# NHS Wales as a foundational engine: radical opportunity

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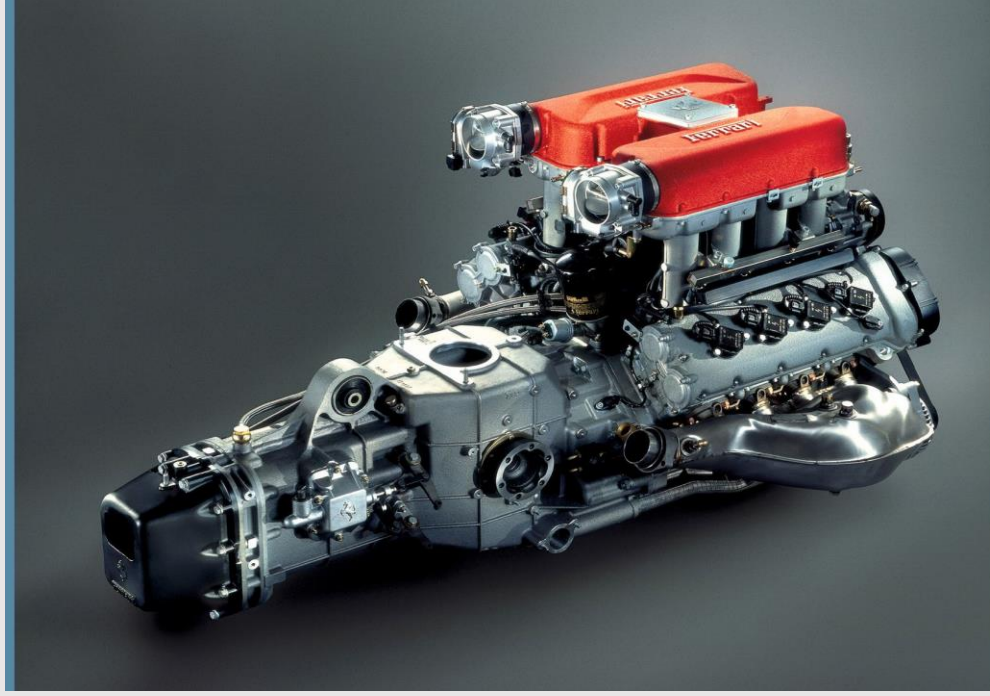
# *NHS (Wales) should be an engine not an anchor*

NHS (Wales) should be an engine which drives things forward (an anchor stops you drifting)

- Health is the leading sector in the Welsh economy: employs > 86,000, spends £7.3 billion = nearly 11% of Welsh GVA/ output

Delicate task of releasing the engine power without provoking break down

- Underfunding has produced a low stocks high flow hospital system; UK spends 1.5 % less of GDP than in Nern Europe + Osborne austerity = > rates of bed occupancy, faster patient throughput, more treatments per session
- Fragile system with no margin of safety now faces a huge post covid backlog: with 17% fewer Welsh hospital beds than in 2009-10



# Radical opportunity: NHS (Wales) could do much more as an engine

- Cause for concern: as outsiders my team has limited knowledge but we see a recurrent pattern: on NHS purchasing on facilities re-location; or on the NHS approach to alliances with other public sector orgnd change or on experiments in primary care

- NHS Wales has a great vision of what you want. You get the gold medal for good intentions/ambitions.
- NHS Wales analysis of specifics is blurred about which levers can deliver what results or what new ways of working require. Its not a strategy unless you have levers/ means to ends
- NHS Wales is achieving the straightforward and has pioneering pilots…credit where credit is due
- But looking across the board we see the difficult high return bits and the big " how to " obstacles are not being engaged with urgency. NHS Wales has Lots of delivery machinery with programmes, funds + boards not enough outcomes.

