

Building on the Industrial Strategy Briefing for the NHS

The Government published its long-awaited *Industrial Strategy Green Paper* on 23 January 2017. The forthcoming departure from the EU has given the industrial strategy added importance, with the 2016 referendum vote highlighting regional disparities in economic prosperity. This briefing focuses on the implications and opportunities for NHS organisations arising from the industrial strategy.

Key points:

- The *Industrial Strategy Green Paper* is not an agreed set of actions but rather a public consultation on how the Government proposes to build a modern industrial strategy focussing on its intention to increase and spread economic growth more evenly across the country.
- The emphasis on supporting local economies reinforces the value of NHS organisations working with their local and combined authorities, local enterprise partnerships (LEPs), and universities to better inform local decision-making.
- The focus on technical skills is particularly important for Sustainability and Transformation Plan (STP) workforce plans looking at future provision across local areas.
- The inclusion of life sciences as an early 'sector deal' presents an opportunity for the NHS to support, adopt and to help commercialise innovative solutions.
- The NHS Confederation is keen to engage members on the strategy to represent their views to the Government. It is clear that a plan to better support industry to grow our economy should consider the role that health and social care plays in keeping people healthy and living independent lives.
- For information on our work to promote local growth in the NHS or to give your views on the Government's industrial strategy, please contact **Michael Wood, NHS Local Growth Advisor**, at Michael.Wood@nhsconfed.org,  [@NHSLocalGrowth](https://twitter.com/NHSLocalGrowth)

Background to the industrial strategy

An industrial strategy is not a new concept for the UK, with successive governments placing emphasis on sectorial excellence and on making the UK a competitive place to do business. However, with the vote to leave the European Union still fresh in people's minds, the newly published industrial strategy also makes clear the need to close the gap between our best performing companies, industries, places and people and those which are less productive.

The NHS and the industrial strategy

In recent years the value of the NHS to local economies has become clearer, with joint partnerships between NHS organisations and local and combined authorities, universities, LEPs, businesses and others helping to increase local growth and prosperity.

This isn't just a matter of attracting more health-related businesses and inward investment to local areas but also of addressing wellbeing and closing health inequalities that spur absenteeism and low productivity. It is accepted that a healthy economy is a productive economy and the NHS has much to gain from getting more involved in local strategic economic planning.

The ten pillars of the industrial strategy

The Government has identified ten pillars which it believes are important to drive forward its industrial strategy across the entire economy. Across these pillars the strategy highlights actions already underway as well as planned new commitments. This briefing highlights the pillars that relate the most to the NHS.

- **Investing in science, research and innovation**

The Chancellor outlined plans to increase R&D investment by £4.7 billion in the last *Autumn Statement*, along with details of the newly launched science and innovation audits. The consultation on the priority challenges for the Industrial Strategy Challenge Fund has been launched, with opportunities to focus on related areas such as biotech and robotics, while the Government is reviewing how to better commercialise intellectual property.

- **Developing skills**

Reflecting recent moves to ensure skills provision strongly reflects local high-value employment sectors, the strategy references the Apprenticeship Levy and importantly proposes a system of technical education. This includes creating new institutes of technology to deliver higher-level technical education in all regions. A process will be launched this year to establish the institutes, which will be of interest to local health workforce plans.

- **Upgrading infrastructure**

The strategy reaffirms the role of the new mayoral combined authorities to borrow for investment, which will act as an important spur for cross-sectoral capital development in those areas. The Government has committed to taking the disparities in regional infrastructure investment into account, in an attempt to drive growth across the country.

- **Improving procurement**

The on-going review into the Small Business Research Initiative (SBRI), widely used in the NHS through academic health science networks (AHSNs), may provide opportunities to further bring new solutions to address public policy challenges. The strategy also acknowledges the Accelerated Access Review as a means of supporting health-associated businesses to developing innovative new products.



- **Cultivating world-leading sectors**

Life sciences is highlighted as an area in which the Government believes significant growth opportunities exist, with Sir John Bell leading a review on an early sector deal. These sector deals reflect the Government's past focus on mechanisms such as city deals, and will focus on collaborations that produce proposals for boosting the productivity of their sector.

- **Driving growth across the whole country**

Building on the Local Growth Funding, Northern Powerhouse and Midlands Engine for Growth announcements, the strategy commits to support local areas to realise their economic plans. This support will include help to close skills gaps in key sectors, linking infrastructure to proven priorities, building clusters around local specialisms and better commercialisation.

- **Creating the right local institutions**

While the localisation of business rates reflects the Government's continued local growth agenda, the strategy outlines possible relocation of government agencies and arms-length bodies depending on local priorities and further support for networks of universities. A renewed commitment to supporting devolution deals is made, albeit for the largest cities, while the role of LEPs will be reviewed and potentially strengthened.

Public consultation

The *Industrial Strategy Green Paper* is a public consultation to which responses are sought by 17 April 2017.

Conclusion

The Government's aim with this industrial strategy is to improve living standards and economic growth by increasing productivity and driving growth across the whole country. Many of the pillars highlighted directly or indirectly relate to NHS organisations, in particular how we: enlarge and upskill our workforce; bring innovations through to service delivery; and design and finance capital plans. While there is much to support and to explore locally with partners in the strategy, the open-ended nature of this document highlights the lack as yet of a concrete plan at government level.

For more information please contact Michael Wood, NHS Local Growth Advisor, at Michael.Wood@nhsconfed.org

 **@NHSLocalGrowth**

The NHS Confederation

The NHS Confederation is an independent membership body for all organisations that commission and provide NHS services; the only body that brings together and speaks on behalf of the whole of the NHS.

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