

1 Executive summary

The 2007 *Sustainable Development in Government Report (SDiG)* assesses the performance of central government operations against the targets of the Framework for Sustainable Operations on the Government Estate (SOGE). It aims to inform and inspire continuous improvements across government. The report is the sixth annual SDiG assessment and is produced by the Sustainable Development Commission (SDC) – government’s independent advisor and watchdog for sustainable development.

This report is based on the analysis of data given to us for the period of 2006/07. Since this time, and prompted in part by the circulation of the raw data sets within Departments, the SDC is very pleased to note that there has been considerable activity and encouraging signs that the Government is preparing to up its game with regard to the performance of its estate.

Serious effort is now being put in to creating an evidence base which is truly fit for purpose – a huge task. For example, whilst much remains to be done on this score we note that over the last six weeks Government has suggested new baselines for those departments with the greatest discrepancies (MOD, DCA/MOJ, CO) to give a more accurate reflection

of their actual performance. The SDC fully supports this exercise, and once the full upgrading of data is complete we believe that it will change the relative position of some departments. However, there is no evidence that the overall performance of the Government estate will have been shown to be any better over the period reported on. We are therefore very pleased to hear that a Delivery Plan is being put in place with a package of measures which, if fully implemented and sustained over time, have the potential to transform the actual performance of Government looking forward, and therefore hugely strengthen its ability to lead by example with respect to the private sector and wider society.

Headline

Individual departments are still not on track to meet all their SOGE targets – particularly on carbon emissions from offices and road vehicles – although government as a whole is generally performing better this year than last year.

Government must now take radical and urgent steps to drive forward the changes needed to improve departments’ performance and prove beyond any doubt that it leads from the front.

Key findings

Across government:

- Carbon emissions from offices fell by 4% compared to the 1999/00 baseline year, but nearly two-thirds of departments are not on track to meet their own 12.5% reduction target by 2010/11.
 - The 4% reduction in carbon emissions from offices is largely due to the improved performance of the MOD estate. If we exclude MOD, carbon emissions from the rest of government actually increased by 22%
 - Pan-government performance against this target is distorted by the fact that MOD still include data from a now privatised part of its estate (QinetiQ) in its 1999/00 baseline. As QinetiQ’s carbon emissions

are not included in MOD data for this reporting year, the reductions made against the baseline year appear to be greater. The SDC understands that over a third of MOD’s office carbon reductions can be attributed to the privatisation of QinetiQ¹. If we exclude QinetiQ from MOD’s baseline data the emissions reductions made by MOD between 1999/00 and 2006/07 are lower than reported, and as a result carbon emissions from offices across the government estate have only reduced by 0.7%.

- Carbon emissions from vehicles increased by 1.5% against the 2005/06 baseline year. This shows no progress towards achieving the

target of a 15% reduction by 2010/11 and is an area of serious concern

- Energy efficiency per square metre improved by 21.7% against the 1999/00 baseline – higher than the target of 15% by 2010. However, without the improvements made by MOD, energy efficiency across the rest of the government estate has worsened by 3.3%
- 28.3% of electricity was obtained from renewable sources – far higher than the target of 10% by 2008
- Without MOD,² total waste arisings were reduced by 5.3% against 2004/05 levels – in excess of the target of 5% reduction by 2010
- 38.5% of waste arisings from the government estate were recycled in 2006/07 – almost meeting the 2010 target of 40%
- 82% of government-owned Sites of Special Scientific Interest (SSSIs) were in target condition – on track to meet 95% by 2010
- Some limited progress was made towards the target for reducing water consumption (-0.1%), but not enough to be on track to meet the target of 25% by 2020
- Overall performance on procurement 'Quick Wins' is hugely disappointing given that they

were introduced in 2003. Only 12 of the 21 departments reported that they included clauses on Quick Wins in all relevant contracts

- Just 46 of the 351 new build/refurbishment projects completed in 2006/07 were assessed against the Building Research Establishment Environmental Assessment Methodology (BREEAM). Of these, only 28 projects (i.e. 8% of all completed projects) met the required standard
- Only a quarter of the government estate is currently covered by an Environmental Management System (EMS)
- Only 10 of the 21 departments indicated that their Permanent Secretaries have the SOGE targets incorporated into their performance agreements.
- Major problems persist on data collection and accurate reporting, particularly on travel, waste and water. This undermines the government's ability to assess and manage its own progress accurately
- The performance of the 'big 5' departments (MOD, DWP, HMRC, HO and DCA) heavily influences pan-government performance due to their relative scale (84% of FTEs³ and 85% of total floor space on the government estate).

Commentary

The harmful effects of a changing climate can already be seen. We need urgent and bold leadership by government and within government, to ensure that both mitigation against and adaptation to climate change, become a practical as well as a policy reality. The UK will soon become the first country in the world to enshrine its climate change commitments in legislation, through the Climate Change Bill, and the Prime Minister has signalled that he may call for even greater cuts in the UK's carbon emissions. This clear statement of intent must now translate into leadership on the ground – across government and the wider public sector – and must include accountability for sustainable operations from the top of the civil service and the highest level of each department.

Unless government takes serious action to cut its own carbon dioxide emissions, it will lack credibility in its challenge to society to do the same. The reputational risk for government is huge. At a time when prominent businesses, such as Marks and Spencer, are making strategic efforts to achieve challenging environmental goals, government's own record looks particularly weak.

Securing the Future clearly set out the government's intention to lead by example in dealing with enormous global challenges, such as those presented by climate change, and to do so in a sustainable manner for the benefit of current and future generations. Such leadership must extend to the way government manages its own estate and other operations. In doing so, government needs to

think beyond its current environmentally focused SOGE targets if it is to play a full role in delivering on its own objectives of creating sustainable communities, a strong and sustainable economy, and living within environmental limits. This must include preparing to respond to the challenges of the future.

