Unlocking the NHS's social and economic potential: a four-step model

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Introduction

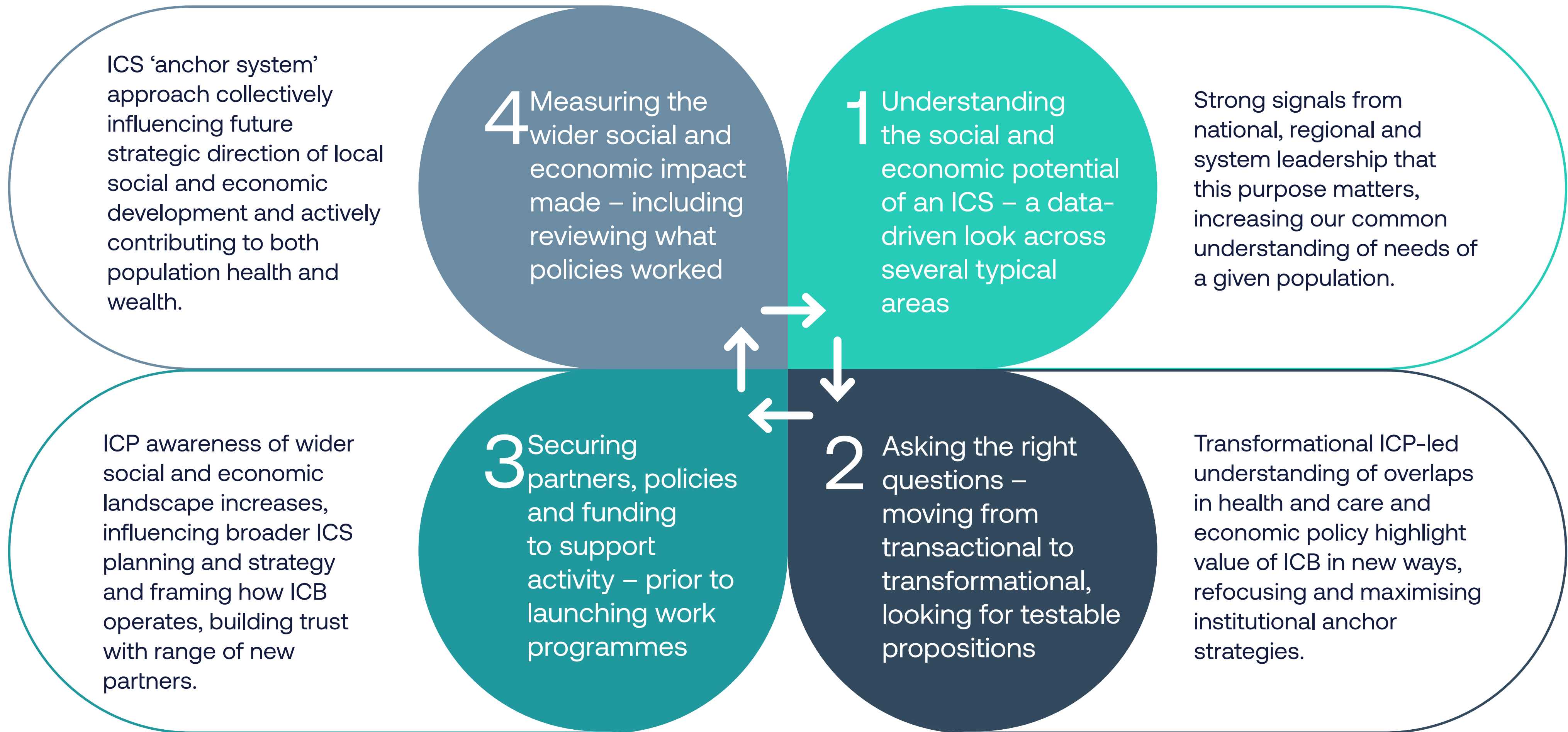
To stimulate action and delivery against integrated care systems' (ICS) purpose of helping the NHS support broader social and economic development, we believe there is a need to develop a light touch framing that has broad consent from health service and local authority leaders and their partners, and enables a system to begin formulating its own plans.

