

Sustainable Development Action Plan



Sustainable
Development Commission

Her Majesty's Treasury

**Sustainable Development Minister:
John Healey MP**

SDC Assessment



Checklist

Sustainable Development Action Plan

1	Does the plan specify the period of time it will cover?	✓	Plan includes key actions for 2006.
2	Does the plan specify which organisations it covers?	✗	Plan does not make clear which executive agencies are covered.
3	Has the organisation articulated what SD means for them?	✓	
4	Does the plan describe the benefits of having an SD approach to the organisation?	✗	The plan does not explore the benefits of taking a sustainable development approach.
5	Does the plan acknowledge the Government's sustainable development goal?	✓	The plan refers to elements of the SD Goal.
6	Does the plan acknowledge the priorities of <i>Securing the Future</i> ? Does the plan mention one or more of the priorities of <i>Securing the Future</i> ?	✓ ✓	Plan explains that the SDS identifies four areas for priority action and lists them.
7	Does the plan identify links to the priorities of <i>Securing the Future</i> ?	✗	The plan explains that HMT has an important function in delivering the four priorities. Whilst the SDAP contains actions relating to climate change and energy and sustainable consumption and production, the actions are not set in the context of contributing to the priorities set out in <i>Securing the Future</i> .
8	Does the plan acknowledge the principles of <i>Securing the Future</i> ? Does the plan mention one or more of the principles of <i>Securing the Future</i> ?	✗ ✗	The plan does not acknowledge or mention any of <i>Securing the Future's</i> five guiding principles directly.
9	Does the plan identify links to the principles of <i>Securing the Future</i> ?	✗	The plan does not explore or demonstrate the links between HMT's work and the principles.
10	Have the organisation's relevant executive agencies produced their own plan?	✓	ONS is the only HMT sponsored agency/ Non-Ministerial department to have produced an SDAP. However, HMT were unclear whether their other agencies were included in the departmental plan.
11	Does the action plan contain a work programme?	✓	
12	Does the plan include actions relating to commitments from the SD strategy?	✓	
13	Does the action plan cover government policy?	✓	
14	Does the action plan cover operations?	✓	

