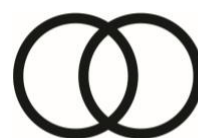


Health institutions anchors: maximising potential through integrated care systems

An action plan for BLMK ICS



CLES
the national organisation
for local economies

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Centre for Local Economic Strategies (CLES)
info@cles.org.uk
www.cles.org.uk
@CLEStinkdo

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Summary

The purpose of our economy should be to generate good lives and wellbeing for all, not simply growth. People and communities everywhere should be given the opportunity to participate in economic activity and they should be entitled to a fair share of the proceeds.

With the introduction of the Integrated Care System (ICS) structure in England, and the ambition for these new health systems to contribute to social and economic development, the NHS's role as series of key anchor institutions has never been more important.

Anchor institutions are organisations that have presence and heft within the local economy, generating positive impacts for people and place. Anchors can exert sizable influence by using their spending power, employment capacity, and their real assets such as facilities and land, to affect the economic, social and environmental wellbeing of the localities they operate within.

This action plan for Bedfordshire, Luton and Milton Keynes ICS should provide food for thought in terms of how it can work to build a more inclusive economy. With a particular focus on its large provider trusts and local authority partners, it details the way in which the ICS could cultivate its place-based assets and harness its power as series of anchor institutions to develop the local economy from within.

From the insights we have gathered as part of this research, as well as CLES's wider portfolio of work, the action plan makes six key recommendation that are summarised as follows.

1. Redefine the ICS's ambitions around economic growth and agree a comprehensive measurement framework

The ICS has five strategic priorities. Economic growth is the fourth priority and this should be finessed to clarify that the ICS is not agnostic about the kind of economic growth that it intends to support. Going forward, the ICS's strategic intentions could be adapted to include a commitment to anchor principles and to the ICS using its power as a series of anchor institutions to drive inclusive economic activity and address population health needs in the process. In this, there should be a commitment to using the combined power of its place-based assets – namely public expenditure (procurement), employment and its estates to promote and elevate the grass roots economy. The action plan proposes a number of metrics that the ICS could deploy to track the progression of inclusive social and economic development across its geographical footprint.

2. Enable SMEs and other forms of progressive local enterprise to play a greater role in the BLMK economy

In line with the vision set out in action one, the ICS should look to develop a commitment across its partners to use spending as a mechanism to grow and develop the grass roots economy. Key to this commitment is integrating procurement data into economic development practice as has been pioneered in places such Fife and Carmarthenshire. This would involve a number of steps and actions, which we outline in detail in the full action plan below.

3. Agree a unified approach to securing additional social value during tendering activity

The emergence of BLMK ICS is an opportunity to review applications of social value across the patch, particularly in relation to the process for securing additional social value during tendering exercises. Social value weighing has been enthusiastically taken up by many local authorities who are using this opportunity leverage real social, economic and environmental benefit for local people. Building on this approach, partners could look to agree weighting targets for their tendering exercises. Moreover, thought should be given to the nature of the social value outcomes that are being sought across the patch. In particular, these should be tailored towards payment of the living wage and providing employment opportunities for people in areas of deprivation – including work experience for young people.

4. Explore how BLMK could work with other ICSs across England to establish social licensing for NHS Supply Chain

For many consumables, NHS Supply Chain will always provide the price and reliability that the NHS needs to deliver its services efficiently and effectively. Nevertheless, with a view to help meet net zero, and its wider ambitions as an anchor, BLMK could take the lead here and ultimately look to work with the other 41 ICS leaders to lobby the Department of Health to consider a form of social licensing for NHS Supply Chain – to guarantee certain social, economic and environmental returns.

5. Target skills development and employment opportunities towards people and communities who need them the most

To help alleviate poverty, deprivation and health inequalities within BLMK, it is within the gift of all anchors to consider how their employment and skills development opportunities could be targeted towards those who are most in need. The BLMK People Board could take the lead here and could look to scale and amplify the activity to date across the geographical footprint. It could begin by seeking to build a greater understanding of the local provision of employment support for those furthest from the labour market and then look to develop a programme that would remove as many barriers to employment as possible. Ultimately, the ICS could then look to extend the programme beyond its NHS partners. This recommendation would involve a number of steps that are again outlined in detail in the full action plan below.

6. Deepen the function of land usage and disposal across the ICS footprint

The upcoming refresh of the ICS estates strategy provides an opportunity to incorporate anchor principles into estates management, stewardship and disposal. Where feasible, this could be about pledging to open-up assets for community use. In terms of land and property disposal, this is about viewing these assets as more than just a commodity. Despite the pressure to sell-off surplus assets to maximise financial return, this could involve all ICS partners pledging to consider whether any surplus land and property could in the first instance be used to develop of affordable housing, support local businesses or be transferred into community ownership or management.

Introduction

The NHS is not just a service that provides healthcare free at the point of need. It is a social contract with the British people to deliver well-being. Across its wide range of services, the NHS's mission extends beyond making us better when we are ill, it is also about making sure we do not fall ill in the first place – playing a key part in addressing the wider social, economic and environmental determinants of health.

Research published by the Centre for Local Economic Strategies (CLES) in 2019 – in conjunction with The Democracy Collaborative and the Health Foundation – examined the concept of the NHS as a series of anchor institutions and the role they can play in addressing these wider determinants by using spending, employment and estates to contribute to social and economic development.¹ By establishing proof of concept, our work influenced the recent commitment in the NHS Long Term Plan to accelerate good anchor practice across the English NHS.²

Interest in the notion of health institutions as anchors has continued to develop within the NHS, with new and innovative practice starting to emerge.³ And with the introduction of the Integrated Care System (ICS) structure for England in July 2022, we now have another mechanism to encourage the adoption of anchor activity at scale. ICS's have been introduced with the intention to help the NHS support broader social and economic development which is specific to place context.⁴ With their focus on collaboration and place, ICS's have the potential to drive improvements in population health and tackle health inequalities by reaching beyond the NHS to work alongside local authorities and other partners.

Yet, recent evidence conducted by the NHS Confederation has highlighted that contributing to economic development is unfamiliar territory for ICS leaders and that support is needed to help them fulfil this objective.⁵ As such, in Bedfordshire, Luton and Milton Keynes (BLMK), the new ICS has commissioned CLES to explore its potential as a group of different anchor institutions in contributing to social and economic development.

About this report

Based on CLES's experience of the theory and practice of anchors,⁶ we begin in section one with narrative and ambition. BLMK ICS operates across four distinct local authority boundaries and includes several large anchor institutions from health and local government. By harnessing the power of key institutional functions such as spending, employment and estates, we propose that these assets can be deployed to stimulate sustainable economic growth while also alleviating poverty, inequality and lack of opportunity. By providing an analysis of recent progressive economic

¹ CLES and TDC (2019). Health institutions as anchors: establishing proof of concept in the NHS. [Link](#).

