



Department
for Environment
Food & Rural Affairs

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Government Progress in Mainstreaming Sustainable Development

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Executive Summary

Sustainable development considers both the impacts and opportunities for driving improvements across the economy, environment and society for current and future generations. In February 2011, Government published its Vision for Mainstreaming Sustainable Development across its buildings and estates, the goods and services that it buys and the policies it makes. It made it clear that sustainable development is the responsibility of all Departments. This report sets out the progress made towards the achievement of this Vision.

Over the past two years Government has developed a range of policies that are contributing towards a sustainable economy, thriving communities and an improved environment. One of the key principles underlying the Government's approach to sustainable development is that growing the economy and improving the environment can be mutually supportive.

Departmental business plans set out the structural reform priorities and the policy and implementation actions departments will undertake to achieve them. All Departments have been asked to include sustainable development commitments within their departmental business plans. For the first time in 2011/12 Departments were also asked to report on progress meeting these in their Annual Report and Accounts. Many of the reports provided little detail in relation to sustainable development within policy development. To rectify this, revised guidance has been issued for the current reporting year.

Impact Assessments are a formal part of the policy development process that requires policymakers to set out the environmental, economic and social costs and benefits of any policy or regulatory proposals. Improvements and revisions to guidance and the impact assessment process in relation to sustainable development were made in August 2011. Government has commissioned a review of how effective these changes have been and therefore how well sustainable development has been incorporated into Impact Assessments. The initial results indicate that while many assessments are proportionate and reflect sustainable development impacts well, there are still many that miss important impacts or have not applied sufficient rigour in their analysis.

Improvements have been made to Departmental capability. From April 2013 assessment of staff performance can include whether they have demonstrated professional behaviours that support sustainable development. Many Departments have been driving improvements to their staff's understanding of sustainable development through training, sharing of good practice and the development of tools.

In summer 2012, the United Nation's Rio+20 summit tackled the critical issue of how countries can grow their economies without destroying the natural resources on which they depend. On 22nd June 193 countries signed up to the outcome document "The Future We Want" which included commitments to develop Sustainable Development Goals and a global sustainability reporting framework for businesses. The UK is a member of the UN

Open Working Group that is tasked with making proposals on Sustainable Development Goals by September 2014.

Government published its first Annual Report on Greening Government Commitments in December 2012. These are high level Government commitments for reducing the environmental impacts of its estate and operations by 2015. The first year showed good progress had been made, but with more work to be done. Government continues to press Departments to deliver against their targets.

Government is also working with Departments to ensure that sustainability is factored into how they buy their goods and services to ensure that value for money is reflected over the lifetime of products and services. Several government departments are championing sustainable procurement. The Coalition Programme set an aspiration that 25% of government spend would flow to Small and Medium Sized Enterprises (SMEs), directly and through the supply chain, by 2015. There has been a steady increase in central Government's direct spend with SMEs from just 6.5% in 2009/10 to 10% in 2011/12. SMEs also benefitted from a further 6% in indirect spend through the supply chain.

A key element of mainstreaming is to enable scrutiny of Government progress. The Department for Environment, Food and Rural Affairs (Defra) has consulted on a package of Sustainable Development Indicators. These can be used to consider trends in economic, societal and environmental measures together and are intended to provide high level transparent measures of whether the country is developing on a sustainable path. The revised set of indicators will be published in summer 2013. The House of Common's Environmental Audit Committee has held a number of hearings with Defra and Cabinet Office (CO) to review Government's progress in mainstreaming. The National Audit Office (NAO) has provided briefings on sustainability reporting, appraisals and sustainable procurement to support the Committee's work. The Committee has now indicated that it intends to widen its scrutiny to consider progress of individual departments.

There has been good progress in mainstreaming sustainable development since the launch of the Vision in 2011. This can be seen in the range of policies being developed by Departments and the work to drive improvements across estates and procurement. The Business Planning and Annual Report and Accounts cycle will continue to form a central part of the mainstreaming approach and there are a number of tools available to support Departments. At the same time it is only two years since the Vision launched and it will take time to embed sustainable development fully across Government. This can be seen in relation to gaps in sustainability reporting and the continued efforts required to meet Greening Government Commitments. Government will consider the outcome of its review of the effectiveness of sustainable development appraisal guidance and whether further improvements will be necessary. Departments will need to continue to work together to share good practice in mainstreaming sustainable development.

1 Mainstreaming Sustainable Development

In February 2011, the Government launched its Vision for Sustainable Development.¹ This report sets out the progress made so far and how that progress is being assessed.

1.1 Government's Vision for Sustainable Development

The Vision made it clear that sustainable development remains the responsibility of all Departments. It called for the mainstreaming of sustainable development across Government in terms of how it runs its buildings and estates, buys goods and services and makes policies. It made it 'business as usual'. The Civil Service Reform agenda will also support improved sustainable development across Government through its focus on more open policy development and improved transparency on progress made against agreed commitments.

