



Ahead of the curve on healthcare

Social enterprises and the Government's 10 Year Plan

The government's 10 Year Plan for the NHS may have just recently been made public, but social enterprises have long been delivering the kind of services it aspires to. Their work should be championed and expanded.

The 10 Year Plan for the NHS reinforces the Government's drive to shift healthcare from treatment to prevention and from hospital to community while also reducing waiting times and improving quality of care. These are radical shifts that would be a challenge for any organisation, but they are particularly testing for the NHS – an enormously complex organisation with a vast workforce and which faces an ongoing crisis of rising demand and stretched capacity – leaving both public satisfaction and staff morale in a weakened state.

One part of the healthcare system, however, has proved itself more than up to the task of making these vitally important shifts. Social enterprises have been working in and with the NHS for many years¹ and new qualitative and quantitative research reveals they are delivering exactly the changes the Government desires. Importantly, the research also helps us understand how they are doing it.

Urgent healthcare for two thirds of the population is delivered by social enterprise



TAKING CARE OF THINGS ALREADY

¹ The sixty largest healthcare social enterprises deliver £2.4 billion in services each year and the fifteen largest employ nearly 12,000 people. Urgent healthcare for two thirds of the population is delivered by social enterprise and one third of community healthcare services are delivered by social enterprise. Data from Social Enterprise UK and the NHS Confederation.

HEALTHCARE PIONEERS

The new qualitative research is based on interviews with social enterprises that operate in fundamentally different ways, working within communities, prioritising prevention over treatment, and having a major impact on waiting times and healthcare access.

The City Healthcare Partnership

provides a wide range of community health services across Hull including the Jean Bishop Centre, which specialises in care for elderly. The Centre has pioneered radical new ways of addressing frailty that is highly person-centred, draws on a wide range of public, voluntary and community sector support, and uses specialised medical knowledge to ensure people are receiving the most appropriate care. A proactive campaign to reach the 3,000 people with severe frailty

in Hull resulted in a 50% reduction in emergency admissions for the most frequent hospital attenders and a 10-25% reduction in GP visits for the rest of the group. Work with a wider cohort with less severe frailty led to a 13.6% reduction in A&E admissions for people over 80, an 18% reduction for care home residents and reduced medicine costs of £100 per person per year. A partnership with the ambulance service ensured that 63% of those referred to the Centre were able to remain at home rather than be transferred to hospital.

THE SOCIAL
ENTERPRISE
EFFECT #1

IN YOUR COMMUNITY...
KINGSTON-UPON-HULL

50%

reduction in emergency
admissions for the most
frequent hospital attenders



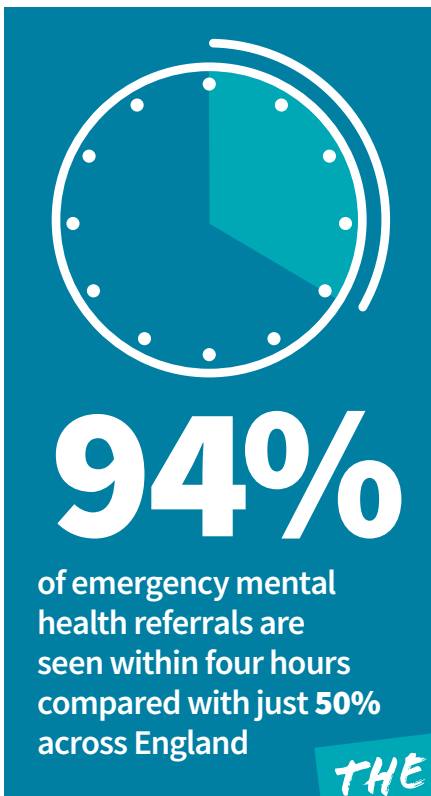
HEALTHCARE PIONEERS



THE SOCIAL
ENTERPRISE
EFFECT #2

Spectrum specialises in providing healthcare to the most vulnerable, particularly those in prisons and other secure environments. Its Butterfly Project aimed to radically improve the uptake of cervical screening, follow-up diagnosis and treatment for the 500 women held at HMP Styal in Cheshire. This was a particularly challenging goal as more than half of female prisoners have experienced sexual or domestic violence, and abuse as a child. Rates of self-harm are seven times higher than the male prison population and drug

and alcohol abuse is twice as high. By using an approach that located screening services in the prison rather than a hospital, embracing values of kindness and understanding, and importantly working with other prisoners to act as 'mentors' for the wider prison population, screening uptake was gradually increased from 64% to 92%. This compares favourably with the average rate for the whole English population which stands at 69%.