² NHS (2019). NHS Long Term Plan. [Link](#).

³ TL Goodwin and D Birch (2021). NHS: supporting those furthest from the labour market. The Health Services Journal. [Link](#).

⁴ NHS England (2020). Integrating care: Next steps to building strong and effective integrated care systems across England. [Link](#).

⁵ NHS Confederation (2022). The state of integrated care systems 2021/22. [Link](#).

⁶ CLES (2020). Growing anchor networks in place: a how to guide. [Link](#).

development practice from elsewhere, we sketch out a guiding narrative that should underpin anchor activity within the ICS going forward.

In sections two, three and four we then consider procurement, employment and estates in turn. In each case we use insights gathered through a series of discussion groups and community of practice meetings with wider stakeholders, to highlight barriers and enablers, as well as examples and case studies of good practice. We then draw upon a number of interviews with personnel across the new ICS structure, to reflect upon this intelligence and arrive at a series of action focused recommendations. The recommendations address how procurement, employment and estates activity could be deployed going forward to develop anchor potential within the ICS. (See appendix one for a full list of stakeholders consulted).

1. Narrative and ambition

“Our aim is simple. We want everyone in our towns, villages and communities to live a longer healthier life. By working together, we can improve the things that are most important to us like giving our children the best start in life, helping our one million population live well for longer and growing our local economy.”

BLMK Health and Care Partnership⁷

Context

BLMK ICS covers four distinct geographical places and local authority areas: Bedford Borough, Central Bedfordshire, Luton and Milton Keynes. This total area supports two million jobs and is one of the fastest growing economies in the UK, contributing £110 billion to the UK economy every year.⁸

Nevertheless, across the geography of the ICS, there are places where people live shorter lives, in poorer health. In Luton, for example, women can expect to live a healthy life until they are 60. But just a few miles down the road in Central Bedfordshire, women can expect to live healthily until they are 67. For men the difference is even starker. A man in central Bedfordshire can expect to live healthily for nine years longer than a man in Luton. In Luton and Milton Keynes, the number of people with preventable diseases and cancers is higher than the national average.⁹

While good health is just one fact that helps us live longer healthier lives, many of the things that cause us to become unwell are related to the social determinants of health, such as what job and income we have.¹⁰ In addressing these social determinants, the ICS has a pivotal role to play here in its ability to combine its resources to deliver proactive and preventive services which are shaped by the health and care needs of its local population and have a focus on addressing inequalities.

And to this end, as a collection of significant anchor institutions, the BLMK ICS has a number of place-based assets at its disposal that can be used to affect the economic, social and environmental destiny of its area. Its two acute trusts and four local authority partners, in particular, are substantial drivers of local economic activity. Collectively, they spend hundreds of millions of pounds each year, employ around 17,000 people and hold other significant assets such as land and property.

The power of anchors

Used in the right way, levers such as anchor spending power, employment practices and land use can generate significant impact for local economies, stimulating progressive and sustainable economic development and driving improvements in population health.

⁷ BLMK Health and Care Partnership (2022). ICS Animation. [Link](#).

⁸ Ibid.

⁹ Ibid.

¹⁰ The Health Foundation (2018). What makes us health? An Introduction to the social determinants of health. [Link](#).

In Preston, for example,¹¹ a group of the city's key anchor institutions adopted a suit of initiatives such as redirecting their public expenditure towards local SMEs, cooperatives, and social enterprises, paying the living wage and building affordable housing. This has increased local economic expenditure, raised average wages and, crucially, it has correlated with improvements in socioeconomic deprivation since the programme has started.¹² Furthermore, a new National Institute for Health and Care Research (NIHR) project has also illuminated further positive evidence. In short, during the period since these interventions have been introduced, there have been fewer mental health problems than would have been expected compared to other similar areas. As a recent paper concludes, these interventions potentially provide an effective model for economic development that leads to substantial health benefits.¹³

Inspired by this approach, many places across the UK have now followed suit. CLES is working with dozens of local authorities, anchor institutions and combined authorities, as well as the UK devolved nations, as part of the wider community wealth building agenda,¹⁴ to tailor anchor-based interventions to the needs of their places.

Developing the vision

In short then, good anchor practice is starting to be enthusiastically adopted in different areas across the UK who are working to make it a key component of their local economic strategies.¹⁵ However, these places are the exception and not the norm, with local economic development departments in local authorities struggling for the capacity and resource to shift practice in a more progressive direction.¹⁶

But, with the new ICS structure, there may be untapped resource that could be used to assist here.¹⁷ By bringing together the NHS and local government, these structures should in theory enable collaboration around social and economic development, which is of course the fourth core purpose of the new ICSs.¹⁸

Nevertheless, clear purpose and strategic intent is essential and ICSs cannot afford to be agnostic about the kind of social and economic development activity they are supporting. "Growth of what" can have a significant bearing on wider social, economic and environmental outcomes and close attention should be paid to the evidence.

For example, we may have seen strong GDP growth figures over recent decades,¹⁹ and some people have benefitted well,²⁰ but the proceeds and benefits of this growth have not been felt more widely. At the latest count, the wealthiest 10 per cent of households hold 43 per cent of all the wealth in the

¹¹ CLES and Preston City Council (2019). How we built community wealth in Preston: achievements and lessons. [Link](#).

¹² Demos and PwC (2018). Good Growth for Cities 2018. [Link](#).

¹³ B Barr et al (2022). The mental health and wellbeing impact of a Community Wealth Building programme – a difference-in-differences study. [Link](#).

¹⁴ H Power and TL Goodwin (2021). Community Wealth Building: a history. [Link](#).

¹⁵ TL Goodwin (2022). A new progressive economy is being built locally. CLES. [Link](#).

¹⁶ TL Goodwin et al (2022). A light in the dark: progressive frontiers in local economies. [Link](#)

¹⁷ TL Goodwin and D Birch (2021). NHS can use its power as an employer to create a more just society. Health Service Journal. [Link](#).

¹⁸ NHS England (2020). Integrating care: Next steps to building strong and effective integrated care systems across England. [Link](#).

¹⁹ Office for National Statistics (2022). Gross domestic product (Average) per head, CVM market prices. [Link](#).

²⁰ The Equality Trust (2019). Billionaire Briton. [Link](#).

