

Our report at a glance:

Unlocking the NHS's social and economic potential:
creating a more productive system

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@NHSLocalGrowth

Contents

The purpose of this resource is twofold: firstly, it acts as an **executive summary** for the NHS Confederation report published in December 2022: Unlocking the Social and Economic Potential of the NHS, and secondly, it is a document that system leaders and their constituent member organisations can themselves use to **shape and lead local conversations around this important ICS purpose**. The six pillars outlined below highlight the key themes covered in this resource, and are intended to ease the identification of specified themes or areas individuals would like to focus on.

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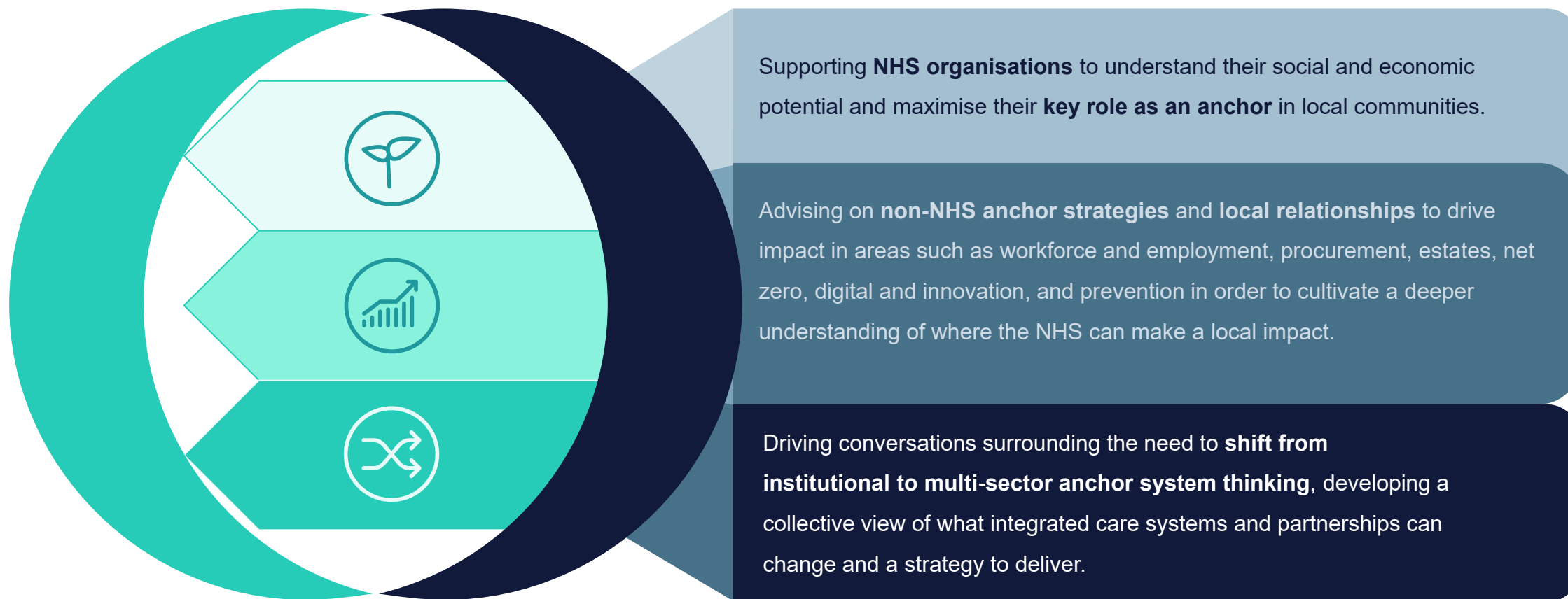
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The 'Confed Way': making your place productive

The NHS Confederation has **led the public discourse** on understanding the links between the health sector and the economy for several years, articulating the **value of the NHS as an anchor in both national policy and local practice**. We work in a number of ways on this front, the most prominent of which are listed below:



Health economic partnerships: a suite of recent reports supporting members to deliver



Unlocking the NHS’s social and economic potential: creating a productive system

Explore what social and economic development is, why it matters to the NHS and how ICSs can develop more productive systems.



Health on the high street

How integrating health services into local high streets can generate economic, social and health benefits for local communities and businesses.




From safety net to springboard: putting health at the heart of economic growth

Investing in healthcare has an impact on more than healthcare outcomes. It also boosts labour productivity and economic activity.



Reimagining the relationship between universities and the NHS: a guide for building and sustaining local, place-based collaborations

Exploring the critical relationship between universities and the NHS and their collective role in contributing to their local society and economy.

