Embedding Sustainable Development across Government

Environmental Audit Committee Inquiry
October 2010

Memorandum of Written Evidence from the Sustainable Development Commission

Sustainable
Development Commission

Contents

Executive Summary

In fulfilling its remit, the Sustainable Development Commission (SDC) has advised on and advocated for improvements across priority areas of Government's business, and reported on its progress. Drawing on extensive experience gained over 10 years, the SDC has identified four criteria for any new sustainable development (SD) arrangements in Government; Governance Arrangements, Mechanisms, Capability Building and Engagement (see Figure A, Section 1.3 below for further detail). These must be addressed if Government is to mainstream SD in its business, demonstrate leadership by example, and live up to its laudable ambition of being the "Greenest Government Ever":

1 **Governance arrangements must be put in place to drive SD through leadership, strategy, structures and scrutiny. They should also encourage innovation, long-term thinking and ensure effective cross-departmental working.**

- **Political Leadership** – There is a need for political leadership from the very top of Government. Ideally, the lead for sustainable development should be the Prime Minister, the Deputy Prime Minister or Cabinet Office Minister with support from a cabinet committee which has a clear remit on SD and access to impartial, expert advice. SD could feature prominently in the remit of an existing Cabinet Committee, with Government setting out how any such arrangement would ensure that SD becomes an organising principle for the development of Government policy, rather than a 'bolt on' afterthought.

- **Strategy and Vision** – Government urgently needs to bring together departments, local authorities, civil society and business under a refreshed and inspiring vision of sustainability for the future that will retain and strengthen the UK's position as a SD leader on the world stage. Any strategy must be explicit in how Government's economic, social and environmental activities are mutually reinforcing, and set out how an improved quality of life within environmental limits can be achieved, both in the short and longer-terms.

- **Governance Structures** – Governance structures should be reviewed to ensure that any bodies responsible for overseeing policy and operational performance are aligned and well co-ordinated to ensure effective and efficient delivery of agreed government goals for SD. Operational performance should explicitly help support and drive national policy ambitions. These bodies must also have clear remits and agendas covering the areas for which each is responsible, and be given appropriate levers and mechanisms to make effective change on cross-Government issues.

- **Scrutiny** – Government must have an independent scrutiny/assurance function which is informed by robust evidence, developed in part through ongoing challenge which necessitates close and regular liaison with Government officials. Reporting on progress must be transparent and provide Parliament and the public with a comprehensible overview of progress. Independent, well-informed scrutiny is essential, not only for Government's credibility on the SD agenda, but also to challenge departments and drive improvements in priority areas

2 Mechanisms must be established that enable Government to deliver its commitments set out in the SD vision and strategy.

- **Performance Management Frameworks** – Currently Government is lacking an agreed holistic set of standards, indicators, targets or explicit goals against which it, and others, can measure impacts, performance and progress towards agreed pan-Government outcomes.

- **Delivery Plans and Tools** – All public bodies need agreed plans which demonstrate how they will contribute to mainstreaming and delivering SD. SD must be embedded in all decision-making tools and processes for both its policy and operations. Examples include the Green Book, Impact Assessments, SD indicators, Business and Structural Reform Plans and environmental management systems (EMS). To date progress has been inconsistent and there is a risk that ongoing work (e.g. understanding impacts through the Green Book) will not go far enough in SD terms.

- **Monitoring and Reporting** – Government must ensure that there is a timely and transparent process for reporting progress against agreed performance management frameworks for all elements of public sector business – policy and operations - and that it provides easily understood information and progress reports for the public.

All the above mechanisms must be applied consistently across the three thematic areas of Operations and Procurement, People and Policy. Furthermore, SD mechanisms must be co-ordinated and driven centrally in order to make the most efficient use of Government–wide resources.

3 Capability building – Government will need a systematic approach to incorporating capability building into all aspects and levels of SD in Government – leadership, civil service skills, systems and procedures and tools to ensure the continuous improvement and efficiency of performance. This would need to be driven from a central focal point to ensure oversight, prioritisation and also the efficient use of Government-wide resources.

Current practice, where each department largely pursues its own agenda with little sharing of resources, activities and benefits, is not as effective or efficient as possible. It is key to identify core competences for the various stages of decision-making and policy development; the civil service staffing hierarchy; and various business functions (e.g. HR and Procurement).

The central focal point for Capability Building would need a means by which it can assess which departments' learning needs might best be met through centralised initiatives. These could include a range of learning interventions making best use of available resources which might require bespoke support for particular departments, or identifying which learning needs could be dealt by the department itself.

4 **Engagement of business, civil society, wider public sector and international bodies is vital to encourage dialogue, debate and decision-making to improve Government policies and provide independent, expert advice to decision-makers. Government must therefore ensure it has arrangements in place for ongoing engagement in order to:**

- Inform domestic policy as well as influence the European and international agenda

- Share best practice and learn from international examples

- Act as a focal point and sounding board for those organisations needing advice and guidance on specific areas of SD relevant to their organisation's aims. This will become increasingly important as a means for supporting Big Society initiatives as they start to gather momentum. It is also a critical part of the preparations for the Earth Summit.

To sum up, the previous Government made some progress on mainstreaming SD in a number of areas. However, given that the new Government has made a clear commitment to be the Greenest Government Ever, it not only needs to ramp up its ambition on operations and think beyond its estate boundaries and carbon; it should also ensure that SD permeates all aspects of its business, particularly its policy development. This document builds on the SDC's experience and findings to date, highlights issues and risks and sets out a number of next steps for the consideration of the Coalition Government.

1

Introduction

1.1 The SDC

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

Following the statement by the Secretary of State for Environment, Food and Rural Affairs on 22 July 2010 stating that Government wants "to mainstream sustainability, strengthen the Government's performance in this area and put processes in place to join-up activity across Government much more effectively", the SDC's funding has been withdrawn by Defra, effective from 31 March 2011.

1.2 Greenest Government Ever

Government's commitment to be the "Greenest Government Ever" is a very positive step. However, it is not clear to what exactly the Government is committing, and what aspects of Government business it encompasses. Government must offer a clear definition of the "Greenest Government" in order to be credible.

In the view of the SDC, being a green Government and being a sustainable Government are one and the same. The SDC would recommend that Government defines its ambition to be the most sustainable Government ever. This will enable Government to be a leader in operations in the short term, without jeopardising long term performance. Government should seek to improve not

only its operational impacts (e.g. carbon performance as well as water, waste, biodiversity and procurement), but also to optimise the sustainability of the social side of its operations (e.g. volunteering, diversity and local employment), the awareness and skills of its people and the impacts of all its policy.

An initial step for the Government in achieving its goals to be the "greenest ever" and to "mainstream sustainability" will be to establish the right SD architecture. The key components of sustainable development architecture for Government are outlined in Section 1.3 below and discussed in greater depth in Section 2.

1.3 SD Architecture

For Government to put sustainable development into practice it must put in place a robust and systemic structure which sparks leadership from the top, enables delivery and provides accountability to the public. SD architecture of Government can be split into four criteria; "Governance Arrangements" and "Mechanisms" to ensure a sustainable development approach is taken in Government policy and operations. While "Capability Building" and "Engagement" are inherent activities throughout the SD architecture, they are vital functions in mainstreaming SD and as such must also be considered separately.

Governance arrangements provide the leadership and direction required to drive the sustainability agenda and also provide accountability for progress. They consist of:

- Strategy and Vision
- Political Leadership and Governance Structures
- Scrutiny and Democratic Accountability.

Mechanisms are approaches which, if followed, can help deliver the commitments set by Government on sustainable development. The following mechanisms are key to successful delivery and should be applied to the thematic areas of Operations & Procurement, People and Policy:

- Performance Management Frameworks
- Delivery Plans and Tools
- Monitoring and Reporting

The component parts of the SD architecture are a practical application for any new SD arrangements and must be considered together. The governance arrangements establish the parameters for Government's action on SD as a whole, leading to the set of mechanisms to be used across the public sector to deliver outcomes. A feedback loop of performance information to the governance level drives continuous improvement and democratic accountability. This is shown in Figure A which outlines the four criteria and component parts for SD architecture.

Figure A   **Sustainable Development in Government – Architecture**
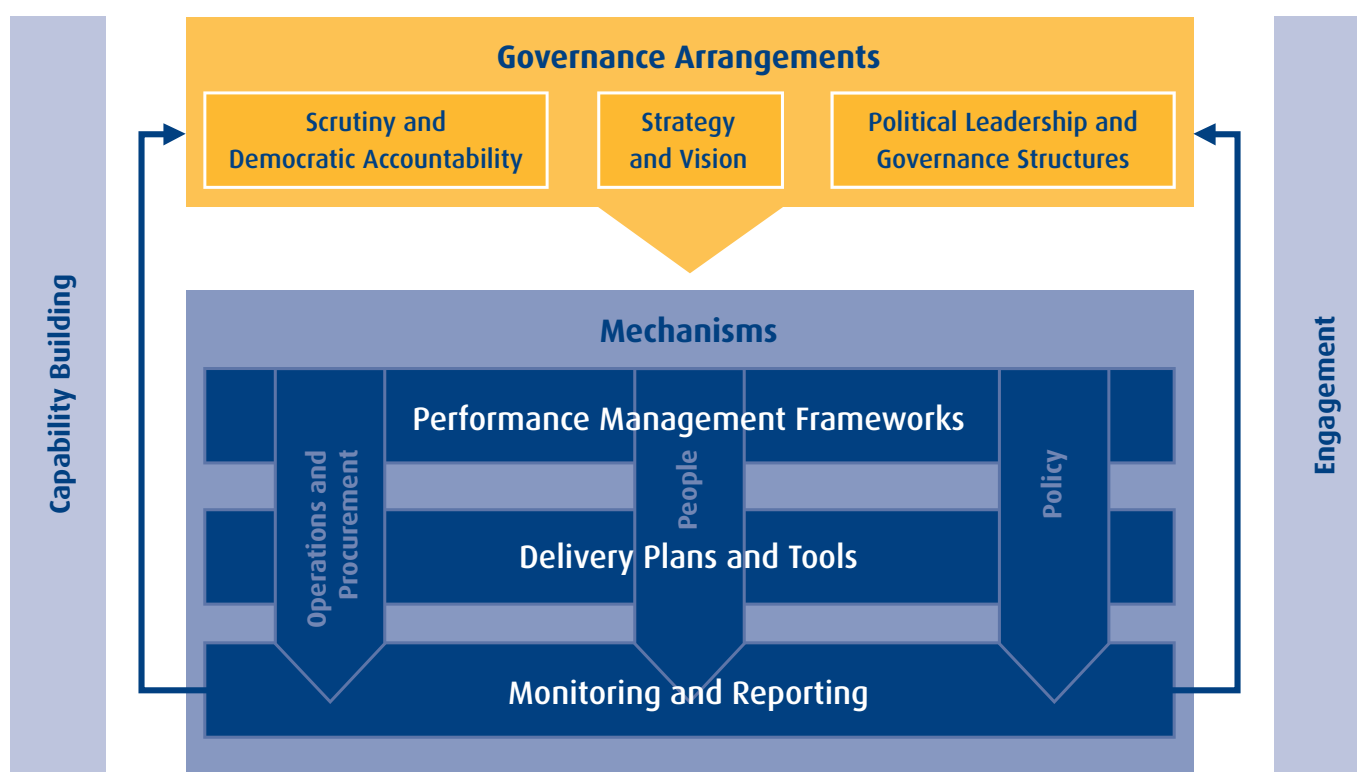
This document refers to Government as Central Government, which consists of Central Government Departments, Executive Agencies, Non-Departmental Public Bodies and Non-Ministerial Departments. However, in order to successfully achieve sustainable outcomes, SD must also be embedded into sub-national governance which has significant cumulative impacts; for example, Local Enterprise Partnerships, local authorities, Local Strategic Partnerships, parish councils, local community groups and Primary Care Trusts.