# Levers of social value:
*1. Localising NHS Wales spend for social value*

# *Local purchasing: big argument about small spends*

- Lee Waters pushing social value vs NHS Wales reps who had balanced the books around least cost purchases
- Slow motion case by case argument (eg on locally produced PPE to 15% social value weighting…. on less than £ 10 million a year)
- Direct leverage of purchasing is limited by the composition of NHS costs + category split
  - NHS Wales purchased goods and services: no more than 17% of total spend = £1.6 billion
  - Many of the goods are long value chain eg primary care drugs = approx. 30 % of your £1.6 billion
  - Categories like food = split into many different products; the whole of the Welsh public sector spends £10-15 million a year on dairy vs S Caernarfon Creameries has £ 50 million turnover

# *The sociocultural matters…. but volume economic results need a smart public sector plan*


- Socio cultural = local services which badge our identity: University Hospital Wales café outlets by Aroma/ family run café chain (Withybush hospital cafe by Costa/ Coca Cola)

- Volume economic benefits? need smarter, coordinated whole public sector plan eg to lever more Welsh food lines into food service distribution


➢ £90 million of Welsh public food demand vs > £3,000 million of household demand going through s'markets and >£2,000 million through food service distributors

➢ Public sector should offer Castell Howell what it asks for = a substantial social value weighting on longer public sector contracts in return for stocking more Welsh lines to sell to

# *Purchasing has distracted from getting more social value from employment*

- The main spend of NHS Wales is on staff: £ 4.7 billion, 49 % of costs= >10,000 doctors + >20,000 nurses, a large growing + and ageing work force with 40 % over the age of 50.
- Social engineering opportunity to generate social mobility and career progression for young Welsh people; with locals giving better service in community engaged medicine
- Hywel Dda has a "grow your own" scheme for upskilling locals to take hard to fill jobs; but how many other schemes
- But larger problems eg we have lots of doctors in the Rhondda but few doctors from the Rhondda: 6.5% of medical students in Wales come from the poorest 20 % of post codes; 29 % of English med students are privately educated + another 20 % from grammar schools
- Are sixth formers in the Rhondda twp or do we have glass ceilings + social immobility which the NHS is not tackling.

# *NHS Wales is an organisational laggard on social engineering (behind firms like KPMG)*

- Workforce Strategy (2020) pro an " inclusive work force " which " reflective of the population's diversity"; Healthier Wales (2018) pro staff training + workforce planning +
- But nothing about social engineering to create ladders of opportunity for ordinary people, no facts about the background of the current workforce, no targets for dong better
- But NHS Wales lags behind private sector firms like the accountants KPMG which knows 20 % of its senior staff come from working class backgrounds and has targets to increase diversity + raise social mobility
- Your largest system wide opportunity is an across the board campaign to sort local recruitment and retention at all grades

OUR WORKFORCE STRATEGY

# Levers of social value:
# 2. *Relocating NHS Wales facilities*

# *NHS Wales existing locations don't help our decaying town centres*

Outside planning pressures for NHS Wales to re-locate facilities in line with Town Centres First Policy:

- Chief planner/ Neil Hemington + Audit Wales all concerned with town centres and high sts; FERL report on competition between town centre and post 1979 drive to/ edge of town developments
- Primary care is distributed within towns but most Welsh hospitals are edge of town/ drive to (the Heath Hospital in Cardiff in city) Withybush, Glangwili, Morriston, Merthyr .
- Disconnect with decaying Welsh town centres: stand in Woodfield St, Morriston and you'd never know you had a major regional hospital 1.5 miles away


# *Opportunities for relocation BUT they come at a cost e.g, Bangor*

- NHS Wales can make a major contribution in a place like Bangor ( even if we can't change hospital location):

➢ Move nurses and junior staff into new build accommodation in town out of tired accommodation at Ysbyty Gwynedd. Only 2,000 live and work in Bangor, so that would make a big difference

➢ Consolidate primary care in a new town centre health and wellbeing centre for young parent and OAPs footfall: why not Debenham's in a prime position in the Menai centre

- The difficulty is that in town is more expensive: conversion of the Debenhams in Bangor is likely to cost £10-15 million vs much cheaper to go to the Caernarfon Rd retail strip on edge of town and convert a high bay retail shed with free parking outside.
- Cost is driving moves: Bangor FE College is going to relocate from in town to edge of town Parc Menai Business Park. The new Pentre Awel health and leisure complex in Llanelli is as far from Stepney St as the Trostre Retail Park