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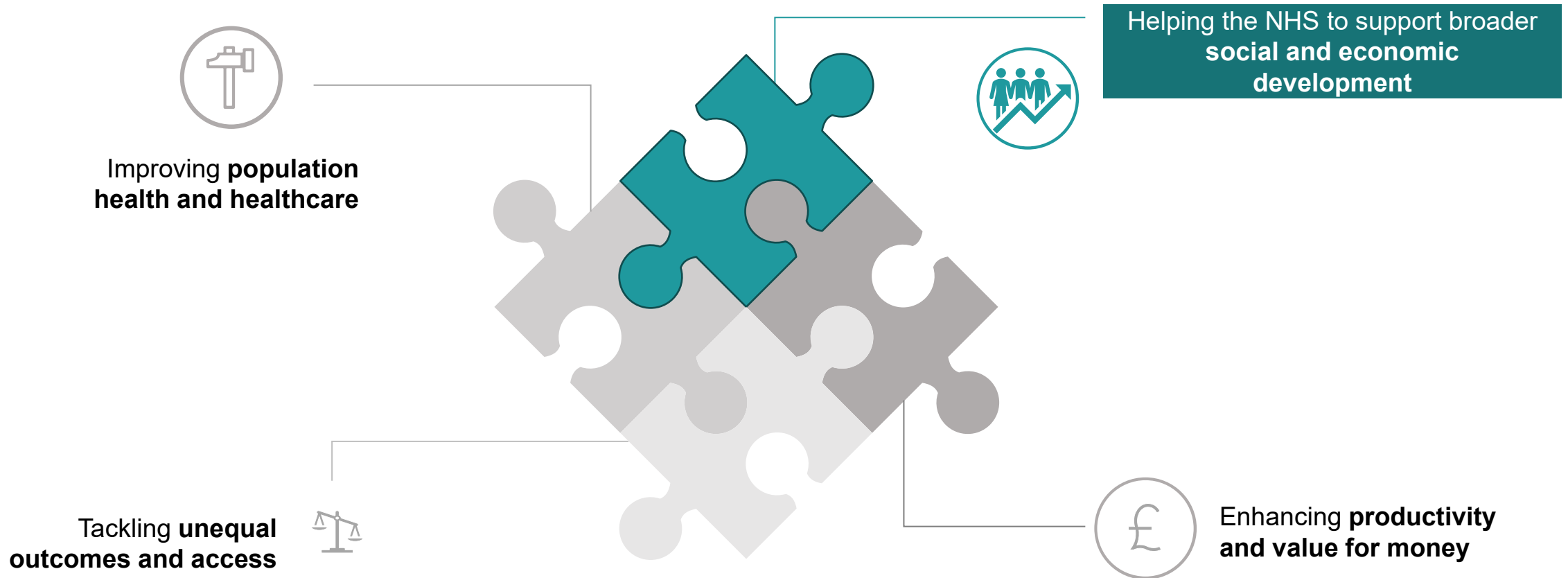
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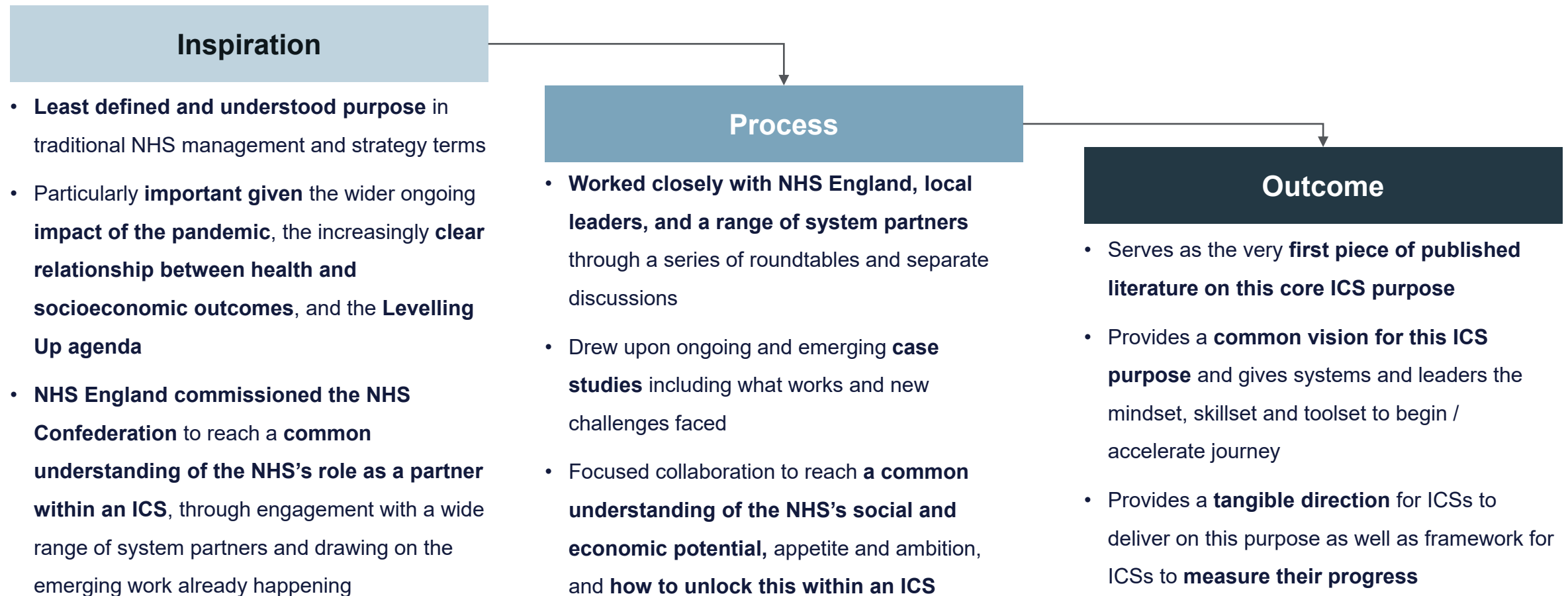
Resources

A defining purpose for an integrated care system (ICS)

In November 2020, NHS England and Improvement published Integrating Care: Next Steps to Building Strong and Effective Integrated Care Systems across England, outlining four core purposes of ICSs. The last of these purposes is perhaps the **least defined and** understood in traditional NHS management and strategy terms, yet is particularly **important given the wider on-going impact of the pandemic and the inextricable relationship between health and socioeconomic outcomes**.



Unlocking the NHS's social and economic potential: report storyboard



Unlocking the NHS's social and economic potential: executive summary

Key points

- This report is the **first published resource** for ICS leaders on this purpose and builds on significant cross-sector leadership engagement. We found widespread support for the purpose with leaders seeing it as a key test of how systems will work more broadly
- Delivering on this purpose can broaden an ICS's prevention and population health planning and influence the future direction of local social and economic development, **moulding an economy and place that supports health in everything it does**
- This ICS purpose reflects **the next phase of the anchor journey**: moving from an institutional view of what one can do to a system view of what we can change
- **The role of NHS England is particularly important** in developing ongoing packages of practical support, establishing permissive frameworks for systems on policy and delivery, ensuring leadership programmes reflect the system-nature of this work and engaging across government
- While there will be **tensions between the short-term operational pressures** and the **long-term nature of social and economic development**, leaders believe this purpose should play a central role in wider integrated care strategic planning, policy and communications
- This report looks at the **wider implications and opportunities** that may arise as ICSs become more engaged in this purpose. In particular, there will be clear overlaps with areas developing new and existing devolution deals, as outlined in the levelling up white paper

What?

- What do we mean by social and economic development?
- What is inclusive growth?

Why?

- Why does social and economic development matter to the NHS and vice versa?
- Why is social and economic development a priority for our leaders?

How?