The next section (Section 2) explores SD architecture in more detail and discusses key principles, achievements by the SDC and Government, any issues and risks and the way forward for each component.

Annex A explores the benefits (including financial benefits) from sustainable operations. Annex B highlights the SDC's key achievements. Annex C discusses the key priorities for Government in taking SD forward over the life of Parliament.

2
Criteria and Components of SD Architecture

2.1 Governance Arrangements

2.1.1 Strategy and Vision

> **Definition**
> A pan-Government high level statement of principles and priorities for sustainable development.
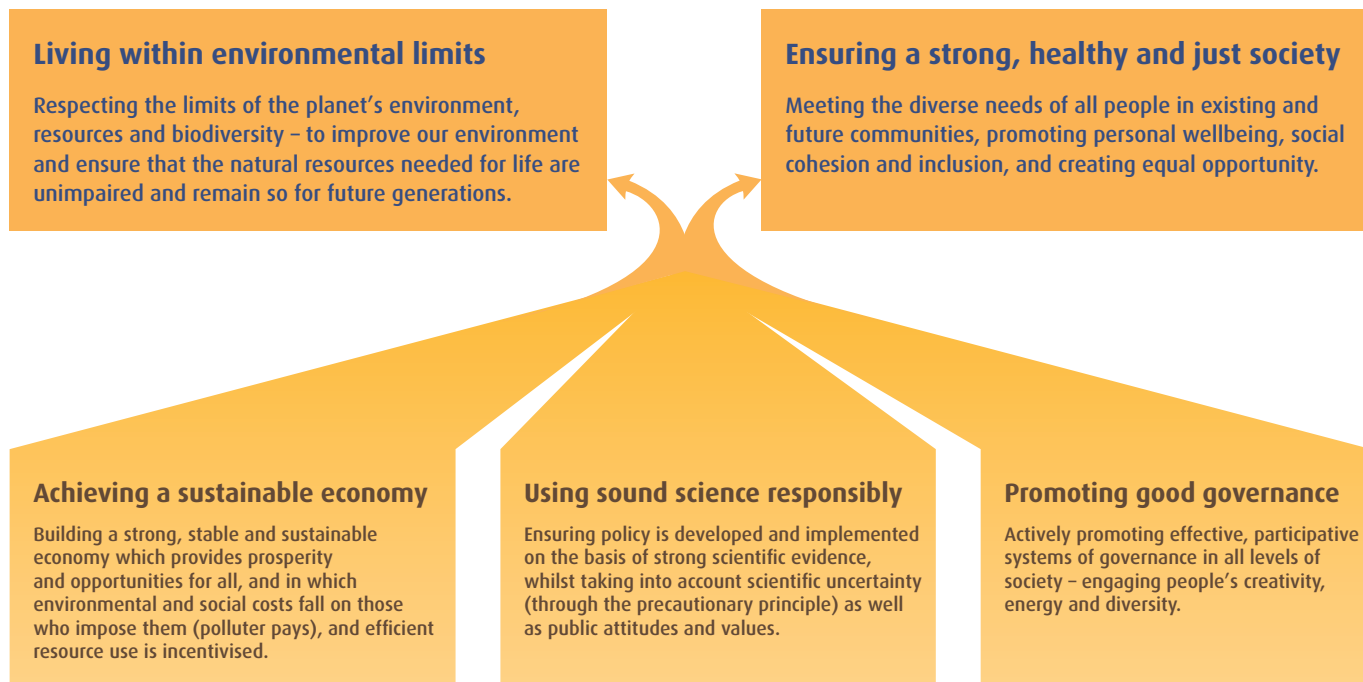
Key Principles

- A vision that sets out Government's aims of freedom, fairness and responsibility for the long-term, sets out how it will achieve better and mutually reinforcing social, economic and environmental outcomes for the UK, and provides a central organising principle through which all policy and operational activities is viewed to limit adverse effects and maximise efficiency.

- A clear set of principles and priorities that will enable an improved quality of life within environmental limits to be achieved, and which brings together statements of Government action with that of business, civil society and local Government to achieve combined action for the UK domestically and internationally.

Achievements

- The publication of Securing the Future, the UK Sustainable Development Strategy in 2005 led to a number of achievements:

  - A renewed Government commitment to SD was adopted by the whole of the UK and a strengthened for the SDC as Government's watchdog on sustainable development.

  - The Strategy set out the five principles of sustainable development which would be the framework for all action and decision-making. The five principles are shown in Figure B.

  - The Strategy focused the efforts of departments in improving their performance and progress on sustainability via the Sustainable Operations on the Government Estate (SOGE) Framework and the Sustainable Development Action Plan (SDAP) process.

  - Groups and networks formed to share best practice and innovative approaches to improving as a result of the Strategy's existence.

- The Welsh Assembly Government is one of only a few Governments in the world to have a statutory duty with regard to sustainability[1] and in 2009 it made a commitment to make sustainable development the 'central organising principle' of Government in Wales in its One Wales: One Planet Strategy.[2]

Figure B   **The Five Principles of Sustainable Development**

Living within environmental limits

Respecting the limits of the planet's environment, resources and biodiversity – to improve our environment and ensure that the natural resources needed for life are unimpaired and remain so for future generations.

Ensuring a strong, healthy and just society

Meeting the diverse needs of all people in existing and future communities, promoting personal wellbeing, social cohesion and inclusion, and creating equal opportunity.

Achieving a sustainable economy

Building a strong, stable and sustainable economy which provides prosperity and opportunities for all, and in which environmental and social costs fall on those who impose them (polluter pays), and efficient resource use is incentivised.

Using sound science responsibly

Ensuring policy is developed and implemented on the basis of strong scientific evidence, whilst taking into account scientific uncertainty (through the precautionary principle) as well as public attitudes and values.

Promoting good governance

Actively promoting effective, participative systems of governance in all levels of society – engaging people's creativity, energy and diversity.

Issues and Risks

- Without an up-to-date strategy or statement on SD the UK's reputation internationally as a leader on SD could be called into question, particularly in light of the upcoming United Nations Conference on Sustainable Development in 2012 (following on from the Earth Summit at Rio in 1992), and other international developments (e.g. France's new SD Strategy and the revision of the EU's SD Strategy in 2011).

- A vision or strategy on SD must be owned by Government as a whole with high-level leadership from the Prime Minister and all departments in order to put it into practice. Defra and DECC's

leadership on SD must reinforce this or run the risk of it being regarded as only the business of these two departments and potentially relegated to solely environmental concerns.

- A "greening" agenda which focuses simply on carbon or the environment risks ignoring many other key challenges facing the world e.g. social cohesion and fairness, the transition to a more sustainable economy, enabling more sustainable lives and shaping sustainable places.

Looking forward

- In order to take the lead on SD and achieve its goal of being the "Greenest Government Ever" while meetings its ambitions on fairness, Government needs to bring together departments, local authorities, civil society and business under a refreshed and inspiring vision of sustainability for the future that will retain and strengthen the UK's position as a leader on the world stage and will set out a narrative on how

an improved quality of life within environmental limits can be obtained. The SDC believes that the five principles of SD are still valid and useful and these need to be confirmed or updated as part of a reinvigorated strategy that should prepare the UK for the UN Conference in 2012 and beyond, as well as to set out what mainstreaming SD means in practice.

2.1.2 Political Leadership and Governance Structures

> **Definition**
> The structures, roles and responsibilities required to deliver a sustainable development strategy, to manage performance and make decisions.

Key Principles

- A formal lead for SD, who is accountable for the delivery of SD, must be identified at the very top of Government.

- A high level group of Ministers must be set up to oversee the delivery of a refreshed SD strategy. Any governance structures must have clear and transparent lines of responsibility which show exactly who is responsible for agreed commitments, how delivery will be carried out and how progress will be reported.

- Appropriate levers for change must be identified and assigned to leaders to improve whole Government and cross-departmental working.

- Senior leaders must provide support and guidance for those below to deliver more sustainable outcomes and enable any individual to take a leadership role in championing SD.

Achievements

- In response to the SDC's recommendations from the Sustainable Development in Government (SDiG) 2007 report, Government set up the Centre of Expertise in Sustainable Procurement (CESP) to act as the delivery body for the sustainable operations and procurement agenda. CESP in turn improved the governance arrangements for SD in Government by creating additional groups to discuss sustainable operations and procurement issues. See Operations and Procurement section for further details.

- As recommended by the SDC, all Permanent Secretaries have Government's operations and procurement targets in their personal objectives.

- During the last administration, a cabinet sub-committee was set up dedicated to SD; this was the cabinet committee for Energy and Environment, sub-committee Sustainable Development (EE(SD)). The terms of reference for the group were "to improve the Government's contribution to SD through the conduct of its business, including through consideration of departmental sustainable development action plans; and to report as necessary to the Committee on Energy and the Environment."

Issues and Risks

- There is a risk in not having appropriate governance structures and leadership to drive direction, decisions and accountability. Leadership for SD has been inconsistent and there has been a lack of authority to bring together disparate parts of Government and properly drive delivery of the SD strategy. In particular:

  - During the last administration, SD Ministers were nominated for every Department to act as the ministerial lead on SD for each department and a network was set up led by a Defra minister to enable this group to meet and discuss SD issues.

  Despite efforts by Defra the lack of a clear mandate for the group and mechanisms to enact change meant that it failed to meet regularly and never got off the ground.

  - In a cabinet reshuffle, EE(SD) was lost and SD become a part of the remit of the Cabinet committee for Economic Development, sub-committee Environment and Energy (EE(ED)). This created a risk of wider sustainability issues becoming secondary to economic interests by top-level decision-makers.

– Government has had mixed success in embedding SD into policy and decision-making processes. This is partly due to weak governance arrangements. The Sustainable Development Programme Board (SDPB) and Sustainable Development Policy Working Group (SDPWG) have suffered from a lack of clear remit and have failed to organise coordinated initiatives to improve the tools and practices available to departments.

Looking forward

- Given the magnitude of the issues being dealt with, leadership for SD should be assigned to the level of Prime Minister, Deputy Prime Minister or, at a minimum, a minister in the Cabinet Office to ensure a pan-Government approach to SD. On the departmental level, the lead for SD should be expanded beyond Defra and DECC to include social policy departments such as DWP.

- This high-level leadership should be supported by a cabinet committee and must have a clear agenda for SD and be given appropriate levers and mechanisms to make effective change on cross-Government issues. This cabinet committee must have access to independent expert advice, must have clear links into Government decision-making processes and must have all major departments represented including HMT.

- Governance structures should be reviewed to ensure that any bodies responsible for overseeing policy and operational performance are aligned and well co-ordinated to ensure effective and efficient delivery of agreed government goals for SD. In particular, the remits and membership of SDPB and SDPWG must be reviewed to improve focus on high priority subjects/initiatives by making clear what each group is trying to achieve and to make them fit for purpose in embedding SD principles into policy and decision-making.

- To drive change as has happened on operations, Permanent Secretaries' and Ministers' appraisal objectives should include ones on SD policy (not just operations) as they relate to departmental Structural Reform Plans or Business Plans.

