



Economy and Health

Vision

Health and economic development have a common agenda, which promotes the health and prosperity of West Midlands residents.

To strive for excellence in health but to do it in a way that maximises prosperity and sustainability and reduces disadvantage.



West Midlands Priorities for Action

- Ensure children and adults get the most out of life by supporting them to develop their skills for employment and access to employment
- Develop workplaces as centres for promoting the health of the workforce and their families, and to promote health at work as a way of increasing productivity.

The health and care sector can lead by example. Priorities should be to:

- Broaden access to jobs in health and social care (public, private and voluntary sector), by targeting disadvantaged areas, communities and individuals, including those on long-term benefits
- Use investment in the health and social care sector as a driver for economic growth
- Agree an investment strategy between key partners which will help get the right people with the right skills in the right place at the right time

Key Facts: In the West Midlands

- Poor health is strongly correlated with high levels of unemployment and low levels of skills and learning¹
- The West Midlands average for days lost through sickness absence per employee is 6.6 days per year²
- In 2003/04 an estimated 200,000 people in the West Midlands reported suffering from an illness that was believed to be caused or exacerbated by their current or past occupation³
- Within the West Midlands, there are marked differences in the percentage of long-term claimants of Incapacity Benefits and Severe Disablement Allowance per Local Authority. Stoke-on-Trent is approximately three times higher than Herefordshire which has the lowest percentage⁴
- Medical Technology is one of the priority business clusters identified in the Regional Economic Strategy⁵ and is a priority for the Central Technology Belt and the Science City initiative
- The total income for voluntary organisations within the West Midlands in 2003 was £1.2 billion⁶
- The negative economic impact of tobacco on the Region is £1.25 billion per year⁷.

- Physically active employees take 27% less days of sick leave than those who are inactive. This equates to over two days improved attendance and savings of £135 per employee per year⁸
- The over fifties will account for a third of the “available for work” population by 2016. This will mean employers will need to recognise that older people are an integral part of the economy of the West Midlands and adhere to new legislation on age discrimination and employment. This will provide opportunities for older people to retrain and/or engage in learning and skills development⁹
- The NHS employs more than 124,000 people within the Region¹⁰. Overall the health and social care sector is estimated to employ over a quarter of a million people in the Region¹¹ which is a significant proportion of the 2.4 million people in employment
- The Region’s new hospitals, such as the University Hospital Birmingham NHS Foundation Trust provide a real catalyst for growth and regeneration and one which will impact across the whole Region
- The NHS has a revenue budget of £79 billion, of which it spends circa £24 billion per year on goods and services. It also spends £5 billion on capital development¹²
- Priorities emerging from the Local Area Agreements are to improve educational attainment, skill levels, increase employment opportunities and target specific groups such as lone parents, over 50’s, BME communities and those on benefit. The NHS as a large employer needs to play its part in achieving these.

Background

This chapter is slightly different to the other chapters as there is a greater focus on health and social care. This is because it covers both the impact that the economy has on health and the role the health and social care sector can have on the economy.

The West Midlands has a larger share of England’s most deprived areas in terms of unemployment¹³. The majority of these areas are urban areas. There are around 200,000 households where none of the adults have worked for more than two years: a figure which has remained steady since 1996¹⁴. Evidence suggests that when people have been in receipt of incapacity benefit for over a year, many are unlikely ever to return to work¹⁵. Over one third of incapacity benefits nationally are for mental and behavioural disorders¹⁶.

Poor health is strongly correlated with high levels of unemployment and low levels of skills and learning. Skills and learning programmes are an essential mechanism for tackling such multiple disadvantage.



Health and Social Care Sector

The health and social care sector is a major employer within the Region. The health and social care sector employs more than a quarter of a million people in the Region¹⁷. More than 120,000 are employed in hospitals, while a further 80,000 are employed in social care. More than 80,000 people work in personal service occupations and a further 80,000 work in associate professional and technical occupations.

The sector has objectives around ensuring efficiency and it has corporate social responsibilities around maximising the investment made in health care and increasing prosperity and reducing disadvantage in the Region. The Health Care Commission is proposing to include in their annual health check¹⁸ measures to assess how NHS organisations improve health through investment in the local community. Excellent performance is suggested to be:

- “The workforce broadly reflects the local population, with proportionate representation of people from deprived areas and vulnerable groups, including black and ethnic minority communities, disabled people and users of mental health services. There is evidence of robust systems for reporting and monitoring”
- Comprehensive policies are implemented, including a strong active role for the occupational health service in promoting health and well-being and reducing inequalities in health; “Back to Work” schemes and other measures to manage absence through sickness are in place. These schemes should extend to all staff, including those employed by contracted companies and organisations
- Targets for the percentage of goods and services procured locally are systematically met.
- There are comprehensive and embedded “Health at Work” schemes which strive to improve the health of the workforce. This includes implementing NHS plans for healthy transport, green travel and “wheels to work”. “The local healthcare organisation is required to work with others, especially Local Authorities, to reduce barriers to cycling, walking and use of public transport”.

