



Consultation on *Developing the annual health check in 2006/2007* Response from the Sustainable Development Commission

1 Introduction

The Sustainable Development Commission (SDC) is the Government's independent watchdog on sustainable development, reporting to the Prime Minister and the First Ministers of Scotland and Wales. Through advocacy, advice and appraisal, we help to put sustainable development at the core of Government policy.

As part of its enhanced watchdog role (See Annex 1: The Sustainable Development Commission's watchdog role), the SDC is undertaking a series of specific appraisals on a thematic basis covering an appropriate range of UK Government functions and policies. This will include looking at regulatory performance, and at present the SDC are reviewing the role of Ofgem in delivering sustainable development.

We therefore welcome this timely opportunity to respond to the Healthcare Commission's proposals for assessing the performance of healthcare organisations in England as set out in *Developing the annual health check in 2006/2007*, and hope that following this consultation the Healthcare Commission's contribution to sustainable development will be enhanced.

This response is structured to provide an overview statement followed by our recommendations. It then responds in detail to a selection of the consultation questions, looking at the Healthcare Commission's proposed approach and priorities and the way forward.

2 Executive Summary

2.1 Sustainable development and health

Developing the annual health check in 2006/2007 is a serious opportunity to promote improvements in the quality of healthcare and public health through the principles of sustainable development. As stated in the UK Sustainable Development Strategy, *Securing the Future*¹, the principles of sustainable development (Figure 1) should form the basis for all policy in the UK.

¹ HM Government. *Securing the Future: delivering the UK sustainable development strategy*. London: The Stationary Office, 2005

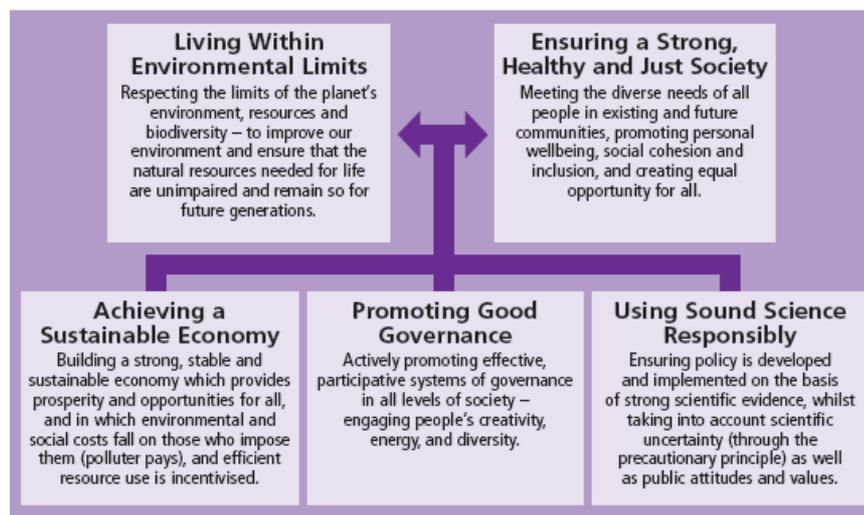


Figure 1: Guiding principles

Sustainable development provides a framework to achieve and maintain a strong, healthy and just society, whilst respecting environmental limits, through using sound science responsibly, promoting good governance and achieving a sustainable economy. The UK Sustainable Development Strategy, sets out the following priority areas for immediate action:

- Sustainable consumption and production
- Climate change and energy
- Natural resource protection and environmental enhancement
- Sustainable communities

The Strategy also calls on the public sector 'to be a leading exponent of sustainable development' and the Sustainable Development Commission believes that the NHS needs to be at the forefront of this commitment.

We would therefore like to see the links between sustainable development and health acknowledged in the Healthcare Commission's approach to assessment and to see evidence of how the Healthcare Commission can help to ensure that NHS organisations are delivering against these four priority areas.

Climate change and energy is a crucial priority and one that the NHS is already committed to through its energy reduction targets. As NHS organisations enter the EU Emissions Trading Scheme (EUETS), carbon emissions are a measure that *Developing the annual health check in 2006/2007* urgently needs to address.

