

# Mind the gap: what's stopping change?

The cost-of-living crisis and the rise in  
inequalities in Wales

July 2022

# The cost-of-living crisis is a health crisis

Poverty causes ill-health and illness.

## At a glance

- 60% of people in Wales say the rising cost-of-living has had a negative impact on their wellbeing ([RCP](#))
- Health inequalities cost the Welsh NHS £322 million every year ([Public Health Wales](#)).
- Wales now has the worst child poverty rate of all the UK nations at 31% ([End Child Poverty](#)).
- One in ten Welsh households live in insecure housing ([Bevan Foundation](#)).
- People in Wales face a higher risk of dying in poverty than any other UK nation ([Marie Curie](#)).
- Almost 60% of adults in Wales are living with overweight or obesity ([Public Health Wales](#)).
- The full social cost of obesity to Wales is around £3 billion a year ([Frontier Economics](#)).
- 12% of Welsh households are at least one month behind on a bill ([Bevan Foundation](#)).
- Child poverty has increased in 20 of 22 local authorities over the past 5 years ([End Child Poverty](#)).

The COVID-19 pandemic has widened existing inequalities and highlighted the link between poverty and poor health outcomes in Wales. Indeed, the Future Generations Commissioner and Public Health Wales have found that those who were already living in poor health, poverty or in marginalised communities in Wales have been the hardest hit by the pandemic.

Health inequalities are avoidable, unfair and systematic differences in health between different groups of people. Over the coming months, as the everyday cost-of-living continues to rise faster than people's income, this is likely to lead to a drop in living standards for many people. The rising cost of groceries and energy, combined with staff shortages in some sectors and supply chain disruptions, have driven up inflation. This is likely to exacerbate inequalities in the coming years.

“Many people have had to make impossible choices – between buying food, paying household bills, or staying connected with loved ones. This has impacted on people’s mental health and overall wellbeing, leaving some to feel as though they are unable to cope and recover from the COVID-19 crisis.”

British Red Cross

“Those struggling with poor health face loss of earnings through employment and indeed may be unable to work, leading them to interact with the benefit system. As well as impacts on wellbeing, those in poor health may also have increased living costs and children suffering with poor health will see an impact on their education.”

Joseph Rowntree Foundation

Evidence suggests that at most, only 20% of a nation’s health and wellbeing is dependent on healthcare services. The NHS alone does not have the levers to reduce inequalities: this is why we need to shift the focus from public health initiatives delivered through the NHS and local authorities to addressing factors such as poor housing, transport and food quality. Addressing the factors that cause ill-health in the first place should be a central focus for the Welsh Government.

**The Welsh Government should produce a cross-government plan for reducing poverty and inequalities in adults and children.** This should outline the action being taken across all government departments, setting out how success will be measured and evaluated through shared performance measures and outcomes for all public bodies in Wales, accompanied by guidance on how individual organisations should collaborate to reduce inequalities and tackle the cost-of-living crisis.

# Key recommendations

The Welsh Government should:

- prioritise closing the implementation gap on health and wellbeing for adults and children
- provide more detailed guidance on implementation to local delivery bodies
- map out existing activity on public health, inequalities, poverty reduction and social security
- introduce health impact assessment regulations as a priority
- consolidate commitments on inequality in one delivery plan to improve accountability
- develop a shared set of performance measures focused on reducing inequalities
- ensure that funding encourages collaboration and is linked to tackling inequalities
- improve access to prevention programmes based in primary and community care, especially for those living in poverty
- invest in innovative prevention including screening programmes, vaccines and wearable technology
- improve access to high-quality, robust data to measure any change in inequalities
- require regional partnership boards (RPBs) and public service boards (PSBs) to tackle inequalities.

“For too long, we have looked to the health service to address these challenges in isolation. Health inequality is the result of many and varied factors and meaningful progress will require coherent efforts across all sectors to close the gap.”

Welsh NHS Confederation

“Evidence shows that a comprehensive approach to tackling health inequalities can make a difference. Concerted, systematic action is needed across multiple fronts to address the causes of health inequalities.”

The King's Fund

# Why do we need a cross-government approach?

While the Welsh Government has committed to tackling inequalities through its [programme for government](#), there is no overarching explanation of how this work will be joined up across different government strategies, how outcomes will be measured and how ministers will be held accountable for delivering these commitments on a collaborative basis.

A cross-government plan could set existing commitments in context, provide some clarity around shared outcomes and provide transparency in how performance will be measured (see Table 2).