The Vision

“The coalition Government is committed to sustainable development. This means making the necessary decisions now to realise our vision of stimulating economic growth and tackling the deficit, maximising wellbeing and protecting our environment, without negatively impacting on the ability of future generations to do the same. These are difficult times and tough decisions need to be made. This Government believes in going beyond the short term with eyes fixed firmly on a long term horizon shift in relation to our economy, our society and the environment.”

The Vision indicated that Government would “continue to work closely with our neighbours in Scotland, Wales and Northern Ireland, sharing approaches and best practice in [sustainable development]”. The UK Government Sustainable Development Forum was established to provide updates on each administrations activities and share experience and learning.

1.2 Sustainable Development and why it matters

Sustainable development in Government is about developing policies which consider the potential impacts and opportunities for driving improvements across the economy, environment and society in both the short and longer term. Efforts should be made to develop policies that are mutually supportive and efficiently joined up across Government to make the very best use of limited resources. Taking account of the potential impacts of policies is essential to avoid the risk of long-term damage to the natural resources vital for continued economic prosperity and future well-being. It is not just about avoiding adverse consequences but also finding opportunities and supporting positive impacts.

¹ Mainstreaming sustainable development – The Government's vision and what this means in practice (Defra, 2011) sd.defra.gov.uk/gov/vision/

1.3 Sustainable Development in Policy

Economic growth, improving the environment and thriving communities

One of the principles underlying the Government's approach to sustainable development is that growing the economy and improving the environment can be mutually supportive. In November 2012 the Secretary of State for Environment, Food and Rural Affairs said:

*"We recognise that a healthy natural environment is the foundation of sustained economic growth, prospering communities and personal wellbeing."*²

Many policies are helping support the transition to a green, low carbon economy. The Department for Transport's (DfT) £400 million of support for the development and use of ultra-low emission vehicles is a key part of its carbon reduction strategy and supports the creation of high-tech jobs. The Department for Business, Innovation and Skills (BIS) has established the Green Economy Council,³ Green Construction Board⁴ and the world's first Green Investment Bank (case study 2).

Case Study (1): DfT – Promoting sustainable transport through the bus network

Buses are a crucial part of our transport system connecting communities with jobs, vital health and education services, leisure opportunities and friends and families. Buses have a key role to play in promoting and enhancing the country's economic growth and sustainable development. DfT is supporting sustainable transport through its Green Bus Fund the first three rounds of which have helped to fund the introduction of nearly 1,000 new carbon-cutting green buses by the end of March 2013. More than 680 of these buses can now be seen operating on public bus services in many of our English towns and cities. Using the latest green technology, these new buses are quieter and, in the case of hybrid-electric buses, use less diesel than conventional buses. Many of the buses have also been manufactured in the UK, sustaining jobs and bringing green growth.⁵

The Department of Energy and Climate Change's (DECC) Green Deal will improve the energy efficiency of homes and businesses with some or all of the cost paid for from the savings on their energy bills.⁶ DECC also provides targeted support to households least able to afford the costs of rising energy bills through policies such as the Community

² Owen Paterson's speech at the Wildlife and Countryside Link Event (28 November 2012)

www.gov.uk/government/speeches/owen-paterson-s-speech-at-the-wildlife-and-countryside-link-event

³ Green Economy Council www.gov.uk/government/news/green-economy-council-formed-to-help-business.

⁴ Green Construction Board www.greenconstructionboard.org/

⁵ The Green Bus Fund www.gov.uk/government/organisations/department-for-transport/series/background-to-the-green-bus-fund

⁶ Green Deal www.gov.uk/green-deal-energy-saving-measures

Energy Savings Programme⁷ and the Warm Home Discount; while the Department for Work and Pensions (DWP) is responsible for the Winter Fuel Payment.⁸

Case Study (2): BIS – Green Investment Bank

The world's first Green Investment Bank (GIB)⁹ has opened for business. The Government is committed to setting the UK firmly towards a green and growing economy, which presents significant growth opportunities for UK-based businesses at home and abroad. The GIB is a key part of this transition.

The Bank works to a 'double bottom line' of achieving both significant green impact and strong financial returns. Furthermore, the Bank's green purpose, independence, and funding powers are now provided for in legislation. It was established as a public company under the Companies Act, and operates at arm's length from Government.

Having the GIB's headquarters located in Edinburgh and the main transaction team based in London plays to the strengths of both cities. Edinburgh has a thriving green sector and respected financial expertise in areas such as asset management. London is the world's leading financial centre.

With £3 billion of Government funding through to 2015, the Government's ambition is for the Bank to become an enduring and effective financial institution, and a world leader in financing green infrastructure.