# *Town centre first needs NHS commitment and other people's balance sheets*


If NHS Wales is to deliver on " town centres first" it has to commit + then partner to cover the high cost of in town development:

NHS commitment needs decisions about allocative efficiency ie rebalancing cap ex priorities out of the limited pot because we can't have community engaged medicine if hospital cap ex claims everything + primary is the poor relation


Plus reaching out to partners with revenue and balance sheets: when in town costs more, Betsi Cadwalader needs co-op arrangements, so WG and Gwynedd contribute towards a health and wellbeing centre; staff accommodation? look towards Adra Housing association putting it on their balance sheet


Which brings us nicely to alliances and new ways of working

# New ways of working:
*1. Alliances and working with other organisations*

# *Strategic good intentions on integrating health and care ( and some good practice)*

- Healthier Wales in 2018 made a big strategic promise about the "integration of health and social care" backed by a Transformation Fund + Regional Partnership Boards for Health Boards and Local Authorities explicitly to promote integrated schemes.
- Again we have socio cultural change on engaging communities, the sensible and straightforward is being done by pioneers:

➢ Co location of NHS and community facilities as at Plas y Sarn, Trimsaran with doctor's surgery, community café, multi- function hall and gym.

➢ On open doors at NHS sites as with the old Chapel at Cardiff Royal Infirmary where we have health and wellbeing info, plus a new library, meeting spaces, IT suite + a café for S and E Cardiff

# *Diifilcult stuff is aligning the different funding, rules and procedures in health, care + L.A.s?*

Let's focus the issues by looking at one specific example: rebuilding residential and nursing homes for the elderly

Rebuilding the Welsh stock of care and nursing homes:

- A necessity when many are in old converted Victorian and Edwardian houses; poorly laid out + lacking facilities, increasingly attractive for flat conversions
- An opportunity to combine residential with community facilities, so we are not locking our old people away in 70 bed "Travelodges"

Housing Associations alone can do sheltered housing and extra care on their own balance sheet and recover the cost straightforwardly in rent or housing benefit. But nursing or care homes are much trickier

# *JV intentions vs block of revenue and capital funding from different sources?*

- Again lets look at specifics: the redevelopment of the old Polish Camp at Penrhosgarnedd outside Pwllheli; Clwyd Alyn HA shut the 42 bed care home + kept sheltered housing for 120.
- Clwyd Alyn, Gwynedd Council and Betsi Cadwalader couldn't easily put together a care/ nursing home joint venture to build and operate a new home; Clwyd Alyn already operates a couple of care homes but JV would require HA management + council funding social care and NHS covering nursing cost .
- Health Board can't borrow to build without special permission; NHS pays for nursing care but councils can't employ nurses; Gwynedd's weekly care payment won't allow Clwyd Alyn to pay care assistants a living wage
- The opportunity here depends on tackling the difficult bits about aligning rules and procedures

# New ways of working:
# 2. *Innovation and experiment*

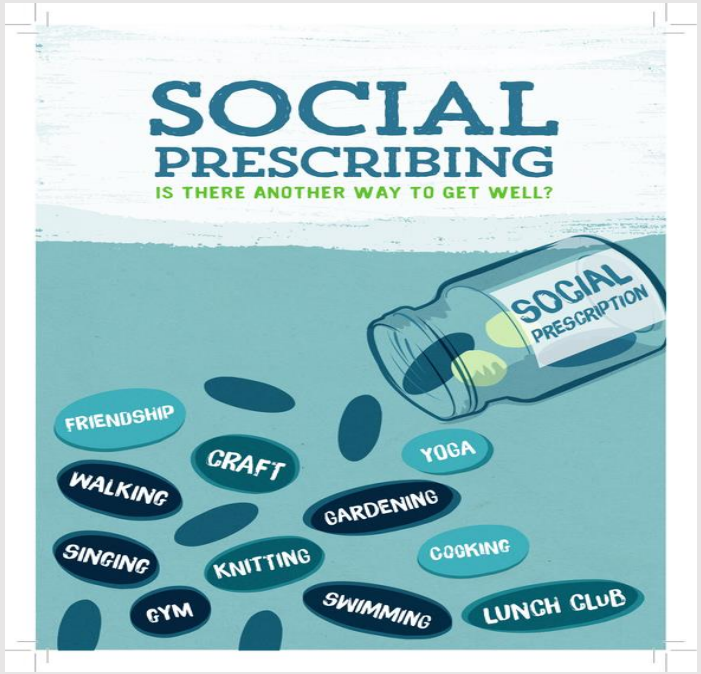
# *More strategic good intentions about innovation (+ again some good practice)*