Good health plays a fundamental role in the prosperity of our nation – a healthy workforce has a direct effect on economic productivity – as well as our overall wellbeing and happiness. There is a [strong link between work and health](#): for work to have a positive impact on health, it must be 'good work' which provides stable employment, pays a living wage, and offers fair working conditions, work-life balance and career progression.

## Table 1: Wider social determinants of health

The wider social determinants of health include:

- income and financial security (health and wealth)
  - the availability of good, fulfilling and fair work
  - education and skills
  - access to healthy food and drink
  - discrimination, especially on the grounds of a [protected characteristic](#)
  - access to the arts and cultural activities
  - social connections (family and friends)
  - access to sports and physical activity
  - access to transport and travel
  - the quality and security of housing and the open space around us (space and place).
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“The relationship between health and income is long established. Better health generally improves your quality of life; it allows improved employment opportunities and reduces the extra costs ill-health can bring. Living in poverty means extra stresses on day-to-day decisions and can lock people out of health-promoting services or assets such as better housing.”

Joseph Rowntree Foundation

“Deprived areas have on average nine times less access to green space, higher concentrations of fast-food outlets and more limited availability of affordable healthy food.”

The King's Fund

## Table 2: What might a cross-government plan look like?

At a Welsh Government level, it should:

- have an agreed definition of health equality: what does success look like?
- include clear, measurable targets and outcomes with a defined timescale
- highlight regular milestones along the way, underpinned by the necessary funding
- be owned by the whole cabinet, led by the first minister
- include annual reporting on progress, drawing on action taken by all departments and partners
- share performance measures across government departments
- bring together existing work on inequalities from across government departments.

At a regional or local level, it should:

- have a named lead for tackling inequalities for every public sector organisation
- include guidance on how organisations should collaborate regionally within established structures
- involve transparent data collection that allows for meaningful and independent scrutiny.

Communication and engagement principles:

- clear communication and engagement with external stakeholders and the public
  - development in genuine partnership with people and organisations in Wales.
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# What's stopping change?

Delivery is the biggest issue facing us. In many cases, smaller bodies simply do not have the capacity, expertise, resource or focus to deliver the national vision set out in ambitious legislation and policy documents. We need a system-wide transformation in behaviour: a large-scale shift to the prevention of ill-health by all public bodies, led by the Welsh Government.

We must drive prevention upstream, so that interventions take place at the earliest possible point. For example, current work to end homelessness focuses on primary, secondary and even tertiary prevention levels instead of acute spending (see table 3).

Community organisations should be supported with the capacity and resource to ensure change takes place from the grassroots. Collaborations need to be more widely encouraged.

**Table 3: What are prevention levels?**

| Prevention levels    |  |
|----------------------|--|
| Primary prevention   | Preventing or minimising the risk of problems arising through universal policies, eg education, health promotion, good housing management and tenancy support.   |
| Secondary prevention | Targeting individuals or groups at high risk or showing early signs of a particular problem to try to stop it occurring, eg early referral to family or youth support services.  |
| Tertiary prevention  | Intervening once there is a problem to stop it getting worse and to redress the situation, eg writing off rent arrears to avoid eviction.  |
| Acute spending       | Spending to manage the impact of a strongly negative situation – this does little or nothing to prevent problems recurring in future, eg cost of temporary housing when made homeless, long-term cost of supporting children who have suffered adverse childhood experiences (ACEs) as a result of loss of home. |

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We also need to map where national and local government are working with partners to reduce inequalities across all government departments and sectors, evaluate whether programmes are working and identify the lessons learned, while sharing good practice on a much larger scale.

Reducing inequalities and improving wellbeing should be central to every strategy that comes out of every government department: an intersectional approach is crucial.

## Closing the implementation gap

Over the past decade, the Welsh Government has passed the Wellbeing of Future Generations Act, the Public Health Act (including health impact assessments which have not yet been introduced) and has enabled the Equality Act's socio-economic duty. This is a complex and ever-changing landscape with hundreds of targets and performance measures. The Welsh Government has published national wellbeing indicators and is in the process of developing national milestones, but it is doubtful that many people outside of policymaking circles will be aware of this work. Better communication and engagement with external stakeholders, community organisations and the public is essential.

Change proposed at a national level is not necessarily taking place at a local level. Significant barriers to change include the prioritisation of short-term issues and targets, workforce pressures and increasing demand for services. While we recognise that the pandemic has put a huge strain on public services, the Welsh Government must now show national political leadership in driving change. This means providing more detailed guidance for smaller, local organisations to implement changes required by national legislation.