THE SOCIAL
ENTERPRISE
EFFECT #3

Navigo provides mental health services on behalf of the NHS in North East Lincolnshire. Deliberately jettisoning the conventional 'diagnose, treat, discharge' model of mental healthcare, Navigo instead seeks to combine medical help with a focus on the social determinants of health by working to provide patients with decent housing, paid work and supportive human connection. It also operates as a membership organisation with patients playing a foundational role in the design and delivery of its services.

Under Navigo, 94% of emergency mental health referrals are seen within four hours compared with just 50% across England. A majority of their patients are in settled accommodation (81%) compared to 24% nationally. Older patients at risk of harming themselves or others are restrained over 50% less than the English average. And 80% of staff say they would be happy for a friend or relative to be treated by Navigo, compared to 64% for mental health providers nationally.

HEALTHCARE PIONEERS

94%

said that Bridges was having a positive impact on their day-to-day work

THE SOCIAL
ENTERPRISE
EFFECT #4

Bridges Self-Management equips healthcare professionals with the tools to empower patients facing long-term conditions to better manage their symptoms, develop a greater sense of agency and develop lifestyles in line with their own hopes and aspirations. Providing careful and supportive experiential development programmes, healthcare workers are encouraged to move away from their natural desire to 'fix' patients or treat them as passive recipients of care and instead take a more empowering approach. In a survey of 250 NHS staff trained by Bridges, 84% said they are listening

more and 'fixing less'. 94% said that Bridges was having a positive impact on their day-to-day work and 60% said working in the Bridges way had already increased their job satisfaction. Most importantly, a randomised control trial of Bridges-trained staff working with long Covid patients found their ability and confidence in managing symptoms and doing everyday tasks had increased significantly. They also had an improved sense of self-efficacy and emotional well-being which was directly related to improvements in patients' recovery.

Number of patients waiting more than 18 weeks for a Musculoskeletal service has fallen...

FROM
750
DOWN TO

UNDER 100

THE SOCIAL
ENTERPRISE
EFFECT #5

Here delivers a range of community healthcare services for the NHS in Sussex including physiotherapy and wider musculoskeletal (MSK) care. Keen to provide more holistic, preventative care, Here introduced Community Appointment Days, inviting everyone on a routine physiotherapy waiting list to see a physiotherapist over one or two days at a large venue, such as a leisure centre. While there, patients have an untimed conversation with the clinician about 'what matters to them'. These conversations tend to surface a range of challenges beyond a specific MSK

condition which may well be playing a part in exacerbating that condition. With a wide variety of other public services and voluntary and community sector groups in attendance, patients can be immediately introduced to support tailored to their needs. Patients report overwhelmingly positive experiences of the community appointment days while, strikingly, the number of patients waiting more than eighteen weeks for an MSK service has fallen from over 750 to under one-hundred at the same time as numbers have continued to climb across the rest of England.

Detailed case studies of these organisations can be found here:
<https://www.socialenterprise.org.uk/health-and-social-care-case-studies/>