2.1.3   Scrutiny and Democratic Accountability

Definition
Third party independent analysis, assessment and feedback to Government, business and civil society.

Key Principles

- Government must be held to account for its performance on SD, the outcomes, the decisions it makes and the way it works.

- Analysis and assessment must be carried out by an independent body in close liaison with Government officials, and must be based on previously agreed milestones and commitments to ensure there is consistency.

- Scrutiny must be transparent and made available to the public.

- Provide Government (in particular any new group of Ministers) with impartial expert policy advice to develop robust action plans that take long-term consequences into account.

Achievements

- The establishment of the Sustainable Development Commission (SDC) in 2000 to act as the Government's independent advisor and "critical friend" was a major milestone. The SDC's remit was strengthened to include the formal scrutiny "watchdog" function in 2005.

- The Environmental Audit Committee (EAC) has provided parliamentary scrutiny on SD since 1997.

- The NAO has undertaken specific audits on sustainability, particularly on operations and procurement.

These three "SD Scrutineers" have worked together to provide effective scrutiny of Government and Departments. Each serves a different function, but worked together to complement each other's work programmes while at the same time ensuring that an understanding evolves that reflects changing circumstances and changing departmental capability. For example, the SDC and the NAO (at the behest of the EAC) worked in partnership to develop the assessment framework for a Departmental Sustainability Assessment (DSA) of the Department for Works and Pensions. Whilst the NAO was not involved in the actual assessment, its expertise proved invaluable in driving this pilot project forward.

Issues and Risks

- Of the three SD Scrutineers, the SDC provides the broadest coverage of sustainability issues. When the SDC ceases, the quality of SD scrutiny – and therefore the level of democratic accountability – will diminish unless this is accounted for in any new arrangements.

- Unique to SDC's role was the function of capability building. This function is at risk of being lost when the SDC ceases, as neither the EAC nor NAO have these competences and are therefore not currently capable of providing this type of support and assistance. See Capability Building section for further details.

- Scrutiny requires more than occasional analysis and reporting. Proper understanding of the ongoing challenges of SD is gained by daily interaction and liaison with practitioners and senior officials, by providing ad hoc advice and by responding to formal consultations. This enables change before final decisions are made, informs formal scrutiny and reporting and increases the ability to get Government to respond to findings. Without robust engagement, scrutiny is weakened. However, there is a risk that relationships with parts of Government can be strained by critical scrutiny. This can make the role of Government's critical friend difficult, which is why ongoing interaction with practitioners and senior officials is such an important part of any scrutiny arrangements.

Looking forward

- Under the new arrangements for SD, it has been proposed that the EAC is given an enhanced role to provide scrutiny. It is not clear how this enhanced role would work or how it is to be supported. However, the SDC would recommend that it include:
    - Independent assessment of Government's own operational activities and operational delivery plan
    - Ongoing assessment of draft and final of organisational delivery plans for SD
    - Scrutiny of Government's arrangements for policy development and for assessing impacts
    - Commentaries on the adequacy of governance arrangements

    - Commentary on how well SD is being driven through the skill development of civil servants.
    - Access to independent expertise on SD
    - A capability building function for SD either directly within the EAC or supported by a SD body for capability building elsewhere in Government.

2.2 Mechanisms

2.2.1 Performance Management Frameworks

> **Definition**
> An agreed holistic set of standards, indicators, targets or explicit goals against which to measure impacts, performance and progress towards agreed high level outcomes.

Key Principles

- A systems approach that considers all aspects of Government business and reflects the interplay of different impacts so as to effectively manage performance and achieve goals.

- In designing a Performance Management Framework the indicators and measures of progress should:
  - Add up to the high level goal/statement/priority
  - Be agreed with the relevant scrutineers
  - Be meaningful to the public

- Any framework must be designed to improve the level of democratic accountability and transparency.

Achievements

- The Sustainable Development Indicators have been useful measures of progress against sustainability commitments to date. Government reports annually on the entire indicator set and a summary 'basket' of indicators. These indicators have been very useful in terms of the promotion and awareness raising of sustainable development. For example, there has been considerable take up of the publications by education institutions as educational resources, and the indicators have helped to clarify the breadth of SD beyond simply the environment, and to home in on specific issues, e.g. poverty and life satisfaction. This set of indicators is now being revised by the SDC, Defra, the Office for National Statistics (ONS) and the Cabinet Office.

- The Sustainable Operations on the Government Estate (SOGE) Framework has driven significant progress on Government's operations and procurement activity with progress reports made publically available through annual SDC reports. (See Operations and Procurement section for further details).

- The Sustainable Procurement Task Force's Flexible Framework provided Government with agreed measures for progressing on the sustainability of their procurement activity which has driven performance. (See Operations and Procurement section for further detail).

- The SDC has acted as an advisor in the development of each of these Performance Management Frameworks.

- The introduction of Carbon Budgets in the Climate Change Act 2008 represents a significant step in assigning an environmental limit to government decisions and policy. The framework and process for carbon budgets has been set up to deliver carbon budgets targets and should be monitored for effectiveness.

Issues and Risks

- Some things are hard to measure, for example wellbeing. The measurement of wellbeing will be a key issue in a future performance management framework. On wellbeing (which the SDC views as being synonymous with quality of life), the SDC agrees with the assertion of the Stiglitz Commission that appropriate measures can provide a current status report, but have very limited use in understanding the potential for future wellbeing or sustainable development. Sustainable development is inherently forward-looking, requiring information about the future as well as the present.

- Better measures of progress are needed to drive improvements in operational performance and policy development/implementation.

Looking forward

- The SDC recommends that any new indicator set to measure wellbeing must sit within a wider sustainable development measurement framework.

- The SDC supports the idea of reporting through a "dashboard" of aggregated indicators which can effectively convey a high level measure of progress. However, a dashboard cannot tell the whole story, so the high-level indicators must also be disaggregated to an appropriate level to show, for example, the distributional effect across social grade, ethnicity, age, level of deprivation, gender, income, and whether the social and environmental footprint is positive or negative.

- Government should seek to develop performance management frameworks for policy, operations and people as a package of measures that when combined drive improvements in Government's sustainability performance.

2.2.2 Delivery Plans and Tools

> **Definition**
> Statement of intent by an organisation explaining how it will contribute to achieving a pan-Government vision on SD through specific actions within a prescribed timeframe across Operations and Procurement, People and Policy and the tools it will use to achieve this.

Key Principles

A Delivery Plan should:

- Set out clear objectives to be achieved in the time period that the Plan covers and which are supported by specific, measurable, accountable, realistic and time-related actions to allow effective measuring and reporting

- Have actions that cover the totality of an organisation's business, i.e. its operations and procurement activity, its people (e.g. Human Resources, workforce management policies) and its policies and decision-making processes

- Be integrated into business planning processes and support longer-term goals

- Include clear governance arrangements and monitoring and reporting processes

- Be publically available and publicly reported on.

Tools should:

- Support all officials to make more sustainable choices in their everyday jobs, driving more sustainable outcomes

- Be integrated with SD.

Achievements

The SDC has supported all Government departments over the past five years in developing Sustainable Development Action Plans (SDAPs), and SDAP progress reports. SDAPs are delivery plans which enable departments to become more sustainable organisations across each and every area of their business. The SDC has done this through: developing and communicating the SDAP cycle (see Figure C), the production of guidance materials,[3] delivering workshops, advising on the content and ambition of draft Plans, assessing final published Plans and scrutinising reported progress.[4] The SDC has had a full-time dedicated resource to this process since 2006. There are currently ten Government departments with current SDAPs, four without current SDAPs, four SDAPs at a draft stage and one department which has discontinued the process.

Figure C   **The SDAP Cycle**

The quality and ambition levels of these plans have increased over the past five years, and they have helped to raised awareness and understanding of sustainable development across Government.

There are two examples where organisations have begun to look beyond the SDAP process to more fully integrate sustainable development into their organisational business: the Foreign and Commonwealth Office (FCO) which over the past year has focussed attention on integrating SD into its business planning processes through department-wide engagement processes; and the Driving Vehicle Licensing Agency (DVLA) which took the decision not to produce a SDAP for 2009/10 but to produce a single Business Plan/SDAP i.e. a 'sustainable' Business Plan.

The existence of tools to support departments in the delivery of their SDAPs and thereby implementing the actions for SD has enabled significant progress to be made on SD. Specific tools for operations and procurement, people and policies can be found in the relevant sections of this evidence paper.

In implementing Carbon Budgets, DECC has prepared guidance and provided support to other departments to enable departmental Carbon Reduction Delivery Plans which detail the actions a department will take towards fulfilling its carbon budget. Defra has also provided guidance and support to other departments for departmental Climate Change Adaptation Plans. The SDC provided advice and guidance to both DECC and Defra on their respective climate change planning processes.

Issues and Risks

- Delivery plans and tools should be designed to help practitioners carry out their work on policy, people and operations and procurement more effectively and more sustainably. SD should be mainstreamed into standard tools, which will require expertise and should be linked to Performance Management Frameworks. A dedicated source of advice and guidance for departments and agencies will be important in managing this transition, ideally via the Cabinet Office, to reinforce SD as a central issue for Government

- Ensuring that momentum is maintained on the process of mainstreaming SD into standard tools and processes, and that mainstreaming is not regarded as complete prematurely are key issues. The SDC has experienced this in its SDAP work in which a department produces one or two SDAPs, the process begins to come to a halt and SD is at risk of being dropped. The SDC's work in the past five years has sought to ensure that momentum is maintained and that departments are held to account on the SDAP reporting requirements, i.e. to be covered by a SDAP at all times and to report progress annually. It is therefore important that systems and requirements are in place to ensure that this does not happen with any future SD planning and reporting processes

- SDAPs have necessarily been a separate plan of action for a department as Government began to get to grips with what SD meant for its business and activities. It has always been a requirement however, that a SDAP should align with a department's Business Plan and pan-Government aims and objectives. With the progress that has been made on SDAPs over the last five years, the downside to the SDAP as a separate plan to a central business plan, and one increasingly cited by departments, is that sustainable development may be regarded as an add-on to existing business rather than the approach a department uses to deliver its activities. This now presents an opportunity for Government to define how sustainability may be more tightly integrated into a department's business planning cycle

- The SDC's SDAP guidance and assessment work has highlighted that a key area requiring attention is departmental progress on embedding sustainable development into policy-making. See the Policy section for further information

- While the forward-looking work carried out by the FCO and DVLA is not regarded as complete by either organisation, their experiences could provide useful evidence for where to take the SDAP work next.

Looking forward

All public bodies need agreed plans which demonstrate how they will contribute to mainstreaming and delivering sustainable development.

Ultimately the existing SDAP process should no longer be needed **once an organisation has sufficiently embedded sustainability into all of its plans, processes, people and activities**. A Government-wide transition from separate SDAPs and Business Plans to just one 'sustainable' Business Plan would be a logical next step for the SDAP process. This approach reduces the burden on departments in that they produce one single plan that demonstrates the focus of their business in the years ahead and how they intend to make SD the organising principle for all future departmental strategies and plans.

The SDC recommends the following for undertaking this transition:

- The SD practitioners within the organisation work with the business planning divisions to create the sustainable Business Plan

- SD practitioners retain a separate list of sustainable development actions/activity to ensure a measured transition

- The quality and ambition levels of existing SDAPs are highly varied across Government. Where departments have not yet implemented the basic requirements of the SDAP process, it may be more appropriate for them to continue with the SDAP process, with a view to advancing to the 'Sustainable Business Plan' in the near future. If so, the SDAP should set out a plan for that transition.