UK,²¹ compared to the bottom 50 per cent that hold only 9 per cent. The richest five households in the UK own more wealth than 13.2 million people.²²

When it comes to jobs, again growth-led approaches are not necessarily delivering – with low pay and stagnant real wages dominating the headlines. Despite recent stories about shortages and bottlenecks being good for workers,²³ across the majority of the private sector workers are facing falling real pay,²⁴ compounding the cost-of-living crisis and the impact of rising inflation, with detrimental consequences for health and well-being.²⁵

Work is also becoming less effective at warding off poverty. Over the past 15 years, all areas and nations of the UK have seen increases in in-work poverty,²⁶ while life expectancy has recently stalled for the first time in a century.²⁷ In BLMK, Luton has the 7th highest level of child poverty in the UK with nearly half of all children there living in poverty.²⁸

And furthermore, unless we start to radically shift the composition of our economic growth, we face ecological catastrophe.²⁹ The latest reports from the UN's International Panel on Climate Change indicates that temperature changes are happening faster, with the likelihood that the world will reach a climate tipping point sooner than originally forecast.³⁰ In this, the NHS has set itself an ambitious target of reaching net-zero for the emissions that it can directly control by 2040 and 2045 for the emissions it can influence.³¹

But as the evidence from Preston has highlighted, you can grow and develop the economy in such a way so as to produce wider benefits that improve the social determinants of health – rather than hinder them. To this end then, minimising the extraction of wealth and building prosperity for all should be the intention of local economic strategies. Local economies everywhere should now be rejecting the idea that the sole measure of economic success is growth and should be including additional metrics for wellbeing, happiness, the reduction of poverty and carbon emissions.

As such, it is this kind of strategy that BLMK ICS should focus on as it seeks to refine its strategic priorities and develop place-based interventions.

Key actions:

1. Redefine the ICS's ambitions around economic growth and agree a comprehensive measurement framework

In BLMK, the ICS has five strategic priorities (see Figure 1). Economic growth is the fourth priority and this should be finessed to clarify that the ICS is not agnostic about the kind of economic growth that it intends to support. Going forward, the ICS's strategic intentions could be adapted to include a commitment to anchor principles and to the ICS using its power as a series of anchor institutions

²¹ Office for National Statistics (2022). Household total wealth in Great Britain: April 2018 to March 2020. [Link](#).

²² The Equality Trust (2019). Billionaire Britain. [Link](#).

²³ L Elliot (2021). Bottleneck Britain: turmoil has raised job vacancies and firms now jostle for staff. The Guardian. [Link](#).

²⁴ G Tilley (2022). Jobs and recovery monitor - wage squeeze continues. TUC. [Link](#).

²⁵ E Yates I Clark and W Rossiter (2021). Local economic governance strategies in the UK's post-industrial cites and the challenges of improving local work and employment conditions. Local Economy, 36(2). [Link](#).

²⁶ Joseph Rowntree Foundation (2022). UK Poverty 2022: The essential guide to understanding poverty in the UK. [Link](#).

²⁷ M Marmot (2020). Health Equity in England: The Marmot Review 10 Years On. [Link](#).

²⁸ End Child Poverty (2022). Child poverty across the UK. [Link](#).

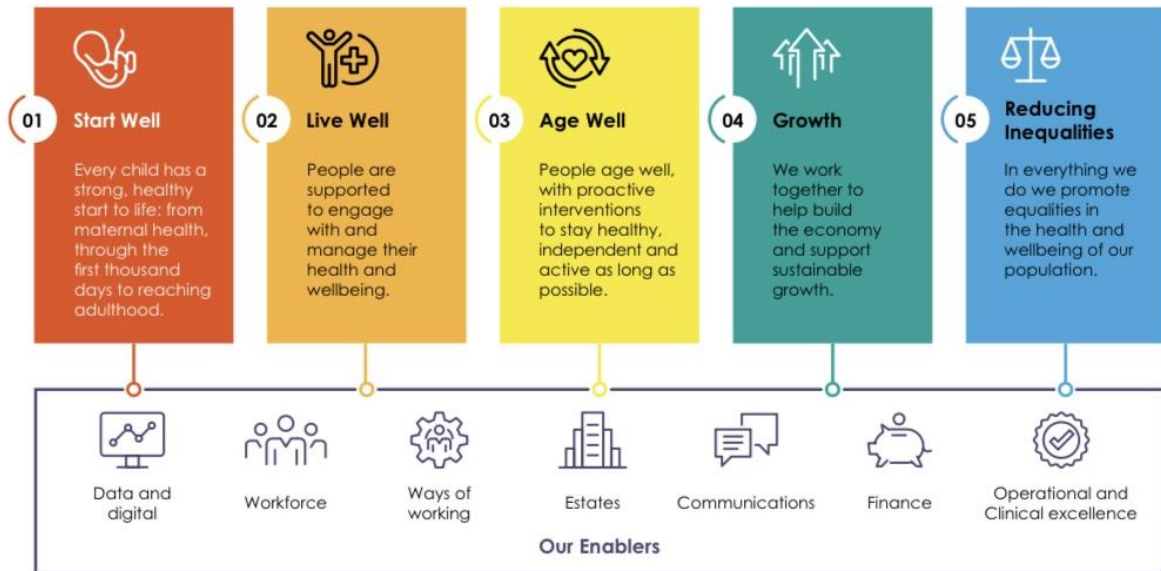
²⁹ D Meadows et al (1972). The Limits to Growth: A report for The Club of Rome's Project on the predicament of mankind. Universe Books: New York. [Link](#).

³⁰ IPCC (2021). IPCC Sixth Assessment Report. [Link](#).

³¹ NHS England (2022). Delivering a 'Net Zero' National Health Service. [Link](#).

to drive inclusive economic activity and address population health needs in the process. In this, there should be a commitment to using the combined power of its place-based assets – namely public expenditure (procurement), employment and its estates to promote and elevate the grass roots economy.