The light touch model we have developed with and for system leaders has four key steps through which an ICS can deliver on this purpose.

This document explores these steps in detail, but also explains how following this model framing will in itself spur greater awareness, commitment, influence and impact – giving you the tools to improve the lives of your populations and change the very landscape in which we operate. While a conceptual understanding of this model is important, this framing is highly practical in nature. Here, we run through the necessary steps to deliver on this at a system level.

Step 1	Step 2	Step 3	Step 4
Understanding the social and economic potential of the ICS – a data-driven collection of where we might make a difference	**Asking the right questions** – moving from being transactional to transformational	**Securing partners, leveraging policy and unlocking funding** – thinking before we act	**Measuring impact, reviewing policy and embedding into practice** – what works?

At a glance: The ICS social and economic development model framing



Step 1

Understanding the social and economic potential of the integrated care system (ICS) – a data-driven collection of where we might make a difference

Summary: One of the significant strengths of the NHS is that it is everywhere. It plays an important, varied and active role in urban, metropolitan and rural economies; in those considered 'highly-skilled' and those often referred to as 'left behind'. Our value may change depending on the local context, yet we can be confident that our decisions will have real-term and real-time implications for the local area.

The inclusion of this as an ICS purpose has helped sound a national signal to local partners that this agenda matters – it is important systems now seek to build on this momentum.

Approach: It is possible to summarise the typical determinants of social and economic development where an ICS might begin to have an impact. These are as follows (page 6), with guiding questions for local systems to themselves reflect on and answer:

> "There are direct things within the control of the NHS and things we can only influence. Partnership working across an ICS will help us understand which is which, but we can start now."
>
> **ICB Chair**

Area	Measures
Employment and skills	• Total employed workforce across ICS • Number of staff living within ICS, including in most deprived wards • Number of local households supported • Number of young people employed through apprenticeships/schemes
Research and development	• Number of health-related industries supported to invest • Business rates and taxation raised • Number of start-ups supported • Amount of research funding attracted
Procurement	• Total NHS spend within ICS • Influenceable spend • Social value impact • Amount spent with voluntary, community and social enterprise (VCSE) and other local target groups
Estates	• Size and value of NHS estate across ICS • Asset usage across sites, including non-NHS services supported • Footfall across sites, including links to any regeneration schemes
Population health	• Number of operations on working-age people • Number of people supported through smoking cessation etc • Number of people supported back into employment through mental health initiatives
Net zero	• Number of NHS-related journeys, including suppliers, staff and patients • Carbon footprint of all NHS organisations within ICS • Fleet size
Civic leadership	• Diversity, range and number of local staff volunteers • Data on patient engagement levels • Mentoring and other forms of local impact

Given the need to raise awareness among NHS leaders of their own potential impact, this list is intentionally focused on where the ICB's statutory partners might make a difference.

Recommendations

ICSs begin or accelerate their journey with a data-driven exercise across the typical determinants of social and economic development. Integrated care partnerships (ICPs) tasked with developing their integrated care strategies will benefit from this data trawl as they seek to understand the assets, strengths and needs locally and the issues to coalesce around to achieve wider impact.

ICPs use this information to frame their internal understanding, shape new relationships with partners and provide something of a detailed baseline for future progress. This work can also help an ICP reimagine the scale of the impact its decision-making and investments can have on society locally. Over time, interactive forms of publishing this information in the public domain to support wider understanding can be developed, but this is not an immediate priority.

ICPs compare this data with institutional anchor strategies from NHS and non-NHS organisations across the ICS geography where they exist. This will help to build on and challenge what has already been developed locally, understand common or potential areas of joint focus and priorities, and spread support to those yet to look in detail at this agenda. The ICS will have a leading role in moving from individual anchor strategies to a more connected anchor system. A broad partnership will better inform what institutions can strategically do for the given populations these varied organisations collectively serve, around which future strategic work can and should align.