There are clear synergies between sustainable development, public health and tackling health inequalities. Stronger economies, social cohesion and a healthy

environment (the key components of sustainable development) will in turn safeguard and improve population health. This relationship was explored in *Claiming the Health Dividend*² where some of the evidence about how the NHS can contribute to health improvement and sustainable development through its day-to-day activities was presented. This theme has been further strengthened by commitments in the *Choosing Health* white paper³ which states, 'Just as we [the Government] are seeking leadership in corporate social responsibility from the private sector, the NHS must play a similar role for the public sector.' Good corporate citizenship is how healthcare organisations can integrate sustainable development into their corporate activities – in terms of:

- procurement,
- employment,
- community engagement,
- new buildings,
- transport, and
- facilities management

- to the benefit of local communities, economies and the environment. [See Annex 2 for a summary of the main evidence base for sustainable development in the NHS.]

As sustainable development, including issues such as climate change and inequalities, gains political momentum and is required as a framework to underpin all policy, we would like to see sustainable development forming a core part of healthcare organisations' performance assessment to help ensure a healthier population and a viable future for the NHS.

2.2 Role of the regulator

The role of a regulator, such as the Healthcare Commission, is essential to the delivery and performance management of sustainable development with resultant public health, governance and efficiency gains. As other regulators respond to their duty to promote sustainable development, and as the Sustainable Development Commission continues to examine regulatory performance, we look forward to seeing how *Developing the annual health check in 2006/2007* can contribute to delivering sustainable development and tackling health inequalities.

2.3 Assessment for sustainable development

It is encouraging to see that some elements of the link between sustainable development and health are being made in the assessment criteria for developmental standard D13. We welcome the public health themes for declaration 3.a., b. and c. and corresponding developmental ladders. However, it is disappointing to see that the excellent good corporate citizenship elements

² Coote, Anna, 2002, *Claiming the Health Dividend: Towards a Healthy-Sustainable NHS*, King's Fund, London.

³ Department of Health. *Delivering Choosing Health: making healthier choices easier*. London: DH, 2005

of the public health developmental standards as set out in *Assessment for improvement: Understanding the standards*⁴ are no longer included in *Developing the annual health check in 2006/2007*.

We welcome the inclusion of some areas of good corporate citizenship (employment and procurement) in the current public health themes for declaration (and corresponding developmental ladders), but recommend strengthening the assessment to include all elements of corporate activity that can contribute to improved population health. These are:

- transport,
- community engagement,
- facilities management, and
- buildings.

National Institute for Health and Clinical Excellence guidance covers sustainable procurement, transport and employment, with guidance on community engagement being developed. The NHS contribution to international and national climate change agreements and priorities (e.g. Kyoto Protocol, Greenhouse Gas Emissions Trading Scheme Regulations) can be met through how buildings are built and managed, such that all these elements form a vital part of health improvement through good corporate citizenship. These elements of good corporate citizenship need to be included in the themes for declaration for 2006/2007. More detail and strengthened wording for public health theme for declaration 3 is detailed in response to consultation question 5 in section 4.1 below.

As good corporate citizenship involves using corporate resources to benefit public health and efficiency, we recommend its inclusion as part of the assessment of both the public health and governance standards.

The NHS Good Corporate Citizenship Assessment Model (www.corporatecitizen.nhs.uk) provides a robust assessment framework for these elements and we would be pleased for the Healthcare Commission to use its assessment criteria in the developmental ladders. In itself, the Assessment Model would also provide a valuable source of supporting data for performance assessment of good corporate citizenship.

Developing the annual health check in 2006/2007 acknowledges that there will be no significant changes to the assessment of compliance with core standards in 2006/2007. However, for the Healthcare Commission to make sustainable development an integral part of its assessment of healthcare organisations' contribution to improvements in the quality of healthcare and public health, it is essential for sustainable development to be included in the assessment of compliance with core standards. We therefore urge the Healthcare Commission to include sustainable development principles in the assessment criteria in both the

⁴ Healthcare Commission. *Assessment for improvement: understanding the standards – have your say*. London: Healthcare Commission, 2004

core and developmental standards, with specific reference to good corporate citizenship in the public health and governance domains.

2.4 Commissioning

This period of change for the NHS is an excellent opportunity to reflect and to take a well-rounded approach to reducing pressure on healthcare services and resources through the consideration of sustainable development. Within this, the role of commissioning and commissioners will become increasingly important in the delivery of sustainable development, such that we urge the Healthcare Commission to ensure that sustainable development is a core component of their assessment.

