



Welsh NHS Confederation
Confederasiwn GIG Cymru

Health, wealth and wellbeing: The NHS' role in economic and social recovery

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About

The size, scale and reach of the NHS means that it has a significant influence on the health and wellbeing of local populations and could have a key role in actively supporting and driving the nation's critical economic and social recovery post COVID-19.

This briefing examines the importance of the nation's healthcare system and its role in local economies; as an employer, a purchaser of goods and services, a driver and consumer of innovation, a landowner and as a vital element in improving population health, the environment and health equity.

There is a clear link between health and wealth - we know that a healthy population is a productive and prosperous one and vice versa.



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Introduction

It is well documented that NHS revenue spending accounts for around 50% of the Welsh Government's budget, currently £9.1 billion, and additional funding has been made available to support the NHS response to the COVID-19 pandemic. However, there is less awareness of the significant contribution the NHS makes to local and national economies as an anchor institution, as well as the significant role it will play in wider recovery of local economies and communities following the pandemic.

In our election briefing, "[Valuing, Engaging and Delivering: A health and care system for future generations](#)", published in September 2020, NHS leaders set out their vision for the health and care system in Wales. The vision covered the NHS' role in economic recovery, through:

- Creating social value in local communities to provide improvements in health, the environment and prosperity.
- Using resources responsibly, efficiently and fairly to ensure sustainable services.
- Being outward-facing, working with the wider world to ensure economic partnerships, investment, research and promoting Wales across the globe.

Health, wellbeing and the economy are bound tightly together; a healthy (physically, psychologically and socially) population results in a more economically active population. Interventions designed to improve health, inclusive growth and wellbeing in Wales are in the interests of all local, regional and national partners, businesses and communities and should be a shared priority.

In light of COVID-19, the NHS is seeking to reset its services and priorities, with a focus on how it can influence wider community issues in its role as an anchor institution. This includes how its resource allocation and utilisation can support local economic development, influence social and economic determinants of health and help build sustainable communities.

NHS organisations are anchor institutions because they are large organisations whose long-term sustainability is tied to the wellbeing of the population through being one of the largest employers in local areas, a key purchaser of goods and services, and a capital estate holder and developer. However, the socio-economic impacts of NHS Wales spread far beyond its economic scale and scope to include wider impacts, including employment stability, regional wages, occupational structure, and economic activity rates. Collectively, these factors positively impact Welsh productivity and the economy, with organisations and businesses benefitting significantly from healthier and more productive workforces. In many ways, health can be seen as the ‘new wealth’.

The COVID-19 pandemic, EU exit and climate change are anticipated to contribute to a future social and economic downturn. The NHS must use the system and partnership approach that emerged during the pandemic to drive up population health and wellbeing. We have a fantastic opportunity in Wales for a more focused ‘health and wellbeing in all policies’ approach to future national and local decision-making, through legislative frameworks such as the Wellbeing of Future Generations Act 2015, Social Services and Wellbeing Act 2014 and the introduction of the Socio-Economic Duty in March 2021.

There are opportunities for Public Service Boards, Regional Partnership Boards and other innovative local partnerships to consider issues such as workforce and supply chain development, community working, new forms of funding and strengthening population health through prevention and early intervention. In addition, there is an opportunity to start looking at the social value within procurement and the service the NHS is providing to help capture the wider impact, including socio-economic factors, to use and strengthen local supply chains and spread and scale best practice across Wales.

The Welsh NHS Confederation supports its Members, the NHS organisations in Wales, to understand and maximise their role as anchor institutions – working in partnership with other health and care organisations and, critically, other local anchors. Together, we can make a huge difference to the health, wealth and wellbeing of local communities.

Key recommendations

At a national level, the Welsh Government should:

- Place health and sustainability at the heart of all national COVID-19 recovery and economic plans, through embedding health and care within national and local regeneration planning, ensuring a much greater alignment between health and care strategies and those relating to wider economic development.
- Support a more integrated, inclusive, and targeted approach to population health management and prevention, backed by investment in those areas with greatest need.
- Empower local leaders by providing the skills and tools to improve health outcomes and deliver inclusive growth and wider prosperity.
- Support leaders to source local supply chains and help businesses better understand the NHS and social care needs.
- Give priority to wellbeing in investment decisions and support public bodies, including the NHS, to secure excellence and value from its suppliers in ways that promote social, cultural, environmental and civic value.

Key recommendations

At a local level, public bodies, including the NHS, should:

- Develop an anchor network within a regional footprint, with a joint, data-driven vision for how they can support the local economy and population.
- Align strategies with local partners to deliver more inclusive, sustainable economies. Anchor institutions should collaborate on transformative change in areas not within their core domain.
- Seize the opportunity to actively engage in discussions about the development of communities and stress the importance of its role as an anchor in the economic and social recovery of communities.
- Work in partnership with a range of local partners to protect, improve and promote population health and health equity.
- Understand, diversify and strengthen local supply chains. Specific attention should be given to how procurement and processes can be used and flexed to provide support to local business, voluntary organisations and partners through social value policy and aligning with the wellbeing goals.

The NHS as an anchor institution

An anchor institution is one that, alongside its main function, plays a significant and recognised role in a locality by making a strategic contribution to the local economy. Anchor institutions share a number of key characteristics:

- **Spatial immobility:** These organisations have strong ties to the geographic area in which they are based through invested capital, mission and relationship to customers and employees. They are unlikely to relocate, given their connection to the local population and their long-term sustainability is tied to the health and wellbeing of the population they serve.
- **Size:** Anchor institutions tend to be large employers and have significant purchasing power. Both these factors influence the level of impact these institutions can have on the local economy.
- **Non-profit:** These organisations tend to operate on a not-for profit basis and are usually public sector organisations. It is much simpler for private businesses to move, meaning there is no guarantee they will continue serving the local community in the long term. However, there are examples of for-profit organisations playing the role of an anchor, such the B Corp movement, businesses that balance profit with people and the planet, building an inclusive and sustainable economy that works for everyone.

Given the scale, reach and purpose of the NHS, it is one of the most important anchors in many communities. The NHS represents a significant proportion of the foundational economy and as such, has the ability to use its spending power to affect economic change.

