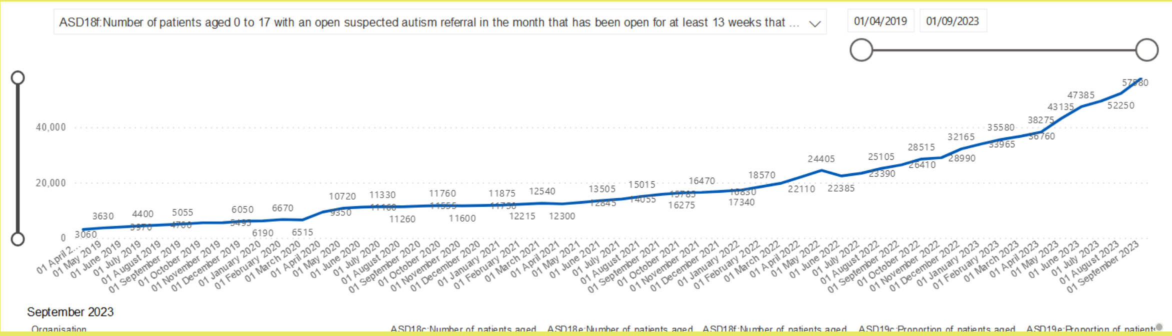
Autism Spectrum Disorder (ASD) assessment waiting lists

As awareness of neurodivergence has increased, waiting lists for neurodivergent assessment have increased significantly. The number of children (aged 0-17) in England waiting longer than 13 weeks[23] for their first appointment for ASD assessment has increased from 3,060 in April 2019 to 57,580 in Sept 2023 a 1700% increase. NHS data does not provide information on actual waiting times, with some families reporting 4+ year waiting periods for ASD assessment.

[22] Service access rates for under 18s of 55% and 64% for 18-24 year olds compared to more than 70% in other age groups apart from 90+ years olds. Analysis of data from Improving Access to Psychological Therapies (IAPT) Dataset NHS Digital.

[23] National Institute for Health and Care Excellence (NICE) guidance states that no one should wait longer than three months between being referred and first being seen.

This is just one example of excessive waiting lists. The NHS has outsourced some ASD and Attention Deficit Hyperactivity Disorder (ADHD) assessment to the private sector, through Psychiatry UK but even these providers are struggling to meet demand with adult NHS referrals now suspended, however they will accept private CYP and adult assessment requests.



Source: [Autism Waiting Time Dashboard Data to September 2023]

Corporate sectors

The research looked into 7 corporate sectors that have an element of their activity that could be considered harmful. The sectors were Betting and Gaming, Social media, Advertising and Fashion, Fossil fuels, Housing, Outsourcing and privatisation of public services. Some of these sectors provide the basic necessities needed for human life such as shelter and access to healthcare and education whilst others offer leisure opportunities and chances to socialise. In total the estimated UK revenue of the 7 sectors reviewed totalled £213.7 billion, equivalent to around 10% of UK total economic activity in 2022. Existing levies on these sectors raised £8.88 billion in taxes in 2022/23, equivalent to around 4.15% of these sector's total revenues.

As set out in earlier chapters there is a link between corporate behaviour and poor mental health. In consultation with Just Treatment it was agreed that 7 corporate sectors would be reviewed in detail and assessed in terms of;

- their scale,
- potential impact on mental health,
- coverage of existing duties or levies, revenues raised and use of this funding
- viability for inclusion in a Youth Mental Health Levy.

1. Betting and Gaming Industry

The UK has one of the largest gambling sectors in the world, generating over £15.1 billion in Gross Gambling Yield in 2022/23. Data suggests around 1 in 200 people suffer with problem gambling with a further 4% classed as at risk; however other research suggests this could be much higher. Recent campaigns in this area have focused on the impact of gambling on mental health, with gambling now included in the National Suicide Prevention Strategy. There are already 7 duties levied on the sector which reflects the acknowledgement of the negative impact gambling can have.

The gambling industry is a valuable case study for the Youth Mental Health Campaign. Successive campaigns and lobbying have managed to reframe the narrative around gambling to be viewed as a societal rather than individual issue. Charities in this space have also managed to secure legislative change and push for duties and levies on the sector which sets a precedent for government intervention in other sectors.

Overview

The UK has one of the largest gambling sectors in the world, generating over £15.1 billion in Gross Gambling Yield[24] in 2022/23. The harmful effects of gambling have been understood for many years, but it has typically been framed as an individual problem or weakness and only recently been viewed as more of a societal issue.

In recent years significant research has been undertaken to understand the scale of gambling related harm and the cost to individuals, their families and wider society. It's estimated that in 2018 around 54% of the adult population in England gambled, with around 0.5% of the population classed as experiencing problem gambling and a further 3.8% gambling at at-risk levels. However further research estimates around 13% of the population were experiencing gambling harm in 2020. Public Health England estimates the annual costs of harmful gambling to be around £1.05 and £1.77bn which includes financial, health, employment, education and criminal activity costs.

Existing duties and levies on the sector

Based on the significant costs from harmful gambling, the betting and gaming industry is subject to 7 different duties[25] collected by HMRC which raised over £3.3 billion in 2022/23 and are expected to raise around £3.5 billion in 2023/24.

The level of the duties varies from fixed amounts on National Lottery tickets, to charges on profits which in some areas are on a sliding scale so more profitable businesses pay proportionately higher rates. The Gambling Act 2005 specifically mentions how funds raised through levies on the sector should be spent. In addition to the duties raised through HMRC, as part of the Gambling Commission's conditions of licence, gambling operators must make financial contributions for gambling research, prevention and treatment. Operators can determine their level of contribution.

Duties raised by the industry levies and voluntary contributions from the sector are used to fund three organisations;

- The Gambling Commission licences and regulates betting and gaming in the UK. It has three licensing objectives, of which one is to prevent children and other vulnerable people from being harmed or exploited by gambling.
- Advisory Board for Safer Gambling (ABSG) provides independent advice to the Gambling Commission on issues related to safer gambling and prevention of harms to inform regulation

[24] Gross revenue minus winnings paid out.
[25] Lottery Duty, Machine Games Duty, General Betting Duty, Remote Gaming Duty, Gaming Duty, Bingo Duty and Pool Betting Duty.

- GambleAware is a charity funded through both industry duties and voluntary contributions[26] from the betting and gambling industry. In 2022/23 their funding exceeded £46.6 million. GambleAware use this funding to provide advice and support to anyone struggling with gambling, through the National Gambling Support Network, commissioning research and public health campaigns.

Review of duties on the betting and gaming industry

Whilst there appear to be a large number of duties already imposed on the betting and gaming industry, campaign groups have advocated for significant reform to the UK's gambling laws which are considered to be insufficient given innovations in digital access to online betting and gaming. The ABSG has repeatedly[27] advised the Gambling Commission that a Levy should be introduced to reduce gambling harm, following a growing body of evidence collated by Public Health England of the negative health impacts from gambling.

The ABSG provided advice to the Gambling Commission in 2020 that a mandatory Levy, set at 1% of Gross Gambling Yield should replace the current voluntary system. Government published a report on Gambling reform in April 2023, with a consultation in October 2023 setting out potential options for the Levy. Proposals for the Levy range from 0.1-1% of Gross Gambling yield, with expected revenue to be around £90-100 million per year by 2027. Revenue raised will be used to pay for research, prevention and treatment, similar to existing duties.

Campaigning and lessons learned

Gambling harm has risen up public and political awareness due to successful campaigning from charities in recent years. Activity in this area offers opportunities to learn lessons on successful campaigning for changes to legislation and the introduction of levies which sets a precedent for government to intervene in other corporate sectors where activities are harmful.

There are a significant number of organisations involved in evidence gathering, research, prevention, treatment and campaigning which has successfully raised the profile of gambling related harms in recent years, as well as shifting the narrative from

[26] GambleAware asks "all those who profit from gambling to donate **a minimum of 0.1% of their annual Gross Gambling Yield (GGY)** to GambleAware each year".
[27] Advice from 2020, Advice from 2022

individual failure to a public health issue that has societal impact.

Gambling with Lives (GwL), a charity set up by bereaved families that have suffered from gambling related suicide have successfully managed to secure the inclusion of gambling in the Government's National Suicide Prevention Strategy. The charity challenges the gambling industry's "responsible gambling" narrative which they say places blame on individuals, deflecting responsibility from the sector and its addictive products and predatory practices. GwL has a number of different demands, including the introduction of a Levy on the sector to pay for independent research, education and treatment, comprehensive NHS prevention and treatment programme and an end to gambling advertisement, including sports sponsorship.