To date, it has committed £635 million in green projects including investments in each of its 4 priority sectors: waste, offshore wind, non domestic energy efficiency and the Green Deal. Commitments to date include:

- £125 million senior debt facility to support the roll out of the Government's Green Deal Initiative;
- £100 million for the conversion of the Drax power station in Selby, North Yorkshire, to run partly on biomass fuel;
- £50 million and £30 million commitments to the Foresight and Greensphere waste/biomass funds respectively;
- £45.6 million in the Walney offshore wind farm off Cumbria in the Irish Sea and £57.5 million in Rhyl Flats offshore wind farm;

⁷ Community Energy Savings Programme www.energy-uk.org.uk/policy/energy-efficiency-/community-energy-saving-programme-.html

⁸ The Warm Home Discount and Winter Fuel Payment www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills

⁹ The Green Investment Bank www.greeninvestmentbank.com

- £30.4 million and £47 million to finance respectively the construction of a waste treatment plant at Wakefield, Yorkshire and a waste to energy plant in Gloucester – subject to planning approval;
- £50 million investment in an Aviva energy efficiency fund of which £18 million has been committed to finance investment in energy efficiency at Addenbrookes hospital in Cambridgeshire; and
- £50 million deals with each of Equitix and Sustainable Development Capital LLP to increase investment in non-domestic energy efficiency.

The Government's Rural Statement was published in September 2012. It underlines our commitment to Rural England and sets out Government's support through a broad range of policies. It is based around three key priorities: economic growth, rural engagement, and quality of life. The Statement highlights key initiatives to help rural businesses and communities, such as work on rural broadband (case study 5), five Rural Growth Network Pilots and rural economy grants which will help stimulate growth and create rural jobs.¹⁰

The Department for Communities and Local Government (DCLG) supports the Local Government Association's Capital and Assets Pathfinder Programme¹¹ and the National Planning Policy Framework (case study 3). Its Housing Strategy seeks to increase the supply of homes by encouraging the building of new homes and by bringing empty homes back into use, and addressing issues relating to the design and sustainability of buildings.¹²

Case Study (3): DCLG – National Planning Policy Framework

"The National Planning Policy Framework" (NPPF), published in March 2012, empowers communities, supports creating homes and jobs, and helps to protect and enhance our natural and historic environment. It emphasises the central role of Local Plans, drawn up by councils through engagement with local communities, in delivering sustainable development at the local level: by setting out how each area's development needs can be met, and how the local environment can be protected and enhanced.¹³

The NPPF acts as a reference point for both plan production and decisions on individual planning applications. It makes clear that planning has an economic, a social and an environmental role in contributing to sustainable development, and that it should pursue net gains across all three.

¹⁰ Rural Statement 2012 (Defra, 2012) www.gov.uk/government/policies/making-sure-government-policies-and-programmes-benefit-rural-businesses-and-communities

¹¹ Capital and Assets Pathfinder Programme (DCLG, 2011) www.gov.uk/government/publications/capital-and-assets-pathfinder-programme-2010-to-2011-position-statement

¹² Laying the foundations: a housing strategy for England (HM Government, 2011) www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2

¹³ www.gov.uk/government/publications/national-planning-policy-framework--2

The NPPF also contains a presumption in favour of sustainable development, making it clear that Local Plans should seek to meet identified needs, and that planning applications should be approved where possible, but in each case subject to respecting key environmental safeguards. The final NPPF was welcomed by a wide range of organisations, particularly in respect to its strong commitment to sustainable development.

Technical Guidance to the NPPF¹⁴ provides additional support to local planning authorities on the important issues of development in areas at risk of flooding and in relation to mineral extraction. The technical guidance on flood risk and development has been commended by the Association of British Insurers.

Councils have made good progress in producing Local Plans with 70% now at the publication stage or beyond. 13% of these were published after the NPPF came into effect.

Government recognises that the health of people is vital to their sustainability. Many initiatives support health in a way that also improves efficiency and respects the environment, such as the Department of Health's (DH) Be Food Smart (healthy eating campaign),¹⁵ advice on reducing food waste and "Call to Action on Obesity".¹⁶ "The Public Health Outcomes Framework for England 2013-2016" requires public sector organisations to produce board approved sustainable development management plans.¹⁷ All Government Departments are also responsible for identifying and developing policies that contribute towards individual and community well-being (case study 19).

The Department for Culture, Media and Sport (DCMS) is leading on providing superfast broadband to at least 90% of premises in the UK and providing universal access to standard broadband with a speed of at least 2Mbps. This will bring economic, social and environmental benefits.

HM Revenue and Customs (HMRC) responded quickly to provide help and advice to its customers caught up in the flooding and bad weather conditions of recent years, and those affected by the 2011 Summer riots. It set up dedicated helplines, 7 days a week during these difficult periods, to help businesses get back on their feet by providing practical advice and assistance on all HMRC taxes. They dealt sympathetically with the problems faced by individuals and businesses whose homes, premises or business records had been damaged through no fault of their own. HMRC also gave customers the breathing space they needed to deal with their tax obligations by reviewing any penalties imposed, withholding additional surcharges that would normally be triggered by missed deadlines, and agreeing revised payment schedules.

