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Shaping healthy cities and economies

The role of clinical commissioning



Foreword

As chair of the NHS Clinical Commissioners' Core Cities Network, I am delighted to introduce this report showcasing the important role that local commissioners play in local economies.

England's urban areas are hubs for jobs and investment while also being home to some of the most deprived areas in the country, making 'core cities' – the eight largest cities in England outside London - essential for economic recovery. The complexity of these environments means that clinical commissioning groups (CCGs) in core cities must take a broader view and understand how the services they commission can improve not only the health but also the social and economic wellbeing of their populations.

The strength of a local economy depends on the health of its population, making the question of how the NHS, and particularly CCGs, can help drive prosperity an important one. Through a series of case studies, this report provides examples of how clinical commissioners in England's core cities are helping to drive economic growth and deliver public services in a way that meets local needs.

With examples from Leeds, Sheffield, Bristol, Nottingham, Newcastle, Liverpool and Manchester, we hope that this report provides useful insight that can be reflected elsewhere in the country, and highlights what more can be done to maximise the local clinical commissioner contribution to economic growth.

Dr Tim Moorhead

Chair, NHS Clinical Commissioners' Network,
and Chair, NHS Sheffield CCG

About the NHSCC Core Cities Network

The NHSCC Core Cities Network is a peer-led network representing clinical commissioning groups (CCG) from the eight core cities in England outside London. It is managed by NHS Clinical Commissioners (NHSCC), the independent collective voice of CCGs. The Network's reach stretches across Nottingham, Leeds, Sheffield, Bristol, Newcastle, Birmingham, Liverpool and Manchester. We meet with one purpose: to improve the health outcomes of populations that live in complex city environments. Our members are keen to be involved, influence and innovate. We aim to:

- raise awareness of the distinct needs of commissioners in the core cities, and the common issues we face
- influence national policy, ensuring it takes into account the distinct needs and common issues of commissioners in the core cities
- bring together commissioners in the core cities, and allow them to share information and learn together.

If you would like any further information or to get in contact with the Core Cities Network, please email office@nhsc.org

Introduction

At the heart of local economic growth is the drive to help every place to reach its potential. Over the past few years we have seen a number of actions taken by the government to shift more powers to communities to fuel their local economies and ultimately balance prosperity across the country. The local growth agenda brings to the fore how the contributions of the health and care sector can be optimised to help drive economic recovery.

Clinical commissioning groups (CCGs) are responsible for the strategic and population-based health needs of their communities and therefore have a role to play as place-based and system leaders. By working strategically with local partners, CCGs contribute to the broader economic wellbeing of their populations in a number of important ways, including:

- **Combating health inequalities and social exclusion:** By supporting early interventions and addressing the broader social determinants that impact population health, CCGs can help alleviate and prevent poverty, thereby reducing pressures on health and social services.
- **Promoting health and wellness:** CCGs work with local partners to tackle health-related barriers to work and prevent illness and help people lead longer, healthier lives.
- **Increasing skills and employment:** The NHS in itself is a major contributor to jobs and national employment.
- **Attracting inward investments:** CCGs help attract inward regional investments in healthcare sectors such as medical technology, life sciences and digital health, which creates jobs locally and helps spread innovations to drive quality improvements.

The NHS also has a great deal to benefit from shaping local economic strategies. Involvement in local growth plans can provide opportunities for CCGs to work across organisational boundaries with local authorities to provide local services, contribute to devolved strategic discussions about the use of resources, and secure long-term, external funding for health and social care services that are having to adapt to enormous financial and operational pressures.

The current pressures facing the health and care system provide an essential opportunity to join up planning and investment in public services and for the NHS to work with strategic partners to drive health, social and economic wellbeing across a place.

“The NHS is a key part of every economic area. By explaining our role in driving local growth and jobs we can help shape local ‘place-based’ discussions, work with others to improve our services, and bring in external funding”

**Michael Wood, Local Growth Advisor,
NHS Confederation**



Health and the economy in England's core cities

Health and work

Health and economic growth have a reciprocal relationship: the health of a population drives economic performance and vice versa. Research suggests that an increase in life expectancy from 50 to 70 years corresponds with an increase in economic growth by 1.4 per cent per year.¹ Healthier people are better able to work and earn higher wages. Unemployment itself is a health risk and is associated with higher rates of mortality, psychological distress, and hospital admissions.² Long-term conditions account for 70 per cent of the health and care budget in England, and also place a strain on employment.³

As a result, work and wellness are increasingly appreciated as fundamental outcomes of the health system. For example, the recent Green Paper on work, health and disability from the Department of Work and Pensions and the Department of Health acknowledges the role the health service plays in connecting individuals to the services they need to support long-term and sustainable employment.⁴ Investments that CCGs make to promote individual health and wellbeing and expand employment can be mutually supportive and key to narrowing health outcomes between social classes.

