



Levelling Up Impact Report

THE PURPOSE
COALITION

MAKING AN IMPACT



Primary
Health
Properties

LEVELLING UP
GOALS



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0: Foreword

Rt Hon Justine Greening,
Founder, Levelling Up Goals and former Education Secretary

When a business fully commits to supporting levelling up, a universal effort spanning every level and department of the organisation is required.

It cannot be the sole responsibility of the HR function, ESG lead or directors. Every member of staff must be involved and encouraged to contribute to the employer's impactful activities and strategy.

Although challenging, shifting to this full-throttle levelling up drive within businesses is fast becoming an easier sell to staff and stakeholders.

This is thanks to the increasingly well evidenced link between purpose and performance.

Being purposeful has well and truly emerged as an integral part of commercial success, shedding pre-existing misconceptions as a mere

nice-to-have characterised by CSR-speak.

Through our work at the Purpose Coalition, we are seeing major employers in an array of sectors realising the benefits of embracing levelling up principles.

We also see encouraging signs from Whitehall which could add to the nation's levelling up momentum.

The government's Levelling Up White Paper, launched recently by Michael Gove, represents the multi-faceted, considered approach required to deliver equality of opportunity.

It also reflects the work and learnings which have occurred outside of Westminster, among public and private sector employers, in widening opportunity and driving social mobility.

Through the Levelling Up Goals, we have broken down the systemic challenges of levelling up and enabled organisations to test and share their solutions to them. This has been adopted by the government in its refreshed approach.

Crucially, the new plan empowers local government to tailor local approaches to addressing levelling up barriers.

Also particularly encouraging, is the return of Opportunity Areas, under their new name of Education Investment Areas.

Pioneered during my time as Secretary of State for Education, this place-based approach to driving up education standards made a tangible difference to literacy and numeracy in places at risk of being left behind, such as Bradford and Doncaster. Its success comes via a focus on localised education priorities and working both inside and outside schools.

It remains to be seen whether the government can navigate age-old challenges to successfully implement its levelling up plan. The danger of a cross-department approach is that it is delivered by everyone, but there is no single office where the buck stops if it fails. Time is also now not on the government's side, with the opportunity gap an urgent concern and the electoral clock ticking.

In the meantime, it is employers like PHP which are leading the way on levelling up action.

By investing significant time and money into crucial issues like sustainability, diversity and inclusion, social mobility and the health and wellbeing of staff, significant improvements in output, commercial performance and customer and workforce loyalty are being achieved.

The sheer range of industries represented among those to have benchmarked themselves against the Levelling Up Goals is certainly encouraging; and indicative of a wider movement of organisations towards the levelling up challenge.

Large and small, public and private, creative, retail, manufacturing, education-based, built environment and technology employers are all playing their part in this critical effort.

It is widely acknowledged that this contribution is more urgently needed than it has perhaps ever been.

The pandemic has clearly exacerbated many of the negative traits and trends caused by the UK's social mobility dearth. Household finances in many communities have been stretched to their limits, access to social mobility-enabling education and training has been hindered and opportunities in sectors most affected by social distancing have been curtailed.

There are, however, lots of positives to come from the pandemic response. Technology and a greater understanding of remote working practices are conspiring to make the best opportunities accessible to all, regardless of geography.

The effective pausing of working life experienced by many during various lockdowns has allowed people the time to consider how to better use their talents to get on in life.

This manifests in, for example, more individuals seeking the entrepreneurial path - a well-trodden route to social mobility for those able to overcome its many challenges.

And, of course, COVID-19 has been a major contributor to the new wave of purposeful activity being driven by employers. This is borne out of necessity and, in part, as a response to the shifting demands of customers, partners and current and future employees.

Purpose in business is a huge topic, with many facets and external forces to consider. Through this report, we aim to provide valuable specifics on how one organisation has scaled barriers and seized opportunities to play its part in levelling up Britain.

I hope it provides a useful reference point for you and your organisation, whichever industry, profession or trade you represent.

Harry Hyman

When I founded Primary Health Properties PLC ("PHP") 26 years ago, our mission was to invest in modern, purpose built, primary care properties in the UK. Since then, PHP has sought to support the NHS, especially General Practice ("GP's") and other primary care providers, to deliver excellent healthcare to the communities in which its properties are located. It is the unfortunate truth that in the past, health outcomes have not been consistent across the country, with residents of deprived areas often having shorter life expectancy than other, more affluent, parts of the country.

From the outset of the NHS, GPs traditionally provided services from their own homes, receiving reimbursement from the NHS, as contractors, for doing so. As practices grew, medical needs became more complex and partnerships formed, the premises from which these services could be provided needed to grow too. This often created a large financial burden for GPs, who could not afford to fund the construction of larger, purpose built, premises. PHP was therefore created to provide the capital to deliver the buildings that the health service needed, with GPs entering into a traditional property lease of the premises instead.

This model has proved popular, and grown, over the intervening years. PHP is now a listed FTSE 250 company, owning 521 buildings with a combined value of in excess of £2.8bn and approximately 1,200 different occupiers. A majority of the tenants are GP practices though there are

many pharmacies, dentists, physiotherapists and opticians, as well as NHS bodies including NHS PS, Foundation Trusts and other parts of the NHS, that occupy PHP properties. Often, these occupiers are located together in the same building, offering the opportunity to deliver more integrated care in the community.

The model has also been successful in Ireland, where PHP has been active in participating in Slaintecare, a ten-year programme to transform and build a world class health and social care service for the Irish people. PHP has also invested over EUR 200m of capital in Ireland alone to create buildings housing the wide variety of integrated services provided by the HSE in Ireland, as well as GP's, Tusla, pharmacies and other state and private health care providers.

Simply put, PHP's mission is to support the NHS, HSE and other healthcare providers, by being a leading investor in modern, primary care, premises. Never has this been more important as the NHS seeks to work through the backlog of procedures created by the Covid-19 pandemic and the Government delivers its Levelling Up agenda. In the longer term, the ageing demographic of western populations means that health services will also be called upon to address more ongoing, complex, chronic comorbidities. PHP stands ready to play its part in delivering the real estate infrastructure required to meet this need in the community.

Lord Walney, Crossbench member of the House of Lords and former Labour MP for Barrow & Furness

The urgent need to level up the UK comes not just from economic or educational necessity. It also means closing inequalities in terms of health and wellbeing.

In a number of English communities, life expectancy actually declined in the years leading up to the pandemic, despite the ongoing advance of health technologies and innovation.