¹⁴ NPPF technical guidance (DCLG, 2012) www.gov.uk/government/publications/national-planning-policy-framework-technical-guidance

¹⁵ Be Food Smart campaign www.nhs.uk/Change4Life/Pages/be-food-smart.aspx

¹⁶ Healthy Lives, Healthy People: A Call to Action on Obesity in England (HM Government, 2011) www.gov.uk/government/publications/healthy-lives-healthy-people-a-call-to-action-on-obesity-in-england

¹⁷ The Public Health Outcomes Framework for England 2013-2016 (DH, 2012) www.gov.uk/government/publications/public-health-outcomes-framework-update

A number of important policy developments are focused on the environment but with wider sustainability and well-being impacts. Government launched the Natural Environment White Paper in June 2011¹⁸ and action on a range of commitments followed including the development of Local Nature Partnerships and the establishment of the Natural Capital Committee and Ecosystems Market Taskforce. The Water White Paper, published in December 2011, addresses the major challenge of ensuring we have enough water in the coming years in terms of consumers, businesses and for environmental needs.¹⁹

Government published a White Paper “Overseas Territories, Security, Success and Sustainability” in June 2012, confirming the Government’s objective to ensure that the rich, and internationally recognised, environmental assets of these territories are cherished.²⁰ In October 2012 Defra launched a new cross-Government fund (the Overseas Territories Environment and Climate Fund known as “Darwin Plus”) to support environmental protection and climate change adaptation initiatives in our Overseas Territories. Darwin Plus is jointly-funded by Defra, the Foreign and Commonwealth Office (FCO) and the Department for International Development (DFID).²¹

Sustainable Development and Climate Change

All departments are taking action to tackle climate change. DECC leads on climate change mitigation, but each department is responsible for meeting greenhouse gas emission reduction goals in the sectors for which it has responsibility. Defra works with DECC and other departments to make sure that the measures being taken to cut emissions are done sustainably. For example Defra is analysing the impacts of different energy technologies and choices to help maximise wider benefits and reduce negative consequences.

DECC’s policies include a programme for every home and small business in Great Britain to have smart electricity and gas meters. The roll-out of smart meters will play an important role in Britain’s transition to a low-carbon economy and help meet some of the long-term challenges the country faces in ensuring an affordable, secure and sustainable energy supply. Smart meters will give consumers near real time information on energy consumption to help manage their energy use, save money and reduce emissions.²²

Defra is responsible for developing a National Adaptation Programme to address the issues set out in the first UK Climate Change Risk Assessment in January 2012.²³ The first National Adaptation Programme report will be published by November 2013 and set out the current actions and ambitions taken by Government and others, to plan for the major climate risks for the UK before they become a regular and expensive event.

¹⁸ The natural choice: securing the value of nature (Defra, 2011) www.gov.uk/government/policies/protecting-and-enhancing-our-urban-and-natural-environment-to-improve-public-health-and-wellbeing

¹⁹ Water for life (HM Government, 2011) www.gov.uk/government/policies/reforming-the-water-industry-to-increase-competition-and-protect-the-environment

²⁰ Overseas Territories, Security, Success and Sustainability (FCO, 2012)

www.gov.uk/government/publications/the-overseas-territories-security-success-and-sustainability

²¹ Darwin plus: www.gov.uk/government/policies/protecting-and-developing-the-overseas-territories

²² Smart meters www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills

²³ National Adaptation Programme www.gov.uk/government/policies/adapting-to-climate-change

Case Study (4): DWP – Climate change planning

DWP is assessing the likely effects of one of the potential impacts of climate change on the Department's estate and critical supplier sites – the risk of flooding. The assessment necessarily considers the potential effect for its staff and its customers' travel.

Buildings occupied by more than 200 staff, and other strategically important buildings such as supplier premises critical to the delivery of services, are being assessed against the Defra-led local authority assessments of coastal, river and surface water flood risk.

The assessment is still ongoing but the economic, wellbeing and environmental effects are being analysed against the Department's estate and business delivery strategies. This then informs business continuity planning to ensure that disruption to public services is minimised, placing the Department on a ready footing should it need to react quickly to a flooding incident.

2 Bringing sustainable development into the heart of Government: Developing the Tools

The Government's Vision for Sustainable Development set out how it would be delivered in terms of governance, capability, transparency and accountability.

2.1 Governance

Ministerial oversight for mainstreaming is currently led from the CO and Defra. Progress on meeting targets such as reducing carbon, waste and water usage across Departmental estates is monitored through the Cabinet sub-committee on Greening Government.

2.2 Government Systems

Setting direction and delivering results: Business Plans and Annual Reports and Accounts

Following the formation of the Coalition Government in May 2010, driven by two central principles of increased accountability to the public and transparency, the Government introduced departmental business plans. Using the Coalition Programme for Government as the basis for identifying priorities,²⁴ departmental business plans set out the structural reform priorities and the policy and implementation actions departments will undertake to achieve them, with clear start and end dates. The public is able to track progress against these actions via the website of the Prime Minister's Office.²⁵

The Government has illustrated its commitment to embed sustainable development by asking all departments to include sustainable development commitments within their departmental business plans. Each department sets out how sustainable development is reflected within their departmental responsibilities, with some even including specific actions within the body of their plan. BIS, for example, recognised that the establishment of the Green Investment Bank was a key element of its efforts to mainstream sustainable development. DH highlighted that it would incorporate sustainable development principles in the development of its NHS Commissioning Board framework agreement. The inclusion of these commitments demonstrates the extent to which sustainable development is a priority across government.

