sustainable development commission

2006 Sustainable Development Action Plan Progress Report

Rural Payments Agency
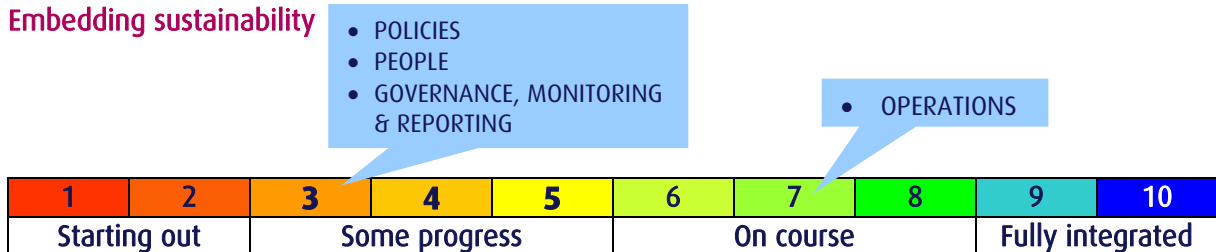With SDC Commentary

November 2007

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RPA'S SELF-ASSESSMENT SUMMARY

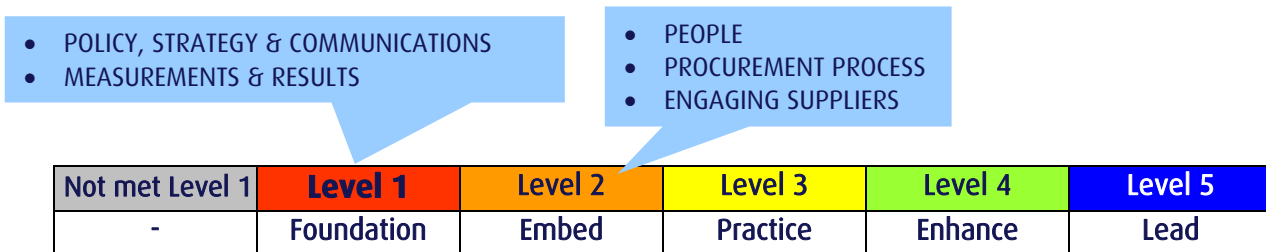### This is a summary of RPA's progress report; the full version begins on page 6.

RPA (Rural Payments Agency) is an Executive Agency of DEFRA. Its objectives include delivering payments to farmers and traders in excess of £2 billion, including the Single Payment Scheme in England. It is also responsible for issuing holding numbers and vendor numbers to landowners in England who wish to take advantage of the various schemes DEFRA offers.

Progress against actions: 73% of actions were reported as complete or on target.

Embedding sustainability

- POLICIES
- PEOPLE
- GOVERNANCE, MONITORING & REPORTING

- OPERATIONS

1	2	3	4	5	6	7	8	9	10
Starting out		Some progress			On course			Fully integrated	

Procurement – Flexible Framework

- POLICY, STRATEGY & COMMUNICATIONS
- MEASUREMENTS & RESULTS

- PEOPLE
- PROCUREMENT PROCESS
- ENGAGING SUPPLIERS

Not met Level 1	Level 1	Level 2	Level 3	Level 4	Level 5
-	Foundation	Embed	Practice	Enhance	Lead

SDC'S SUMMARY COMMENTS

This is a summary of SDC's commentary; the full version begins on page 4.

RPA reported fair progress against the actions in its SDAP, and on how it was embedding sustainability into its operations. It reported less progress on embedding SD into the organisation's policies, people and governance systems.

Strengths:

- Received guidance and support from its core department (Defra), including sharing experience on engaging with suppliers
- Reported a number of good examples to demonstrate how it was ''on course'' for embedding SD into its operations, including achieving ISO 14001 at all main sites and significantly improving its performance on waste recycling.

