

# Public Health Wales consultation response

## Welsh Government Draft Budget 2023-24

Public Health Wales is pleased to provide this written submission to the Finance Committee's [consultation](#) to inform their scrutiny of the Welsh Government's 2023-24 Draft Budget proposals.

### Question 2: How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures?

The cost of living crisis, as well as the '[triple challenge](#)' of COVID-19, Brexit and climate change, have significant implications for the health and well-being of people in Wales. The impacts on health and well-being extend throughout people's lives and transfer across generations. This creates a **long-term challenge for systems and services** in Wales.

The support provided to businesses and the economy should therefore be considered in the context of the **successive challenges to health and well-being in Wales**, both behind and ahead, including the [COVID-19](#) pandemic, [health and social care pressures](#), [Brexit](#), [austerity](#) policies, the legacy of [poor quality, energy inefficient homes](#), [climate change](#), the war in Ukraine and the forthcoming [winter](#).

These impacts are multifaceted, are not static, and are likely to affect Wales in the immediate and long term. Like the pandemic, the cost of living crisis comes on the back of entrenched poverty in Wales, and associated poor and unequal health outcomes.

**Investment in health and well-being is the right thing to do – it saves lives and money and brings multiple benefits, providing a return on investment.** There is considerable evidence that it is [financially preferable for systems to prevent, rather than treat, ill-health](#). That is, public health interventions are clearly shown to be cost-saving, both to health services as well as the wider economy. On average, for [every £1 invested in public health, £14 is returned to health services or the wider system](#).

Investment (or divestment) in any of the broad social, economic, environmental and cultural circumstances that determine the health of the population (known more broadly as the '[wider determinants of health](#)'), will also have implications for health and well-being.

A society that is fully orientated towards enabling health and well-being would be one that also prioritises well-being in its economic decisions – an '[Economy of Well-being](#)'.

**Question 3: With inflation and costs of living issues continuing to escalate, what action should the Welsh Government take to help households cope with this latest crisis?**

The current cost of living crisis is not just a temporary economic squeeze: it is an **urgent public health issue** that will have negative impacts on the health and well-being of the Welsh population both now and into the future.

The cost of living crisis **requires an urgent public health response** that:

- 1) Recognises the **immediate threat** the cost of living crisis poses to health and well-being, with a greater focus on **supporting those who will be hardest hit**; and
- 2) Prioritises **preventative action**: the negative impacts of events such as the cost of living crisis – and the COVID-19 pandemic and Brexit before that – are so significant because they push on the existing vulnerabilities of entrenched poverty and inequity in Wales. Tackling the underlying causes of these will create a healthier and more equal society and, therefore, one more resilient to future challenges.

In the **short-term** this includes:

- A focus on mental health and well-being support;
- Income maximisation (including specific support on energy, housing and food costs) and debt support;
- Efforts to reduce fuel poverty and the impact of cold homes by supporting a national energy efficiency/ retrofit programme, prevent homelessness, promote healthy eating, ensure equitable public service access and protect against social isolation;
- Employers supporting staff, including careful management of redundancy;
- Health and care system stakeholders preparing for winter pressures; and
- Safeguarding against an increased risk of violence and domestic abuse.

In the **medium/longer-term** this includes:

- Energy efficiency measures and a shift to affordable, green energy;
- Improving housing availability, affordability and quality;
- Developing healthy and sustainable local food systems;
- Encouraging active, low-carbon travel and public transport;
- Promoting fair work;
- Violence prevention initiatives; and
- Enhancing support for parents to address common family stressors.

To create a healthier and more equal Wales **longer-term**, this includes:

- Implementing enabling legislation to mainstream consideration of health, well-being and equity in all policies ('health in all policies');
- Building societies and communities that support health, including: building community resilience, cohesion and social capital; promoting healthy behaviours; and creating an 'Economy of Well-being'; and
- Taking a life-course approach with a focus on early years.

More detail on a public health approach to the cost of living crisis can be found in Public Health Wales' report ['Cost of living crisis in Wales: a public health lens'](#).