Furthermore, we encourage the Healthcare Commission to consider sustainable development in the 'fitness for purpose' toolkit for primary care trusts (PCTs) (as detailed on page 13 of *Developing the annual health check in 2006/2007*). Joint commissioning by PCTs and local authorities offers a great opportunity to deliver services that provide maximum benefit to the local community, economy and environment. Local authorities should already be familiar with and work towards sustainable development through shared priorities in their Local Strategic Partnership's Sustainable Community Strategy and because the Audit Commission's Comprehensive Performance Assessment (CPA) framework's corporate assessment has sustainable development as an underlying theme. It would therefore be a natural progression for PCTs and other commissioners to also have priorities for, and be assessed on, sustainable development.

3 Recommendations

The following recommendations are made in more detail in response to specific consultation questions as outlined below. All are considered important to the Healthcare Commission's contribution to sustainable development, but are presented in order of priority. In summary, the Sustainable Development Commission recommends:

- making sustainable development a central component of assessment, in particular by including good corporate citizenship in the assessment criteria of the core and developmental standards of the governance and public health domains
- the inclusion of wider good corporate citizenship elements - procurement, employment, community engagement, transport, facilities management and buildings - in the public health themes for declaration (3.a, b. and c.)
- using criteria and performance levels based on the NHS Good Corporate Citizenship Self-Assessment Model assessment criteria in the developmental ladders of the public health domain
- requesting the use of the NHS Good Corporate Citizenship Self-Assessment Model to provide supporting data for the public health themes for declaration

- the recognition of environmental factors, especially climate change, as a cross cutting theme for assessment
- widening the focus on inequalities, diversity and human rights in each domain to fully capture the principles of sustainable development, including the recognition of environmental factors such as climate change
- assessing value for money in terms of sustainable development and whole-life costing
- strengthening the third high-level question to include not only efficient and effective use of public money, but also *responsible* use of public money
- including sustainable development in its definition and assessment of how 'well' organisations are commissioning services
- when assessing developmental standard domains, to look at the linkages between the domains rather than assessing each in isolation
- the inclusion of sustainable development in assessment measures for commissioning and in the 'fitness for purpose' toolkit for Primary Care Trusts.

4 Developing the annual health check in 2006/2007

This section provides a detailed response to the *Developing the annual health check in 2006/2007* consultation questions. The SDC has only responded to questions of relevance, and has no comment on those not mentioned below.

4.1 Priorities and approach

1) Do you agree that the further priorities are the right ones for 2006/2007

The further priorities for 2006/2007 are in line with the Government's priorities for healthcare and improvement, but fail to mention Government sustainable development priorities. As stated in *Securing the Future*, the principles of sustainable development should form the basis for policy in the UK and to this effect should be included in *Developing the annual health check in 2006/2007*.

As the Healthcare Commission strengthens its emphasis on how well organisations are commissioning services, we urge the Healthcare Commission to include sustainable development in its definition and assessment of 'well'. Similarly, in terms of assessing value for money, the SDC urges the Healthcare Commission to define and assess value for money in terms of sustainable development as defined by the Office of Government Commerce as 'the optimum

combination of whole-life cost and quality (or fitness for purpose) to meet the user's requirement. This is rarely synonymous with lowest price.⁵⁷

2) In the context of the proposal to publish ratings across different elements, have we identified the right questions for the annual health check to answer in 2006/2007?

We support the annual health check's four high level questions against which to publish ratings, in particular the inclusion of tackling inequalities, a central aim of sustainable development. To integrate sustainable development more successfully, we recommend strengthening the third question to include not only efficient and effective use of public money, but also *responsible* use of public money. Good corporate citizenship describes how healthcare organisations can use their corporate resources, including the use of public money, to contribute to strong local economies, community cohesion and a healthy environment. Investing and using public money responsibly, as a good corporate citizen in line with the principles of sustainable development, will maximise health, social, economic and environmental benefits over the long-term, and will reduce risks of environmental and social harm. In so doing, public money will be used efficiently, effectively and responsibly, ensuring the long-term viability of the NHS.

In assessing progress against this question, we recommend the inclusion of good corporate citizenship in the core and developmental standards of the governance and public health domains. Specifically, we recommend the use of the NHS Good Corporate Citizenship Assessment Model to provide useful information on progress against the efficient, effective and responsible use of public money.