Weaknesses:

- General lack of information on what it had done to embed sustainability into its policies/decision-making, people and governance arrangements
- Little evidence provided to support the performance levels reported on sustainable procurement

Challenges for next year's SDAP progress report:

- Better promote and engage with staff on SD across business areas
- Provide more information to demonstrate the level of progress being made i.e. details of the systems in place to measure, monitor and report progress on the SDAP.

www.sd-commission.org.uk

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INTRODUCTION

Government has made it clear that it wants the public sector to be a leading exponent of sustainable development (SD). The UK SD strategy, *Securing the Future*,[1] requires all central government Departments and their Executive Agencies (EAs) to produce Sustainable Development Action Plans (SDAPs) and report progress on them regularly. An SDAP sets out the strategic actions that the organisation intends to take to integrate sustainable development into its decision-making and everyday operations. It thereby helps the organisation make its required contribution to the delivery of the Government's commitments and goals set out in *Securing the Future*.

Securing the Future also empowers the Sustainable Development Commission (SDC) to act as the Government's watchdog for sustainable development. This includes "scrutinising and reporting on Government's performance on sustainable development".

Most Departments published their first SDAP in 2006. These plans contained commitments for 2006/07, and the SDC is now reporting on progress made by Departments against those commitments.

The purpose of progress reporting is three-fold:

1. To see what progress had been made against the first plans
2. To encourage Departments and others to evaluate the quality, purpose and contribution of their SDAPs, as well as the individual actions and policies, in regards to the UK's SD goals
3. To strengthen the quality of future SDAPs and reporting by identifying strengths, weaknesses and priority areas for improvement.

To help Departments and EAs produce quality progress reports, the SDC designed a self-assessment guidance tool. The tool covers the following areas:

- **Progress against actions:** Report progress against 2006/07 commitments and against any significant actions that did not feature in the original SDAP
- Consider the impact of actions and the contribution these actions would make to the SD "shared priorities for immediate action"[2] (from here on referred to as the "SD shared priorities")
- **Embedding sustainability:** Consider how well SD had been embedded into policies, people, operations and reporting mechanisms
- **Procurement:** Gauge progress on sustainable procurement against the criteria in the Flexible Framework[3] or a suitable alternative
- **Taking stock:** Identify what had helped and hindered the organisation in delivering its SDAP.

This report comprises the SDC's commentary, followed by the Rural Payments Agency's (RPA's) full progress report.[4]

The SDC's commentary evaluates the progress reported by RPA, as well as the quality of its self-assessment.[5] All ratings/levels reported are the organisation's own judgement of performance, and there was no process of external verification by the SDC.

The commentary does not review the content of the original SDAP. As such, comments should not be taken as an endorsement of actions and policies pursued. The SDC has already commented on Departments' first SDAPs and provided summarised assessments in the 2006 report *Off the Starting Block*.[6]

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[2] The SD shared priorities for immediate action, as outlined in *Securing the Future,* are: sustainable consumption and production, climate change and energy, natural resource protection and environmental enhancement, and sustainable communities.

[3] *Procuring the Future*, Defra, June 2006 – see Section 2 for more details.

[4] Reported progress against: *A sustainable development action plan for the Rural Payments Agency,* RPA, December 2005.

[5] Please see SDAP Progress Report methodology paper – www.sd-commission.org.uk.

[6] *Off the Starting Block*, Sustainable Development Commission, November 2006.

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[1] *Securing the Future – Delivering the UK Sustainable Development Strategy*, HM Government, March 2005.

SDC'S COMMENTARY

Progress against actions

The Rural Payments Agency (RPA) reported fair progress against the actions in its SDAP:

- 73% of actions had either been completed or were on target
- It considered that its actions as a whole made a good contribution to the SD shared priorities
- Although evidence was provided and stated as readily available in all instances, it was often just commentary, rather than stipulating where proof of progress was recorded.

Several actions were reported to be "on target" when the target date had passed. In these instances, actions should have been reported as "complete" or "recoverable". The actions on waste reduction and recycling, for example, appeared to be complete, with targets exceeded in both cases.

