nurturing growth

While providing healthcare is the core role for NHS bodies, many are increasingly aware of how they can support economic and social recovery in their local areas. Steve Brown reports

Everyone understands that the economy has a massive impact on the NHS. As NHS England chief executive Simon Stevens famously said: 'When the British economy sneezes, the NHS catches a cold'. But this is not a one-way street and there is a growing realisation of the important role the NHS can play in both local economic and social recovery – something that will be even more important post-Covid-19.

There are already examples of health bodies around the country that are factoring in local social and economic impact to their decision-making, as well as thinking through their impact on the environment.

There are NHS trusts delivering services and running facilities that are outside the direct delivery of healthcare. Others are embedding the delivery of social value into core procurement decisions. And with the current priority being given to addressing health inequalities and the wider determinants of health, some organisations are recognising that this may start with ensuring their own staff have good employment terms and conditions.

In September, the NHS Confederation published *Health as the new wealth: the NHS's role in economic and social recovery*. The report, part of the confederation's *NHS reset* campaign, acknowledges that the role of health in economic development has traditionally been peripheral at best. But a consequence of the pandemic is that it will likely form a 'more important and explicit part of national and local rebuilding'.

This view builds on the recognition that NHS bodies are powerful anchor institutions – large public sector organisations that are unlikely to relocate and have sizeable assets and resources that can be used to support local community wealth building.

While local government and universities have been more typically identified as anchors, the *NHS long-term plan* promised to explore the potential of the NHS as an anchor institution, highlighting examples of where NHS bodies had created social value in their local communities.

The confederation report identifies five steps that will help local economies play their part in this recovery, including filling vacancies with local people and using new local supply chains.

But at their core, all the steps involve recognising the broader impact of actions and decisions. They are about focusing on value delivery – but value in its broadest sense including the benefits to local social and economic wellbeing.

This is not simply an altruistic gesture. A thriving local economy – and one where inequalities are addressed – will deliver health gains to local residents that will have knock-on benefits for generations and potentially reduce demand for healthcare in future.

Employment

NHS bodies are already having a significant impact on their local economies just by being such major employers – responsible for up to 10% of employment in some sustainability and transformation

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partnership (STP) areas. The Health Foundation's report *Building healthier communities: the role of the NHS as an anchor institution* underlined the importance of this being 'good work'. That means providing stable employment, paying a living wage and offering fair working conditions. While much of this is taken care of by national terms and conditions for NHS staff under Agenda for Change, there are areas where NHS bodies can make a difference.

Imperial College Healthcare NHS Trust has just this year brought its hotel services back in-house. Its former contract had been due for renewal and the trust had been stipulating that staff should be paid the London living wage as a minimum. But on further reflection, it decided to move to direct provision, to be reviewed after a year.

As part of the new arrangements, porters, cleaners and catering staff initially moved from a minimum wage of £8.21 to the London living wage and then to NHS rates from April – with a minimum of £11.28 per hour, including the high cost area supplement. Although the staff are not currently on full Agenda for Change conditions, they do qualify for sick leave and pensions.

The move by the trust was about getting proper engagement with staff and treating them fairly, ensuring they felt properly valued and part of the team, and enabling improvements in quality.

However, Michelle Dixon, director of communications, says the trust has been looking into what being an anchor organisation means for an NHS body. The insourcing was not a direct result of this. 'But we refreshed our strategy about 18 months ago and our vision is "better health for life". That is a shift for a big teaching hospital like ours – we are looking to take a much more population approach to health,' she says. 'And within that, we are thinking about our staff as a population.'

Social front door in the community

Libraries have always been at the heart of local services, but funding cutbacks in recent years have forced significant closures. Five years ago nine out of 19 libraries were at threat across Liverpool – including the historic Carnegie Walton library. That was until Mersey Care NHS Foundation Trust came to the rescue.

The building was converted into new Life Rooms – the first of five such centres that are now open, providing opportunities for learning, recovery, health and wellbeing. In Walton, the arrangements include retaining some of the former local library services.