These proposed standards could be extended to all partner organisations particularly those who are major employers.

Work and Health

For most adults work is central to a healthy life, providing not only financial rewards but also contributing to physical and psychological well-being. Worklessness results in loss of income which impacts on an individual's health through a resulting lack of daily routine, social contact and self-esteem. There is a relationship between work and health which can be summarised as follows¹⁹:

- Work that provides fulfilment or job satisfaction and, in particular, allows individuals discretion and control over their working lives, appears to have a positive impact on health
- Conversely, types of jobs that are lacking in self-direction and control appear to confer far fewer health benefits and the rates of mortality and morbidity among these workers appear to be consistently higher.
- In the West Midlands, Labour Force Survey²⁰ data indicates that for May to the end of July 2006:
 - The number of people in employment was over 2.4 million or 73.4% of working age people
 - There is a significant difference between the lowest working age employment rate (64.1%, 393,000 employed) in Birmingham, and the highest working age employment rate (81.7%, 48,000 employed) in Shrewsbury and Atcham²¹
 - For those who are in employment, the average employee spends 34.6 hours of their week in work²²
 - Although employment rates are high, large numbers of people are still out of work, with an estimated 141,000 in the West Midlands (approximately 5.3% of the working age population)²³.

There are concentrated, stagnant pockets of unemployment. The highest rates of unemployment and labour market inactivity are concentrated in the urban centres of Birmingham, Wolverhampton, Sandwell, Stoke-on-Trent and Coventry. Unemployment rates in these areas are double those in the “shire counties” and economic inactivity rates are 10% higher²⁴.

Work can have both positive and negative effects on health and it is the responsibility of employers and employees alike to work together to reduce the impact of the negative effects and promote a safe and healthy working environment. About 45,000 people (1.3% of workers) believe themselves to be suffering from work related stress, depression or anxiety²⁵.

Promoting health within the workplace can increase productivity and reduce absenteeism. One of the key features of the future labour supply is that it will need to include an older age group because of the demographic growth predicted in the Region²⁶. It is important that older people are recognised as an integral part of the economy²⁷ and that there are opportunities for them to retrain and/or engage in learning and skills development.

The over-fifties will account for a third of the ‘available for work’ population by 2016²⁸.

The recent Regional Lifestyle Survey²⁹ highlighted that respondents with a long-term limiting illness that affects their mental health are at a higher risk of unemployment, less likely to be working full-time and more likely to be taking long-term sick leave. They also cite poor rates of pay, lack of qualifications, work experience and skills as common reasons for not being able to obtain the job that they would like. It is possible, through targeted support and training, to enable people with mental health problems to return to work as quickly as possible³⁰.

Children

Every Child Matters’ outcomes include to achieve economic well-being, getting the most out of life and developing the skills for adulthood. This is an important outcome from the Change for Children agenda and includes engaging in further education; employment or training; decent homes; sustainable communities; access to transport and material goods; and not living in a low income household.

Actions could include:

- The health and social care sector promoting access for young people to high quality vocational courses from age 14
- Increasing participation in post-16 education, employment and training, promoting multi-agency work through Children’s Centres, extended schools and early family support, ensuring 14-19 education and training is planned of good quality and is delivered in a co-ordinated way and ensuring young people are ready for employment.



Skills

Generally access to jobs in health and social care, targeting disadvantaged areas, communities and individuals, could be improved through promoting vocational and basic skill training. Work with the Learning and Skills Council, Jobcentre Plus, Local Authorities, Further Education and other agencies, will provide an integrated approach to training and learning.

Skills and the Health Sector

There has been a lack of detailed workforce planning data to influence the number and type of courses purchased by funding bodies for education and health. For a co-ordinated investment strategy to be implemented, it is vital that health at local and regional level is better able to identify and articulate its future workforce requirements and link these requirements to learning programmes. With this in place, commitments will be needed from health sector employers, those that deliver and fund education and training, the government, Skills for Health and individuals to maximise the investment available to support workforce development in the sector.



It is clear that those in lower NHS grades have least access to training and development. Non-registered staff representing 43% of the NHS workforce receive just 9.4% of the £4 billion spent annually on training staff. There is strong evidence that investment in formal and informal learning can improve organisational performance in addition to the impact on an individual's health and economic prosperity.

NHS Spend

In the West Midlands, it is estimated that NHS spend counts for 10% of regional GDP³¹. This serves to emphasise the importance of the health economy in respect of wider regional prosperity.

The importance of the health and social care sector in terms of employment is recognised in the Regional Economic Strategy Review which predicts a 32,000 increase in jobs in the sector between 2006 and 2015. Looking at employment change by occupational sub-group within the West Midlands between 2006 and 2015, the prediction for health professionals is a 7000 (30.8%) growth and for health associate professionals a growth of 13,000 (15.6%)³².



