

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2024-25](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2024-25](#).

WGDB\_24-25 18 : Ymateb gan: Sylfaen Iechyd Meddwl Cymru (Saesneg yn unig) |  
Response from: Mental Health Foundation

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## Comments for Senedd Finance Committee Budget 2024/25 Consultation

### Question 3. What action should the Welsh Government take to help households cope with inflation and cost of living issues?

We recommend that the Welsh Government take the following actions to reduce the mental health effects of the Cost of Living Crisis:

1. The single most important preventative intervention will **be financial support schemes that prevent people from experiencing poverty and financial stress**. We support the Essentials Guarantee campaign on uplifting welfare benefits, being run by the Joseph Rowntree Foundation and Trussell Trust. Social security benefits should be updated so that they enable people to pay for the essentials of daily life.

It is also important that income support schemes are operated in a non-stigmatising, respectful manner and are easy to access, in order to increase uptake. Poverty stigma is associated with lower mental wellbeing.<sup>1</sup> **Welsh Government mitigation supports should be provided automatically wherever possible, and available through easy-to-access processes.** Initiatives such as free school meals should be delivered in non-stigmatising ways so that children do not have to identify as receiving them on the basis of need.

According to Wahlbeck and McDaid (2012) countries with strong social [security] safety nets see smaller changes in the mental health of the population related to economic downturns. Similarly, a more recent systematic review has found that unemployment insurance supports are correlated with better health outcomes. Furthermore, there is evidence of public support in the UK for financial measures as a means of improving mental health.<sup>2</sup>

2. **Support community social networks, resources, and resilience.** Community infrastructure such as local community groups, sports and other physical activity clubs, children's clubs and clubs for young people can provide valuable social support during times of stress. We recommend fast-track access to additional funding for community groups that support people living in poverty, especially support for grassroots organisations or initiatives that are likely to support them.

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<sup>1</sup> See Inglis, G., et al. (2022) 'Poverty stigma, mental health and well-being: a rapid review and synthesis of quantitative and qualitative research', Journal of Community & Applied Social Psychology, <https://doi.org/10.1002/casp.2677>

<sup>2</sup> [Mental health and the cost-of-living crisis report: another pandemic in the making? | Mental Health Foundation](#)



3. **Assess the mental health impact of all Government decisions that address the Cost-of-Living Crisis and implement these assessments.**

The Welsh Government should implement Mental Health Impact Assessment for all Government decisions.

4. **Ensure that frontline workers know how to respond effectively to the mental health effects of financial stress and strain.** This should include frontline workers in health, social care, money and debt advice services, and anti-poverty, and other community organisations, as well as energy companies, water and telecoms services, and private financial services companies.

The Welsh Government should support capacity-building programmes for frontline workers who engage with people experiencing financial stress to be able to provide a trauma-informed, mental health-aware approach.

5. **Provide adequate money advice and debt relief schemes.**

The Foundation's Cost of Living Report found that Wahlbeck and McDaid (2012) reported that reducing debt has been shown to improve mental health outcomes. They note that in Sweden, people in high debt who had been granted debt relief had better mental health than those who had not, while a controlled trial of access to debt management services in England and Wales reported improvements in general health, anxiety, and optimism. A more recent study found that having an additional-debt account paid off reduces the likelihood of exhibiting anxiety by 11%. In this regard, it is important to ensure that relevant public authorities are commissioning sufficient debt advice services in their local areas. A key challenge is ensuring that debt advice reaches those groups who would benefit most, early enough. Integrating debt advice with other services, such as GP surgeries, mental health services and housing associations, can make it easier to access, and this needs to include face-to-face provision of support.

6. **Ensure that everyone can afford and has access to good public transport, including in rural areas.**

Social isolation is a risk factor for mental health problems, while increasing social connectedness is protective of mental health. Being able to use an efficient and affordable public transport system enables people to maintain their social connections, attend their mental health appointments, and go to work: it should be seen as a public mental health measure. For people living in rural areas, rural transport schemes are vital resources for maintaining social connection.