Health inequalities and social exclusion

The consequences of health inequalities are significant in both economic and social justice terms. Michael Marmot's 2010⁵ review into health inequalities in England makes clear how the health and wellbeing gap between social classes leads to premature death amongst the worst-off and is bad for the economy. Health inequalities account for significant productivity losses, lower tax revenues, and increased welfare payments.⁶ Long-term conditions, poor

health and mental health co-morbidities are significant barriers to employment and make it more likely that an individual experiences poverty. Research also makes clear that economic growth that fails to reduce relative income inequalities will make little difference to health inequalities⁷, underscoring the importance the NHS overall plays in preventing, reducing, and relieving the effects of poverty. CCGs in particular can use commissioning decisions to address the broader determinants of health and help narrow the health gap between the rich and the poor.

Health and investment

Another important way the health sector contributes to economic growth is by attracting investment and funding for research. By working with biotechnology companies, charities and academia, the NHS is a test bed for medical innovations and helps contribute to a highly skilled workforce with expertise in research and development. Within the UK, the life science industry employs nearly 166,000 people, with an annual turnover of £50 billion.⁸ As one of the world's largest publicly-funded health services, the NHS is a major purchaser of medical technology, helping to spread innovation and attract inward investment in local economies. CCGs are important collaborators and can help build relationships across academic, local government, health, and private sectors to inform investment decisions and shape economic strategy. CCGs therefore have an essential role to play locally in developing partnerships, supporting the spread of innovation, and providing new business opportunities for UK-based companies.

The role of core cities

CCGs in core cities are well placed to work with local partners to develop a skilled workforce, promote wellness, combat poverty and attract regional investments to improve the life chances of their local populations.

Combined, the eight core cities of England produce nearly 30 per cent of the country's economic output and are home to nearly a third of its population.⁹ The core cities of England also face significant levels of deprivation and inequality relative to the rest of the country, making their role in combating poverty and reducing health and income inequalities essential.

England's urban areas are also hubs for research and investment, containing half of the country's leading research universities and nearly 30 per cent of the skilled workforce (ie post-graduate degree level or higher).

Similar to elsewhere across England, the NHS is often the largest employer in core cities, overall accounting for 1.62 million jobs and 30 per cent of public sector employment nationwide as of March 2016.¹⁰ By virtue of their role, CCGs make strategic decisions about funding and have an important role to play in supporting workforce development. Clinical commissioners work with partners to upskill the workforce by providing training opportunities and attracting more individuals to health sector jobs, including younger people who are not in employment, education or training (NEETs).¹¹

Localism, devolution and the next phases of local economic growth

In 2010, the government launched its plan for local economic growth in the White Paper, *Local growth: Realising every place's potential*. This paper focused on localism and devolving economic powers to communities to drive investment and development to "achieve strong, sustainable and balanced growth that is more evenly shared across the country and between industries".¹²

The Localism Act of 2011 helped formalise the shift of power from the centre to local communities through the creation of five new combined authorities, local enterprise partnerships (LEPs) and city deals.

Since 2014, the Treasury has developed devolution deals across the country that have given local authorities more levers to grow local economies by delegating responsibility for transportation, housing, skill development and training, and in some cases, health. Five devolution deals have been agreed so far within England's core city-regions, whereby Greater Manchester, Sheffield City Region, the North East, the Liverpool City Region, and the West Midlands have achieved additional funding and greater economic flexibilities in exchange for directly elected metro mayors.

Underpinning the entire local growth agenda has been government initiatives to give more responsibility for economic development to local leaders to best meet the needs of local populations:

Policies and initiatives underpinning the local growth agenda

Combined authorities: Local government institutions established through the Local Democracy, Economic Development and Construction Act 2009 that enables two or more local councils to make decisions and shape policy across council boundaries. The Cities and Local Government Act of 2016 amended this act and provided the legal framework for the implementation of devolution deals. Combined authorities are councillor led and may have a directly elected mayor.

