



June 2019

Health in all local industrial strategies?

The government published its Industrial Strategy in November 2017, setting out a long-term plan to create an economy that boosts productivity and earning power throughout the UK. Critically, every local economic area in England, along with the devolved administrations, is now developing its own local industrial strategy. This briefing reflects on the emerging importance of health to many of the early draft local industrial strategies, explores the opportunities for the NHS that exist at both system and organisational level and outlines how to engage with and influence the development of these strategies in the coming year.

Key points

- Every local economic area in England, along with the devolved administrations, is in the process of developing a local industrial strategy, to be agreed with the government by March 2020.
- These strategies focus on long-term priorities for investment across a range of important areas for the NHS including skills, infrastructure, innovation, and economic and inclusive growth. They will also guide the use of future funding resources and, potentially, local devolution policy asks.
- While NHS engagement in local industrial strategies has been varied, many feature health-related local priorities and/or offer clear opportunities for closer partnership working. There are significant benefits for the NHS in influencing these strategies.
- Sustainability and transformation partnerships (STPs), integrated care systems (ICSs) and NHS organisations should seek to engage their mayoral combined authorities (MCAs) or local enterprise partnerships (LEPs) on the design and subsequent delivery of their strategy. Local government, university and industry partners will also play an important role.

The NHS Confederation, through its head of health economic partnerships, is supporting several members to engage with and influence the development of their local strategies. Contact michael.wood@nhsconfed.org to discuss how you can get involved.

Background

The Industrial Strategy, published in November 2017, was a key policy priority for the UK government as it sought to rebalance the economy and improve productivity. It identified four 'grand challenges' which would put the UK at the forefront of the industries of the future and five 'foundations of productivity' to transform the economy. Many of these relate to the health sector.

The NHS Confederation published its briefing [Building a Britain for the future](#) on the Industrial Strategy in December 2017 and has been working on behalf of the NHS to strengthen engagement with the Strategy at both the national and local level.



Influencing your local industrial strategy could help you

- address your future workforce
- adopt and scale innovations into practice
- develop an estate fit for the 21st century
- pool investment
- increase wellbeing
- manage demand for services.

Local industrial strategies

The Industrial Strategy sought to develop more prosperous communities across the country by inviting every economic area to develop its own local industrial strategy. Led by MCAs or LEPs, these strategies will bring together partners from the public, private and civil society sectors to identify local priorities to, for example, improve skills, increase innovation and enhance infrastructure and growth.

Local industrial strategies are intended to be long-term, collaborative and evidence-based. Importantly, they will likely guide the use of local funding streams and any spending from national government, as well as potentially outlining policy areas for future local devolution deals.

There are many benefits for the NHS in engaging with local industrial strategies, including:

- addressing future local workforce needs
- accessing local and national funding programmes
- harnessing new medical innovations
- developing place-based partnerships and influencing housing and other estates initiatives.

Key attributes of a local industrial strategy

- led by MCAs or LEPs and agreed with central government by March 2020 at the latest
- required to bring together local businesses, public partners and civil society to build on unique local economic and social strengths and to highlight areas for long-term investment
- will guide the future use of local funding streams and any spending from national government, as well as potential policy asks for future local devolution deals
- should be bottom up, evidence based and distinctive.

Local areas are at differing stages in the design and development of their own local industrial strategy. The West Midlands and Greater Manchester were announced as early 'trailblazers' and published their strategies in May and June 2019 respectively. Other areas are currently in the process of developing the evidence base, mapping their chosen priorities and/or consulting on the draft strategy. There are clear opportunities for the NHS to engage throughout this process, as well as with the future delivery of the final, agreed strategy.

"Greater Manchester (GM) has long recognised that the chronic ill health of a large proportion of the population was one of the main barriers to our city-region reaching its full economic potential. GM is now in an ideal position to not only address the health problems that prevent people from getting into work or back to work, but also to harness the potential of the health and care system to contribute to innovation and productivity. In turn this will create good quality work that can improve the health and wellbeing of our population."

Warren Heppollette, Executive Lead, Strategy and System Development, Greater Manchester Health and Social Care Partnership

The necessary focus on productivity

The common focus that binds all local industrial strategies is a need to increase productivity. Productivity, routinely measured by the amount of work produced per working hour, is the main driver of long-term growth and living standards. Not only has UK productivity lagged behind that of many Organisation for Economic Co-operation and Development (OECD) countries since the 2008 financial crash, but there remain significant regional disparities across the UK. The partnerships, priorities and planning that shape every local industrial strategy will be designed to address local productivity.