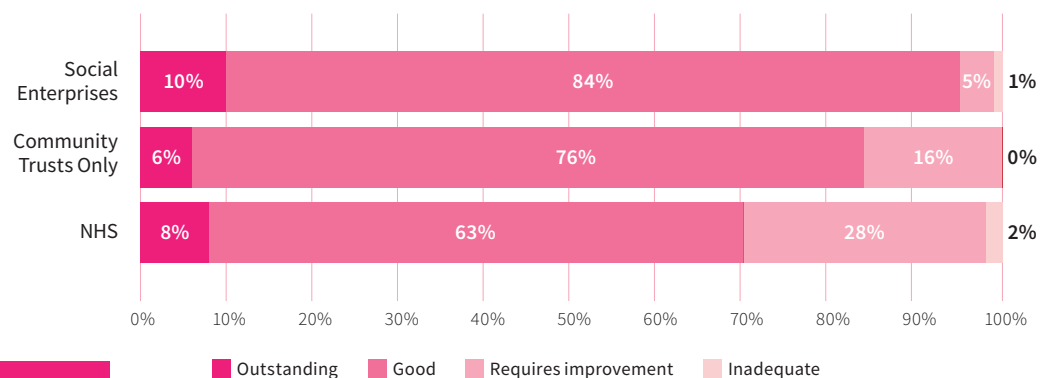
THE BIGGER PICTURE

Data analysis of public realm datasets conducted by the health consultancy Baxendale suggest that across a range of measures, the high performance and impact highlighted by the above case studies is representative of the social enterprise sector as a whole.

Overall Performance

An analysis of the latest Care Quality Commission (CQC) data shows that, on average, social enterprises outperformed community trusts across the board. They also perform significantly better than all NHS organisations, with 23% fewer rated as ‘Requires Improvement’.

Service Overall CQC Rating, by Organisation Type



“OUTSTANDING”

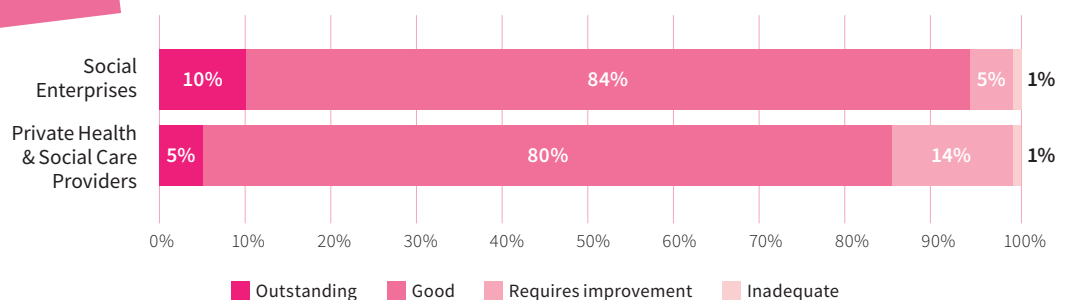
Social enterprises were more likely to receive “Outstanding” and “Good” for their services

THE SOCIAL ENTERPRISE EFFECT #6

Further analysis of CQC data reveals that, when compared to private health and social care organisations, social enterprises were more likely to receive “Outstanding” and “Good” for their services, and less likely to be rated as

‘Requiring Improvement’. (This analysis uses individual services and contains a sample of 117 social enterprise run services, and 33,348 private provider run services.)