The purchase was born out of a major listening exercise in which trust patients made it clear that addressing some of the wider determinants of poor mental health was as important as providing excellent clinical services. So Mersey Care wanted somewhere people could go to get help with housing or benefit issues or access learning opportunities.

'But at the same time, we were also hearing about the shock and fear among service users about the proposed closures to libraries across the city,' says Michael Crilly (pictured), the trust's director of social inclusion and participation. 'Libraries have long been about more than books.'

He says mental health service users value libraries as somewhere warm to get away from poor accommodation. They can access them freely to do a daily job search or to deal with a benefit issue. 'Access to IT becomes a big deal, as does finding the bus fare to the library down the road [if your local branch closes],' says Mr Crilly.

So there was a compelling argument for taking over the library – which is in one of the poorest wards in the country with a high incidence of mental distress. And that's what happened in 2015, with the new Life Rooms opening in May 2016 – open to all local residents, not just trust service users.

Carnegie Walton library, now Life Rooms
Inset: Mersey Care's Michael Crilly

From its five centres, Mersey Care now offers an extensive curriculum of around 60 courses, for example helping people with confidence, anxiety and self-esteem. They also provide a centre for local social prescribing advisers to signpost service users to wide-ranging activities.

Mr Crilly says the programme has been hugely successful – with growth far outstripping expectations. 'We couldn't have anticipated the demand across our communities,' he says.

He believes the model of having a social front door in the community is attracting interest elsewhere. 'By looking at social issues initially, you begin to triage down the demand on clinical services,' he says.

The project is all about social recovery, he says – social recovery supporting economic recovery will further enhance local wellbeing.

And the central location of Life Rooms means the trust is encouraging more footfall on high streets, which can itself make a contribution to economic recovery.

The Life Rooms have been closed since March because of Covid-19. But they were attracting 5,000 visits a month at that point and an outreach service has been put in place for users on a clinically vulnerable list.

Mr Crilly admits that the outcomes can be difficult to measure in the short-term – although there is no shortage of qualitative data. 'We evaluate it using the NHS personalised care framework for social prescribing, so we look at the impact for individuals, for communities and for systems,' he says.

There is early evidence that healthcare costs go down for Life Rooms users in general, but there is also a cohort of service users for whom costs have gone up – believed to be linked to earlier engagement.

He says that while the original business case required a bit of a leap of faith, there is growing recognition from commissioners, and at the system level, of the value delivered by taking a broader view.

In Walton, it looks like a win all-round. The community has retained some of its library services – in a historic but refurbished building – and the trust has developed a service that is helping support both social and economic recovery.

With 1,000 staff involved across the trust's five sites, it certainly improves the financial position of a section of the community, which is likely to have benefits in terms of their health and wellbeing.

The NHS Confederation's head of health economic partnerships, Michael Wood, is full of praise for the move and says that it is important to see the value being delivered, not just the cost. 'Some might see this as a cost – having to pay £3 per hour more for all the staff,' he says. 'But most of that money will remain in the local economy.'

"If the NHS and the public sector in a recession aren't going to take a first step, how can we expect private enterprise to do it?"
Michael Wood, NHS Confederation

Better pay and treatment of staff is likely to have a positive impact on recruitment and retention, he adds, which may avoid some costs and enhance quality.

Mr Wood thinks all public sector bodies should review this, especially with ongoing concerns about in-work poverty across the UK in general. 'There is something about moral leadership,' he says. 'If the NHS and the public sector in a recession aren't going to take a first step, how can we expect private enterprise to do it?

'This is moral leadership and we are one of the few sectors that benefit directly from people being in work as it reduces our demand. So if you believe in prevention and population health, then paying our staff the living wage is one of the most important things we can do.'

Mr Wood also wants trusts to prioritise local recruitment wherever possible, particularly focusing on those out of employment or exiting the government's furlough scheme and at risk.

Procurement is another major area where NHS bodies can have an impact on their local economies, either by requiring suppliers to deliver social value as part of their contracts or by buying more locally.