For the first time in 2011/12, all departments were asked to report on progress against sustainable development in their Annual Report and Accounts. This is a significant shift towards greater transparency and accountability. In this first reporting year many Annual Reports provided little detail in relation to sustainable development within policy

²⁴ The Coalition: our programme for government (HM Government, 2010)

www.gov.uk/government/publications/the-coalition-our-programme-for-government

²⁵ transparency.number10.gov.uk/

development. To rectify this, we have improved the guidance for the 2012/13 reporting period, and reinforced the alignment with departmental business plans. The next round of Annual Reports should better reflect how sustainable development has contributed to each department's policy, delivery and procurement functions. The inclusion of sustainable development within the Business Planning and Annual Report and Accounts cycle forms a key part of Government's approach to mainstreaming.

Developing and evaluating policy and projects

Economic, environmental and social impacts need to be taken into account in developing policy and projects and be clearly understood within decision making. HM Treasury's (HMT) Green Book²⁶ is the core piece of guidance for Central Government, setting out a framework for the appraisal and evaluation of all policies, programmes and projects. It is in the process of being refreshed to ensure that it remains up to date and improve its ease of use and transparency.

Impact Assessments help policymakers think through and set out the reasons for government intervention, to weigh up various options for achieving an objective and understand the impacts of any proposed intervention. They are usually developed in conjunction with Departmental economists and other analysts and require sign-off from their respective Chief Economists and the Minister responsible for the policy. In summer 2011, Government reviewed the Impact Assessment methodology so that sustainable development is more fully integrated into guidance and tools²⁷ and should therefore be more clearly included within assessments.

Baseline Evaluation of Sustainable Development Guidance across Government – Interim Report

Defra has commissioned Eftec (the environmental economics consultancy) to produce a baseline evaluation of uptake of environmental appraisal and sustainable development guidance across Government. The interim report is a desk based analysis to broadly assess how sustainable development issues are incorporated within published Impact Assessments produced since August 2011, when the Government's Impact Assessment Toolkit was revised. The study is looking to understand whether the revised guidance is being used and whether it has resulted in improvements to sustainable development appraisal.

The researchers examined all the available Impact Assessments produced since August 2011, and then restricted the sample to those considered to have the most relevant content. As a result, they looked at 125 Impact Assessments (around one third of the total sample).

²⁶ The Green Book (HMT) www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government

²⁷ Producing impact assessments - guidance for government departments (BIS, 2012) www.gov.uk/producing-impact-assessments-guidance-for-government-departments

The initial research suggests that just over half in the sample are treating sustainable development issues in a comprehensive and appropriate fashion; around a quarter identify all impacts but would benefit from greater rigour in some areas of assessment; and around a quarter miss some potentially important impacts. They found no examples of Impact Assessments that failed to address sustainable development issues completely.

The study has also identified a number of assessments that represent good examples: they followed the guidance and set out the range of impacts proportionately. This includes DECC's "Government response to the consultation on proposals for the levels of banded support under the Renewables Obligation for the period 2013-17 and the Renewables Obligation Order 2012" and Defra's "Simplification of the Contaminated Land Regime".

The study's initial conclusion is that appraisal of sustainable development impacts is largely reasonable, but with room for improvement in some areas. The second phase of the project will see more detailed research, investigating cases in depth and interviewing Departmental economists and policymakers. This should reveal more nuanced evidence on the use of guidance and what the barriers might be.

The study will also make proposals to assist future mainstreaming of sustainability and accounting for environmental impacts across government, including identifying how the guidance might be improved to increase uptake in a proportionate way. It will also consider how uptake of environmental and sustainability appraisal guidance might be credibly monitored on an ongoing basis.

Policy proposals and any accompanying Impact Assessment should be consulted on as part of the development process. CO published revised "Consultation Principles" in 2012.²⁸ This should see a wider range of groups involved in policy development, often at an earlier stage of the process, consultations proportionate to the issue being considered and digital by default. Announcing its introduction in July 2012 in a written Ministerial Statement to Parliament, the Minister for Government Policy said: "The emphasis is on understanding the effects of a proposal and ensuring real engagement rather than following the same bureaucratic process."²⁹

Policy evaluation should take place throughout the policy cycle and is important in understanding whether aims have been met and any anticipated or unforeseen impacts arose. Guidance on the use and practice of evaluating policy is provided in HMT's Magenta Book.³⁰ DECC and Defra published supplementary guidance in December 2012. "Quality in Policy Impact Evaluation" helps policymakers choose proportionate and robust evaluation approaches that will give them confidence to distinguish the impacts of policy on particular outcomes rather than other external influences.³¹