The approach that GwL has taken offers significant learning opportunities for Just Treatment in developing a campaign focussed on Youth Mental Health, including;

- Changing the focus from financial loss to mental health
- Reframing the debate from individual weakness to industry level predatory practice and addictive products
- Successful campaigning and lobbying to increase awareness and force government to take action

The gambling industry also offers insights into potential responses from the sector following introduction of duties or levies, with operators creating new products[28] which fell outside of the legislative definitions meaning the duties did not apply. Whilst legislation was updated to reflect these different betting formats, it gives an indication of how industry could respond to further duties or levies. This demonstrates a need for legislation, duties and levies to be well designed to minimise scope for these practices.

Legislation also needs to be able to respond to changes in technology which can develop new markets rapidly and open up consumers to potential harm.

The gambling industry is also an example where the development of technology significantly changed the access to and market for gambling, with the internet and smartphones creating 24 hour access to betting and gaming in an unsupervised context. Data suggests that the proportion of problem gaming has remained relatively stable between 2012-2018, although there is better understanding of those at risk from gambling harm and the wider impacts on families and society. When designing

[28] Fixed Odds Betting terminals were designed to fall outside the scope of betting duties which existed at the time. Fairer gambling was set up in direct response to the introduction of FOBTs. In 2003 there was growing concern that these machines could increase problem gambling. After over 16 years of controversy the maximum stake on FOBT was reduced from £100 to £2 in 2019.

legislation, duties and taxes future technological changes should be considered to ensure the policy environment remains relevant and appropriate to the sector.

Conclusions

Just Treatment may wish to reach out to charities and campaigners in this sector to support their existing campaigns, learn from their approach and potentially collaborate to build further awareness around the links between gambling and mental health.

2. Social Media, advertising and fast fashion

Social media, advertising and fast fashion are examples of how huge corporations have used technology, cultural norms and human needs and desires to accumulate huge revenues whilst contributing to deteriorating mental health. In the UK we spend on average over 6 hours a day online, which social media and advertising have capitalised on, subjecting us to an estimated 6,000-10,000 adverts each day.

Whilst there are positives to being online, around 1 in 5 children experienced cyberbullying in 2020, with suffers at greater risk of self harm and suicidal behaviour. The consumerist and materialistic lifestyles promoted through social media influencers have been linked to poorer mental health and wellbeing, whilst also causing catastrophic impacts on the environment through the promotion of sectors such as fast fashion.

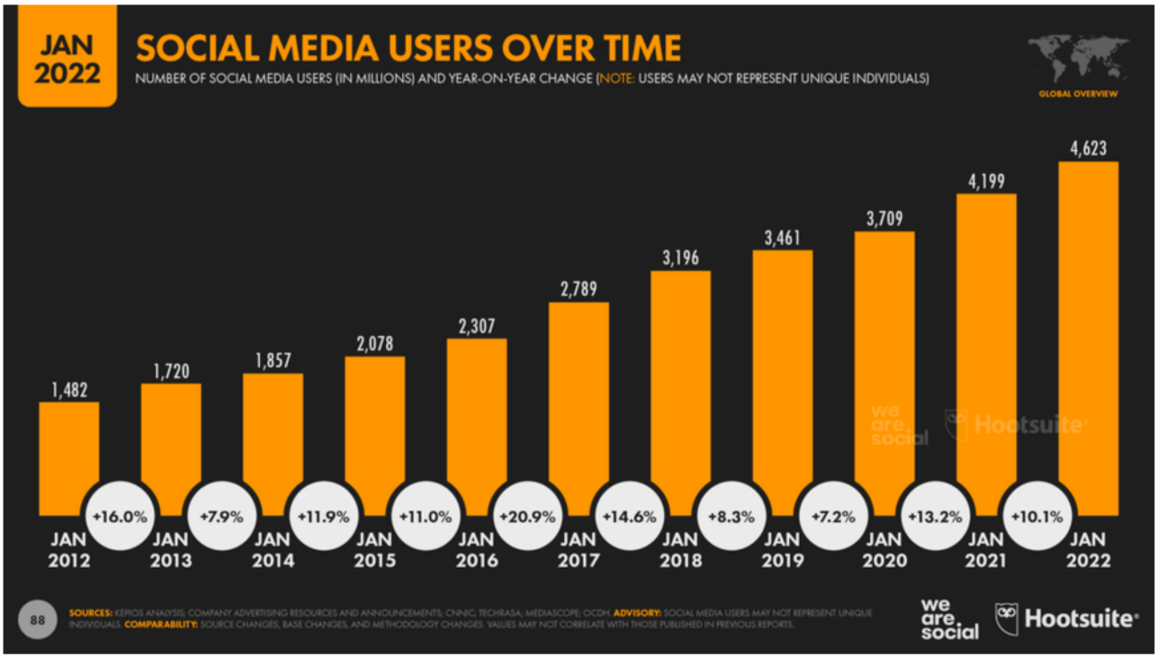
The combined UK revenues of the social media, advertising and fashion industries were around £102 billion in 2021. Online companies such as search engines, social media and online marketplaces are currently subject to The Digital Services Tax (DST) which In 2022/23 the DST raised £600 million.

Overview

The rapid growth of social media, advertising and fast fashion are a clear demonstration of the key necessities of capitalism - expansion, extraction, exploitation. Advertising widens the reach of corporations into new markets, with social media giving corporations 24 hour access to our minds. Algorithms are purposely designed to keep us engaged on social media platforms, to drive more internet traffic and increase advertising revenues, drawing us away from real life interactions.

Globally we spent an estimated [12.5 trillion hours](#) online in 2022, with the average internet user spending nearly 7 hours online everyday, or 40% of their waking hours. Data for the UK demonstrates slightly lower time spent online, at 6 hours 12 minutes per day.

Social media users have rapidly increased in the last decade, with over 4.6 billion registered in 2022, equivalent to 58% of the world's population. Facebook, Youtube, Whatsapp and Instagram topped the list of the most used social media platforms in 2022, with an average of 2.5 hours spent on social media everyday. Social media platforms in the UK were estimated to be worth [£5 billion in 2023.](#)



Source; [We are social Digital 2022](#)

Advertising

The rapid growth of the internet and social media platforms has opened up new frontiers for corporations to advertise their products, with social media advertising exceeding [$150 billion in 2021](#), or one third of total digital advertising spending. This 24/7 access has allowed corporations and social media giants constant access to our minds, a form of cognitive colonisation. It is estimated the average person is exposed to 6,000-10,000 adverts every day[29].

The explosion in our exposure to advertising can be linked to the huge revenues online

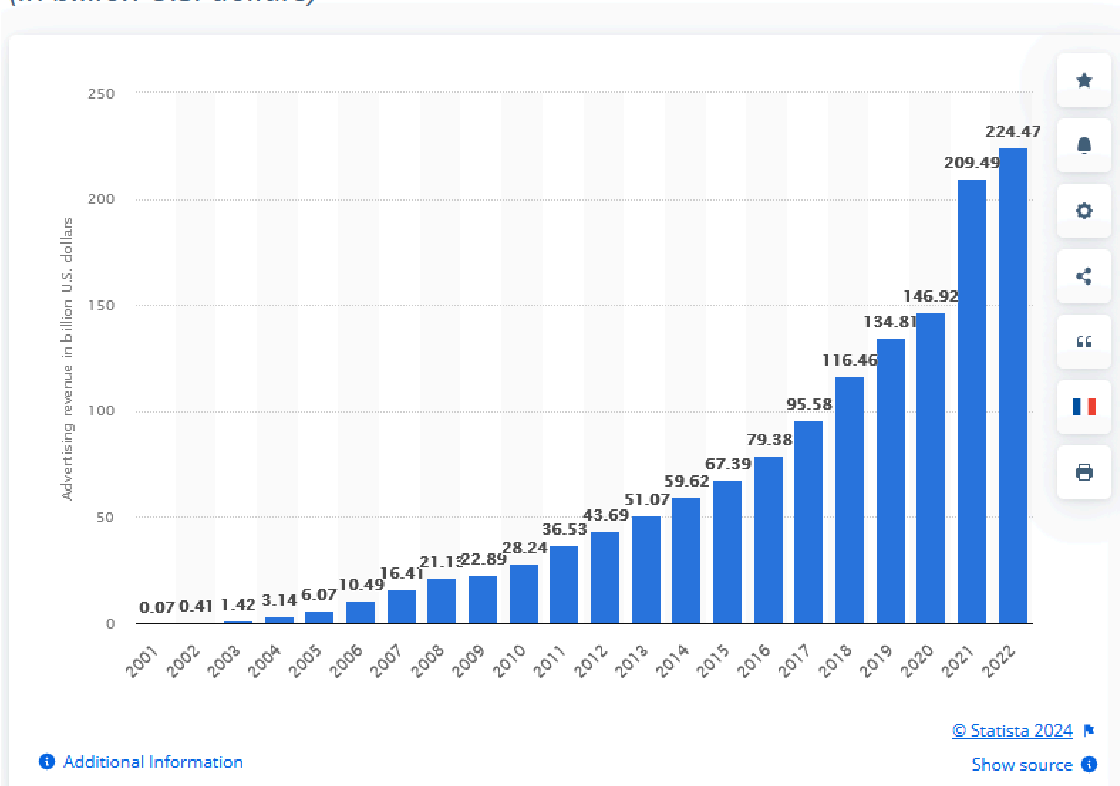
[29] [Lunio; How many ads do we see a day?](#)

companies generate from commodifying online spaces, which continues to grow year on year. Google's [advertising revenue]grew from $70 million in 2001 to $224.5 billion in 2022. In 2022 YouTube's ad reach passed 2.5 billion, an increase of 12% on the past 12 months with Instagram's global ad reach almost 1.5 billion users, an increase of over 20% on the previous year.