The Health Foundation published the *“Building healthier communities: the role of the NHS as an anchor institution”* report in August 2019, evidencing that all parts of the NHS collectively fulfil this function. The role of the NHS and local government as large local employers is a clear example of the impact they have locally, bringing both opportunities and responsibilities. The report makes clear that the NHS *“acts as an anchor not only in the number of jobs it creates, but in how it can support the health and wellbeing of its staff through good employment conditions and the working environment”*.

The Welsh Government also recognises the role of the NHS in the foundational economy in their “*Our Economic Resilience & Reconstruction Mission*” policy, published in February 2021. The policy sets out plans for how the Welsh Government is to recover from the COVID-19 pandemic, including through the Foundational Economy Health Programme. The Mission outlines five ‘beacons’ around which activity will be focused, including strengthening the foundational economy.

The foundational economy are services and products which provide basic goods and services on which every citizen relies, e.g. hospitals and local councils. Estimates suggest that in Wales, the industry and firms within the foundational economy account for four in ten jobs and £1 in every three that we spend. In some parts of Wales, this basic ‘foundational economy’ is the economy.

The Welsh Government’s *Procurement Policy Statement* also recognises the potential of public sector procurement as a “*powerful lever with ability to affect sustained change to achieve social, economic, environmental and cultural outcomes for the wellbeing of Wales*”. Such policy and legislation could shape the impact the NHS can have through its significant purchasing power to bring about positive change within local economies and communities, as its impact is viewed less through the lens of financial savings and more through socially-responsible outcomes.

The future Social Partnership and Public Procurement (Wales) Bill will also be key in enhancing the ways that the NHS can contribute to local areas and people. The draft Bill establishes duties for public sector bodies to deliver socially responsible procurement, which is defined as “*taking action, when purchasing goods, services and works to achieve the wellbeing goals, and the new fair work goal to improve economic, social, environmental and cultural wellbeing*”. One of the Bill’s stated aims is to improve wellbeing in Wales by ensuring it is a key consideration in public procurement. Such an approach could see NHS procurement making positive contributions to areas ranging from decarbonisation to the foundational economy.

How the NHS supports the economy

As an anchor institution, the NHS influences the health and wellbeing of communities simply by being there, and by choosing to invest in and work in partnership with others locally and responsibly, the NHS can have an even greater social value.

The NHS can make a difference to local people by:

- Directly employing people to quality and stable work with above average wages.
- Purchasing goods and services locally for social benefits.
- Using buildings and spaces to support communities.
- Working closely with local partners across health and care.
- Reducing its environmental impact by reducing its carbon footprint.

The NHS as an employer

The NHS is a cornerstone of the foundational economy in regions of Wales by employing a local workforce. Across the UK, the NHS employs more than 1.6 million people and with more than 350 career options, is a critical source of economic opportunity for local people. The NHS is Wales' biggest employer, currently employing over 100,000 people, directly supporting around 6% of Welsh employment.

Geographic distribution of NHS Wales direct employment (July 2021 Electronic Staff Record)

Organisation	Headcount
Aneurin Bevan UHB	14,299
Betsi Cadwaladr UHB	18,972
Cardiff and Vale UHB	15,793
Cwm Taf Morgannwg UHB	12,653
Hywel Dda UHB	10,873
Powys Teaching HB	2,467
Swansea Bay UHB	13,349
Nationally	
Digital Health and Care Wales	880
Health Education and Improvement Wales	489
Public Health Wales NHS Trust	2,193
Velindre University NHS Trust	5,711
Welsh Ambulance Services NHS Trust	4,163
Total	101,842

This employment is linked with around £4bn of salaries and wages which, through living and working in areas of Wales, provides investment in local communities and local people. NHS Wales provides relatively stable employment across the regional economy and is growing, a marked contrast to some parts of the private and third sector. One consequence of COVID-19 is that the NHS will likely form a more important and explicit part of national and local rebuilding.

The NHS has an opportunity to improve the health and wellbeing of the local population in the way it treats and supports its own large body of staff. Supporting a happy and healthy NHS workforce can have a knock-on effect on the health and wellbeing of the wider community, given the number of connections NHS staff have through their families and social networks.

The Made in Wales offer Health Education and Improvement Wales

Made in Wales is the unique approach to growing the health and care workforce from current staff and attracting a new workforce from the local population. This new approach to accessing careers in health and care at any age will maximise opportunities by creating flexible entry points and transferrable career pathways as well as 'on-the-job' development.

Made in Wales will consist of a mix of structured programmes and transferrable learning opportunities which give the ability to build bite-size learning into formal qualifications, underpin professional registration and offer future career options for staff who may be looking for alternative careers within the NHS family.

Wherever possible, this approach will create opportunities to 'learn while you earn,' encouraging higher levels of staff retention. The offer has been built with a combination of formal 'university' programmes, apprenticeships, bite-size and transferrable learning, and step on and step off approaches, all of which are aimed to expand skills and knowledge, and will significantly contribute to the under 25 agenda (as well as the over 25) by:

- Widening access to healthcare careers.
- Reducing the impact of differential attainment.
- Reflecting Welsh language and culture in our services by recruiting local people.
- Increasing workforce supply and reducing reliance on agency and locum expenditure over time.
- Contributing to the social and economic prosperity of Wales.
- Contributing to social care sustainability by increasing nursing workforce sustainability.

Step into Work Partnership Betsi Cadwaladr University Health Board

The Adult Volunteer Work Placement element of Step into Work is one facet of a multiple approach that Betsi Cadwaladr University Health Board has developed in order to proactively attract local people to the organisation.

The overarching purpose of the initiative is to:

- Develop a systematic programme of volunteer work placements for a range of people, including, those who are furthest from the job market, those undertaking further education courses, those who are in households where no one is in employment, young people who are not in employment or training, those in BME groups, those who have a learning disability and those currently claiming Jobseeker's Allowance. Offering structured volunteer work placements is a valuable way of providing the local population with work experience that can potentially lead to employment.
- Develop skills, confidence and workplace competence.
- Be in a position to offer a variety of potential job opportunities.
- Develop strong partnerships with external agencies.
- Develop protocols that do not unintentionally discriminate.
- Support people in to work.