The NHS has an increasingly important part to play in addressing local productivity and many partners are seeking our involvement in their local industrial strategies. For example, for MCAs and LEPs a healthy population is a healthy workforce and thus a more productive one. For those of us in the health and care sector, a deepening of the discussion around population health and its links to an inclusive economy brings opportunities to co-invest more cost effectively.

Health and local industrial strategies

There are several common areas where health features in the emerging local industrial strategies. These are:

Innovation: particularly MedTech, life sciences, digital, AI and data, and clean growth

Skills: in terms of general employability, apprenticeships and T-Levels, in-work progression and new business models

Inclusive growth: including workforce wellbeing, addressing low pay, youth employment and the links between health and productivity

Infrastructure: including housing, transport and energy

Economic growth: through NHS as anchor institutions and greater use of social value

This briefing looks at some case studies of how NHS and partner organisations are working in these five areas. The information used is drawn from a mixture of published documents and through private local discussions.

The Industrial Strategy Grand Challenges

We will set Grand Challenges to put the United Kingdom at the forefront of the industries of the future:

- **AI and data economy:** We will put the UK at the forefront of the artificial intelligence and data revolution.
- **Future of mobility:** We will become a world leader in the way people, goods and services move.
- **Clean growth:** We will maximise the advantages for UK industry from the global shift to clean growth.
- **Ageing society:** We will harness the power of innovation to help meet the needs of an ageing population.

Visit [gov.uk](https://www.gov.uk) for more on the industrial strategy

Innovation

The Industrial Strategy set out an ambition to be the world's most innovative economy, with a commitment given to raising total UK research and development investment to 2.4 per cent of GDP by 2027. Given this national emphasis, all local industrial strategies will have a strong focus on developing further the innovation strengths of their locality, including through collaborations with research partners and industry. These innovation priorities will be closely aligned where possible with the four Grand Challenge areas mentioned in the Industrial Strategy and the associated future funding programmes.

Healthcare-associated innovation clusters are particularly strong economic assets in many MCA and LEP areas in England and correlate closely with the Grand Challenges areas of:

- AI and data economy
- clean growth
- ageing society.

It is highly likely that many local industrial strategies will have a specific focus on supporting the development, commercialisation and spread of new life sciences, MedTech, digital and clean growth innovations, strongly supported by local industry and higher education institutions. It is important that the NHS is engaged in these discussions both at a strategic STP and ICS level but also as delivery partners at organisational level.

“The local industrial strategies present a tremendous opportunity for universities and anchor NHS institutions to help shape an impactful industrial strategy that drives meaningful benefits for the local region and the wider country. Birmingham Health Partners – which brings together University of Birmingham, University Hospitals Birmingham NHS Foundation Trust, Birmingham Women’s and Children’s NHS Foundation Trust and the West Midlands AHSN – has worked closely with West Midlands Combined Authority to ensure that our Health and Life Sciences offer leverages our combined capabilities and will help ensure that they are deployed in a way that will deliver on the opportunities that a well-funded LIS can enable.”

John Williams PhD FRCPE Hon.FRCPCH, Managing Director, Birmingham Health Partners, and Academic Director, West Midlands Academic Health Sciences Network

CASE STUDY Innovation in local industrial strategies

West Midlands (May 2019)

“The West Midlands is a growing centre for testing and proving health innovation, working in partnership with businesses and patients. To continue driving progress towards this priority, the West Midlands will:

- continue to invest in the business support and networks needed to drive health innovation cluster development
- improve health outcomes and provide the healthcare jobs of the future through new technical career pathways in local healthcare; more personally-targeted care; and digitally-enabled care
- convene partners across the West Midlands and Midlands Engine to maximise opportunities through the Strength in Places Fund and other national competitive funds.”

“To complement locally led commitments, the government will work in partnership with the West Midlands to:

- support the development of a locally led West Midlands Translational Medicine and Med-Tech Commission
- continue to support the West Midlands’ international investment offer in healthcare technologies with the Department for International Trade and local partners
- build on existing and new partnerships between government, industry, universities and the NHS in driving innovative product development to form part of West Midlands’ efforts to maximise its contribution to the AI and Data Grand Challenge mission.”

[Download the full report here.](#)

CASE STUDY Innovation in local industrial strategies

Oxfordshire technical negotiating draft (December 2018)

“We will establish a health and wellbeing living lab linked to the Global Health and Life Sciences Quarter that will provide pioneering resources and innovation, and support other life sciences hubs across the ecosystem, including Milton Park and Harwell.