In the UK, it was estimated around [£39.4 billion]was spent on advertising in 2022, with growing focus on online advertising and further growth forecast over the next 5 years.

Advertising revenue of Google from 2001 to 2022

(in billion U.S. dollars)



Source; Statistica

Health impacts of social media use

Whilst the internet offers opportunities for communication, commerce and entertainment it has also been shown to increase isolation, with increasing incidents of cyberbullying and cyber-aggression leading to negative emotional, mental and psychological effects, particularly in young people. There is also research which highlights the positives of social media, such as connection, increased self-esteem and sense of belonging, however there is growing acknowledgment of the stress, pressure and depression and anxiety it can cause, especially in young people.

In 2020 almost one in five children in England and Wales aged 10-15 years old experienced online bullying in the last 12 months[30], with those affected at greater risk from self-harm and suicidal behaviour. Even those that don't experience cyberbullying report lower psychological wellbeing with excessive social media usage. Research also links social media algorithms with negative body image and unrealistic body aspirations, something that Instagram have known about for at least 4 years.

Further to the risks to physical health and mental wellbeing, the internet has increasingly been linked to polarisation within society and also the spread of misinformation. Coupled with the decline of local communities, the increasing toxicity of online polarisation can only serve to cause further isolation and poor mental health.

Consumer culture and fast fashion

Consumer culture and materialism became more prevalent and normalised at the end of the 20th century following social and economic change with the introduction of neoliberalism. We increasingly use material goods and experiences (aka living an Instagram life) to signal our social position to others leading to unhealthy status competition[31].

The rise of social media to portray a certain lifestyle has been exacerbated and encouraged by social media influencers. These influencers are typically recognisable faces paid to promote certain producers to drive further sales. The global influencer market was estimated to be worth over $34 billion in 2023, which has tripled since 2019. Clearly, this approach has proven successful with clothes, shoes and accessories topping the list of physical products bought online by young people aged 16-24 in 2020[32].

The UK fashion market was estimated to be worth almost £58 billion in 2022, but it is difficult to ascertain what proportion of this can be classed as "fast fashion"; however it is clear that the fashion industry encourages consumers to purchase clothes in excess. Fast fashion as a subset of the fashion industry is an example of the toxicity of consumption led economic growth driven by social media and status competition driving excessive consumption, disposable clothing and excessive waste. Since 2000 the

[30] ONS Data covering England and Wales
[31] Summary of points from Tim Jackson's Prosperity without Growth
[32] ONS Internet access - households and individuals GB 2020, covering the 3 months prior to survey

production of clothing has doubled, with consumers buying 60% more clothing whilst keeping it for half as long.

Production, distribution and waste of clothing contributes significantly to environmental damage, with the fashion industry responsible for 10% of global carbon emissions and water usage of 93 billion cubic metres of water, equivalent to the consumption needs of 5 million people. Clothing production remains a labour-intensive industry and manufacturing of cheap clothing has moved around the world to find cheap labour. Poor pay and conditions are well documented, however this has had limited influence on global consumers who continue to purchase cheap fashion at growing rates, driven by social media trends such as shopping #hauls, #sheinhauls[33] and #temuhauls.

Potential for levies

Digital Services tax

Online companies such as search engines, social media and online marketplaces are currently subject to The Digital Services Tax (DST) which applies to companies that have worldwide revenues of more than £500 million, with revenue exceeding £25 million from UK users taxed at 2%. In 2022/23 the DST raised £600 million with 90% of revenue coming from five business groups. Introduced in April 2020 to tax the revenues of search engines, social media services and online marketplaces the tax was introduced to ensure better alignment between where online companies derive value and where their revenue is taxed, ie to prevent companies from reallocating revenue and profit to low tax jurisdictions. Revenue raised was not ring fenced and contributes to general government funding.

Review of the tax

The National Audit Office (NAO) reviewed the DST in 2022 and found;

- DST raised £358 million in 2020/21, 30% more than originally forecast
- Around 90% of DST revenues for 2020/21 were paid by five business groups.
- Digital business groups that were subject to the DST were paying more in DST than in Corporation Tax, paying significantly more tax than before DST was introduced.

The DST has faced significant international opposition, specifically from the United States which claimed the tax unfairly targeted American firms. With the recognition of the digitalisation and globalisation of online firms, the OECD has worked with countries to set out its two-pillar plan to reform international corporate taxation which the UK has agreed to. In July 2023 the OECD published a statement that set out a floor on corporate

[33] #sheinhaul and #shoppinghaul has nearly 15 billion views on TikTok.

tax which ensures multinational companies are subject to a minimum of a 15% tax rate regardless of where it operates. It was agreed that the UK could keep the DST in place until the end of 2023, with Pillar One introduced in April 2024; however the NAO recognised that uncertainty with the OECD reforms has made it challenging for HMRC to forecast future revenue from businesses operating in this area.

As of January 2024 the gov.uk website on DST does not mention Pillar One, nor a transition to a different tax framework. It appears that the UK is specifically constrained from levying further charges on online businesses as this would break the terms of the international agreements, however given the scale and detrimental impact of some online activities an argument can be made for further intervention. This could include;

- Lobbying at the OECD level for the global rate of corporation tax to be increased, or further levies imposed on harmful activities.
- A tax or levy on the companies purchasing social media advertising, rather than on the social media corporations themselves. This could potentially circumvent restrictions imposed by the OECD.
- Stricter regulations for online marketing, an idea proposed by Eco Age that linked psychological issues with consumption of fast fashion but also highlighted the detrimental environmental and social effects caused by overconsumption.

Conclusions

Social media, advertising and fast fashion generate significant revenues and can be shown to have detrimental effects on both mental health and the environment which makes them viable options for corporate levies. Whilst many of these sectors are global in nature and it could be potentially challenging to raise levies against these sectors there are potential policy interventions which could raise funds for youth mental health treatment. In addition to the suggestions above, the Liberal Democrats have called for a tripling of tax on social media companies to fund mental health support in schools.

3. Fossil Fuels

The negative impacts of fossil fuels have been known for the past 50+ years, with negative effects on human health through air pollution, plastic pollution and water contamination. By creating man-made climate change, fossil fuels are also responsible for rising sea levels, warming seas and catastrophic changes to weather patterns leading to drought, flooding and extreme weather conditions.

Despite these significant impacts the global fossil fuel market was estimated to be worth $7.2 billion in 2022, with further growth predicted over the next decade. The fossil fuel industry in the UK was estimated to be worth £43 billion in 2021. The industry is subject to two levies which are expected to raise £4.8 billion in 2023/24

Despite an overwhelming body of evidence of the detrimental impact of fossil fuel usage, including predictions from fossil fuel companies back in the 1970s global carbon emissions have continued to grow, as economic growth and consumption have fuelled further fossil fuel use. The global fossil fuels market was estimated to be worth $7.2 trillion in 2022 and is expected to be worth in excess of $11 trillion by 2032. In the UK the fossil fuel industry was estimated to be worth around £43.1 billion[34] in 2021.

Negative impacts of fossil fuels

The environmental impact of fossil fuels has been known for several decades, with negative impacts on air quality through the release of over 21 different hazardous pollutants when fossil fuels are burnt, water pollution through fracking and oil spillages, plastic pollution and land contamination through mining and drilling.

Alongside these direct environmental impacts, the sustained use of fossil fuels has led to a crisis in the earth's climate. The Intergovernmental Panel on Climate Change (IPCC) reported in 2023;

- Human induced global warming is already underway with 1.1 degrees of warming already having demonstrable impact on global weather
- Climate impacts are already more widespread and severe than expected, with further warming rapidly exacerbating negative effects of warming such as drought, disease, famine, extreme weather and sea level rise.
- Rapid shifts from fossil fuels must happen to prevent warming exceeding 1.5 degrees.