²⁸ Consultation Principles (CO, 2012) www.gov.uk/government/publications/consultation-principles-guidance

²⁹ Minister for Government Policy: Consultation Principles (CO, 17 July 2012) www.parliament.uk/documents/commons-vote-office/July_2012/17-07-12/4-CabinetOffice-ConsultationPrinciples.pdf

³⁰ The Magenta Book (HMT, 2011) www.gov.uk/government/publications/the-magenta-book

³¹ Quality in policy impact evaluation (HMT, 2012) www.gov.uk/government/publications/the-magenta-book

Case Study (5): Defra – Rural Community Broadband Fund Business Case

The £20 million Rural Community Broadband Fund is jointly funded by Defra and Broadband Delivery UK and formed a major component of Defra's Rural Economy Growth Review. It enables the funding of superfast broadband projects in hard-to-reach areas in England.³²

The business case for this project was bolstered by consideration of the wider social and environmental impacts. For example, internet access may improve connectivity and reduce social isolation, especially for young people who have greater reliance on social networking websites. Better broadband will ensure access to public services, as well as commercial services such as online banking, and may compensate for poor access to physical service. Access to broadband also has benefits for the wider environment, increasing the scope for people to work from home and reducing the need to travel.

Defra and DCMS has commissioned two separate independent evaluations of the social and wellbeing benefits of broadband to rural communities, as well as economic benefits.

Improvements in valuing environmental and social impacts

There are already well established methodologies for assessing the economic impacts of Government policies. The Natural Environment White Paper (June 2011) emphasised the importance of understanding the value of natural resources. It highlights the key role of natural capital and the impact that its depletion would have not just on nature itself but also on economic growth and individual and community well-being.

Government established the independent Natural Capital Committee³³ in spring 2012, reporting to the Economic Affairs Cabinet Committee. The Natural Capital Committee's role is to help the Government better understand how the state of the natural environment affects the performance of the economy and well-being and to advise on how to ensure England's natural wealth is managed efficiently and sustainably. The Committee published its first annual State of Natural Capital report in April 2013.

In December 2011 Defra published a policy paper which addresses how to assess and integrate evidence of social impacts and well-being into valuation and appraisal.³⁴ Defra and HMT published supplementary guidance on accounting for environmental impacts in policy appraisal in February 2012.³⁵

³² Rural Community Broadband Fund www.gov.uk/government/policies/transforming-uk-broadband

³³ Natural Capital Committee www.gov.uk/government/policy-advisory-groups/natural-capital-committee

³⁴ Social Impacts and Wellbeing: multi-criteria analysis techniques for integrating non-monetary evidence in valuation and appraisal – A discussion of current approaches and opportunities (Defra, 2011) www.gov.uk/government/publications/social-impacts-and-wellbeing-multi-criteria-analysis-techniques-for-integrating-non-monetary-evidence-in-valuation-and-appraisal

³⁵ Accounting for environmental impacts: Supplementary Green Book guidance (HMT/ Defra, 2012) www.gov.uk/government/publications/green-book-supplementary-guidance-environment

Many departments have also developed tools to help them to evaluate the impacts of their policies or operations, improve decision making and often deliver efficiencies. DWP has developed a series of Policy and Sustainability Evaluation Tools, where a full sustainability assessment ensures the social, economic and environmental impacts of its policies and projects are considered. By engaging directly with policy proposals from the outset officials can identify the sustainability impacts, which often translate into cost-efficiency measures, ensuring they have been fully considered, impacted and mitigated (where possible) throughout a proposal's lifecycle.

DWP's Sustainability Evaluation Tool has been in use since October 2011 to assess the environmental impact of its major projects. It is accepted practice amongst projects of all sizes with "significant" environmental impacts with projects often putting themselves forward for evaluation. Commercial procurement activity over £10,000 includes a Sustainable Procurement Risk Assessment. Procurement project managers assess the activity against social, environmental and economic indicators and that the project specification has addressed any clearly identified impacts, mitigating them where practicable.

The Ministry of Defence (MOD) launched a "Sustainability and Environmental Appraisal Tools Handbook" in March 2011. It is the single point of reference for appraisal tools used on Estates related plans, programmes, projects and activities such as military training within MOD. It sets out guidance and methodologies for the suite of tools.³⁶

WebTAG is DfT's guidance on transport scheme appraisal. It covers a wide range of economic, environmental and social impacts which are reported together in an Appraisal Summary Table. Impacts are assessed using consistent qualitative or quantitative methods to ensure that information on the full range of impacts is given to decision makers.

DECC issued simple guidance to staff on identifying and assessing sustainability impacts in Spring 2012 and sustainability considerations have been incorporated into programme and project business case templates since July 2012.

The Behavioural Research Network – a group of leading academics working with DCLG to help embed well-being into policymaking – is leading a project to better understand the role of design in influencing behaviour including the impact that the built environment can have on personal well-being and health. This project is expected to complete in 2013.