The strengthening of sustainable development and good corporate citizenship elements in the core and developmental governance and public health domains will also help to provide useful information to assess progress against the fourth question, 'is action being taken to improve and protect the health of local people and tackle health inequalities?'

3) Have we got the right approach for assessing progress in relation to developmental standards?

In focussing on only four out of the seven domains in relation to assessment of the developmental standards, we encourage the Healthcare Commission not to look at the domains in isolation, but to look at the linkages between them. For example, good governance (in terms of good corporate citizenship) will benefit public health.

We support the focus on inequalities, diversity and human rights in each domain and recommend that this is widened to capture fully the principles of sustainable development. Inequalities, diversity and human rights are strong components of the 'ensuring a strong, healthy and just society', 'achieving a sustainable economy' and 'promoting good governance' principles of sustainable

⁵⁷ Office of Government Commerce. *Best practice: value for money evaluation in complex procurements*. London: Office of Government Commerce, 2002

development. However, at present the *Developing the annual health check in 2006/2007* foci do not make any reference to the link between environment and health, environmental justice or future generations as laid out in the 'living within environmental limits' principle – a strong contributor to inequalities. We therefore recommend including a wider definition of sustainable development in the cross cutting foci, in particular the recognition of environmental factors such as climate change as a cross cutting theme.

5) Are we measuring the right things through our themes for declaration and supporting data, and are there any areas of priority within these themes that we should focus on?

In developing the themes for declaration (Appendix E), supporting data and criteria for the developmental ladders (Appendix F) we recommend strengthening the links to sustainable development. The third theme for declaration in the public health domain would be the most appropriate theme in which to include sustainable development. It already goes part way by including two themes of good corporate citizenship – procurement and employment – which we welcome. However, it needs to be broadened to consider the spectrum of corporate activities that impact on the local community, economy, environment and population health. We recommend the inclusion of: procurement, employment, community engagement, transport, facilities management and buildings, in keeping with the themes in the NHS Good Corporate Citizenship Assessment Model.

Specifically, public health theme for declaration 3 (page 35) could be strengthened to assess a healthcare organisation's overall progress in relation to how,

'The healthcare organisation works to improve the health of its patients, workforce and local people through its approach to good corporate citizenship, including the procurement of goods and services, its role as an employer, the building and management of buildings and land, how it manages waste, energy, water and transport and how it works in partnership with others to contribute to healthy local populations.'

National Institute for Health and Clinical Excellence (NICE) guidance supports sustainable procurement⁶, transport⁷ and employment⁸ in terms of health improvement and their public health programme is currently developing guidance on community engagement and physical activity and environment.

Climate change and energy is an international priority that the NHS is already committed to through its energy reduction target - to reduce primary energy consumption by 15% from 2000 to 2010. As NHS organisations enter the EU

⁶ National Institute for Health and Clinical Excellence. Making the case for sustainable procurement: the NHS as a good corporate citizen. London: National Institute for Health and Clinical Excellence, 2005

⁷ Health Development Agency. Making the case: improving health through transport. London: Health Development Agency, 2005

⁸ Health Development Agency. NHS as a corporate citizen – employment. London: Health Development Agency, 2004

Emissions Trading Scheme (EUETS), carbon emissions are a measure that *Developing the annual health check in 2006/2007* needs to address. Over seventy NHS organisations are already covered by the Greenhouse Gas Emissions Trading Scheme Regulations 2005 (and this number is anticipated to grow), granting a tradable carbon allowance and a target to reduce carbon dioxide emissions by 8% below projected emissions over the next three years. How NHS buildings are built and run will affect the NHS's carbon emissions, such that climate change and energy needs to be an area of focus within these themes.

As shown, there is national guidance on sustainable procurement, transport, employment, new buildings and facilities management with guidance on community engagement in the pipeline. It is therefore vital that all these elements of good corporate citizenship are included in the themes for declaration for 2006/2007.

Measurement of good corporate citizenship can be assisted by the NHS Good Corporate Citizenship Assessment Model⁹. In providing supporting data for a theme for declaration on good corporate citizenship, use of the NHS Good Corporate Citizenship Assessment Model could be required. The accompanying developmental ladders for public health key area 3 'investment in health in the local community' could then contain complementary criteria based on those set out in the Assessment Model.