The monitoring of this transition should be conducted by a central body, such as the Cabinet Office, and should provide assurance that the transition is progressing and that sustainability messages are not being lost in the process.

2.2.3 Monitoring and Reporting

Definition
A streamlined and timely process of reporting progress against performance management frameworks for all elements of public sector business strategically and which provides transparency for the public.

Key Principles

- Effective monitoring systems must be in place to gather information in a timely and efficient way

- Reporting of data must be transparent and accessible, allowing others to hold Government to account for its performance against policy and operations commitments/goals

- The ambition must be for better, more simplified reporting, integrating SD and focusing on outcomes while minimising the reporting burden on departments and other organisations.

Achievements

- **SDiG** – Operations and procurement has arguably been the most successful part of the SD agenda in Government. Started as the Greening Government programme by the EAC, the Sustainable Development in Government (SDiG) report and process has been successful in turning pan-Government performance from "poor performance" to either being or nearly being "on track". Key to this success has been the role of the SDC in undertaking independent assessment of performance and producing the SDiG report with recommendations, the majority of which have been accepted and implemented by Government.

Responsibility for data collection has been a success in capability building terms to the extent that it has now been handed back to Government who recently began real time reporting on operational performance (e.g. energy consumption in buildings). For further details see Operations and Procurement section.

- **SDAPs Progress Reports** – Securing the Future committed departments and executive agencies to produce Sustainable Development Action Plans (SDAPs) and report progress against them regularly. To facilitate this, the SDC produced a progress reporting tool for organisations, and worked closely with practitioners to understand how to record and report progress on actions and impacts. The SDC scrutinised the first round of SDAP Progress Reports and provided detailed feedback to departments. The SDC also

monitors and tracks departmental progress in the SDAP process to maintain public accountability. For further details see Delivery Plans and Tools section.

- **HMT Sustainability Reporting** – This Treasury-led initiative is an excellent step towards integrated reporting. It will require all public sector organisations to report information relating to sustainability performance in annual reports, which should also lead to improved performance management in relation to sustainability. By using a format which covers both financial and non-financial performance, it is hoped that the cost benefits of embedding sustainability is more visible. A dry-run is currently underway with Central Government departments before expanding to all public bodies.

Issues and Risks

- There is risk of a proliferation of reporting mechanisms on sustainability which places an onerous burden on departments and ties up valuable resources which could otherwise be used to improve performance and deliver more sustainable outcomes

- The SDC – through advice to departments and membership on various governance and working groups – has worked across Government to identify synergies between reporting mechanisms, to avoid any unnecessary duplication of effort or conflicts. Without the SDC undertaking this function, there is a risk that the quality and efficiency of reporting on sustainability will decline

- Without effective monitoring and reporting systems in place it is impossible for Government to assess performance against targets and policy goals, to plan strategically, and stake its leadership on sustainability claims (e.g. the Greenest Government)

- To date, monitoring of the sustainability impacts of a department's policies has been conducted through the Public Service Agreement/Departmental Strategic Objectives process, the SD Indicators and to a lesser degree through the Sustainable Development Action Plan (SDAP) process – all of these are currently in doubt. Clarity on how these impacts will be monitored in the future is required.

Looking forward

- The historic role of the SDC in identifying overlaps and synergies between reporting mechanisms must be replicated to ensure integrated sustainability reporting, to reduce the reporting burden on departments and to embed sustainability in core reporting.

- With the removal of the last administration's Public Service Agreement framework, a better system for reporting on the impact of public policy is required. The revised set of SD indicators could form the basis of such a performance management system. See Performance Management Framework section for further details.

2.2.4   Operations and Procurement

Definition
Ensuring that all aspects of Government operations and procurement are carried out in the most cost effective way with minimal impact on the environment and in support of our common social needs for a prosperous, healthy and just society, both on and off the Government estate.

Key Principles

- Increasing the sustainability of Government operations and procurement increases Government's authority on SD by demonstrating that it is "getting its own house in order" in terms of how it functions and how it spends public money.

- Leadership – demonstrating and refining the tools that Government is promoting in its policy to reduce adverse sustainability impacts

- Given the scale of public sector impact and its purchasing power, Government has role to play in making progress towards policy goals by changing its operational and procurement practices.

- Impacts can be both direct and indirect. They include but are not limited to the management of carbon emissions (including energy efficiency & travel), natural resource protection (including water, waste, recycling & biodiversity), health & safety, resource/supply demand, and all associated policies.

Achievements

- By 2008/09, the Sustainable Operations on the Government Estate (SOGE) framework of targets had helped Government improve its energy efficiency by 7.9%; to reduce carbon emissions from offices by 10% and from administrative vehicles by 17%; to reduce waste by 13.7% and water use by 19.9%; and to increase recycling by 48.4% against their respective baselines[5]

- While exact figures do not exist, and with some heavy caveats in place, the value of the benefits from better

- management of carbon, energy, travel, waste and water in 2008/09 can be estimated to lie somewhere between £62.3 million and £66.1 million (see Annex A)[6]

- Based on these figures, over the course of the current Parliament, it is possible that these savings will add up to between £300 million and £330 million in savings, assuming no new initiatives are undertaken, and that Government does not lose ground on the savings already made due to the unexpected consequences of new Government policies and initiatives.

Issues and Risks

- As the new target framework for operations and procurement (formerly SOGE) has not been formally adopted, Government has made no commitment to a targeted reduction of the impacts of its operations and procurement beyond the 12 month 10% carbon reduction target

- This risks Government losing momentum towards increased sustainability, potentially losing ground on the savings already made and losing credibility with non-Government stakeholders it is trying to influence to act in more sustainable ways

- Currently operations and procurement are largely seen as separate issues from each other, which can result in the impacts of Government operations being shifted off the estate without taking action to reduce them in real terms.

- The SD impacts of operations and procurement can only be effectively managed if embedded in performance management frameworks, tools and monitoring/reporting.

- The best two tools for achieving improved operations and procurement are behaviour change programmes and adopting more sustainable procurement practices which take into account the impacts of the supply chain and which include the often more significant indirect impacts of Government operations

- Sustainable procurement programmes begin with resource demand management, and go on to include supplier engagement on supply chain and life cycle

issues, encouraging use of best-in-class pre-approved suppliers, and, where appropriate, rationalising procurement contracts across departments to gain better value for money.

- Currently there is no coherent system in place, so it is important to focus attention to driving and incentivising effective demand management and to building on previous initiatives.

Looking forward

- To support transparency and direction of travel, Government must provide clear direction to all public sector organisations on how and what they should be reporting against, where appropriate targets should be set, and how to avoid letting the focus on one area such as climate change, cause perverse incentives that damage efforts to make other areas of Government operations and procurement more sustainable.

- Given Government's aim to reduce the national deficit over a number of years, Government should formally acknowledge that payback periods for many resource management projects, such as energy, water and waste, make financial sense (although this should not divert attention from the wider social and environmental SD benefits that are often harder to quantify financially)

- Government should ensure that there is more cross-departmental coordination of operations and procurement to obtain better value for money, more efficient use of shared resources and increased capability through shared learning

- Supplier engagement should be better monitored, and therefore optimised, by using a cross-Government management system such as CAESER (www.caeser. org) which is currently being trialled by the Home Office, HMRC and the Welsh Assembly Government (with discussions underway with DWP, MoD & Defra).

- Government needs to continue to build a clear understanding of the state of its estate in order to identify the real potential for improved efficiencies through operations and procurement.

2.2.5 People

Definition
Ensuring that all aspects of Government's staffing and human resources policies are carried out in the most cost effective way with minimal impact on the environment and in support of our common social needs for a prosperous, healthy and just society, both on and off the Government estate. Specifically, the development of departmental tools and processes to ensure that all staff have the awareness, understanding, training and skills to be able to apply SD principles in all aspects of their work, and in the wider community.

Key Principle

- Government (through departments) must embed SD principles into competency frameworks, tools and processes, including recruitment procedures, in order to:

  - Establish a working culture that recognises diversity and equality, supports a flexible working environment where appropriate, and promotes learning and development opportunities.

  - Develop an understanding and awareness which generates more sustainable outputs from each department, so that Government as a whole, via for example, policy-makers, uses its understanding of SD to generate more sustainable policy that avoids trade-offs between economic, social and environmental issues.

Achievements

- **Awards for Individual Activity on Sustainability within Departments**
  Some key examples include the Sustainability in DWP (SID) awards which encourage staff to use their initiative and challenge themselves and others to act more sustainably, and the MOD's Sanctuary Awards in recognition of both individual and group efforts for projects on MOD land in the UK & overseas.

- **HMRC Outreach Programme**
  HMRC began this particular outreach activity to ensure that the public fully understood their potential entitlement to tax credits following research that identified low take up in certain areas. Internal advertisements were placed for volunteers (called Outreach Support workers) from the business to go out to supermarkets, children's centres and community groups to speak to people in the course of their daily lives.

Issues and Risks

- Whilst there are certainly elements of good practice, there is currently no central push to embed an SD approach in relation to staff (i.e. the integration of SD into staff awareness, understanding, training and skills and their contribution to the wider community as individuals, for example, through volunteering). Some key examples include failure to embed SD principles in, for example, the Professional Skills for Government (PSfG) framework

- There is currently a lack of general understanding on how Government is performing on the 'People' side of sustainability, as well as even a general understanding of the importance of this area

- A potential risk in is that the balance between progress on the 'formal' elements (i.e. processes and frameworks) and the less structured side of this area (i.e. encouragement of debate on SD, and general awareness raising, etc.) fails to be sufficiently achieved.

Looking forward

- Cabinet Office must coordinate a centralised initiative to build on information contained within departmental Sustainable Development Action Plans (SDAPs) and the existing knowledge and awareness of SD practitioners within departments in order to generate a clear picture of progress in this area. This should be bought together with existing and well developed progress on the way in which sustainable operations and procurement are measured to ensure parts of the SD architecture are not considered in isolation

- While centralised coordination is vital, departments must also continue to tailor measures to their own departmental circumstance and to act themselves

- The principles of SD should be incorporated into training and development courses, e.g. on how to make effective policy. Furthermore National School for Government (NSG) could take the lead on helping departments prepare training courses to embed SD into all generic training courses delivered to civil servants.

2.2.6   Policy

> **Definition**
> The development and implementation of policy through using the sustainable development principles in order to enhance the quality and value for money (VfM) of Government policy and achieve better outcomes for society, the economy and the environment. This includes analysis, tools and guidance to help officials take a longer-term, broader-based approach to policy-making that identifies significant impacts, unintended consequences, and tackles underlying causes rather than moderating symptoms.

Key Principle

- Policy and programmes that are developed and implemented through:

  – A systems approach (broad-based, long-term) in order to understand the risks and impacts across a number of areas by identifying the linkages between them

  – Determining the most efficient way of delivering priority outcomes by identifying actions which can deliver multiple outcomes

  – Investing to reduce the need for future spending by finding innovative, cross-disciplinary solutions to cross-cutting issues and to build resilience to future environmental and economic shocks

  – A comprehensive evidence base that examines significant impacts and clearly informs final decision-making.

Achievements

- There has been increasing recognition within Government that sustainable development offers a helpful framework within which to evaluate and manage the costs and benefits of different policy options, for example:

  – The Government Economics Service (GES) review on the Economics of Sustainable Development that seeks to operationalise the definition of SD as well as conduct further research into the measurement of social impacts

  – The establishment of a cross-Government Social Impacts Task Force to develop a coherent and consistent approach to the understanding of social impacts and social capital for use in advising on policy decisions

- The SDC has conducted a small review on Impact Assessments (IA) and used the findings to advise Government (the GES, the Better Regulation Executive (BRE)) on how to improve the process, as well as Defra on how to improve the SD Specific Impact Test (SD SIT), as part of the IA process.