- This will be integrated into health services within existing communities and the new Garden Towns, Garden Village and other settlements with a focus on delivering improved outcomes arising from an ageing society.
- Oxfordshire’s ageing society will increase demands on public services, especially health and social care. This living lab will push Oxfordshire to the forefront of public service innovation in the UK, and pioneer solutions for tackling the Grand Challenges of an ageing society as well as artificial intelligence and data. It will innovate in products and services, ranging from new technologies to novel solutions such as social prescribing, that will help build healthy communities and deliver benefits for people across Oxfordshire.”

[Visit the OxLEP website for more information.](#)

Skills

The UK government is clear that it expects local industrial strategies to identify priorities to improve an area's skills base, one of the most important factors driving differences in local economic performance.

The national Industrial Strategy referenced the need for an established technical education system (including through T-levels) that stands alongside higher education and for [new](#) skills advisory panels to be rolled out at MCA or LEP level, producing rigorous analysis of the current and future local supply and demand for skills. Issues such as these will certainly feature in all local industrial strategies, along with a significant focus on the role of universities in developing a more highly skilled local workforce and business-led talent management.

The NHS will be the largest employer in every MCA or LEP area and is able to offer career opportunities throughout the skills range. STPs and ICSs, and NHS organisations, should use the development of local industrial strategies to engage their MCA or LEP in the alignment and development of local skills plans (co-produced with training and education providers) that can ensure an increased supply of local people into the health and care sector.

CASE STUDY Skills in local industrial strategies

Great Manchester (June 2019)

"Within nine months, Greater Manchester, the Department for Education and the Department for Work and Pensions will set out the respective actions, both in the short and longer term, all parties will agree to take forward. This deeper partnership will build on the strong track record of successful partnership working on the skills and work agenda that already exists between Greater Manchester and government. This includes:

- the Employment and Skills Advisory Panel, which brings colleges, training providers, local and national government, and employers together to identify and respond to skills needs
- the joint development and delivery of the Working Well employment support programme that pooled funding from Greater Manchester's ten local authorities, ten clinical commissioning groups, local Job Centre Plus districts, and Health and Social Care Partnership
- the vital and unique relationship between Health Education England (HEE) and Greater Manchester, which underpins joint commissioning and decision making, including the allocation of HEE budgets where appropriate to pilot new models for addressing the requirements of the region's health and care system.

Greater Manchester will also align skills and work activity with health and care and other public services, in line with the recommendations of the Prosperity Review, recognising the links between good physical and mental health, employment and productivity. It is already ensuring:

- the Health and Social Care Prospectus contains actions to create a sustainable health and care system that realises economic potential in the city region
- the Greater Manchester Model of Unified Public Services sets out an approach to aligning services around people and place
- the Greater Manchester Reform Investment Fund provides a unified city-region fund to use alongside local funding to drive improvements in health, housing, skills and education, crime and prevention services in tandem and at greater pace
- that Working Well continues to reduce worklessness and improve wellbeing by supporting more people with poor health and disabilities to play an active and fulfilling role in the Greater Manchester labour market."

[Download the full report here.](#)

Inclusive growth

The Industrial Strategy's focus on earning power, and thus raising living standards, reflects the government's intention to enable more people and places to benefit from the proceeds of economic growth. Critical to addressing this issue will be the local development of approaches to inclusive growth, which will specifically target actions and initiatives that seek to tackle local inequalities, including health inequalities. Inclusive growth strategies will differ according to local need but would typically include examples such as recognising and promoting 'good employment', connecting people to the labour market and addressing in-work poverty.

Inclusive growth has striking similarities to the emerging population health agenda, given the obvious and pressing links between the social determinants of health and low regional productivity. Local industrial strategies provide an important opportunity for STPs and ICSs to broaden their traditional prevention and population health planning to include new partners, such as the private sector, and external resources.

CASE STUDY Inclusive growth in local industrial strategies

West Midlands (May 2019)

"The West Midlands has identified priority issues on which to develop and test new approaches through a new Inclusive Growth Unit led and funded by the West Midlands Combined Authority. These include: low pay sectors; in-work progression; encouraging and supporting women into underrepresented sectors; commissioning and procurement; diversity; bespoke solutions for individuals, focusing on mental and physical health and barriers to work alongside the wider determinants of wellbeing; youth unemployment; social enterprises; and vulnerability."

[Download the full report here.](#)

CASE STUDY Inclusive growth in local industrial strategies

Thames Valley Berkshire framework (May 2019)

"Priority 5: Making Berkshire an inclusive area where aspirations can be realised.