Yet the 2006/07 data shows that pan-government performance in areas such as water consumption and carbon dioxide emissions from road vehicles and offices continues to fall short of what is needed to achieve the targets. Drastic improvement is urgently needed to remedy the situation. Indeed, current performance on the reduction of carbon emissions will make government's target to be carbon neutral by 2012 extremely difficult to achieve without resorting to major carbon offsetting. In our view, offsetting should only be implemented once all possible emission reductions have been achieved.

Further, there are several areas where data is either not available or poor. This not only makes it difficult for departments to properly manage their own operational impacts and monitor progress against the targets, it also makes the true performance of departments and the whole government estate difficult to accurately assess. This matter requires urgent attention, and the SDC welcomes that serious steps are now being taken across government to address this situation

Government also needs to make better use of the levers and mechanisms that can help it achieve the results needed – in particular its huge spending

power. Government needs to capitalise on the 'win win' opportunities presented by sustainable procurement, especially on collaborative contracts, supplier engagement and more simple steps like using the mandatory 'Quick Wins' product standards. Only a little over half of all relevant contracts specify these standards, despite the requirement having been in place for over four years.

The SDC is pleased to see that over the last year government has introduced a number of initiatives to help drive forward improvements in operational performance, taking on board some of the recommendations made in SDiG 2006. However, it must now build on these initiatives with greater urgency and resourcefulness if it is to get a real grip on its own sustainable development agenda.

We know from first hand experience with government departments just how passionate and motivated many people are in embracing sustainable development in their own organisations, and we welcome their cooperation in helping to create this report. But this passion must be supported by properly resourced action plans that drive real improvement on the ground, and integrate sustainable development into all core business activities.

The SDC hopes that the following key recommendations, together with those in the main body of the report, will help government make the urgent improvements needed to meet its targets and wider SD commitments. We look forward to seeing the government's full response.

Key recommendations

Existing targets

- Departments now need to take radical actions to ensure targets translate into real progress, particularly on carbon emissions. These actions will vary according to individual departments' differing circumstances; some examples of such radical actions include:
 - A high level delivery group with key budget holders responsible for delivering sustainable operations
 - A central invest-to-save fund for each department developed either with Carbon Trust/Salix support, or managed within each department, to finance capital investments
 - A progressive reduction of energy and utilities budgets in line with year-on-year carbon, water and waste target expectations
- The Sustainable Procurement and Operations Boards (SPOB) must ensure that each department provides evidence-based trajectories showing exactly how their estate, procurement, travel and other strategies will deliver improvements each year to meet short and longer term SOGE targets and other sustainable development commitments. The overall strategic approach to improving

operational performance should be reflected in Sustainable Development Action Plans.

- SPOB should define carbon neutrality and advise departments on how and when

offsetting can be used to help achieve it. This should indicate how carbon emissions will be avoided and reduced, and ensure that any offsetting is used only as an interim measure.

New targets and commitments

- Departments should agree on a government-wide sustainable travel policy to encourage travel avoidance through smarter working, and more sustainable travel where there is no practical business alternative to travelling
- SPOB should introduce an air travel target to encourage travel by alternative, more sustainable, modes whenever travel is unavoidable
- SPOB should consider introducing more ambitious future waste minimisation and recycling targets to ensure departments continue to challenge themselves and create opportunities for improvement
- We make a number of recommendations to encourage more sustainable procurement practices to improve operational performance and encourage best practice through supply chains, including:
 - Government needs to set out exactly how the commitments in the *Sustainable Procurement Action Plan*⁴ (SPAP) and *Transforming Government Procurement*⁵,

and recommendations of the PMDU report, will be prioritised and taken forward, by whom, and when

- Government needs to develop, implement and monitor a strategic pan-government supplier engagement programme to ensure that the products and services government procures help it meet its sustainable operations targets and encourage sustainable practices down supply chains, as well as helping it meet the UK's wider sustainable development goals.
- Each department must take appropriate steps to ensure that Quick Wins are adopted in all relevant contracts, and that robust systems are in place to monitor compliance
- To ensure accountability and high level leadership, Permanent Secretaries and Senior Civil Servants should have the SOGE framework targets and other key sustainable development commitments explicitly built into their personal objectives at the earliest opportunity, with quarterly monitoring of progress.

Data, coverage and support

- To improve reporting, SPOB should ensure there is a process in place to enable all departments to account for changes to their estates, and the corresponding impact, by managing a central register to track changes. SPOB and the SDC should then agree which changes are significant enough to warrant a recalculation of baseline data, whether these are positive or negative.
- To ensure that the true footprint of government activity is being examined, managed and reported, government needs to discuss and confirm how the SOGE targets will in future be applied to all operations on and off the government estate, including NDPBs, non-Ministerial departments and major outsourced operations. As a minimum, the SDC encourages these organisations to shadow the process, and set in place management information systems capable of providing the necessary data.

- Departments need to map out the full data requirements for driving forward sustainable operations, including procurement, and ensure they have appropriate management information systems in place capable of providing full and accurate data across all of their operations. They should also ensure the data is robust, through closer scrutiny of information and, where appropriate, external verification of submitted datasets. Where there are major data collection difficulties, departments need to set out how they intend to resolve these. These discussions should be held under the overall auspices of the new SPOB sub-group on performance management.
- SPOB's new Sustainable Practitioners Forum should consider how departmental support, advice and funding available for investment could be better managed, coordinated, publicised and monitored for uptake and effectiveness. The Forum should also create opportunities for departments to share practical experiences with the private sector to benefit from cross-fertilisation of innovations and solutions.