Figure 1. Strategic priorities – BLMK

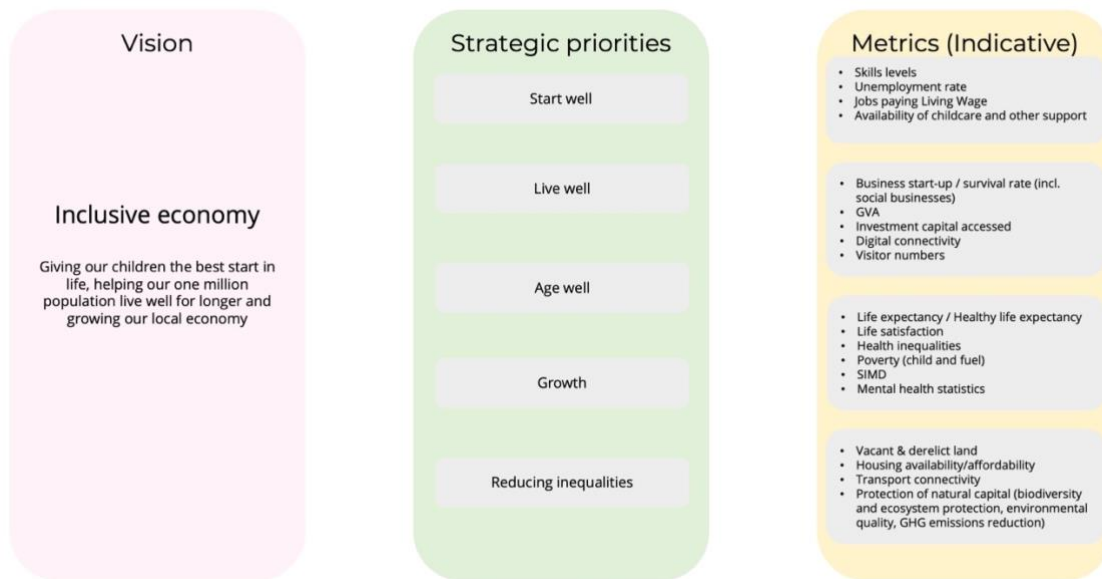


To this end, the priority here should be on using these assets to support the growth and development of local SMEs, other forms of socially productive business such as social enterprises and employee-owned businesses and promoting employment and skills opportunities across the region, particularly in areas of deprivation. This should be the central narrative which underlies the priority around growth going forward.

Capturing impact through a broad set of metrics is also important and there is a real opportunity for the ICS to look beyond traditional measures such as GDP and GVA and include the kinds of health outcomes that it wants the local economy to generate. A recent report to the Organisation for Economic Co-operation and Development (OECD) proposes that today's primary goals should be environmental sustainability, falling inequality, rising wellbeing (including, but not only, incomes) and strengthening resilience.³² Adapting and adding to the report's conclusions, we propose the following metrics for consideration, which we have aligned to the ICS's vision and strategic priorities (see Figure 2).

³² OECD (2020). Beyond Growth: Towards a new economic approach. [Link](#).

Figure 2. Impact measurement



2. Spending

Harnessing the power of public expenditure on goods and services to support local economic development presents a challenge for the NHS. While the NHS in England spends around £6bn a year on consumables, such as gloves and syringes,³³ this is typically rooted through national procurement frameworks and NHS Supply Chain.

Emerging practice

In our recent research with the Health Foundation,³⁴ we found that the desire within the Department of Health to maximise cost and efficiency savings – by using the NHS as a monopoly purchaser of goods and services – is hindering more progressive spending initiatives. In short, NHS Supply Chain has been targeted as a means of leveraging the NHS’s purchasing power on a national scale to aggregate demand, centralise purchasing and deliver better value for money for the NHS and the taxpayer. As such, its predominant focus is on achieving the best price and quality for its customers.

This challenge, in particular, emerged as a common theme throughout the wider stakeholder engagement. A number of stakeholders shared the reflection that “[NHS] procurement systems across the UK have been designed to produce certain outcomes [namely, generate savings] with no targets around progressive procurement practice”. They are in effect “almost mandated to use national frameworks to buy most consumables”. Even in Scotland and Wales, where the national policy frameworks are more supportive, at the practice/delivery level things are “very much governed by cost and efficiency”.

Nevertheless, despite these challenges we are starting to see pockets of innovation here, with health institutions using their expenditure to support the growth and development of the local economy in a more purposeful way.

Social value frameworks

In the main, this involves greater use of social value frameworks to secure additional value from large contracts when there are opportunities to run local tenders, as opposed to the use of NHS Supply Chain. These frameworks tend to focus on:

- promoting skills and employment, good terms and conditions and developing opportunities for all within the community;
- supporting local supply chains;
- building stronger and deeper relationships with the voluntary, community and social enterprise (VCSE) sector; and
- protecting and improving the environment, ensuring that the places where people live and work are cleaner and greener.

In Essex, for example, the County Council has employed an officer to work across its anchor institutions – including the NHS – to encourage the collective usage of their social value framework. This has been tailored to specific local strategic priorities – namely, increasing sustainable

³³ T Sasse (2020). NHS Procurement. Institute for Government. [Link](#).

³⁴ CLES and TDC (2019). Health institutions as anchors: establishing proof of concept in the NHS. [Link](#).

employment, increasing skills levels, improving opportunities for young people and reducing Co2 emissions.³⁵

Support for local enterprise

In addition, expenditure also provides an opportunity for market shaping and innovation, to encourage more local and socially productive forms of business to flourish – such as triple bottom line SMEs, social enterprises and employee-owned businesses. Consequently, a handful of trusts and health boards are looking to shape the nature of their local markets through their spending activities by specifically supporting the development of local SMEs. Hywel Dda University Health Board in Wales have been working closely with Carmarthenshire County Council, looking at how they can shift some of their expenditure that is not governed by national frameworks towards local businesses, helping them to grow and diversify in the process. Sandwell & West Birmingham NHS Foundation Trust have been working with their local network of anchor institutions to shift expenditure on food and drink towards Black Country suppliers.

Building on this approach, the Northern Care Alliance NHS Foundation Trust have analysed all of their spending data, subtracting anything that is non-influenceable (in other words anything that the trust is expected to purchase through NHS Supply Chain) and have committed to shifting 10% of this expenditure into the local economy.

With a view to hitting this target, the Trust have shared their spending data with their local authority partners. Since 2020, many local authorities now have increased intelligence about local markets in the aftermath of the Coronavirus grant funding process.³⁶ This money was administered to SMEs by local councils and has resulted in an increased awareness of the capacity local SMEs might have to diversify their activities. In councils such as Fife and Carmarthenshire, for example, they are using this intelligence to target their own procurement expenditure towards growing and diversifying their local SME base. Here, economic development officers are engaging with local SMEs to make them aware of their goods and services pipeline, with a view to more of their supply chains being delivered by these local businesses. Through this engagement these local authorities are using this as an opportunity to address the environmental crisis – supporting local SMEs with retrofit and access to environmental grants. They are also encouraging the adoption of the living wage, as well as initiating discussions around succession planning, to potentially transition to worker ownership. This, in short, enables these local businesses to grow and develop with greater social and environmental purpose.

Insourcing

The Northern Care Alliance have also undertaken a programme of insourcing around their catering offer for both retail and patients, seeing this as an opportunity to address not only issues around quality and cost but also to meet their aspirations as an anchor institution. Insourcing is providing an opportunity to offer improved terms and conditions for staff who have been TUPE'd across onto NHS contracts. It is also helping to bolster their aspirations for more local spending and the Trust have recently contracted a local milk supplier with a view to supporting the local food economy. Furthermore, now that the trust has control over the pricing structure for its retail food offer, it has taken the decision to sell its food at cost price on Sundays to the local population, in order to help address the current cost of living crisis.