ICSs share the data within and across systems in thematic or geographic ways that can provide an important collective evidence base through which to support national change in select areas. For example, national NHS procurement guidance is often focused on what it perceives as scale and efficiency. Enabling an ICS to truly support local economies will require a greater understanding nationally of the power and value of local discretion. Strong regional or thematic ICS alliances on issues derived from this data must help change national policy for the better.

Step 2

Asking the right questions – moving from being transactional to transformational

Summary: The data derived from step 1 of the model will emphasise at a high level the social and economic potential of the ICS within a given footprint, but it won't necessarily determine where a system should focus its limited resource, energy, funding and time to achieve the desired wider local change.

Conversations are needed to explore priorities, yet often in health and care become NHS-centric, short-term and operationally focused. We believe the next step in addressing this purpose is to reframe the questions which we are ourselves asking, to ensure we are challenging orthodox NHS thinking, and to look for testable propositions to explore in more detail.

In moving away from more transactional questions to becoming transformational our focus becomes more applicable to our partners and the determinants of social and economic development more real to the ICB. It also enables an ICS to join the range of other conversations that are already taking place.

Approach: The table below reflects the same thematic areas as in step 1, yet frames new transformational questions that ICSs will want to reflect on as they look for testable propositions in which they can usefully draw in partners, including the ICB, to leverage wider change.

Theme	Questions
Employment and skills	• How can we make our place more productive? • Can we increase labour market participation in certain age groups? • Can we retain graduates?
Research and development	• How can we help attract inward investment? • How can we increase the percentage of health R&D funding the system/region receives? • What new industries are we seeking to develop?
Procurement	• How do we support diverse suppliers? • Do our policies enable local procurement spend to reach those furthers from our supply chain? • What do we want to change through procurement?
Estates	• How can integrated public services support the diversity and sustainability of the high street? • How experimental are we prepared to be in providing services? • What are the housing needs of the local keyworker population?
Population health	• How do we ensure school readiness? • What do our local small and medium-sized enterprises need to improve their productivity? • In what NHS services would investment most address local productivity or unlock long-term savings elsewhere, for example in the criminal justice system?
Net zero	• Are we addressing air quality in those areas most densely populated? • What are the challenges in moving to a net zero local economy? • Can we create or support local energy markets?
Civic leadership	• How might we jointly invest our limited resources? • What is our role in developing a stronger cultural offer for our area? • How do we help improve pride in our place?

Not every theme will be a priority for local systems but in reflecting on a selection of the above guide questions, it will become clearer in which areas collaborative action might be usefully targeted and how the parts interplay.

Reframing the health and care workforce question

Workforce is an urgent priority for every ICS and every part of the country. Deficits in skills is one of the most cited reasons for the UK's significant regional imbalance in productivity, with the clustering of highly-skilled work in cities often depriving local towns and rural areas of adequate supply. It is both a macro and micro crisis which restricts a place's ability to improve its prosperity and holds back the life opportunities of our young.

An ICS asking itself 'how can we recruit the health and care staff our system requires?' will likely ignore the wider impact of its decision-making, potentially competing against others within and outside the sector locally, skewing the local labour market and in some cases actually widening inequalities.

A transformational reframing of this question might lead an ICS to ask 'how can we develop a more productive place?'. This would draw in a range of partners to understand the overlaps in skills-needs between the local high-value employment sectors, such as health and care, across a geographic footprint, the emerging demographic and wider population data, the full training and education offer necessary to support long-term local recruitment, retention and reputation, and the agreement to focus on core principles of Good Work to stimulate a productive and healthy workforce in general. It would also bring external factors into the conversation such as housing, infrastructure, research and transport, as well as a range of potential funding programmes.

Such an approach would coalesce partners around pilot projects that can not only support the current and future health and care workforce, but would help develop a more consistent labour market for the benefit of all.

Reframing the health and care capital and estates question

A critical enabler of good quality care and yet collectively facing an estimated £9 billion backlog, the NHS estate is in many parts of the country in a parlous state. While the business case process for applying for and receiving capital funding in the NHS can feel antiquated, selective and overly burdensome, it also often ignores the wider infrastructure needs and context of the local place.