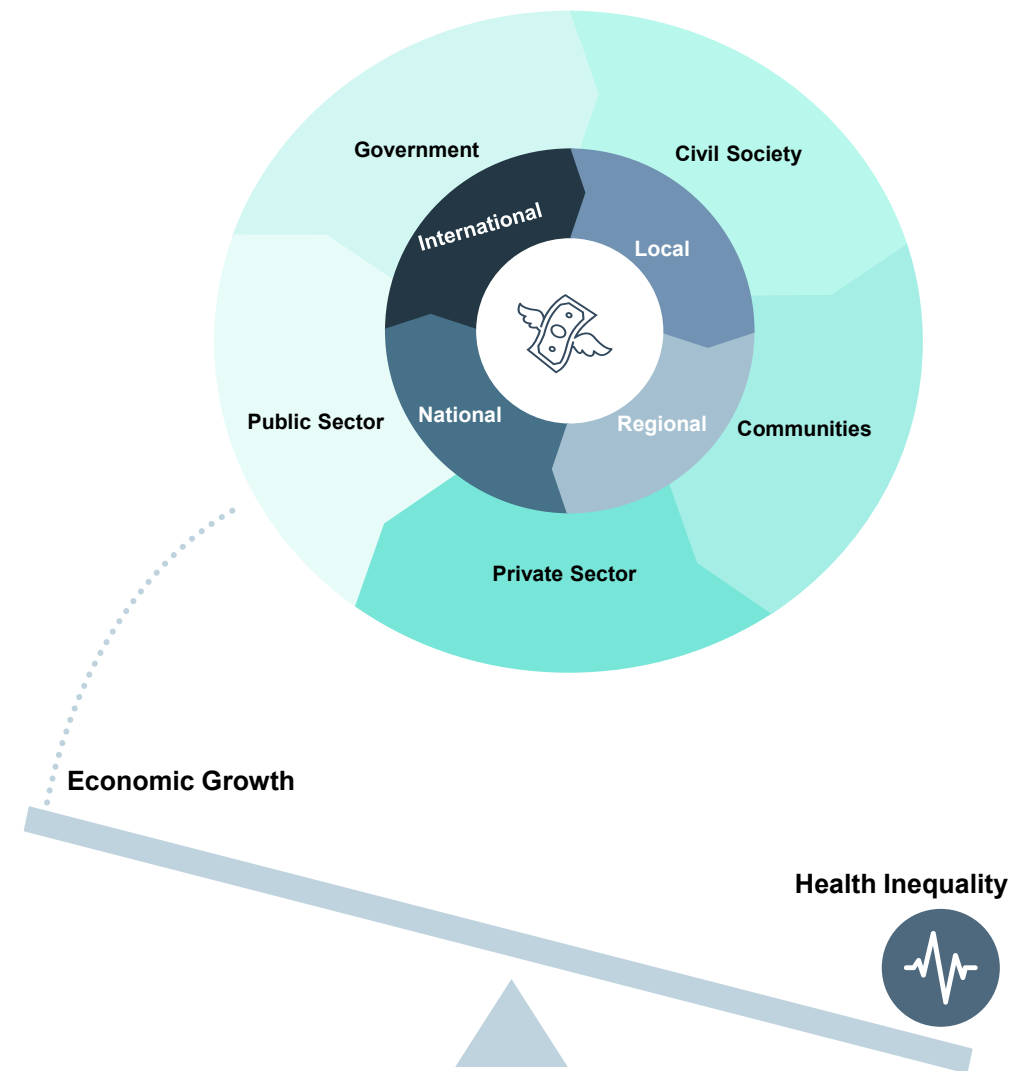
- How can ICSs deliver against this purpose for the benefit of their populations?
- How can ICSs measure their progress and impact?

Where Next?

- Where will this broader strategic partnership work lead future system thinking?
- Where can national bodies offer support to help accelerate their journey?

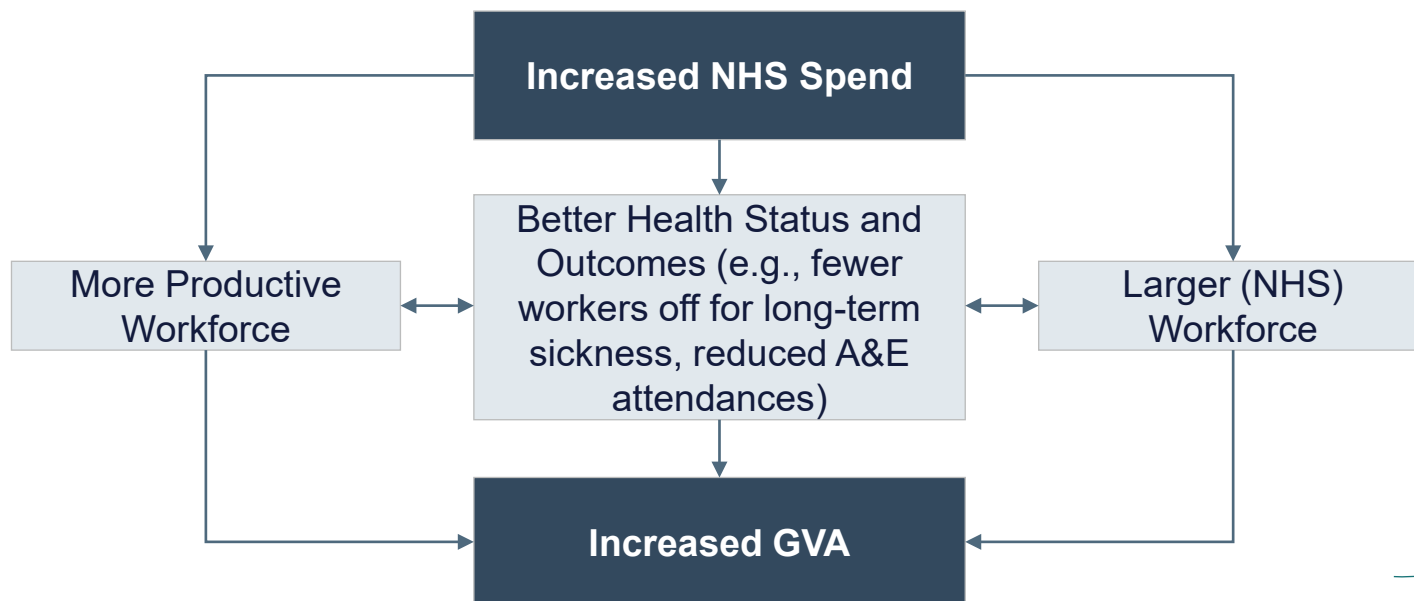
What is social and economic development?

- ‘Social and economic development’ is often described as the **process by which economic wellbeing and quality of life is improved through a range of targeted policy, goals, and objectives**
- “The definition used locally needn’t be complicated – for many it is simply about **developing the conditions for a good life.**” ~ [Chapter 1: Putting Health at the Heart of Social and Economic Development](#)
- The focus on both **social** and **economic** is important, reflecting the need to ensure a **balance between the two** in what systems prioritise if we are collectively to grow the kind of economy and society we want
- While this balance may alter depending on the views of national government and local economic leaders, this concept is increasingly **focusing on those who have been traditionally excluded from social and economic opportunities**, helping to curate more inclusive and resilient societies which spread and improve prosperity
- Inclusive growth, sometimes referred to as **inclusive economy**, is **economic growth that is distributed fairly across society and creates opportunities for all**. It specifically targets actions and initiatives that tackle inequalities, including health inequalities, with the intention of enabling more people and places to benefit from the proceeds of economic success



Health as an investible proposition: a two-way relationship

In October 2022 we published [a report](#) in partnership with Carnall Farrar that sought to determine, and indeed quantify, the **link between investing in the NHS and the impact it has on a range of factors**, including labour productivity, economic activity and healthcare outcomes.