Health & Social Care Enterprises vs. Private Organisations



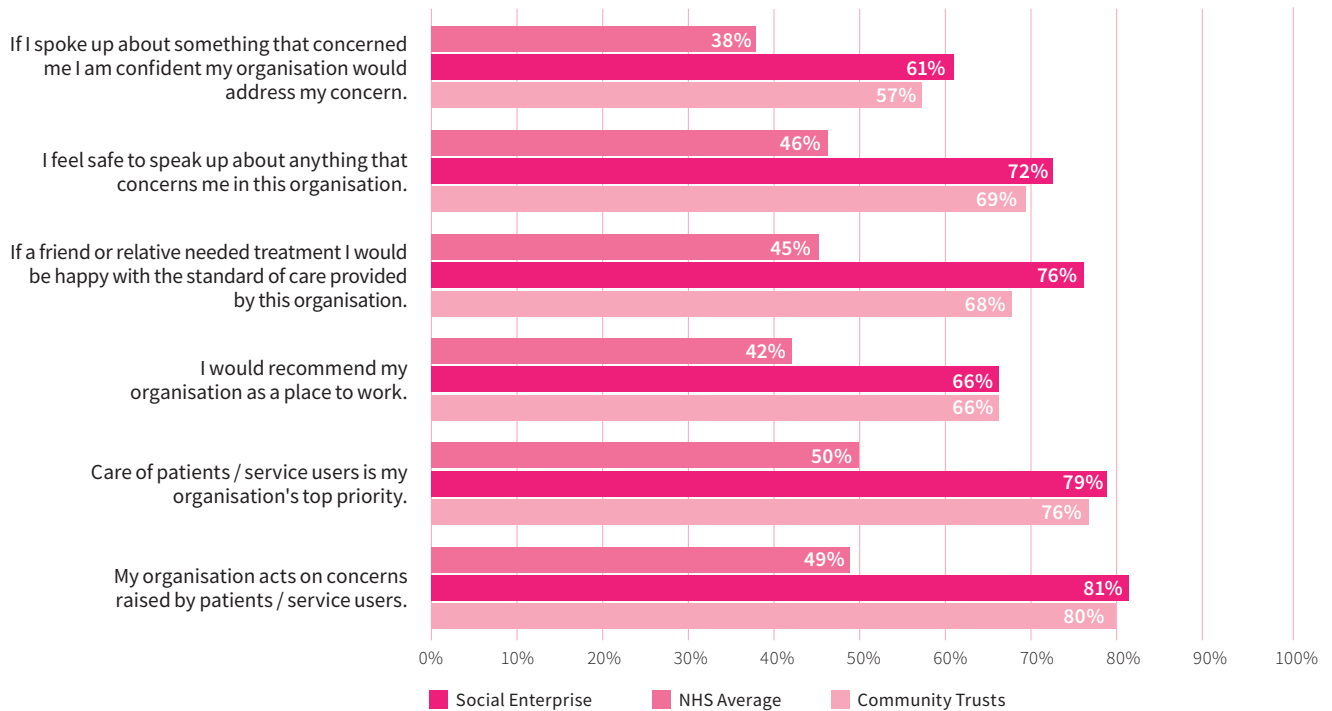
THE BIGGER PICTURE

Organisational Culture

According to analysis of the NHS Staff Survey conducted by Baxendale, social enterprises outperform community trusts on a range of issues

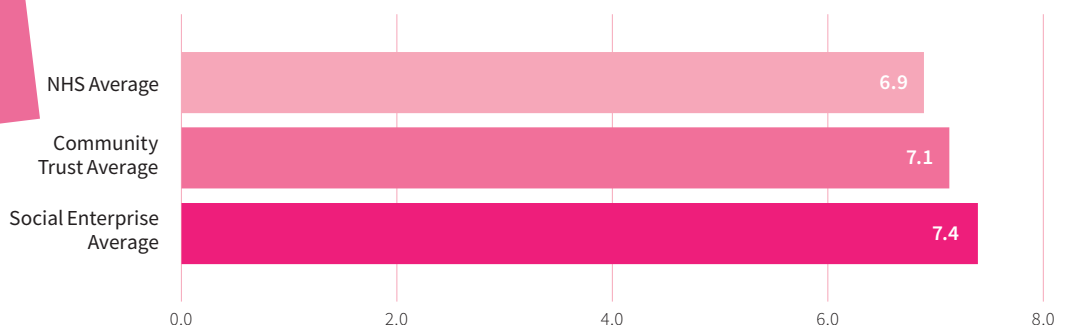
related to organisational culture and very significantly outperform the NHS as a whole.

Community Trusts, Social Enterprise and NHS Average



The NHS staff survey also reveals that staff engagement and morale is equal to or higher than community trusts and the NHS average.

Employee Engagement Score (NHS Staff Survey)