Progress to date within the ICS

With a view to exploring how the ICS could use its spending opportunities to support social and economic development, **a procurement practitioners working group has been established**

³⁵ Essex County Council (2022). Social Value at Essex County Council. [Link](#).

³⁶ Local Government Association (2021). Supporting councils with business engagement. [Link](#).

across the ICS's geographical area. This includes procurement representatives from the local councils and the acute trusts. However, the feedback from our interviews is that the purpose and parameters of this group are somewhat unclear, as one interviewee explained: *"I think people needed to know why they were there and they weren't clear on why they were there. We haven't had an edict that says 'right you need to do this', so we could talk about what we need to do... If there's no dead line, the networking and the learning sets go out of the window.."*

As it stands, **all four local authorities in the ICS area are committed to leveraging additional social value from their spending activities.** In the acute trusts, our engagement with procurement teams has revealed that while *"it's very much NHS Supply Chain for consumables"*, for other area of expenditure such as **linens and laundry, estates contracts, minor works, waste and car parking, these are areas which are starting to come up for retender and could potentially be used to support local economic development.**

However, this presents a new challenge for the NHS, as one interviewee explained: *"[f]rom the 1st April we're supposed to have 10% social value weighting in all our tenders.. but its finding the right questions and then who's going to evaluate on that"*? Nevertheless, the ICS is about to start soft market testing for a new contract for musculoskeletal health services and is committing to work with its local partners to establish appropriate social value criteria.

Key actions:

2. Enable SMEs and other forms of progressive local enterprise to play a greater role in the BLMK economy

In line with the vision set out in action one, and the ICS being purposeful about the kind of economic activity it supports, it should look to develop a commitment across its partners to use spending as a mechanism to grow and develop the grass roots economy. Key to this commitment is integrating procurement data into economic development practice as highlighted above in councils like Fife and Carmarthenshire. **This would involve a number of steps and actions,** as follows.

- I. **Members of the procurement practitioners' group could look to analyse their procurement data and identify their influenceable spend.** In other words, money that is currently being spent on goods and services that could in theory be spent with alternative local and more socially productive suppliers – such as triple bottom line SMEs and social enterprises etc. For the NHS, in the first instance, this would exclude anything that is currently being purchased from NHS Supply Chain.
- II. **Local authority partners, as well as third sector representatives, could then use their market intelligence to identify potential alternative suppliers.** As described above, this would require local economic development officers to engage with local SMEs and/or social enterprises to make them aware of the potential goods and services pipeline. This engagement would also provide an opportunity to address issues relating to the environmental crisis – supporting local businesses with retrofit and access to environmental grants. It would also be an opportunity to encourage the adoption of the living wage, as well as initiating discussions around succession planning, to potentially transition to worker ownership. In short, enabling these local businesses to grow and develop with greater social and environmental purpose.
 - **This process would ideally involve a collaboration between all local authority partners.** Luton council are already utilising this approach with their own spending data – and it may therefore be preferable to pilot this activity here to establish proof of concept. In addition, our engagement revealed that other councils such as Central Bedfordshire have land that could be used to establish

new business premises, thereby supporting local business growth and development.

- III. **The ICS could also explore how this approach could be supported through the commissioning function of its Integrated Care Board (ICB).** Our insight gathering discussion groups highlighted the fact that the ICB is already starting to consider how it could commission community development workers as a mechanism to support more inclusive economic growth. As one interviewee explained, this could involve a practitioner *“working within a neighbourhood to identify what the needs of the neighbourhood are... Thinking in a more holistic way so not just thinking about their health needs or their social care needs but also thinking about their local employment.”* Adapting and adding to this idea, this resource could also be specifically targeted towards supporting local business growth.
- IV. **Ultimately, this approach could be used to support the growth and development of a larger sustainable manufacturing offer in the BLMK area.** As noted above, the NHS in England spends around £6bn on consumables,³⁷ which includes items like PPE and single use medical instruments such as scalpels and blades. During the pandemic, many supply chains were disrupted and the NHS was forced to turn to local SMEs who were able to quickly adapt their operations to start providing the NHS with the necessary consumables. In southwest Wales, for example, Transcend Packaging – an ethical, forward looking business, committed to environmental sustainability – changed its production to provide a million face shields a week to support the local health boards.³⁸ With the impact of Brexit on supply chains, the NHS is continuing to face disruption and, as one interviewee explained, *“if you look at the range of stuff that the NHS purchases, I would say that the economic and the supply chain reliability would tell us that things that it made sense originally to manufacture abroad and bring in, there is a case for some of those things to be now manufactured locally.”* As such, NHS and local authority partners could build on the approach outlined in actions I-III above and explore the potential and feasibility for an alternative local manufacturing offer. Ultimately, this could be incorporated onto NHS Supply Chain and even be used to provide consumables to other ICSs along the M1 corridor. Theatre instruments are a good case in point here. From an environmental and potentially a cost and supply chain reliability point of view, there is a case to move from single use to reusable. This, as another interviewee pointed out, would mean that you could move to a *“single decontamination and sterile services provider”* which would therefore provide an additional opportunity to use this service requirement to support local economy.

3. Agree a unified approach to securing additional social value during tendering activity

The emergence of BLMK ICS is an opportunity to review applications of social value across the patch, particularly in relation to what the process is for securing additional social value during tendering exercises. Social value weighing has been enthusiastically taken up by many local authorities who are using this opportunity leverage real social, economic and environmental benefit for local people.³⁹ Building on this approach and progress to date, partners could look to agree weighting targets for their tendering exercises and the procurement practitioners’ group could be tasked with establishing a peer leaning process to enable the dissemination of best practice to partners whose processes are less advanced here. Moreover, further collective thought should be given as to the

³⁷ Institute for Government (2020). NHS Procurement. [Link](#).

³⁸ TL Goodwin (2020). NHS procurement strategy should aim to boost local economies, not save money. Health Services Journal. [Link](#).

³⁹ CLES (2017). The Power of Procurement II. [Link](#).

nature of the social value outcomes that are being sought across the patch. In particular, these should be tailored towards payment of the living wage, providing employment opportunities for people in areas of deprivation – including work experience for young people – and, where appropriate, providing opportunities to develop local entrepreneurs (which was another theme that emerged from some of the discussion groups with BLMK stakeholders).

However, it is important that the ambition to secure social value during tenders does not become the panacea for anchor activity across the ICS. Many suppliers have learned how to “play the game” presenting a good impression but ultimately, learning how to manipulate the system.⁴⁰ In some cases, this has resulted in larger providers deploying dedicated bid-writing staff to deliberately over-promise the amount of social value they will deliver, in order to gain an advantage in the tendering process.⁴¹ As such, the real size of the prize here for progressive spending should be the activities described in action two, above. Furthermore, rather than retender certain services, when contracts come up for renewal, partners should also consider the merits of insourcing and whether this would be a feasible option.