Where actions were reported as being behind target, the SDC would have expected to see the reasons for this. The three RPA actions relating to energy (FM1-3), for example, were behind target, but no details were provided on why this was the case, or on the actual progress made to date.

Further, RPA did not provide any rationale for the impact levels selected. **The SDC would like to see details of how RPA is considering the impact of its actions in future progress reporting.**

Embedding sustainability

RPA reported that it had made "some progress" on embedding SD into *policies*, *people* and *governance, monitoring and reporting*, and was "on course" on *operations*.

A fair level of evidence was provided to support the level selected for *operations*, although this was found mainly in the actions table rather than in the 'embedding SD' section of the progress report:

- Environmental Management Systems (EMS) were reported to be well embedded, and it had achieved ISO 14001 at all major sites
- Significant progress on waste reduction and recycling had been made
- RPA had implemented a range of water saving measures, resulting in a decline in consumption per capita.

The SDC would have liked RPA to say more about its efforts to reduce the environmental impact of its travel activities. This was a particular strength of the SDAP, but it doesn't seem to have followed through as an area of success.

To progress further, SDC would encourage RPA to fully embed SD into its travel and procurement practices, and demonstrate how its social and community activities take account of sustainable development.

For all other themes, the comments provided did not fully support the ratings selected. The SDC would have liked more information to have been provided about RPA's progress in the following areas:

- On *policies*: how RPA had aligned its decision making with SD goals, signalled SD in external relationships, and engaged with stakeholders
- On *people*: to what extent RPA's active approach to staff training and development had resulted in the embedding of SD capability in all its staff, and ensured they had the knowledge and skills required to support delivery of the SDAP
- On *governance, monitoring and reporting*: what systems were in place to

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monitor progress on the SDAP, and structures to drive delivery.

Procurement

RPA reported progress on sustainable procurement against the Flexible Framework, and assessed itself as being at the ''Foundation'' level for *Policy, Strategy and Communications* and *Measurements and Results*; and at the ''Embed'' level for *People*, *Procurement Process* and *Engaging Suppliers.*

Very little detail was provided to support the levels reported, however. In particular:

- RPA did not report what it had done in relation to *Policy, Strategy and Communications*, for example whether it had agreed overarching sustainability objectives, whether it had a simple sustainable procurement policy in place endorsed by the CEO, or whether it had communicated with staff and key suppliers on this issue
- While there is evidence of some progress on *Procurement Process*, RPA did not report whether it had completed a detailed supplier spend analysis, or whether it had initiated a general programme of supplier engagement – both of which are required criteria for the ''Embed'' level selected
- No evidence was provided against the *Measurement and Results* theme.

Good examples of progress included:

- Procurement team and contract managers attended training on sustainable procurement by the National School of Government
- Basic environmental clauses were included in terms and conditions of contracts, and RPA is embarking on a full examination of contracts with a view to possible re-tendering taking account of sustainability and value for money. The SDC looks forward to seeing the outcome of this work

- Suppliers were required to provide an environmental statement
- Close work with the Defra network to share experience on engaging suppliers.

Taking stock

RPA reported that the following helped it to deliver its SDAP:

- Continuity in the role of the SD Officer
- Good level of buy-in from local accommodation managers and the procurement team
- Guidance and support from Defra.

However, **progress was hindered by the continued focus on delivering core business, in particular implementation of the Single Payments Scheme**, coupled with a lack of visibility and engagement across all business areas. Elsewhere in the progress report RPA commented that it had a small SD team, and that it had other duties which deflected from its role of embedding SD into the organisation.

The SDC would encourage RPA to view SD as being integral to its work, not as something additional. Building the business case for SD and demonstrating achievements elsewhere in government could also help to achieve buy-in.

Summing up

RPA reported fair progress against the actions in its SDAP, and on how it was embedding sustainability into its operations. It reported less progress on embedding SD into the organisation's policies, people and governance systems. The SDC strongly encourages RPA to address this in order to move forward.

