



To: Scrutiny Co-ordination Committee

Date Wednesday 19th March 2014

Subject: The Impact of the Economic Downturn and Welfare Reforms on Health

1 Purpose of the Note

- 1.1 To provide the Scrutiny Co-ordination Committee with an overview of the possible health impacts on Coventry's population following the recent economic downturn and welfare reforms. This work has been undertaken by the Institute of Health Equity, University College London on behalf of Coventry.
- 1.2 The Marmot Steering Group will be reviewing the report and identifying the priorities to be taken forward at their next meeting on 14th May. In light of other work that is currently taking place in relation to welfare reform, Scrutiny Co-ordination Committee is invited to provide any comments or recommendations for their consideration.

2 Recommendations

- 2.1 Scrutiny Co-ordination Committee is asked to review the outcomes of the research and make any recommendations on priorities to be taken forward by the Marmot Steering Group.

3 Information/Background

- 3.1 As a Marmot City, Coventry is committed to delivering rapid improvements that will lead to long-term reductions in health inequalities. Considerable inequalities exist in Coventry in relation to life expectancy and years of life spent with ill health. The Marmot Review previously identified that being employed in a decent job with a satisfactory income and living in decent housing are all requirements for good and equitable health outcomes. Therefore, the recent economic downturn and the associated changes may have a detrimental impact on the mental and physical health of Coventry residents. These effects will put additional pressures on a range of health and social services, including the NHS, public health and counselling services, children's services, housing services, advice services and the police, as there is likely to be a rise in demand for these services.
- 3.2 Coventry City Council commissioned The Institute of Health Equity, University College London (UCL) to look at the potential health impacts on Coventry's population following the recent economic downturn and the government's welfare reforms. The researchers were tasked with providing a series of recommendations for Coventry with a particular focus on asset based approaches.

- 3.3 Public Health and Corporate Research have worked closely with the researchers throughout the project. The specification for the research was developed in partnership with the Welfare Reform Coordination Group and the findings have been shared with the group. The Marmot Steering Group will be responsible for reviewing the recommendations and overseeing implementation. The research findings and recommendations are due to be discussed by the Marmot Steering Group on 14th May.
- 3.4 By utilising the latest research literature, the researchers estimated some of the health effects we might expect to see in Coventry. This includes significant increases in depression and other mental health problems, cardiovascular disease, limiting long-term illness, alcohol-related illness, self-harm, overall mortality, infectious diseases including TB and HIV.
- 3.5 Priority groups that will be most impacted: both men and women of working-age on low incomes and those living in the more deprived areas of the city are at greater risk of the identified unemployment and income effects of the economic downturn and the welfare reforms. Young adults, families with children (particularly lone parents and large families) and disabled people are more likely to have been affected than other groups.
- 3.6 A number of recommendations were put forward based on what worked elsewhere. This included continuing funding for existing projects and services that mitigate against the unemployment, income, housing and health effects of the welfare reform. These should be evaluated to ensure value for money. Recommendations also included actions to improve mental health and wellbeing and resilience and social capital among individuals and communities in Coventry. These should use asset based approaches and should be sustainable and have the buy-in of staff and communities.
- 3.7 A dashboard of indicators was suggested to monitor the changes to health, housing, employment and income.
- 3.8 A full copy of the report and appendices can be found at:
<http://www.instituteofhealthequity.org/projects/the-impact-of-the-economic-downturn-and-welfare-reform-in-coventry-the-effect-on-population-health-and-recommendations-for-mitigation>
- 3.9 Appendix A includes three scenarios that reflect how the cumulative impacts of the economic downturn and the welfare reforms might affect the health and wellbeing of different types of Coventry household.

4 Recommendations for Action identified in the report

The report made recommendations under 5 broad headings:

4.1 *Engaging the priority groups:*

Targeted outreach and inclusive engagement methods to help ensure that people from the priority groups are involved and empowered within projects and services and to ensure that their involvement is sustained by implementing projects that appeal to them. Partnership approach is important here not only to engage different groups but also to build trust in particular communities. Some approaches were successful in engaging hard to reach and priority groups such as time banks and community health champions.

4.2 ***Existing projects and services that mitigate against the unemployment, income, housing and health effects of the economic downturn and welfare reforms:***

Coventry has a range of programmes to address unemployment particularly for young people. These are strongly supported by the research which also advises that these could be extended to other priority groups.