Despite overwhelming evidence of the potential catastrophic effect of climate change, the IPCC also found that public and private finance flows to fossil fuels continues to outstrip investment in climate mitigation and adaptation. The United Nations have convened 28 international meetings which have attempted to address climate change; however to date these Conventions have had no tangible effect on carbon emissions.

[34] Analysis of ONS Gross Value Added data 2021. Due to grouping of industries within sectors this estimate is likely to be an overestimate.

Health impacts from fossil fuels
The IPCC estimates around 3.3-3.6 billion people live in areas that are highly vulnerable to the effects of climate change. Health impacts from fossil fuels can be split into direct impacts from fossil fuel usage and the broader impacts from systemic climate change. The direct impacts include death from air pollution, estimated to have been responsible for 1 in 5 deaths worldwide in 2018, respiratory conditions, heart attacks and strokes.

As global temperatures rise they have already started to have wide ranging impacts on global weather systems making extreme weather events more likely. This will impact on human health in a multitude of ways;

- Extreme weather events such as flooding, heatwaves, wildfires, droughts and hurricanes causing loss of life, injuries and disruption of homes, critical infrastructure and food security.
- Extreme temperatures which increase;
    - heat mortality; global heat related deaths in over 65 year olds increased by 85% between 2000-2004.
    - Food insecurity; 127 million people worldwide suffered from moderate or severe food insecurity in 2021 due to flooding and drought.
    - Increased transmission of diseases such as dengue (28% increase) and vibrio (1.4 billion people at risk of contracting)

The IPCC have also reported high confidence that climate change is having negative impacts on mental health, with the discord between the evidence from climate science and the inaction of political leaders leading to climate anxiety. Young people are at increased vulnerability to the effects of stress and anxiety due to their psychological development which can increase the risk of developing depression, anxiety and substance use disorders.

Health impacts in the UK
In the UK air pollution is the biggest environmental threat to human health, killing between 28,000 and 36,000 people each year and contributing to conditions such as coronary heart disease, stroke, lung cancer and asthma. Poor air quality is linked to areas with high deprivation, with clear links between inequality and the impacts of climate change. Whilst the ONS does not explicitly link heat related deaths to climate change, they do remark that heat-related deaths have increased in recent years with around 4,500 deaths in 2022 associated with the hottest days in England.

In England more than half of young people aged 17-25 years old reported feeling worried about climate change impacts in 2023.

Fossil Fuel Levies

There is precedent for taxes on exceptional profits, with UK Government recently taxing the profits of wholesale energy generators to curb excessive profits. There are two levies currently in place in the energy sector the Energy (Oil and Gas) Profits Levy and the Electricity Generator Levy which are levies on the excessive profits fossil fuel companies have enjoyed due to volatility in international markets. The two levies are expected to generate around £4.8 billion in 2023/24.

Energy (Oil and Gas) Profits Levy

The Energy (Oil and Gas) Profits Levy (EPL) was introduced in July 2022 as a temporary 25% levy on profits[35] of oil and gas companies from the production of oil and gas in the UK and on the UK Continental Shelf. The Levy was increased in January 2023 to 35% and extended until 2028. The EPL was introduced in addition to existing taxes[36], charges and investment allowance which makes the tax landscape complicated to decipher but made the headline tax rate 75% for the sector. The purpose of the Levy was to ensure that oil and gas companies pay their "fair share" of tax whilst benefiting from high prices in the energy markets due to global volatility and uncertainty.

The Levy was forecast to raise £3.45 billion in 2023/24, falling to £2.47 billion in 2024/25. Whilst revenue raised has not been specifically ring fenced for specific policy measures, Government announced a package of support in May 2022 to help households (Energy Price Guarantee) and businesses (Energy Bill Relief Scheme) with the rising cost of living. Between October 2022 and March 2023 Government had spent nearly £40 billion on energy support schemes, although the Office for Budget Responsibility (OBR) estimated spending to be in excess of £78 billion between 2022-24. Around half of this cost is expected to be recouped through windfall taxes on the sector.

Electricity Generator Levy

Introduced in January 2023 this levy is a temporary 45% charge on exceptional receipts generated from the production of wholesale electricity[37]. The aim of the levy is to curb

[35] The EPL is kept separate from other taxes on commercial profit through the use of a "ring fence" which prevents losses from other activities being imported into the regime.
[36] This is in addition to the Ring Fence Corporation Tax charged at 30% and the Supplementary Charge which is charged at 10%. The levy reduces the investment allowance from 80% to 29%.
[37] The levy is payable by companies generating over 50GWh per year, with exceptional revenue above an annual allowance of £10 million.

excess profits from energy generation, however revenue raised has not been ring fenced to support household or business energy support packages. The EGL is expected to raise £1.4 billion in 2023/24, forecast to reduce to £0.1 billion by 2027/28 as EGL is phased out.

Review of Energy Levies

Whilst the tax revenue from the Levies may sound significant, changes in the rules around investment allowances has increased the level of tax relief fossil fuel producers could potentially receive. The New Economics Foundation (NEF) estimates that these companies could receive up to £18 billion in tax relief between 2023/26, an increase of 136% before the energy crisis. NEF concludes that the Energy levies have not been effective as bills remain high whilst energy producers enjoy tax relief on fossil fuel investments.

Climate Change Levy (CCL)

The Climate Change Levy was introduced in April 2001 as a tax on business energy use as part of a larger package of measures announced through the UK Climate Change Programme. The Levy was intended to promote energy efficiency and reduce energy usage by increasing energy costs. The Levy varies by commodity; electricity, natural gas, LPG or other taxable commodities[38] and has varied over time to reflect changes in energy mix over time.

When introduced in 2001 the Levy was forecast to save at least 2 Million tonnes of Carbon (MtC) and raise £800 million in tax revenue in 2001/2, rising each year. Since its introduction it has raised around £26 billion in tax revenue.

The government announced in the 2001 budget that the revenue raised from the CCL would be used to fund a cut to employers' national insurance contributions (NICs) and support for improving energy efficiency and investing in energy saving technology. The Carbon Trust was set up in 2001 to drive decarbonisation in businesses, government and financial institutions and was funded at least in part through the CCL. In 2010 it was announced revenue from the CCL was no longer used to directly fund employer NICs or energy efficiency support, instead going into central Treasury funds. Further changes were made in 2015, when Government announced that previous CCL exemptions for renewable energy would no longer be accepted[39].

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[38] The Levy varies from £0.00775 per kwh for gas and electricity, to £0.06064 for other taxable commodities

[39] More detail on the Climate Change Levy can be found in this article.

Review of the Climate Change Levy

An assessment of the Levy by a Parliamentary Select Committee in 2008 concluded that most of the impacts were established before it came into effect and the Levy had not worked as originally expected as businesses had not sought to significantly reduce their energy usage in response to higher costs. They found that businesses needed “extra stimulus to change their energy use” and noted this could have implications for climate change policy for small businesses, public bodies and households. The Select Committee also criticised the fact that revenue raised through the CCL had not been used transparently for the original aims set out when the CCL was announced. Furthermore CCL has been criticised as not being designed appropriately to reduce carbon effectively, with arguments it should be replaced by a carbon tax but also recognition that carbon emissions must be tackled as a global issue rather than at individual country level.

Conclusions

Despite the well documented detrimental impacts of carbon emissions from fossil fuels, emissions, revenues and profits from the sector continue to soar. Attempts to levy the profits of energy generators appear to be undercut through simultaneous tax relief for the industry. The Climate Change Levy which had a much broader scope has also been criticised as ineffective and needs reconfiguring to be more relevant to tackle carbon emissions more effectively. There are a number of vocal and active campaign organisations across the UK and globally that seek to reduce or eradicate the use of fossil fuels, however in an increasingly polarised world they often face criticism from the public and harsh punishment from law enforcement.

4. Housing

Shelter estimate that 17.5 million people are affected by the UK housing emergency. Despite housing being a basic, fundamental human need almost 300,000 households in England were at risk of homelessness in 2022/23 with a further 1.3 million households on social housing waiting lists. This is whilst 1.5 million dwellings were vacant at the point of the last census in 2021.

Alongside homelessness, around 1 in 7 households were living in non-decent homes in 2021/22 and 3% of households suffered from overcrowding. Poor quality housing has direct impacts on human health with research suggesting it costs the NHS £1.4 billion each year with further links to poor mental health.

There are two levies currently in place in the housing market, the Residential Property Developers Tax and the Annual Tax on Enveloped Dwellings which in 2022/23 raised £281 million.