³⁶ Sustainability and Environmental Appraisal Tools Handbook www.gov.uk/government/publications/mod-sustainability-and-environmental-appraisal-tool-handbook

Case study (6): HMRC – using the PaceSetter Programme to reduce environmental waste

Sustainability has been embedded into HMRC's PaceSetter Programme, which enables all its staff to identify how to do things better by cutting wasteful processes that add no value. This ensures that environmental issues are considered in the drive to transform the way HMRC delivers its services and to maximise tax revenues at the lowest overall cost to all those involved. HMRC's Environmental Waste Calculator is a useful tool for staff to see where they can reduce carbon emissions, waste and costs by changing business processes and the way they behave, eg by reducing printing or business travel. The calculator works out the financial costs and carbon emissions associated with how things are done now and how they could be done differently in the future. It is programmed to cover a wide range of scenarios relating to printing, travel, audio conferencing and the use of electrical equipment and information technology, and it allows staff to see within seconds the environmental impact and cost implications of changing processes.

All DFID aid programmes over £400 are subject to a Climate and Environment Assessment to ensure that potential climate and environment impacts, risks and opportunities are considered during the design phase of the project. Programmes will be modified to minimise or remove the risks and maximise the opportunities and are monitored throughout their life-span. The Climate and Environment Assessment is undertaken by accredited climate and environment advisors. No programme can be approved without this process taking place.

Case Study (7): NHS – The Public Services (Social Value) Act 2012 and Triple Bottom Line Reporting

Under the Public Services (Social Value) Act, all public bodies are required to consider how the services they commission might improve the economic, social and environmental well-being of their locality. The NHS has therefore been raising awareness of the Act with both commissioning and provider organisations, to ensure that due consideration is given to social, environmental and economic aspects at the pre procurement stage.³⁷

The principle of a sustainable health and care system is to identify and realise opportunities for improved quality of care, reduced costs and reduced environmental and social impacts. For example, advances in technology have enabled the NHS to deliver care closer to home, allowing for a better level of care to be provided, improving outcomes and patient experience, at a lower cost and with reduced impacts on the environment, through a reduced need for travel.

³⁷ The Public Services (Social Value) Act 2012 – advice for commissioners and procurers (CO, 2012) www.gov.uk/government/publications/procurement-policy-note-10-12-the-public-services-social-value-act-2012

This supports the adoption of 'triple bottom line' reporting techniques which seek to explain organisational impacts from a social and environmental, as well as economic viewpoint. NHS Midlands and East's lead sustainability officials are piloting projects to develop 'triple bottom line' reporting in the NHS which could be replicated in other regions and clusters.

Building sustainable development capability across Government

The Government works across Departments to build capability and share practice and information on mainstreaming sustainable development in their policy and operations. This has helped, for example, in developing the business plan mainstreaming commitments. Many Departments, such as DH/NHS, DWP, Department for Education (DfE), HMRC, MOD and DECC, have dedicated Sustainable Development Units. These units are helping to drive capability and provide a range of resources on their internal or external web sites.

Case Study (8): MOD – Improving capability through rewarding sustainability

The MOD promotes sustainability through its annual Sanctuary and Energy Award schemes. The 2012 Sanctuary awards were divided into Environmental, Sustainability and Heritage Project categories and Individual Achievement, with an overall winner selected from each of the category winners. Award winners were invited to a Ministerial reception in London to receive their prize. The MOD's "Sanctuary" magazine highlights all the award contenders and other sustainable development activities across the estate.³⁸

All Departments should have adopted the new "Civil Service Competency Framework" by April 2013.³⁹ It sets out how Government wants people in the civil service to work and includes sustainable development related performance criteria to support mainstreaming. Government has also been working with Civil Service Learning (the Government's central training resource) to embed sustainable development in relevant training materials. Some departments also provide their own in-house training. DWP has run master classes for staff to raise awareness of sustainability. DECC is incorporating sustainable development into the development of a standard operating model for policy and project development. Staff are supported through a range of guidance and training.

Defra funds the Sustainable Development Research Network (SDRN). Run by the Policy Studies Institute it helps build links between policy-makers and academic researchers to enable Departments to access evidence from across the social and natural sciences.⁴⁰ The SDRN holds an annual sustainable development conference and can provide tailored support for departments. In June 2012, it launched a case-study database with examples of sustainable development in practice from business, communities and research.⁴¹

³⁸ MOD Sanctuary magazine www.gov.uk/government/publications/sanctuary

³⁹ Civil Service Competency Framework (2012) www.gov.uk/government/news/level-playing-field-for-all-civil-servants-to-drive-up-performance

⁴⁰ Sustainable Development Research Network www.sd-research.org.uk/

⁴¹ SDRN Case Study Database <http://sdrncs.wordpress.com/about/>

3 International sustainable development

3.1 United Nations Rio+20 Conference

On 22 June 2012, 193 countries signed up to “The Future We Want”, the outcome document from the UN Conference on Sustainable Development “Rio+20”.⁴² Rio+20 tackled the critical issue of how we can grow our economies without destroying the natural resources on which they depend. Rio+20 assessed progress in the twenty years since the 1992 “Earth Summit” and set direction and renewed commitments from Governments, businesses and civil society to sustainable development.

