# HOUSING STANDARDS AND NHS COSTS

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# **Origins Of Research**

• UK Government Housing Reform Advisory Team in Bulgaria 1992-94

• a multi-skilled team (practitioners, academics, lawyers, planners, etc.)

• Bulgarian experience prompted a rethink of problems back home

#### **Decisions On Return**

• to continue co-operation on policyrelevant research in UK context

• all team members saw poor housing as a 'lead variable' affecting other budgets

• 'Cost-effectiveness in Housing Investment' (CEHI) Programme set up

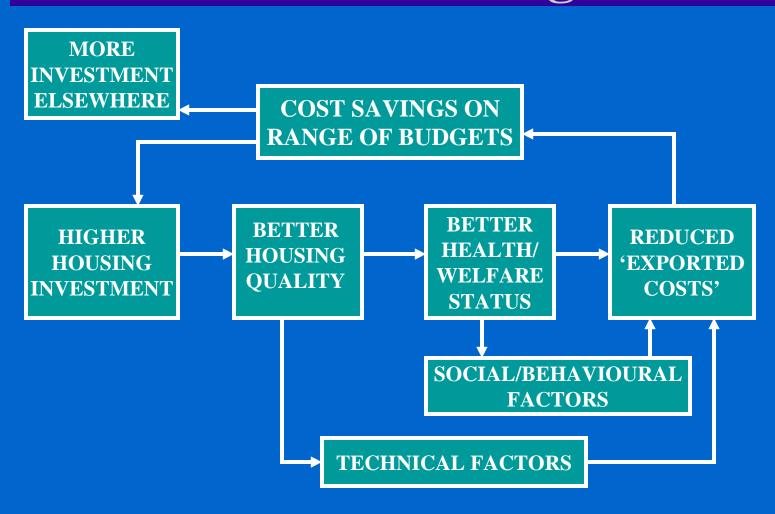
#### CEHI 1995 Aims and Tasks

 to identify 'exported costs' associated with poor housing conditions

to develop means of measuring them

• to re-focus the rationale for more housing investment on grounds of *economic* efficiency as much as social justice

#### The CEHI Logic



# Case Study Work from 1995

• Single Regeneration Budget renewal of estates in Tower Hamlets (east London)

 project commissioned to assess the 'health gain' associated with the renewal

• intensive household surveys before and after the intervention (1996 and 2000)

#### **Nature Of The Area**

mostly 1950s/1960s low rise flatted stock

very poor construction/maintenance

• long-established 70-80% Bangladeshi population

• huge job losses since 1970s (docks closed)

# **Survey Methodology**

• c.10% random sample (107 households and 525 people)

• interviewing by bi-lingual pairs, repeat visits over five month period

• 95% response rate

## Methodology - continued

- self-defined Illness Episodes and Illness Days logged for all household members
- action taken for each Episode noted
- parallel survey of 50+ local service providers to complement household survey

# 1996 'Before' Findings

shocking and unhealthy conditions

• 47% rooms damp, 69% people too cold

• one third of households infested (cockroaches, ants, vermin)

room density well above legal limit

#### 'Before' Ill-health

• 37% of Person Days were Illness Days

 main ailments were coughs, colds, aches, asthmatic, bronchial, digestive and 'depression' (understated)

• 75% of Episodes led to GP visit, 65% medicine prescribed, 20% outpatient visit

#### Four 'Indirect Effects'

- long exposure to poor conditions lowers resistance, lengthens recovery times
- people may adopt health threatening habits (e.g. smoking) to reduce stress
- reduced self-organising capacity
- professionals' expertise diverted to other tasks (teachers doing 'social work', etc.)

# 2000 'After' Findings

 cold and damp much reduced in new homes

infestation much reduced

• room density down from 1.43ppr to 1.00

better management and repairs response

# **Related Improvements**

• fear of crime much reduced

children's progress at school improved

stronger informal community networks

all these contribute to improved health

#### 'After' Ill-health

• pattern of ill-health much the same

but only 5% of Person Days were Illness Days
 (cf 37%) = seven-fold improvement

• far fewer GP visits, medication, etc.

reduced impact on health service costs

#### **Downside Effects**

- no 'spread effects' outside SRB area (which is only 10% of Tower Hamlets)
- household costs up 27% following rehousing in new/improved homes
- 75% of this due to higher rents, 19% due to higher Council Tax bandings

#### **Effects of Higher Costs**

- deepens 'benefits trap' and complicates move from benefits to work
- in some cases extra costs lead to:
  - family tensions about economising, etc.
  - increased debt and financial stress
  - reduced spending on food, clothes, leisure
- all these may work to reverse some health gain

## **Broadening The Case**

- paper lists 40+ costs affected by housing
- costs can be categorised in five ways:
  - capital v revenue
  - costs to residents v externalised
  - systemic v formalised
  - ease/difficulty of measurement
  - short/medium/long term effects

#### **Broadening Still Further 2003**

- poor housing is a surrogate for poverty
- POVERTY ITSELF generates 'exported costs' in a variety of ways
- current project for UNISON to produce evidence for Local Government Pay Commission

## **UNISON Brighton/Hove Work**

- establish 'Low Cost but Acceptable' wage level for Brighton and Hove
- survey sample of low paid workers and compare incomes with LCA
- identify broader effects on life of low pay in high cost area

# 'Exported Costs' of Poverty

Identify and review other work on povertyrelated costs in Netherlands, Australia, USA, etc.

Attempt to identify lifetime NHS costs of:

- Pre-term low birth weight babies
- Obesity (from poor diets)
- Low indoor winter temperatures

# **Conclusions – About Housing**

 housing of appropriate quantity and quality is a key item of infrastructure

• under-investment in housing produces short, medium, and long term costs

 research now needed to evaluate and model the 'exported costs' effects

#### Conclusions – More Holism

- a 'whole system' approach is required
- analysis of inter-sectoral cost effects are crucial to cost-effective policy formation
- policies intersect at the household level
- so intensive survey methods are required

#### **End Of Presentation**



Thanks for listening