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A Review of Best Practice in How NHS Hospitals Benefit from and Contribute to their Local Economies and Social Value in England

Localise West Midlands

Conrad Parke - Advisor
Karen Leach - Coordinator
Localise West Midlands
54-57 Allison Street, Digbeth
Birmingham B5 5TH UK
E: karen@localisewestmidlands.org.uk
T: 0044 121 685 1155
www.localisewestmidlands.org.uk

Zimmermann Sustainability

Fiona Tutty – Director
ZESCO, North Kildare Chamber of Commerce,
Naas Town Centre,
Sallins Road, Co. Kildare,
Ireland
E: fiona@zesco.ie
T: 00353 87 9940758
www.zesco.ie



Introduction

This project was undertaken as part of the Climate KIC Pioneers into Practice Programme <http://www.climate-kic.org/programmes/pioneers/> by Fiona Tutty in collaboration with Karen Leach and Conrad Parke of Localise West Midlands (LWM) www.localisewestmidlands.org.uk.

The NHS do not typically have a history or background in regeneration as their focus has primarily been to “Deliver the Best in Care”. However, the NHS’s role and responsibility in society is widening to the heart of its local community’s economy, to ‘*reduce disadvantage*’ and ‘*increase prosperity*’. This change is due to an increased understanding of how local economic impacts contribute to health and wellbeing through prevention and could, in the longer term, reduce demand on services. There is also an increased trend towards asset-based approaches to promote and strengthen the factors that support good health and wellbeing¹ as well as localism and a continuing focus on tackling social justice, poverty and inequalities.

The [Public Services \(Social Value\) Act](#) is also a driver of change as it came into force on 31 January 2013 and requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. The vision of the NHS is outlined in ‘Creating Social Value’² as ‘*a health and care system that actively and systematically adds social value to the local communities they serve, the care they commission and the products they procure. This means going beyond the simple provision and commissioning of services by ensuring core activities have a positive effect on peoples’ lives and maximise the investments made in health and care provision for demonstrable return on investment*’.

This research involved identifying best practice in maximising local value from hospital development, operation, commissioning and procurement throughout the UK, to provide some recommendations appropriate for the proposed Sandwell and West Birmingham Hospital (SWBH) to shape future work. In taking an approach that comprehensively maximises SWBH’s economic impacts’ on the local area, the hospital has significant potential to positively impact health and wellbeing, prevent poverty and inequality and demonstrate how demands on public services can be reduced in the long term. This is an exciting opportunity to comprehensively implement a strategy that encompasses a vision economic regeneration and social value. Therefore this report also urges policy makers to remove barriers that discourage the organisation from developing more sustainable approaches and to explore the policy changes needed to create a more enabling environment for regeneration.

¹ Hopkins and Rippon 2015 Head, hands and heart: asset-based approaches in health care - A review of the conceptual evidence and case studies of asset-based approaches in health, care and wellbeing.

² http://www.sduhealth.org.uk/documents/publications/2015/20150113_6_SDUMODULE-CreatingSocialValue_-_FOR_WEB.pdf

LWM is working on a programme of activity called [Localising Prosperity](#), which is about helping institutions and individual decision-makers to understand how they can maximise the local value of economic activity, for example by fostering local supply chains. Part of this has involved working with the award-winning [Right Care Right Here](#) on how the current and proposed hospitals in Smethwick on the Birmingham/Sandwell border can maximise their local value through their activities and development, with a focus on the broad idea of ensuring that the new hospital does for its surrounding area what [Cadburys did for Bournville](#).

There is good practice around the UK in hospital Trusts' using their purchasing and commissioning power to increase local regeneration and create sustainable local economies. Examples include hospitals partnering with community energy co-operatives, and setting up social enterprises to provide services locally.

This project forms part of the preparation for second stage of this work in September 2015. This initial research aimed to provide a collection of good practice from which a maximum local value model can be developed for the new Sandwell and West Birmingham Hospital. This work will enable LWM to better engage relevant decision-makers in these ideas and more widely, provide a set of ideas, raising awareness of the benefits and tools of a locally focused economic approach.