In addition, a number of individual departments have developed their own approach to ensuring sustainable development is both an input and an outcome of their policy-making. These have been intended to complement existing processes including the Green Book and departmental specific policy cycle processes. For example:

- **Department for Transport** – The New Approach to Appraisal (NATA) is a framework used to appraise transport projects and proposals that builds on already well established cost-benefit analysis and environmental impact assessment techniques

- **Department of Health** – a centrally located economist has been given the remit of supporting colleagues across the department with carbon and sustainability appraisal

- **Food Standards Agency** – has developed its own tool for measuring the sustainability of policies and programmes developed through the Impact Assessment process, as well as establishing mechanisms for monitoring progress.

Issues and Risks

- There is a risk that future costs will be incurred as a result of a short term focus, which will result in achievements which cannot be sustained and policies which clash in delivery due to silo working

- Co-ordinated activity to embed SD into policy-making is beginning to occur via the GES review, the Social Impacts Task Force (SITF) and the SDC's work on environmental limits. Specific issues and risks are:

  – **GES** – work is ongoing and needs to be continued to resolve the issues that the group itself has identified

  – **SITF** – The aim of the SITF is to produce supplementary guidance to the Green Book on how to measure and report on social impacts. However, as this guidance is supplementary, it will be at risk of simply being ignored

  – **Natural Environment** – Defra are in the process of producing a White Paper on the Natural Environment. While this is a positive step, it may jeopardise a wider sustainable development approach if this is to replace the most recent SD Strategy (Securing the Future), as it may not encompass the entirety of the sustainable development agenda

- Adequate guidance does not exist to explain how tools for embedding SD into policy-making should fit together as a package to create better policies; individually these tools do not sufficiently enable policy-makers to address sustainable development

- The primary focus of processes such as the Green Book and IAs is on achieving better economic outcomes. While the Green Book states the importance of considering social and environmental impacts, including those impacts which cannot be monetised, there is:

  – Not currently a clear idea of how to measure social capital and how to measure environmental limits

  – A clear priority given to economic outcomes over social and environmental outcomes

  – A lack of guidance (and expertise) on how to weigh up monetised alongside non-monetised impacts and recognition that non-monetised impacts are equally as important. This results in monetised impacts taking precedence in final decision-making

- The SD SIT has been revised as part of the BRE's Review of the entire IA process. It is acknowledged that this Test is a work in progress and that the work of the GES review and the SITF will improve the Test in time. However, there is no mandate for a policy-maker to employ the SD SIT as it currently stands, and sufficient importance is not placed on the test in the IA guidance, nor how it should be used in relations to the other SITs. For example, the SD SIT should be both the initial test that identifies which SITs should be completed, as well as the final test which draws together the evidence base and highlights any significant impacts

- The individual departmental tools outlined in the 'achievements' section have taken departments so far but no one tool demonstrates that the totality of a department's policy-making has fully integrated the principles of SD

- Defra have committed to "Revise guidance on Impact Assessments, the Green Book and other policy appraisal guidance to take account of sustainability and the value of nature" in their Structural Reform Plan. But as yet, Defra have not taken any solid steps in advancing this work

- The SDC has traditionally used its convening role to help Government work through difficult and cross-cutting issues which transcend departmental boundaries. With the abolition of the SDC there is a risk that no such a body will exist with the expertise to help Government in this way in the future

- In developing different policies to reduce emissions in the wider economy in line with carbon budgets, there is a risk that departments may pursue initiatives which have adverse sustainability impacts in other areas beyond carbon. Effective scrutiny by a body not focussed solely on climate change is required to SD-proof carbon budget actions.

Looking forward

- Further work is required on the Green Book to ensure social and environmental outcomes are recognised as being just as important as economic outcomes, and with clear pointers for policy-makers on the how. The work of the SITF and the GES will be vital in seeking to embed principles of sustainable development in the Green Book to maintain momentum on these areas of work and ensure the findings result in practical methods and tools that can be used by policy-makers to develop better, more sustainable, policies

- Government should agree a cross-Whitehall approach to policy-making that maps out how the various tools outlined above should fit together to achieve more sustainable policy outcomes. In practice this will only succeed if the governance arrangements for sustainable development are effective at both ministerial and official levels, with progress properly supported and scrutinised

- This cross-Government approach should be supported by individual departmental tools and guidance appropriate to their individual policy areas

- The National Audit Office currently undertakes an annual economic analysis of a sample of IAs. The SDC recommends that this should be widened to be a sustainability analysis of IAs building on the SDC's own work in this area

- Review policy appraisal tools and processes to enhance the integration of SD.

- Government must prioritise the pressing SD issues it is seeking to tackle over the life of the current Parliament. Annex C explores the SDC's 5 areas for priority action. These areas are Economy, Places, Fairness, Lives and Government.

2.3 Capability Building and Engagement

2.3.1 Capability Building

> **Definition**
> How advice, scrutiny and influence are used to enable civil servants, MPs and Ministers to contribute to SD in Government, for example, by supporting good governance, providing analysis, developing skills and co-developing policy solutions.

Key Principles

- Successful capability building looks for long-term, broad-based solutions that tackle causes rather than treating symptoms

- Working with public servants and ministers to develop their understanding of SD and how they can use it to increase the impact and value for money (VfM) of their work

- Government will need a centrally-coordinated, systematic approach to incorporating capability building into all aspects and levels of SD in Government – leadership, civil service skills, systems & procedures and tools to ensure the continuous improvement and efficiency of performance.

Achievements

- The SDC has built understanding on, as well as tools and skills for, SD including:

  - **Defra** – working to develop a newer and more robust SOGE Framework of SD targets

  - **DH** – the SDC has taken an active role, through embedded SDC staff, in helping to integrate sustainability in DH policy, assisting with general projects, and also providing more targeted support for individual policy teams (e.g. health food, commissioning, policy support unit, health inequalities, pharmaceuticals, social care)

  - **NHS** – the SDC has also played a significant role in furthering SD within the NHS, including contributing to the inception of the NHS Sustainable Development Unit. With investment from DH, the SDC's Good Corporate Citizenship Assessment Model (GCC) was launched in February 2006, followed up by a strong programme of advocacy via publications, events and in-depth working with NHS organisations. It quickly established itself as the leading sustainability benchmarking and learning tool, and by September 2010 (in its second version) over 80% of all NHS Trusts had registered as users (exceeding the 2010-11 target after only six months)

  - **DfE** – Over the period 2004-2010 the UK Department for Education (responsible for children, young people and schools in England) entered into a partnership with the SDC, the Government's advisory body on sustainability issues. SDC advisers were embedded in the Department to produce ideas that were ambitious for SD and which also improved the lives of children and young people – and hence were supportable politically by an education department. The partnership was highly successful, gaining recognition on two occasions from the Government as a whole, through its Civil Service Awards programme

- The SDC has built the capability of departments and many executive agencies in designing, delivering and reporting on SD Action Plans (SDAPs) (see Delivery Plans and Tools section for further details).

Issues and Risks

- Capability building covers skills, tools, and cultural change, all of which require constant work to achieve alongside embedding SD in the architecture of Government

- The SDC's very successful capability building support on operations, procurement and policy making for Government will cease when it is wound down, leaving no body or team to encourage departments to work together on their social, environmental and economic impacts in a cohesive and joined up way

- The Centre for Expertise in Sustainable Development (CESP) has historically done some work on capability building for sustainable operations and procurement, but there is no mandate for CESP to continue doing this in a broad, cross-cutting way or to influence policy-making.

Looking forward

- The challenge is to ensure that the gap left by the closure of the SDC is filled to ensure that departments are able to grow their knowledge, skills, attitude, behaviour, culture and leadership to apply SD principles in their core functions, and to learn from one another (and from outside stakeholders and other countries) as their practice develops

- A central Government body such as the Cabinet Office should be identified to formally incorporate SD into its capability reviews of Government, and be charged with identifying where capability building programmes need to be introduced to fill identified gaps.

2.3.2 Engagement

Definition

Engagement is how Government involves others in key SD decisions. It encompasses a whole spectrum of activities, from communications and consultation, through to empowering people to make their own decisions.

Key Principles

- Engagement on SD is important as it helps brings together the necessary stakeholders to improve resource efficiencies, minimise environmental impacts and support of common social needs for a prosperous, healthy and just society

- Government is a key potential influencer on SD across the UK and internationally. It is therefore crucial that Government engages fully with a wide variety of interest groups on a wide variety of SD issues in order to improve awareness, understanding and practice, and to improve the transparency of Government's activities

- Therefore, it is important that these stakeholder (partner/interest) groups are identified and a Government programme of engagement established

- Engaging with interest groups will arm Government with crucial information to feed into its SD decision-making processes, garnering support while identifying risk and opportunities, and building transparency around Government efforts

- Engagement is closely linked to capability building across the public sector and will help to address the inefficiencies created by the miscommunication of SD across the sector

- Done properly, engagement can deepen the understanding and commitment of both decision-makers and participants (stakeholders, citizens and consumers) to deliver more sustainable outcomes and facilitate cost and time savings across the public sector.

Achievements

- **Breaking the holding pattern: a new approach to aviation policy-making in the UK** – brought together key stakeholders in the aviation and environment sector to reveal widespread controversy over the basic data on air travel in the UK

- **Tidal Power** – in advising the Government on the use of tidal power the SDC used a comprehensive engagement process that included a national opinion poll, and a series of regional and local deliberative workshops. The stakeholder engagement consisted of two workshops, which were held in Aberdeen and Cardiff

- **Breakthroughs for the 21st Century** – convened 400 high-level delegates from Government, business, academia, think tanks and community organisations to promote and examine 19 ideas for breakthroughs in sustainability.

- Building realistic and workable SD objectives by drawing in Government and external reference groups throughout all major projects (e.g. Setting the Table, The Future is Local, the Big Energy Shift, Sustainable Travel Engaging the Public Sector (STEPS))

- The SDC gives advice to departments and executive agencies on engaging with stakeholders on drafting Sustainable Development Action Plans (SDAPs) and on how to use the SDAP to communicate the SD objectives of these organisations (please see Delivery Plans and Tools section for further details)

- The SDC has set up an SD Forum, and participates in expert advisory panels on procurement and SD across Government.

Issues and Risks

- Without coordination of these engagement efforts combined with a programme of capacity building, Government will not be able to maximise the significant opportunities to meet environmental targets, improve wellbeing and save money, which an SD perspective brings

- Inefficient or insufficient engagement risks stakeholder backlash, uncoordinated messaging, less effective policy delivery, disparate approaches with conflicting goals, and ultimately a waste of public funds and central Government's time

- Good co-ordination of engagement requires thorough analysis to ensure a watertight approach: accessing expertise, building support for policies, informing/ improving policies, accessing/assessing feedback, horizon scanning for future SD risks and proactively addressing these where appropriate.

Looking forward

- With the next UN Conference on Sustainable Development (Earth Summit) coming up in Rio de Janeiro in 2012, world attention will again turn to SD, and the UK Government will need to be able to demonstrate how it is engaging with key interest groups both nationally and internationally

- Government should devise an engagement and capability building programme for SD.

