

## Background Briefing for Healthy Public Policy Event

December 2008

### 1. SOUTH WEST PARTICIPATION IN HEALTHY REGIONS PROJECT

The Healthy Regions project aims to develop a concept for how to understand 'Healthy Regions'. It is funded by the European Commission's Programme of Community Action in the Field of Public Health and is a partnership between the following European regions: South Denmark, Örebro, Östergötland, South West UK, Sleswig Holstein, Brussels and Veneto.

The project takes the view that public health and wellbeing are fundamental factors in the economic growth and sustainable economy of the region. A strategic approach to health and wellbeing that aligns with economic and innovation strategies, focussing on their alignment and inter-dependence, will be increasingly crucial.

The 'Healthy Regions' concept assists regions to put health and wellbeing promotion as an important issue on the political agenda and provides understanding of their contribution to the sustainability of communities and business and therefore to the wider development of the region.

So far South West has:

- undertaken a literature review of the relationship between health and economic growth;
- undertaken a mapping exercise using the Verona Benchmark to assess how healthy public policy is;
- is holding a joint developing healthy public policy event with Regional Development Agency on 12 December 2008 to bring together key regional and local stakeholders in the region to explore the need to improve synergies between health, wellbeing and economic development objectives in the South West and explore the opportunities of the forthcoming Single Regional Strategy;
- has got three projects to test the concept of healthy regions to an outline stage.

### 2. WHAT WE ARE TRYING TO ACHIEVE WITH THE EVENT

What we are looking to achieve from the event is:

- greater recognition of the importance of healthy public policy at a regional level, how we can ensure the Single Regional Strategy is a piece of healthy public policy and how this relates to local action;
- a better understanding of the gaps in relation to healthy regional public policy at a regional level (this is the mapping exercise undertaken);



- tangible actions that the Regional Development Agency, NHS and Department of Health and regional and local partners can work on together relating to health and economic growth through a healthy public policy approach. This might be in relation to health impact assessment, healthy procurement, healthy workplaces etc. One idea has been production of a ten high impact changes document for healthy public policy.

### 3. WHAT IS HEALTHY PUBLIC POLICY?

The World Health Organisation defines healthy public policy as being:

‘...characterized by an explicit concern for health and equity in all areas of policy and by an accountability for health impact. The main aim of health public policy is to create a supportive environment to enable people to lead healthy lives.

‘Such a policy makes health choices possible or easier for citizens. It makes social and physical environments health-enhancing. In the pursuit of healthy public policy, government sectors concerned with agriculture, trade, education, industry, and communications need to take into account health as an essential factor when formulating policy. These sectors should be accountable for the health consequences of their policy decisions. They should pay as much attention to health as to economic considerations.’

(Source: World Health Organisation, Adelaide Recommendations on Healthy Public Policy, 1988)

Tools for assessing healthy public policy include:

- NICE Guidance on Working Partnerships  
[http://www.nice.org.uk/niceMedia/documents/working\\_partnership\\_3.pdf](http://www.nice.org.uk/niceMedia/documents/working_partnership_3.pdf)
- World Health Organisation Verona Benchmark

### 4. THE RELATIONSHIP BETWEEN HEALTH AND ECONOMIC GROWTH

The Lisbon Strategy is the overarching economic strategy for Europe. It is based on the perspective that if the European Union makes the right economic reforms now, it can secure a prosperous, fair and environmentally sustainable future for Europe. It can ensure that our economies are well positioned to take advantage of the opportunities offered by globalisation. It can put Europe in a strong position to cope with demographic changes that will mean more older people and fewer young people of working age in our societies.