UK housing market context

Shelter is a basic human need, but with house prices and rents increasing in recent years coupled with rising bills and food prices, households are finding it increasingly difficult to find suitable housing. Shelter estimates that 17.5 million people are affected by what they term the UK "housing emergency", living in overcrowded, dangerous, unstable or unaffordable housing. Whilst affordability varies by tenure, around 40% of adults reported finding it very or somewhat difficult to afford their rent or mortgage payments, with renters, disabled adults, lone parents and BAME adults more likely to report difficulty.

The history of housing tenure in the UK over the last 100 years shows dramatic shifts away from the private rented sector towards home ownership, with social housing peaking at 31% of tenures in 1981. In 2021 there were an estimated 23 million households living in nearly 25 million homes in England. Following Thatcher's right to buy which reduced the stock of social housing by almost 2 million homes, coupled with the introduction of buy to let mortgages in the 1990s, roughly around two-thirds of homes in England are owner occupied with 20% privately rented and 17% socially rented.

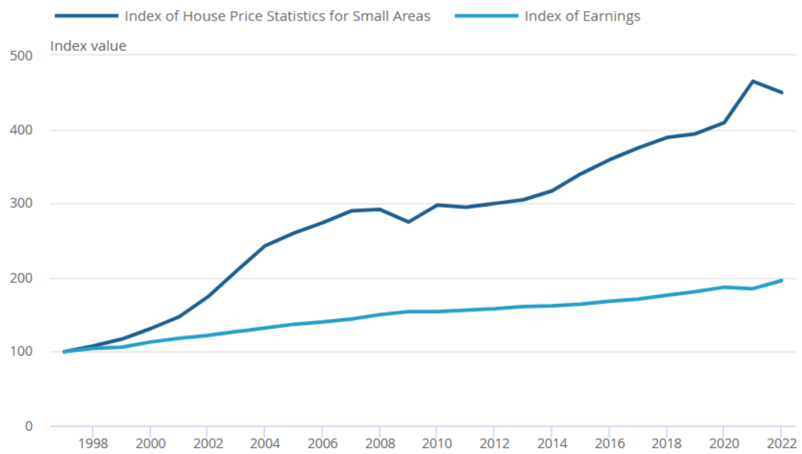
House purchase affordability

Recent ONS data shows how purchasing housing has become less affordable, with the average house price in England now 8 times higher than average earnings[40]. In 2000 this ratio was closer to 4. Since 1997 earnings have doubled (see chart) whilst house prices have increased by 4.5 times over the same period.

[40] Unaffordability spiked in 2021 due to changes in Stamp Duty and Land Transaction Tax which increased property sales. Data for 2022 sees a return to longer term trends.

Figure 2: While earnings have doubled since 1997, house prices have increased four-and-a-half times

House price and earnings indices, England and Wales, 1997 to 2022



Source: House Price Statistics for Small Areas and Annual Survey of Hours and Earnings from the Office for National Statistics

Source: ONS Housing Affordability in England and Wales: 2022

Despite government policies to encourage house building to increase the supply of housing by 300,000 homes per year by the mid 2020s, affordability is actually worse for new build properties. The new build affordability ratio was 9.82 in 2022, compared to 8.10 for existing dwellings.

Rental affordability

The ONS define rental affordability as rent costing 30% or less of household income. By this definition, median rents in England in 2022 were around 26% of household income for those privately renting. Whilst incomes in private-renting households have been increasing faster than rents in Northern Ireland and Wales, this has not been the case in England. More recent data indicates that private rental prices increased by 6% between Dec 2022 and Dec 2023.

Non-decent housing and health impacts

The health impacts of poor quality housing and overcrowding have been recognised for over 150 years, with the legislation introduced in 1846 starting the process of identifying poor housing. The Marmot Review in 2010 acknowledged that housing is a “social determinant of health”, stressing “poor-quality housing harms health and evidence shows that exposure to poor housing conditions (including damp, cold, mould, noise) is strongly associated with poor health, both physical and mental.”

In 2021/22 around 1 in 7 households in England were living in non-decent housing[41]. Private renters were the most likely to suffer from non-decent housing (23% of all private renters), followed by owner occupiers (13%), those in housing association properties (10%) and local authority housing (9%). Young people are more likely to live in poor quality housing, with 1 in 6 or 2.6 million people aged 18-34 living in poor conditions.

Approx 3% of households in England suffer from overcrowding, which is higher in social rented homes (8%). 50% of multi-family households living in social rented housing experienced overcrowding in 2021/22.

As well as individual and household impacts of poor quality housing, there are wider impacts on society. Research suggests poor housing costs the NHS £1.4bn per year and there is growing recognition of the impacts of poor quality housing, difficulties around financial affordability and precariousness can have on mental health.

Drivers of housing issues

As land, housing and property becomes another market for capitalists to exploit and extract wealth, it is viewed less as a basic need which many are struggling to afford and more as a source of profitable investment or a driver of economic growth[42]. Whilst 1.5 million dwellings in England were vacant at the latest 2021 census, almost 300,000 households were under threat of homelessness or already homeless in 2022/23 whilst a further 1.3 million households were on local authority waiting lists for social housing.

Since the 1970s and 80s home ownership has been pushed as a major cultural aspiration in the UK; however housing and land has become a source of speculative hoarding for buy-to-let landlords, hedge funds and large corporations also known as land banking. Research suggests companies own around 18% of the land in England and Wales, with offshore companies purchasing 113,119 hectares of land (roughly the size of West Devon) between 2005 and 2014.

The current government has a target to build 300,000 homes per year by the mid 2020s. In 2021/22 only 233,000 new homes had been built, which research suggests is due to planning restrictions, construction skills shortages and challenges of finding suitable

[41] Defined as the Decent Homes Standard, meeting minimum standards for housing, reasonable thermal comfort, be in a reasonable state of repair and have reasonably modern facilities and services.
[42] The housing supply shortage has been described as "A key driver of the UK's weak economic performance."

land. Whilst the numbers of affordable housing in England has increased in recent years to 63,605 in 2022/23 it falls short of the 145,000 estimated to be required each year.

Property sector and levies

The top 35 house builders in the UK had a turnover of £29.4 billion in 2021, and £4.2 billion profits, equivalent to £22,000 per housing completion.

Property Developers are subject to the Residential Property Developer Tax (RPDT) introduced in 2022. This is a 4% tax applied on annual profits exceeding £25 million. In 2022/23 the RPDT raised £157 million in tax revenues, or 0.02% of HMRC total revenues.

Further to the RPDT, there is an Annual Tax on Enveloped Dwellings (ATED) which is paid by companies that own UK residential property with a value exceeding £500,000. The annual charge varies from £4,400 for properties worth between £500,000 - £1 million and £287,500 for properties worth more than £20 million. In 2022/23 the ATED raised £124 million.

Conclusions

The policy narrative around housing has become focussed on home ownership, whilst property has become seen as a "safe" investment which offers secure returns over the long term. Viewing property and land as an appreciating asset has normalised the hoarding of and extraction of wealth from what are essential needs of humans - shelter.

Demonstrated through the different tenures and very localised housing costs there is no single solution to UK housing issues. However the RPDT could be increased to raise further revenues to support increased provision of social housing, as well as the ATED which could be increased or refocussed to target offshore corporations which may be hoarding UK property for speculative purposes.

5. Outsourcing and privatisation of public services

There has been an increasing trend of privatisation and outsourcing of public services, particularly in the NHS and education sectors. In 2022/23 around 28% of public spending went on procurement. It is estimated that NHS England spent nearly £14 billion on Independent Sector Providers (ISPs) in 2020/21, if including non-direct spending this rises to £18.3 billion. Increasingly private providers are being commissioned for mental health care, with £2 billion spent in 2022 to provide in-patient mental health treatment in England. The majority of inpatient mental health care for under 18s is now outsourced at a cost of around £316 million. Worryingly the Care Quality Commission has found more than one in four non-NHS providers of psychiatric care to be inadequate since 2017.

Outsourcing in the education sector is more difficult to ascertain due to changes in school structures and the formation of academies. In 2022/23 it was estimated that £40.3 billion was spent on education procurement. It is estimated around £5.2 billion of this was spent on outsourcing of educational services.

The election of Thatcher in the late 1970s triggered a wave of privatisation of public entities including steel, railways, airports, gas, electricity, telecommunications and water.

Initially, privatisation was used to raise money for the taxpayer, argued to make industry more efficient, and encourage shareholding amongst ordinary citizens to create an “entrepreneurial society” which would “spread wealth”. Central and local government now uses a mix of outsourcing and procurement to deliver key public services across a range of different areas such as refuse collections, residential care and prison management, contracting private companies to deliver these activities. The Institute for Government estimates local and central government spend over £100 billion each year on outsourcing.

