



Driving environmental sustainability: ten top tips for finance teams



Introduction

The NHS has committed to become 'net zero' by 2040¹, to play its part in tackling the urgent climate crisis. Delivering on this ambition will be a significant challenge, particularly as the NHS deals with the current level of unprecedented pressure on services.

Finance professionals have a key role in driving and supporting action to reduce carbon levels across the NHS, and its supply chain. However, it can be difficult to know where to start with such a vital and all-encompassing task.

Developed by HFMA's Environmental Sustainability Special Interest Group, this short paper shares some key areas that finance teams can focus on to practically drive environmental sustainability in the NHS.

¹ NHS England and NHS Improvement, *Delivering a 'net zero' National Health Service*, October 2020



Top ten tips for finance teams

1. Have a clear plan

Each trust and integrated care system (ICS) should have a green plan, setting out their three-year strategy towards net zero, in place by January 2022 and March 2022 respectively. These should be developed collaboratively across organisations, and with wider partners, to provide an agreed vision and action plan for all to coalesce around. Green plans will evolve as research and innovation lead to more opportunities being identified. Further detail is provided in *How to produce a green plan*.²

2. Increase awareness

Improving carbon literacy and supporting training opportunities for staff is integral to ensuring all NHS staff understand what is meant by achieving net zero and what actions they can take. Training should form part of induction programmes and also be included in annual training programmes.

Environmental sustainability can also be discussed as part of performance discussions. Some NHS organisations have started to use the healthcare specific toolkit developed by the Carbon Literacy Project³ which can be delivered in a modular way and tailored to specific departments. Others have developed their own e-learning modules, videos for staff, newsletters and posters. Nationally, the aim is to start by rolling out a high level, short video outlining the basics about climate change and health.

To help access the wealth of material available, the HFMA has produced an *NHS environmental sustainability map*⁴ with links to key documents and provides a regular *environmental sustainability round-up*⁵ that can be shared with colleagues.

3. Make sure it is on the agenda at Board level

To ensure environmental sustainability is a core element of the decision-making process it needs to be on the agenda at Board level. The impact of climate change is usually found on board assurance frameworks (BAFs), providing organisational focus on the risks. Boards are increasingly considering the social and environmental aspects of a decision, alongside productivity and finance, to assess the overall impact. To ensure climate change risks are considered in decision-making, organisations might include environmental sustainability metrics alongside finance, quality and activity in dashboards; appoint a non-executive director with a sustainability portfolio; and use integrated reporting (based on the six capitals - financial, manufactured, intellectual, human, social and relationship, and natural)⁶ to report a fuller picture of an organisation's performance and the ways in which it creates value through its business activities.

4. Measure your impact

Being able to track and report on progress against agreed actions to tackle climate change is essential. Finance professionals are able to provide invaluable support in developing, monitoring and reporting meaningful metrics. These will form a key element of the green plans. Annex 2 of *Delivering a net zero National Health Service*¹ describes the analytical approach to this. To support the NHS's net zero ambition, the Greener NHS team have developed the Greener NHS Dashboard to support monitoring, assurance, and delivery of net zero and Greener NHS team priorities at region, ICS, and provider level. NHS organisations are also increasingly partnering with local universities to develop sustainability analyses. Metrics to monitor the impact of suppliers is also important. A supplier framework for benchmarking and reporting against supplier targets is due to be available in 2022⁷.

² NHS England and NHS Improvement, *How to produce a green plan: a three-year strategy towards net zero*, June 2021

³ Carbon Literacy Project website

⁴ HFMA, *NHS environmental sustainability guidance map*, August 2021 (next update due November 2021)

⁵ HFMA, *environmental sustainability round-up*, October 2021

⁶ Value reporting foundation, *Integrated reporting framework*, website

⁷ NHS England and NHS Improvement, *Greener NHS – suppliers*, website

5. Embed environmental sustainability in business cases

Business cases should clearly articulate all the benefits expected (financial and non-financial) and how they will be measured. Finance teams have the skills to support and challenge business cases to inform decision-making. In many cases saving energy will save money too, although often over the longer-term. HM Treasury's *The green book*⁸ provides guidance on how to appraise policies, programmes and projects and includes supplementary guidance covering the consideration of natural capital and environmental impact in policy appraisal⁹.