The link to growth

The analysis revealed that every £1 invested in the NHS results in around £4 back to the economy through increased gross valued added (GVA), including gains in productivity and workforce participation.

As illustrated, across the UK, the NHS is the single biggest employer and makes **a vital contribution to the local economy** through job creation, purchasing of services, driving demand for innovation and in keeping people healthy and well to remain in work. While there is a national relationship between health and social and economic development, it is at a regional and local level where this intersection can be most clearly seen.

Modelling the future: what we heard

In developing this report, we built on a series of outputs from roundtables and discussions with senior leaders from within and outside the health and care sector, finding widespread support for this new ICS purpose. While the task of turning this into concrete and impactful policy and action should not be underestimated, the appetite for change and the understanding of how important this is to local partners is clearly present.

Holding a mirror to the NHS

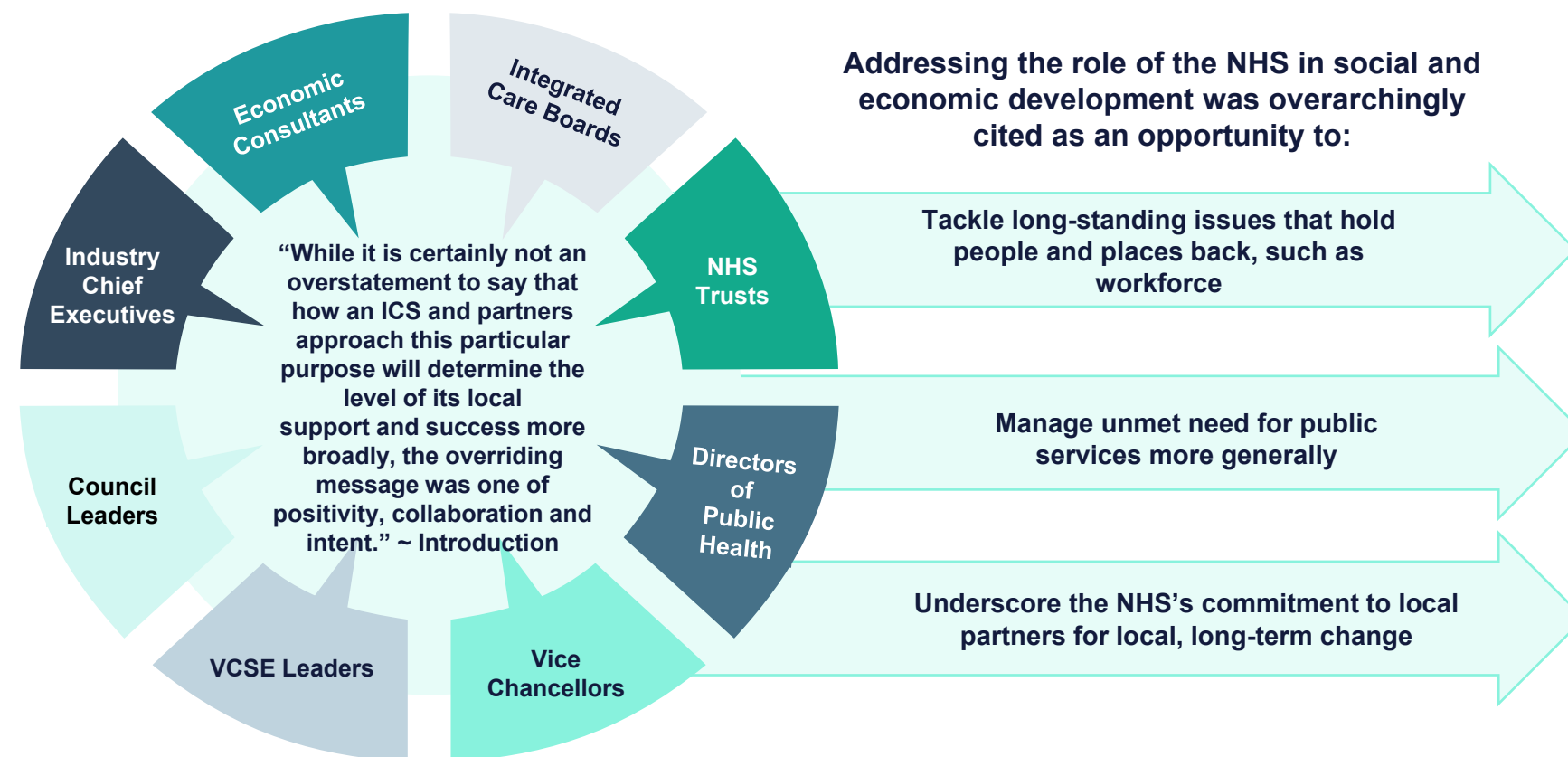
How can we encourage NHS leaders to be more curious?

Will the NHS push where and when really needed?

How can we illustrate that collaborative place leadership is an opportunity, rather than a challenge, for the NHS?