4. Explore how BLMK could work with other ICSs across England to establish social licensing for NHS supply chain

For many consumables, NHS Supply Chain will always provide the price and reliability that the NHS needs to deliver its services efficiently and effectively. But the NHS also has other challenges. To meet its net zero ambitions, it needs to achieve a net zero supply chain by 2045. If it is to further fulfil its ambitions an anchor institution – to use its assets and behaviour to address the social determinants of health – then ideally NHS Supply Chain should offer guaranteed social returns, such as a living wage employment.

In order to help the NHS achieve these ambitions, BLMK could take the lead here and ultimately look to work with the other 41 ICS leaders to lobby the Department of Health to consider a form of social licensing for NHS Supply Chain. CLES has long been an advocate for social licensing which would mean that suppliers can only enter markets if they have changed their business practices and guaranteed the provision of social benefits to communities and stakeholders. Social licensing would change the rules governing social value, giving companies or sectors the right to trade in public sector markets whilst placing them under reciprocal obligations to offer social returns.⁴²

⁴⁰ R Butterfield et al (2005). The new public management and managerial roles: The case of the police sergeant. *British Journal of Management*, 16 (4). [Link](#).

⁴¹ D Harrison and P Edwards (2018). Making Procurement Work for All: Procurement practices as a route to fulfilling work in North East England. Carnegie Trust. [Link](#).

⁴² TL Goodwin et al (2020). Restoring public values: the role of public procurement. CLES. [Link](#).

3. Employment, skills and progression

Employment is one of the most important determinants of physical and mental health. People who are long-term unemployed have a lower life expectancy and worse health outcomes than those who are in work.⁴³ Children growing up in workless households are almost twice as likely to fail at all stages of education compared with children growing up in working families.⁴⁴

Furthermore, the NHS is currently facing an acute employment crisis with staff shortages resulting in the cancellation of around 30,000 operations last year across the NHS.⁴⁵

Emerging practice

As such, in a number of locations, NHS trusts and health boards are taking the lead in deploying progressive employment interventions at local level, which are being used to leverage employment opportunities towards people who are furthest from the jobs market.⁴⁶

For example, a number of NHS trusts and health boards now map their workforce against all postcodes in their locality, with a view to being more inclusive employers. This practice often reveals current employees to be less diverse than the local population as a whole, with a high proportion not resident in the locality they serve. Another commonly observed trend is a relatively low level of employees from areas of high unemployment and deprivation.

Equipped with this information, trusts and health boards are able to take purposeful action: to lever employment opportunities towards individuals who are currently furthest from the jobs market.

Hywel Dda

During the pandemic, Hywel Dda University Health Board in southwest Wales needed to recruit 2,000 posts – from cleaners and porters to healthcare support workers. This presented an opportunity to recruit specifically from the local population and to target sectors such as hospitality, which has been disproportionately affected by the pandemic. To help this transition, they have changed typical person specification criteria – such as “experience of being a carer” or “working in the NHS” – to focus instead on values and behaviours. This has in turn led to a wider programme of work around reviewing person specifications for jobs, to make them less intimidating for local applicants.

ICAN

In the West Midlands, the Birmingham & Solihull Integrated Care System, in partnership with the Birmingham Anchor Institution Network, is leading a programme known as ICAN across all of its employing providers. The three-year programme will deliver job opportunities for unemployed and young people, targeting economically disadvantaged areas across Birmingham and Solihull. It

⁴³ M Bartley et al. (2005). Chapter 5: Health and labour market disadvantage: unemployment, non-employment and job insecurity. Social Determinants of Health 2nd Edition. Oxford University Press: Oxford.

⁴⁴ Department for Work and Pensions (2017). Improving Lives, Helping Workless Families. [Link](#).

⁴⁵ Sky News (2022). NHS staff shortages led to 30,000 cancelled operations last year, data reveals. [Link](#).

⁴⁶ TL Goodwin and D Birch (2021). NHS: supporting those furthest from the labour market. The Health Services Journal [Link](#).

includes the provision of tailor made “get into work” development and support programmes, with careers, interview, application support and a programme of post-employment mentorship. The programme launched in November 2021 and has to date delivered 239 job outcomes with a further 322 applicants either currently in, or awaiting, training.

Northern Care Alliance

In Greater Manchester, the Northern Care Alliance NHS Foundation Trust has bypassed the advert and interview process for many of their entry level positions and they are now reserving these positions for the recipients of targeted pre-employment training programmes.

Having mapped their employment profile, they have identified deprived postcodes where they are not employing people and have designed specific pre-employment training packages to help these local residents to enter their workplace. These programmes have been developed in conjunction with the local community and they are calibrated to help groups, such as BAME people, get ready for work. Within the next three years, their aim is to be providing a 1000 pre-employment places linked to jobs every year.

Through the adoption of these programmes, these health institutions are starting to change the narrative around their workforce by using their power as employers to tackle the social determinants of health and create a more just society. It's not about just wanting “*the best person for the job*”, but using the job to do the best by the people who make up your local economy. In short, “*good jobs equal good well-being, equals good health and a lower likelihood of them being seen as a patient.*”

Progress to date within the ICS

Engagement with the employment team within the ICS has revealed that work is currently underway within the progressive employment practice space. **This has predominantly involved the establishment of a health and care academy at the Bedfordshire Hospitals NHS Foundation Trust** which targets work experience and careers advice towards young people aged 15-20. The academy provides an introduction to the wide variety of potential careers within health and care across the ICS footprint. While this is largely about explaining the range of health and care careers on offer, as one interviewee explained, this is also about:

“changing some of their perceptions or their aspirations as to what they want to be or how they could get into it, because they talk to them about the different routes in, so you could go to university and be a nurse... Or you could go into many careers via an apprenticeship route - so if university is not for you or your financial situation means that it's not for you.”

Launched just before the onset of Covid-19, the academy had to adapt to online delivery, rather than face to face. However, this has meant that the programme has been able to accommodate a larger number of people than was originally planned.

While the academy currently targets its resources towards Central Bedfordshire and Luton, **it has recently received funding to extend the reach of this programme into the Milton Keynes area during 2023-2024**. With the extra money, this will enable the academy to work with more schools in more areas and to consider how they could take that offer to some of the harder to reach communities across the ICS footprint.

In terms of linking pre-employment support to jobs within the NHS, this activity is very much at the inception and is currently rather “*piecemeal*”. The local provider trusts have done some work with organisations like Indeed – to do pre-employment preparation – and there have been early conversations with the Prince’s Trust about linking the NHS cadette scheme into paid employment.