A study published last year in the Lancet Public Health journal found that, in 2019, parts of northern England lagged other areas by decades in terms of life expectancy.

It noted an estimated 20-year gap in life expectancy for women living in communities with the highest and lowest life expectancies. One area of Camden, London, had life expectancy of 95.4 years, versus 74.7 years recorded in a community in Leeds. Among men the gap was even greater.

In one area of Blackpool, the average life expectancy of men was just 68.3 years, while it stood at 95.3 years within Kensington and Chelsea.

Urban areas of northern England, including those in Leeds, Liverpool, Manchester and Newcastle, typically showed the lowest life expectancy overall.

Levelling up, then, is not just about creating accessible opportunities to get on in life for everyone; it also means closing the health inequalities gap.

Many employers, including PHP, are helping to contribute to this having taken up the levelling up cause.

Some have been driving social mobility for decades; creating opportunities to get on in life regardless of background and circumstance and directly challenging long-standing prejudices and bias.

Others may have been inspired into action by the inequalities exposed by COVID-19. Gaps between Britain's most challenged communities and the rest of the country could widen further as the economic fallout of the pandemic plays out.

Businesses, as well as universities, government departments and regional stakeholders, must now take the lead in addressing the levelling up challenge at a critical period.

Industry leaders also have an opportunity to tap into the positive changes that have emerged from the pandemic effort. Remote working, supported by digital advances and new collaborative approaches, has made the very careers that enable social mobility more accessible. Innovation and the speed at which problems can be solved might also have been supercharged by the lessons learned during the last 18 months.

The so-called 'great reset' has also put the spotlight on the concept of purpose like never before. Those organisations that embrace this superficially or opportunistically may indeed feel the glow of greater customer and investor appeal.

But it is the companies that put purpose at the heart of their operations that benefit most – and which make the biggest contribution to the levelling up agenda.

Purpose-driven leadership bolsters retention and an organisation's ability to attract the very best people, wherever they may be and whatever challenges they may have faced in their lives.

A workforce united in a sense of purpose and common goals to address local, national and global challenges is a powerful entity.

A culture of inclusion, of fitting in no matter where you come from or what your background, also enables more diverse decision-making.

This creates more robust and nimble businesses, which can better see off competitors and unforeseen challenges.

At the time of writing, the national recovery is looking strong, despite the lingering fallout from the pandemic. Yet positivity after the gloom of COVID-19's darkest days should not detract from the mountainous task ahead, however.

Britain needs every employer to rise to the levelling up challenge, reaching into our most disadvantaged communities to find the talent we need to build back even better.



1: Introduction

1.1 Levelling up in the context of COVID

In the UK, a lack of social mobility has been a persistent problem and, even before COVID, it was still too often the case that how well a person did in life depended on where they started.

The Social Mobility Pledge's own research had indicated that young people in the UK were finding it harder to progress in the workplace than their parents or grandparents had. It also asked workers aged 18 to 64 how easy it was to get on in life in the UK, regardless of background, and a quarter rated it 'hard' or 'very hard'.

Justine Greening first used the phrase "levelled up Britain" in 2015 to set out her view that equality of opportunity should be achieved not by taking opportunity away from those who already have it, but by giving the same access to opportunities to people and communities without them. Elected on a manifesto which vowed to 'level up every part of the UK', in his first speech as Prime Minister in 2019 Boris Johnson identified the need to 'unleash the potential of the whole country' and close the opportunity gap as one of the biggest challenges for his government.

He included not only education and increased productivity as solutions, but improved infrastructure and giving people the chance to own their own home.

That ambition is now being more widely reflected across government, industry and civil society as the profound impact of the pandemic across locations, ages and education levels became clear. COVID has shone a spotlight on many of the inequalities that already existed, but its effects have undoubtedly made the task of levelling up the country a much more difficult one.

A report by the think tank, Centre for Cities, estimates that the government's plan for levelling up the country has become four times harder because of the damage the pandemic has inflicted on the employment market.

The Office for Budget Responsibility provided a reference scenario in which the UK economy would contract by 35 per cent, with unemployment peaking at 10 per cent as a result of COVID.

Some sectors such as finance will emerge relatively unscathed with a contraction of just -5 per cent, while others like retail and hospitality will contract by -50 per cent and -85 per cent respectively.

That difference in impact across sectors has already resulted in a difference in impact on people. Fifteen per cent of workers in shut-down sectors are from a BAME background compared to 12 per cent of all workers, 57 per cent are women compared to a workforce that is 48 per cent female and those who are low paid are more likely to work in shut-down

sectors, as well as less likely to be able to work from home. Young people are particularly impacted with one in three young people under 25 employed in the three sectors most affected by the pandemic - travel, hospitality and retail.

While employment levels for those aged 25–64 have fallen by 0.5 per cent, employment levels amongst 16–24-year-olds have fallen by 7 per cent.

Across every level of education, the impact of the pandemic has been severe, with the digital divide emerging as a key barrier from primary school through to university. An Institute for Fiscal Studies report assessed that the cost of lost learning could translate to as much as £350bn in lost earnings, with an estimation that pupils stand to lose an average of £40,000 in lifetime earnings, with children from disadvantaged backgrounds most affected.

The impact on the health and wellbeing of our children is immense and the threat of a lost generation is very real.

Against this challenging background, there is now wide recognition that an organisation's social impact is a crucial part of its governance. The Government has introduced a social mobility agenda into each of its departments and has included the Social Mobility Commission at the centre of government, acknowledging the need for levelling up to be at the heart of its plans.

It recognises that levelling up does not just extend to jobs and education but also, for example, to sustainable homes, health and infrastructure.

Businesses, universities, and other organisations are also moving towards delivering a more authentic socially responsible agenda, away from purely corporate governance. Polling carried out by the Social Mobility Pledge reflects what has become much clearer as a result of the pandemic: that the public now expect higher standards of social impact from the organisations that they work for or do business with.

The majority also believe that their performance on improving social mobility should form part of how their success is measured. That requires a clear and wide-ranging set of objectives which can form the basis of an organisation's environmental, social, and governance (ESG) criteria and shape their focus.

The shift in consumer expectations towards businesses making a positive impact has also increased and so too should the need to build a business strategy and plans around meaningful purpose. In research carried out by the US Trust as part of the Bank of America Private Bank, 93 per cent of millennials believed that social or environmental impact is important in investment decisions.