An HR protocol ensures that people who have completed the programme and achieved all of the outcomes are in a position to apply for posts within the Health Board. To date, 204 people have gained substantive employment within the Health Board and many more are gaining employment externally with their newly developed skills and competence.

Despite the challenges due to the pandemic, the programme continues to provide placement and employment opportunities. There are currently 60 people in the pipeline for the programme and recently there has been increased interest and support to enable the programme to move forward with a refreshed and renewed sense of purpose.

Providing ‘good’ work and supporting social mobility

The *Taylor Review of Modern Working Practices* highlighted the strong link between work and health; for work to have a positive impact on health, it must be ‘good work’ – providing stable employment, paying a living wage, and offering fair working conditions, work-life balance and career progression.

The NHS in Wales is a real Living Wage employer and as the 2018 Cardiff University research, “*NHS Wales and the Regional Economy*” highlighted, the average annual wage in NHS Wales exceeds the all-Wales average. Average annual gross wages (excluding employer costs) in NHS Wales were £33,800 in 2016/17. These are well above the Welsh average in 2017 of £24,600.

The NHS is working to maximise opportunities and support young people to receive education, playing a key role in social mobility. Building a workforce that is more representative of the local area better enables the NHS to respond to patients’ needs and when organisations represent their community, they are likely to have more experience in engaging with its community.

By helping more residents – particularly those furthest from the labour market – into quality work, the health system can improve the welfare of its local communities and begin to narrow inequalities. Through working closely with schools, further education and higher education institutions across Wales, the NHS is growing its workforce by equipping people with the skills and knowledge to build long-term healthcare careers and is making serious investment in recruiting, training and retaining local people.

The NHS Wales bursary, along with other support such as childcare costs, placement travel costs and the disabled students allowance, continues to be an enabler of education through supporting students from lower income backgrounds, and mature students that are switching careers, to access education that may have been financially out of their reach.

Inclusive Recruitment Team Cardiff and Vale University Health Board

Cardiff and Vale University Health Board are developing an Inclusive Recruitment Team as part of their progressive work on workforce representation. As part of this work, the organisation is exploring outreach work to help understand the different community groups in their local population, and how they can better engage with, recruit and retain people from these groups.

This will include comparing their workforce data to their local population, to help identify groups that might be underrepresented in their workforce in terms of individuals with protected characteristics. For example, the Cardiff and Vale region has one of the most ethnically diverse populations in Wales, with over 15% of their population considering themselves to be from a mixed, Asian or Asian British, Black or Black British, Chinese and other ethnic group.

They will also look at wider groups in the local area such as carers, veterans and care leavers, which they could potentially engage with to increase their workforce supply.

Health Education and Improvement Wales' (HEIW) role in social mobility

Academic attainment among students from disadvantaged groups continues to be one of the main barriers to accessing higher education in the UK. A student entering university through the Access to Higher Education (HE) route is more than twice as likely as a student entering with other qualifications to be over 25 and from a disadvantaged background. In 2017/18, 26% of Access to HE students left commissioned university programmes with a first-class degree, despite many having left school without the traditional qualifications they needed to enter higher education.

Following HEIW's review of pre-registration health education, from 2022 contracted education providers must make adjustments allowing students with the potential to succeed that have experienced challenging circumstances likely to have impacted on their previous educational performance, supported access to programmes. These students will be considered for entry with a lower tariff than the wider student cohort. This will include applicants who have been in care, those who live in areas of high deprivation and those whose own parents are not educated to HE level.

HEIW has also created an additional fund to provide enhanced student support to bridge the attainment gap, including pre and post enrolment study skills classes; additional tutoring; counselling; peer support and mentorship.

Stakeholder engagement confirmed the topography of Wales as a barrier to accessing education. As a result, HEIW developed a procurement strategy to better enable those who may not be able to leave their local community to access education, due to financial affordability, caring responsibilities, employment, and/or family commitments.

Education programmes that are currently offered in primarily urban areas have been, when possible, split across all regions of Wales to better service all groups, requiring universities to establish a localised and therefore accessible base. To further support accessibility, programmes will be delivered with an online learning component to reduce the need for travel, thereby enabling students from lower income backgrounds to minimise their travel costs and reduce the impact on their employment or caring responsibilities.

The NHS’ impact on jobs in the rest of the Welsh economy

NHS Wales is also a significant economic player in wider employment in Wales. For example, while the NHS supports a level of employment directly, its purchasing of Welsh goods and services works to support employment in other parts of the Welsh economy. Similarly, those firms that are supported also spend money in the Welsh economy, further supporting economic activity.

As highlighted in the [Cardiff University research](#), NHS Wales is estimated to support almost 145,400 jobs and £5.4bn of gross value added (GVA). This accounts for 11% of total Welsh employment and 9% of Welsh GVA. This excludes important impacts via NHS Wales’ capital spending programme. The research highlighted that every £1bn of direct NHS revenue spending supports an estimated 19,000 total jobs in the Welsh economy.

Area	Number of jobs (WTE)
Primary sectors and manufacturing	2,370
Construction and Utilities	2,090
Wholesale/Retail/Accommodation and Restaurants	11,380
Businesses and other services	8,630
Other public sector	3,580
Powys Teaching HB	2467
Swansea Bay UHB	13349

WTE: Whole Time Equivalent

Supporting the digital health community

Digital Health and Care Wales

Digital Health and Care Wales (DHCW) works extensively with private sector organisations to deliver software solutions for digitisation of healthcare disciplines. One example is the creation of 25 specialist tech jobs to roll out a national Critical Care System across Wales. Twelve of the jobs are with the supplier (ASCOM) and thirteen are with DHCW for a joint project team to deliver a clinical information system for staff at Wales' fourteen adult critical care units to electronically manage many aspects of patient information and care.