In general, RPA did not provide sufficient information throughout the progress report. **The SDC encourages RPA to provide more information in future reporting to illustrate what progress had been made.**

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2006 Sustainable Development Action Plan Progress Report

Rural Payment Agency's
Self-Assessment
September 2007

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1 EMBEDDING SUSTAINABILITY

RPA was asked to consider whether the activities arising from its SDAP enabled it to capture the opportunities of sustainable development for its customers, partners and staff and, if so, how.

Regarding the work programme outlined in its SDAP, and based on progress towards actions, RPA rated itself out of 10 for its performance on embedding sustainable development in its:

- Policies
- People
- Operations (i.e. operations policy)
- Governance, monitoring and reporting.

The following scale was used:

1	2	3	4	5	6	7	8	9	10
Starting out		Some progress			On course			Fully integrated	

RPA's response

Level: 3	Policies: Some Progress	RPA's comments in support of this rating:
Criteria: • Some alignment of policy with Government SD Strategy, UK Framework and related guidance • Some joining-up policy goals under the SD umbrella • Some signalling of SD in external partnerships and relationships • Some embedding SD policy approval processes/Regulatory Impact Assessments (RIAs) • Some effective stakeholder engagement Some building SD capacity among delivery partners		The RPA has made some progress but by necessity has continued to be focused upon delivery of the Single Payment Scheme and recovery of the Agency.

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Level: 3	People: Some progress	RPA's comments in support of this rating:
Criteria: SD is partially reflected in: • Core vision and values • Training and development (e.g. core skills, induction, leadership development) • Performance management (e.g. competency framework) • Recruitment • Career planning and placements • Internal communications • Volunteering • Fund raising		The RPA has recently launched 'Living the Values' which aim to give a shared understanding of the approach that will help the RPA to provide a consistent high quality customer experience. The RPA has also recently invested heavily in training and development. It is now ensuring that staff are trained both in core skills and in those specific skills needed to administer Single Payment Scheme. RPA has also launched a leadership development programme aimed at G6 and G7 in the first instance. Some RPA sites encourage volunteering and all sites are involved in fund raising for one charitable cause or another.

Level: 7	Operations: On course	RPA's comments in support of this rating:
Criteria: Much structure around the Framework for Sustainable Development on the Government Estate including elements such as: • Management systems (e.g. EMS) • Energy, water, waste (resource efficiency, recycling etc.) • Travel • Sustainable procurement (e.g. efficient, green, fair, local, healthy) • Construction and refurbishment. • Biodiversity • Positive social and community impact		EMS is well embedded at site level and the RPA has achieved ISO 14001 on all its major sites. Energy and water consumption are closely monitored and measures are regularly considered and taken to reduce usage. RPA also shows a positive report on recycling. Green travel plans exist but need updating. Biodiversity is taken into account where appropriate. Some sites are keen to have a positive social and community impact and are involved in Business in the Community.

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Level: 3	Governance, Monitoring and Reporting: Some progress	RPA's comments in support of this rating:
RPA rated itself based on how it felt it is progressing on creating and embedding the appropriate mechanisms and processes to record and report progress of SDAPs, and sustainable development generally.

This was a subjective assessment, with no pre-defined criteria. | | The SD team within RPA is small and has other duties which deflect from the core requirement of creating and embedding SD into the organisation. An SD network is planned but it is has been hard to achieve engagement across all business areas. |

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2 PROCUREMENT

Procurement is an area of key importance to delivering sustainable development. Sustainable procurement (policy, processes and operations) should be embedded into all areas of organisations, and should be incorporated in the whole SDAP process.

The Flexible Framework (detailed in *Procuring the Future*[7]) identifies 5 key themes which are, in effect, the key behavioural and operational change programmes that need to be delivered in each public sector organisation to deliver sustainable procurement. For each theme, compliance criteria for five levels are detailed.

For each theme in the Flexible Framework, RPA identified the level it had reached, and provided information in support of this self-assessment.

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[7] *Procuring the Future*, The Sustainable Procurement Task Force National Action Plan. Department for Environment, Food and Rural Affairs, June 2006.