There is growing pressure from the public and investors for corporate Britain to play its part in solving global challenges, including climate change. That means encouraging as many companies as possible to make a public commitment to reaching net zero emissions. Purpose-led businesses like PHP have a vital role to play in helping the world meet the challenge of reducing greenhouse gas emissions in this decade.

That is the right thing for the country but it is also the smart approach for businesses. There is increasing evidence across markets and sectors of the intrinsic role that having a clear purpose has in underpinning long-term commercial success. Deutsche Bank evaluated 56 academic studies on environmental, social and governance (ESG) criteria.

Organisations with the highest ESG ratings were found to have a lower cost of debt and equity. The vast majority (89 per cent) of the studies analysed showed that companies with the highest ESG ratings outperformed the market in the medium (3–5 years) and long (5–10 years) term.

The Levelling Up Goals have been designed to provide the framework by which purpose-led organisations can address the long-standing issue of poor social mobility more effectively and help communities across the country to recover from the impact of the pandemic.

1.2. Introduction to Primary Health Properties

Primary Health Properties' role as a responsible business which supports levelling up and delivers a hugely positive impact on the wider world is summarised in its latest ESG report as "Premises, Health and People: investing in the health and wellbeing of our communities."

In operational terms, this means investing in flexible, modern buildings for the delivery of primary healthcare to the communities they are located in. The need for appropriate primary care facilities has been growing steadily over successive decades as the demands on our health service have increased. The pandemic has applied yet more pressure on GPs, with a sustained surge in the number of consultations being delivered face-to-face and online since March 2020.

Although PHP is leading the way on this thinking currently, the issues concerning NHS property and estates are long standing. In 1962 the Hospital Plan for England created the hospital system we have today, and it served as the framework for the development of hospital services in the years that followed.

In 2016 the Secretary of State for Health had already taken action to begin the design of a new NHS Property Board, and in March 2017 Sir Robert Naylor undertook a review on behalf of the Department of Health and Social Care. The Naylor review focused specifically on NHS property and estates, and how to make best use of the buildings and land.

There have been organisational changes within the NHS, notably the current move to replace Sustainability and Transformation Plans with Integrated Care Systems. Yet relatively little has changed in this field, meaning Sir Robert's findings are still highly relevant today.

"Without investment in the NHS estate the Five Year Forward View (5YFV) cannot be delivered, the NHS estate will remain unfit for purpose and will continue to deteriorate."

NHS property and estates: Naylor review - GOV.UK (www.gov.uk)

PHP marks itself out by looking not just at the healthcare estate footprint but also at the correlation between the healthcare setting and the need to revitalise inner urban areas. The company makes the point that buildings alone cannot help healthcare but they demonstrate the significant positive impact a

fully integrated system can have on tackling healthcare inequalities. Referring to the traditional model of GPs seeing patients from the converted front rooms of residential properties, Harry Hyman says, "Health is about more than shiny new buildings but you cannot tackle inequalities properly from a 1960' semi."

PHP believes that modern, purpose-built premises also help with staff retention. Furthermore, there is some research suggesting patients had a better health outcome when registered with the same GP over the long term. The study of medical practices in Norway found that when someone has been treated by the same GP for more than 15 years, the probability of acute hospitalisations and access to out-of-hours services, decreased by 25-30 per cent.

PHP is placing prevention at the centre of its purpose, providing integrated prevention care to communities where shocking health inequalities still exist. An example of this type of development in action is the Eastbourne Primary Care Centre in East Sussex. Eastbourne Primary Care Centre is a new 2,000 sqm purpose-built development. The scheme brings together two local GP practices who currently accommodate converted houses.

The scheme addresses significant building quality issues by providing a future proof building which provides much needed capacity. The new development enables the practices to increase the range and quality of services provided to patients according to local need, resulting in reducing the pressure on local hospital services, which is a key priority in the local Sustainability and Transformation Plan.

The need for companies like PHP to lead on levelling up the country is clear. As shown by recent findings, there is on average 7 per cent less funding for practices serving more deprived populations per 'need adjusted' patient than those serving less deprived populations. This highlights the need for further healthcare investment and fairer allocations of it are crucial to level up those deprived areas who receive less of it.

Purpose has been integral to the business since its inception 25 years ago but, as the company has grown, its capacity to affect positive change has expanded too.

PHP now owns 521 properties (as of February 2022), valued at £2.8bn and located across the UK and Ireland.

The services within these premises are collectively used by some 5.8 million patients – or 8.7 per cent of the UK population - every year.

Thousands more jobs are supported by PHP's activities through its supply chain network of over 800 businesses.

The company is innovative and flexible in its approach to influencing improved healthcare outcomes. This includes its recognition that traditional public health funding models may change in future, and it plans to adapt with this.

For example, it acknowledges that so-called 'flat funding' – funding services equally in both high and low social deprivation areas – can widen healthcare inequalities.

Its evidence-based approach shapes projects which are underpinned by the needs of the areas they serve, matching the potential direction of travel in healthcare funding.

Meanwhile, PHP's strong commitment to addressing ESG issues is evident throughout its investment, asset management, development and corporate activities.

The business supports the UN's 17 Sustainable Development Goals, which bring together the world's most pressing economic, social and environmental challenges and were adopted by all member states in 2015.

It is also aligned to transformational goals set by the NHS. In October 2020, the NHS set out its mission to become the world's first carbon net zero national health system by 2045.

PHP is actively engaged in the pursuit of this target, supporting occupiers in their contribution towards it. The firm itself also continually works on its own annual goals underpinned by a long-term commitment to ESG and levelling up. In 2021 these goals included:

Built environment

- All new investments to have an Energy Performance Certificate (EPC) of no less than C or have a visible route to achieve this when the asset is next refurbished.
- Deliver the first net-zero carbon primary care building within five years in the UK and explore the possibility in Ireland.
- All UK forward funded developments to have a BREEAM rating of Excellent (or Very Good with regards to fit-outs and rural areas where the premises would not otherwise be provided).

- In Ireland, all new developments to be built to a Building Energy Rating of A3, or better, and in accordance with nZEB (nearly Zero Energy Buildings) standards.
- Refurbished assets to have an EPC of at least B by 2030 or have been raised at least by at least two grades.
- Energy audits to be completed before asset management projects are planned in order to identify and fully integrate in each project energy saving opportunities and energy-efficient technology.
- Reduce green-house-gas emissions by 25 per cent in absolute terms and 40 per cent in intensity terms by 2030.
- Launch a green procurement programme on behalf of all occupiers including green lease clauses for all new leases entered into.
- Set ESG standards for suppliers and developers to follow.