THE SOCIAL
ENTERPRISE
EFFECT #7

THE BIGGER PICTURE

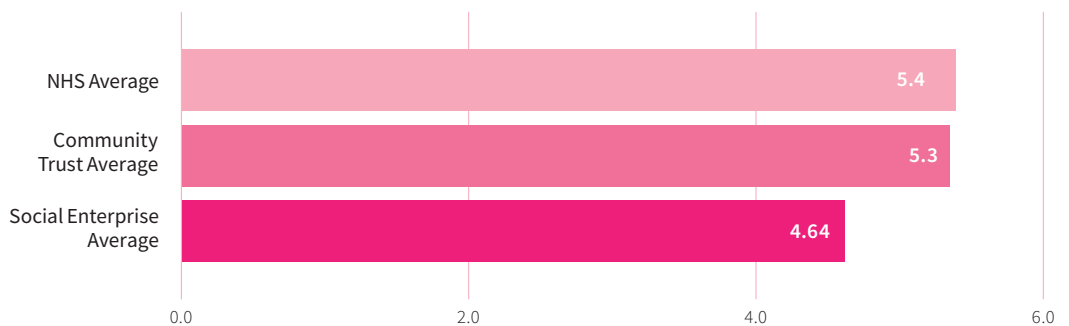
THE SOCIAL ENTERPRISE EFFECT #8

Staff Sickness Absence

Baxendale analysed the average monthly sickness rates between January 2023 and December 2023. The analysis found that the sample

of 12 social enterprise organisations with publicly available data had a lower average staff sickness absence over that period.

NHS Organisations Average Staff Sickness Absence Rate, January 2023–December 2023



The differences indicated by this chart may seem small, but they can have very significant implications for organisations. According to an NHS Report, the average cost of sickness absence is £182.50 per day.

For a 2,000-person organisation, the difference between a 4.6% and 5.4% sickness rate equates to 3,344 fewer sickness days per year, making a total cost saving of c. £600,000 per year.

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THE BIGGER PICTURE

Financial Performance

The table below (based on analysis by Baxendale) shows the comparative financial performance of social enterprises and NHS trusts against

a range of measures, averaged over the two financial years 2022/23 and 2023/24.

Indicator	Definition	Social Enterprises	NHS Community Trusts
Operating Margin	Shows how much profit (or surplus) you make from operations as a percentage of income, after covering operating costs.	-1.5%	-1.1%
Overheads as % of Income	The share of your total income spent on overheads such as admin, management, and non-frontline services.	12%	19%
B&A Spend as a % of Staff Costs	The percentage of total staff costs spent on temporary bank and agency staff, rather than directly employed staff.	11.6%	14.2%
Average Staff Cost	The average annual cost of employing one person, including salary and benefits.	£44,124	£50,826
Capital Investment as % of Revenue	The share of your annual revenue spent on long-term assets like buildings, equipment, or technology.	1%	6%

THE SOCIAL ENTERPRISE EFFECT #9

The average annual cost of employing one person, including salary and benefits.