Question 3a: How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

Urban, post-industrial and rural communities are impacted by Brexit, COVID-19 and climate change (the '[triple challenge](#)'), and the cost of living crisis, in a myriad of interconnected and compounding ways that will affect the health and well-being of people living in those communities. Some of these impacts are shared while others are [more specific](#). **The factors that lead to different impacts for different people need to be carefully considered if the Budget is to address the needs of all people living in Wales.**

### Post-industrial communities

**Job loss and unemployment has particularly scarring effects on mental health and well-being**, and [evidence focusing on the 2008 recession](#) highlighted financial and job insecurity and unemployment as major risk factors for mental illness, suicide, substance misuse and food insecurity. **Job loss also has a negative effect on the [physical health](#)** of individuals, including via increases in unhealthy behaviours such as excess smoking and drinking. This results in increased risk of death from suicide, alcohol-related diseases, heart attack and stroke.

Coastal and post-industrial towns were found to be most at risk and disproportionately affected by the COVID-19 pandemic in terms of [employment](#). Wales has many ex-industrial towns, especially the Valleys in the South-East. The local authorities identified as having [the most workers in at-risk industries](#) are also home to some of the most deprived areas of Wales according to the Welsh Index of Multiple Deprivation (WIMD).

With support and investment, areas with labour or skill shortages can become places that offer new employment and training [opportunities](#). **There is an opportunity for the Budget to invest in post-industrial communities in Wales in order to create employment and training opportunities, and therefore, positive health and well-being outcomes.**

### Rural communities

Evidence suggests that **rural communities in Wales are being harder hit by the cost of living crisis** due to higher energy, housing and transport costs compared to those living in towns and cities. This means they are **more likely to experience poor health and well-being outcomes** as a result of these factors.

The increased risk is in part due to a [greater reliance on cars](#). In addition, rural households are more likely to use [oil or Liquefied Petroleum Gas \(LPG\)](#) as their main fuel for heating, which are more expensive, [increasing in price](#), and not covered by Ofgem's price cap or the UK Government's [Energy Price Guarantee](#). Off-grid households will also not receive the UK Government's [£400 energy bills support payment](#).

The economic stresses felt by rural communities resulting from the cost of living crisis have been, and will continue to be compounded by the '[triple challenge](#)' of Brexit, COVID-19 and climate change. This could lead to greater economic insecurity and job anxiety in rural areas compared to urban areas, leading to a greater negative impact on mental health and well-being. This is because rural communities in Wales have a [higher than average levels of self-employment](#) and part-time employment. Furthermore, almost half (44%) of small and medium sized businesses (with fewer than 250 employees) are based in [rural locations](#) in Wales, and it is these types of businesses that are [most vulnerable](#) to rising costs.

[Research conducted by Public Health Wales with farming communities](#) identified that financial instability, uncertainty, challenges in succession planning, and a lack of sense of control are considerable sources of stress and anxiety to farmers and their families. While Brexit brought these concerns to the fore, the cost of living crisis will further exacerbate adversity facing

farmers in rural communities. Financial concerns, including debt, are one of the [biggest challenges to mental well-being](#).

NHS providers in rural communities were identified as [more likely to have experienced exacerbated workforce issues](#) and poorer financial situations during the pandemic. This will be further impacted by the cost of living crisis and may be of particular concern in rural areas where providing health and care services is already [associated with increased costs](#) due to it being more difficult to achieve economies of scale, and needing more staff per head of the population to deliver services.

**If the Budget seeks to tackle poverty and support all those in Wales experiencing it, it will need to take account of the frequently [‘hidden’ nature of rural poverty](#), which is not easily captured by geographically-focused programmes where eligibility is defined by WIMD (in contrast with post-industrial areas).**

Similarly, **the Budget needs to recognise the specific context of rural areas**, whether that be investment aimed at supporting people in Wales through the cost of living crisis; increasing employment opportunities; supporting small businesses and the self-employed (including farmers); improving access to health and care services; or responding to climate change. This will ensure that people living across Wales can benefit equally from the support, with knock-on benefits for health and well-being.

**Question 4: Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?**

**The climate and nature emergencies are public health issues: they pose a significant threat to people’s physical and mental health and well-being.**

The UK Committee on Climate Change (CCC) has [made it clear that](#): “Action to improve the nation’s resilience is **failing to keep pace** with the impacts of a warming planet and increasing climate risks facing the UK”.

The most recent [UK and Wales Climate Change Risk Assessment](#) (CCRA) highlighted the need for urgent action in the next two years on key adaptation priorities. These are needed to protect the health and well-being of the population from:

- climate-related failure of the power system;
- increased exposure to heat in homes and other buildings; and
- risks to the supply of food, goods and vital services due to climate-related collapse of supply chains and distribution networks.

The [CCRA for Wales](#) (2021) also highlighted the need for more action to:

- protect the health of people and communities from heat and flooding;
- promote and protect the health and well-being of coastal communities; and
- ensure the resilience of health and social care delivery.