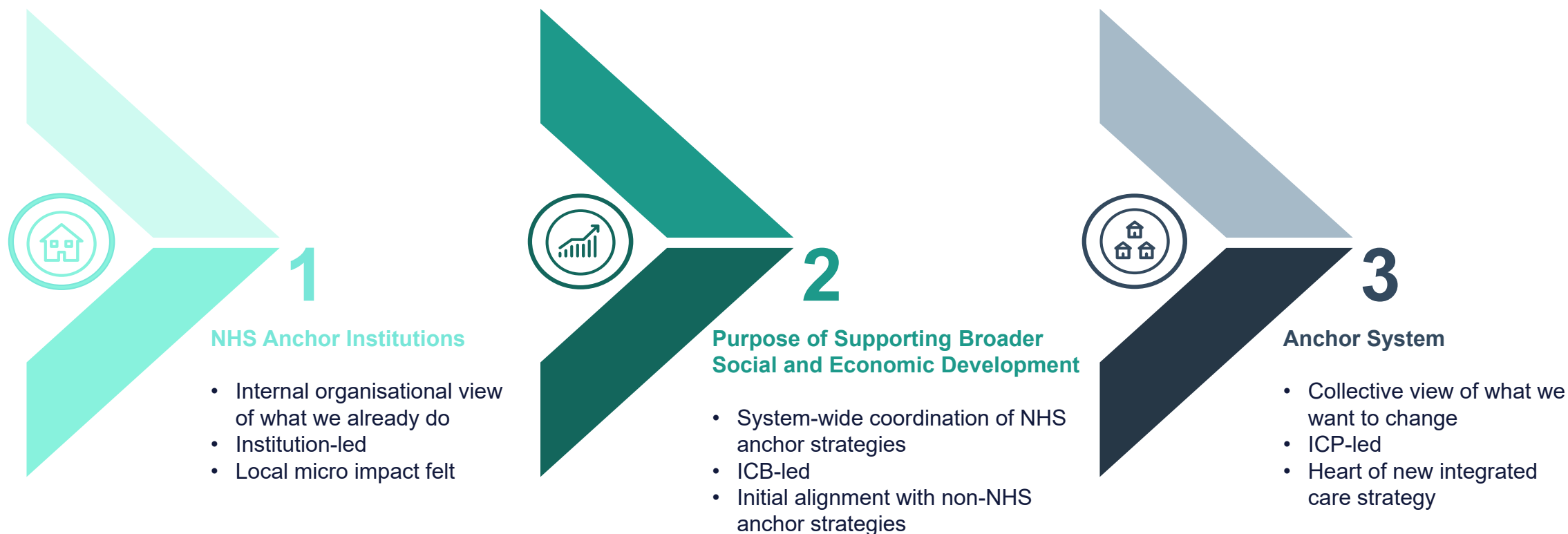
How can we demonstrate that the NHS's power is not solely limited to its resources, but expands to its voice and influence?

How can we show the NHS's knock-on effects on other sectors?



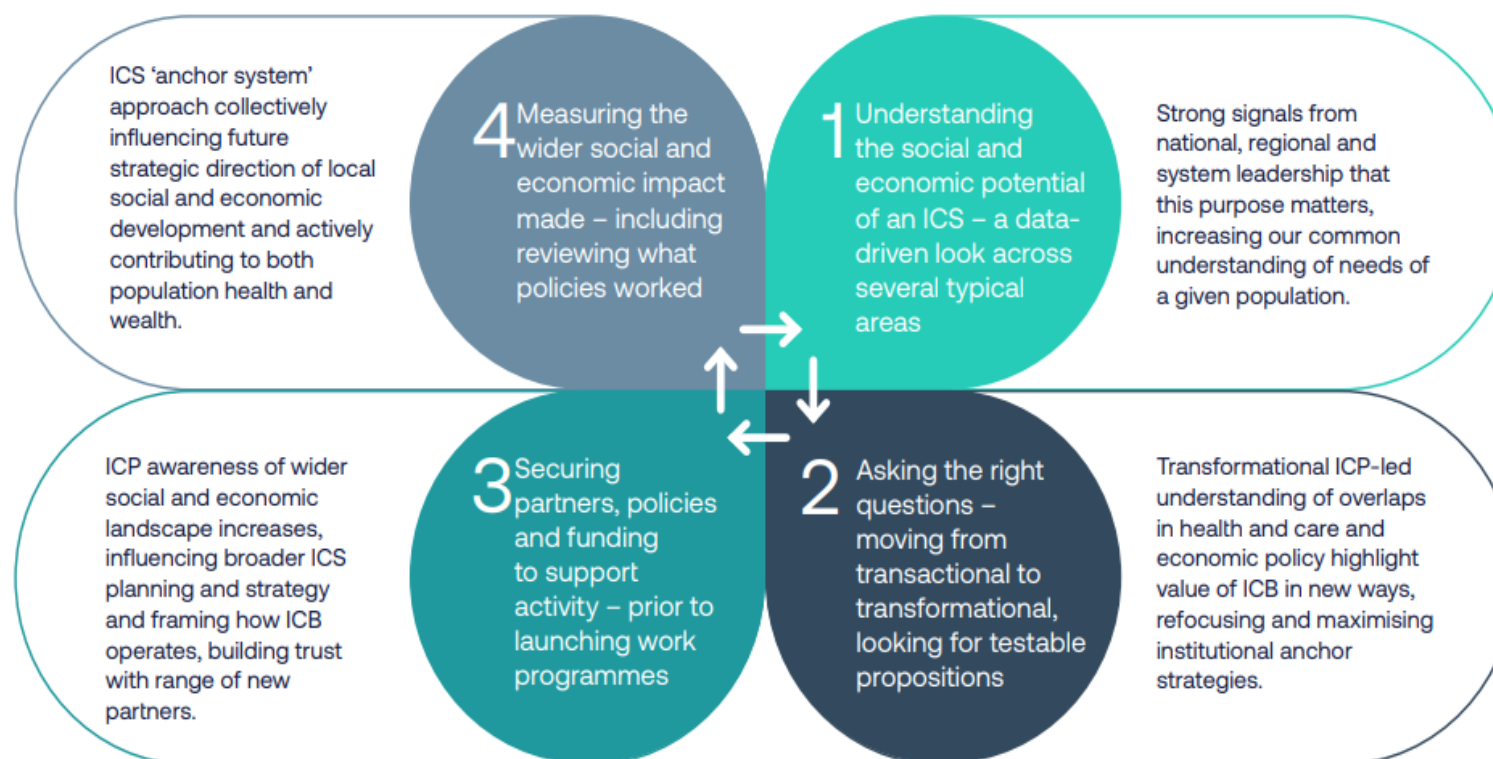
Moving from anchor institutions to anchor systems

The NHS is one of the **main ‘anchors’** in a given place, alongside local authorities, universities, colleges, VCSE organisations and increasingly businesses. Sitting at the heart of integrated care strategies and delivering on this ICS purpose should be the start of a journey from focusing on anchor institutions to creating anchor systems. This will involve a much more **strategic and aligned focus** on what it is the ICS wants to change, **developed in partnership with the range of other NHS and non-NHS anchors across the system**, all pulling and participating in the same strategic direction for the economy and for the shared communities.



A four step model for local change

To stimulate action and delivery against an ICS's purpose of helping the NHS support broader social and economic development, we believe there is a need to develop a light touch framing model 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 model we have developed with and for system leaders has **four key steps through which an ICS can deliver on this purpose**:



Step 1: approach and recommendations

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

Net Zero

- Number of NHS-related journeys, including suppliers, staff and patients
- Carbon footprint of all NHS organisations within ICS
- Fleet size

Population Health

- Number of operations on working-age people
- Number of people supported through smoking cessation
- Number of people supported back into employment through mental health initiatives

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

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

Civic Leadership

- Diversity, range and number of local staff volunteers
- Data on patient engagement levels
- Mentoring and other forms of local impact

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

1

ICSs begin or accelerate their journey with a data-driven exercise across the typical determinants of social and economic development.