4) Have we got the balance right between quantitative and qualitative measures of progress in relation to developmental standards and, in particular, are there any outcome measures or quantitative indicators that we could use to inform the rating directly?

The web-based NHS Good Corporate Citizenship Assessment Model provides a qualitative and quantitative framework for measuring progress towards sustainable development and allows organisations to save scores and track progress over time. The assessment criteria have been thoroughly tested with stakeholders over a one-year period and provide a robust framework with regards to assessing sustainable development/good corporate citizenship in a healthcare organisation on a scale of 'basic,' 'getting there' and 'excellent.' The Model incorporates existing measures already collected by healthcare organisations, such as data required to complete the NHS Environmental Assessment Tool (NEAT), and we encourage the use of these quantitative measures as indicators in measuring progress against good corporate citizenship/sustainable development themes of declaration.

We therefore recommend including good corporate citizenship in the themes for declaration for public health and governance, with corresponding supporting data and developmental ladders based on the NHS Good Corporate Citizenship Self-Assessment Model.

⁹ www.corporatecitizen.nhs.uk

7) Have we described the right levels of performance required to demonstrate 'excellent', 'good', 'fair' and 'weak' progress?

In assessing public health, governance and sustainable development/good corporate citizenship performance, we recommend using the criteria and levels of performance as set out across the six domains in the NHS Good Corporate Citizenship Assessment Model. These criteria have been tested over a one-year period and offer a robust assessment framework.

6) What sources of data, including the findings of other inspection and regulatory bodies, and what themes of declaration should we use for specific sectors of healthcare?

As all healthcare organisations can make a contribution to sustainable development and public health through their management of corporate resources, we recommend that all healthcare organisations are assessed against sustainable development/good corporate citizenship themes for declaration. We suggest that the Healthcare Commission encourages healthcare organisations to use the NHS Good Corporate Citizenship Assessment Model to gather data.

4.2 Looking ahead

8) As we develop our approach for 2007/2008, how could we improve the way we measure the contribution of organisations that provide and/or commission services to the delivery of new national targets?

As the Healthcare Commission's approach to assessment develops, we recommend that it strengthens its commitment to, and assessment of, sustainable development across healthcare organisations. This could be done, as discussed above, by strengthening the commitment to sustainable development/good corporate citizenship in the core and developmental standards, in particular for public health and governance.

As stated in the UK Sustainable Development Strategy, *Securing the Future*, the principles of sustainable development should form the basis for all policy in the UK. In response, we would like to see commitment from across the health sector – NHS trusts, foundation trusts, independent sector treatment centres, other commissioners, Monitor and the Healthcare Commission – towards sustainable development. As the commissioning agenda develops, it is particularly important that the Healthcare Commission assesses these organisations with regards to sustainable development to ensure the delivery of sustainable healthcare services.

15) Are there aspects of the respective roles of the Healthcare Commission and other bodies, such as Monitor, which it would be helpful to clarify further?

As part of its watchdog role assessing regulatory performance, the Sustainable Development Commission is interested to explore the respective roles and contributions that the Healthcare Commission and Monitor can make to promote sustainable development as an integral part of their assessment of healthcare organisations' contribution to improvements in the quality of healthcare and

public health. Towards this end, we look forward to working closely with the Healthcare Commission in the future.

Annex 1

THE SUSTAINABLE DEVELOPMENT COMMISSION'S WATCHDOG ROLE

This document deals only with the SDC's watchdog role. Our advisory and advocacy roles are covered in other SDC documents. It should also be noted that this interpretation of our Watchdog role is very much 'work in progress' as it only kicked-in in April 2006.

A. BACKGROUND

The Sustainable Development Commission's role is to advocate sustainable development across the UK and all sectors of society, particularly within government, and build consensus on the actions needed if further progress is to be achieved.

The Commission is the only UK-wide body whose remit is solely focused on sustainable development. Its work is not defined by a specific legislative framework, but its "allocated territory" is sustainable development.

The 2005 UK Government's Sustainable Development Strategy (UK SDS) charges the Commission with the role of "watchdog for sustainable development" in addition to its "critical friend" role.