RPA's response

PEOPLE	
Level 2: EMBED	
Criteria: All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles	**RPA's comments:** Procurement team and Contract Managers attended training on Sustainable Procurement organised by the National School of Government. Annual attendance of Defra Sustainable Procurement Conference by Head of Procurement and Buyers.

POLICY, STRATEGY & COMMUNICATIONS	
Level 1: FOUNDATION	
Criteria: Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	**RPA's comments:** Currently reviewing our policy and documents on how these will fit with an overall strategy.

PROCUREMENT PROCESS	
Level 2: EMBED	
Criteria: Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most contracts. Whole-life-cost analysis adopted.	**RPA's comments:** Basic environmental clauses in terms and conditions but currently embarking on a full examination of contracts with a view to possible re-tendering taking into account general sustainable criteria and VFM.

ENGAGING SUPPLIERS
Level 2: EMBED

Criteria:	RPA's comments:
Detailed suppliers spend analysis undertaken. General programme of supplier engagement initiated, with senior management involvement.	RPA work closely with Defra network sharing experiences, reviewing our strategy. Require suppliers to provide an environmental statement.

MEASUREMENTS & RESULTS
Level 1: FOUNDATION

Criteria:	RPA's comments:
Key sustainability impacts of procurement activity have been identified.	Under review as part of Procurement's total strategy.

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3   TAKING STOCK

SDC asked RPA a series of questions designed to reflect on the success, barriers and progress of its SDAP, and to identify what helped or hindered. RPA's responses to these questions are detailed below.

1.   **What has helped your organisation to deliver its SDAP? e.g., capacity, funding, culture, leadership, policies, procedures and/or organisational arrangements.**

   Continuity in the role of SD officer, good buy-in by local accommodation managers and procurement team. Guidance and support from Defra.

2.   **What has hindered the delivery of your SDAP? e.g., capacity, funding, culture, leadership, policies, procedures and/or organisational arrangements.**

   A lack of visibility across all business areas and continued focus on delivery of core business objectives, particularly implementation of SPS.

3.   **What information do you hold and collect relating to the sustainable development impact of your organisation's overall policies/projects/activities? e.g., Regulatory Impact Assessments (RIA).**

   Aspects Register and ISO 14001 certification.

4.   **Were there any key updates/changes to your 2005/06 SDAP? Please briefly list.**

   None

4   PROGRESS AGAINST ACTIONS

The tables that follow report RPA's progress against specific actions in its 2006 SDAP. The table was designed by the SDC as part of the self-assessment tool for departments, and encourages critical assessment of the value of each action, as well as the progress achieved.

Progress is represented using a RAG+ Analysis (red, amber, green, +blue) (column E), and provides a subjective indication of the completion of an action towards its stated objectives:

- **Complete** indicates that an action is complete, and the associated output/outcomes fully realised
- **On target** indicates the action is incomplete in one or more aspects, but is still on target
- **Recoverable** indicates that an action is behind target, but recoverable
- **Behind target** indicates that an action is far behind target and that recovery is unlikely.

Column F details evidence to verify the reported progress made, such as:

- Published strategies, policies, Bills, guidance, literature
- Objective performance measures, indicators and associated sources of data
- Reports of events, particularly outcomes and next steps
- Auditable correspondence
- Auditable activities.

In column G, RPA reported whether this evidence is readily available for scrutiny by the SDC.

While each action is important in itself, the aim of the SDAP is to help organisations fulfil their contributions to the government's wider sustainable development priorities for

immediate action, as set out in its 2005 strategy, *Securing the Future.* [8] These are:

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

Column H contains RPA's critical assessment of how each action impacts on these priority areas, using a scale of 1-4 (see table below).

Column H Level	Contribution of action to one or more of the priority areas
1	Zero or small
2	Fair
3	Good
4	Outstanding

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[8] *Securing the Future – Delivering the UK Sustainable Development Strategy*, HM Government, March 2005.