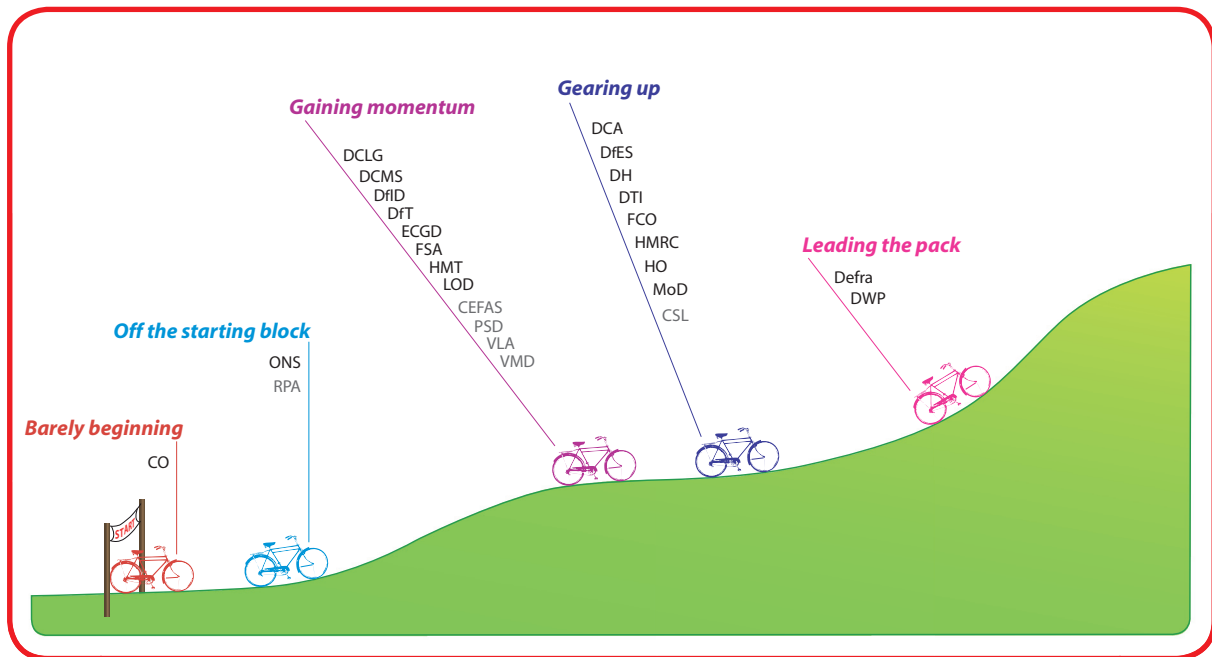
15	Was the plan publicly available by 13th January 2006?	✗	
16	Does the plan outline any arrangements for strengthening SD capacity in the organisation?	✓	Training will be made available for staff through National School of Government.
17	Does the plan describe the infrastructure in place to deliver the plan?	✓	Whilst the plan does not describe the overall infrastructure in place to deliver the plan, the SDAP clearly sets out which team is responsible for the delivery of each action in the plan.
18	Does the plan make it clear who signed it off?	✓	
19	Does the plan designate who is accountable for the delivery of the overall plan?	✓	Plan implies that the Financial Secretary is responsible for the delivery of the plan.
20	Does the plan explain how the organisation will monitor progress against the plan?	✓	Whilst the plan does not set out the mechanism by which overall progress against SDAP will be monitored, each action includes milestones and indicates who is responsible for the delivery of the action. Therefore, the monitoring mechanism is implied in the plan.
21	Does the plan describe how the organisation will report against the plan?	✓	
22	Does the plan describe how it links in to other reporting mechanisms within the organisation? E.g. the annual report	✓	They will report on progress in their annual report.
23	Does the plan commit to reporting against the plan on a defined regular basis?	✗	Although the SDAP explains that HMT will report on progress in its annual report in 2006, the plan does not make clear whether HMT will do so on a regular basis.

Senior Accountable Officer: Rebecca Lawrence, *Team Leader Environment, Food and Rural Affairs*

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Please note that the SDC rating is based on a competency framework and not straight addition of the scores in the table above. Please see main report for full explanation of the methodology.

How is HMT doing?



Background

The Treasury is the United Kingdom's economics and finance ministry. It is responsible for formulating and implementing the Government's financial and economic policy. Its aim is to raise the rate of sustainable growth, and achieve rising prosperity and a better quality of life with economic and employment opportunities for all.

Context

HMT's plan sets out the key actions the department will take in 2006 to contribute to the commitments set out in *Securing the Future*. The plan was put together by HMT's Environment Food and Rural Affairs policy team and the Estates division. It was explained in bilateral discussions that the SDAP reflects existing departmental objectives and commitments as set out in existing departmental strategies.

Coverage

The SDAP does not make clear which executive agencies are covered in the plan and HMT were unable to clarify in the bilateral whether their agencies were included.

Departmental view of Sustainable Development

HMT's aim is to raise the rate of sustainable growth, and achieve rising prosperity and a better quality of life, with economic and employment opportunities for all. The Treasury recognises that it has an important role in delivering *Securing the Future* through its role as a finance and economics department at the centre of government. The SDAP states that HMT is "committed to economic growth based on the principles of sustainable development: that is, integration of economic prosperity with environmental protection and social equality." Treasury sees this approach as being reflected in its Objective VIII, as stated in Public Service

Agreements 2005-2008, which refers to the protection and improvement of the environment by using instruments that will deliver efficient and sustainable outcomes through evidence-based policies.

The SDC welcomes HMT's commitment to economic growth based on the principles of sustainable development and the continuing reiteration of HMT's approach in its Statement of Intent on environmental taxation. However, the SDC believes fuller adoption of this approach in policy making has been slow and would like to see much more rapid progress in its implementation.