Scope

The project involved approximately 120 hours of mainly desk based work. NHS organisations throughout England were contacted.

The scope of the project focused on initiatives with economic benefits in areas such as:

- Procurement, contracting with local businesses and social enterprises
- Training or employment activity targeted at the local area
- Local community energy
- Local food sourcing or marketing schemes
- Community benefit through art, creativity, music
- Using waste streams to generate local employment through reuse/recycling
- Encouraging sustainable local live-work patterns
- Developing connections with the local community/stakeholders

Environmental initiatives without local economy impacts such as carbon reduction projects were not included in the scope.

A detailed evaluation of the impact and value for money from projects was not undertaken.

Disclaimer Given the limited hours and short timescale, we apologise to those organisations which were not contacted and would like to have been included in the study. We would welcome you getting in contact so that your project can be included in any future work.

Key Stakeholders

The key stakeholders in the project are:

- Localise West Midlands
- Right Care Right Here
- Sandwell and West Birmingham Hospital
- NHS Sustainable Development Unit
- Regeneration, Community Engagement and Sustainability Leaders engaged through the project
- Climate KIC and Innovation Birmingham

The main steps

The main steps undertaken were:

- A one to one meeting with David Taylor, Regeneration Manager, Queen Elizabeth Hospital, Birmingham to understand the range and type of initiatives undertaken over 15 years prior to and in the development of the new Queen Elizabeth hospital.
- Online research of case studies on Health Service Journal, Princes Trust, Kings Trust Sustainable Development Unit, Centre for Sustainable Healthcare and general online searches.
- Phone calls and emails with existing NHS networks, Trusts and Funds focussed on sustainable development in the NHS throughout England.
- Phone calls and emails with individuals in a list of hospitals based on the desk study.
- The research also explored the current thinking and approach to social value.

The main results

The main results of the research delivered a list of projects being undertaken by the hospitals and the key initiatives to benefit local economies being undertaken as follows:

Training and employment

There are several examples of employment schemes targeted at disadvantaged people in their local area.

- A leading example is Queen Elizabeth Hospital in Birmingham. The Learning Hub has succeeded in training 1700 people in finding employment, 200 of which have been placed into employment. This would be considered best practice. Creating jobs in growth in life sciences is a particular area of focus for Queen Elizabeth Hospital in Birmingham. Partner and community engagement is a core strategy for reducing disadvantage. A capital contribution for the Hub building was obtained from the European Regional Development Fund and £5m+ revenue support was provided through European Social Fund, Work Programme, SFA, City Council, and HEWM.

- Other local employment programmes worth noting are Royal Liverpool and Broadgreen University Hospital and Manchester University Hospitals NHS Foundation Trust, Bart's Health, London.

In the larger hospitals there is an employee fully responsible for delivering initiatives in training and employment. Public Health England are a driver of activity in this area as the Public Health Programme has developed its key themes of improving public health outcomes through hospital healthcare, staff health and wellbeing and the wider determinants of health.

For example:

At Bart's Health London, the Trust's commitment to employing local people continued to flourish this year with over 100 local residents supported into work through the Community Works for Health pathway which provides additional training and advice where needed. The apprenticeship programme continued to expand with 95 new apprentices starting training making over 150 apprenticeships underway in 2014. The Project Search scheme at Whipps Cross had outstanding success with its cohort of interns with learning difficulties, all of whom obtained employment as a result of the project. Successful candidates were celebrated at the Bart's Health Awards held at the Osmani Centre in November 2014. The year saw the start of the East London Careers project aiming to increase the number of school and college students taking up health careers, especially those from less advantaged backgrounds.

Some of the employment initiatives are mainly focussed at recruiting staff to the NHS. This activity is not necessarily targeted at the local area. There are several examples of Apprenticeship programmes at the above hospitals and another example worth noting is at University Hospitals of North Midlands NHS Trust, Stoke-on-Trent.

