COVID-19
2 July 2020

Good Governance
because it's time
to think again

2020

Good Governance Institute

A pivotal organisation

*The NHS, as the largest employer in this country,
is an anchor institution in many communities.*

Sir Simon Stevens

At the heart of the NHS Long Term Plan is the implementation of a new service model which seeks to deliver properly joined-up care at the right time in the right place. This is a response to challenges presented by demographic changes and resource constraints, as well as a core ambition to improve outcomes for communities.

As has been stated in earlier bulletins, for the health and wellbeing of communities to improve, many parts of complex health and care systems must work together. This collaboration involves patients and service users, GPs, hospitals, local authorities and the independent and voluntary sectors, among many others.

However the Long Term Plan also recognises the role of the NHS as an 'anchor institution' in its own right. As an employer of 1.4 million people, with an annual budget of £114 billion in 2018/19, the health service creates socio-economic value in local communities. A 2019 report by the Health Foundation defines anchor institutions as:

"Large, public sector organisations that are called such because they are unlikely to relocate and have a significant stake in a geographical area – they are effectively 'anchored' in their surrounding community. They have sizeable assets that can be used to support local community wealth building and development."

Local power

NHS organisations have an enormous local impact through how they structure their procurement and spending power, operate as an employer, and use the estate. Most NHS Trusts are major local employers, with a clear local multiplier effect from the NHS payroll. Similarly, the environmental impact of the NHS is sizeable, contributing over 5% of the UK's greenhouse gas emissions. The NHS estate also has huge potential to expand access to community and green space, and to collaborate in the delivery of affordable housing.

A recognition of the social determinants of health provides the basis for much of the integration initiatives and population health management approaches being progressed by dedicated teams throughout the country. Housing, access to education and training, employment and working conditions all contribute to health and wellbeing inequalities for communities. These social determinants are aligned with the factors that make the NHS an anchor institution.

These issues present important challenges and opportunities related to defining an effective healthcare system, and in particular how the power of the NHS can be harnessed to improve community wellbeing and support sustainable healthcare delivery for generations to come.

The role of a board member within this endeavour is of course to be more than observer or commentator. Those in leadership positions must embrace the solving of 'wicked issues' as part of their accountability.

An opportunity for the NHS

The concept of anchor institutions emerged in the United States in the 1960s in response to deindustrialisation which undermined domestic manufacturing and impacted the wellbeing of communities. In the United Kingdom, the 2013 Witty Review encouraged British universities to address the 'third mission', requiring institutions to help facilitate economic growth, shifting beyond the traditional focus on knowledge transfer.

The NHS in 2020 now has the opportunity to take a proactive stance in its role as an anchor institution, leveraging its considerable resources and emergent collaborative culture to contribute to the sustainable wellbeing of the communities it serves.

> "The power of the NHS can be harnessed to improve community wellbeing and support sustainable healthcare delivery for generations to come"

Questions for boards

We would invite boards to consider the following questions:

- How are you ensuring that the board understands the organisation's role as an anchor institution?
- What anchor approaches are contributing to the population health management agenda in your local area?
- How is the region identifying learning in order to assess and scale up successful anchor approaches?

We are keen to hear your views. If this briefing prompts any questions or comments, please call us on 07732 681120 or email us at **advice@good-governance.org.uk**.