Procurement

The NHS procures a huge range of goods and services. At first glance, this appears to be a significant opportunity for UK suppliers. However, this is not always the case given:

- Ongoing pressures within the NHS to reduce costs
- The volume of products required tends to favour larger companies
- The difficulties companies face in trying to gain approval for new products due to purchasing policies and the need to ensure clinical efficacy and safety, can reduce their motivation to be innovative.

At a regional level, the West Midlands is home to many current and potential suppliers to the NHS. In the future, opportunities are likely to come from two sources: Foundation Trusts and Collaborative Procurement Hubs. Foundation Trusts have greater autonomy and are able to assume greater control of their purchasing arrangements. These Trusts are required to demonstrate how they contribute to wider economic development, which should lead to more opportunities emerging for local companies.

Collaborative Procurement Hubs have been established in order to try to improve the way in which the NHS procures goods and services. In the West Midlands, the Healthcare Purchasing Consortium is working with local

companies in order to help them become aware of opportunities and to break down some of the barriers which prevent their products from being adopted by Trusts.

The NHS also spends £5 billion on capital development per year and there is the potential to work more closely with the construction companies to enable local people to get jobs. There are also links to be made with design, which are further explored in the Culture, Physical Activity and Health chapter.

Medical Technologies Cluster

In the West Midlands, Medical Technologies is one of the priority business clusters identified in the Regional Economic Strategy. The cluster is seen as a significant opportunity for companies who need to diversify their business away from traditional manufacturing to higher value-added markets.



The Medical Technologies Cluster is supported by Advantage West Midlands (AWM), the Regional Development Agency. The Cluster published its latest strategy document at the end of 2005 and activity and funding is concentrated on the following priority areas:

- Diversification
- Innovation and product development, with a particular focus on trying to commercialise more NHS innovation
- Market access and procurement
- Market intelligence.

The health and social care sector clearly relates to the Medical Technology Cluster. There is a particular relationship between art, creative industries and the health and social care sector, but the sector is so large that it impacts on all of AWM's clusters.

Case Studies: **ACTIVATE, The Building Health (Employment and Learning Hub) and Workwell,**

ACTIVATE provides direct training through three weeks induction and then three week placements. ACTIVATE, which won the 2004 Health Service Journal award for recruitment and retention is aimed at training unemployed people for entry level healthcare jobs. Working with partner Trusts ACTIVATE has so far trained over 800 people with positive outcomes such as people gaining a job or moving into further education. Four out of every ten beneficiaries are from BME groups. ACTIVATE receives 100% of its financing from European Social Fund (until March 2007) and receives additional grant-aided funding from the Learning and Skills Council to pilot the model in other parts of the public sector.

The Building Health (Employment and Learning Hub) still targets unemployed people but complements ACTIVATE by "brokering" people into jobs. It works by focusing on community and employer engagement so that target groups are far more aware of the jobs available; producing individual training action plans for clients and referring clients to the most appropriate further training (which could include ACTIVATE); sifting applications for employers so reducing their costs; and working with clients to improve the quality of final application forms. Building Health works with Fair Cities. This often includes pre-employment training which improves the suitability and skills of those applying for jobs. The Hub covers both healthcare and construction jobs arising from the Birmingham new Super-Hospital and is aimed at the whole of the health and social care sector. Key NHS partners are Heart of England NHS Foundation Trust and the Birmingham Children's Hospital, which means job coverage across most of the city.

Workwell

The Workwell project is funded by AWM, and delivered by the NHS and business support partners in the Black Country. The project encourages small to medium sized businesses to be more aware of occupational health and safety issues and to focus on the general health of their staff. Managers learn how to reduce risk, injury and absenteeism in the workplace.

Each company which participates in the project is offered a free baseline well-being assessment which incorporates an occupational health and safety review. This information is then used to develop an individually tailored company action plan. The service is free and confidential. Working to the priorities identified in the plan, Workwell and other agencies are then able to provide additional support to companies, for example advice and support on training, health promotion, signposting to specialist providers and access to financial assistance.

Companies which have participated in the project have seen many benefits. In addition to meeting their legal requirements, they have a safer environment, a healthier workforce and often experience reduced levels of absenteeism. This, of course, means that the company remains more productive and contributes to general economic well-being.



Main Partners

Local Skills Councils

Local Authorities

CSIP

Sustainability West Midlands

Voluntary and Community Sector

NHS West Midlands

AWM

Health and Safety Executive

Business in the Community

WMRA Partnerships

NHS Trusts

GOWM

Sport England

WMLGA

Chambers of Commerce

Weblinks

<http://www.sustainable-development.gov.uk/>

<http://www.sd-commission.org.uk>

<http://www.corporatecitizen.nhs.uk>

<http://www.advantagewm.co.uk>

<http://www.hse.org.uk>

<http://www.bitc.org.uk>