Community impact

- Deliver £0.25 million per annum to fund social prescribing and related charitable activities and services linked to the patients and communities of occupiers which cannot be readily accessed elsewhere.
- Continue to engage and consider the views of occupiers including an annual survey.

Responsible business

- Publish the CEO's commitment to Real Estate Balance promoting employee diversity, challenging mindsets on bias and discrimination.
- Publish and report transparent information regarding employees.
- Set ESG targets as part of employee's appraisal and personal performance objectives.
- Employee training plans to be developed to include at least 10 per cent ESG content.

While the role of the NHS as a driver of social mobility and opportunity is relatively well-documented, the impact of the businesses that support and enable its infrastructure is perhaps somewhat overlooked.

PHP demonstrates that health-based real estate providers can also extend a hugely positive influence over communities where opportunities may otherwise be limited.

Nurturing supply chain opportunities, environmental focus and bringing inward investment and appealing, aspirational places of work into local communities are among the many ways it does this.

1.3. The Journey to the Levelling Up Goals

In 2015, as Secretary of State for International Development, Justine Greening led the UK delegation to the United Nations (UN). Along with 184 international partners, she helped to establish the UN's Sustainable Development Goals (SDGs).

In 2017, the SDGs were made more 'actionable' by a UN resolution adopted by the General Assembly which identified specific targets for each goal, along with indicators used to measure progress towards each target. These 17 interlinked, global goals were designed to be 'a blueprint to achieve a better and more sustainable future for all'. They marked a shift from the previously established Millennium

Development Goals (MDGs), following the Millennium Summit of the United Nations in 2000. In contrast to the MDGs, the SDGs were nationally-owned, country-led and targeted wealthy, developed nations as well as developing countries.

The SDGs emphasised the interdependent environment, social and economic aspects of development by centralising the role of sustainability. As Secretary of State, Justine recognised how useful a common set of accessible but ambitious objectives could be in galvanising action to effect change. Since then the COVID-19 pandemic has only exacerbated many of the problems relating to social inequality in the UK.

The recovery is a chance for the United Kingdom to address these issues and level up but that requires updated and specific goals in order to outline, inspire and measure progress. The Purpose Coalition, a group of policymakers, businesses, universities and other organisations, aims to improve social mobility in the UK and has responded to this challenge with the launch of its own Levelling Up Goals in February 2021.

1	Strong foundations in Early Years	2	Successful school years
3	Positive destinations Post 16+	4	Right advice and experiences
5	Open recruitment	6	Fair career progression
7	Widening access to savings & credit	8	Good health and well-being
9	Extending enterprise	10	Closing the digital divide
11	Infrastructure for opportunity	12	Building homes & sustainable communities
13	Harness the energy transition	14	Achieve equality, through diversity & inclusion

These new Goals build on the foundations laid by the UN's SDGs by outlining 14 clear goals and draw on expertise provided by academia and business which has been applied to the unique challenges facing the UK in levelling up. They focus on key life stages and highlight the main issues that need to be resolved to create a level playing field for all in this country. The Levelling Up Goals are intended to guide how the urgent ambition to level up the UK can actually be achieved. The impact of the work carried out to do this can, and should, be measurable.

Sub-goals with quantifiable targets and measurements against which progress can be charted within the 14 goals are being developed by the Purpose Coalition in partnership with Purpose Coalition universities and organisations including PHP, which is leading on Goal 8: Good Health and Wellbeing. This will create a more transparent and measurable framework with which to monitor and subsequently address problems of inequality and levelling up. The Levelling Up Goals are designed to look at the outcomes of CSR strategies and measures that organisations operate. Many organisations are doing outstanding work and making important contributions to society but are still measuring this via inputs – a measure that focuses on pounds, shillings and pence rather than real impact to human lives.

Crucially, these Goals are a shared framework. Justine and the wider Purpose Coalition believe that with a common understanding and objectives, there can be action that drives change on the ground. Distinct entities, including universities, businesses, policy-makers, communities and NGOs, can work together, with the shared Goals being a uniting and motivating foundation for progress. As the problems which cause social inequality in the UK are interlinked, it seems that the response to these problems must also be collaborative.

The Purpose Coalition has encouraged businesses and universities to share their own best practice with other organisations so they are not only demonstrating their own commitment but creating a shift towards purpose-led organisations. The Goals can encourage an extension of this cooperative exchange of information which can be used to help level up Britain.

2: PHP's activities mapped against the Levelling Up Goals

PHP has a strong commitment to social impact, sustainability and demonstrates a long-standing and measurable commitment to different areas across Environmental and Social Governance (ESG). This delivers on its aims of “investing in the health and wellbeing of our communities.”



- Goal 8: Good health and wellbeing
- Goal 11: Infrastructure for opportunity
- Goal 13: Harnessing the energy transition.

Companies must focus on how they can deliver high impact, in line with their purpose and strengths, and how that expertise can be targeted towards specific gaps where they are relevant to the company. This is how social impact becomes real for people and communities, but also how it becomes sustainable for the long term.

A need for a new GP practices with high age dependency

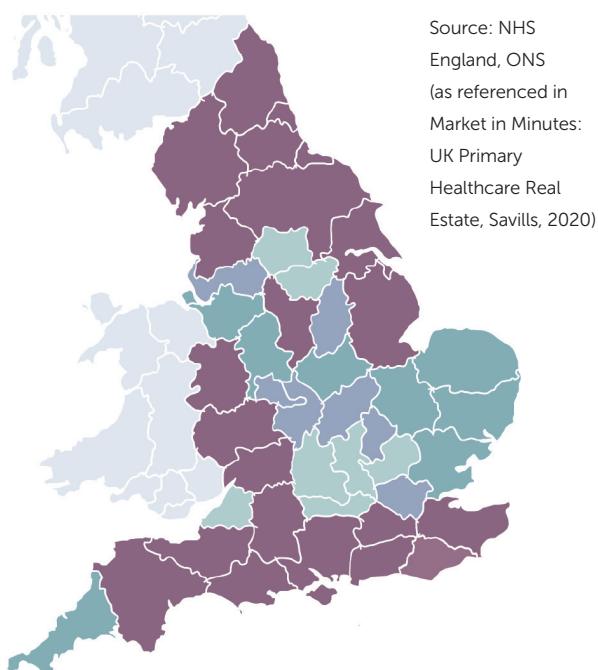
These diagrams demonstrate the dearth of new GP premises where they are most needed including areas with large ageing population.