The research strongly supports the Workplace Wellbeing Charter. It suggests that it may be particularly effective at improving workplace health if it involves employee control and decision-making at work. Workplace interventions are shown to be cost effective.

The research recommends that we continue to support work to strengthen Credit Unions and advice services to address debt problems and financial difficulties. This is consistent with the recent advice services review.

Living in poor housing or being homeless have deleterious health impacts and therefore the research supports the work of the Coventry Housing and Homelessness Strategy to reduce overcrowding, fuel poverty and homelessness.

This research has identified that the economic downturn and welfare reforms may lead to worse health in Coventry, specifically a potential rise in poor mental health and wellbeing, cardiovascular disease, limiting long term illness, alcohol related illness, infectious disease, respiratory disease and cancer. This will increase pressure on NHS primary and secondary care services and social care services in the short, medium and long term. Therefore planning ahead and ensuring enough resources are available now to mitigate against these future effects are important particularly in the context of reduced funding across sectors.

A suggestion was made to conduct further research into the growing group of people who are not in employment or on benefits/economically inactive in order to provide them with adequate support.

4.3 ***Engaging employers***

Ensure that employers follow up the Health & Safety Executive (HSE) Stress Management Standards in full, including recognising the need for reward to match effort. If not properly managed during this period of uncertainty surrounding the economic situation, this may result in poor mental health and wellbeing, lower productivity and increased sickness absence.

Continue to encourage all organisations in Coventry to implement a living wage for all staff and in procurement procedures to reduce the effects of 'in work' poverty.

More flexible working to encourage those with families to move into work and reduce the rise in number of women who are economically inactive.

4.4 ***Actions to improve the mental health and wellbeing, resilience and social capital among individuals and communities in Coventry***

Greater involvement and co-production with communities and greater focus on assets rather than just deficits as they are more likely to lead to longer lasting change by building resilience and social capital among communities and help them cope better in difficult situations. This doesn't mean necessarily setting up new projects but incorporating this approach in existing projects/ work and commissioned services.

Asset based approaches (ABA) can be used to make behaviour change initiatives more effective, this is particularly important to reduce alcohol related mortality and smoking in Coventry which are higher than England average. This is being developed locally as part of the council's wider programme of work around asset based working.

'Making every contact count' (MECC), a programme whereby frontline staff across all organisations who have contact with the public are trained to have a 'healthy lifestyle chat' and referred to appropriate lifestyle commissioned services. The research suggested that this could be extended to sign post and refer people to a wider range of services such as benefits and debt advice.

Co-location of services when possible should be considered. Coventry's children centres were cited as a good example.

4.5 *Building a sustainable programme of work that has the buy-in of staff and communities*

The research recommends the continuation of projects that show positive outcomes to ensure they are sustainable and prevent a high turnover of projects. It also recommends re-enforcing cross sector working by pulling resources and sharing data on assets as well as a cross-sector multilevel training on ABA.

Outcome based commissioning could include outcomes such as community wellbeing, resilience and social capital and co-production. This could be specified as part of the commissioning process. Effective monitoring and evaluation are important for continuous learning, secure funding and stakeholder support.

Aligning strategy and delivery partnerships and effective community leadership will ensure activities are fully joined up and reduce duplication.

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Appendix A: Case studies

The three scenarios in this section reflect how the cumulative impacts of the economic downturn and the welfare reforms might affect the health and wellbeing of different types of Coventry household. These are not real case studies.

Story 1: Nadia's story

(Lone parent, degree in HR, with two children aged 6 and 7)

Nadia is 36 and lives in a three bedroom social rented flat in Coventry with her son, Dan, aged 6, and daughter Olivia, aged 7. Nadia's mother had lived with them until recently when she suddenly passed away. The flat Nadia lived in was under-occupied now that no one lived in the third room.

Nadia lost her Income Support becoming ineligible (with both children over 5yrs) and was moved onto Job Seekers Allowance (JSA) where she was required to look for full-time work. Nadia was offered a full-time medium-skilled job (although not in her sector) fairly quickly, despite the recession.

She found that the benefits she received meant that it was beneficial for her to work. However, she was still living on a low income given that she had two young children to look after and each time the benefits system changed she was concerned that it would reduce her income so much so that she would no longer be able to afford to work.