As ICSs gain more clarity of their strategic role in estates planning and development, they should prioritise their understanding of spatial planning and how to put health at the heart of it. To deliver on this ICS purpose, the transformational reframing of the question could be to ask, 'how can integrated public services support the diversity and sustainability of the high street?".

The high street occupies a pivotal role in our communities. Situated at the very heart of every village, town and city they have for generations been the place for people to go, meet and spend money - an economic, social and cultural hub that shapes the vibrancy, wellbeing and prosperity of where we live, study and work. With the economic effects of the pandemic still clear, we are seeing a renewed battle to shape the 'experience' of a place.

Local economic plans will need to understand and adapt to this change, with particular focus being given to the experience that will bring people into our town centres. Not only is there an increasingly powerful argument that health and wellbeing should be integral to this experience, more and more NHS services are being hosted there, generating footfall and diversifying the local offer.

Strategic discussions around realising the potential of the high street have not traditionally been a priority for NHS leaders. Similarly, those responsible for planning the future of our town centres often fail to see the economic and social value of health. With the increasing need to align public services with growth this issue presents an ideal opportunity to pilot new approaches to estates planning which support social and economic development.

Reframing the health and care net zero question

The NHS may be the world's first national health system to have a net zero strategy, but the nature of England's industrial heritage and journey inevitably means progress in achieving it will differ throughout the country. With every ICS system now having a net zero strategy in place, lowering carbon emissions is a focal point for many both within and outside the NHS.

For an ICS seeking to help the NHS support social and economic development and thus improve the lives of its population, the net zero agenda provides a host of opportunities that go beyond our traditional thinking. A transformative reframing of its approach in this area might lead to an ICS to ask its partners 'what are the challenges in moving to a net zero local economy?'.

Such a question would bring health and care and other local leaders together to develop approaches to carbon-free economies which promote, support and attract investment in the industries of the future. Going further, these discussions could focus on the impact that joint net zero strategies could have in leading to a wholesale rethink of local urban planning, housing and technology, alongside the redesign of transport and access and providing opportunities to create a range of new jobs for the local economy.

These challenges will impact on every sector in different ways. The visible physical aspect of aligning ICS capital and estates plans with local infrastructure and net zero strategies should positively support the contribution our own programmes can make towards achieving local sustainable, social and economic development. Our focus must also be on understanding the implications for health inequalities of some industries struggling to transition.

While green investment may support a range of new jobs, some of which could be health-related, there may be others for whom employment is threatened and/or re-skilling is necessary. Roles in the NHS may be suitable for these communities but more broadly the ICS can be the vanguard and truly reinforce the positive presence in local regeneration discussions, piloting new approaches to net zero that are cross-sector.

Recommendations

ICPs prioritise a selection of the transformational questions to test through the development of their integrated care strategy. As previously mentioned, many of the early local anchor institution strategies will have made progress in some of the areas listed above, though the extent to which this progress is truly transformational and place-based will vary. An integrated care strategy that asks more transformational questions can refocus minds and redouble effort, in turn sharpening and targeting local anchor strategies around where collective impact and leverage can be found. This action will also help identify what health and care policy and economic policy has in common across an ICS footprint and where some of the overlapping priorities can bring tangible and mutual benefit tailored to the local population.

ICPs undertake a relationship audit across their partnership. The annex in the Unlocking the NHS's Social and Economic Potential report reflects some of the views of the NHS from other sectors in a social and economic perspective. Understanding what local partners think and want is an important part of identifying barriers, developing a successful strategy and finding out what is possible. An ICP is well placed to seek private and public views locally of where working with the NHS is and isn't being optimised, to raise and explain its own policy agenda (including the rationale behind this ICS purpose itself) and to gauge what the asks on an ICB might be. These could relate, for example, to how we might usefully share the skills or knowledge within the NHS more widely, what parts of our own architecture most appeal to non-health partners, and to where NHS impact might accrue.

"Our population-up approach reset conversations, moved away from historic ways of working to what matters, and gave permission to look at what is important."