Here we can begin to see a recurrent pattern

Healthier Wales (2018) has all kinds of aspirations and machinery to upscale innovation in integrated health and care and lots of machinery to do that: but no detailed analysis of what kind of innovations are required in which parts of the health and care systems.

The floaty aspirational language of Healthier Wales is revealing: the word “seamless” is used 36 times, + “integrated “ 25 times; if we look at generalised service descriptors “ primary care “ is used 8 times, community care 5 times; the health service specific term GP is used just 3 times. It is the opposite of the way that most patients engage with the health system

NHS Wales support for innovation is here again licensing the pioneers As with the current development of social prescribing in North Wales which Includes a community pf practice. In some kinds of community wellbeing innovation, NHS Wales is doing relatively well.

# *More focus on what kind of innovation is required in different services*

GP services are important in themselves and as gatekeepers the first line of defence for a fragile hospital system.

But GP service is crumbling: patients with long waits to see GPs, difficulty of replacing GPs worn out by 10-minute consultations with patients whose problems are often not medical

NHS Wales strategy documents do not focus on whether we need a different kind of innovation and experiment in primary care

Acute hospitals innovation has been about efficiency and lean ie getting more throughput (achievement and source of fragility) But 5-minute consultations by video won't solve the GP problem

Primary care needs team triage which requires a radical reorganization around team working with different organizations. Mental health or community service teams for socio economic needs with GP attending to the medical


# *More basic innovation in primary care?*

Outsider knowledge is limited but, if GP innovation is about team triage, we don't have enough of it.

In Wrexham a GP triage system with onsite multi-disciplinary teams was pioneered for a short period of time. Through variation in contract + a support organiser they got the support teams in place at two practices and within the capitation allowance of £69 per patient were delivering monitored improvements in wellbeing.

We need more of this kind of reform to make GP practice sustainable for the medics + a resource for patients. And begin to deliver the integration of operations between health, care and local authorities.

NHS Wales can only seize foundational opportunity if it prioritises internal reform of primary care(through working in alliance with others)

**Opportunity:** unrealized potential and the role of the finance function

# Opportunity: NHS Wales is not realising its engine potential

- The overall verdict is clear though based on limited outsider knowledge:
- Good intentions are being translated into sensible, straightforward stuff and we have pilots and shining lights: credit where credit is due/ we must not deny or disparage the pioneering effort that has gone into the good things
- But the  difficult high return bits and the  big " how to " obstacles are not being engaged across the board and with urgency: should not pretend that NHS Wales is realising its engine potential
- Many causes of unrealised potential: floaty, aspirational concept of strategy, difficulty of mobilising within large organisations, silo working by other organisations etc. etc.
- Part of the problem is about unfocused analysis of problems + solutions eg blur about levers, and magnitudes on purchasing or failure to financially align different public sector organisations
- Which is where finance comes in with analysis and creative solutions.

# *Finance function is crucial as the mountain guide*

- Finance has to commit to the mountain guide role of finding a safe way up (shift from the policeman role of telling others what they can and can't do)
- Analytic + creative work to do:

➢ On levers: localising NHS Wales spend for social value and locating facilities for community benefit

➢ On new ways of working: public sector alliances + experiment in primary care

- The opportunity is there to realise engine potential + get significant results at manageable cost; there's lots to do and now let's get on with the job