#### European Commission

On 23 October 2007 the European Commission adopted a new Health Strategy, ***‘Together for Health: A Strategic Approach for the EU 2008-2013’***. Building on current work, this strategy aims to provide, for the first time, an overarching strategic framework spanning core issues in health as well as health in all policies and global health issues. Actions include the development of a programme of analytical

studies of the economic relationships between health status, health investment and economic growth and development (Comission, Member States)

On p5 it states:

‘Health is important for the wellbeing of individuals and society, but a healthy population is also a prerequisite for economic productivity and prosperity. In 2005, Healthy Life Years (HLY) was included as a Lisbon Structural Indicator, to underline that the population's life expectancy in *good health* – not just length of life – was a key factor for economic growth. The Commission report to the 2006 Spring European Council urged Member States to reduce the high number of people inactive through ill-health<sup>13</sup>. It stressed that policy in many sectors has a role in improving health for the benefit of the wider economy. Spending on health is not just a cost, it is an investment. Health expenditure can be seen as an economic burden<sup>14</sup>, but the real cost to society are the direct and indirect costs linked to illhealth as well as a lack of sufficient investment in relevant health areas. It has been estimated that the annual economic burden of coronary heart disease can amount to 1% of GDP<sup>15</sup>, and the costs of mental disorders to 3-4% of GDP<sup>16</sup>. Healthcare spending should be accompanied by investment in prevention, protecting and improving the population's overall physical and mental health, which, according to OECD<sup>17</sup> data currently amounts to an average of 3% of their Member States' total annual budgets for health compared to 97% spent on healthcare and treatment<sup>18</sup>.’

## Health and Wealth

The World Health Organisation Regions for Health Network held a European Ministerial Conference on Health Systems: Health and Wealth in Tallin, Estonia in June 2008. It produced a summary of the relationship between the two in: Health systems, health and wealth: Assessing the case for investing in health systems. Edited and Written by Josep Figueras, Martin McKee, Suszy Lessof, Antonio Duran, Nata Menabde [http://www.euro.who.int/document/hsm/3\\_hsc08\\_ebd3.pdf](http://www.euro.who.int/document/hsm/3_hsc08_ebd3.pdf)

## 5. LITERATURE REVIEW

South West Strategic Health Authority undertook a literature review of the relationship between health and economic growth. Key points are:

- Data relating to the United Kingdom specifically was rare, however generic information and information relating to Europe was found. It has been suggested that data from European countries is weak due to little research into the effects in this area (Suhrcke et al, 2006). There is also a problem differentiating between cause and effect of links between health and economy, along with the longer time periods needed to collect data to yield results (Gupta and Mitra, 2004). Studies have looked at the microeconomics, assessing economic outcomes using the effects of health whilst considering other factors that may have a determining factor, and macroeconomic analysis whereby mechanisms evaluate how health influences the economy and relative contributions from such mechanisms (Suhrcke et al, 2006).

- The World Health Organisation indicates that it is widely accepted that economic and social development improves health but more unrecognised is that the health status of the population will contribute to all economic development (World Health Organisation (2007). Suhrcke (2006) reports that health has consistently been shown in worldwide studies to be the best indicator of economic growth, more so than education.
- The healthier a person, the harder and longer they will work. Through all ages of life, the health of a person will impact on their ability to learn, develop skills, join the workforce and remain in the workforce (Weil, 2007). Over the past 200 years, improved health and nutrition has contributed to 50% of the economic growth seen in the United Kingdom, which is relative if comparing to other industrialised countries (Suhrcke *et al*, 2006).
- There are a number of health measures that provide good indicators of those who have the ability to undertake paid work. Longer life expectancy coupled with good childhood health been identified (Weil, 2007), (Bhargava *et al*, 2001). A healthier person with a longer life expectancy has more incentive to invest and save during their lifetime (Weil, 2007). It has been estimated that for every additional year of life expectancy, Gross Domestic Product per capita growth is between 4% and 7% (Eberstadt and Groth, 2007) (Bloom *et al*, 2001).
- Higher life expectancy levels (life expectancy at birth) (Cooke *et al*, 2005) can actually put greater pressure on a country as it requires more human capital investment. Spending on acute and long term healthcare will increase, and there will be more retirees compared to workers due to fixed aged limits for retirement (Westerhout and Pellikaan, 2005).
- Deaton (2004) indicates that income growth does not correlate with a fall in mortality rates in countries like the United Kingdom, but is determined by income inequalities. Yet the ability to earn an income is a function of how healthy a person is (Gupta and Mitra, 2004). Mortality rates can actually increase during large growth in Gross Domestic Product due to higher stress from the adaptation to new technology, the speed and duration at which people are expected to work and higher work volumes (Granados, 2005). However, Granados (2005) estimates that during zero growth times mortality will continue to decline by 2.2% a year. Children will wait longer to receive family assets, leading to longer time periods where assets are not used for productive purposes. Any improvement in health status relating to growth will be unlikely to show for many generations as these effects have to be sustained over longer time periods for effects on growth rates to be felt (Gupta and Mitra, 2004).
- Health has a closer relationship with poverty which the economic growth rate has little impact on (Gupta and Mitra, 2004). Any decisions on pension rules, access to disability benefits and health insurance will either help or hinder the economy (Suhrcke *et al*, 2006). Re-training people and access to healthcare can provide a buffer to the market by protecting people