ICB Director

Step 3

Securing partners, leveraging policy, unlocking funding programmes – thinking before we act

Summary: Building and implementing a cycle across an ICS that identifies a set of common priorities can enable a strong spirit of collaboration to run through the system. There remains, however, a lack of confidence for many in the NHS about engaging in, and supporting, the wider social and economic agenda. While this is perhaps understandable, it is important to recognise the skills and insight across the ICP, and importantly, that an ICB should not be approaching these common issues alone.

The emerging economic and social landscape across the country is complex. The levelling up white paper, published in February 2022, outlined for the first time a formal framework for devolution setting out what powers areas in England can over time gain and how. At present it is possible for an ICS to have within its footprint a Mayoral Combined Authority (MCA), a range of other tiers of local government and a local enterprise partnership (LEP) all involved in policy and delivery. While it can be challenging for these organisations themselves to organise in a way which best formulates a coherent economic and social plan for the locality, other partners such as the ICS, universities, colleges, VCSE organisations and industry can act as brokers in local discussions.

While this patchwork exists, a clear national direction on the partners, policies and funding programmes necessary to enable an ICS to deliver on its chosen priorities is not practical or helpful. Nevertheless, it is possible to highlight, as below, the types of organisations, both traditional and otherwise, that the different layers of the new health and care structure would be best-served establishing relationships with to co-deliver on this purpose. For some, this ICS purpose will itself give purpose to the partnerships a system develops, particularly where previous engagement was limited.

A common message from partners was the need to demystify how the health and care sector works. If people do not understand the NHS, for example, they will expect or ask for things that are unrealistic and miss potential opportunities where we can add real value. In this case, we all lose out. We can also reference some of the policies that may or may not be new to an ICS and the variety of funding programmes and other resources they, the ICB and partners wish to draw on.

Approach: Assessing progress against this table, and seeking out who is interested in shaping, stretching and resourcing local activity relating to the transformational priorities, represents the third step in the model framing.

Tier	Partners	Policies	Programmes
Region	Northern Powerhouse, Midlands Engine, Western Gateway,	Levelling Up	UK Shared Prosperity Fund
	DLUHC Regional Directors	Industrial Strategy	
		Net Zero Strategy: Build Back Greener	
		A Plan for Growth	
System	Mayoral combined authorities	Good Work	Levelling Up Fund
	Private partnerships, such as freeports	Strategic Economic Plan	
	Local enterprise partnerships	OHID Inclusive and Sustainable Economies Framework	
	Growth hubs	Health as new wealth	
Place	Local government	Health on the high street	Community Ownership Fund
	Chambers of Commerce		Towns Fund
	VCSE, civil society		One Public Estate
	Universities	Civic university agreements	
	Business improvement districts		
	Colleges		

This table will change over time but is a good starter to reflect on as systems cast the net wide in search of partners, policies and programmes that can support their priorities and pilots.

Recommendations

ICPs nominate a lead for the ICS purpose of supporting social and economic development, whose role is to understand the emerging landscape and the partners, policies and funding programmes that can support activity. This lead can act as a single-entry point for external partners and will be vital in being at the various tables as discussions locally progress and in looking for testable propositions to build on the transformational questions now being asked. Depending on the priorities under review for the integrated care strategy this horizon-scanning will enable critical connections to be made that can determine where change can be driven. There is certainly a critical lead role for local government in this work. Leaders who understand their communities, and whose portfolios are much broader than health, can help make connections across the local economy.

ICPs use the guiding social and economic checklist to follow when initiating local programmes of work. The ten questions to the right are intended to help leaders to make decisions that are right for their system and population.

It is likely that the awareness of the external context in which an ICS operates will grow as its leadership is exposed to a series of new conversations and partnerships, which will in turn have positive and wide-ranging implications for the future evolution of integrated care strategy and potentially the governance mechanisms that drive local policy and decision-making. Nevertheless, there is a clearly an important role for national health and care bodies such as the NHS Confederation, Local Government Association and others to support ICS leaders to understand better their local economy and to have more productive conversations with local organisations and their leaders around where to focus NHS resources.