£44,124

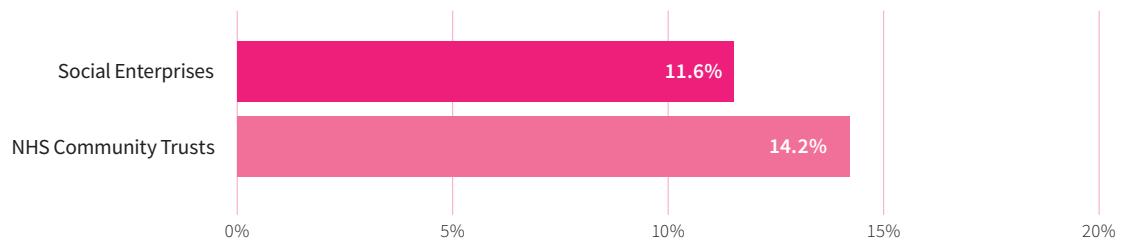
SOCIAL ENTERPRISES

£50,826

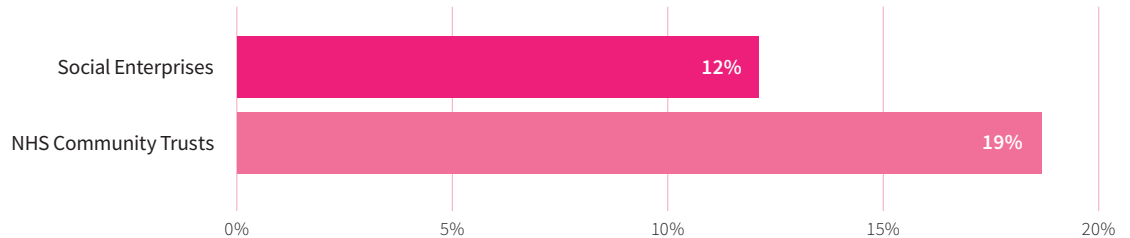
NHS COMMUNITY TRUSTS

THE BIGGER PICTURE

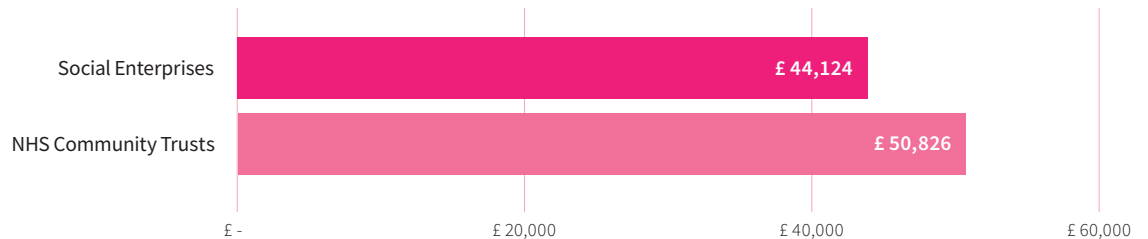
Bank & Agency Spend as a % of Staff Costs



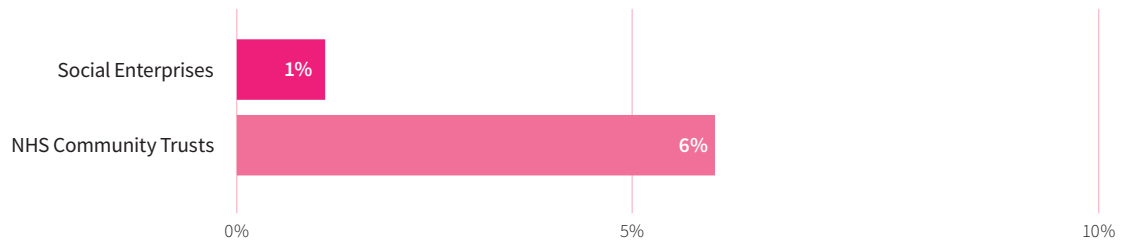
Overheads as % of Income



Average Staff Cost



Capital Investment as % of Revenue



These findings strongly suggest that social enterprises operate leaner and more efficient organisations managing to deliver the better outcomes outlined above with less resource than NHS

community trusts. In addition, this appears to be achieved despite having fewer opportunities for capital investment or reinvestment from operating margins which are lower than trusts.

GIVING SOCIAL ENTERPRISE THE EDGE

The evidence presented above, and the findings of the qualitative research reveal the significant impact of social enterprises in providing better healthcare with happier, healthier workforces delivering more preventative, community-based care that can cut waiting times and improve access. But what is it that gives social enterprises the edge?



Six factors emerged from the qualitative research but ultimately there appears to be one key ingredient above all these that elevates social enterprise: a relentless focus on impact.

Attracting the Right Talent:

Social enterprises are values-driven, often appealing to individuals who are deeply passionate about making a difference. This shared sense of purpose helps attract talent motivated by the organisation's mission, fostering a team culture aligned with patient-centred care.

Retention of Staff:

A strong focus on employee voice, empowerment, well-being, and alignment with social missions, often supported by employee-owned or influenced structures, leads to higher staff satisfaction and loyalty. Social enterprises often provide flexible and supportive work environments, improving retention compared to public-sector organisations.

Focus on Longevity and Social

Mission: Social enterprises prioritise sustainable, long-term improvements in health outcomes. They often measure their social impact beyond their contractual requirements, resulting in decisions being guided and driven by a commitment to delivering meaningful and tangible impact for communities over time. Their social mission and structures mean that they need to balance their commercial performance with meaningful impact – resulting in investment in service improvement and wider impactful services and support

GIVING SOCIAL ENTERPRISE THE EDGE

Agility: The independence of social enterprises allows them to operate with rigorous but more flexible/nimble decision-making, enabling them to respond quickly to emerging health challenges and patient needs. Their flatter structures and devolved decision-making foster innovation and rapid adaptation, which can be a significant advantage in dynamic healthcare environments.