- Other programmes include the Princes Trust *'Get into Hospital Services'* targeted at 16 to 25 year olds which is working across Walsall, Royal Wolverhampton and Chesterfield Royal Hospital NHS Foundation Trust.
- Salford Royal NHS Foundation Trust has been hosting GATEway events for over 10 years supporting young unemployed people in their search for work and has developed a partnership with Jobcentre Plus, Salford Council, Salford College, and a construction company Cofely.

No examples were found of reuse or recycling schemes fostered via hospitals, so this remains an area where pioneering activity could be created.

Procurement

Procurement is a significant area of focus due mainly to the impact on carbon reduction; however many of the procurement projects also bring local economic benefits, although they are not readily quantified.

Contracting with local businesses and social enterprises is also commonly undertaken. *The NHS East Midlands Carbon Reduction Project and Sustainable Procurement Pilot*³ is worth noting because it addresses and measures the 'Social Cost of Carbon'. Extensive sustainable procurement training was carried out and findings and recommendations showed key KPI's in number of contracts and their approximate value that will incorporate a low carbon/sustainable procurement approach following attendance to events.

There are a number of examples of procurement of local food in hospitals. Chesterfield Royal Hospital NHS Foundation Trust project is worth noting '*Preston Health Mela: a successful and replicable model for community health and wellbeing*'. The Trust has tackled food procurement, by stipulating that all food for their main hospital canteen be sourced from within 50 miles of the hospital, a change that was based on the Office of Government Commerce (OGC) and PASA framework. This is an approach that is also being introduced into tender documents for other goods and services, which not only reduces the carbon impact but also supports the use of local labour and contractors. Procurement can be a very challenging area to make changes for policy makers, however the potential economic and social benefits can be significant.

Sussex Community Trust is also worth noting as they have established an Ethical Procurement Policy and a collaborative Supply Chain Emissions Project to quantify and reduce impacts with key suppliers.

"Our aim is to deliver the best possible patient care in ways that contribute to the sustainability of the communities and places that we serve. We have a responsibility to use our resources and influence to support the health and wellbeing of our local communities, whilst minimising the financial and environmental costs."

Hampshire Partnerships Trusts' project have increased their use of locally grown/sourced/produced food. A project manager from the non-for-profit organisation 'Food Matters' has been funded. A 'Local Food' seminar has been organised for all trust chefs to give them an opportunity to try local products and discuss the way forward and perceived barriers. At least two local food days were organised at several hospitals including a seafood day.

Food schemes were identified in several hospitals and have been active for many years. Some of the best practice examples are described here.

The North Bristol NHS Trust began to consider what it could do to improve the proportion of local and sustainable food on its menus after it became involved with a healthy food in hospitals initiative run by the Soil Association in conjunction with HRH the Prince of Wales. Catering managers across the Trust worked with their existing wholesalers to source food wherever possible within a 50 mile radius.

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http://www.nottenergy.com/in_the_workplace/example_of_completed_work/report_on_sustainable_procurement_training_nhs_e.midlands_carbon_reduction/456/

The Trust's aim was to improve food for patients, improve quality and maintain fair prices. The Trust has changed its suppliers so it now buys in Wiltshire Farm Assured ham and Somerset cheese as well as free range eggs and sustainably sourced fish. The Trust also developed an allotment on the hospital grounds by the catering and nursery departments where chefs and children planted seeds and grew vegetables which were prepared and cooked in the kitchen for the children.

The Queen Elizabeth Hospital in Birmingham have been supporting a number of food schemes which clearly demonstrate local economic (and social) value including:

- Fruit and vegetable store, operating 6 days per week by a local operator, supplying healthy and reasonably priced products as an alternative to the existing franchises in the hospital.
- A monthly farmers market located on the site of the hospital, comprising approximately 22 stalls supplying local produce from a range of organisations. The farmers market has been active for two years, is self-financing and the income from rents is invested in other projects on site. Some examples of organisations and social enterprises which trade at the market include:
 - Frost and Snow www.frostandsnow.co.uk/ a bakery which creates opportunities for homeless people to work with them.
 - Park Lane Garden Centre <http://www.parklanegardencentre.net/> which sell fruit trees and work with people who have mental health issues.
- Four orchards with 140 fruit trees and 15 raised beds have been planted on the hospital grounds. The fruit will be provided to homeless people. A juice bar is also intended to be established at the hospital. Bee hives are kept on site and the honey is sold at the market by the bee keeper.
- In addition to the economic benefits of the projects, the market, green areas and wild flower meadow provide an area for staff to de-stress contributing to the hospital's human resources strategy and improving staff recruitment and retention.
- These initiatives also support the hospital's programme for dementia risk reduction called 'walk and talk' and the Health and Wellbeing clinic associated with the Learning Hub, mentioned above in 'Training'.

The initiatives in Queen Elizabeth hospital have been running for approximately two years. Going forward it is the intention to measure the qualitative benefits in coordination with Birmingham University, the Staff Access Clinic and the learning Hub over a 3-5 year timescale. Challenges are presented by procurement and middle management at the hospital, however a structured policy and strong commitment by the whole executive team enable the continuation of the interventions. The initiatives are also promoted externally, raising the profile of the hospital and improving the image and attractiveness of the organisation as a place of work.

Sandwell and West Birmingham Hospital Trust itself commissioned the Centre for Local Economic Strategies to run a LM3 ("local multiplier") study, which measured how the hospital's spend currently recirculates locally and how this could be improved to bring local benefit. It recommended the Trust identify 'influenceable' spend. Such work provides a strong starting point for improving local benefit of procurement, and for measuring impact. The report is not available on the internet.

Local Community Energy Projects

There were few examples of local community energy projects associated with the NHS. Examples are sought in this area. The only existing community energy project identified was Community Energy Warwickshire's Solar Powered Hospitals project, where the community energy co-operative worked with South Warwickshire NHS Foundation Trust to install solar panels on roofs at Stratford upon Avon and Warwick Hospitals. Local economic benefits accrue from the energy investment as well as from integrated energy-saving advice and activities for the hospitals and their staff. www.cew.coop/?page_id=343.

Art and Creativity

A good example of art and creativity is the work being carried out by Manchester University Hospitals NHS Foundation Trust in Arts and Music with the Eye Hospital. They are working with a local social enterprise Lime 'Arts in Health through Innovation and Creativity' www.limeart.org.

The new Royal Liverpool and Broadgreen University Hospital Liverpool constructed by Carillion involved a local three-year Regeneration Fund of £100,000, which has allocated more than £31,000 to 20 local community groups in the first year of construction. The project has a dedicated Arts for Health Leader who is engaging local artists to provide designs for new entrance to the hospital and main atrium. The Heritage Lottery Fund is supporting workshops to work with local artists and the community to ask '*what does the current Royal mean to you*', so that the living history of the old hospital can be captured and integrated into the new building.

Sustainable Live-Work Patterns

It was noted that some initiatives had unexpected benefits for sustainable live-work patterns although this was not the initial driver of the project. In one hospital, the staff workplace was divided between two locations, one for office work and the other for lab and practical work. This resulted in a significant amount of travel time between locations during work time and staff also found difficulties integrating with the secondary workplace. A project to reorganise staff working patterns was initiated with a combination of working from home and having only one place of work. This resulted in a significant reduction in travel time both within work and to and from work which staff reported to have a significantly increased benefits to their work life balance reducing time wasted at work and time waste travelling. Staff were also better integrated in the workplace as they were not viewed as outsiders visiting the workplace from a separate work location and therefore reported better work environment, rapport with colleagues resulting in better retention of staff. More examples of projects encouraging sustainable local live-work patterns would be beneficial in a more specific study.

Other Observations

All the hospitals which provided information on initiatives cited a strategic plan as the driver for the work. These plans ranged from a *Community Engagement Plan*, *Public Health Plan* or a *Sustainable Development Plan*. The range of plans reflect the disparate portfolios that exist in hospitals across themes such as quality, diversity, health and wellbeing and sustainable development.