Local enterprise partnerships (LEPs):

First established in 2011 by the Department for Business, Innovation and Skills, LEPs are business-led partnerships between local authorities and private businesses that set economic priorities and steer growth in local communities. There are currently 39 LEPs that are responsible for delivering growth programmes worth £2 billion annually.

City deals: Tailored arrangements between central government and local authorities and/or LEPs that give cities new powers over local funding and decision-making. Between 2012 and 2014, the first wave of city deals were agreed with the eight core cities outside of England, with plans to add 175,000 jobs over the next 20 years and 37,000 new apprenticeships to the area.

Devolution deals: Agreements between the central government and local authority leaders that delegate responsibility for specific policy areas to local government. As of March 2016, devolution deals have been agreed in 11 areas, including Greater Manchester, Sheffield City Region, West Yorkshire, Cornwall, North East, Tees Valley, West Midlands, Liverpool City Region, Cambridgeshire, Norfolk/Suffolk, West of England, and Greater Lincolnshire. Devolution deals vary across the country but have delegated responsibility for over transportation, housing, skills and healthcare and have involved the establishment of new combined authorities or directly elected mayors.

The majority of local growth initiatives so far have focused on driving prosperity through skills development, infrastructure improvements and support for businesses.¹³ To more broadly address the health and wellbeing of populations, there is an opportunity in the next phase of local growth policies to move beyond investments in capital and conventional economic policies and place public service reform at their centre.

To help alleviate entrenched poverty and build an economy that works for everyone, policymakers have emphasised the importance of inclusive growth and the need to integrate social and economic policy.¹⁴ Inclusive growth focuses on driving economic prosperity across the social gradient and the role public services play in shaping the economy, including the NHS.

Place-based planning creates further opportunities to embed the goals of poverty, unemployment, and inequality reduction in local economic strategies. Sustainability and transformation plans (STPs) - a key mechanism for driving forward the NHS's ambitions of improving health and wellbeing, quality, and the efficiency of services as set out in the Five Year Forward View - emphasise collective decision-making across a place and may support new relationships between CCGs, LEPs and local authorities to meet mutual aims of improving the social and economic wellbeing of populations.

By forming stronger connections with local political leaders, CCGs can help drive local growth that benefits all by prioritising prevention and the broader determinants of health to help tackle inequalities and social exclusion. The NHS, as a health system and major employer, can help combat chronic unemployment by better supporting individuals to remain in work while also supporting skills and development training to attract new workers to employment in the first place. CCGs can additionally work with businesses and other key local partners to drive investments into research and the health sciences that will grow jobs and help scale innovation across the health service.

The role of CCGs in local growth: How are CCGs driving economic prosperity in England's core cities?

Supporting a healthier, higher skilled workforce

Employment and Working Well in Greater Manchester

Linking economic and social policy is a core feature of Greater Manchester's ambitious devolution deal, which pools together £6.2 billion of health and social care budgets to advance integration. The Greater Manchester Health and Care Partnership Board (GMHCPB) sets the joint health and social care strategy for the area and is composed of 12 CCGs, ten local authorities and NHS England.

Central to Greater Manchester's devolution deal is the role health has in employment.

Through the health and wellbeing board, local CCGs are supporting the development of a cohesive strategy with agencies across Greater Manchester and with the Department of Work and Pension (DWP) to combat worklessness and explore how the health system can better support individuals to remain in employment.

Greater Manchester's nearly £15 million Working Well Scheme provides coordinated, targeted support to individuals to address the underlying issues contributing to unemployment and help people find and maintain jobs that best suit their individual needs. The programme is expanding to provide targeted support to unemployed individuals with mental illness and/or older workers with long-term health conditions with tailored packages including skills training and mental health services like talk therapy.¹⁵ The programme will be delivered in an integrated approach combining health and care workers, mental and physical health providers, drug and alcohol services, education and housing services.

Greater Manchester provides an example of what a devolved health and work programme can look like. Devolution has supported the CCGs and other partners to jointly commission the programme and have significant influence over £500 million of funding.

In Greater Manchester almost a quarter of a million working age adults are dependent on out-of-work benefits and £1.1 billion is spent supporting people to maintain low paid work, underscoring how strengthening the health system's role in employment can have a strong social justice and economic impact.¹⁶

Move More in Sheffield

Sheffield CCG is working proactively with local government and community partners to increase physical activity and support a healthier, more productive population. Move More is a city-wide strategy to ensure that everyone living in the city of Sheffield has the 'opportunity, environment, and human capital to be physically active as part of everyday life' by 2020.¹⁷

Through Move More, Sheffield CCG is commissioning physical activity as a treatment option in primary and secondary care, working with city partners to build and design environments that promote active living, and supporting workforce and school-based physical activity to reduce the impact of sedentary lifestyles throughout the life cycle.