Annex A
Benefits of Sustainable Operations

Environmental Audit Committee (EAC) Inquiry – October 2010

Embedding sustainable development across Government

Introduction

This note seeks to roughly illustrate some of the reported benefits of more sustainable operations across Government operations and its estate. The Sustainable Operations on the Government Estate (SOGE) targets provide the basis for this illustration. Please note that these benefits may not be directly attributed to the SOGE framework as other overlapping drivers also apply. Also note that investment costs to achieve these savings have not been assessed. The following caveats are also applied to the assumptions made in this document:

Data quality

- There has been a slow improvement in Government's data quality, but there is a lack of transparency over the full impacts of Government operations and procurement

- Due to changes in baselines caused by better quality data and machinery of Government changes, it is not always possible to discern trends from the data provided across all three years

- There is still significant room for improvement in the scope and quality of reporting

Pricing Carbon

The SDC refers throughout this note to the cost savings associated with reductions in carbon. To do this we needed to apply a price per tonne. The approach to carbon valuation in government has undergone a major review which concluded in July 2009.[7] The review recommended a move away from valuation based on the damages associated with the impacts, and instead using as its basis, the cost of mitigation; the approach used in this report.

This approach splits emissions into traded and non traded components. For appraising policies that affect emissions in sectors covered by the European Union Emissions Trading Scheme (EU ETS) 'the traded price of carbon' is recommended whereas for policies that affect emissions in sectors not covered by the EU ETS (the non traded sector) a 'non-traded price of carbon' is used. For example reductions in energy consumption is split into electricity savings which fall under the traded emissions sector and gas and fuel consumption which would fall under the non-traded.[8]

Carbon from Offices

The 2008/09 SOGE data shows a reduction from the baseline of 288,986 tonnes of CO_2 from Government offices. Applying the carbon pricing methodology to these carbon savings we can consider the 2008/09 cost savings of Government's progression towards achieving the SOGE targets. To do this, the percentage split of energy fuel use has been calculated based on 2008/09 data received from BRE and the baseline data (as per 2007/08). Table 2.1 details the percentage split of kWh between electricity and other fossil fuels.

Table 2.1   **Energy use kWh (% split)**

Year	Electricity %	kWh	Other Fossil Fuels %	kWh
2008/09 Performance	37%	3,123,026,974	63%	5,279,697,095
2007/08 Performance	36%	3,568,471,167	64%	6,240,670,039
Baseline[9]	32%	2,951,478,763	68%	6,310,581,871

From this split we can assume that any reductions in carbon are a result of the reduction in energy use from fossil fuels rather than electricity which has steadily increased year on year. The 2008/09 non-traded prices ($£/tCO_2e$) were then applied to non-traded emissions reductions in order to calculate the estimated value of savings. Table 2.2 details the estimated value of the carbon savings and the numbers used in the calculation:

Table 2.2   **Savings in terms of £/t associated with reductions in carbon from offices**

Item	Non traded sector emissions
Emissions reductions (2006/07 performance compared to baseline), tCO_2	97,148 tCO_2
Emissions reductions (2007/08 performance compared to baseline), tCO_2	Reduced by a further 82,030 tCO_2 to 179,178 tCO_2
Emissions reductions (2008/09 performance compared to baseline), tCO_2	Reduced by a further 109,808 tCO_2 to 288,986 tCO_2

Assuming a 2009 non-traded carbon price of between $£50/tCO_2e$ and $£51/tCO_2e$, the estimated cost saving from reduced carbon from offices is set out in Table 2.3 below:

Table 2.3   **Financial savings in estimated based on the carbon from offices reductions in Table 2.2**

Year	Value of Savings
2006/07	£4.86 million
2007/08	£8.96 million
2008/09	£14.5 million
Total Value of savings to 2009[2]	£28.32 million

This is likely to be an underestimation as the reduction in fossil fuels and therefore the reduction in carbon is offset by the increase in electricity which has a lower carbon price.[11] Please note that carbon reductions are achieved through technological, behavioural and strategic changes. These reductions and the associated monetary savings should last more than 1 year and therefore the there will be year on year carbon efficiencies and therefore mitigation savings.

Energy Efficiency

Compared to the total baseline energy consumption, the 2008/09 annual energy consumption (kWh) reduced by 899,972,647kWh. From the fuel splits detailed in BRE data sources it is possible to apply an indicative average cost (p/kWh) to estimate monetary savings from the reduced fuel bills. BERR energy statistics include average prices by quarter for 2008 of fuels purchased by non-domestic consumers in the United Kingdom.[12] This includes the climate change levy and prices of fuels purchased by manufacturing industry in Great Britain excluding the climate change levy (the gas and electricity averages calculated using the non domestic statistics, and oil/solid fuel from the manufacturing industry statistics). These are averaged over the four 2008 quarters for an average sized consumer and given in Table 3.1, right:

Table 3.1 **Estimated cost in pence per kilo Watt hour**[13]

Fuel Type	Average Cost (p/kWh)
Electricity	8.14
Gas	2.44
Fuel oil	3.56
Coal	1.29

The total estimated savings based on a 2008 average p/kWh of fuel types are presented in table 3.2 below:

Table 3.2 **Estimated savings on fuel bill**

Fuel	Reduction/Increase in kWh (2008/09) **since baseline**[3]	Average p/kWh	Estimated Saving/Rise from fuel bill (£)
Gas[15]	(-) 738,342,624 kWh	2.44	£18,015,560
Oil[16]	(-) 153,075,492 kWh	3.56	£5,449,488
Solid Fuel[17]	(-) 8,554,531 kWh	1.29	£110,353
Electricity	(+) 171,548,210 kWh	8.14	(£13,964,024)
Total[18]	**728,424,437kWh**	–	**£9,611,377**

The total saving in terms of fuel will be highly dependent upon where the kWh reductions have occurred due to the range of estimated savings by fuel type, so the figures presented above are only indicative. As these numbers are based on averages they should be taken as an illustrative high level indication of the monetary savings and not as absolute.

Carbon From travel

The reduction in CO_2 emissions from administrative road travel in 2008/09, when compared to the baseline data was 30,601 tonnes of CO_2, with a prior savings of 17,023 tonnes of CO_2 in 2007/08. However, in the 2006/07 CO_2 emissions from travel had increased by 1.5% (2,123 tonnes) above the baseline. These savings and costs are part of the non-traded emission sector. Applying the non-traded price for carbon of £50/tCO_2e to 2008 (the first year valuation is provided) and £51/tCO_2e in 2009, the total saving in mitigation costs is equivalent to £2.3 million.

Key assumptions

There are some key assumptions required to make this calculation:

- The reduction in carbon is achieved through a reduction in miles[19]

- All administrative travel was by an average car with unknown fuel

- All miles were travelled at 59.9 mph (the DfT average speed for the UK Network)[20]

- 75% of travel occurred in 2008 and 25% in 2009

- The price of carbon in 2006 and 2007 is the same as 2008.

Assumed cost savings

We can therefore deduce that in the 2008/09 performance year the estimated total saved mileage of 93,749,544 miles. At an average speed of 59.9 mph this equates to:

- approximately 1,677,094 fewer hours driving

- 223,613 x 7.5 hr working days

- 1,016 full time staff time (working 220 days of the year).

Assumed wider financial benefits

- If the road transport fuel saved is petrol this would be equivalent to approximately 19.7 million litres saved over the three years. At an average petrol price of 103.2p/litre[21] this equates to approximately £20.4 million saved.

- Reduced operating costs – tyres, fewer vehicle repairs, replacements, tolls and parking. The running costs for a vehicle per mile in 2008 ranged from 7.19p/mile (not including petrol) to 10.33p/mile. Applying this to the mileage saved is equivalent to between £10 million and £14.4 million over the three years.

- Government can use the time saved to deliver better public services more efficiently.

Assumed wider social benefits

- Less time spent travelling for work can provide a better work life balance, and may be spent in the community, caring for elderly friends and relatives or undertaking charity work. Wider sustainability benefits may be realised if the time is spent on exercise.

- Also when compared to the DfT statistics of road fatalities of 1 per 85 million miles driven it would be expected that the reduction would save at least one road fatality per year.[22]

Waste and Recycling

In 2008/09 total Government waste arisings reduced by 49,382 tonnes compared to the baseline. Prior to this, Government waste arisings reduced by 68,498 tonnes in 2007/08 and 8,482 tonnes in the 2006/07 against their respective baselines.

Key assumptions

- Between 50% and 100% of this would have been sent to landfill[23]
- Landfill tax rates are applied as follows for waste going to landfill:
  – 2006/07 £16/tonne
  – 2007/08 £24/tonne
  – 2008/09 £32/tonne
- The cost of disposal either by recycling or landfill is around £36/t and has been applied to each of the years
- The 2006/07 and 2007/08 year reductions in waste arisings did not include the MOD as reliable data was not available

Assumed cost savings

Avoided landfill tax

- **2006/07:** Between £67,856.00 (50% not sent to landfill savings of landfill tax of £16/tonne); and £135,712.00 (100% not sent to landfill at landfill tax of £16/tonne)

- **2007/08:** Between £821,976.00 (50% not sent to landfill savings of landfill tax of £24/tonne); and £1,643,952 (100% not sent to landfill at landfill tax of £24/tonne)

- **2008/09**: Between £790,112.00 (50% not sent to landfill savings of landfill tax of £32/tonne); and £1,580,224 (100% not sent to landfill at landfill tax of £32/tonne)

Avoided disposal costs

- **2006/2007:** £305,352 (100% disposal avoided)
- **2007/2008:** £2,465,928 (100% disposal avoided)
- **2008/2009:** £1,777,752 (100% disposal avoided)

Assumed wider benefits[24]

- It has not been possible to monetise other related savings from use of consumables e.g. paper and toners, and therefore the wider benefits of waste reductions are not captured.

- In 2008/09 a further 150,022 tonnes of waste has been recycled and not been sent to landfill.

- In 2007/08 157,943 (including MOD) tonnes was recycled and in 2006/07 118,923 (including MOD). This is equivalent to savings in landfill tax of approximately £10.5 million (£4.8 million in 08/09, £3.8 million in 07/08 and 1.9 million in 06/07).

- The wider benefits of recycling:
  – Provide raw material for resource re-use
  – Supports recycling and re-use industry
  – Methane generation – notional carbon impact

Water consumption

The benefits of reducing water consumption are the saving in water bill costs along with indirect carbon emission reductions. An average price of £1.43/m³ of water has been derived based on the average charges from five water companies as detailed in Table 6.1.

Table 6.1 **Water supply charge & sewerage standing charge (£/m³)**

Water Supplier	Water supply charge & sewerage standing charge (£/m³)
Thames Water	1.59
Anglian water	1.42
Wessex water	1.66
Dwrcymru	1.39
Severn Trent	1.07
AVERAGE	**1.43**

Estimated savings

- Assuming a reduction in water consumption in 2008/09 of 9,285,261m³ compared to the baseline, this would equate to an estimated saving of £13,277,924, based on a cost of £1.43/m³ for the associated water bill charges.

- The reductions in 2007/08 would save £12,255,981 based on a reduction of 8,570,616m³

- The reductions in 2006/07 would total £71,602 based on a reduction of 50,071m³

- This totals approximately £25.5 million over the three performance years.

The SDC recognises that most of the water reduction is due to leakage reduction by MOD through Project Aquatrine, that the cost savings will not be standard rates and will not necessarily be realised entirely by government, but may be shared with the contractor.