It is challenging to disentangle procurement, such as the purchase of office equipment or food which we wouldn’t necessarily expect the government to directly produce, from outsourcing of services such as healthcare and education which we might expect the government to directly provide through employment of doctors, nurses and teachers.

The Treasury’s Whole of Government Accounts is likely the most useful source overall for looking at how much the public sector buys from the private sector and covers the whole of the UK. In 2022/23 £296 billion was spent on public sector procurement, around 28% of total public sector spending. One of the largest areas of public spending on procurement is in health with over £212 billion spent in 2022/23[43].

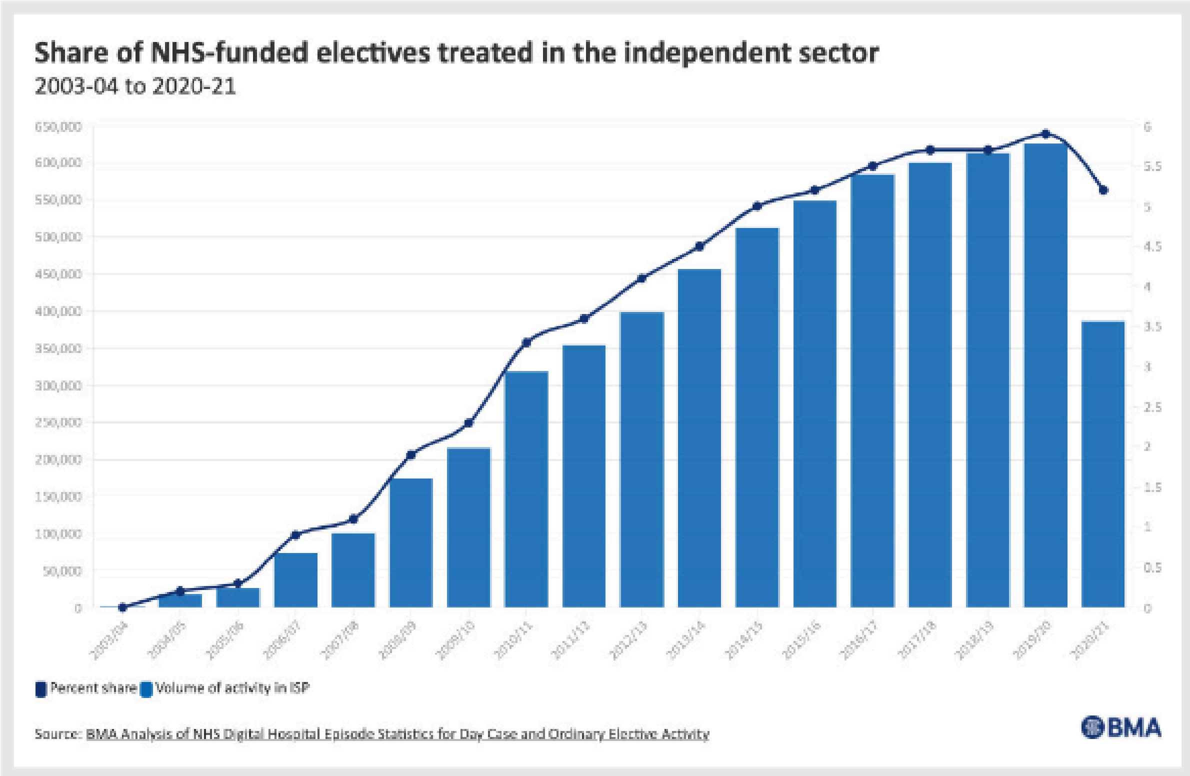
In the early 1990s the UK's experience with privatisation was hailed as a unanimous success, eliminating losses from state owned companies, whilst the sales generated over £34 billion. Whilst the debate around privatisation remains polarising, a quarter of the UK's privatised rail operations have now returned to public operation, water companies are under increasing scrutiny for pumping untreated sewage into waterways despite paying £1.4 billion in dividends to shareholders in 2022 and research indicates privatisation led to an increase in health and safety disasters leading to fatalities.

Whilst it is difficult to directly link privatisation to physical and mental health, it can be argued that privatisation has allowed shareholders to extract wealth from industries where any profits were reinvested back into government spending. Research indicates that prior to privatisation, publicly owned corporations had an operating surplus[44] of around 4% which contributed to public sector receipts. Whilst it would be mathematically challenging to estimate the overall net effect of privatisation, it is clear that our society is now struggling with the impacts of wealth extraction from privatisation coupled with sustained underinvestment in basic utilities, transport and public services. It is also clear that whilst many private companies and shareholders have enjoyed the upside of privatisation, in some cases the losses have been shouldered by the public, with energy supplier collapse estimated to have cost the public £2.7 billion.

Outsourcing of NHS services

There has been growing privatisation and outsourcing of NHS services. It is estimated that NHS England spent nearly £14 billion on Independent Sector Providers (ISPs) in 2020/21, delivering over 5% of all NHS funded elective activity in that year. This has risen from 0.02% of activity in 2003/04, demonstrating the rapid increase in privatisation in the NHS. In certain areas such as ophthalmology and orthopaedics ISPs are providing almost half of cataract procedures, 29% of knee replacements and 20% of hip replacements.

[43] The data published by HMT and in the HoC Procurement statistics do not seem to match. The text refers to the published HMT public spending data.
[44] Research previously published on the House of Commons website which is unfortunately no longer available



Source: [BMA Outsourced: the role of the independent sector in the NHS]

The British Medical Association highlights the complicated routes of NHS funding and that direct funding to ISPs does not provide a full reflection of the scale of the private sector providing NHS services in England. They estimate that direct and indirect spend on non-NHS providers reached £18.3 billion in England in 2020/21. With long waiting lists following the Covid-19 pandemic, the BMA predicts an increasing share of public funds will be routed through private companies to deliver health services. In 2019, public sector funds accounted for 31% of private sector revenues.

A key concern for the BMA is that private sector companies take on simple, routine procedures where it is possible to make reasonable profits, leaving the NHS to be the "carer of last resort" with 7 out of 10 doctors believing outsourcing will the NHS providing a greater proportion of high-cost complex cases[45]. This has the simultaneous

[45] This is a common theme of capitalism and free market economics. In other areas of public services that have been privatised such as transport, private companies operate bus routes that are profitable but cancel the routes that are not. This leaves the public or voluntary sector to provide these economically unprofitable routes which are essential for residents to reach work, care, education or leisure activities. Without the benefit of cross transport network subsidisation, privately run bus routes extract the profit whilst the public sector has to heavily subsidise the unprofitable routes.

effect of making the NHS look inefficient, whilst the private sector appears to be efficient.

Increasingly mental health services have also started to be provided by the private sector. LaingBuisson estimate that over 90% of independent mental health providers income comes from the NHS, who have profit margins of around 15-20%. It has also been reported that NHS England spent £2 billion in 2022 on private hospital beds for mental health patients, with nearly two-thirds of this spend going to four large operators. The research also found that the majority of inpatient mental health care for under 18s is now outsourced with non-NHS providers receiving £316 million from public healthcare budgets to treat children and young people.

Worryingly the Care Quality Commission (CQC) found more than one in four non-NHS providers of psychiatric care were inadequate since the start of 2017.

Outsourcing of Education services

Outsourcing of education in the UK is more difficult to understand as the landscape of preschool care, primary and secondary schools, further and higher education have changed significantly in recent decades. In 2022/23 there were 9.1 million pupils in state funded nursery, primary, secondary and special schools and independent schools in England.

In 2022/23 it was estimated that £40.3 billion was spent on education procurement. It is estimated around £5.2 billion of this was spent on outsourcing of educational services[46].

Primary and secondary schools

In 2013 reforms were announced which would allow schools to convert to academy status. At the time, the Government intended for all schools to become academies and by January 2024 around 50% of schools in England had converted to academy status, with local authorities still running around half of schools, particularly in the primary age group. Whilst academies are run as not-for-profit there are concerns of academies outsourcing services to private companies, with investigations into academies taking

[46] For the Levy modelling there was insufficient time to find accurate numbers around outsourcing, therefore government data on education procurement in 2022/23 was combined with estimates of NHS outsourcing to provide an estimate of the scale of educational outsourcing.

place as early as 2016 finding they have not used fair and open competition for their procurement. Research also shows that schools that have been converted to academies have increased the numbers of senior management staff whilst reducing teachers and teaching assistants.