“Political leadership is essential to ensure that population health is a key priority for the health and care system and across government. This should include setting ambitious and binding national goals to improve health outcomes and developing a new cross-government strategy to reduce health inequalities.”

The King's Fund

The Public Health (Wales) Act 2017 received Royal Assent in July 2017, but almost five years later, regulations about the carrying out of health impact assessments by public bodies have still not been laid. It took more than a decade to lay the Equality Act 2010 regulations that brought the socio-economic duty into force in March 2021. This issue needs transformational, system-wide change in behaviour.

“Health is a complex system involving a large range of relevant actors and potentially long timescales for change. Small-scale or half-hearted interventions will see the healthy life expectancy mission missed by a long distance, or worse, see continued falls in healthy life expectancy. If we are to take this mission seriously, it must be a mission for the whole of government.”

Health Foundation

PSBs and RPBs have not done enough to build awareness and understanding of what they do. They should become more visible and accountable, and engage more effectively with the communities they serve, and place more of an emphasis on reducing inequalities.

“Concurrent action is needed at multiple levels: an enduring national mission to tackle inequality; a new local and national partnership to create the conditions for system success; and local leadership to nurture the disruption needed to sustain success.”

The King's Fund

## Measuring success

Performance measures drive the way services are delivered: shared outcomes across public bodies could ensure that priorities and resource allocations are focused on long-term health and wellbeing and behaviour change. Outcome measures should be co-produced with patients and patient-led advocacy organisations.

“The system in place is extremely complex. If all the performance measures, across the different plans, are combined, there are over 350 measures that health services have to report on. This generates vast amounts of waste in time and resources to collate and analyse this information.”

Bevan Commission

Usually when a government talks about what it has achieved, it talks about the investment it has made into a particular programme or area of work. More rarely does it demonstrate through the evaluation of outcome measures that things have improved.

Delivery bodies in Wales can still find it difficult to work together on the things that determine our chances of living well – and part of this is driven by competing performance measures and targets. A genuinely cross-government approach should ensure that outcomes measures apply across all sectors and include those working in the gaps between sectors. Any framework should not be used as a tool to measure health board performance alone, but to drive a focus on reducing inequalities across all public bodies. RPBs and PSBs should be measured by how effectively they are reducing inequalities through their population needs and wellbeing assessments and plans.

## Understanding the system

To avoid duplication of work, the Welsh Government should work with public bodies, delivery partners and the voluntary and community sector to review and map out existing outcomes frameworks, targets and indicators into one piece of work. This would show where existing measures and published indicators already contribute to shared action on inequalities and could be the precursor to an effective cross-government plan.

The [Public Health Wales Observatory](#) has published a [Public Health Outcomes Framework](#) and the [Welsh Health Equity Solutions Platform](#) is being developed as a way of accessing data and evidence on reducing health inequalities.

But the system is still complex. The jigsaw puzzle of funding for public health, inequalities, prevention, poverty reduction and social security makes it almost impossible for anyone outside government to know what is happening, let alone whether it is making a real difference. A more comprehensive and consolidated plan for reducing poverty and inequalities would make everything much clearer and help the voluntary and community sector to work in partnership with public bodies to deliver Welsh Government ambitions to tackle inequality and ill-health.

## The role of the UK government

It is important to remember that many of the levers for change (social scrutiny, universal credit, the benefits system, immigration and free movement, and welfare to work programmes) remain outside of Welsh Government control: indeed, the Bevan Foundation [recently made the case](#) for the devolution of power over housing benefit and the housing element of Universal Credit.

The UK Government's [white paper on levelling up](#) should be considered as part of this work; however, this should not stop Welsh public bodies doing everything within their power to improve health and wellbeing where they can. The pilot universal basic income scheme is a good example of where Welsh Government is using its existing powers to improve the benefits system.

“It's clear that levelling up will require a long-term approach to tackle entrenched inequalities between and within places across Wales and the UK. The extent to which the UK Government's approach will successfully address the challenges many people and communities across Wales face, and how it will interact with Welsh Government policy in devolved areas, remains to be seen.”

Senedd Research

“The importance of Wales-specific social security measures should not be underestimated. Although the UK social security system plays an important role in solving poverty, Welsh support schemes also play a vital role. It is therefore even more important that the Welsh Government establishes a clear, effective and fair benefits system, which complements the social security system that already exists in the UK. Retaining the temporary uplift of universal credit and working tax credit allowances, as well as extending this to legacy benefits is key. For instance, of the 180,000 children in poverty, 140,000 live in families that receive income-related benefits.”