2

ICPs use this information to frame their internal understanding, shape new relationships with partners and provide something of a detailed baseline for future progress.

3

ICPs compare this data with institutional anchor strategies from NHS and non-NHS organisations across the ICS geography where they exist.

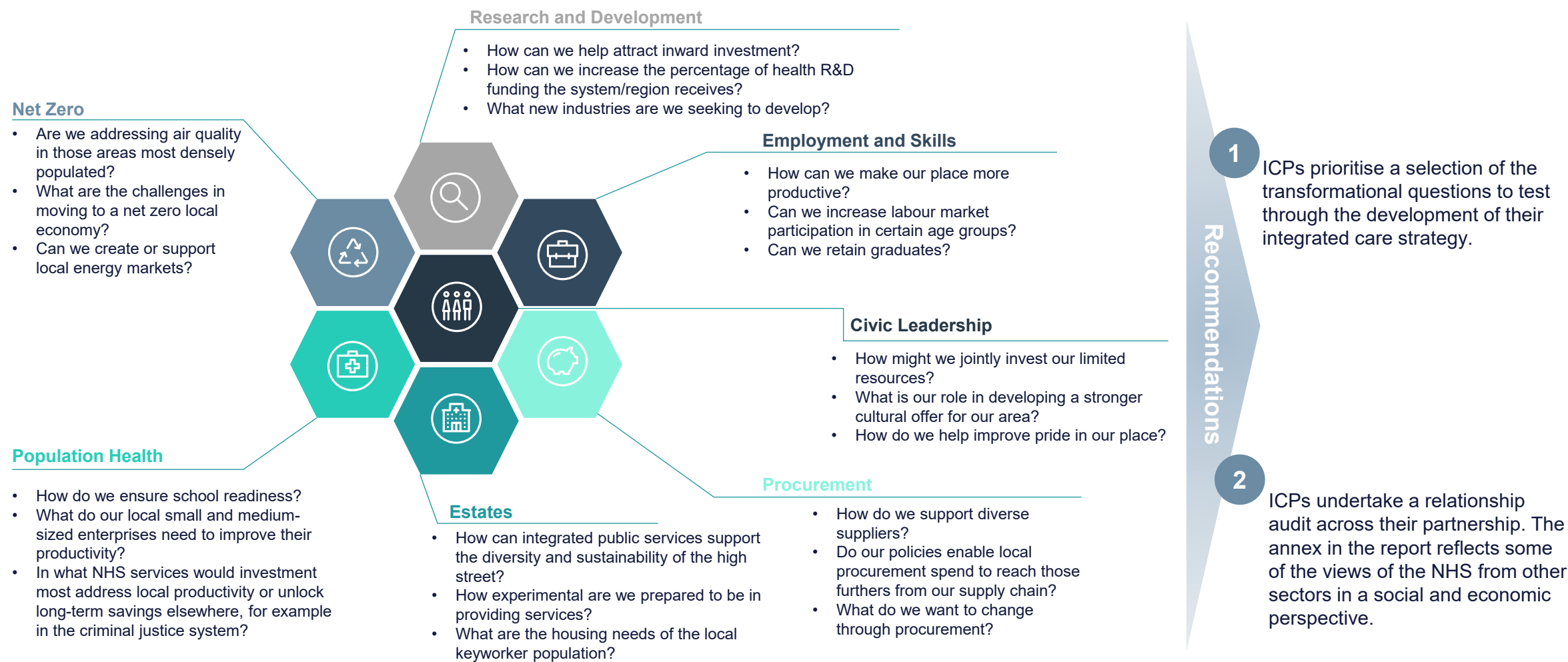
4

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.

Recommendations

Step 2: approach and recommendations

Asking the right questions – moving from being transactional to transformational.



Step 3: approach and recommendations

The **below 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.

| 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 | Civic university agreements | One Public Estate |
| | Universities | | |
| | Business improvement districts | | |
| | Colleges | | |

Step 3: social and economic checklist

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

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?

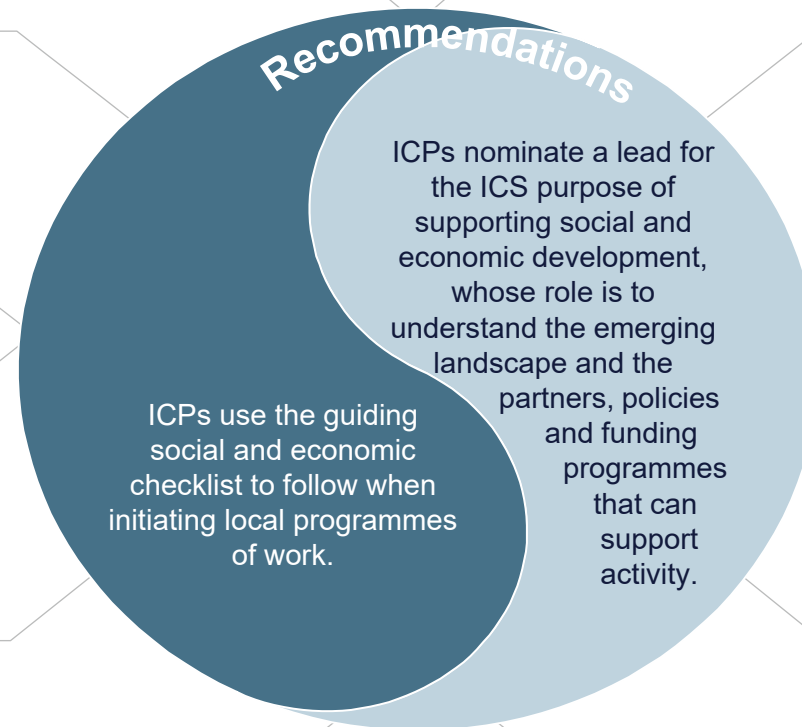
Who is best placed to lead on this locally?

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: what could an ICS target?

Measuring the health sector's impact on social and economic development has never been straightforward. 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. Several parts of the country have made a start through local anchor strategies and social value frameworks and approaches, though this is still at an early stage.

Local partners 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:

- 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
- Address staff and community poverty

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.

Recommendation

1

ICPs approach **local or combined authority and university colleagues** about new approaches to measuring piloted place-based work programmes.