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A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
FM 1	Increase energy efficiency by 1.5% pa against baseline figure for 1999-2000. Local Facilities Managers to monitor and provide energy efficiency reduction options.	Dec 06	**Local Facilities Management /Accommodation**	Recoverable	Energy information is reported to Defra who in turn report back to RPA showing progress towards targets at the end of each financial year	✔	2	
FM 2	Reduce absolute Carbon emissions by 1.5% pa across the RPA estate based on baseline figures for 1999-2000	Dec 06	**Local Facilities Management /Accommodation**	Recoverable	Energy information is reported to Defra who in turn report back to RPA showing progress towards targets at the end of each financial yea	✔	2	
FM 3	Raise staff awareness of energy saving schemes including turning off lights, computer equipment, faxes and photocopiers when leaving the office at night.	Feb 06	Accommodation Managers	Recoverable	Each site has their own strategy for raising staff awareness, including green committees, noticeboards and use of intranet.	✔	2	
FM 4	Identify any opportunities for implementing more water saving devices and more efficient measures across the RPA estate.	Dec 06	Local Facilities Management / Accommodation	On Target	A range of water saving measures have been implemented with varying degrees of success. Overall, water consumption, on a per head basis has declined.	✔	1	
FM 5	Reduce waste disposal by 1% by ensuring all staff are aware and participating in the waste procedures at all RPA sites. All waste figures to be recorded and monitored monthly.	Dec 06	Local Facilities Management / Accommodation	On Target	Each site promotes its waste strategies via the intranet and notices around the office. Quarterly returns to Defra show a 5% reduction in the waste going to landfill .	✔	3	

FM 6	Increase recycling by 5% across each RPA site by looking at all recycling possibilities and ensuring staff are aware of the recycling procedures.	Dec 06	Local Facilities Management / Accommodation	On Target	**Recycling across the Agency has been increased by 80% as reported by Defra. Staff are informed of recycling procedures via the intranet and notices around the office**	✔	3	
FM 7	Ensure that the sustainable development principles are embedded in all call off contracts for goods and services.	April 06	Head of Contracts and Purchasing	On Target	RPA is following the procurement strategy set by Defra and a new procurement strategy is being written to embed sustainable procurement. At a lower level practical steps are being taken to identify local suppliers for goods and services and to make them aware of RPA's sustainable objectives.	✔	3	
FM 8	Ensure all relevant staff are appropriately trained in sustainable procurement.	August 06	Head of Contracts and Purchasing	On Target	Procurement team and Contract Managers attended training on Sustainable Procurement organised by the National School of Government.	✔	2	FM 8
FM 9	To reduce impacts on travel on the environment by promoting video conferencing, completing Green Travel Plans and reviewing car hire procedures across the whole Agency.	Dec 06	Sustainable Operations/Local Accommodation Managers	On Target	Green travel plans exist but are in need of updating. Video conferencing is available at main sites and is used appropriately. 'Spider phones' are also used increasingly for multi site conferences. Car hire procedures have been renewed and a new contract agreed.	✔	2	FM 9

FM 10	Ensure RPA's Environmental Management Programme is in place and ISO 14001 certification is gained.	May 06	Sustainable Operations	Complete	ISO 14001 has been achieved and maintained at all RPA sites. ISO 14001 certificates and audit reports are available at all sites.	✔	3	
FM 11	Successful implementation of the new Single Payments Scheme, including allocation of entitlements and the start of payments to farmers.	Feb 06	Head of Operations	Complete	Single Payment Scheme has been implemented. Through a process of continual improvement payments are being made earlier than in previous years	✔	3	

RPA response signed by:

SD Reporting Officer: Nicola Langham,
Sustainable Development Officer, 19-09-07

SD Responsible Officer: Richard Workman,
Estates and Sustainable Development Manager, 19-09-07

SDC review and commentary:

Assessed by: Claire Monkhouse, Watchdog Team

Peer reviewed by: Siobhan O'Keeffe, Watchdog Team

Authorised by: Rebecca Willis, SDC Commissioner

Sign-off date: 23-10-07