A recent survey conducted by Public Health Wales with staff in public bodies in Wales (not yet published) has identified skills and confidence gaps in taking action on the health and well-being impacts of climate change.

Welsh Government has made ambitious commitments to tackle the climate and nature emergencies through various strategies and plans, but it is vital that these plans consider what impacts that these emergencies, and the steps taken to respond to them, have on population [health and well-being](#). Additional support and investment would enable Welsh Government and public bodies to do this. Using [Health Impact Assessments](#) to inform investment in adaptation, mitigation and decarbonisation will ensure health benefits are maximised and any unintended consequences for health and well-being are prevented or mitigated. Examples of unintended consequences include overheating in homes/buildings following energy efficiency measures.

Greater investment is also needed for **long-term preventative interventions** that can positively impact on climate and nature as well as the building blocks needed for a healthy life, such as housing and travel (known as the 'wider determinants of health').

Investing in measures such as energy efficiency of homes will result in a number of health co-benefits, in addition to reducing fuel poverty and easing cost of living pressures. Investing in active travel and public transport infrastructure will also deliver health co-benefits such as reducing air pollution and improving physical activity.

Capital investment programmes in energy efficiency would benefit from spending on advice and support for behaviour change to enable householders to adopt new technologies and heating systems effectively, maximising the [value](#) of this investment.

**Question 7: The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?**

Question 7a: Welsh Government policies to reduce poverty and gender inequality. Is enough support being given to those people living in relative income poverty?

**Those already in relative income poverty in Wales are likely to be [hardest hit](#) by the cost of living crisis.** Certain groups or households are more likely to be in relative income poverty, including [women](#). Recent [data](#) shows that these groups are more likely to be finding it difficult to afford or are behind on their energy, rent or mortgage payments due to the cost of living crisis.

By increasing the scale and severity of poverty in Wales, the cost of living crisis has increased, and will continue to increase, the scale and severity of poor health and well-being. That is, the **health needs of the most deprived groups are likely to increase further**, and at the same time, **more people are likely to find their financial situation starting to have a negative impact on their health** for the first time.

The greater impact that the cost of living crisis is having on those who are more deprived means **the cost of living crisis will increase health inequality in Wales** – however, it is important that the crisis is likely to affect most people in Wales.

The Budget should recognise that the identities that make people more likely to be in relative income poverty often [intersect](#). That is, people's multiple and overlapping identities come together to contribute to an overall (and compounded) experience of disadvantage. For example, women are more likely to be on a [low income](#) than men. Women also make up the majority of [lone parents](#) – the family type [most likely to be in relative poverty](#) in Wales – with single female households facing costs [one and a half times higher](#) than single male households

as a proportion of income. Ethnic minority women and/or disabled women, are likely to be [impacted even more severely](#) by the cost of living crisis.

Therefore, whilst the Budget should focus on reducing inequalities between different groups and target support towards those most in need, **understanding people's multiple and overlapping disadvantages (and their underlying causes) will be crucial** to reduce poverty and other forms of inequality in the long-term.

Question 7b: How/whether the approach to preventative spending is represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

There is considerable evidence demonstrating that it is financially preferable for systems to prevent, rather than treat ill-health. A [2016 systematic review](#) of the return on investment of public health interventions demonstrated that on average **for every £1 invested in public health, £14 is returned to health services or the wider system**. That is, public health interventions are clearly shown to be cost-saving, both to health services as well as the wider economy.

The cost of living crisis highlights two main challenges for investment in health and well-being. Firstly, **what investments can be made now in order to mitigate the negative impact that current challenges in Wales are having on health and well-being**. For example, poor housing in Wales is estimated to cost society around [£1 billion](#) per annum, with a significant proportion of that cost being felt by the NHS in terms of the treatment for falls and respiratory illnesses. However, public health interventions such as falls prevention and housing improvements, costing [£584 million](#), offer positive returns over the short to medium term (1-6 years).

The second challenge is deciding **what investments can be made now to create a healthier, more equal society and increase resilience for future challenges**. Events such as the cost of living crisis – and the COVID-19 pandemic before that – have been so significant because they have pushed on the existing vulnerabilities of entrenched poverty and inequity in Wales.