In 2018, DHCW formed a partnership with the Life Sciences Hub Wales to create Digital Health Eco-Systems Wales. This brings together industry, clinicians, policy makers, academics, innovators and funders to create an environment of digital innovation in Welsh healthcare. A key part of this work includes opening up NHS Wales systems and data to developers through a platform of Application Programming Interfaces (APIs), reducing development time and ensuring products are better suited to NHS Wales needs.

DHCW is actively exploring possibilities for further partnership working with software development companies based in Wales to aid in delivery of digital transformation at pace in a localised setting. This will provide additional investment to the wider Welsh economy and will further enhance public/private sector working to deliver better health outcomes for the citizens of Wales.

The NHS as a purchaser and commissioner for social value

Almost 14,000 firms and organisations supply NHS Wales with goods and services, with over 6,500 of these based in Wales. The goods and services purchased by the NHS in Wales are wide-ranging, from drugs, dressings, medical and surgical equipment, to food, utilities and other supplies and services.

The Wales Procurement Policy Statement (2015) noted, Wales-based suppliers had accounted for 55% of selected public procurement spending. Given the nature of some NHS Wales purchasing, including items such as drugs and medical and surgical equipment, there are specific challenges to local (Welsh) sourcing due to a limited supply side for such items within Wales. However, we have an opportunity to work with suppliers to develop shorter, Wales-based supply chains and retain value in our national economy.

Brexit, COVID-19 and the declaration of a climate emergency have acted as catalysts for greater and improved active engagement with local suppliers.

As highlighted in the Welsh Government's Wales Procurement Policy Statement, published in March 2021, it is key that public sector expenditure delivers even greater value in contributing to positive social, economic, environmental and cultural outcomes. Decisions about what the NHS decides to buy, and how, have ramifications on local population health and wellbeing.

Procuring and commissioning more goods and services from local small and medium-sized enterprises and voluntary and community sector organisations can have an important economic impact. When NHS Wales purchases, as inputs, the goods and services provided by other Welsh industries, the producers of these goods and services then also spend money on the outputs of other Welsh industries. Importantly, this spending supports rounds of further spending in the local economy. These are categorised as 'supplier' effects, and an important determinant of the size of these effects is the level of local sourcing by NHS Wales, and then the subsequent levels of local sourcing further down the supply chain. The Centre for Local Economic Strategies (CLES), the national organisation for local economies, is making significant progress already through its work with Public Service Boards in Wales and identifying common areas of spend, mapping current spend by supplier location and identifying opportunities where suppliers exist locally but are not being used.

The response to the COVID-19 pandemic has shown that businesses can be very adaptable. We saw companies changing production to produce PPE and scrubs for the NHS because the need was highlighted to them. There is already some significant work being done with the Federation of Small Businesses to take this further and give businesses the chance to see what opportunities are available to supply their local NHS organisations. Our briefing "[*How industry has supported NHS Wales organisations to improve outcomes throughout the COVID-19 response*](#)", published in November 2020, sets out how businesses across Wales have strategically united to help combat the effects of COVID-19, by ramping up production, innovating and converting operations to help develop and supply critical solutions.

The [*Life Sciences Hub Wales*](#), which was appointed by Welsh Government to support industry engagement with NHS Wales throughout the pandemic, highlighted that Welsh businesses have contributed more than £34m to the economy as well as supporting over 620 jobs. Life Sciences Hub Wales acted as the single point of contact to receive, manage and refer appropriate enquiries on to NHS Wales from over 150 businesses and thousands of offers of support. Working with NHS Wales Shared Services Partnership (NWSSP), the organisation continued to work with businesses in an array of sectors to deliver desperately needed products and equipment for frontline services.

In Wales, there are already examples of how to monitor and build accountability for social value at both a local and national level. The Welsh Government has provided advice to public sector bodies on the overarching policy objectives and reporting of outcomes in relation to social value clauses and community benefits. The guidance includes the requirement to link social value objectives to the goals in the Wellbeing of Future Generations Act 2015. In addition, with the commencement of the Socio-Economic Duty on the 31st of March 2021, NHS organisations and other public sector bodies must now also consider how their strategic decisions might help to reduce the inequalities associated with socio-economic disadvantage. The NWSSP is working with Health Boards, value-based healthcare leads and procurement leads in Wales to identify key value-based procurement and health challenges to deliver better outcomes for patients. It is hoped that this approach will generate innovative projects and identify value-based procurement and re-contracting opportunities.

Supporting the Foundational Economy Programme NHS Wales Shared Services Partnership

NHS Wales Shared Services Partnership (NWSSP) has been tasked to scope and support delivery of the NHS Wales Executive Board Foundational Economy Programme, specifically in the following areas:

- Goods and services required locally, including food, tourism, retail and care.
- The objective to retain and grow economic/business activity in Wales.
- The objective to retain and grow employment/employability in Wales.
- Links to decarbonisation and local sourcing.
- Links to premises regeneration, town centres and high streets.

Some examples of action which NWSSP are undertaking to support better Foundational Economy outcomes in these areas include:

- Inclusion of 'Social Value' criteria within procurements: This involves the proportionate scoring of Foundational Economy benefits to be derived from contractors' bid submissions to recognise their importance.
- Further inclusion of supply chain resilience/business continuity/sustainability criteria within procurements: Focus upon mitigation of supply disruption, shortening of supply chains and the environmental/social/economic impacts of supply.
- Further lotting of procurements: To support Small and medium-sized enterprises (SMEs) in bidding for opportunities.
- Closer working relationship with Welsh Government Economy directorate: Sharing of supply base location, manufacturing/distribution capabilities to facilitate better understanding of market's short, medium and long term.

NWSSP are continuing to engage with stakeholders and the market to enable foundational economy outcomes from its procurement processes. In some areas this has already begun, for example, with the process of redesigning the Food category strategy with the aim of increasing the level of NHS spend within the foundational economy by the use of more local suppliers.

Building wealth within communities

Hywel Dda University Health Board

Hywel Dda University Health Board is developing a procurement strategy which addresses the need to build wealth within their communities. The Health Board explicitly recognises, through its strategy and mission, that its role and influence extend beyond a direct focus on health services, with a broader role as an agent that can affect economic and social wellbeing by developing closer links between the economy, wealth creation and people.