Why this is a priority:

- there are particular risks linked to inclusivity in Berkshire: the downside of outstanding international connectivity is that it has the scope to be a very unequal place
- within this context, there is a need to focus strongly on the challenges and potential of 'the middle' in terms of labour market, sectoral composition, property provision, housing, etc. This may well define a particularly important role for the public sector – but in the context of a dynamic, commercially-driven economy."

[Find out more on Thames Valley Berkshire LEP website.](#)

Infrastructure and housing

Spatial planning remains a critical part of an area's ability to grow and develop. Every local industrial strategy will include a specific focus on the local infrastructure requirements necessary to further develop that particular economy but also what is needed to make their area an attractive, healthy place to live, study, invest and work. These needs will include relevant links to high-profile national or neighbouring projects, such as HS2, but also more local issues such as intra-regional transport and digital connectivity, stimulating new energy markets, business capacity and the supply and range of sustainable, affordable housing.

While the digital connectivity agenda is an important one for the NHS, housing is an obvious area of mutual interest and one on which the NHS has a clear offer to local partners. STP and ICS estates plans should be aligned where possible with the emerging housing priorities in their local industrial strategy and thought should be given to how to influence new developments through the [NHS England Healthy New Town](#) principles.

CASE STUDY Infrastructure and housing in local industrial strategies

Buckinghamshire Thames Valley consultation (January 2019)

"Action to exploit Buckinghamshire's position will include:

- supporting collaboration between businesses and health and care providers to support the operation of the integrated care system and the use of technology in adult social care, expanding the capacity to support business spin-outs from the Health Care Trust and the Universities
- exploiting the area's heritage as the birthplace of the paralympic movement to position Buckinghamshire as the "medical tech adoption accelerator" with dedicated pathways for at scale product testing and dedicated medical device regulation degree apprenticeship programmes
- as part of our proposed Productive Healthy Places Programme, use the opportunities offered by housing growth in the Aylesbury Garden Town and surrounds to test the application of new technologies to provide further care directly in people's homes and to advance the use of technology within clinical settings to support remote monitoring and virtual consultation."

[Read Buckinghamshire's local industrial strategy consultation on the LEP website.](#)

Economic growth and anchor institutions

Mobilising the strength of an area's assets is a critical part of realising the economic potential of a place. The building blocks of local economic development, and thus local industrial strategies, will be formed from both the existing clusters of high value industries and the individual large 'anchor institutions' situated within a geography, both public and private. It is expected that local industrial strategies will seek to identify the economic drivers necessary to enable the growth of these recognised assets, therefore supporting wider growth and increased productivity.

NHS organisations are renowned as important local anchor institutions given their size, workforce, procurement budget and general economic influencing power. They are also consistent in that they operate in every MCA or LEP area in the country. The economic success of the local NHS will be closely connected to the economic success of a place, meaning MCAs and LEPs will be interested in how to support the NHS to successfully provide services but also to integrate them more into economic discussions. This presents a clear opportunity for the NHS to become more influential in local decision-making processes.

CASE STUDY Anchor institutions in local industrial strategies

Heart of the South West command paper (February 2019)

“Anchors’ activities are vital for output and employment (now and/or in the future). These may be ‘prime’ companies in supply chains (eg aerospace in Somerset), major local employers (eg public and health services in most areas), or key sectors (business services in Exeter and defence in Plymouth) that contribute significantly to the scale and growth of local value across industries. The key judgement is whether these anchors are reliable for future growth or whether different anchors can be foreseen and/or secured.

“The LEP should support the Anchor characteristics (significant activity/employer) of defence, energy, health and environmental services.”

[Download the full report from the Heart of the South West LEP website.](#)

“Dorset LEP has established a partnership with Dorset ICS, Bournemouth University and others to cement a more strategic approach to securing a healthy future for the Dorset population. The local industrial strategy is a key tool in developing this partnership and we have set ourselves ambition goals.

“We want to grow our own fit-for-purpose workforce to support the future provision of health and social care services in Dorset; provide an environment to support innovation, research and outstanding professional practice; deliver undergraduate and postgraduate training for the current and future workforce in a variety of settings (primary and community) that is underpinned by the use of existing and developing technology; and provide a model of education that is practice based, exploring ways of students financing study through relevant/experimental employment.”

Lorna Carver, Director, Dorset Local Enterprise Partnership

CASE STUDY Health in local industrial strategies

Greater Lincolnshire evolving priorities (January 2019)

“Supporting people to live well for longer in rural areas:

“We aim to develop and implement new ways to support the health and care of people who live in hard-to-reach areas, and to support people through innovative ways to live well and independently for longer.