"We will strengthen the Sustainable Development Commission and expand its role to act as an independent "watchdog" looking at Government's progress on this Strategy." (page 154)

"We propose that the strengthened SDC should act as a "watchdog" for sustainable development. It will provide assurance and will report on progress towards implementing the UK Framework and the commitments in the UK Government Strategy, including on the institutional and accountability arrangements, as well as focusing in more depth on particular issues. (page 166)

The UK Shared Framework (UKSF) reflects that new role:

"The Sustainable Development Commission already operates on a UK basis and will continue to work with us all to ensure that we are both individually and collectively making an effective contribution towards the achievement of sustainable development". (page 13)

It is accepted that the Commission's working practices will need to evolve in a different way in each Administration to reflect the different accountability landscape and approaches to sustainable development and governance.

The UK Administrations and the Sustainable Development Commission have proposed that each administration will confirm specific working practices through a Memorandum of Understanding (MoU) between them and the SDC.

In developing this new role, the Commission first undertook a detailed analysis of what is already going on within the different administrations in the UK. ("Mapping the Territory: Preparing for the New Watchdog Function") based on desk research and interviews with key organizations, the resulting report sets out the key auditing, reporting and scrutiny systems which are currently employed across the UK to address the implementation and development of sustainable development policy. In other words, it assesses the extent of the existing "accountability framework" for sustainable development within the UK.

Throughout these discussions, the independence of the Sustainable Development Commission has been reaffirmed as a critical precondition of it being able to carry out this new role effectively.

B. INTERPRETING THE ROLE: SPECIFIC FUNCTIONS

1. To work with the UK Government and Devolved Administrations under the terms of the UK Shared Framework to ensure that they are both individually and collectively making an effective contribution towards the achievement of sustainable development.
2. To report regularly to the Prime Minister and First Ministers on progress towards implementation, identifying strengths and weaknesses and making recommendations for improvement as required.
3. To scrutinise the effectiveness with which the principles of sustainable development are being used across the UK to deliver the new Framework Goal for Sustainable Development by using evidence obtained from its own and others' programmes of work and reviews.
4. To develop Frameworks for Assessment of Progress by the UK Government with stakeholders such as the NAO, Audit Commission, Audit Scotland, Healthcare Commission and so on.
5. To monitor UK Government Departments as they seek to embed sustainable development in both policy-making and departmental management (sustainable procurement etc), and to comment on the adequacy of funding for sustainable development within each department.
6. To carry out specific appraisals on a thematic basis covering an appropriate range of UK Government functions and policies.

7. To review, from time to time, the contribution of other sectors (business, professionals etc) to the delivery of the new Framework Goal for Sustainable Development.
8. To review on a regular basis the degree to which the combined scrutiny activity of all organisations involved in this area constitutes a sufficiently credible and comprehensive “accountability framework” as far as the sustainable development community is concerned.
9. To work in partnership with other organizations to ensure this overall accountability framework is delivering appropriate outputs and securing beneficial outcomes.

C. CARRYING OUT THE FUNCTIONS

1. The UK Government has tasked the Sustainable Development Commission to develop a watchdog role whilst retaining its advisory and advocacy roles. These roles could be perceived as being in conflict with each other if the Commission is deemed to be acting as both advisor and assessor – roles that are mostly separated in equivalent watchdog bodies, especially if they have statutory backing. However, some organizations such as the NAO and the Environment Agency do balance formal audit/regulation roles with the provision of advice to government without specific, internal separation of duties.

The SDC has therefore agreed to explore appropriate organization arrangements to balance the roles of advisor and assessor, and to make firm decisions on this issue by the end of the year.

2. Skills and Capacity

2.1 Secretariat

The Commission’s Secretariat currently consists of a range of subject specialists who, in the main, have policy-related or science backgrounds, and a broad understanding of sustainable development issues. It is clear that the functions outlined above will require the Commission to expand the skill set available to it, in terms of drawing up assessment frameworks, monitoring and tracking procedures, analysing a range of information, statistics, indicators and performance data on a regular basis.

The full extent of the gap that needs to be filled here is unlikely to become fully apparent until the watchdog role evolves. However, there are two core skills areas that will need to be developed at an early stage:

- Systematic Assessment and Review (strategic audit expertise)

- Statistical analysis

2.2 Commissioners

It is anticipated that Commissioners will play a critical role in carrying out our watchdog function, principally in terms of monitoring departmental performance, but also getting engaged in specific 'watchdog initiatives' or broader reviews.

