

# CSR and the NHS

Julie Taylormills asks whether corporate social responsibility is really relevant to the NHS.

■ In recent years sustainability has become an everyday term used widely across society. In business, good corporate citizenship is an objective now not just for the 'for profit' sector but for organisations throughout society.

But what does this mean for the healthcare sector? What does a hospital have to do to be more sustainable? And how does this impact on ACCA members like yourself who are tasked with managing its finances?

In terms of definition, a good corporate citizen considers the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. Sustainable development is a framework to enable people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations.

In 2006 The Sustainable Development Commission commenced partnership work with the Department of Health and the NHS Confederation towards implementing sustainability in the NHS. They have developed a self-assessment model to help NHS organisations assess progress towards good corporate citizenship and sustainable development.

Many trusts have adopted the model, and over 300 health sector bodies are registered with the programme. The model considers procurement, facilities management (including energy and resource consumption), transport, employment and skills. More details can be found at [www.corporatecitizen.nhs.uk](http://www.corporatecitizen.nhs.uk)

A well-functioning health system is a

strong indicator of economic and social progress in a community, and adequate health care infrastructure is one of the key features of sustainable development. Hospitals are major employers and their procurement activities impact strongly on economic activity in a region.

This places an obligation on the trust to be a good 'corporate citizen'. The community expects strong service provision. Ensuring staff remain highly motivated is crucial to the sector, and governance and good financial management have become a recurring theme for the healthcare system. These are widely used indicators of corporate responsibility.

#### the wider public sector

More widely, the public sector – local authorities, schools and other such services – has the collective ability to make a significant contribution to sustainability in the community. In terms of climate change, it is estimated that the public sector generates 5.7 mega tonnes of carbon dioxide emissions.

#### other stakeholders

Many of the key stakeholders in the hospital system in the UK (beyond the NHS) are actively engaged in assessing, reporting and improving against their corporate responsibility strategies. These private sector organisations would argue strongly for adoption of the same systems it uses, by large organisations across the wider society with whom it engages.

The pharmaceutical industry has recognised the importance of developing corporate responsibility strategies and considering the views of its community stakeholders in framing and developing its own operations.

This industry has been forced to focus on the way it does business and the way it is perceived in the wider society. This is on the back of sustained campaigns by activists in the developing world, and by communities in the west concerned about drug trials, transparency in government lobbying and drug pricing.

Health insurance funds have also recognised that their sector needs to address the issues stakeholders are concerned about. Thus you see a company like AXA developing



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a strategy of support for the Government's proposed Climate Change Bill, a detailed explanation of its principles of doing business responsibly, and making public comment on the results of customer impact surveying.

In the current climate, NHS trusts are unarguably organisations under community scrutiny. There are calls to action on timeliness, service, cleanliness and budget. NHS staffing is an ongoing issue to the wider community, and NHS governance structures are a regular topic of media comment.

Risk management, confidentiality of information, patient satisfaction and quality of care are the language of both the health sector and of corporate responsibility. There is a strong case to be made that the healthcare system should address its challenges by developing and implementing strategy based on the principles of corporate responsibility.

#### issues for the NHS focus on

So which issues should a health trust focus on? A good place to start is with the Sustainable Development Commission's Good Corporate Citizenship Test (see [www.corporatecitizen.nhs.uk](http://www.corporatecitizen.nhs.uk)). Then start small and develop strategies over time. Areas to consider include:

- **choose the key issues** – identify a few key issues for the organisation and establish a strategy and targets to address the issue
- **monitor impacts** – energy consumption, water consumption, waste, customer complaints, staff retention, infection rates, waiting time. The motto 'what you

don't measure you cannot monitor' applies to corporate responsibility

- **involve the accountants** – this is where you become involved. Accountants develop the frameworks and tools for measuring progress; they need to be involved at the outset to assist in monitoring an organisation's change process
- **executive 'buy in'** – ensure the programme is 'fronted' by the CEO and that all strategy has executive buy in
- **follow the lead of others** – look at the best practice examples from the Sustainable Development Commission's report for guidance on how others in the health sector are tackling sustainability [www.sd-commission.org.uk/publications.php?id=575](http://www.sd-commission.org.uk/publications.php?id=575).

#### benefits to the organisation

What are the benefits of tackling corporate responsibility to the organisation? Ten to 15 years of reporting by the business community has shown that the three principal benefits are brand enhancement, improving morale with employees, and access to quality partnerships. No one would argue that these outcomes would not be highly beneficial to the NHS.

Finally, if you have recently embarked on this journey, why not consider entering HFMA's Corporate and Social Responsibility Award 2008? ■

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## HFMA Corporate and Social Responsibility Award 2008

ACCA has partnered with and is sponsoring HFMA's Corporate and Social Responsibility Award 2008. The award seeks to recognise work within UK healthcare organisations to develop corporate and social responsibility programmes and recognise the important role of the finance function in making CSR a reality. It is intended to highlight good practice in healthcare organisations in considering the social and environmental impacts of their activities.

Organisations entering this award may have implemented a plan to reduce their carbon footprint, worked with the supply chain to encourage sustainable procurement or improved accessibility and therefore reduced health inequalities. The award will examine success in a number of areas including reporting of CSR activities and implementation of innovative CSR policy initiatives

The award will be made to the organisation that, in the opinion of the judges (featuring representatives of ACCA, HMFA and the NHS Confederation), is able to demonstrate the strongest organisational commitment to social and environmental issues.

For further information, or to download a nomination form, visit <http://tinyurl.com/6yodwq>.

Please note, the closing date for nominations is Friday 26 September