The UK and Welsh Governments and local authorities have a responsibility to ensure provision of an affordable transport network for work, accessing health services, and social connection. As part of this, they should expand free and/or concessionary travel schemes to all young people up to age 26 and all people on low incomes and extend concessionary schemes for public transport to people with severe mental health problems. There must also be assurances that the travel services and timetables offered meet the needs of the community.

#### **7. Specific support for Refugees and Asylum Seekers.**

Many income support schemes in the UK are not available to asylum-seekers. **The Welsh Government should intervene to ensure that asylum-seekers are able to have an adequate standard of living that does not entail financial stress.**

**Rationale for these recommendations:** The Mental Health Foundation's report on the Cost of Living Crisis, published in February, 2023 warned that the crisis was at risk of becoming a new pandemic in terms of people's mental health.<sup>3</sup> The report found that financial strain and poverty are key drivers of poor mental health, while debt (especially unsecured, short-term debt) is also strongly associated with poor mental health. It found that both current financial hardship (material deprivation) and subjective (self-perceived) financial strain are linked with depression. Financial stress, through its influence on parental mental health, marital interaction, and parenting, negatively impacts on the mental health of children and adolescents. People struggling to pay their rent or mortgage, feed their families, or cover essential bills are at higher risk of developing mental health problems including anxiety and depression.

The Bevan Foundation's Cost of Living Tracker provides some Welsh evidence of the link between the Cost of Living Crisis and mental health: their Snapshot report for Winter 2023 showed that over half of people in Wales reported that their mental health was affected by their financial position during Winter 2023.<sup>4</sup> Polling carried out at the end of March and early April 2023 by Opinion for the Mental Health Foundation revealed the most common self-reported cause of anxiety for people across the UK was being able to pay bills. 32% of UK adults said being unable to pay their bills had made them feel anxious in the past two weeks.<sup>5</sup> In the same poll, 20% of UK adults said debt had made them feel anxious in the last two weeks.

The Joseph Rowntree Foundation's cost-of-living tracker assesses how households in the bottom 40% of incomes are faring during the cost-of-living crisis.<sup>6</sup> The data from May 2023 showed evidence of

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<sup>3</sup> [Mental health and the cost-of-living crisis report: another pandemic in the making? | Mental Health Foundation](#)

<sup>4</sup> See [Snapshot-of-poverty-in-winter-2023.pdf \(bevanfoundation.org\)](#).

<sup>5</sup> [Financial strain is driving the UK's anxiety | Mental Health Foundation](#)

<sup>6</sup> [Unable to escape persistent hardship: JRF's cost of living tracker, summer 2023 | JRF](#)



the links between experience of financial strain, forgoing essentials, and poor mental health. More than one third of low-income households (4.1 million households) reported having a person struggling with poor mental health in the last two years. Of this group, 40% said their mental health had deteriorated during the last two years and 26% said their poor mental health had started within the last two years.

Among low-income households who said they were going without at least one essential, nearly half (47%) reported at least one household member experiencing poor mental health in the last two years, compared to 14% of households not going without essentials. Of the low-income households with a member who had a mental health condition, more than half (51%) reported going without three or more essentials in the last six months.

The Welsh Government's Expert Group on the Cost of Living Crisis has reported that "particular low-income households, such as those with disabled people, Black, Asian and Minority Ethnic households, women, carers, and those with young children, are being disproportionately affected by the rising prices associated with the crisis.<sup>7</sup> Each of these groups are also at higher risk of poor mental health than the general population. Thus, the Cost of Living Crisis is compounding their existing risk of poor mental health.

**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?**

**– Is enough being done to tackle the rising costs of living and support those people living in relative income poverty?**

No, we do not believe that enough is being done currently to alleviate financial stress among people living in Wales. This is evident from the Bevan Foundation's, Mental Health Foundation's and Joseph Rowntree Foundation's surveys as reported in Question 3 above. See our recommendations in answer to Question 3.

**– How could the budget further address gender inequality in areas such as healthcare, skills and employment?**

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<sup>7</sup> [Summary Response and Recommendations for Action \(gov.wales\)](https://gov.wales)



We recommend the Welsh Government commit to supporting the Real Living Wage in public sector commissioning (including health and social care). This would likely benefit women who are more likely to be in lower-paid health and social care roles.