The routine delivery of social value alongside all contracts should have moved a step closer when the *Public Services (Social Value) Act* came into force in 2013, requiring all public service commissioners to think about how they can secure wider social, economic and environmental benefits. However, despite the requirement being included within the NHS standard contract, social value has not really become embedded in the procurement process.

As of January 2021, central government will be required to explicitly evaluate social value in all major procurements, rather than just consider it, which may give the issue a higher profile.

However, there are examples of organisations demanding more social value deliverables from procurement. When the former Nottingham City Clinical Commissioning Group was looking to re-procure out-of-hospital community services for a contract starting in July 2018, bidders were asked not only to deliver efficiency savings, but also maximise social value. What makes the procurement stand out is the weighting given to social value in the bid assessment process. At 25% of the score, this was the same weighting given to the delivery of financial requirements.

Bidders for the contract, worth more than £270m over nine years, were asked to demonstrate how their bids would improve employment and training, promote healthy lifestyle behaviours and support a healthy environment.

Arden and Greater East Midlands Commissioning Support Unit managed the procurement. Emily Armstrong, the CSU's associate director of procurement, says there would often be something in contracts about the delivery of social value. But awarding 5% of the assessment to social value was a more typical level.

Bidders – Nottingham CityCare Partnership Community Interest Company and an NHS provider – took the requirements very seriously. 'They talked about collaborating with local partners on health lifestyle initiatives, investing in the voluntary sector and focusing on the number of apprenticeships and training places offered,' says Ms Armstrong.

'They also committed to people being paid the living wage across the supply chain and reductions in carbon dioxide emissions. It was considerably more detail from both bidders and more well thought out than I'd seen before.'

At the NHS Confederation, Mr Wood, although not familiar with the specific deal, says the high weighting given to social value was a 'great statement'. But there are other examples of NHS bodies looking for contractors to deliver more than the core service.

Humber Coast and Vale Health and Care Partnership has also set out its stall to engage with this broader agenda. Director Chris O'Neill (pictured) acknowledges it is not straightforward. With a background in the acute sector, he is well aware that there is often only enough money and bandwidth to deal with immediate pressures. But the overall goal should be to develop a virtuous triangle of better health and wellbeing, improving quality and more efficient services.

For this integrated care system, which stretches along part of the east coast of England and both banks of the Humber, capital development is being used as a starting place for work on the wider agenda.

'If organised optimally, this could generate economic and social value and improvements in sustainability. And it could help with the research and innovation agenda – as well as replacing old buildings and helping with the quality and efficiency of the services provided,' says Mr O'Neill.

It is easy to hand a lot of responsibility for planning a project to a development partner and lose some control as a result, he adds. Instead the aim should be to exert influence not just over who builds your project, but how it is built and how the project is run.

The partnership has adopted and tailored established social and economic metrics for use within capital schemes. These are based on the national Themes, Outcomes and Measures (TOMs) social value measurement framework, which provides indicators in five key areas:

Jobs:	**Promotion of local skills and employment**
Growth:	**Supporting growth of responsible regional business**
Social:	**Developing healthier, safer and more resilient communities**
Environment:	**Decarbonising and safeguarding our world**
Innovation:	**Promoting social innovation**

The framework has been used to produce an initial estimate of the economic return on investment to the Humber area associated with larger scale capital development projects. For example, the partnership has undertaken early stage planning into the reprovision of Scunthorpe Hospital and moving services out of the upper floors of a 14-storey tower block at Hull Royal Infirmary.

The framework has also been used in a project looking to redevelop the campus at the Humber Teaching NHS Foundation Trust. This project for the mental health services provider has been worked up for possible inclusion in wave 2 of the national Health Infrastructure Plan programme (*see page 17*). Bidders for future projects would be expected to sign up to the delivery of agreed targets in these areas and the metrics will be used to monitor that delivery.

The routine delivery of local social and economic value won't be achieved overnight and while capital is seen as a good place to start, capital schemes inevitably have a long lead time.