The current cost of living crisis creates a difficult context within which to make the needed investments, as **the same economic pressures affecting individuals are also affecting public sector budgets**. While macroeconomic shocks such as the cost of living crisis puts funding challenges front and centre for many decision makers, **investing in health and well-being is the right thing to do – it saves lives and money and brings multiple benefits**. Indeed, [a review of spending in England in 2016](#) found that £200m cuts to public health services would potentially lead to an opportunity cost of around £1.6bn.

In Wales, we already know that poverty and the poor health outcomes that result from it means people living in the most deprived areas in Wales use hospital services more than those in less deprived areas. Public Health Wales estimated that **higher use of hospital services due to deprivation, or poverty-driven poor health, costs the NHS in Wales an extra [£322 million per year](#)**, equivalent to around £1 in every £12 (8.7%) spent on Welsh hospitals.

Taken together it is clear that **as well as addressing immediate health concerns it is vital that investment decisions also prioritise tackling the underlying causes of poor health and well-being** in order to prevent avoidable ill-health and create a healthier and more equal society.



Question 7c: How resources should be prioritised to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

Consideration should be given to how Wales can take an equitable approach to address the challenges and impact of waiting times. **Healthcare needs are not equal across the population**, and in Wales the greatest burden of disease is closely linked to socio-economic disadvantage.

In the short-term, **waiting lists present a clear starting point** for identifying individuals and groups who are in need of care. By using the information available within the healthcare system, we have the opportunity to prioritise and design tailored communications and service interventions to achieve optimum positive impact.

In addition, we need to simultaneously seek ways to **reduce future demand on health and care services** through a variety of prevention approaches. This will help limit the time the NHS in Wales is dealing with the current waiting list backlog as well as have longer-term benefits on service resilience. Approaches that could be considered include upscaling preventative interventions and providing extra support and capacity to social care and primary and community care services.

A critical element of responding to the increasing demand for healthcare should be '**precision prevention**': action at an individual or (stratified) group level that enables increased recognition by individuals that they are co-creators of their own health. Digitally-enabled and behaviourally-informed health improvement interventions (including services, support and communications) could reflect the approach widely and effectively used elsewhere to connect people with services they want and need.

Question 7d: The sustainability of NHS, social care, further and higher education, local government and other public services more generally. Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning.

Poor health and well-being outcomes caused and worsened by the cost of living crisis, and **worsening inequality**, will have a **negative impact on the demand, costs and quality of services provided by the NHS, social care system, and other public services**.

Public service employees are also subject to the negative impacts of the cost of living crisis. For example, a **recent Public Health Wales survey** found that over half of nurses and midwives in Wales had mental well-being scores indicative of either probable clinical depression (31%) or possible mild depression (27%). This risks exacerbating existing workforce challenges and has a knock-on effect on public service users.

The **cumulative impact on NHS demand** comes at a time when it is already facing a backlog from the COVID-19 pandemic. This means that into the long-term, demand for healthcare services is likely to continue to outstrip the system's ability to respond.

The cost of living crisis also means that the spending power of public services is reduced. That is, **public services are themselves facing increasing costs**, such as higher energy bills for hospitals and care homes, or increased transport costs, which affect the ability to deliver care and services in the community. Consequently, **the NHS and social care system (as well as public services more generally) will be under pressure to meet increased demand at the same time that delivering them will become more expensive** – essentially while they are experiencing a real-term cut to their budget.

Continuing efforts to address ongoing workforce challenges around training, recruitment and retention will be important. Attracting and retaining staff is likely to be even more challenging post-pandemic, with many current staff reporting stress and burnout. However, maintaining and increasing an appropriately staffed and skilled workforce is critical to a functioning health service and, therefore, recruiting people into healthcare careers that will prioritise their well-being and job satisfaction remains vital.

Question 7f: Support for children and young people whose education, development, and mental health and well-being have been affected by the pandemic. Is there enough infrastructure investment targeted at young people?

**Giving every child the best start in life is fundamental for achieving a healthier and more equal society in Wales**, recognising that disadvantage can start before birth and accumulate over the life-course. Consequently, the building blocks that shape the mental and physical health of children and young people, including education, their living environments and social relationships, should be prioritised for investment.

Public Health Wales conducted a [Mental Well-being Impact Assessment](#) to examine the impacts of the COVID-19 pandemic on the mental health and well-being of young people in Wales. The assessment highlighted a need to ensure that impacts of the pandemic are mitigated by investment in:

- Social skills, relationships and reducing social isolation.
- Collaborative working.
- Opportunities for valued roles.
- Building self-belief, self-efficacy, confidence and a sense of belonging.
- Community cohesion.
- Physical activity.