Whilst the Health Board has historically relied on nationally driven procurement, they are keen to develop a more locally focused approach, driven by community wealth building principles – developing a Health Board procurement strategy to supplement the nationally led procurement approach through NWSSP. One key element of this is partnership building with key local suppliers, including food suppliers.

The Health Board are in the process of developing a Community Wealth Building baseline assessment, commissioned by the Centre for Local Economic Strategies. Pilot tenders are scheduled, including Social Value as an integral part of the evaluation process, following best practice agreed with Social Value Portal.

The work will develop a whole Health Board approach to spending which maximises the opportunities to enhance public value across all pathways of spending – direct spend, contracted spend and procurement spend. Crucially, this will include focusing upstream in the commissioning process, for example, opportunities to explore alternative delivery models and link spending to business development opportunities in the local economy.

The NHS as a land and capital asset holder

The NHS estate is one of the key enablers to change the health system and directly contributes to the delivery of high-quality healthcare to patients and contributions to the countries GVA. It is also a significant source of untapped social and economic value.

The NHS estate is both large and varied, reflecting the wide range of services provided by the health system, but it is of variable quality. As highlighted within our Senedd election briefing, [*“Valuing, Engaging and Delivering: A health and care system for future generations”*](#), many hospitals in Wales were built in the 1960s or earlier, and NHS estates are often in poor shape, with significant investment needed to bring old buildings in line with modern standards, including making them energy efficient. This investment will significantly improve patient experience and patient care whilst increasing partnership working across all sectors, promoting research, innovation and greater employment prospects and investment to local areas.

In our election briefing we called on the Welsh Government to develop a five-year investment plan in service change to reshape the NHS estates and infrastructure, making them more sustainable, reducing carbon emissions and maximising public assets. While this will benefit staff and patients, it will also benefit the local community with potential jobs coming to an area, such as designers, managers, main and specialist contractors and suppliers to deliver improvements to the NHS estates. There are also environmental benefits, with many new buildings adopting modern methods of construction, achieving net zero carbon targets and embracing digital.

As well as investing in new NHS infrastructure, NHS organisations often have significant physical assets that can be leveraged for community benefit. As highlighted within the Health Foundation report, [*“Building healthier communities: the role of the NHS as an anchor institution”*](#), communities are more resilient when people are connected through social networks, and opening NHS buildings and land for community use, or supporting the development of green spaces, can provide vital opportunities for social interaction. The NHS can support community development by leasing its retail space to local community businesses, thereby encouraging patients, staff and visitors to ‘spend local’. In addition, some hospitals host businesses such as fruit and veg stalls on their estates that are open to the broader community.

Releasing land from the NHS estate which is no longer required to deliver health and care services, is a major opportunity for the NHS to enable social value creation within local communities. When selling surplus land, or redeveloping its own land, the NHS could more actively consider social value and the impact on the wider community.

NHS organisations in some areas are working proactively with other organisations to help improve the local built environment to support community health and wellbeing, for example Sunnyside Wellness Village in Bridgend. Given the positive associations between quality green space and health and wellbeing outcomes, some NHS organisations are exploring how they can create more accessible green spaces. These green spaces provide a habitat for wildlife and space for physical activity and contribute to improved health and wellbeing.

Considering the social benefits Swansea Bay University Health Board

Fairfield, situated in Cefn Coed Hospital, is a substantial two storey detached freehold dwelling, surrounded within a large lawned area of approximately 0.45 acres. On the 30th January 2020, Fairfield was deemed by Swansea Bay University Health Board to be surplus to requirements and approval was received for it to be placed onto the open market for sale. Releasing land from the Health Board estate, which is no longer required to deliver health and care services, was an opportunity for the Health Board to support their sustainability and transformation plans.

When selling the land the Health Board considered the principles of the Wellbeing of Future Generations Act. The Act supported the Health Board to demonstrate the 'bigger picture' and that disposing of properties could deliver wider societal benefits aside from the immediate financial benefit to the Health Board. The Health Board reviewed its 'traditional' approach to evaluating bid to purchase properties and adopted an approach that allowed for evaluation of bids received based on quantitative/qualitative criterion rather than the highest bid received.

The recommendation that was put forward and accepted by the Health Board was for the sale of Fairfield to be given to Kids Cancer, a National Children's Cancer charity, because the bid linked with the Health Boards Annual Plan and the three wellbeing objectives within the Plan; Giving every child the best start in life; Connecting communities with services and facilities; and Maintaining health, independence and resilience of individuals, communities and families.

Public Service Hub Powys Teaching Health Board

COVID-19 restrictions have highlighted that working from home is now possible for a lot of roles that were previously solely office-based. As other public services, such as Welsh Government and Local Authorities, are considering the amount of office space in their estates, public service hubs are being suggested as a solution. Such spaces offer hot-desking style facilities for multiple public services and would be located in close proximity to town centres.

A public service hub has been in operation in Newtown, Powys, for a number of years after evolving as an organic response to challenges faced in rural Wales, a fact that is being considered by Powys Teaching Health Board in their future developments.

The role of the NHS in life science research and innovation

The NHS supports employment in high value sectors such as life sciences, pharmaceuticals and medical technologies. It is also a major driver of health-related research, in partnership with universities, and has a role in inward economic investment to Wales.

A KPMG report for Health and Care Research Wales, *Impact and value of research supported by NHS organisations in Wales*, published in September 2020, evidenced that in 2018/19 an estimated total of £93 million in GVA and approximately 1,600 full time equivalent jobs were supported by NHS Wales health research activity.

Research provides benefits to clinicians, the population of Wales, and internationally. Clinical, research and operational staff trained in Wales are used worldwide. Selected firms in Welsh life sciences undertake research, development and manufacturing in the region, making use of highly skilled workers, but also benefit from the presence of the universities, and medical staff within the NHS itself.

In addition, the health and care system has a key role to play through embracing and exploiting digital innovation. Through helping to promote digital inclusion and addressing digital inequality, it will aid economic and social recovery in Wales. The Welsh Government *Digital Strategy*, published in March 2021, states that “*we recognise the importance of digital to ensure that Wales’ economy remains competitive in a global market while reducing inequality and spreading wealth and wellbeing across Wales*”. The NHS plays a key role in driving this agenda as a major employer in Wales and as a consumer of innovation. An increasingly digitally literate NHS workforce will have a wider impact on population digital literacy.