Associated carbon emission savings

The provision of fresh potable water requires a significant amount of energy to treat and pump the water resulting in additional carbon emissions. Using the Defra carbon conversion factor we can establish that in 2008/09 the difference in water consumed to that of the baseline is equivalent to 8,977tCO$_2$e.[25] Applying the 2009 Defra emission factor to both the 2006/07 and 2007/08 difference in water consumed gives an equivalent of 8,354tCO$_2$e (49 tonnes of CO$_2$e and 8,305 tonnes of CO$_2$e respectively).

Which if we assume that this is related to energy use which is likely to be predominately electricity therefore (a conservative approach) applying the 2008 traded carbon price of £12-£26/tCO$_2$e the value of mitigation savings would be between for the three years approximately £208,210 to £451,122, or at the central traded price of £21/t, £364,368.

Summary

The figures summarised in Table 7.1 below and provided elsewhere within this note are illustrative. They are based on a number of generic assumptions at a pan-Government level and average factors. Please note that this is not presented as a cost benefit analysis as the costs of any measures to facilitate reductions have not been factored into any of the calculations. Also it is not suggested that

these saving would be achieved by sustainability initiatives alone. This note seeks to highlight the benefits of more sustainable operations and to highlight the importance of the continued improvements in performance that can be achieved by adopting more sustainable development approach.

Table 7.1 **Illustrative monetary savings**

Element	Savings Type	Illustrative Potential Savings in 2008/9 compared to baseline	Approximation of three year savings
Carbon	Mitigation value of reduced carbon from offices	£14.5M	£28.3M
Energy	Annual Energy efficiency – avoided billing costs	£9.6M	–
Travel	Fuel – avoided full costs	£13.7M	£20.4M
Travel	Vehicle operating/running costs	£6.7 - £9.7M	£10 - £14M
Waste	Avoided landfill tax	£0.8 - £1.6M	£1.7 - £4.5M
Waste	Avoided disposal costs	£1.8M	£4.6M
Water	Water bills	£13.2M	£25.5M
Travel	Mitigation value of reduced carbon	£1.5M	£2.3M
Water	Mitigation value of reduced carbon – associated carbon reduction (non traded price applied)	£0.2M	£0.45M
Total £ per year[26]		£62.3M - £65.8M	£93.3M - £100.05M

Based on these figures, over the course of the current Parliament, it is possible that these savings will add up to between £300 million and £330 million in savings, assuming no new initiatives are undertaken, and that Government does not lose ground on the savings already made due to the unexpected consequences of new Government policies and initiatives.

Annex B
SDC Key Achievements

Holding Government to Account on its Sustainability Record

The SDC advises on and assesses departmental Sustainable Development Action Plans annually in order to scrutinise planning and encourage performance improvement, and scrutinises Government's progress towards embedding sustainable development (SD) into their operations and procurement.

As of May 2010, the SDC had provided guidance, support, assessment or a combination of these functions to 16 departments, 11 executive agencies, 5 NDPBs and 1 NHS Trust. Integrating sustainable development (SD) in policy was a key aspect of the SDC's advice and guidance. In addition the SDC have continued to raise the bar on SDAP's:

- We have achieved far greater engagement with departments. There are already many instances where our assessments and suggestions for improvement have resulted in far higher quality new SDAPs being produced, including those of DfT, MOD, and Defra. There has also been a significant change in the way we work with FCO who, as a result of our SDAP assessment, reinvigorated their entire approach to SD.

- The SDC also responded to requests for help on Impact Assessments from HMRC, DCSF, FCO and the FSA, and provided advice to DECC and Defra on the links between SDAPs and departmental Carbon Reduction Delivery Plans and Climate Change Adaptation Plans. In these latter cases the SDC fed text directly into the draft guidance drawn up by DECC and Defra for Government departments

- We have developed a new approach to the entire SDAP process. This involves both scrutiny and guidance, and is designed to make it more tailored and meaningful to departments. We are now working with the FCO and DfT using this new approach

From the SDAP Reviews it can be seen that the value of the process continues to be seen by both departments and agencies and there is now a greater understanding of the purpose of the SDAP as a tool to ensure departmental decision-making and all other departmental activities are more sustainable.

The SDC has also worked with Government departments to improve the environmental performance of their operations and procurement through the Sustainable Development in Government (SDiG) process. The SDiG report on Government's progress towards achieving the Sustainable Operations on the Government Estate (SOGE) targets has been one of the most influential from a public perspective. Most departments also appreciate the ranking system, especially when they perform well. It inspires most departments to work harder each year knowing that their performance will be scrutinised publicly by the SDC. The analysis also highlights which departments are doing well, indicating where other departments should begin their search for finding new innovative solutions to meeting the targets. The SDC has also advised Defra on the future development of the SOGE framework of targets to ensure performance is continually challenged and innovation is encouraged.

Whilst no one organisation can claim to be wholly responsible for operational improvements across Government, it is fair to say that Government was not doing at all well against its own targets before the SDC started measuring performance and advising on necessary changes. Through a combination of guidance, support and assessment, the SDC has helped departments deliver better operations and helped Government demonstrate their leadership in SD – "showing by doing". This scrutiny and support has encouraged and supported departments to achieve benefits from a more sustainable approach:

- **Administrative Road Travel** – In 2008/09 Government reported a reduction in emissions from administrative road vehicles of 17% compared to 2005/06 levels, which equates to an estimated reduction of 93.7 million miles, resulting in an estimated economic savings of £13.7 million in terms of fuel costs, and time wasted equating to the saving of the annual staff hours of 1,016 Full Time Equivalent people. In terms of staff wellbeing, this frees up approximately 1.68 million hours to complete work which will contribute to reductions in stress, sickness and allow staff to spend more time with their families.

- **CO_2 emissions (offices and vehicles)** – Between 2006/07 and 2008/09, Government reduced its SOGE carbon emissions by over 610,000 tonnes. This is the equivalent of the CO_2 emissions of London's entire bus fleet in 1 year. Whilst the environmental impact is clear, the economic impact in terms of less operational spend on heat, fuel and power is large and socially this

helps to make the case for how there can be prosperity without energy growth.

- **Waste Arisings and Recycling** – In 2008/09 Government reported a decrease in waste arisings of 13.7% compared to 2004/05 and an increase in the rate of recycling to 48.4%. This resulted in almost 200,000 tonnes of waste not going to landfill; equivalent to more than all waste sent to inert landfills for the Forth Valley in Scotland. It has also resulted in an estimated saving of between £2.6 million and £3.4 million from avoided landfill tax and disposal costs.

- **Water usage** – Between 2006/07 and 2008/09, Government reported using 17,905,948m^3 less water than in 2004/05. Economically this saved an estimated £25.5 million in water bills. Environmentally it reduces the stress on the UK water network when parts of the South East, where the majority of Government departments are sited, are water stressed.

Note the costs are indicative and make no allowance for investment costs, maintenance and management. They are included as an example of how an SD approach can deliver economic, social and environmental benefits to Government. (See Annex A for more details).

In addition a number of other key achievements were made:

- The eighth annual SDiG report for was published on the 18th of December 2009 followed by a 3 year retrospective report on the SOGE targets in June 2010, based on the SOGE data collected by the SDC and the Office for Government Commerce providing independent analysis and commentary.

- At the end of October 2009, the Watchdog team provided a formal response to the consultation in Defra for the development of the new SOGE Framework in 2010/11.

- The first Welsh SDiG report was published in December 2009, assessing the Welsh Assembly Government's performance against its Environmental Management System targets, and demonstrating the SDC's growing role in holding the Devolved Administrations to account on SD.

- The SDC produced this *Third Annual Assessment of SD in the Scottish Government* in December 2009. The assessment concluded that while the Scottish Government had good frameworks in place – for example the Climate Change Act (Scotland) 2009 – more action is needed to rethink the structure of our communities and our economy if we are serious about a low-carbon sustainable lifestyle

- The SDC has also been working with the Scottish Government to develop a Public Sector Duty on climate change and on the corporate sustainability performance of the wider public sector.

- As a result of the SDC's Review of Public Service Regulators, Ofsted has appointed a Head of Sustainable Development and is producing a 'Stimulus document' on sustainable development, designed to embed SD within their diverse remits. The SDC has been providing support and comments throughout. A review by the Audit Commission of the application of SD principles in CAA judgements took place in December 2009, also as recommended in our report.

2.2 Policy analysis/advocacy of sustainable development

The SDC publishes evidence-based reports to feed into Government policy making. The SDC also works alongside Government departments to co-develop policy and has carried out thematic reviews in this role. The SDC has been useful for Government to support the development of policy and programmes in controversial areas. Examples of key research which has influenced Government policy include:

- *Lost in Transmission – the Role of Ofgem* (2007). A major recommendation by the SDC was that the government align Ofgem's primary duty with the four goals of energy policy: to cut carbon emissions;

maintain the reliability of energy supplies; promote competitive markets; and ensure that every home is adequately and affordably heated. OFGEM's primary duty was restructured in 2009 to give greater balance to these SD issues and the needs of both existing and future consumers. Responses to other recommendations in this report include:

- SDC recommended the roll out of smart meters to enable people to monitor and act on their energy use. Mandatory smart meter roll out has now been agreed and will be completed for all homes by 2020.

- Transmission access has been reformed to enable smaller, low-carbon generators and suppliers to connect to the grid more easily.

- A Renewable Heat Incentive is planned to come into force in April 2011 as part of DECC's heat and Energy Saving Strategy.

- Energy and climate change have been aligned under one Secretary of State since 2008.

- *Sustainable Development: the key to tackling health inequalities* (2010). This report collated detailed evidence of sustainable solutions to health inequalities, providing environmental and health co-benefits in four sectors: food, transport, green space and the built environment. This evidence was a key element of the Marmot Review of Health Inequalities and a key argument for a prevention driven health system in the future.

- *I Will if you Will* (2005). This set out a number of recommendations on a major challenge facing Government in how to enable people to lead more sustainable lives:

- All government buildings and transport to be carbon neutral by 2012. Government departments now all have a CO_2 target against which they are monitored (though the target is under review by DECC mainly because of cost considerations).

- The SDC's ground-breaking work on 'roadmapping' the impacts of the goods we buy has led to successful Defra initiatives aimed at reducing the life-cycle impacts of consumer products including clothing, milk, household appliances and constructions supplies.

- **Turning the Tide – Tidal Power in the UK** (2007). The SDC's expert advice on tidal energy in the UK paved the way for Government to begin a full investigation into the potential for generating 4% of the UK's electricity needs from the Severn Estuary, while setting tough conditions for the social and environmental sustainability of the project. Subsequently the SDC was commissioned by DECC to provide advice to Ministers on how the project might compensate for lost habitats by creating new ones of equal value, in accordance with the EU Habitats Directive.

- **Setting the Table: Advice to Government on Priority Elements of Sustainable Diets** (2009). This SDC research was commissioned by Defra to provide advice to Government on the priority elements for a sustainable diet and recommendations for action to take this forward. The SDC's advice was a key input to the Government's new Food 2030 strategy in which sustainable diets was a key theme and highlighted the need for integrated advice to consumers on food and a greater emphasis on sustainable procurement.

- **Stock take: Delivering Improvements in Existing Housing** (2006). The SDC recommended that Government develop a holistic policy framework across the 4 E's (Encourage, Enable, Engage and Exemplify) to drive carbon reduction in homes. This was followed up by ongoing advocacy with officials in CLG and DECC, and further pieces of work (*Building Houses or Creating Communities?* (2007)), comprehensive oral and written evidence to the CLG Select Committee Inquiry (2007) and a staff secondment to DECC (2009/10). The Household Energy Management Strategy (published by DECC and CLG in 2010) responds to many of the SDC's proposals and ideas, including:

- Taking a whole house approach to upgrading energy efficiency of existing homes, in the context of national carbon targets.

