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Environmental Impact Assessment Review 25 (2005) 791–798
Environmental Impact Assessment Review
www.elsevier.com/locate/eiar

Developing a framework to assess costs and benefits of Health Impact Assessment

Phillip Atkinson [a,*], Anthea Cooke [b]

[a] *Public Health Specialist, Southwark PCT, United Kingdom*
[b] *Independent HIA Consultant, United Kingdom*

Abstract

This paper presents some early thinking as to how the costs and benefits of HIA might be assessed. After considering previous work it uses a comprehensive HIA in Dulwich, SE London as a case study to highlight the possibilities and difficulties of collecting necessary data on costs and benefits. It then sets a context for developing a cost–benefit framework for analysis. The framework is viewed alongside the major types of economic evaluation. The paper concludes with a review of outstanding issues and considers how evidence on cost and benefit might make a difference in the application of HIA.

Keywords: Health Impact Assessment; Cost; Healthy Living Centre

1. Introduction

There is a growing national and local interest in the costs and benefits of public health activities. A recent report on the future cost of healthcare in England (Wanless, 2004) concluded 'there is generally little evidence about the cost-effectiveness of public health.' With the need to meet targets and pressures on funding, local decision makers are increasingly asking what difference an intervention will make and how much it will cost. This interest in costs and benefits has extended to Health Impact Assessment (HIA). Costs must be explicit and proportional to the decision at hand. It would not be reasonable to

* Corresponding author.
E-mail address: phil.atkinson@southwarkpct.nhs.uk (P. Atkinson).

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doi:10.1016/j.eiar.2005.07.011

spend £10,000 on an HIA to influence the use of £20,000 whereas it would be worth investing this sum to influence a decision that would affect many millions of pounds. The benefits of HIA are often implicit and rarely quantified. Evaluation has been identified as the 'weakest point' of HIA and the need for information on costs and benefits of HIA is increasingly recognised (Kemm and Parry, 2004b).

2. Cost and Benefits

The cost of undertaking an HIA should, in theory, be relatively easy to measure. Many studies record attendees and the time devoted to meetings, community events and so on, and it is usually possible to estimate the time taken to write the reports. Other costs, such as external consultant time and catering, are known. With these figures together with the cost of staff time it should be simple to calculate a total cost for the HIA. However in practice the required information is often not available. Day rates and the time spent (especially outside meetings) may be inadequately recorded and allocation of overheads uncertain. External costs can be 'lost' in other budgets (Kemm and Parry, 2004b). For these reasons the total cost of an HIA can be difficult to determine.

A small number of studies have attempted to evaluate HIA in the UK. These include Alconbury Airport HIA (Close, 2001), Finningley Airport HIA (Abdel Aziz, 2003), the review of four Mayoral strategies (London Health Commission, 2003). Other papers in this edition add further examples (Elliott and Francis, 2005; Bekker et al., 2005). Very few of these studies attempted to quantify the cost of each study and in many instances cost was not even mentioned. The Alconbury evaluation (Close, 2001) estimated the time devoted to the project, a total of 684 hours, but did not convert this into a monetary value, and worked out that the 'additional expenses' (printing, conferences, expenses) were £6000. The Finningley Airport evaluation (Abdel Aziz et al., 2004) took 348 person-days, equivalent to £52,200–69,600 assuming an average cost of £150–200 per day (including overheads). They spent £14,846 on outside consultants and around £2500 printing reports so the total cost of the HIA was between £69,200–86,600. Fleeman (1998) costed three projects within the Merseyside HIA programme some years ago at an average at £12,650 each, and Ardern (2004) calculated the costs of a local transport plan HIA study as £11,000, in addition to 'current work objectives'.

Little information is available to help practitioners estimate the cost of a proposed HIA and until more published HIAs show their full costs it will remain difficult to quote costs for those wishing to commission an HIA.[1] It has been suggested that costs should be proportionate to the size of the predicted impact. However this leads to a circular argument since the HIA is attempting to estimate the impact, though effective scoping should provide a rough idea of the proposed effects. It has been argued that 10% of the cost of health care interventions should be spent on evaluation and this figure might be applied to HIA. The Finningley Airport HIA cost less than a tenth of the planning costs for this

[1] The London Health Observatory have recently developed a tool to estimate the cost of HIA. See www.lho.org.uk.