An example of innovation and economic development in this area is the Cyflymu/ Accelerate programme, which is led by Life Sciences Hub Wales in collaboration with Welsh universities. Health Boards are engaged as part of the process to help support small and medium sized enterprises to develop innovative solutions to health and social care challenges.

Enhancing anti-viral/anti-microbial high touch surfaces

Cwm Taf Morgannwg University Health Board

The need to sanitise surfaces has always been important within both clinical and non-clinical settings. Unfortunately, COVID-19 has increased the urgency of need in order to minimise transmission of the virus. Some studies have indicated that the SARS-CoV-2 virus survives on stainless steel surfaces for as long as 3-7 days. An existing body of evidence indicates that metallic elements such as copper possess anti-microbial properties. For example, microbes such as bacteria and viruses, that come into contact with copper surfaces are killed within hours; this is known as contact killing.

Building on this knowledge, a unique, collaborative project between industry, health care and academia is being undertaken to test, evaluate and validate the potential of combining novel anti-tarnish coatings with metallic surfaces to enhance the killing efficacy of surfaces exposed to microbes including the SARS-CoV-2 virus. Such a technology has the potential to provide an added benefit for surfaces located in high-use clinical settings, such as doors, and seeks to increase their practicality through decreasing the effects of tarnishing.

Cyflymu/ Accelerate is supporting the delivery of this innovative project through Cardiff University's academic expertise in investigating the efficacy of combining novel coatings with metallic surfaces (copper, brass and an anti-tarnish copper) for bactericidal and viricidal properties, alongside project management through the Clinical Innovation Accelerator. This will be complemented by the industrial expertise of The Royal Mint in copper production, and that of Armadillo Metal Coatings in anti tarnish technology. Commercial appropriateness will be managed by Dusk Water, with Cwm Taf Morgannwg University Health Board providing the hospital environments for the installation of push door plates, and the Health Board engagement needed to implement the results.

TriTech Institute Hywel Dda University Health Board

TriTech, a commercial venture by Hywel Dda University Health Board, supports the development of healthcare solutions on a local, national, and global level offering designers and manufacturers a single point of access to the NHS through a collaborative and agile approach.

The TriTech team are comprised of industry-leading engineers, scientists and clinicians who rapidly move innovative medical technologies into trials and direct patient care. The team's advanced skills in clinical and research design are combined with technical engineering expertise to manage the whole innovative pathway from early unmet need, through to concept design, prototyping, clinical testing, and real-world service evaluations.

Embedded within the NHS, their innovative consultancy service has supported a range of customers, varying from global healthcare tech companies to small Welsh start-up's. Their team can support with a wide range of solutions – from initial research and development phases of a new medical device or software to supporting small and medium-sized enterprises, and start-ups with regulatory compliance advice.

Their connections with Higher Education Institution partners and clinical teams at Hywel Dda University Health Board provide a unique collaboration between Swansea University and University of Wales Trinity Saint David.

The NHS as a leader for environmental sustainability

The climate crisis has serious direct and indirect consequences for health. A 2018 *Public Health Wales report* on reducing health risks associated with road traffic air pollution in Wales stated “*the societal cost of air pollution from health service costs and lost work-days is estimated to be £1 billion each year*”. Exposure to air pollution is estimated to cause the equivalent of 40,000 premature deaths in the UK each year, with an estimated burden on early deaths in Wales in an equivalent range of between 1,000 and 1,400.

Building on the *NHS Wales Carbon Footprint* report, the *NHS Wales Decarbonisation Strategic Delivery Plan*, published in March 2021, sets out the target to become net zero by 2030. NHS organisations have a significant impact on the environment and are some of the largest contributors to climate change and air pollution. Delivering high-quality health and care places numerous demands on natural resources and the environment, such as: the use of energy, water and consumables, including single-use plastics; waste production and waste management; and travel, which requires fossil fuels and contributes to air pollution.

As highlighted in the Health Foundation’s report, “*Building healthier communities: the role of the NHS as an anchor institution*”, in 2017 the health and social care system in England used 27.1 million tonnes of CO₂e and 2.23 billion cubic metres of water. This includes 589,000 tonnes of waste and 9.5 billion travel miles generated by NHS services. Indeed, health and care-related travel constitutes around 5% of all road travel in England.

Following the Welsh Government declaring a Climate Emergency for Wales in April 2019 with the ambition for the Public Sector in Wales to be carbon neutral by 2030, they published the “*NHS Wales Carbon Footprint 2018/19*” report in July 2020. The report highlights that while over the last few years NHS Wales have started to take a more proactive approach to addressing their carbon footprint, NHS Wales carbon footprint remains high. The NHS Wales 2018/19 Carbon Footprint was calculated as ~1 million tCO₂e. This has an associated estimated cost of £1.965bn of direct NHS Wales spend. In 2018/19, 99% of NHS Wales’ total building use emissions were energy related, consisting of 86% energy and 13% upstream energy. Water and waste account for a small percentage of building use emissions.

In Wales, the NHS produces up to 600,000 tonnes of waste each year, and around 85% of this waste is categorized as non-hazardous. Although much of this waste is recyclable, a significant amount is still incinerated or sent to landfills. A significant part of this waste is the packaging of consumable products that are routinely used on a single-patient basis, with operating theatres and pathology laboratories being the areas that produce the greatest quantities.

Whilst healthcare waste must be categorized, segregated and processed according to the appropriate waste management stream, practices around waste management and the communication of relevant practices could be enhanced. For example, diverting specific waste from incineration and landfills into recycling, saves money and reduce carbon.

Transport emissions are often recognised as being associated with an organisation's own vehicle fleet. However, NHS Wales transport related emissions are much wider reaching than this and business travel associated with staff expensed travel in personal vehicles must also be considered. Additionally, commuting of staff from home to base and also patient and visitor travel to place of care, contribute to emissions significantly. Finally, the Welsh Emergency Ambulance Service air ambulance also contributes to carbon emissions. The ambulance service is looking to address this through its Environmental Strategy and the trial of electric vehicles for patient transport.