Financial Sustainability: Social enterprises' independence means they must be financially disciplined as they are unable to assume a publicly-funded bailout if they accrue deficits. By carefully managing resources, they are driven to invest in service improvements, innovations and efficiencies that often directly benefit patient care but also prioritise staff retention.

Community Investment: Social enterprises tend to embed themselves deeply within their communities, tailoring services to local needs and fostering trust. Their commitment to reinvesting in community projects enhances preventative care.

These factors are summarised in the table below.

Social enterprises: The outcomes and benefits

Social Enterprises	Phase 1: Case Studies	Phase 2: Quant Data	
	Mechanisms	Outputs and Outcomes	Beneficiary
	<ul style="list-style-type: none"> — Mission-driven culture based on social values — Employee Ownership or participative structures — Flexible and tailored working policies — Investment in staff wellbeing — Democratic/devolved decision making 	GOOD QUALITY WORK AND EMPLOYEE CULTURE <ul style="list-style-type: none"> Engaged and productive staff High staff wellbeing and low absence Employee autonomy and voice shapes services 	Employees
	<ul style="list-style-type: none"> — Freedom to experiment quickly and innovatively with Models of Care, more nimble governance to allow test and implement ideas — Capital and financial autonomy to flexibly invest Surplus profit to flexibly re-invest into service models and wrap around support 	INNOVATIVE & RESPONSIVE CARE MODELS <ul style="list-style-type: none"> Development of highly specialised services Innovation and adaptation Agility and speed to pilot new ideas 	Service Users and System Partners
	<ul style="list-style-type: none"> — Financial discipline to remain sustainable and viable — Innovate and improvement to remain high quality and competitive for contract 	FINANCIAL RESILIENCE AND EFFICIENCY <ul style="list-style-type: none"> Local economic impact Increased efficiency and productivity Investment in improvements to drive quality and outcomes 	ICBs/ NHSE / HMRC

GIVING SOCIAL ENTERPRISE THE EDGE

Underpinning these range of factors is one key overarching element: a relentless focus on impact. Social enterprises are committed to delivering the very best outcomes for the people they support and work with. This may not sound radical nor transformational, but it is of great significance when compared to the wider health system.

There is, of course, a profound desire on the part of hundreds of thousands of health workers to provide the best outcomes for patients but, as the 10 Year Plan acknowledges, there are often many obstacles to achieving that within the NHS. Factors such as excessive hierarchy and bureaucracy, institutional self-interest, intense risk aversion, and a top-down requirement (usually originating in Whitehall and Westminster) to focus on outputs (such as waiting lists and numbers of appointments) means the desire to maximise impact and outcomes is often sidelined. One need only view the agendas and meetings of the NHS England Board to understand that this is an organisation that expends vast amounts of effort on running itself.

It is vital to reassert here that these aspects of the NHS are emphatically not a result of incompetence or ill-intention on the part of those in charge of the health service. It is simply an unavoidable feature of the absolutely vast organisation the NHS in England has become with 1.6 million employees, an annual budget of around £190 billion, assets worth many tens of billions and over 1.5 million patient interactions every day.

As the sociologist Max Weber was the first to recognise, very large bureaucracies not only tend to lose sight of their overarching purpose but also end up valuing process, regulation and hierarchy above all else. This inevitably leads to organisational inertia, which in the case of the NHS, means prioritising acute treatment and highly medicalised approaches sidelining innovative, preventative approaches however limited in impact the status quo proves to be.

Social enterprises, of course, face these challenges as well (particularly larger ones) but by keeping impact front and centre of their deliberations, decisions and service design, can cut through the distractions and blockages, freeing them up to do things differently and better. To use a phrase coined by Weber, social enterprises can escape the “iron cage” of bureaucratic rationalism that is so characteristic of the NHS and other very large bureaucracies.



GIVING SOCIAL ENTERPRISE THE EDGE



This helps explain why social enterprises are proving so effective at making the shift into community and prevention that the Government is keen to encourage across the whole of the health system. It is not necessarily because these are shifts that social enterprise value in themselves but rather because a relentless focus on impact and outcomes naturally pushes a healthcare organisation in that direction. As extensive research over many years has shown, holistic healthcare that draws on the strengths of patients and their communities and which aims to keep people well rather than treat them when ill makes a huge contribution to overall health, happiness and well-being.