The ambitions of this campaign are linked to those of economic growth as physical inactivity drives higher health expenditure, productivity loss and disability with significant implications for the overall strength of an economy.¹⁸ The economic burden of physical inactivity is significant, costing the NHS an estimated £1.1 billion per year and broader society £8.2 billion annually.¹⁹ Improving rates of workplace physical activity can reduce the loss of revenue from absenteeism and low work productivity due to poor health.²⁰

Through this campaign, Sheffield CCG is working with local government, the transportation sector, sports organisations, environmental protection agencies and other

key community partners to address the full range of policy, environmental and social determinants that impact physical activity.

Workforce transformation in Newcastle

Recognising its role as a major employer in the local economy, Newcastle Gateshead CCG has placed workforce development and transformation at the centre of its strategic plan.²¹ Newcastle, like much of England, is confronting a workforce shortage whilst trying to shift services out of the hospital into the community. The population of Newcastle is aging, with the number of individuals aged 65-74 projected to grow by a third by 2028 and by 58 per cent for the over 85 age group. The city also faces stark differences in life expectancy between richer and poorer geographical areas.

To further develop its workforce to address the complex needs of Newcastle residents and build out of hospital response, Newcastle CCG is working with local universities and professional bodies to ensure that the core training professionals receive is aligned with the demographic needs of the Newcastle population.

This has involved a number of key developments, including:

- broadening the scope of practice to allow workforce to shift between acute and community settings to match patient flow
- introducing more non-traditional clinical roles that can more comprehensively address the broader determinants of a patient's health
- improving the capabilities and confidence of the workforce to practice across health and social care boundaries.

To support future planning, Newcastle Gateshead CCG is also looking at how they can best attract and retain new people to work in the broader city area. As part of this strategy, the CCG has established a career start programme for primary care nursing and a practice manager's leadership development scheme to help grow the capacity of general practice.

To address workforce shortages Newcastle Gateshead CCG is also introducing more junior roles to improve succession planning and attract younger individuals to the NHS. Across the health sector, there is a significant under representation of 16-25 year olds who only make up 6% of the workforce.²²

Newcastle Gateshead CCG's workforce strategy will not only help create more jobs for younger individuals, a key need for the local economy, but it will help shape a clinical workforce that can best respond to the broader social needs of Newcastle residents to combat health inequalities. Newcastle Gateshead CCG's workforce transformation strategy is an example of how a CCG can evolve to better meet the needs and demands of the health sector while reducing local unemployment.

Social exclusion and health inequalities

Commissioning for social value in Liverpool

As a major procurer of services, CCGs have the power to align commissioning, investment and contracting decisions with the goals of poverty and inequality reduction. Liverpool CCG provides a useful example for how this can be done in practice through its commissioning for value strategy.

Following the 2013 Social Value Act for the NHS, Liverpool CCG has established a strategic framework to strengthen the capacity of commissioning to address the economic, social, and environmental wellbeing of its local population. This framework underpins all of Liverpool CCG's procurement and commissioning decisions and helps drive the implementation of its transformation agenda, Healthy Liverpool.

The framework sets out a series of objectives and outcomes that helps Liverpool CCG assess its own contribution to the local economy as well as inform procurement decisions by requiring potential suppliers to demonstrate how they will achieve each through the course of the contract.

Liverpool CCG's metrics for social value

Examples of metrics that Liverpool CCG uses to ensure that it is supporting the economic, social and environmental wellbeing of its population include:

- number of new full-time jobs created and sustained
- proportion of supply chain spend with Liverpool-based businesses
- proportion of patients engaging in community or social activities
- improvement in access to high quality green spaces for patients.

Working collaboratively with Liverpool City Council and other community partners, Liverpool CCG has led the development of a city-wide approach to commissioning for social value that recognises the NHS as a key partner in addressing the social determinants of health. This framework has been adapted and applied by other CCGs, including Sheffield.

Promoting social independence in Nottingham

Nottingham City CCG is working with community partners to better support the mental health and wellbeing and close the health gap of its black, Asian, and minority ethnic (BAME) communities. The STEPS (Support Towards Empowering People Service) programme offers personalised support plans and individual or group support therapy for individuals with mental health needs and helps build greater social independence and control among these populations.