rather than jobs (Commission on Growth and Development), but what is unknown is the effect that a welfare state has on economic flux (Granados, 2005).

## 6. INDICATORS OF WELL BEING

The Office of National Statistics published in October 2007 a paper synthesising the issues around indicators of well being. It looked at a number of issues including:

- the question of whether the wellbeing of society as a whole is more than the sum of individual wellbeing.
- Organisation for Economic Co-operation and Development (OECD) global project on measuring the progress of societies
- National Accounts and related indicators particularly GDP per head provide a well-established and internationally agreed way of measuring economic wellbeing but that it is increasingly seen as an incomplete measure of quality of life.
- a more manageable framework appears from the context of sustainable development in which economic, environmental and social issues and progress are seen as interdependent.
- issue that increasing GDP does not automatically lead to better quality of life.

## 7. AREAS OF COMMON INTEREST FOR REGIONAL DEVELOPMENT AGENCIES AND STRATEGIC HEALTH AUTHORITIES

A joint statement has been produced by the Chairs of the Regional Development Agencies and the Strategic Health Authorities outlining the growing partnership between health and economic development. It highlighted:

- the business case for a healthy working population set out in Dame Carol Black's recent review of the health of Britain's Working Population '*Working for a Healthier Tomorrow*' and the Kings Fund 2 report '*Claiming the Health Dividend*'.
- the important role of workplace health initiatives to improve health and productivity given that the economic costs of sickness absence and worklessness associated with working age ill-health are over £100 billion a year – greater than the current annual budget for the NHS and equivalent to the entire GDP of Portugal.
- the NHS is the world's third largest employer with a revenue budget of £79bn each year. This spending can stimulate markets, drive business growth and accelerate innovation in health delivery. Strategic Health Authorities are responsible for directing a significant proportion of that investment in English regions.

- the role of the NHS in sustainable procurement strategies. It has an annual procurement budget of £24 billion for goods and services and spends £5 billion a year on capital development. Procurement can be made to work for the benefit of local economies where NHS organisations are located. Whilst value for money and stability of supply will always tend to advantage more established and large scale companies, the drive to personalise care to address health inequalities and the desire to support local and social enterprises means that a fresh wave of contracts need to be let to SMEs and Third Sector organisations.
- the NHS role in relation to stimulating and nurturing innovation which benefits patients and can help a region build its competitive edge in a global economy and bring benefits for users (see case study 6, ATcare), for example by facilitating knowledge transfer:
- NHS organisations drive the demand for particular skill sets within their surrounding communities and draw a supply of highly skilled workers into the area, contributing significantly to the buoyancy of a local economy.
- the NHS role as a significant employer. It offers employment opportunities suitable for those with basic skills through to those with higher level skills. Coupled with its status as a significant employer in each region, it is an important route (back) into employment for many. Recognising this, the NHS regards itself as having a responsibility to raise the career aspirations of the local population by demonstrating the job opportunities available and putting in place pathways to employment.
- the NHS contribution to the infrastructure for growth agenda and its influence on the physical, social and economic development of a place through their £5bn annual capital programmes.
- the NHS contribution to the sustainable development agenda. It has a massive carbon footprint and is responsible for over 18 million tonnes of carbon dioxide per year making it the largest public sector contributor to climate change accounting for 30% of all public sector emissions. A programme of carbon reduction is good for health *and* good for business.

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