Nadia could not cover the 14% rent increase (because of the under-occupation). She found a 2 bed flat an hour on public transport from her job. This eased the pressure of her rent payments, but meant that more had to be spent on childcare because of the hour-long commute. The new flat was not very energy-efficient so took a lot of energy to keep warm, and the rising fuel prices were exacerbating this cost, so they lived in a cold home.

Despite finding a job, the working conditions were tough and she was expected to work long hours without being paid extra. She did not feel like she was able to complain because there was so much competition for work at the moment and other people were being made redundant at her firm. Nadia was constantly in fear of losing her job. She had to pay more than she had anticipated for childcare because she was home an hour or two later than she should have been most nights.

Examples of the possible medium- to long-term health implications:

- *Job insecurity, long hours and poor working conditions increased Nadia's risk of mortality, cardiovascular disease, self-reported health and wellbeing*
- *Living in a cold home increases the risk of cardiovascular and respiratory disease including asthma and poor mental health for everyone in the household*
- *Households facing financial difficulties or a sudden drop in income have been associated with poor mental health in adults and children*

Story 2: Holly and Ben's story

(Family with two parents and three children aged 2, 4 and 5)

Holly and Ben have three children, aged 2, 4 and 5. Holly works full-time in a factory with a £23,000 salary while Ben stays at home with the children. Ben was partially paralysed from a stroke a few years before and since then has suffered regularly from panic attacks due to anxiety. Ben claims Disability Living Allowance (DLA) and Incapacity Benefit (IB) and is due to be reassessed for both over the next few years.

They live in private rented accommodation. They do not pay for childcare as Ben is able to look after the children around school hours.

The factory Holly works in is closed down and she is made redundant. She signs on to receive JSA but finds it difficult to find another job. This is a significant income drop.

Ben is reassessed for IB. The idea of the reassessment and the process cause Ben much stress and anxiety, particularly because Holly is out of work. Ben is judged fit for work and so loses almost £100 a week. He appeals and the decision is overturned. However, this takes a few months and Ben's anxiety gets much worse over this period. His mental health deteriorates and he is even more worried about the DLA reassessment process that he will have to go through at some point in the next few years.

Holly and Ben's relationship suffers because of the pressure they are under, both unemployed and living on a low income. Eventually they decide to separate and Ben moves out of the house, staying on his friend's sofa. Holly claims Income Support and looks after the children full-time, which she finds difficult because of their lack of income. Ben becomes homeless and moves regularly between local shelters.

Examples of the possible medium- to long-term health implications:

- *Households facing financial difficulties or a sudden drop in income have been associated with poor mental health in adults and children*
- *Homeless people have a higher risk of mortality, alcohol-abuse, smoking, poor nutrition, cancer and tuberculosis*
- *Children who live in poverty have a greater chance of limiting illness in adulthood and poor educational attainment*

Story 3: Nick's Story

(Young single adult, Nick, aged 23, 5 GCSEs, GNVQ level 2 in Public Services)

Nick worked as an administrator in the local tax office from the age of 19 to 20, but was made redundant at the height of unemployment in 2010. Since then, aside from a temporary role on a building site for 8 months in 2011, he has been unemployed.

Nick claims JSA (£56.80 per week) and Local Housing Allowance at the shared room rate (£60 per week), which covers his rent in a small shared flat. He also claims Council Tax Benefit which covers his £15 per week Council Tax. Nick's income is £56.80 per week after housing costs

Nick becomes depressed having been unemployed for almost two years and rarely leaves the house. His chances of getting a job are now significantly lower because he has been unemployed long-term, and his chances of getting into employment later in life are also significantly damaged by early unemployment.

Nick is considered to have broken his Conditionality Commitment as he has not been searching for a job for a few months because of his low level of self-esteem and he faces sanctions. He loses his full JSA payment for four weeks. A couple of months later this happens again and he loses his JSA for 13 weeks. This means that during 2013 he has no income for 17 weeks (about 4 months). He regularly goes to the food bank and has borrowed money from friends to get by.

Nick remains depressed, in poverty and not living a healthy life. He cannot afford a nutritious diet and lives in a cold home as he cannot afford the rising heating costs, which leave him more prone to colds and flu.

Examples of the possible medium- to long-term health implications

- *Unemployment and depression leading to alcohol abuse and related illness*
- *Severe depression giving him a higher risk of suicide*
- *Social isolation has left him more vulnerable in terms of recovery from illness*
- *Living in a cold home means he has a higher risk of cardiovascular and respiratory disease*