6. Review existing arrangements for opportunities

Reviewing existing arrangements will help identify what is already being done and where further opportunities may arise. It is helpful to break this down into manageable groupings, allocating out or phasing the review if necessary. For example, each department or team could use the core chapters set out in the green plan guidance to consider arrangements. These are:

- Workforce and system leadership
- Sustainable models of care
- Digital transformation
- Travel and transport
- Estates and Facilities
- Medicines
- Supply chain and procurement
- Food and nutrition
- Adaption.

In some cases, organisations have developed crib sheets for use across the organisation which break down each area into key considerations and potential actions. It can help by starting with small actions and then build on then build on them.

7. Work collaboratively

Collaborative working and analysis is key to driving environmental sustainability. Finance professionals are well placed to bring people together within organisations (such as sustainability leads, procurement, finance, human resources, estates and clinicians), as well as those from across the wider system. In some cases, sustainability groups or sustainability champions have been set up to guide and influence change. This can facilitate discussion and provide information for decision-making that provides details of the full impact of any decision – financial, social and environmental. As we move to statutory ICSs, there are even greater opportunities to work collaboratively on plans.

8. Share stories

There are some exciting and innovative ideas already being put into practice across the United Kingdom and sharing experiences and examples provides inspiration, as well as avoiding duplication of effort. Examples can be found in a number of places such as the Greener NHS website¹⁰; the Greener NHS Knowledge Hub¹¹; in NHS green plans; and across social media. Watch out for HFMA webinars too,¹² such as *Sustainability and savings through the green plan: lessons from Cornwall*.¹³ Engaging with others outside of your organisation and system can also provide an invaluable support network.

⁸ HM Treasury, *The green book*, December 2020

⁹ HM Treasury, *Green book supplementary guidance: climate change and environmental valuation*, December 2020

¹⁰ NHS England and NHS Improvement, *Greener NHS case studies*, website

¹¹ FutureNHS Collaboration platform. *Greener NHS Knowledge Hub workspace*, available using @nhs.net e-mail address or via registration

¹² HFMA, *Events and webinars*, website

¹³ HFMA, *Sustainability and savings through the green plan: lessons from Cornwall*, October 2021

9. Consider incentives

As well as looking at what can be done within NHS organisations and their supply chains, individual staff can be supported and incentivised to make small changes in their daily lives. Examples include: flexible working arrangements; access to discounts to support local business; onsite cycle support facilities; access to cycle schemes; local sustainability awards and competitions.

10. Make it easy

There is no doubt that addressing climate change leads to difficult conversations and challenges. However, finance staff have a key role in trying to make this as easy as possible for everyone working in the organisation. This applies to many of the example above and might be in terms of supporting business case development; creating crib sheets¹⁴; being clear on access to training; or highlighting local schemes.

Conclusion

'Implementing a net carbon zero NHS by 2040 will take a huge leadership commitment and will not be achieved using historical approaches; managing it as a cost budget, service line or programme. It needs to become part of our conscience, our decision making, our clinical strategies and our cultures. This is as much a social challenge, as it is technical.'¹⁵

NHS finance professionals are well placed to support this cultural shift: leading by example; providing analysis and information for decision-making; and facilitating collaboration. By sharing some key areas of focus, this short paper aims to support finance teams to have conversations across organisations, and health and care systems, on what actions they can take.

If you would like to add to the top tips or share your own experiences, please do get in touch by e-mailing policy@hfma.org.uk.

¹⁴ An example crib sheet can be found on the FutureNHS Collaboration platform, *Royal Wolverhampton NHS Trust Carbon Reduction Crib Sheet*, September 2021 available using @nhs.net e-mail address or via registration

¹⁵ HFMA, *Financial green light* by John Williams, April 2021

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For over 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

The HFMA offers a range of qualifications in healthcare business and finance at undergraduate and postgraduate level and can provide a route to an MBA in healthcare finance. The qualifications are delivered through HFMA's Academy which was launched in 2017 and has already established strong learner and alumni networks.

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