- New GP stock and low age dependency
- New GP stock and high age dependency
- Old GP stock and low age dependency
- Old GP stock and high age dependency

“PHP strives to meet the changing demands placed on primary healthcare services across the country. In parallel to this hugely valuable work, however, it is also making a major contribution to addressing the levelling up challenge. Raising workplace aspirations, catalysing investment in communities that need it most and creating opportunities that enable social mobility are some of the outcomes of its approach.

This is a business which seeks to maximise its positive impact far beyond its own internal teams – into its vast supply chain, local communities, the environment and the healthcare services which rely on its input.

Property investment businesses may, at a glance, seem limited in their capacity to enable levelling up; perhaps compared to more labour-intensive sectors. But PHP directly challenges this misconception as a prime example of a property-focused, purpose-led organisation.”



2.1. Goal 8: Good health and wellbeing

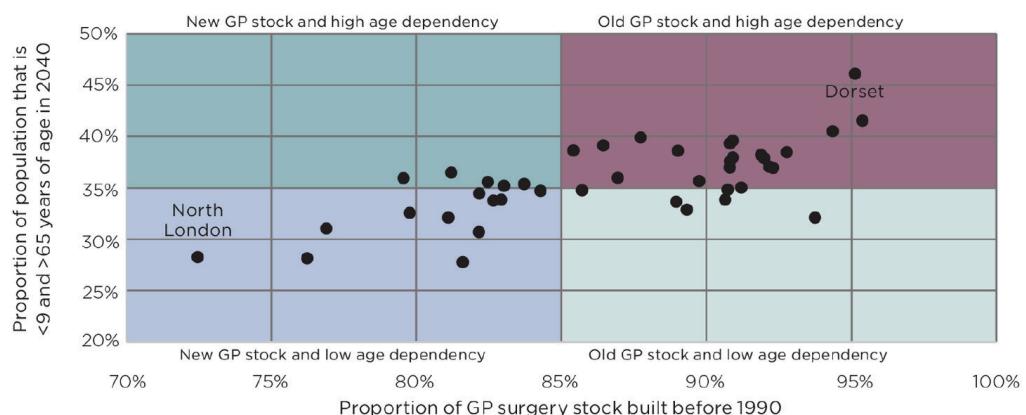
As we emerge from the COVID-19 pandemic, the need to focus on health and wellbeing has never been more important. Boosting access to primary care in the UK is a key measure to tackle geographic and socioeconomic health inequalities – to level up the nation’s health - and PHP is fundamental to delivering on this need.

Both through the pandemic and even before it, PHP has through its very purpose as a primary care real estate company, shown a strong contribution and leadership aligned with Goal 8: Good Health and Wellbeing.

This is demonstrated clearly through its support for new preventative methods of medicine such as social prescribing, ensuring the highest standards of estate for medical use, increasing access to primary care centres; as well as its support for new initiatives. An example of a new innovative partnership is ENO Breathe, which was recently supported via PHP’s Community Impact Fund. An initiative by the English National Opera and Imperial Trust, ENO Breathe teaches operatic breathing techniques to people suffering from Long Covid.

PHP has also demonstrated a firm commitment to its own people and supported them throughout the pandemic.

Age of GP building stock versus age dependency



Source: NHS England, ONS (as referenced in Market in Minutes: UK Primary Healthcare Real Estate, Savills, 2020)

2.1.1. Addressing primary care needs

There are areas across the country that face deep and entrenched health inequalities.

This is seen both in terms of inequalities in access to health care, often where it is most needed; and also with general life outcomes, such as life expectancy. For example, a recent study showed a stark 27-year difference in life expectancy between a man living in Blackpool (68.3 year average) versus a man living in Kensington and Chelsea (95.3 year average).

Given the existence of these wide inequalities in health outcomes across communities, there is a clear need for localised forms of health care - such as primary care centres - to play a larger role in the solution.

As the Care Quality Commission (CQC) outlines: ‘Some people can easily access good care, while others cannot access the services they need, experience ‘disjointed’ care or only have access to providers with poor services.’ This can be interpreted as a significant barrier to levelling up with clear disparities between communities.

As the population continues to become older on average, the dependency on health care will likely increase; and with this trajectory, it can be assumed that the health inequalities will increase with that demand too.

Primary Care Centres can address this challenge and tackle inequalities through providing a more preventative method of health care through a more locally focussed approach that concentrates on community services and social prescribing, in addition to traditional treatment methods.

2.1.2. Investing in primary care centres

PHP is committed to supporting both the NHS and HSE in tackling historic underinvestment in primary care facilities in the UK and Ireland. Its facilities are predominantly located within residential communities and enable the UK and Irish population to access better health services in their local area.

The company facilitates the delivery of healthcare across the country, including in communities and towns where life expectancy and other health and wellbeing indices are relatively low. Currently, many such communities are further disadvantaged by a lack of investment in Primary Care Centres. A recent Freedom of Information Act request shows that percentages of estates in previous residential buildings is high. London tops the scale with averages of 39 per cent followed by 24 per cent in the East Midlands and 30 per cent in the Southeast.

The stark reality of these results is that literally thousands of doctor's surgeries are in effect "unfit for purpose".

PHP warns that the health of the nation may suffer if governments continue to neglect primary care in favour of disproportionately channelling scarce NHS resources into secondary care hospital facilities. There is also evidence suggesting that public appetite for building new hospitals is lower than the prominence it is given by politicians. For example, a recent Henry Jackson Society poll claimed that building new hospitals ranks bottom on the public's priority list for the NHS with a wholesale shift towards different priorities including faster GP appointments" and "employing more staff". Thus PHP's focus of investing in flexible, modern buildings for the delivery of primary healthcare in communities without the need to go to hospital may be more in line with public opinion than current government thinking.

PHP's portfolio serves around 5.8 million patients, or 8.7 per cent of the UK population, and its sites are the first point of contact with the NHS when the patient journey begins.