There are few organisations with a ‘Social Value Strategy’ in place, although many participants identified the need to develop a formal approach to meet the needs of the Social Value Act. Liverpool and Broadfield Hospital have developed a ‘*Social Value Strategy and Action Plan 2014*’. This strategy sets out NHS Liverpool Clinical Commissioning Group’s (LCCGs) approach to implementing the Public Services (Social Value) Act 2012. This strategy defines LCCGs first approach to embedding social value and is intended to guide and communicate their commitment to local NHS staff, patients and public, providers, partners and other stakeholders.

It was evident that key staff, with innovative approaches, who are highly motivated drive the delivery of the plan and are also key to the success of projects. Good practice is mainly shared locally by local or regional networks and organisations e.g. West Midlands NHS Sustainability Network⁴.

There measurement of impacts is mostly informal and is not currently being undertaken in a standardised manner or using an agreed methodology.

Conclusions and Recommendations

There are a lot of examples of good practice in how NHS Hospitals benefit from and contribute to their local economies and social value throughout England, by training and employment of various disadvantaged groups. These programmes are mainly targeting people for employment within the NHS however there is an increasing focus on training for employment in the wider community and improving prosperity locally. The procurement of local food is becoming more common, and is driven by the carbon reduction potential as well as local economic benefits, and the health and wellbeing of staff and patients. Examples of contracting with local business and social enterprises are noted in many hospitals. There are fewer examples of NHS hospitals working with local arts groups, although there are some good examples in larger hospitals.

To establish best practice it would have been necessary to at least evaluate the impact of the projects, consider how they were measured and how value for money was delivered. Many projects are developed without a clear methodology for measurement. Given the short timescale and scope of the project, it was not possible to fully determine what best practice means in quantitative terms.

However, there are certainly some examples of organisations which have a comprehensive approach to sustainable development and should be considered the best examples of how NHS organisations contribute to and benefit from their local economies and have been able to demonstrate and measure the results of various programmes. These include:

- Queen Elizabeth Hospital, Birmingham for

⁴ <http://www.sustainabilitywestmidlands.org.uk/resources/workshops-and-launch-of-nhs-public-health-networks/>

- Establishing the Learning Hub and their approach to partner and community engagement in reducing disadvantage.
- Establishing a local food initiatives, a farmers market and orchards in collaboration with local social enterprises and community groups bringing economic social and health benefits to staff and the community.
- The Nottingham City NHS for their role in the *NHS East Midlands Carbon Reduction Project and Sustainable Procurement Pilot*.
- Liverpool and Broadfield NHS – for integrating local regeneration and social value through the procurement process and construction contract of the new hospital
- Manchester University Hospitals NHS Foundation Trust for work being carried out in Arts and Music working with a local social enterprise Lime ‘*Arts in Health through Innovation and Creativity*’ www.limeart.org.
- Bart’s Health NHS, London – for the Trust’s commitment to employing local people through the Community Works for Health pathway, the apprenticeship programme and The Project Search scheme.

The reported benefits and contribution of the new Liverpool and Broadgreen Hospitals to the local economy demonstrates the regeneration potential of new hospital developments. This example of leading practice supports the broader debate that asset-based economic regeneration has a very significant role the regeneration of local communities.

If the new Sandwell and West Birmingham Hospital is to be exemplar in comprehensively implementing best practice demonstrated by other hospitals throughout England, by maximising the long term sustainable development potential of regeneration beyond the development and commissioning phases, a number of key steps are recommended:

- Establish integrated Public Health, Sustainable Development, Regeneration and Community Engagement Plans – containing commitments that will ‘*reduce disadvantage*’ and ‘*increase prosperity*’.
- Develop a framework to link the objectives of health and wellbeing, social inclusion and employment described in the various plans.
- Collaborate with local partners, social enterprises, charities and networks to make the implementation of policies a success.
- Establish dedicated roles which clearly describe the goals and objectives of working in collaboration related partners for example Regeneration Manager and Sustainability Manager.
- The range of activities and types of interventions that should be undertaken to contribute to and benefit from a local economy and social value include at least:
 - Training for employment targeted at people living in the local area, to find jobs within the NHS as well as outside the NHS in the community. Disadvantaged groups can be targeted in collaboration with local and national partners e.g. Princes Trust.