Recommendation

2

ICPs keep under review areas where **further devolution or decentralisation** of powers or resources could stimulate greater impact.

Recommendation

3

A maturity framework: delivering long-term change

A practical tool developed by Cathy Elliott, chair of NHS West Yorkshire Integrated Care Board, to support ICSs in mapping long-term progress and designing and agreeing delivery milestones across a range of suggested example areas, some of which are listed below:

| Area of Focus | Emerging The system is 'emerging' and less than two years old | Established The system is 'established' and is around three to five years old | Expanding The system is 'expanding' in terms of its work due to being around six to ten years old |
|---|---|--|--|
| Supporting Economic Development and Recovery | The integrated care partnership (ICP) with the integrated care board (ICB) have reviewed and are aware of area's economic development and/or recovery plan, and reference it in its system strategy, linked to the ICS fourth purpose. | The ICP with the ICB have aligned its system strategy with the area's economic development and/or recovery plan to contribute to its broad delivery and to directly benefit its health and care partnership and services. | The ICP with the ICB have agreed shared aims and objectives to deliver with partners within and outside of health and care for the whole area's economic development and/or recovery for mutual benefit, tracking delivery and evaluating practice together. |
| Ensuring Quality Local Employment | The ICP with the ICB have reviewed and are aware of local quality employment and wage policy and approaches within and outside of health and care to guide its own People Plan strategy and delivery, working with health and care staff. | The ICP with the ICB have aligned its system and place strategies and workforce approaches in health and care with the area's overall policy and approach, such as signing up to and delivering the Fair Work Charter (or equivalent), working to achieve equality, diversity and inclusion (EDI), and offering local training and employment opportunities widely, especially to unemployed groups of people in the system's communities. | The ICP with the ICB have agreed shared aims and objectives to deliver with partners within and outside of health and care, such as shared policy, roles and plans for quality employment, tackling unemployment, achieving EDI, offering a fair opportunity for work for all residents in the area, such as hyper local recruitment based on population needs and working with local people, tracking progress and evaluating practice together |
| Tackling Climate Change | The ICP with the ICB have a green plan, linked to NHS plans, and have reviewed and are aware of green policy and approaches in the area outside of health and care to guide its own strategy and delivery | The ICP with the ICB have aligned its system and place green plans, estates and workforce approaches in health and care with the area's policy and approach on tackling climate change to contribute to its broad delivery and directly benefit its health and care partnership and services. | The ICP with the ICB have agreed shared aims and objectives to deliver with partners within and outside of health and care on tackling climate change, such as shared policy, roles and plans on local emissions, public health and travel, tracking progress and evaluating practice together. |

Case studies

What is clear from discussions and from some of the early approaches taken by systems is that **progressing this purpose can take many forms**. We have seen different types of collaborative engagement, the development of local charters, a raft of episodic pilot projects, new research programmes, the development of formal and informal networks, several policy changes and experiments, the creation of new organisations and collaborations, and varying forms of campaigning on specific local issues. Summarised on our website are [examples of emerging practice](#) from across the country, which can help ICSs visualise what progress may look and feel like:

1

Collaborative Newcastle is a partnership established by a range of local organisations to improve the health, wealth and wellbeing of everyone in the city. There are three pillars underpinning Collaborative Newcastle, including: health and care, growth and prosperity and net zero. A wide range of projects are underway across the three areas which bring together the city's 'anchor institutions' to promote inclusive growth.

2

West Yorkshire Health and Care Partnership's Fuel Poverty Fund saw £1 million invested to help keep people warm in winter so they could live a long, healthy life. They have also set up a Health Inequalities Academy and Health Equity Fellowship to develop the long-term leadership needed to underpin social and economic development.

3

The **NHS London Procurement Partnership (LPP)** has been leading on social value for the NHS in London. The NHS LPP has commissioned a social value reporting and monitoring tool on behalf of the five London ICSs, with a view to standardising the approach to social value across the region.

4

The **Welsh Government** has developed a Healthier Wales foundation economy programme to improve awareness and policy-making and ensure they leverage resources in a way that benefits communities and the wider economy.

Devolution

The **levelling up white paper**, published in February 2022, established for the first time a **Devolution Framework**, setting out which powers and resources are on offer for local and combined authorities as a means to address growing regional inequalities. While **the role of health within devolution deals is still emerging**, we should expect this to be a priority for many.

Levelling Up white paper

Levelling up white paper set out the government's mission to **extend, deepen and simplify devolution across England so that by 2030**, every part of England that wants a devolution deal will have one with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement. While not always coterminous, there will be convergence of boundaries across both combined authorities and ICSs given the strategic, macro nature of their respective roles.

Primary partner of an ICS

All **current and future combined authorities** will have a core focus on economic growth and many of the determinants of health, making them, and their directly elected metro mayor, **the primary partner for an ICS in understanding, designing and delivering on their purpose of supporting social and economic development**.

A key issue

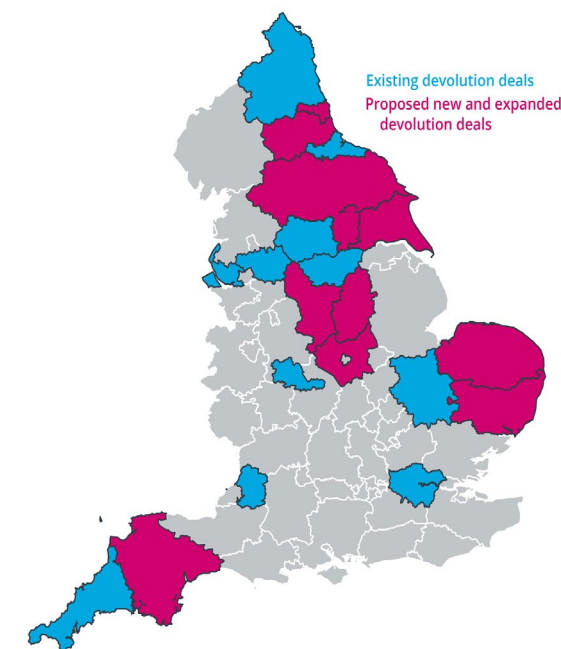
While a range of key issues already matter to ICSs (including skills, innovation, funding, planning), **health and wider public service reform is becoming a more explicit part of English devolution**. Many existing deals, and some in the process of being agreed, have referenced the importance of public health and addressing health inequalities, for example.

Role of the Metro Mayor

The role of the metro mayor in particular is an interesting one. Their **'soft' convening and influencing power** is becoming increasingly evident in how they align local partners and voices around civic issues that matter to local populations, but often do not belong in any one sector, such as homelessness. We can expect **an overlapping of not simply strategies but also accountability for a given place**.