3. Engaging the wider community

In making assessments of UK progress on sustainable development, the Commission will want to ensure that its appraisal resonates with the concerns of the general public. The Commission will therefore want to develop appropriate systems to harness the input and feedback from a wide range of interested parties.

With that in mind, the Commission is already considering the development of a "Sustainable Development Panel" and Expert Advisory Groups to contribute to the in-depth reviews carried out each year. We will give further thought to any other additional initiatives that need to be taken forward in this regard.

4. Overarching Purpose

It's important to refer back to the Commission's overall role, quoted at the beginning of this paper. For us, our overarching purpose is to see sustainable development adopted as the central organizing principle across government and the public sector.

We do not believe that process will be expedited by carrying out our watchdog role in constantly critical, punitive fashion. Nor do we believe that number-crunching, technical audit is how we can make the best contribution. Our strengths predominantly lie in strategic policy assessment, and we therefore shall be taking a more strategic auditing approach in interpreting our watchdog function.

5. Given the all-encompassing scope of sustainable development (as defined in "Securing the Future", the Sustainable Development Commission will not be limited in its watchdog functions only to those aspects of government performance that bear an explicit "sustainable development label". It is not only the sustainable development specialists in Government who will deliver the Strategy, but Departments and Agencies as a whole having properly embedded both the principles and practice of sustainable development across the totality of their work. In a more limited way, we will also engage where appropriate with other sectors, particularly the business community.

6. It should be clear that the ability of the Sustainable Development Commission to carry out its watchdog function in this way depends upon the quality of information to which it has access. Theoretically, this is already covered in terms of the Commission's formal "inside track" status, but we will review the extent to which we have been enabled to carry out our watchdog role satisfactorily (in terms of the flow and quality of information) in the first quarter of 2007.

All the generic approaches referred to below should therefore be informed by the Commission's dual purpose: not just to hold government to account in terms of what it has or has not done, but to use that engagement as a way of reinforcing and deepening commitment on the part of those being held to account. This will clearly influence both the tone and the external representation of all work carried out as part of our watchdog role.

D. GENERIC APPROACHES

1. Monitoring the effectiveness of the overall "accountability framework", as referred to in Function 8 above.
2. Sustainable Development Policy-making and Proofing
(RIAs, PSAs, Spending Reviews, budget and pre-budget reports etc)
3. Departmental Scrutiny
(e.g. Sustainable Development Action Plans)
4. Thematic In-Depth Reviews
5. Ongoing, cross-governmental performance appraisal
(Indicators, Framework for Sustainable Development on the Government Estate, sustainable procurement etc)
6. "State of the Nation": progress reports

E. ACTIONS FOR 2005/2006

1. SDC to consider the terms of a new Memorandum of Understanding with the UK Government through the Cabinet Office, as well as new memoranda of understanding with the Scottish Executive, the Welsh Assembly Government, and the Government in Northern Ireland.

2. SDC to agree on any organizational arrangements required to balance the roles of advisor and assessor, and to put these in place as soon as possible.
3. SDC to develop a potential approach and working cycles for its different watchdog processes, drawing on the experience of other organizations tasked with preparing regular assessments of progress across a broad field.
4. SDC to investigate the optimum approach to managing the Sustainable Development in Government process, year on year, in terms of in-house versus contracted-out resources.
5. SDC to explore the possibility of short term placements/secondments from NAO and others to help scope out the best way of filling the Commission's skills gaps.
6. SDC to consider what additional mechanisms (further to a Sustainable Development Panel and Expert Advisory Groups) are needed to harness the input and feedback from a wide range of interested parties to contribute to its watchdog assessments.

F. PROGRAMME OF WORK 2006/2007

(This to be developed as part of continuing discussions about work programme).

Jonathon Porritt
07th November 2005

Annex 2

Summary of the main evidence base for sustainable development in the NHS

[Also see *Healthy Futures #4: Are you a good corporate citizen?* Available online at <http://www.sd-commission.org.uk/health>]

Good Corporate Citizenship describes how NHS organisations can embrace sustainable development and tackle health inequalities through day-to-day activities: how they employ staff, design and construct buildings, purchase goods and services and manage their resources.