Benefits of taking Sustainable Development approach

Whilst the SDAP explains that the department is 'committed to economic growth based on the principles of sustainable development', the SDAP does not outline the benefits of taking a sustainable development approach either to the organisation or at a national level.

The plan does not refer to the risks of HMT not integrating sustainable development into its work. It is important that SDAPs make clear how a sustainable development approach supports core business and where the department recognises that it reduces risk.

Link to *Securing the Future*

Guiding Principles

The plan does not acknowledge, or refer to, the five guiding principles as set out in *Securing the Future*. The SDC would expect to see future plans indicating how the department is accounting for and using the five guiding principles which should now underpin all policy making in the UK.

Shared priorities for UK action

HMT acknowledges that it has an important function in the delivery of all four of the priorities for immediate action which are set out in *Securing the Future*. HMT's SDAP sets out its particular contribution to Climate Change and Energy and Sustainable Consumption and Production.

The department explains that the review on the economics of climate change, led by Sir Nick

Stern, is set to develop the UK Government's understanding of the consequences of climate change and will improve the evidence base for decisions to tackle climate change.

HMT's SDAP states that the four *Securing the Future* priorities are core to HMT's work. The Treasury views its main contribution to Sustainable Consumption and Production to be made through its joint work with Defra to develop a sustainable procurement action plan with the aim of bringing a step-change in sustainable public procurement. HMT officials supported the work of the Sustainable Procurement Task Force,¹ led by Sir Neville Simms. HMT sees its work on employment, quality of life, opportunities and productivity as contributing to Sustainable Communities and views its contribution to Natural Resource Protection as being made through its role in developing economic instruments to enhance environmental protection.

Policy priorities

The policy priorities identified in the plan reflect the departmental objectives and the main contribution HMT can make to *Securing the Future*. These include:

- a Comprehensive Spending Review which recognises the increasing pressures on natural resources and climate change
- exploring the scope for the development of energy services markets in the UK and examination of how to improve energy efficiency investment as well as
- exploring the barriers to wide-scale deployment of carbon capture and storage.

The plan also covers the department's approach to environmental taxation, setting out the central principles which will be taken into account when deciding whether government intervention is needed.

In view of the declaration in *Securing the Future* that the CSR will enable a better

aligning of Government policy to the new sustainable development principles, the SDC would like the Treasury to publish its analysis of the 'five challenges' and use them alongside the sustainable development principles as a framework for assessing all inputs into the CSR.

HMT confirmed in the bilateral that it would be looking to other government departments to ensure that their CSR bids were informed by their own Sustainable Development Action Plans and this would be reflected in HMT's CSR guidance. The CSR process will need to address any mismatch of departmental objectives and the resources required to ensure delivery of departmental sustainable development objectives. Our assessment is that overall departmental SDAPs are insufficiently robust for HMT to rely on them as the mechanism with which to ensure that departments are taking a sustainable development approach in their policy planning process and spending. It would therefore be highly risky to regard the CSR bids in this light in the first few years of SDAPs.

Leading by example

The plan sets out key priority areas for action. HMT confirmed that the department had prioritised its operational commitments according to its key weaknesses in operational performance. The plan covers energy efficiency, water usage, EMS certification and offsetting all official air travel. HMT explained in the bilateral that it had included *Invest to Save* actions in their plan, which were based on advice from the Carbon Trust, who issued a report in March 2005.

HMT explained that it felt it was essential that

HMT lead by example and performed well on its own operations. The Chancellor's speeches were increasingly more environmentally focused and there was therefore an increasing reputational risk to the department if it did not perform well.

HMT indicated that it would like to see more transfer of knowledge between government departments so that the performance of government as a whole improves. Joint initiatives, such as the work on Energy Efficiency across government, are seen as key to this.

Securing the Future commitments

Departmental commitment

HMT recognises the high-level commitments set out in *Securing the Future* for which it has a lead. These include a transparent public expenditure delivery framework, making use of fiscal measures to tackle environmental externalities by developing environmental taxes, and a commitment to strong local government. It was explained in the bilateral that the key actions included in the plan are aimed at tackling and making a contribution to these commitments.