Through using its buying powers, NHS Wales organisations are looking at establishing new, local supply chains, which will have the additional impact of shortening the supply chain and reducing carbon. In addition, making better use of digital technology across our services and communities, including video consultations, will reduce the environmental impact of healthcare delivery.

Given its large carbon footprint, any action taken by the NHS to support responsible consumption and reduce waste has a significant impact on the environment. This is important not only to reduce carbon impact, but to support more sustainable utilisation of finite resources overall across Wales and the UK.

“The NHS has the power and responsibility to influence action on a broader scale, to reduce its contribution to climate change and protect resources for the health of future generations.”

Reducing the carbon footprint **Swansea Bay University Health Board**

The Re:Fit Project (Re:Fit) is a £15.3 million investment in environmental initiatives to reduce Swansea Bay University Health Board's carbon footprint. The Re:Fit framework allows public organisations to access funding, via Salix, to implement a range of Energy Conservation Measures (ECMs). The savings these measures generate not only reduce carbon emissions, but also generate additional long-term cost savings and reduce back log maintenance, providing increased budget certainty for the Health Board.

The Re:Fit project includes a range of energy conservation measures at eight of the Health Board's highest use buildings, as well as development of a 4MW Solar Farm which will provide around 20% of the electricity for Morriston Hospital. This will provide carbon free electricity for the site, addressing the issue of the carbon footprint from network utilities.

The investment in the solar farm and energy-reducing schemes will lead to a minimum guaranteed saving of more than £1.5 million a year. It will also reduce carbon emissions by around 3,000 tonnes a year.

Whilst the focus of the project has been to reduce the carbon footprint of the organisation, it has also sought to improve the services within the Health Board's facilities. The introduction of LED lighting and the installation of over 14,000 LED light fittings will not only reduce the carbon footprint, it also improves the lighting levels, aesthetics of the ward for patients and staff, and reduces the maintenance required due to the longevity of the fittings.

By engaging with the Re:Fit Framework, the Health Board has been able to work in partnership to deliver a range of the decarbonising initiatives. These initiatives will reduce the Health Board's emissions by over 73,000 tonnes over the lifetime of the project.

Healthy Travel Charter Cardiff and Vale University Health Board

In April 2019, Cardiff and Vale University Health Board formally signed the Cardiff Healthy Travel Charter, which commits the organisation, along with a number of other public sector organisations in the city, to support and increase the number of staff and visitors reaching the Health Board sites by walking, cycling and public transport, and also support a shift from fossil fuel vehicles to electric vehicles. This will contribute to reduced sedentary behaviour, improve air quality and social cohesion and reduce inequalities and carbon emissions across the city.

In October 2019, a similar Charter in the Vale of Glamorgan was launched, and in January 2020 leading businesses in Cardiff signed up to the Business Healthy Travel Charter, developed in conjunction with Cardiff's Business Improvement District. This work has come out of close collaboration between the Health Board and Cardiff Council, with a Consultant in Public Health Medicine seconded 1 day a week to Cardiff Council transport team to increase healthy and sustainable travel and improve air quality in the City as part of the City's Clean Air Plan.

The Healthy Travel Charters are now being rolled out across Wales, with a Gwent Charter launched in 2020 and Charters under development in Swansea, and North Wales.

Improving health outcomes in local communities

As a result of the pandemic, it is now time for health impacts, health services and communities, to be at the centre of plans for the regeneration of high streets.

The decline of the UK's high streets is well documented. The growth of out-of-town shopping centres and internet shopping has led to absentee landlords, empty shops and a stifling of choice at the heart of our communities. The pandemic has further impacted and affected the high street due to lockdown measures and more people working from home. As the Welsh Government's *Transforming Towns* agenda highlights, public sector organisations are the catalyst to breathe new life and purpose into local streets.

The high street occupies a pivotal role in our communities. They are often a point of community focus at the heart of nearly every city, town and village, and for generations have been the place where people go to shop, meet or work. They are an economic, social and cultural hub that shapes the vibrancy, wellbeing and prosperity of where we live and work.

The pandemic can act as a timely opportunity to consider which NHS services could be more effectively and appropriately delivered in communities. This can be done in ways that make our high streets more economically and socially sustainable and the services themselves more accessible to people across Wales. As highlighted in the NHS Confederation briefing, *Health on the high street*, published in December 2020, there are immediate opportunities for the NHS to become directly involved in the high street policy agenda. These include running health services from vacant property and broadening the range of services provided within communities. Developing a healthier high street does not have to cost more than the current system and could have significant economic advantages for local communities, Local Authorities and property owners.

“Developing a healthier high street does not have to cost more than the current system and could have significant economic advantages for local communities, Local Authorities and property owners.”

Building health into the high street has multiple benefits. It can play an important role in addressing health inequalities, offer much-needed additional capacity for health service delivery and attract more people into their local high street, while encouraging healthier lifestyles. Those who may not use high streets regularly to shop would, for example, use them to attend health services, making more vibrant community spaces.

As high streets tend to be at the centre of public transport networks, this can make a wide range of health and care services more accessible to people and, importantly, increase their engagement and effectiveness. It would also reduce carbon emissions, as travel to distant hospitals could drop in the longer term. High streets are more accessible to people without cars than out-of-town centres and offer a chance to promote other sustainable forms of travel.

Reduced travel time for tests and consultations could mean less need for people to take time off work to access services, and potentially access services during lunch breaks. This matters in both rural and urban locations and would, for example, support families struggling financially or who are self-employed, helping to reduce health inequalities by improving access to services locally and at low travel cost.

Local Authorities have a particularly important role to play in developing and embedding health on the high street principles. The NHS is well placed to work with them to assist in developing an approach that better understands the social and economic potential of health, as well as strengthening the role of communities in decision making, and ownership and use of high street spaces.

Population health and population wealth

Widening health inequalities and growing pressures on health care services have prompted a fundamental conversation about the role of the NHS in prevention and its broader influence in local communities. There is a growing chorus of voices from across NHS leadership that recognises the strength of the links between population health and population wealth. Stubborn and persistent health inequalities between and within areas of Wales undermine the economic potential of places.