The firm develops modern, flexible centres that support the NHS in addressing waiting lists and shifting demands caused by the pandemic. And these centres often deliver far more than primary care. Many also serve as community hubs for people



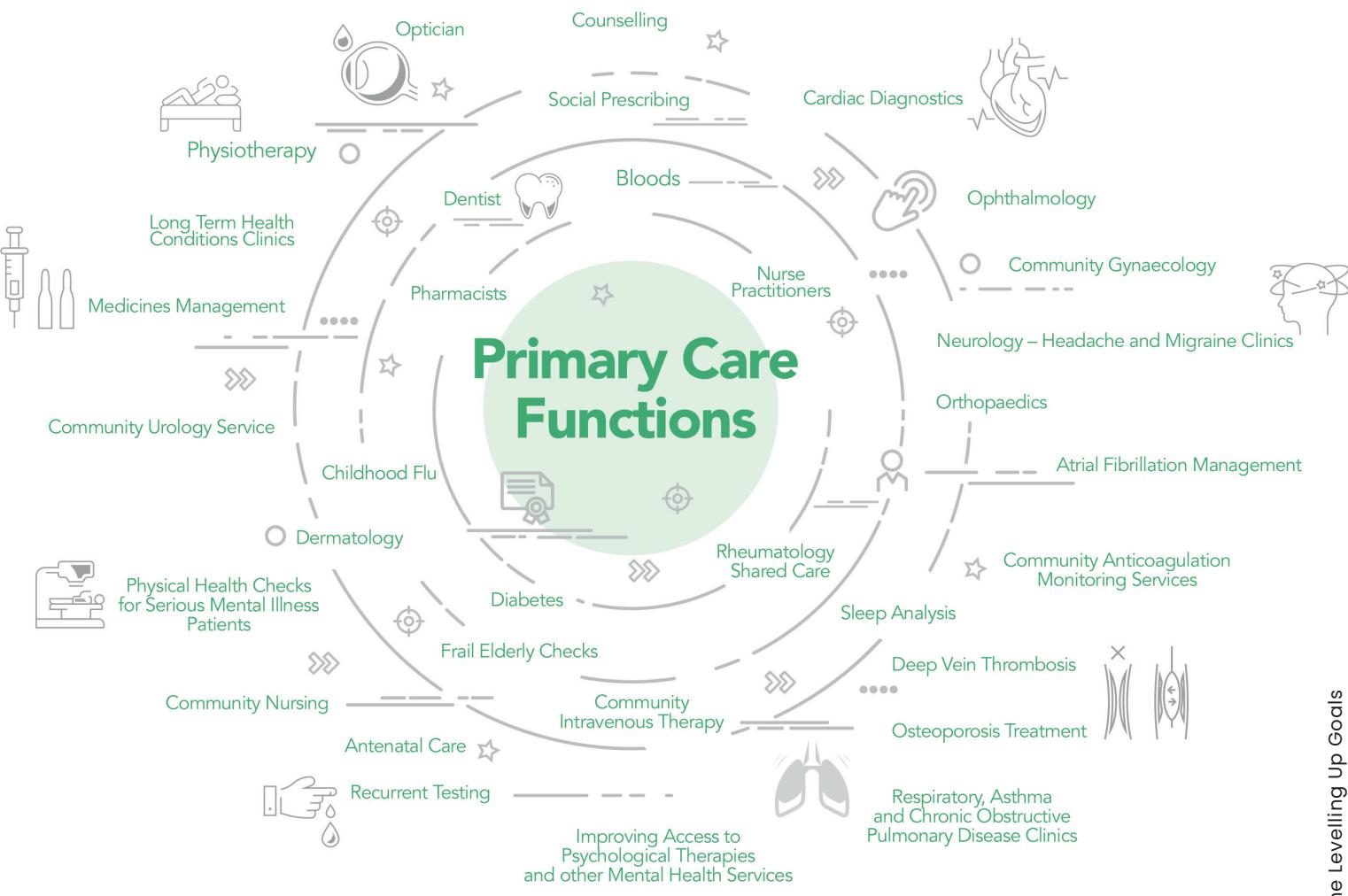
of all backgrounds and ages to come together for various interventions that may impact on levelling up.

Furthermore, PHP works extensively on maintaining standards at its properties, including via an annual survey of occupiers. This enables it to review and consider awareness and overall satisfaction with its activities, including social initiatives. PHP also has a policy of regular communication and a supportive approach to property management.

Targeting investment in deprived areas

PHP invests in parts of the country where there are high levels of social deprivation and, therefore, a high level of healthcare needs. The company's biggest concentration of assets, for example, is in Grimsby, which has a high healthcare need and life expectancy which is below the national average.

Other areas covered within its portfolio where social deprivation-related health needs are relatively high include Blackburn, Bury, Liverpool and the Wirral.



2.1.3. Supporting social prescribing and wider Primary Care functions

Primary Care Centres have the capacity to offer a more all-rounded, proactive and preventative form of health care, while working ‘upstream’ with communities. Investment in these centres will encourage a community-focused approach to health care that is needed.

Social prescribing is a significant pillar of this preventative approach to health care. PHP’s support for this is embodied by the community hubs which aim to put a community-focused approach at the heart of medicine with a preventative approach to health care.

This is a mechanism which enables primary care professionals, including doctors and nurses, to refer people to a range of non-clinical local services which support their health and wellbeing. It is designed to connect patients to community services which might be run by a local authority or charity.

The company is actively working with UK Community Foundations to offer grants to charities and community groups which are focused on social prescribing and community wellbeing.

It recently launched two pilot projects in Scotland and Lincolnshire and is working with GP practices, social prescribing coordinators and link workers to promote the schemes to the organisations delivering social prescribing services in those areas.

The wider functions and services delivered by Primary Care Centres are expansive. From physiotherapy, counselling, community nursing, antenatal care, to cardiac diagnostics; the services that can be delivered locally and efficiently through use of primary care are a testament to how they can tackle health inequalities.

While there is a strong and arguably overused narrative that puts hospitals at the top of the health debate, there is a clear need for localised and accessible health care functions delivered by primary care.



Case Study: Eastbourne

PHP has developed a modern primary healthcare facility in Eastbourne, East Sussex, which is making a considerable contribution to levelling up.

Victoria Medical Centre (VMC) facilitates a wider variety of services, aids staff retention and recruitment, embraces hybrid digital and face to face consultations and is designed to reduce its impact on the environment.

It helps address one of the key challenges going forward for primary care – looking after an ageing population with more incidence of chronic illness, in one of the most deprived wards of west Sussex.

Victoria Medical Centre is a prime example of how PHP's latest generation of developments are aligned with the long-term trends being pushed by the NHS.

By creating a modern medical facility to house four GP practices, who were previously housed in buildings which were unfit for purpose, enabling them to operate as a new PCN from a new purpose-built 'hub', and operating at scale in line with NHS goals under the Five Year Forward View.

The previous practice buildings were disadvantaged by inaccessible consulting rooms and confusing layouts with poor patient flow. VMC addresses all of those issues, allowing a wider variety of services to be provided, some examples being; minor operations, community services, social prescribing and physios.