Thus, it is unsurprising that organisations that value impact above all else will work in a much more patient and community-centred way with the aim of maintaining good health rather than simply treating illness.

What then emerges in social enterprises is a positive feedback loop. An underpinning focus on impact generates better outcomes for patients which creates a more positive organisational culture and a happier workforce more open to change and innovation which then reinforces the focus on impact and so on. As the case studies demonstrate, this proves to be a highly effective approach.

Focus on impact generates better outcomes for patients, which creates a more positive organisational culture and a happier workforce more open to change and innovation.

MAKING THE MOST OF SOCIAL ENTERPRISE

Given the above, it was positive to see the Government's 10 Year Plan commit to increasing the plurality of providers in the healthcare system - including social enterprises - as well as acknowledging the blockages to that aspiration.

The Plan stated:

"No one part of the NHS has a monopoly on good ideas. GPs, NHS Trusts and NHS Foundation Trusts, community services, independent sector providers, voluntary organisations and social enterprises all have the ideas, networks and drive to transform outcomes for patients. They are held back by a bureaucratic system focused on controls and process, rather than incentives and outcomes. Our ambition is to create more diversity in the provision of NHS services...

We will support Integrated Care Boards (ICBs) to develop a provider landscape that actively encourages innovation and is not bound to traditional expectations of how services should be arranged...

Our use of a plurality of providers - from within the NHS, the voluntary sector, the independent sector or social enterprise - will not be limited to elective care. Where there is such rapid innovation taking place today in how services can be transformed through advances in science and technology we want to broaden the eco-system of providers.

MAKING THE MOST OF SOCIAL ENTERPRISE

The broader ecosystem of providers will require a fundamental change in how social enterprises are regarded and treated by commissioners and Government. Rather than being seen as organisations separate from the NHS and of limited significance, they should be proactively brought into the mainstream of provision thus incorporating social enterprise's unique capacity to deliver the very transformational shifts towards prevention and community for which the Plan aims.

In part, this means the Government proactively challenging and educating ICBs about their commissioning mindset and practices which tend to marginalise or exclude social enterprises regarding them of only limited significance. And which, when commissioned, employ contractual terms and contract management practices that suppress the very innovation at which social enterprises can excel. Practices such as commissioned social enterprises being barred from sitting on ICBs and related structures, not being allowed to refer patients to medicines services, or even make use of the NHS email or the NHS logo need to be ended.

But it will also require Government to reflect upon and change its own practices which have a tendency to create a less supportive context for social enterprises. Decisions such as protecting the public sector from the rise in employers' National Insurance contributions but not social enterprises and charities discriminate against the very organisations which the 10 Year Plan now says it wants to play a bigger role in health provision. Equally, excluding social enterprises from central funding, such as that provided for digital transformation, capital investment, and professional development, is clearly counter-productive given the Plan's aspirations.

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MAKING THE MOST OF SOCIAL ENTERPRISE

Overcoming these barriers and creating the diversity of provision the Government now hopes for will be helped enormously by three measures:

- placing a statutory duty on all NHS bodies to consider the impact of policy, funding, commissioning and other initiatives on diversity of provision
- a new Fair Playing Field Review to address the very limited progress since the last Review twelve years ago
- re-establishing the Social Enterprise Unit in the Department of Health and Social Care as existed under the previous Labour Government and with ministerial leadership.

Social enterprises are already proving their worth as delivery agents for core NHS services. The evidence presented above shows that they can operate at the cutting edge of innovation shifting healthcare practice towards more holistic, preventative and community-based approaches while simultaneously radically reducing waiting times and improving access. On a wide range of more general measures, they also outperform community trusts and the NHS as a whole.

In short, social enterprise is already delivering the very type of healthcare which the Government's 10 Year Plan envisions for the whole of the NHS. Making these organisations a far more core part of healthcare in England, is thus clearly an effective way to make that vision a reality.

THE SOCIAL ENTERPRISE EFFECT #10

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**SOCIAL ENTERPRISE:
TAKING CARE OF
THINGS ALREADY**