Joseph Rowntree Foundation

The Co-operation agreement: 2021 sets out Welsh Government and Plaid Cymru support for the devolution of the administration of social security. They have committed to exploring how this would work in practice and building the necessary infrastructure.

The Child Poverty Action Group has recommended that the Welsh Government review the discretionary assistance fund (DAF) and using administrative data, explore the reasons for successful and unsuccessful claims (with a full breakdown of all protected characteristics, family status and local authority area, and whether applicants were signposted to further sources of support) as well as developing a staged roadmap that moves towards a simpler and more inclusive eligibility criteria for the DAF, and an evaluation framework.

**Table 4: Selected impacts of wider determinants of health – The King’s Fund**

| Sector      | Examples   |
|-------------|--|
| Income      | <u>Income determines people’s ability to buy health-improving goods</u> , from food to gym memberships. Managing on a low income is a source of stress, and emerging neurological evidence suggests that <u>being on a low income affects the way people make choices concerning health-affecting behaviours</u> . Children from households in the bottom fifth of income distribution are over <u>four times more likely</u> to experience severe mental health problems than those in the highest fifth.   |
| Housing     | Poor-quality and <u>overcrowded housing conditions are associated with increased risk</u> of cardiovascular diseases, respiratory diseases, depression and anxiety. As external temperature falls, <u>death rates rise much faster</u> for those in the coldest homes. Households from minority ethnic groups are more likely than White households to live in <u>overcrowded homes</u> and to experience <u>fuel poverty</u> .  |
| Environment | <u>Access to good-quality green space</u> is linked to improvements in physical and mental health, and lower levels of obesity. Levels of access are <u>likely to be worse for people in deprived areas</u> , and for areas with higher proportions of minority ethnic groups. Exposure to air pollutants is estimated to cut short 28–36,000 lives a year in the United Kingdom. Exposure has been linked to both deprivation and ethnicity. For example, within the most deprived areas of London, people from non-White groups have been found to be <u>more exposed to high concentrations of nitrogen dioxide</u> , one of the main pollutants associated with traffic fumes. |
| Transport   | Those living in the most deprived areas have a <u>50% greater risk of dying in a road accident</u> compared with those in the least deprived areas. <u>Children in deprived areas are four times more likely</u> to be killed or injured on the road than those in wealthier areas. The <u>cost of transport can also be a barrier</u> with inconsistent coverage of concessionary travel schemes and a lack of affordable transport options, particularly in rural areas.   |
| Education   | On average, among 26 Organisation for Economic Co-operation and Development (OECD) countries, people with a university degree or an equivalent level of education at age 30 can expect to <u>live more than five years longer</u> than people with lower levels of education.<br><br>In Wales, 12% of adults (216,000 people) <u>lack basic literacy skills</u> . This means they are locked out of the job market and struggle to support their children’s learning.  |
| Work        | <u>Unemployment is associated with lower life expectancy and poorer physical and mental health</u> , both for individuals who are unemployed and for their households. The quality of work, including exposure to hazards, job security and whether it promotes a sense of belonging, affects the impact it has on both physical and mental health. Non-White groups experience <u>higher levels of work stress</u> , controlling for other demographic factors.   |

Mind the gap: what's stopping change?

This document is endorsed by:



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Coleg Brenhinol y Meddygon (Cymru)



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# About the Welsh NHS Confederation Health and Wellbeing Alliance

Health is not a standalone issue.

We all need to play our part in developing a health service that is fit for the future. The Welsh NHS Confederation Health and Wellbeing Alliance consists of over 70 health and care organisations from royal colleges, third sector organisations and social care organisations, and was established in 2015.

Convened by the Welsh NHS Confederation, and previously known as the Policy Forum, we developed recommendations in the run-up to the 2016 and 2021 Senedd elections. In April 2021, we published Making the difference, which called on the next Welsh Government to:

- publish an ambitious cross-government strategy to tackle inequalities
- invest in long-term prevention across all sectors
- work in partnership with people and communities to change lives for the better.

This paper followed an open letter to the First Minister and Senedd opposition party leaders in February 2021, calling for a cross-government strategy on health inequalities.

[@WelshConfed](#)

[www.nhsconfed.org/wales/health-and-wellbeing-alliance](http://www.nhsconfed.org/wales/health-and-wellbeing-alliance)

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