Nottingham City CCG commissioned the programme in response to patient feedback on the need for more culturally appropriate services. CCGs have a vital role to play in working collaboratively with community partners to reduce barriers to care and more comprehensively address the holistic needs of patients that will reduce strains on public services and tackle health inequalities to support economic growth.

Attracting local investment and innovation

Leeds innovation hub

Recognising its assets in healthcare research and technology, Leeds City Region has placed health at the centre of its economic growth plan.

Leeds is home to one of the largest teaching hospitals in Europe, the Department of Health's northern base and a number of biotechnology companies such as Brandon Medical and DePuy International – combined, these organisations support over 32,500 jobs in healthcare.

These assets have helped Leeds position itself as an Innovation Health Hub that will help accelerate innovation across the public and private sector. Leeds CCGs are key partners in shaping the Health Hub vision, and are working with businesses, universities, local government and other NHS partners to help attract inward investment in health and medical technology innovation.

Through the Health Hub, Leeds CCGs are supporting plans to drive £1 billion in investment, create 10,000 new jobs and training opportunities, and cement Leeds's reputation as a global centre for innovation that will improve service delivery and the overall health and wellbeing of its population.²³

Bristol Health Partners

Bristol Health Partners is a strategic collaboration between three NHS trusts, three CCGs, two universities, and one local authority that drives improvements in health service delivery in the greater Bristol area by “promoting and developing local strengths in health services, research, innovation and education”.²⁴ Through its Health Integration Teams (HITs), Bristol Health Partners brings together local partners to take a ‘whole system approach’ to research that focusses on specific topics and priority areas and involves patients and the public. The partnership is working with the National Institute for Health Research Collaboration for Leadership in Applied Health Research and Care West (NIHR CLAHRC West) to further assess the HIT model,

with the hopes of scaling it more broadly. This collaboration has generated nearly £2 million in research income and has a turnover of over £4.3 million annually.

Moving forward to maximise health's role in the economy

These case studies provide an important example of some of the ways CCGs in core cities are helping to drive local economic growth. As further progress is made towards boosting local economies, there are a number of opportunities for local clinical commissioners to optimise the role they can make alongside others in economic recovery.

Place-based planning of health and social care services has been a key NHS England and local government policy objective for some time, and across the country CCGs, NHS provider organisations, local authorities and other key community partners are working increasingly together to reorganise services to better meet the complex and comprehensive needs of local populations. Devolution deals, for example, have accelerated integration and greater joined up working across organisational boundaries, but are not the only path available. STPs also have the potential to help strengthen the role of health and care in economic growth by supporting new ways of working and the development of common aims across a place.

This report demonstrates the important contributions that CCGs are already making to local economic growth, but there is significant opportunity to do more to maximise the health sector's role in driving economic prosperity. The following set of messages are for CCGs and their local and national partners, including the Department for Communities and Local Government, HM Treasury, NHS England, local authorities, LEPs, combined authorities, and others to help build on these existing efforts and continue to help every place meet its potential:

- The NHS is a mainstay of local economies. CCGs, by commissioning for social value, supporting a healthy and skilled workforce and driving inward investments can help each city reach its social and economic potential.
- Devolution can be an important enabler for maximising the contribution that health can make to the local economy. It is important that the next round of plans emphasise public sector reform and consider the role the health sector makes to local economies to help maximise the benefit for local populations.
- Suitable metrics are needed to recognise, encourage and measure the contribution the health sector makes to local economic growth and development.
- CCGs and local economic leaders, including combined authorities and LEPs could work more proactively together, particularly around STPs to understand and strategise around areas of mutual benefit, including skills development, estates and public health.
- Every area has a strategic economic plan and CCGs should have an active role in developing and implementing their strategy.
- It is important that CCGs understand and proactively build on the full breadth of relationships underpinning local economic growth. Newly elected metropolitan mayors in particular present an important opportunity to jumpstart conversations on how best to maximise the contribution of CCGs and the broader health sector to local economies.



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NHS Clinical Commissioners is the only independent membership organisation exclusively of clinical commissioning groups.

Our job is to help CCGs get the best healthcare and health outcomes for their communities and patients. We're giving them a strong influencing voice from the front line to the wider NHS, national bodies, government, parliament and the media. Our networks provide members with the opportunity to share experience and expertise; and provide information, support, tools and resources to help CCGs do their job better.

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