This furthermore emphasises PHP's support of the NHS in its drive to deliver more services away from acute hospitals and into the community.

The building includes a number of design features that reduce energy consumption and its impact with the environment, helping the NHS work towards their targets of being a net zero healthcare system, as well as reducing operating costs for the tenants. Techniques that were used, but not limited to, include air source heat pumps, LED lighting and solar panels. These are being included on all our new developments and asset management schemes where applicable.

Over the past two years, the pandemic has highlighted the need to accommodate new, agile ways of working as well as reiterate the importance of design and specifications for infection control standards.

The building facilitates this by housing flexible spaces which can be used for digital consultations and general admin space, freeing up consulting rooms for other healthcare professionals providing different or new services, while understanding there is still a strong need for clinical accommodation.

The building now houses over 100 employees and is second only to the local hospital in the services provided from it.

The new purpose-built premises provide an integrated primary health setting for 30,000 patients in a safe, well-connected and central location.

The centre accommodates a single Primary Care Network under one roof and has acted as a catalyst for change in enabling truly integrated care where patients can access a wide range of services.

This not only delivers better local patient outcomes but accelerates the NHS's policy drive towards primary care providers operating at scale through PCNs.

This integrated primary care model fits within the wider strategy of the local STP towards integration of hospital and community care. By working closely with local NHS leaders, the building is an integral part of the NHS's Local Estates Strategy, and an example of how more planned and considered estate is transforming the way care is delivered locally.

Even with the expected shift to more remote consultations in general practice, the majority of patients will still require face-to-face care, especially those with more complex and long-term chronic conditions. Multidisciplinary teams collaborating in purpose-built premises make this a reality and reduce the need for hospital care for many patients.

The new facility delivers a flexible primary care centre, with open waiting areas, modern treatment rooms, regular layout, and lifts to the upper floor. The first floor has a multipurpose space which can be used for a range of services and activities including social prescribing and other direct enhanced services that CCGs wish to commission to serve population needs.



The second floor has an open-plan hotdesking space for staff to work at and provide services from when they are not consulting. There are also modern purpose-built staff amenity areas that ensure a positive physical working environment, with support for staff recruitment and staff retention. The building is also much more environmentally friendly, built to BREEAM Excellent standard, meaning it uses less energy and emits less CO₂.

This illustrates how the PHP collaboration is delivering a modern flexible primary care centre, which is a major improvement for service users, staff, and the CCG.

2.2 Infrastructure for Opportunity

PHP invests to create new, modern, purpose-built medical centres from which 21st Century healthcare can be dispensed.

It serves as a professional landlord which enables health services to find the flexible spaces they require to deliver the very best care.

Its coverage across the country includes communities where opportunities to achieve social mobility might otherwise be limited.

It invests what it terms 'institutional money' into many areas of the country that other real estate investment trusts tend to overlook.

The company notes that investing in towns facing structural decline does not generally produce the profile of returns which a real estate investment house would typically target.

A shining example of its impact in terms of connecting people and places to opportunity is St Catherine's Health Centre in Birkenhead, the Wirral.

Built in August 2012, it forms part of a joint venture funding arrangement with NHS Wirral in a project designed to deliver a building in excess of 11,000 square metres.

It serves as an epicentre of opportunity within the town, with communal facilities including a drop-in library housed within, as well as health services.

Certain PHP primary care sites, including St Catherine's Health Centre in The Wirral, are also home to libraries and other communal facilities that create more vibrant local communities as a result.

Investing in local economies

PHP also supports hundreds of small and medium enterprises within its supply chain. Its investments generate a wide range of opportunities which may be fulfilled by private enterprises, led by entrepreneurs in communities across the UK.

During the pandemic, PHP supported its suppliers and contractors, ensuring prompt payment of invoices to aid suppliers' cash flow.

It also provided support to contractors working on-site to manage risks and mobilisation, offering remote meetings and inspections where required.

Standard industry statistics suggest that every £1 spent on construction projects creates £2.84 in additional value in the supply chain.

2.3 Harnessing the energy transition

The issues of people and planet go hand in hand - and the preservation of the environment through harnessing the energy transition is a fundamental pillar of levelling up sustainably for the long-term.

Helping the UK, its communities and the businesses which operate here, on their journey to reach net-zero carbon has become a hugely important aspect of companies' purpose and practice.

PHP has demonstrated leadership on the issue of the energy transition through its built environment considerations across primary care developments.

Within PHP's portfolio, 82 per cent of buildings have an EPC (Energy Performance Certificate) rating of 'C' or better. PHP's aim is for every asset that is refurbished to have an EPC rating of at least B by 2030 – or for the rating to have been raised by at least two grades.

Where PHP is refurbishing an existing building or the new investment is the conversion and fit out of an existing structure, its minimum standard is to achieve a BREEAM (Building Research Establishment Environmental Assessment Method) rating of 'very good'.

Due to high levels of occupancy across its portfolio, PHP controls energy usage in only a limited number of properties.

Where this is the case, however, it has adopted a target to reduce greenhouse gas emissions by 25 per cent in absolute terms and 40 per cent in terms of intensity by 2030.

This will largely be achieved through a policy of replacing existing features with technology exhibiting high energy conservation credentials, and energy supplies on green energy tariffs.

PHP has also set itself the challenge of designing and building its first net zero building by 2026.

The company is also aligned to the UN's Sustainable Development Goals. It has a policy of, where possible, integrating sustainable features into new schemes including metering, solar PVs, roof lights, electric vehicle recharge points, water conservation and ecology.

It also aims to encourage development partners to do the same when funding new schemes.

3: Analysis

Primary Health Properties has demonstrated an outstanding contribution to levelling up for people and communities across the UK.

Primary Health Properties has demonstrated an outstanding contribution to levelling up for people and communities across the UK.

PHP has made a considerable impact on the levelling up agenda already, in a number of different areas. It is innovating, collaborating and fine-tuning its services, business model, operations and programmes to best deliver a social impact wherever it has an influence through its primary care centres.

These efforts can most notably be seen through the lens of key Levelling Up Goals including Goal 8: Good Health and Wellbeing, Goal 11: Infrastructure for Opportunity and Goal 13: Harness the energy transition.

PHP's role in enabling good health and wellbeing extends beyond the mere provision of property for healthcare services. It invests in parts of the country where there are high levels of social deprivation and, therefore, a high level of healthcare needs.