“The health and care sector is vast and reaching capacity, and over the next 20 years our over-75 generation is projected to increase by over double the anticipated rate of increase in England. Significant market opportunities exist for new products and services to support independent living for an ageing population, and those requiring care and support.

“Greater Lincolnshire has made huge developments in the field of the future of health and care in recent years, including the National Centre for Rural Health and Care, the Joseph Banks Laboratories at the Lincoln Science and Innovation Park, and the development of a new Medical School. Since demand will increase across the care sector, extraordinary opportunities exist in this field in the race to find innovative and cost-efficient solutions.

“Greater Lincolnshire hosts a thriving SME market in medical technology, working in partnership to deliver health and care. Our goal is to develop a workforce which self-manages and a society which is healthier and more effective, lives longer independently, and results in a more efficient use of public resources.”

Read the emerging priorities for Greater Lincolnshire’s local industrial strategy on the LEP website.

“It is important that NHS leaders seek to influence the work of their respective LEP – this partnership is the gateway to resources and ideas but also to a much greater understanding of local decision-making. To do this we should not be shy when talking about our local economic and social value. Health and care are significant industries and we should act like one. The local industrial strategy for Greater Lincolnshire is an important means of aligning health with the wider policy landscape.”

Dean Fathers, Chair, Nottinghamshire Healthcare NHS Trust and Chair, Greater Lincolnshire Local Enterprise Partnership Health and Enterprise Board

Knowing ho

The majority of local industrial strategies are still in their early stages of development, with the health-related examples mentioned in this briefing taken from the first drafts to be published and from private discussions with MCAs, LEPs and NHS partners. The opportunity for STPs and ICSs, and other parts of the NHS, to influence is therefore timely.

There are three important stages in which to influence:

- **Evidence gathering:** Local industrial strategies must recommend evidence-based prioritisation for investment and funding. Every MCA and LEP will be issuing calls for evidence (often via data sets, research papers, surveys or strategies) that highlight sectors likely to become a focus of future growth for the area and associated opportunities.
- **Consulting:** The strategies will all go through a formal consultation process to seek the views of a wide-range of local (and where appropriate regional or national) public, private and third sector partners. It is highly likely local events will be held by the MCA or LEP to highlight and discuss the emerging priorities.
- **Delivery:** Local industrial strategies are long-term frameworks for delivery in the selected local priority areas. Where the issues are relevant to the NHS agenda it is important that there are partners from the health service involved. This could be at both a strategic level through the ICS or STP and via local NHS organisations.

Many of our traditional partners, such as local government and universities, will be heavily involved in the development of their local industrial strategy. The health-related issues raised in this briefing are increasingly relevant for these organisations and close local partnership working can add further weight to our influencing. We recommend that you approach these partners privately with a view to learning more about potential opportunities.

“The introduction of local industrial strategies presents a positive step towards achieving the goal of a more productive, sustainable and inclusive national economy.

“As leaders of place, councils fully recognise the fundamental importance of local collaboration between local government, business, the NHS and higher education – we are stronger and more effective when we work together.

This foundation of local collaboration must now be backed by a joined-up and localised approach across government with Whitehall departments meaningfully engaging with the development of these strategies and supporting local partnerships by providing them with the necessary powers and funding to secure their ambitious proposals for growth.”

Cllr Mark Hawthorne, Chairman of the LGA People and Places Board

“Our diverse eco-system of universities in Yorkshire is working to create more productive, sustainable and resilient communities in the region. Local industrial strategies provide one of the mechanisms where universities are collaborating with local enterprise partnerships, local authorities, business, NHS and colleges to align priorities and resources and direct these towards improving skills, innovation, health and wellbeing, and the exchange and utilisation of knowledge, which will be central to anticipating and adapting to technological change. Yorkshire’s universities are also major anchor institutions in their own right, with deep civic roots and a shared commitment to help improve the lives and prosperity of the people and places in this fantastic region.”

Dr Peter O’Brien, Executive Director, Yorkshire Universities

Getting in touch

Engaging with your local economic leaders, whether MCA or LEP, is the necessary and important first step. The NHS Confederation has played a key role in supporting NHS colleagues to develop these partnerships over the last year and has a local growth webpage dedicated to helping find your local leaders of growth.

For more information or to facilitate a discussion with your local partners, please contact:

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Twitter [@NHSLocalGrowth](https://twitter.com/NHSLocalGrowth)



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