But Mr O'Neill believes there may be opportunities to generate additional economic and social value through more day-to-day activities too. 'I am hoping the approach we are taking on capital will be a bridgehead into some things we do in the short and medium term as part of this wider agenda,' he says.

In particular, the partnership is keen to explore further opportunities around local workforce and skills initiatives, the use of local expertise in sustainability planning and local procurement and supply chain development.

On the latter, Mr O'Neill would like to see partnerships being given greater flexibility to work with both national and locally developed processes. 'Without this, how can you maximise your ambitions around economic regeneration and creating local jobs?'

Carter review

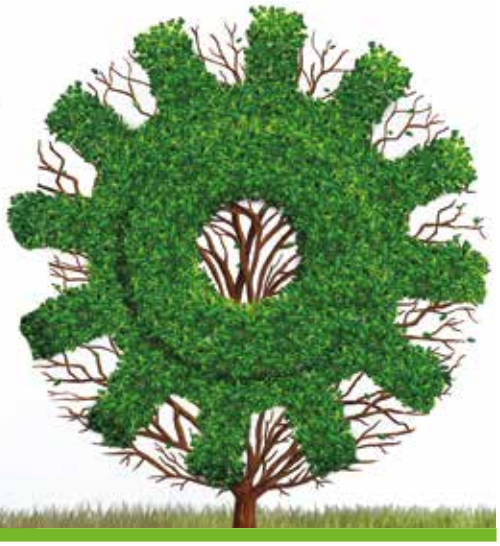
Mr Wood believes initiatives such as the Carter review of hospital productivity, which identified between £700m and £1bn of possible savings through better procurement, had the best of intentions.

'But such a national perspective is entirely cost-based – taking decisions in isolation does not help us to understand value. And many finance people would say that if they did local procurement, they did it despite the system not because of it.'

There are some high-profile leaders who back the need to buy local. Jackie Daniel, chief executive of Newcastle Hospitals NHS Foundation Trust, blogged last year about how buying more supplies from local businesses and being an exemplar employer would contribute to the health, wealth and wellbeing of the local population.

And Mr Wood cites reports of the NHS demand for personal protective clothing almost reinvigorating the Yorkshire textile industry. 'It would be amazing if the NHS could be at the heart of that,' he says, though again the centralising nature of the government's response to Covid threatens these new partnerships.

He urges health leaders to build relationships with local enterprise partnerships (LEPs)) and mayoral combined authorities (MCAs) to find out what their local economy is capable of, discover its strengths and understand how the NHS can get involved.



Just a handful of the country's 38 LEPs have an NHS representative on their board, says Mr Wood, despite being by far the biggest economic agent in all areas. And he hopes that integrated care systems can take a lead in this area.

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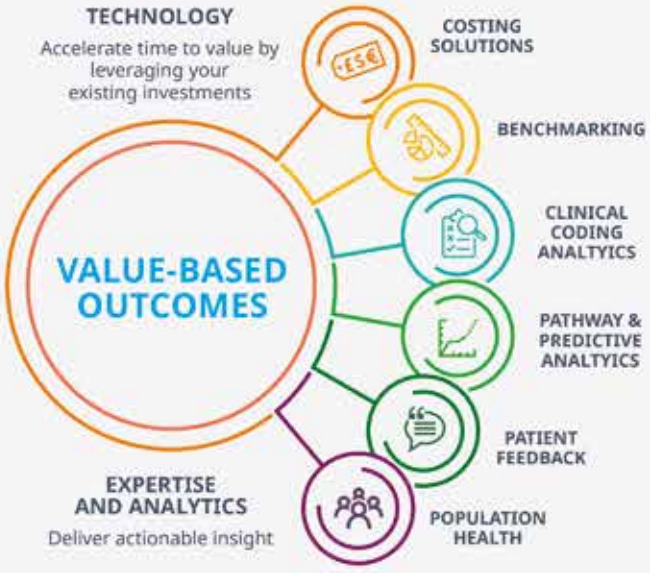

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