The ICS social and economic checklist – where should we focus?

- [ ] Do we understand the wider value to different stakeholders of the NHS when prioritising investment decisions, both positive and negative?
- [ ] Are we speaking to those most impacted by this decision to gauge their input and views?
- [ ] How will we measure our impact and return on investment?
- [ ] What is the added value of our target interventions and is it proportionate?
- [ ] What NHS and non-NHS strategies or policies are impacted by, or can support, this work?
- [ ] Who is best placed to lead on this locally?
- [ ] Have we mapped our own priorities with the priorities of our partners?
- [ ] Are we helping address wider priorities when undertaking this work?
- [ ] Are there wider or future funding opportunities to support scale and spread?
- [ ] Do those working in economic and social development know about the aims and value of the ICS for their local population?

Step 4

Measuring impact, reviewing policy and embedding into practice – what works?

Summary: The fourth step in the model framing needs to be focused on the difference made, rather than simply progress made. Now we are looking at measuring and reviewing programmes of work in the chosen areas, which will invariably differ in scale, leadership, extent, resourcing and timeframe.

Systems might have the overriding purpose, and the constituent parts a formal duty to collaborate, but the nuance, structure and focus of local economies are not straightforward. Across many systems 'place' will be the hub of local activity, the meeting point for a variety of sectors and a recognised economic footprint and social identity. Consistent and concerted working across the tiers is therefore vital to achieving impact.

Approach: Measuring the health sector's impact on social and economic development has never been straightforward. Several parts of the country have made a start on seeking to understand how to do this through their local anchor strategies and through social value frameworks and approaches, though this is still at an early stage. Looking across the NHS, the mental health sector is often considered leaders at understanding return on investment, such as with interventions into children's mental health.

What could an ICS target?

Local partners such as universities and local and combined authorities are well placed to help systems develop a diagnostic or evaluation tool which can help an ICS measure its impact. At a very simplistic level there are a range of targeted interventions that add value, such as:

- improve productivity and gross value added
- drive more and better local jobs
- support increased labour market participation
- retain graduates
- raise opportunity
- alleviate pressure on other public services
- attract investment
- create commercial spin-offs
- deliver wider infrastructure connections, including transport
- unlock housing or planning
- enable voluntary community and social enterprise organisations to grow
- increase social value
- source external funding
- secure green investment
- narrow health inequalities
- improve air quality and
- address staff and community poverty

The nature of social and economic development is diverse. It may be that economic impact is mainly derived at a macro, or system, level, while social impact is found in hyper-local situations, such as on the high street. Both matter and both should be pursued where relevant change and impact can be sought. Interventions that target the above list, for example, are all clearly within scope but all differ in their approach, modelling and measurement.

In terms of measurement specifically, the Health Anchors Learning Network (HALN) has promoted work that can be extended widely and support this, and a range of economic and social consultants are actively supporting local organisations to understand their own impact. At a regional level NHS London has, through the NHS London Procurement Partnership, procured a social value reporting and monitoring tool for all NHS organisations within the capital to determine and measure their added value and is engaging the five London ICSs on the shared economic and social outcomes they wish to individually focus on.

Universities are also exploring how they can measure their own impact. Nationally, funding for the National Civic Impact Accelerator (NCIA) was announced in September 2022, a three-year programme to gather evidence and intelligence of what works, share civic innovations, and provide universities with the framework and tools to deliver meaningful, measurable civic strategies and activities. More localised examples include the Civic Index developed by WM-Redi and which is an interactive dashboard tool in which universities can assess their civic impact on their local place.

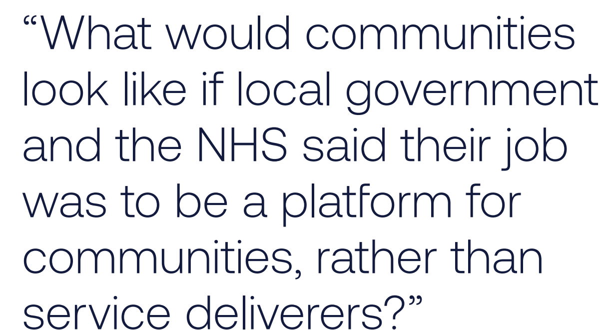
Recommendations

ICPs develop a living map across their footprint to help understand the variety and focus of where an ICB is adding economic and social value. This interactive map can also highlight the multiple aspects of the interventions and the local anchor institutions most relevant to this work.