Existing and proposed devolution deals by area, England

IfG



Institute for Government analysis of Office for National Statistics Area Classifications and Department for Levelling Up, Housing and Communities, *Levelling Up the United Kingdom*, 2022.

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Skills and leadership

One priority for NHS leadership bodies and programmes in the coming months must be to **focus heavily on supporting the skillset and mindset** necessary to foster consistent collaboration and to model local change and impact. ICS leaders do recognise the step change in skills and approach required to **look outwards, not upwards**, and this has often been visible when embedding early anchor strategies.

We reviewed an analogous example from the private sector where big business began to take its responsibilities towards climate change much more seriously, often surpassing progress made by governments. The five stages of this leadership development journey are reflected to the right, with a steer for how this applies to systems approaching this ICS purpose. To read more about these stages of development, visit this [blog post](#) from the NHS Confederation CEO, Matthew Taylor.

01

Statement of Intent



Setting out an ICS's commitment to social and economic development

02

Voluntary Regulation



Collective ICP-led action oriented around a particular issue of importance

03

Partial Engagement



Leadership shown from some of the ICB's constituent parts

04

A New Business Model



ICS purpose on social and economic development seen as fundamental basis for wider approach to upstream strategy

05

System Leadership



ICP shaping the social and economic context in which local public services are being provided

The roles of NHS England and bodies such as the NHS Confederation and LGA are particularly important in developing ongoing packages of practical support, creating permissive frameworks for systems on policy and delivery, ensuring leadership programmes reflect the system-nature of this work, and engaging across government.

National recommendations: accelerating the journey

With the right support, leadership and collaboration we believe ICSs can make significant progress in delivering against their purpose of supporting social and economic development. On a **national** level, the following national recommendations would help to realise impact:

1

NHS England sets out a **broad vision statement** for the NHS's role in social and economic development

2

NHS England sets a **collective expectation for the 42 ICSs to work together**, potentially through the NHS Confederation's ICS Network, to come up with a joint plan on how they will fulfil this purpose through their ICP strategies

3

A **national support package** to be co-developed with ICS leaders and rolled out across England:

- Peer System Learning
- Modular Leadership Development
- Individual Fellowships

4

The NHS Leadership Academy **prioritises the skillset necessary** to develop this ICS purpose in their various programmes

5

NHS England **models the behaviours required** to develop this principle by showing the social and economic impact of their own policy and decision-making

6

NHS England national and regional teams support ICS and ICB leaders to **form geographic cross-sector partnerships** focused on social and economic development

7

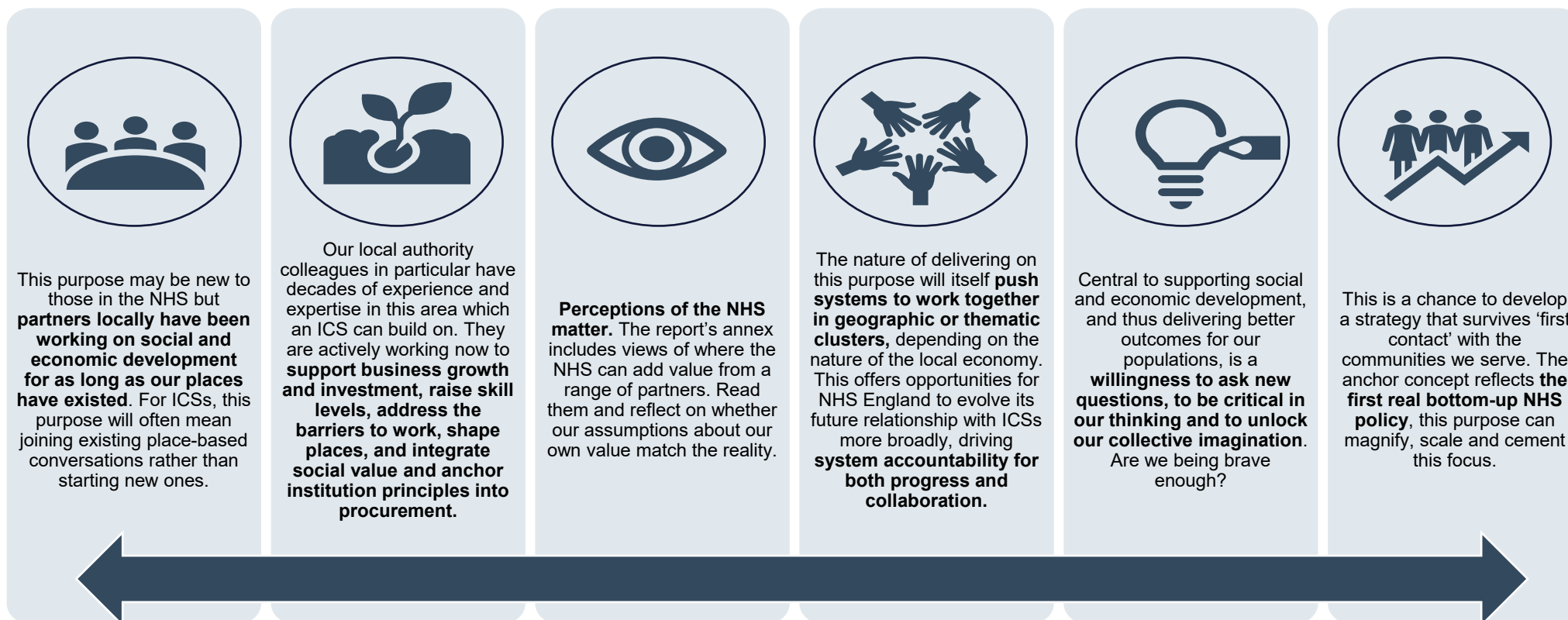
The Department of Health and Social Care and NHS England convenes a national, multi-stakeholder partnership to **establish consistent arrangements for aligning the sector's work** to support social and economic development

8

NHS England works with the government to ensure health is explicit in future funding and policy decisions

Final thoughts

“For this ICS purpose, this means an ICP looking outwards at the emerging local social and economic landscape and understanding both what it wants to change and what it will ask from its partner members. For the NHS specifically, it **means a change in its mindset, a reframing of its skillset and a more experimental, long-term toolset.**” ~ [Chapter 1: Putting Health at the Heart of Social and Economic Development](#)



Further information

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](#) and contact Michael.Wood@nhsconfed.org or Bridget.Gorham@nhsconfed.org for more information