It makes good business sense. NHS organisations can benefit from financial savings, a healthier local population, faster patient recovery rates and improved staff morale. And our communities, economy and environment will benefit from having the country's largest employer and biggest spender fully committed to strengthening links with communities, improving its employment practices and developing in ways that support sustainable development.

As health problems disproportionately affect people in disadvantaged communities, NHS organisations can contribute to improved population health by investing in the community, in areas such as employment and transport, thereby helping to tackle health inequalities.

The benefits of sustainable development are interrelated and sequential and can be illustrated by means of a virtuous circle (Figure 2):

Health benefits

Sustainable development can achieve healthier living and working conditions, which in turn lead to healthier lives.

To give some examples:

- 1) The National Audit Office has identified transport as a key policy area for action to improve health and states a clear role for government and public sector organisations to take the leadⁱ. The NHS accounts for around 5% of all journeys in the UK, so NHS organisations are in a good position to promote healthy methods of transport. Active travel which incorporates walking, cycling and public transport can make an important contribution to tackling obesity related diseases, such as cardiovascular disease, type 2 diabetes, some cancers and osteoporosisⁱⁱ, through increased exercise and decreased pollution, as well as helping to tackle climate changeⁱⁱⁱ.
- 2) There is a strong relationship between employment and health^{iv}. Places with high levels of unemployment tend to also be places with relatively high levels of poverty and high levels of health problems. Where employment opportunities are scarce, the NHS – and other public sector organisations – represent a major employment opportunity. It is therefore to an NHS organisation's advantage to invest in training and attracting a local workforce. By ensuring that the local population is a healthier population the NHS stands to benefit in the longer term^v.

3) Good hospital design aids staff performance and patient recovery^{vi}. It therefore saves money in the long run. In a recent study 86% of Directors of Nursing surveyed believed that the design and functioning of hospital buildings impacts significantly on the performance of nursing staff working within them^{vii}. As the hospital building programme expands, hospitals have the opportunity to design and build to create a healthy, healing staff and patient environment.



Financial benefits

The financial benefits of sustainable development are twofold – the direct financial savings from, for example, energy efficiency and the indirect financial gains from a healthier population requiring fewer health services, and improvements in patient recovery rates^{viii}.

Looking at direct financial savings. Simple environmental efficiency measures, such as insulation, recycling bins and low flush toilets, can all reduce running costs^{ix}. More ambitious projects can yield even greater savings, such as the Antrim Area Hospital's wind turbine, which is on course to save £90,000 each year in energy costs^x; money that can be reinvested in healthcare. These environmental measures will also contribute to a healthier environment and therefore population.

Indirect financial savings can be achieved through faster patient recovery rates and better public health. Research has shown that patients in a well designed hospital with natural lighting have 20% less stress, report 20% less pain and require 20% less painkillers, producing faster recovery and significant savings on the pharmaceutical bill^{xi}. The long-term public health costs of unsustainable behaviour are difficult to quantify. However, the healthcare and economic costs of ill health associated with unsustainable behaviour in UK society are already enormous. For example, the annual healthcare costs associated with cardiovascular disease have recently been estimated at £16 billion^{xii}, economic costs associated with mental illness have been estimated at £46 billion^{xiii}, economic costs associated with road accidents are £16 billion^{xiv}, economic costs associated with respiratory disease were estimated at £2.5 billion in 2002^{xv}, NHS costs associated with diabetes are £4 billion per year and rising^{xvi}. All these conditions can be prevented by more sustainable policies, and as the NHS is the organisation that will ultimately pick up the bill for treating many of these conditions, it should be taking a lead in ensuring that it incorporates the principles of sustainable development within its own operations. .



Managing demand on health services

Sustainable development can help to improve public and patient health, resulting in reduced pressure on health services and making available resources for those who need them. As research has shown, patients who receive healthy, fresh,

nutritious food in hospital recover more quickly^{xvii}, and a well-designed building can shorten length of stay and reduce the need for painkilling drugs.^{xviii} Increased patient recovery rates will help to free up beds for other patients and help to manage demand.



Long-term viability

Healthier local populations, reduced expenditure and reduced demand for services will ease pressure on health service providers and help to build a more efficient and effective NHS in the longer term.



Figure 2: A virtuous circle

Actions that benefit the local community, economy and environment will also tend to improve public health, reducing demand for services and improving the NHS's capacity to be a health enhancing organisation with a viable future, in essence creating a virtuous circle.

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