However, the workforce team lacks a complete picture of the support on offer across the footprint and work is needed to develop this intelligence.

Key actions:

5. Target skills development and employment opportunities towards people and communities who need them the most

To help alleviate poverty, deprivation and health inequalities within BLMK, it is within the gift of all anchors to consider how their employment and skills development opportunities support could be targeted towards those who are most in need.

The BLMK People Board could take the lead here and could look to scale and amplify the activity to date across the geographical footprint. It could begin by seeking to build a greater understanding of the local provision of employment support for those furthest from the labour market and then look to develop a pilot programme similar to ICAN that would remove as many barriers to employment as possible. Ultimately, the ICS could then look to extend the programme beyond its NHS partners. This work would involve the following steps.

- I. **Develop a socio-economic profile of health and care academy candidates.** The health and care academy is a good way of raising awareness and aspirations in relation to careers in the wider health sector. With a view to progressing its work, activity should focus on developing a better socio-economic profile of existing candidates to determine where the gaps are and to thereby guide the continuation and expansion of the academy during 2023-2024.
- II. **Map the employment profile of the provider trusts.** In addition to the provision of work experience, it is important to make best use of more substantial employment opportunities. In line with emerging practice from elsewhere, the ICS could work with its large provider trusts to map their respective employment profiles and identify any deprived postcodes where they are not employing people.
- III. **Map the totality of employment support interventions across its geographical footprint.** The ICS could work with its partners to audit the nature of employment support on offer within BLMK and again look to identify any significant gaps. With respect to actions I-III, the workforce team within the ICS felt that they could potentially work in partnership with public health on this agenda as there is a regular stream of public health registrars rotating through the system who are required to complete a six-month project. This was flagged as a potential resource that could be harnessed to help complete the mapping exercises.
- IV. **Design an overarching skills and employment programme.** With the health and care academy, as well as the myriad of job opportunities on offer, the ICS has significant assets that could be used to develop an overarching programme to support routes to employment for those furthest from the labour market. The mapping exercises outlined above should provide the necessary intelligence. Depending on what is unearthed by this process, the ICS may need to develop additional employment support. At this stage it would be prudent to reach out to the other health systems mentioned above who have already designed similar schemes.

4. Estates

How land and property assets are owned and managed are key features of any local economy. While traditional economic development and planning approaches might only measure the value of these assets in economic terms, developing an inclusive economy across BLMK would see these assets harnessed to serve wider goals.

Emerging practice

As with spending, the progressive usage of land and property is particularly challenging within an NHS context. NHS estates strategies have been heavily scrutinised in recent years. In 2017, Sir Robert Naylor's review of NHS property and estates, set out recommendations as to how the government could fund NHS reforms by selling land it no longer needs and buildings that are expensive to maintain.⁴⁷ This has led to local health systems being encouraged to sell off land to qualify for transformation funding.⁴⁸ But as stakeholders reflected, this has led to short-termism:

"getting rid of estates, flogging it off, whatever they can get the money for, in order to show their annual accounts are in balance, in order to qualify for this further cash... [B]ut meanwhile, they've sold this asset, which might be useful to them in the future."

Despite this shift, however, some areas are bucking the trend and innovative practice has continued to emerge.

Affordable housing

East Lancashire Hospitals NHS Trust are currently involved in two projects to develop affordable housing, working in partnership with a local housing association as well as Burnley Council to provide affordable housing and accommodation for key workers. Currently in development, is a scheme opposite the Royal Blackburn Teaching Hospital that will include 150 flats for affordable rent by medical staff there and at Burnley General Hospital.⁴⁹

At Sandwell and West Birmingham Hospitals NHS Foundation Trust, they have previously secured a grant to convert one of their empty buildings into accommodation for homeless people aged 16-24. Furthermore, they have recently partnered with the charity St Basils to provide new, affordable rented apartments for young people. The scheme involves a capital contribution from Sandwell Council to fund the refurbishment of three blocks that are owned by the NHS Trust. The refurbishment will provide 54 self-contained one-bedroom affordable rented apartments. The ground-breaking scheme will enable young people who would otherwise be at risk of homelessness to have truly affordable accommodation, enabling them to secure and sustain employment, thereby preventing and relieving homelessness affecting young people in Sandwell.⁵⁰

⁴⁷ R Naylor (2017). NHS property and estates: Naylor review. Department of Health and Social Care. [Link](#).

⁴⁸ J Omerod (2018). The great NHS property sell-off gathers pace. Open Democracy. [Link](#).

⁴⁹ B Jacobs (2021). New Blackburn homes for East Lancashire's NHS hospital hero's. Lancashire Telegraph. [Link](#).

⁵⁰ Sandwell Metropolitan Borough Council (2022). Agreement with St Basils to provide affordable rented homes for young people. [Link](#).

Opening-up land and assets for community use

University Hospitals Birmingham NHS Foundation Trust regularly allow local community groups and charities to make use of their buildings and facilities for free, giving over their conference centre to let local charities run annual conferences, for example. The Trust run a local farmers market on their land which is specifically targeted at micro enterprise within a 30-mile radius. They are also looking at how their lecture theatres could be used to screen films for free for the local community.

Similarly, other Trusts such as East Lancashire are very willing to let local community groups make use of their buildings and facilities to hold meetings out of hours. They have also used the land at the front of their hospital sites to hold events focused on environmental sustainability and healthy eating.

Health and wellbeing hubs

The development of mixed-use sites for health and care is becoming more common within health systems across the UK. To some extent, the development of these assets is merely part of the continuing evolution of health and care services, but with the opportunity to create and promote wider social and economic benefit, they can be important contributors to the anchors' agenda and the development of more inclusive local economies.

Liverpool University Hospitals NHS Foundation Trust are currently looking to develop the north site of Aintree Hospital, which is currently underused and vacant in some areas. Rather than simply selling off this land to the highest bidder the Trust have developed a plan with local partners to transform the site into a Health and Wellbeing Campus for Liverpool City Region. The campus would complement the acute services delivered on the hospital site and help meet wider social needs. Current plans envision a high-quality mixed-use development including:

- up to 400 mixed residential units, a part of which would be dedicated key worker accommodation;
- intermediate residential care;
- a GP surgery;
- education and community spaces;
- open space;
- cafés, restaurants and retail; and,
- other specialist accommodation, including stepdown care units, rehab accommodation, and a patient/visitor hotel.

In southwest Wales, Carmarthenshire Council are working in partnership with Hywel Dda University Health Board, making use of levelling-up funding to acquire a former Debenhams' department store and convert the building into a community health hub with gym facilities. Rather than seeing this land sold off to a private developer, this conversion will not only provide vital health services but it will help create footfall on the high street to support local businesses.