ICPs approach local or combined authority and university colleagues about new approaches to measuring piloted place-based work programmes. Measurement outside a single sector will always be a complex process and in discussing local priorities ICPs may need to experiment with a range of measures that stretch across traditional NHS boundaries and timescales. The Technical Annex to the levelling up white paper, published in February 2022, is helpful when reviewing metrics on the 12 levelling up missions set out by government. These metrics relate to a variety of issues such as wellbeing, employment rates, research investment, educational attainment, skills training, healthy life expectancy, life satisfaction, and first-time home ownership – all vital for population health yet not traditionally something an NHS organisation would consider. An amalgamation of some of these metrics, perhaps using local academic expertise (such as business schools) and leadership to prioritise and structure, would increase the broader knowledge of an ICS significantly.

ICPs keep under review areas where further devolution or decentralisation of powers or resources could stimulate greater impact. Given the breadth of issues which this ICS purpose can help local leaders focus on, some of the new initiatives and programmes supported will highlight where a system can scale up and deliver significant change in ways that is difficult to achieve nationally. In these areas an ICP should be ambitious about seeking further support from national leaders, whether from the Department of Health and Social Care or NHS England or indeed from other governmental departments. Such a process would be analogous to the wider devolution agenda, where Mayoral Combined Authorities discuss with government on a regular basis where further local empowerment can unlock broader challenges and support the UK economy.

Reviewing and monitoring the outcomes of the programmes of work supported by an ICP under this purpose is critical in understanding which policies make the biggest difference – whether as a short-term or episodic change in process or practice, or as a longer-term way of revisiting strategic objectives. This process will also have increased the awareness of the broad social and economic impact the NHS can have, further strengthening the will, reach and ambition of ICP leaders, the role and purpose of the ICB in delivery, and influencing the future social and economic landscape in which they will themselves operate.



"What would communities look like if local government and the NHS said their job was to be a platform for communities, rather than service deliverers?"

VCSE Chief Executive

Making the most of the model framing

Completing this cycle will mean a system has:

- understood more about where and how the NHS reaches into communities and what the asks of its range of partner members should be
- started new or joined existing conversations which will help address the typical operational demands but in innovative ways which bring much more strategic added value to partners and to place
- raised awareness of the wider policy and funding landscape into which an ICP and ICB should routinely be involved in participating and shaping
- delivered initiatives on the ground and measured the outcomes and impact, with a better understanding of what works.

Coupled with the challenge and support of national and local partners, an ICS should be prepared to repeatedly close this loop, discovering more about its own role and impact as society and the economy changes.

Collectively we believe these four steps can not only guide systems to deliver on their purpose of supporting social and economic development, but can enable an ICS to really deliver on its other purposes: improving population health and healthcare; tackling unequal outcomes and access; and enhancing productivity and value for money.

For some system leaders, the conceptual underpinning behind this model will matter when deciding where to focus, for others it may be a case of small, practical steps in which to show others wider change is possible. For the majority perhaps it will be a mixture of the two. The model framing is intended to support both approaches – the starting point may be small-scale, experimental and discrete but when put together this can signal a new approach to whole-system transformation.

The NHS Confederation is the membership body that brings together and speaks on behalf of organisations that plan, commission and provide NHS services in England, Northern Ireland and Wales. The members we represent employ 1.5 million staff, care for more than 1 million patients a day and control £150 billion of public expenditure. We promote collaboration and partnership working as the key to improving population health, delivering high-quality care and reducing health inequalities.

Our Health Economic Partnerships work programme supports the NHS to understand its growing role in the local economy and to develop anchor strategies at institutional, place and system level. Visit our website or contact Michael.Wood@nhsconfed.org for more information.

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