The Scottish Government should ensure that there is a strong women's mental health strand in the new mental health strategy that is currently being developed.

**– Is the Welsh Government's approach to preventative spending represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early)?**

We do not think that the Welsh Government's spending on preventative approaches in mental health is visible or trackable. There should be a clear allocation of funding in the mental health budget to prevention, and spending in other Government Departments on mental health prevention should also be visible.

**– Is there enough infrastructure investment targeted at young people?**

No, we believe that more needs to be done to ensure that young people have access to free transport. Free transport should be extended to all young people up to age 26.

It is also important that all young people can afford access to social, mental and physical health activities, including youth services, sports, arts, play, music, etc.

**– Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?**

The valuable role that third sector organisations carry out in supporting people's mental health and wellbeing should be supported and recognised.

We recommend fast-track access to additional funding for community groups that support people living in poverty so that they can build their capacity to support people's mental health, especially support for grassroots organisations or initiatives that are likely to support them.

There is also a need for longer term sustainable funding. Early confirmation of continuation funding (ahead of the financial year) would be helpful, as well as multi-annual funding for agreed programmes and services.



**– What are the key opportunities for the Welsh Government to invest in supporting an economy and public services that better deliver against the well-being goals in the Well[1]being of Future Generations Act?**

We do not think that the Welsh Government’s spending on preventative approaches in mental health is adequate, visible or trackable. There should be a clear allocation of funding in the mental health budget to prevention, and spending in other Government Departments on mental health prevention should also be visible.

Mental health problems cost the Welsh economy £4.8 billion each year. It is possible to prevent mental health problems. Evidence in our report on the Economic Case for Investing in the Prevention of Mental Health Conditions in the UK<sup>8</sup> shows that there are cost-effective interventions to prevent mental health problems. In almost all cases of poor mental health, our genes do nothing more than carry a slight risk. What is more important to look at is the wide range of social, economic, family and emotional factors that interact with our genes and our biology. These factors can make us more or less likely to develop a mental health problem.

As a prevention charity, we believe that social, economic and cultural inequalities that result in health inequity cannot be resolved within mental health services alone – action must be taken to address the social determinants of mental health, in the spaces where people are born, raised, live and work (e.g. in families, communities, schools and workplaces).<sup>9</sup> This should include supporting those at greatest risk such as those living in emergency accommodation, in women’s refuges and transitional accommodation or services for those seeking sanctuary.

In our Inequalities report,<sup>10</sup> we recommended that in order to reduce the prevalence of mental health problems, action is required that directly addresses these factors across three different levels:

- i. **Structural measures** - actions to change the social and economic influences that can lead to mental health problems. For example, reducing income inequality, poverty, unemployment, domestic violence, discrimination and homelessness.
- ii. **Measures to strengthen community assets** – including activities to increase social connectedness, improve community environments, foster participation in community decision-making, and increase awareness of both risk factors and community resources to support mental health and wellbeing.

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<sup>8</sup> [The economic case for investing in the prevention of mental health conditions in the UK | Mental Health Foundation.](#)

<sup>9</sup> Mental Health Foundation (2020) Tackling Social Inequalities to Reduce Mental Health Problems

<sup>10</sup> Ibid



- iii. **Measures at the individual level** – this includes educating people about how to look after their own mental health, peer support, and showing people how they can contribute to the mental health of their communities and families.

To maximise impact and address the interrelationship between these factors, concurrent action should be taken across each of these three levels.

As a prevention organisation, we have called for a new cross-government Prevention Strategy that tackles all inequalities through ‘proportionate universalism’. A proportionate universalism approach balances universal actions (for everyone) with targeted actions (for specific groups) and allocates resources according to levels of need. Under this approach, action should be taken for everyone, but the scale and intensity of interventions should be proportionate to the level of disadvantage experienced.<sup>11</sup>

**Further information:** For additional information on this submission, please contact Shari McDaid, Head of Policy & Public Affairs (Scotland, Wales and Northern Ireland) at

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