The [*Health Foundation*](#) notes that in Wales, women from the most deprived areas are expected to live 20.1 fewer years in good health than women from the least deprived areas and men 17.8 fewer years in good health. Between March 2020 and December 2020, the mortality rate in the most deprived areas of Wales was 1.6 times higher than in the least deprived areas.

The pandemic has also led to increased demand on mental health services. As the Mental Health Foundation report, [*The COVID-19 pandemic, financial inequality and mental health*](#), highlights the longer-term socio-economic impacts are likely to reproduce and intensify the financial inequalities that contribute towards the increased prevalence and unequal distribution of mental ill-health. The link between poverty and mental health has been recognised for many years and is well evidenced. In general, people living in financial hardship are at increased risk of mental health problems and lower mental wellbeing.

For too long, we have looked to the health service to address these challenges in isolation, but the NHS alone simply doesn't have the levers to make the changes we know are vital to creating the conditions necessary for good health. Health inequality is the result of many and varied factors. The conditions that support us to live healthy lives are broad: our income levels; our level of education and skills; the availability of good work; the quality and security of our housing and our surroundings; access to public services; our social connections to one another; regular physical activity and safe access to outside space; amongst others. Meaningful progress will require coherent efforts across all sectors to close the gap.

A rich literature exists on the long-term economic returns and societal benefits of investing more in people's health, particularly efforts designed to prevent ill health and boost wellbeing. Improving physical and mental health does not simply support growth, it can dramatically accelerate it, and more importantly it can do so in more sustainable and inclusive ways. The *Heckman Curve* shows that the highest rate of economic returns comes from the earliest investments in children, providing an eye-opening understanding that society invests too much money in later development when it is often too late to provide great value. It shows the economic benefits of investing early and building skill upon skill to provide greater success to more children and greater productivity and reduce social spending for society.

In line with the ambitions of the Wellbeing of Future Generations Act, there could be an opportunity to invest in early years development to provide a greater return on investment and reduce the burden on the health service in later years. In addition, through implementing the Socio-Economic Duty, it will enable NHS organisations and other public bodies to mitigate inequity and support the most vulnerable and those who suffer socio-economic disadvantage.

Social Value Portal Hywel Dda University Health Board

Hywel Dda University Health Board (HDUHB), in conjunction with Social Value Portal, have undertaken detailed research work that identify the needs of an area through policy review, deprivation mapping and connecting with community partners. Community stakeholders have been engaged through workshops, surveys, polling and informal group sessions.

The needs analysis reviews relevant policy context and local needs of three county councils, including Carmarthenshire and Pembrokeshire in South West Wales as well as Ceredigion in Mid Wales, in order to understand the key priorities and how social value is currently being delivered for local communities near HDUHB.

The report identified the two most deprived wards in each of the counties and the Health Board has invested in extending this review to include the GP clusters of the three Local Authorities.

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Placing wellbeing and health equity at the heart of the COVID-19 response and recovery towards a sustainable and fair economy of wellbeing for all

Public Health Wales NHS Trust

Public Health Wales are working collaboratively with the World Health Organization Regional Office for Europe and the Venice Office for Investment for Health and Development to develop and innovate methods and tools to support policy makers and budget holders to implement an ‘Economy of Wellbeing’ approach, with a focus on leaving no one behind. This is specifically bringing forward evidence, data and solutions that demonstrate how the health system (NHS in Wales) is an engine for social, economic and environmental stability and wellbeing, contributing to fair and sustainable lives and livelihoods.

The objectives of this collaborative work aim to identify, develop and quantify multiplier effects of policies across sectors that promote and support social and human capital, and sustainable fair economic recovery from COVID-19, contributing to strengthening leadership and capacity of (public) health authorities.

Specifically,

1. Place wellbeing and health equity at the heart of the social and economic recovery from COVID-19, building an ‘Economy of Wellbeing’ approach;
2. Advance methodology, data, evidence and knowledge to embed social values in decision and policy-making, ensuring social and economic return on investment;
3. Quantify and model multiplier effects of public, especially health, policies, services and interventions, showing their contribution across the five essential conditions (wider determinants of health);
4. Strengthen Wales’ global ‘influencer’ and ‘innovation site’ role, showing and utilising the role of the Health System and Public Health, as a generator of economic goods and prosperity for all.

As part of this, Public Health Wales has joined a new WHO European Economics Alliance to explore, pilot and progress innovative methods, tools and solutions for strengthening health systems and making the case for sustainable investment in people’s wellbeing and health equity.

Conclusion

As the biggest employer in Wales, the NHS is central to regional economies, supporting a wide range of activity in every corner of Wales. It is important to understand this contribution and understand any changes in the level of support for the NHS in Wales, or indeed that subtle changes in spending within NHS organisations and nationally could have marked local impact on the economy.

The health of communities and local economies are intertwined. Good healthcare is vital for local economies and achieving their long-term growth potential – for treating people if they become unwell, boosting the health and productivity of the labour force, and as a major employer and purchasing organisation within places.

The NHS has a unique opportunity to use its resources to influence the wellbeing of the population it serves and reduce the health inequalities that exist in Wales. Tackling stubborn inequalities and driving recovery and growth through a renewed focus on health requires bold actions. It means prioritising health in its widest sense: from improving population health to strengthening research and development with industry on health technologies. It means anchor institutions – the NHS, universities, local and combined authorities – working together to co-design our communities where people want to live, work and invest through engaging communities and other partners on these efforts, but also boosting the role they themselves play as large employers and economic actors (who in turn will benefit from a healthier workforce).

Throughout the COVID-19 pandemic we have made incredible progress in a number of these areas, but the pandemic has also greatly increased health and wealth inequalities across Wales and significantly shrunk the regional economy. As the NHS Confederation NHS Reset report, *Health as the new wealth: the NHS's role in economic and social recovery*, highlights, it is important that we learn from the rapid progress we have made, sustain these changes, and use the momentum gained to work collectively to tackle the stark inequalities facing our society.

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