A number of areas for action were also identified in relation to maintaining and protecting mental well-being for young people through infrastructure. These included:

- Developing places and spaces that support young people's physical and social development e.g. providing safe places for young people to meet with peers indoors and outdoors.
- Housing that provides adequate internal space and access to safe outdoor space.
- Investment in accessible green and natural spaces.
- Digital inclusion and equity of access to online information and services.
- Providing access to affordable transport and active travel as an important enabler of recovery and to support young people's participation and inclusion in education, employment, and social life.
- Investment in community arts and youth participation

In addition, the [UK and Wales Climate Change Risk Assessments](#) (CCRA) highlight risks to the delivery of education arising from climate change linked to overheating in schools (e.g. regulation of temperature, high classroom occupancy, the volume of IT equipment and design limitations of both new and old school buildings). These risks require further action and investment in the education estate to maintain resilience of education delivery, protect health, and provide a healthy learning environment. The CCRA identified 51 schools in Wales at current risk of flooding, with increases projected by 2050 and 2080.



Question 7h: Is support for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?

Third sector organisations are seeing their budgets go less far in the face of rising costs. At the same time, the impact of the cost of living crisis on individuals is leading to increased demand for services.

During the pandemic, people played a vital role in both helping the most vulnerable and helping official agencies by becoming an integral part of the wider, more formal response to the pandemic; with communities themselves often being the most knowledgeable about their community's own needs and how to meet them, and with established connections and trust.

[Research from Public Health Wales](#) and partners identified three key elements to enable and sustain community-led action in Wales. These were:

- Understanding community assets and place factors;
- Integration of community-led action into the wider system; and
- Enabling the conditions that drive health equity.

Harnessing the upsurge in community-led action during the pandemic response could be key to building more resilient communities throughout Wales, who are better able to respond to the ongoing impact in recovery from the pandemic (both for whole communities and for the already disadvantaged) and to adapt to future crises (be that infectious disease, climate change, or economic challenges). However, this requires communities to be provided with the resource they need to deliver these kinds of services.

Connecting citizens to community support, often provided by the third sector, can [enable people](#) to better manage their health and well-being. Whilst widespread across Wales, current provision is [variable](#) in terms of the quantity and type of activity. The introduction of an all-Wales social prescribing [framework](#) in 2023 – which Public Health Wales has been supporting the development of – will improve consistency.

Question 7i: What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act)

Our experience of the COVID-19 pandemic was strongly shaped by the existing, entrenched poverty and inequality in Welsh society. The cost of living crisis is putting further pressure on the same fault lines. Concerted, coordinated effort is needed if we are to reduce the unfair health gap in Wales and create an economy and society orientated toward health, well-being and equality, which puts Wales on a stronger footing for the challenges that may lie ahead.

**Harnessing a renewed focus on health inequalities has the potential to reap vital benefits in the longer-term as well as in the current crisis**, therefore providing a key opportunity to 'build back better'. Making progress involves thinking and planning for the long-term and translating the evidence on tackling health inequalities into practice.

The seminal review by Marmot, [Fair Society, Healthy Lives](#), sets out an evidence-informed framework for action to reduce the unfair gaps in health and well-being across the population. It highlighted two, overarching policy objectives:

- 1) **To ensure social justice, health and sustainability are at the heart of policies.**
- 2) **To create an enabling society that maximizes individual and community potential.**

Making progress involves thinking and planning for the long-term and **rethinking the approach to decision-making in policy areas that shape the building blocks for a healthy life**, such as employment, education, income, housing, environment and community factors. An overriding priority needs to be **giving every child the best start in life**, ensuring their needs and rights are met, recognising that disadvantage can start before birth and accumulate over the life-course.

In Wales, we are fortunate to have the Well-being of Future Generations Act, which provides a clear mechanism for achieving these policy objectives. Progress towards each of the seven well-being goals is interlinked with progress on improving the building blocks for a healthy life that underpin health inequalities.

Looking to the future, we know that unless action is taken now, there will be more challenges that have the potential to make existing inequalities worse still. For example, [research](#) co-produced by Public Health Wales, the Future Generations Commissioner for Wales and Cardiff University examining the potential impacts of the ageing population, the changing nature of work with increased automation, and climate change, found that existing inequalities in Wales risk being carried into the future unless they are specifically addressed. This includes actively promoting health and equity across all areas of policy development.

A society that is fully orientated towards enabling health and well-being would be one that also prioritises well-being in its economic decisions – an '[Economy of Well-being](#)'.

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