As well as bringing modern, flexible workspaces and first-rate health services into communities that need them most, however, it is also utilising the influential force of social prescribing; working closely with community partners.

In terms of utilising infrastructure as an agent for opportunity creation, PHP is excelling here too. Its portfolio bucks the trend set by traditional property investment houses, by targeting locations in often-challenged communities.

These span the UK and Ireland, but include coastal towns and parts of the North of England where fresh investment and infrastructure are chronically needed.



Analysis

And the projects themselves – from the design and build process, through to delivery and their future-proofing as flexible spaces for current and impending primary health needs – deliver maximum positive impact.

As highlighted in this report, many double up as community hubs and places where important interventions can take place in addition to healthcare provision.

PHP's commitment to harnessing the energy transition, meanwhile, is perhaps best evidenced through the ambitious nature of its sustainability goals.

Alongside its aim of creating its first net zero building by 2026, it continues to push for improvement in the already-strong energy performance rating of its portfolio.

PHP is supporting levelling up in numerous other ways outside of its core three strength areas. The sheer scale of its influence – with 5.8 million people using the services within its portfolio and 800+ businesses in its supply chain – gives it significant influence in the levelling up agenda.

PHP has recognised this and acted upon it, building on its 25-year history as a driver of social impact.

4. Conclusion and Recommendations

This impact report shows clearly that PHP's mission is integral to a critical challenge facing the UK healthcare system as pressures increase in future years. By seeking to place more GP centres in the heart of communities, it is helping patients stay healthy and get treatment earlier rather than adding to the burden carried by already overburdened hospitals.

PHP's leadership understands the impact its premises can have on people's lives and the benefit to levelling up from increasing access to primary care in poorer neighbourhoods where health tends to be poorer and life expectancy can remain so much lower than more affluent areas.

These recommendations seek to shape a path for PHP to further its mission by helping raise public and political awareness of this need for an increased role for primary healthcare to keep the NHS sustainable and the contribution that primary care centres could make to revitalising high streets and levelling up health inequalities.

1 Undertake a forensic mapping exercise of the correlation between economic and health inequalities and primary healthcare investment

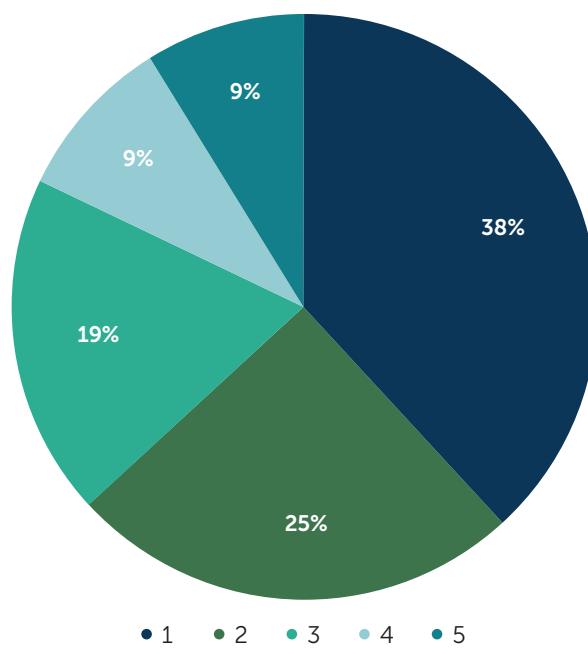
PHP's decades of experience have ingrained in the company the need for greater investment in primary care facilities in the most deprived areas and highlighted the effectiveness of this approach when properly applied.

The company has already begun quantifying this impact with analysis on the location of its investments in relation to deprivation.

The chart below shows that 63 per cent of the largest 50 investments made by PHP in the UK are

in the most deprived two quintiles of wards in the country. Scaling up this analysis to examine specific comparable areas in greater depth would be of significant value to the public debate on the future of healthcare provision in the UK.

Percentage of PHP Largest 50 investments in Deprived Wards (1 being the most deprived quintile, 5 the least)



The Indices of Deprivation produced by the Ministry of Housing, Communities and Local Government and its predecessor departments since 2000 provide data on relative deprivation in small areas in England. The indices include a range of indicators, including both income and health deprivation and were most recently published in 2019.

We suggest PHP undertakes analysis to map these income and health indicators against areas with existing PHP investment. This exploration of the link between different models of primary health care and economic and health outcomes would seek to increase understanding of three related issues:

The scale of the challenge to transform lives in areas that PHP already serves;

- i. Where possible, any changes in these key economic and healthcare indicators over the period where PHP facilities have become established in particular areas;
- ii. The proportion of England's most deprived communities that still lack modernised primary care facilities.

2 Revitalisation of the high street and town centres through healthcare provision

There are a number of innovative examples across the country where vacant high street properties are being repurposed as health centres, increasing desperately needed footfall and boosting access to preventative care in poorer areas. PHP should consider working with like minded partners on a 'Healthy High Street' advocacy programme, providing thought leadership to help shape the healthcare debate which too often neglects the importance of primary care.

PHP and selected partners are uniquely well placed to raise awareness of the benefits of this approach with key decision-makers and examine the incentives needed through public policy changes to increase its uptake across the country. This advocacy could seek to catalyse a conversation on how the government could better join up its related goals of improving health outcomes and levelling up the country economically. It could highlight the importance of national financial incentives such as funding formulas for primary care investment and seek to inspire and empower local health and civic leadership to plan for a change in approach.



3. Develop mechanisms to measure the effectiveness of PHP's CSR donations

PHP has long been a generous funder of a number of important causes that further its healthcare mission and embed its values within the communities it serves. Its focus on social prescribing activities with a £250,000 per annum investment is particularly notable. This spending generates significant value in its own right but its effectiveness could be increased if the company can establish more efficient mechanisms of tracking the impact of the different investments it makes.

Tracking improvements in mental health and physical wellbeing are important to establish the real value added from charitable giving. We recommend that PHP takes time to consider the best way of doing this. It could focus on developing how its investment in social prescribing could drive increased understanding of this important developing field where PHP has identified there has been a significant reduction in voluntary and community provision due to a variety of factors.

There are already a number of successful approaches to measure wellbeing. Examples of measurement tools include The Warwick Edinburgh Mental Wellbeing Scales (WEMWBS), Centre for Thriving Cities: Thriving Places Index, Community wellbeing indicators. Voluntary and community sector organisations are also often practised in measurement. Funding bodies are increasingly seeking measures that capture purpose beyond traditional outcomes.



LEVELLING UP
GOALS