- Local food sourcing by contractors, franchisees or in house catering and the sale of locally produced healthy food where possible.
- Local procurement of other appropriate goods and services, particularly where possible from disadvantaged areas, based on “local multiplier” (LM3) studies to identify priorities.
- Explore partnership opportunities with community energy schemes.
- Developing connections within the local community and stakeholders from the outset is an essential step in the successful development of any plan to benefit the local economy and provide social value.

Overall, the examples studied show that taking a ‘*Localising Prosperity*’ approach contributes to sustainable development by its focus on community-scale economic power, meeting local needs through local enterprise and reducing travel distances. By framing economic development within the context of local resources, new hospitals can be used as an example to raise awareness in how resources can be more efficiently used.

The research has led the author to a number of unexpected additional conclusions and recommendations on a national level. Although there are various ‘Sustainability Networks’ operating throughout the UK, the centralised structure comprising the Sustainable Development Unit (SDU) is not being used effectively by the regions to enable the sharing of best practice. Although a localised approach is being promoted, the transferability of learnings and outcomes from the initiatives could certainly be improved across the NHS so that best practice can be determined and used to facilitate a change in the regime and overall landscape. Given the range of strategic plans and disparity in the portfolios across the NHS, an integrated framework for health and wellbeing, social inclusion and employment could be developed so that the social, economic and environmental initiatives demonstrated by the best practice examples within hospitals can be linked, measured, promoted and supported.

Measurement and Verification of Impacts

Measuring the economic and social benefits of training and employment is usually undertaken through numbers of new jobs, job value and people trained into new and existing jobs. Although the details of the economic and social benefits from these projects have not been published online, it would be very beneficial to do a more detailed study of the measured benefits of such programmes to encourage both policy makers and regeneration managers to adopt similar approaches.

A standardised measurement methodology of the benefits to the local economy from the various initiatives could be developed and shared amongst practitioners. Sharing of best practice through case studies which are more standardised would also benefit the communication of the impacts. Local multiplier (LM3) studies could be a useful contribution to measurement.

Social value is very topical and of key interest to those organisations engaged in sustainable development. However there is a need for guidance on measuring the social and economic benefits of projects to develop

metrics for common reporting and obtaining funding. Therefore, a more coordinated approach throughout the country could be established to ensure that learnings are shared more effectively.

A more in depth study could be undertaken with the leading hospitals to investigate how the organisations have achieved their success in terms of leadership as well as the resources such as processes and systems which enabled the change. Considering the importance of best practice in influencing change and the scale of the potential impact in the NHS to improving public health, local economies and the environment, funding should be sought to continue the research to at least MSc level.

The NHS has huge economic power as well as massive scale and reach in the population to reduce poverty⁵ and improve sustainable health and social care. A fundamental transformation in service models is needed, with a greater emphasis on prevention⁶ to reduce overall demand on public services in the long term. New approaches to public health need to be supported on a broader scale with an increased focus on health, wellbeing and sustainable development, a future vision towards regenerative health care in line with the International⁷ EU⁸ and national level⁹ agendas.

⁵ Buck & Jabbal 2014, Tackling poverty: Making more of the NHS in England, The Kings Fund

⁶ Naylor & Appleby 2012, Sustainable health and social care connecting environmental and financial performance

⁷ Global Green and Health Hospitals, 'A Comprehensive Environmental Health Agenda for Hospitals and Health Systems Around the World'

⁸ NHS Confederation 2014, <http://www.nhsconfed.org/health-topics/integration/supporting-health-and-wellbeing-boards>

⁹ NHS Sustainable Development Unit 2014, Sustainable Resilient Health People and Places, A Sustainable Development Strategy for the NHS, Public Health and Social Care System.