Alongside the privatisation of educational services, the Office for Standards in Education, Children's Services and Skills (Ofsted) privatised nursery and childcare inspections in 2010, with The Tribal Group winning a £64 million contract to inspect half of England's nurseries.

6. Food and Drinks Industry

With growing concerns around obesity and its impacts on health and the NHS, the food and drinks industry has had the Soft Drinks Industry Levy levied on it since 2018. It raised £335 million in 2022/23. This revenue has in part been used to fund physical education in schools and the levy has been shown to have reduced the amount of sugar and calories in soft drinks and has also reduced hospital admissions and obesity. Whilst the SDIL has had positive impacts, commenters and the industry say the government should go further and introduce more levies to improve food quality and reduce harmful ingredients.

This sector was included in the initial review of existing levies on corporate sectors. It was not included in the levy modelling due to time constraints but has been included in this section as an example of a levy which was introduced to encourage healthier choices and reduce obesity across the population.

Food and Drink industry

With 64% of adults and 30% of children[47] in England considered overweight or obese, the Government has sought ways to reduce the promotion and cheapening of food and drink high in fat, sugar or salt (HFSS) to improve health and reduce associated pressure on the National Health Service (NHS). Taxes and levies on sugary drinks were first introduced in the early 1980s[48] with a growing number of countries, states and cities introducing taxes on sugary drinks over the last 40 years.

Introduced in the UK in April 2018 the **Soft Drinks Industry Levy**, also known as the "Sugar tax" is payable on drinks with added sugar, with the specific policy aim to encourage manufacturers to reformulate their drinks. At present (Jan 2024) the rates are;

- standard rate (18p per litre) applied to drinks with sugar content between 5 grams (g) and up to (but not including) 8g per 100ml
- higher rate (24p per litre) applied to drinks with sugar content equal to or greater than 8g per 100ml

The Levy is imposed on manufacturers although this cost is likely to have been passed on to consumers in the form of higher prices. The Levy had effects prior to introduction as 50% of manufacturers reformulated their products to avoid paying the Levy. Government estimated around £240 million would be raised through the Levy each year

[47] Health Survey for England 2019 data. Full dataset
[48] For more information on the history and design of soft drinks taxes, see World Cancer Research Fund International (2018).

which would be used to double the Primary Sports Premium, create a Healthy Pupils Capital Fund (HPCF) to help schools upgrade their sports facilities, and give children access to top quality PE equipment. The Government also guaranteed to maintain the increased funding for schools and children even if the revenue raised from the Levy declined over time.

Review of the Levy

Latest data suggests SDIL raised £355 million in the 2022-23 financial year, up from £334 million the previous financial year. Whether the revenues raised from the SDIL have been used for the stated policy aims is more difficult to establish, as the HPCF was reduced by £315 million and only ran from 2018-19 providing £100 million in additional funding and data on the Primary Sport Premium is challenging to untangle.

Aside from revenue and spending, data suggests that soft drinks now contain on average less sugar and calories following introduction of the SDIL. Research suggests the Levy may have saved more than 5,500 hospital admissions for tooth extractions in under 18s and reduced cases of obesity.

Despite the positive impacts of the SDIL in a relatively short time period, the Obesity Healthcare Alliance and the food industry says the Government has not gone far enough to encourage people to make healthy choices, with large corporations calling for taxes or levies on fat, sugar and salt to improve health.

The Department for Health and Social Care launched its Obesity Strategy in 2020 which included a range of measures, including limitations on advertising to support healthier eating, improve overall health and reduce pressure on the National Health Service (NHS). Whilst progress has been made in some areas, the plan to curb advertising for food high in fat, sugar and salt before 9pm have been postponed until 2025.

Conclusions

Research by the UK's Health and Safety Executive (HSE) on the SDIL concluded "the percentage decreases from the SDIL are much greater than those seen for the food categories included in the voluntary sugar reduction programme", indicating in the food industry taxes have proved more effective than voluntary schemes with similar aims.

According to research from the World Cancer Research Fund International, taxes on sweetened drinks are effective to prevent and control diet related non-communicable diseases. However they stress the importance of understanding local context when designing the tax or Levy to ensure it is effective. They also recommend having a clear understanding of the pathways of effect to set clear policy objectives and to monitor and evaluate the impact of the policy.

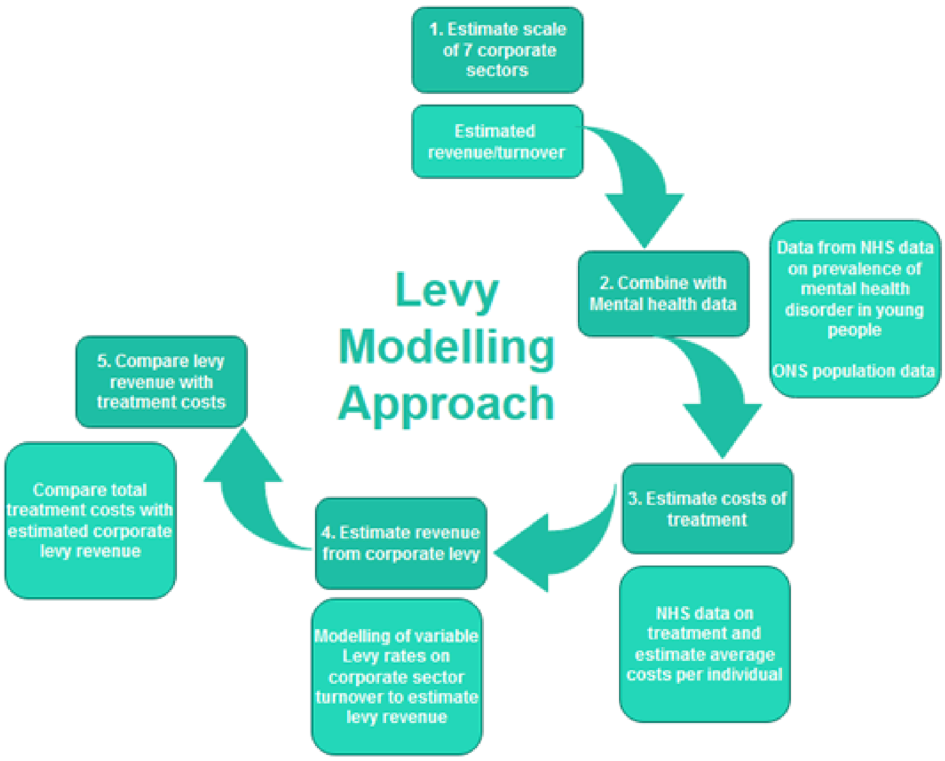
Levy modelling

Basic modelling was undertaken to understand the scale of youth mental health disorder in England and the costs to treat this through the NHS. The modelling showed that in England around 2.6 million young people aged 8-25 years old had a probable mental health disorder in 2023. An estimated 70,000 young people in England had a severe mental illness, and there were around 70,000 A&E attendances in 2020/21 due to psychiatric conditions. The cost of offering all young people with a probable mental health issue in England, 12 sessions of NHS Talking Therapy, along with the costs of inpatient and A&E care, is estimated at £6.3bn per year. With existing NHS budgets this would leave a funding shortfall of around £5.2 billion. A levy of 2.5% on corporate sectors identified as having harmful activities would be sufficient to cover the funding shortfall.

Introduction

Just Treatment wanted to understand the potential scale of a corporate levy, the revenues raised and what level of mental health treatment could be offered to support young people suffering with poor mental health. Basic modelling has been undertaken to provide some insight into these questions.

The modelling took a 5 stage approach, set out in the diagram below. Each stage is set out in more detail in the next section.



Stages

1. Estimate scale of 7 corporate sectors

A desk based review was undertaken of 7 sectors; gambling, social media, fashion, advertising, fossil fuels, house builders, outsourcing of NHS provision and outsourcing of education provision. All data collated was the latest available, which whilst this meant some incomparability between sectors did mean that it was the most current. There were also some differences in the geography covered, with the majority of sector revenues covering the UK, some were at the Great Britain or England level. Where detailed data was available there is an accompanying detailed worksheet which sets out the sources, dates, geographical coverage and any analysis undertaken to produce the headline revenue statistics for each sector.

2. Mental health data for children and young people in England

Data on the number of children and young people from the NHS Mental Health of Children and Young People in England 2023 survey was combined with ONS Population data 2022 to calculate an estimate of the number of Children and Young people in England suffering with a probable mental health issue. The NHS Mental Health survey only provides information for children aged 8 and older, therefore children aged younger than 8 are excluded from this estimate making it an underestimate of the true scale of mental health disorders in children in England.

In addition, using data from the "Prevalence of Severe Mental Health" it was estimated that approximately 74,000 8-25 year olds suffered from severe mental health issues in England in 2022.