- A strong energy company obligation and new finance mechanisms enabling and encouraging action.

- Minimum standards for private and social rented properties to exemplify change

- Universal smart metering and improved energy performance certificates to engage householders.

- Advice for consumers and accreditation frameworks for installers, enabling householders to take action.

- **The Future is Local** (2010) – The SDC was one of the first voices advocating a whole-house approach to home energy efficiency and the upgrading of existing homes, paving the way for the Government's 2009 Great British Refurb programme. The SDC followed this up by launching its report *The Future is Local* which provided evidence that delivering an area-based approach to infrastructure upgrades will provide a number of benefits including galvanising community engagement and encouraging sustainable behaviour change; increasing the uptake of retrofitting works; reducing costs; building capacity in local firms and creating local jobs; making the benefits of retrofit visible by improving quality of place; overcoming barriers to householders; improving the viability and effectiveness of some technologies; and providing

the opportunity to integrate delivery of different infrastructure upgrades.

- ***Prosperity without Growth?: the Transition to a Sustainable Economy*** (2009) – SDC Commissioner Tim Jackson's Prosperity Without Growth?, first published as the landmark SDC report, was selected by the Financial Times as one of its Books of the Year in November 2009.

- ***Low Carbon Wales: Regional Priorities for Action*** (2009) – and has delivered workshops at to each of the six ministerial Wales Spatial Plan area steering group meetings. The SDC has advised Wales Spatial Plan teams on how they might adopt a common methodology to create individual low carbon work programmes. As a result of work in 2009-10 the SDC has secured funding for a second phase of this work.

Not all of the SDC's analysis and advice has resulted in reports, but has instead focused on engagement which has also influenced Government policy. The SDC has attended the meetings of, and provided advice and input to, over 40 working and/or advisory groups within Government, including Defra's Sustainable Development Programme Board, the Sustainable Scotland Board, the Severn Tidal Board, the Sustainable Construction Strategy Working Group, CABE's Young Space Shaper Steering Group, the Healthier Food Mark Steering Group and the review of the Government Economic Service's Green Book. Other examples of successful engagement include:

- The SDC influenced the development and implementation of the 2008 DTI/BERR/BIS Sustainable Construction Strategy when DTI announced a review of the previous Sustainable Construction Strategy. Through engaging with officials, responding to consultations and capacity building (two staff were seconded to the Department to help write the strategy) the SDC influenced the resulting strategy. As a result of SDC advice, the UK Government's Sustainable Construction strategy set a target for departments and industry to cut construction waste to landfill by 50% by 2012 and achieved buy-in from across Government and industry.

- The SDC has provided a response to the Government's Guidance for Regional Strategies and Leaders' Boards consultation and a bilateral meeting was held with officials.

- The SDC provided research into the issue of coal as a fuel for power generation, which has been completed, and the SDC has met with DECC officials to highlight our recommendations on how coal and the Carbon capture and Storage policy must take into account SD considerations. The SDC will also be using this research as part of its response to the UK Government's National Policy Statements consultation.

- The SDC was commissioned to provide advice on specific policy issues by 13 departments/organisations in 2009-10: the Scottish Government, Defra, BIS, DECC, Audit Commission, DCSF, CLG, HCA, UK Parliament and the Office of the First Minister and Deputy First Minister (OFMDFM) in Northern Ireland, the Department for Public Service Delivery in Wales, Climate Change Commission for Wales and the Private Office of the Minister for Environment, Sustainability and Housing in Wales.

2.3 Capacity Building

The SDC has a key role in enabling Government departments to increase their SD capability to affect an improvement in the implementation of policy. A particularly successful approach has been to "embed" staff in departments. We have worked with the Department of Health and the Department of Children, Schools and Families to deliver the following:

- ***The SDC's Good Corporate Citizenship tool*** (2010) – This tool supports sustainability practice in the NHS. Over 82% of NHS Trusts have now registered. The tool enables Trusts to self-assess across a range of social, environmental and economic performance areas,

and take action to reduce waste and cut carbon and so making efficiency savings which could be used to improve patient care. In addition refocusing activities can help support local economies and communities which will help improve the health of the local population. For example, Cardiff and Vale NHS Trust reduced CO_2 levels by 9% and saved £600,000 in a single year.

- ***Every Child's Future Matters*** (2007) – With support from DCSF the SDC commissioned research and analysed the impact of the environment on children's wellbeing, and how Government and children's

services can influence the quality of places on behalf of children. The report focused on three major priorities: road traffic; green space; and climate change. The timing of ECFM was good; in that it was published as the DCSF was drawing up crucial policy in its Children's Plan and Play Strategy and formed a key input to their thinking.

- **Schools Carbon Management** – The SDC worked with DCSF from 2008 to encourage a holistic analysis of carbon emissions from the schools estate and the development of a carbon management strategy. Through use of evidence, engaging with officials and ministers, and capacity building with an embedded SDC member of staff in DCSF throughout, the SDC influenced a new approach to and understanding of carbon emissions from the schools estate, and initiated a new strategy. Key points of influence were:

  – To achieve a strategy for carbon management for the schools estate.

  – To include a holistic definition of greenhouse gas emissions including building energy, transport, procurement and waste.

  – To agree stretching targets for the carbon management strategy.

  – To get the Department of Health to initiate a similar process for the NHS, in response to DCSF, and commissioning SDC advice.

Other capacity building achievements include:

- The SDC has delivered seminars, presentations and workshops to a total of over 35 departments and public sector organisations, including Defra, the Scottish Government, WAG, DH, DfT, HMT, Environment Agency, DECC and the Infrastructure Planning Commission.

- The SDC was commissioned by DCSF to undertake a new study into the links between SD and positive outcomes for young people.

- The SDC has also been providing intensive support to the DCSF as it prepares to launch its Carbon Management Strategy for schools in England

- A policy maker's checklist for children and families policy was completed in 2010 by the SDC, as has preliminary work on a "Good Places to Grow Up" basket of national indicators for use by policy makers

and local commissioners of children's services

- Two DH 'policy pilots' are underway on the Healthier Food Mark and commissioning policy respectively, and preliminary engagement on pharmaceutical production has begun.

- Review of the overall process by which policy is made in DH, working closely with DH's Policy and Strategy Unit

- SDAPs of both DH and DCSF have been green-rated by SDC's Watchdog team. Two executive agencies within DCSF had 100% green or amber ratings (from a total of 57 and 16 commitments respectively. DH had 86% of its actions 'on target' or 'completed', with a further 6 'recoverable' and none behind target.

- Signed agreements were made with both DCSF and DH for further programmes of work in 2010-11.

As an extension of this capacity building programme the SDC has:

- Chosen to develop and deliver this network in partnership with Defra, so that the SDC's work and that of the department can be coordinated, and engagement with other departments and individuals across Whitehall improved

- Presented to the Welsh Assembly Government's advocated network to share best practice and worked alongside Defra to deliver a joint 'sustainable development in policy' network event in February 2009

- Met regularly with the National School of Government (NSG) to discuss SD issues, and from these discussions a pan-Government capability building group has been set up. The SDC is now working with the NSG and Government Skills to explore how to embed sustainable development into core government competencies

- Presented to the Heads of Inspectorates Forum at the Welsh Assembly and a further presentation is planned at the Better Regulation Executive

- Met with a total of 73 Senior Civil Servants (Grade 5 and above) through a total of 177 face-to-face meetings. Our strongest relationships have been with Defra, DECC, DCSF, DH, DfT and OFMDFM in Northern Ireland. 49 Government officials, amongst many other stakeholders, responded to our 'Big Issues' survey, conducted as part of the work planning process for 2010-11.

2.4 **International Reach of the SDC**

An analysis of the first 7 months' worth of site visits and downloads in 2010 reveals 231,536 unique visitors to the SDC website – averaging over 233,000 hits a month – from more than 110 different countries. The most popularly downloaded document was *Prosperity Without Growth?* which says that the current global recession should be the occasion to forge a new economic system equipped to avoid the shocks and negative impacts associated with our reliance on growth. This shows the international relevance and resonance of the messages that the SDC produces and positions the SDC as an international thought-leader on SD. The top 20 international downloads in order of magnitude were from United States, Canada, Australia, Sweden, Germany, India, France, Ireland, Belgium, Netherlands, Denmark, Italy, Spain, New Zealand, China, Portugal, Brazil, Malaysia, Philippines and Japan.

Annex C
Key Priorities for Government

Government must make clear its priorities for SD going forward over the life of the parliament if it hopes to successfully tackle key policy issues such as Big Society, Localism, Greenest Government Ever, Fairness, building a new economy and unlocking social mobility. A thematic approach to these issues could find cross-cutting solutions and help assess how well departments are contributing to overarching sustainability issues. For example:

1 Economy

How can Government support a transition to a sustainable economy? Whilst action is taken to reduce the deficit and strengthen the economy in the short term, what action has been taken to move to a more resilient and more inclusive economy that takes a long-term view and respects environmental limits? (The focus on moving to a long-term and more inclusive economy would differentiate the EAC's remit from that of the Economic Affairs Committee).

2 Places

How can Government ensure that our society stays within environmental limits, while creating sustainable places? Have environmental limits, in particular, cumulative environmental impacts, been considered in the decision making for delivering the sustainable security of supply of energy, water, natural resources, biodiversity and food and the development of essential infrastructure?

3 Fairness

How can Government ensure that policies reduce disadvantage in certain sections of our society rather than having a disproportionate impact? Have the co-benefits from policies to help us live within environmental limits and policies on fairness and improving wellbeing been assessed and understood? (This approach would differentiate the EAC's remit from that of the Social Justice and Home Affairs Committees or Public Health Sub Committee).

4 Lives

What can Government do to support action in communities and business that encourages changes to people's behaviour, and which enables more sustainable lives? Our current consumption patterns are unsustainable given the environmental limits within which we have to live. Is there a shared understanding and agreement across Government on what the desired behavioural goals are; and have departments considered in their policy proposals how they might assist in bringing about desired changes in society through their own policy agendas and through synergy with other departments?

5 Government

How can Government better organise itself to deliver more sustainable outcomes? Is an SD approach being taken consistently across Government? Are departments working together to properly assess the risks and impacts across policy areas to achieve better policy outcomes? This process would usefully identify any conflicts, and means of bringing the right people together to resolve these conflicts (e.g. around the messages of eating less meat). If their capability is lacking then what further structural changes or changes to the machinery of Government are needed?

Endnotes

1 As reported in 2007/08 as 08/09 split by fuel not received.

2 Applying non traded price of carbon of £50/t as 75% of the emissions in 2008 assuming that the reduction in carbon is purely from reduction in fossil fuels. The non traded price of carbon for 2008 has been applied to the years 06/07 and 07/08 as this is the first year of non traded prices provided.

3 Derived as equivalent to the % split of energy use as derived from BRE's data.

4 Average size consumer.

5 Average size consumer.

6 Taken as coal, small consumer.

7 Reductions since baseline minus the additional electricity kWh.

8 Including non-traded cost of carbon estimates if performance is maintained.

Sustainable Development Commission

The Sustainable Development Commission is the Government's independent watchdog on sustainable development, reporting to the Prime Minister, the First Ministers of Scotland and Wales and the First Minister and Deputy First Minister of Northern Ireland.

Through advocacy, advice and appraisal, we help put sustainable development at the heart of Government policy.

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