Cross-government commitments

HMT's actions on sustainable procurement, namely their contribution to the work of the Sustainable Procurement Task Force, have been set out in the context of contributing to the cross-government commitment of the UK becoming a leader in public procurement in the EU by 2009.

Policy making

Sustainable Development 'proofing'

HMT's SDAP states that full Regulatory Impact Assessments are carried out on all policies which could affect the public or private sectors, in line with the Cabinet Office guidance. The department has set a commitment in its plan to produce full RIAs where needed. The plan does not explore whether the sustainable development element needs to be monitored or improved. HMT explained that existing HMT practices on RIAs already take full account of sustainable development and that the department is very vigilant about the quality of RIAs it produced.

HMT's plan does not refer to the integration of the five guiding principles into policy-making. HMT explained that it was satisfied that the

The plan does not address any other cross-government commitments. The SDC would expect future plans to clearly set out how far the department is able to contribute to the cross-cutting commitments set out in *Securing the Future*.

Target setting

HMT has made a good attempt at setting out SMART targets. All actions have clear timescales for completion and indicate who is responsible for the delivery of the action as well as where report on progress will be made. The department has also attempted to include milestones to most of the actions. However, it is not always clear what the desired outcome is for some of the actions. For example, there is an action point to 'explore the scope of the development of energy services markets in the UK', with no indications of what the aim of the action is or how progress will be judged.

five principles were already fully reflected and mainstreamed into departmental objectives and processes.

Sustainable Development skills

The plan explains that training on sustainable development is available to staff from the National School of Government. However, the plan does not include any specific actions on this or explain HMT's approach to ensuring that its department has the sustainable development skills/knowledge that it needs. The SDC believes a methodical approach to capacity building for sustainable development will be necessary to thoroughly embed sustainable development into departmental policy making.

Achieving Sustainable Development outcomes

Infrastructure

The plan does not describe the internal structures in place to ensure the delivery of the plan. HMT explained that the Environment Food and Rural Affairs team will cover the policy side of the plan whilst the Estates division will ensure the implementation of the operational commitments.

The Financial Secretary to the Treasury is responsible for sustainable development and will be regularly updated on progress against sustainable development policy and operations.

Engagement

The SDAP explains that the action plan will be drawn to the attention of staff throughout the year as initiatives are rolled out. For example, a planned environmental awareness campaign will be used as a platform for sustainable development. The department also plans to run a senior management briefing day on sustainable development and operations.

HMT explained in the bilateral that it expects awareness levels of staff on sustainable development issues to rise as sustainable development objectives are increasingly mainstreamed across the whole department.

Monitoring and reporting

The plan does not set out how the department intends to monitor or review progress against its plan overall. However, whilst the plan does not set out the mechanism by which overall progress against SDAP will be monitored, each action includes milestones and indicates who is responsible for the delivery of the action. HMT explained in the bilateral that the EFRA team will monitor progress against the overall plan.







HMT's plan sets out actions for 2006. The plan indicates where progress against each individual target will be reported and commits to reporting on progress against the overall plan in December 2006. The department will cross reference the progress report against the plan in their Annual Report.

1 The Sustainable Procurement Task Force was established in May 2005, charged with drawing up an action plan to bring about a step-change in sustainable public procurement so that the UK is among the leaders in the EU by 2009.

Strengths to build upon

✓	Include specific actions and intended outcomes relating to strengthening sustainable development capacity across the department.
✓	Ensure all targets include clearly explained outcomes.

Challenges for 2007

	Make clear how a sustainable development approach benefits departmental core business.
	Make clear how the five sustainable development principles are integrated into HMT's work.
	Publish analysis of the 'five challenges' and use them alongside the sustainable development principles as a framework for assessing all inputs into the CSR.
	Describe clear monitoring and review mechanisms for the plan.
	Demonstrate active engagement with staff and stakeholders over the production of the plan.
	Ensure Agencies are effectively represented in future departmental plans.



Sustainable
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