Further, 70,159 Young people aged between 0-24 attended A&E in England in 2020/21 due to psychiatric conditions. A&E attendance by age and condition was only available for psychiatric conditions, which means the true scale of young people's A&E attendance is likely to be higher if wider definitions of mental health issues are included.

The additional data on severity of mental health issues and A&E attendance were used later in the modelling process to estimate these additional treatment costs.

3. Corporate Sector impact

In the original planning for this work there was a stage to estimate the impact of each corporate sector on youth mental health. As the scope for the number of sectors increased it became untenable to try and ascertain the impact of individual sectors and their contribution to a deterioration in mental health. However as set out in the introductory section of this report it can be argued that the capitalist, corporate environment collectively contributes to the precariousness of access to basic necessities which has a detrimental effect on human wellbeing and mental health.

4. Estimate costs of treatment

Cognitive Behavioural Therapy treatment cost estimate

NHS Integrated Patient Level Activity and Costing 2020/21 data provides an overview of NHS England spending on Mental Health support and treatment. It is split into three areas; IAPT services, Mental health contacts (MHCC) and Mental health provider spells (MHPS).

This initial Levy modelling used the NHS England IAPT data which provided cost data for all IAPT services (£542.7 million) as well as the count of activities or appointments (4 million) which allowed an estimate of cost per appointment to be calculated (£135.75). The current average number of NHS England IAPT appointments is 8; however research suggests more Cognitive Behavioural Therapy sessions can support more effective and lasting treatment. According to the "handbook of psychotherapy and behaviour change" only 50% of patients responded by the 8th session; with 75% requiring 14 sessions for a reliable improvement. Other research suggests the NHS should spend £1,000-£2,000 per person for a comprehensive course of therapy. Based on these findings a mid point estimate of 12 CBT sessions is recommended, which gives and average IAPT treatment cost of £1,628 per patient.

Inpatient treatment cost estimate

Using data from the NHS (England) National Cost Collection the cost of a medium secure bed was combined with research on the average inpatient stay to estimate a total inpatient treatment cost of £27,000 per patient. Using the estimate above of the number of young people with a severe mental health issue of 74,000 a total inpatient admission treatment cost of £2 billion was modelled.

A&E attendance cost estimate

NHS England Acute Patient Level Activity and Costing 2019/20 data provides a breakdown of A&E attendance costs by gender and age. Using this data an average cost of £153 per attendance was calculated. The data does provide an estimate of attendance by condition which shows an average cost of Psychiatric conditions of £203; however it was not possible to disaggregate by age. The lower cost of £153 per A&E attendance has been used but may represent a lower bound of the true cost to the NHS of young people’s attendance at A&E due to mental health issues.

Using the total number of young people's attendances due psychiatric issues at A&E of 70,000 and the average cost per attendance of £153 a total cost per annum of £10.7 million was estimated.

Total costs of mental health treatment for Children and Young people in England with probable and severe mental health issues
Combining the data on the numbers of children and young people with probable and severe mental health issues and the total treatment costs for the different treatment pathways resulted in a total treatment cost of £6.27 billion.

NHS funding shortfall
NHS Mental Health Dashboard indicates a budget of £1.09 billion for Children and Young People's Mental Health in England in 2023/24. Based on the estimated treatment costs above this suggests an NHS funding shortfall of £5.19 billion or nearly £2,000 per young person suffering from a probable mental health condition.

5. Estimate revenue from corporate levy

Using the corporate sector revenue data from stage one, basic modelling was undertaken to explore the potential revenue raised from different rates of corporate levy. These ranged from 1% of total revenues to 4%

6. Compare levy revenue with treatment costs

Comparing the potential corporate levy revenues from stage 5 with the total treatment costs for all CYP in England with a probable mental disorder, severe mental illness and A&E attendance allowed a basic comparison to see what Levy rates would be sufficient to cover the shortfall in NHS funding and pay for the treatment outlined in Stage 4.

A levy of 2.5% raised on the corporate sectors identified above would cover the £5.3 billion shortfall in NHS funding and allow Children and Young people with a probable mental health issue access mental health treatment.

A levy of 3% would be sufficient to cover the total treatment costs outlined above without NHS funding. This estimate is provided to give a sense of scale of the treatment costs and NHS budgets in relation to Corporate sector turnover. It would also provide a buffer if NHS budgets were reduced in future years or allow investment in preventative care.

Findings

Just over 20% of young people aged 8-25 years old in England had a probable mental health disorder in 2023, equivalent to 2.6 million young people. If the NHS offered a variety of treatment options that addressed severity of mental illness and acute and emergency care this would cost an estimated £6.27 billion per year. The planned 2023/24 Children's and Young People Mental health budget of £1.1 billion means that if all young people with mental health disorders were treated with appropriate care there would be a funding gap of £5.2 billion.

With a total turnover of £213.6 billion from the corporate sectors identified as having harmful activities, a 2.5% levy on these sectors would be sufficient to cover the shortfall in mental health treatment costs for all children and young people in England with a probable or severe mental health disorder.

Levy modelling Assumptions

The levy modelling was a basic model designed to show indicative costs and levy revenues with numerous simplifying assumptions, listed in the Levy Modelling spreadsheet.

One of the most important assumptions in the modelling was around treatment approach and costs. The model provides three estimates of total costs for mental health treatment for children and young people;

1) For all children with a probable mental health issue CBT is proposed as the treatment. There are debates as to whether; CBT is an effective treatment for depression and anxiety, especially in the current form offered by the NHS. Only around 50%[49] of those completing CBT through the NHS move into recovery, with lower recovery rates for children and young people; 36% for under 18s and 43% for 18-25 year olds. This modelling should be viewed as an initial estimate of the potential treatment options and associated costs. Further modelling and analysis could be undertaken which allows for different forms of treatment for those with a probable mental health issue.
2) An estimate of treatment for CYP with a severe mental illness was created using medium security bed cost data and research on average inpatient treatment. Further research could be undertaken to understand the variation in treatment for severe mental health, average length of stay and differences in treatment by age group.

[49] The NHS has a 50% CBT treatment recovery rate, so by their metrics CBT is a successful form of treatment.

3) An estimate of the A&E attendance relied on data for psychiatric conditions which clearly misses attendances for other mental health issues. Undertaking further research to understand the numbers and costs of A&E attendance for other mental health issues would add further nuance to the modelling.

With these three caveats and additional areas for research in mind - the estimated total treatment cost and levy rate should be treated as a lower bound. This is because, for the purposes of modelling, the treatment options were simplified into three groups; CBT treatment, in patient care and A&E attendance. Clearly this is an oversimplification, as mental health treatment should be flexible and adaptive to patient needs. Further data on the specific types of mental health issues young people experience, as well as the costs of individualised care would add further depth and nuance to the modelling. The modelling could also include the costs of proactive treatment and campaigns to prevent deterioration of mental health before more comprehensive treatment is required.

Further detailed research would be required to examine different forms of treatment, including exploring new treatment approaches currently being trialled in communities rather than in-patient facilities which might be more appropriate. There are already examples of alternative approaches such as using community allotments to support physical and mental wellbeing as well as providing healthy and locally grown food.

If NHS cost estimates could be matched with patient data this would allow for more detailed modelling which could provide a better estimate of potential treatment costs using more appropriate treatment forms.

Areas for further research and development

This research has provided a high level overview of the systemic societal and economic issues contributing to deteriorating youth mental health. It is not an exhaustive review of all issues, corporate sectors or mental health treatments and through the course of the research a number of areas for further research have been identified which are listed below;

1) Due to administrative and operational boundaries of healthcare in the UK, NHS data covers England only. The Devolved Nations have their own methods and approach to data collection which makes it challenging to undertake research at a UK level. Further research could attempt to identify and aggregate data from the Devolved Nations to see if UK estimates of youth mental health could be created.
2) A key sector missing from the corporate sector analysis is finance, which also links to the discussion around privatisation of profits vs socialisation of risk following the bank bailouts in 2007/08 and subsequent recession and austerity. At the individual level, high levels of indebtedness have been linked with poor mental health, with credit cards and loans increasing during times of financial hardship.
3) Following Covid lockdowns there has been a renewed interest in access to green space within cities which can have positive impacts on mental health. There are also linkages between access to green space and inequality, with more affluent areas having access to 5 times the amount of parks and green spaces compared to the most deprived.
4) The research contains a limited assessment of the extent of privatisation within the NHS through outsourcing. Further research could be undertaken to estimate the cost of bringing these services back into the NHS, including mental health services.
5) Additional NHS data availability would allow for more detailed modelling of the scale, impact and cost of treatment for youth mental health issues.