Progress to date within the ICS

BLMK ICS has a number of sites that are coming up for disposal in the next two years. Currently, the disposal strategy involves consultation with local partners via the capital and estates oversight group and at the wider one public estate forum to consider how such opportunities could be maximised. In terms of linking their strategic aims to the anchors' agenda, interviewees from the estates team reflected that they are *"currently tinkering around the edges of this."* However, they are in the process of renewing their estates strategy and are keen to include some broader

commitments around using land and property to support their contributions as an anchor institution:

"[W]e could absolutely aim to include in there some principles around our approach to disposals and a commitment about what we expect our partners to sign up to in terms of disposals... We'd really value guidance and best practice around what's happening elsewhere."

Key actions:

6. Deepen the function of land usage and disposal across the ICS footprint

The upcoming refresh of the ICS estates strategy provides an opportunity to incorporate anchor principles into estates management, stewardship and disposal.

As outlined above, where feasible, this could be about pledging to open-up assets for community use.

In terms of land and property disposal, this is about viewing these assets as more than just a commodity. Despite the pressure to sell-off surplus assets to maximise financial return, this could involve all ICS partners pledging to consider whether any surplus land and property could in the first instance be used to generate the kind of wider returns outlined above, particularly in relation to the development of affordable housing. Moreover, surplus land and property could also potentially be used to facilitate action two – supporting more SMEs and other forms of progressive local enterprise to play a greater role in the BLMK economy. Opportunities for local businesses to supply local anchors with more of their goods and services may require these businesses to grow and diversify which, in turn, may generate the need to find new business premises. As such, where feasible, surplus land and property could also be sold or rented out to support this end.

Finally, it may be the case that surplus land property could be transferred into community ownership or management. Closer working with the VCSE sector to understand demand for this activity would therefore be useful.

Conclusion and next steps

The NHS's role a series of different anchor institutions has never been more important. As local economies attempt to navigate the multiple crisis that are being faced by people and communities across the country, the new ICSs could play a pivotal role in the pursuit of more inclusive local economies.

As this action plan demonstrates, the evidence is starting to suggest that anchor-based approaches can provide an effective model for economic development that leads to substantial health benefits. What is more, the NHS and its partners have a number of key assets at their disposal that can be deployed in a more purposeful way to support this different kind of economic activity.

To this end then, the action plan does offer something of a blueprint as to how BLMK ICS can start to fulfil its objectives around social and economic development – a blueprint that is about rebooting the system rather than tinkering around the edges.

We strongly recommend that BLMK ICS moves to operationalise this action plan as soon as possible. There is not necessarily a complete logical order as to how the ICS should approach this task and there may be quick wins and low hanging fruit that could be immediately addressed in some areas.

In conclusion, we would however recommend that finessing the vision is fundamental and should be addressed as a matter of priority. The ICS has made a great start here but as we have made clear above, it cannot be agnostic about the kind of economic growth it will support going forward. Growth for growth's sake does not trickle down and has fuelled the very social, economic and environmental challenges we must now address.

Start small if needs be but embrace the substantive changes to practice that will be required to deliver a truly inclusive economy across the BLMK area.

Appendix – List of stakeholders

BLMK

Felicity Cox	Chief Executive Officer, Bedfordshire, Luton and Milton Keynes Integrated Care Board
Rima Makarem	Chair, Bedfordshire, Luton and Milton Keynes Integrated Care Board
Tracey Stock	Chair, Bedfordshire, Luton and Milton Keynes Integrated Care Partnership
Anne Brierley	Chief Transformation Officer, Bedfordshire, Luton and Milton Keynes Integrated Care Board
Tim Simmance	Associate Director of Sustainability and Growth, Bedfordshire, Luton and Milton Keynes Integrated Care Board
Nikki Barnes	Head of System & ICB Estates, Bedfordshire, Luton and Milton Keynes Integrated Care Board
Catherine Jackson	Senior Workforce Transformation Project Manager, Bedfordshire, Luton and Milton Keynes Integrated Care Board
Kathryn Moody	Director of Contracting, Bedfordshire, Luton and Milton Keynes Integrated Care Board
Jacqui Nicholls	Head of Procurement, Bedfordshire Hospitals NHS Foundation Trust
Mark Thomas	Chief Digital and Information Officer, Bedfordshire, Luton and Milton Keynes Integrated Care Board
Marcel Coiffait	Chief Executive Officer, Central Bedfordshire Council
Fergus McLardy	Programme Manager, Community Wealth Building, Luton Council

Other NHS Stakeholders

Sara Bordoley	Policy Delivery Lead (anchors), NHS England
Dave Buck	Senior Fellow, The King's Fund
Michael Wood	Head of Health Economic Partnerships, The NHS Confederation
Lorna Renwick	Organisational Lead – NHS Leadership, Health Equity, Public Health Scotland
Neil Hind	Net Zero and Social Value Consultant, Greater Manchester Integrated Care
Dave Sweeney	Executive Director of Partnerships, Cheshire and Merseyside Health and Care Partnership
Martin Higgins	Strategic Programme Manager, Public Health and Health Policy, NHS Lothian
Huw Thomas	Director of Finance, Hywel Dda University Health Board
Gemma Deverill	Assistant Head of Procurement, Hywel Dda University Health Board
Vivian Smith	Essex Anchor Social Value Officer, Essex County Council
Tracey Leforte	Group Director of Procurement, Mid and South Essex NHS Foundation Trust
Conrad Parke	Birmingham Anchor Network Co-ordinator, CLES
Ajminara Begum	Employment and Mentoring Co-ordinator, ICAN
Donna McLaughlin	Director of Social Value, Northern Care Alliance NHS Foundation Trust
Heidi Barnard	Group Head of Sustainability, Northern Care Alliance NHS Foundation Trust
Mark Storey	Head of Procurement, Northern Care Alliance NHS Foundation Trust

James Maguire	Director of Estates and Facilities, East Lancashire Hospitals NHS Trust
Lawrence Kelly	Learning Works Manager, Sandwell & West Birmingham Hospitals NHS Trust
Nav Kiran Sharma	Widening Participation Project Support Officer, Sandwell & West Birmingham Hospitals NHS Trust
Mike Hanson	Director of Procurement, Sandwell & West Birmingham Hospitals NHS Trust
Paul Mellor	Director of Procurement, Sandwell & West Birmingham Hospitals NHS Trust
Rob Fallon	Property Management and Sustainability Manager, Liverpool University Hospitals NHS Foundation Trust



Centre for Local Economic Strategies

CLES, 52 Oak Street, Swan Square
Manchester, United Kingdom, M4 5JA
info@cles.org.uk | www.cles.org.uk
@CLEStinkdo | #clestinkdo