Key outcomes included agreement to:

- Develop Sustainable Development Goals
- Reform UN institutions to better integrate sustainable development within UN decision-making
- Develop broader measures of progress to complement gross domestic product (GDP) – so-called GDP+ – to better inform policy decisions
- Develop a global sustainability reporting framework for businesses
- Enhance international co-operation towards sustainable consumption and production
- Work towards the conservation and sustainable use of marine biodiversity

The UK is actively engaged in taking forward the outcomes from Rio+20. An intergovernmental Open Working Group of the UN General Assembly was established in January 2013, tasked with making proposals on Sustainable Development Goals by September 2014, which Governments agreed should be consistent with, and integrated in, the broader UN Development Agenda beyond 2015, ie the international framework to succeed the Millennium Development Goals. The UK is a member of the Open Working Group, sharing a seat with the Netherlands and Australia.⁴³ A separate intergovernmental process to consider resource mobilisation for sustainable development is also being established.

The UK is working with EU and international partners to take forward other actions, such as agreeing new governance arrangements for the UN Environment Programme in February 2013, and in defining the role of the High Level Political Forum due to replace the UN Commission on Sustainable Development. Alongside that work the UK is continuing to lead by example domestically on the Rio+20 agenda, working to include natural and social capital within our system of national accounts by 2020, and mandating quoted companies to report on their greenhouse gas emissions from 2013.

⁴² The Future We Want www.un.org/en/sustainablefuture/

⁴³ Open Working Group on Sustainable Development Goals sustainabledevelopment.un.org/index.php?menu=1549

Case Study (9): DH – Rio+20 Summit

DH co-chaired, with Germany, the first World Health Organisation (WHO) European Working Group on Climate Change and its Impacts on Health in June 2012 to implement the Climate Change section of the “Parma Declaration on Environment and Health”⁴⁴ and the WHO Euro Framework for Action. Through this WHO work, DH was also able to relay the key health messages to Defra and FCO officials attending the Rio+20 summit earlier this year, so that, health issues were given more prominence, giving the health community a fairly positive outcome.

3.2 EU Sustainable Development Strategy and Europe 2020

The EU Sustainable Development Strategy was launched in 2001.⁴⁵ In 2010, the European Commission launched Europe 2020, a 10-year strategy for the advancement of the economy of the EU, aiming at smart and sustainable growth.⁴⁶ Both strategies provide the context for future sustainable development within the EU.

The UK is part of the European Sustainable Development Network (ESDN), which brings Member States together to share knowledge and best practice and to feed in to the work of the EU Council and Commission. Defra leads the UK input into the ESDN.⁴⁷

3.3 Promoting Sustainable Development overseas

DFID is committed to integrating climate and environment concerns into all of its development aid under its Climate Smart Business plan commitment. This commits DFID to address climate change risks and opportunities across the Department by the end of 2013.

The Climate Smart programme is delivered through Strategic Programme Reviews (SPR), carried out by each DFID business unit overseas and in the UK. The Strategic Programme Review includes four areas of action, on demonstrating leadership; raising awareness; reducing the environmental impact of DFID operations; and analysing climate risks and opportunities in DFID programmes. For example, in Bangladesh, the Strategic Programme Review has helped to deliver a 16% reduction in carbon emissions from DFID’s estate since 2009/10; initiated the establishment of a more robust national climate finance mechanism, the Bangladesh Climate Change Resilience Fund; and has led to climate resilience being designed into programmes, such as adapting primary schools in vulnerable areas of Bangladesh to double as cyclone shelters. The Climate Smart

⁴⁴ Parma Declaration on Environment and Health www.euro.who.int/en/what-we-do/event/fifth-ministerial-conference-on-environment-and-health/documentation/parma-declaration-on-environment-and-health

⁴⁵ EU Sustainable Development Strategy ec.europa.eu/environment/eussd/

⁴⁶ Europe 2020 ec.europa.eu/europe2020/index_en.htm

⁴⁷ European Sustainable Development Network www.sd-network.eu/

programme is supported and driven by a network of Senior Climate Change Champions. Climate Smart is designed to integrate climate and sustainability issues into DFID programmes and operations, and complements DFID's portfolio of climate change specific programmes, which are led by DFID's cadre of expert Climate and Environment Advisors.

Case Study (10): DFID – Climate and Environment Assessment in the Democratic Republic of the Congo

The Democratic Republic of the Congo (DRC) is the poorest country in the world according to the UN's 2011 Human Development Index. 60% of its 65 million people live on less than \$1.25 (£0.80) per day. The DRC has some of the worst health indicators in Sub Saharan Africa. With one fifth of children born not reaching their first birthday, the DRC has the second highest level of child mortality. It also has the fourth highest level of maternal deaths, accounting for almost one in ten of all maternal deaths in Africa.

Access to health services is extremely limited. Less than a quarter of citizens are estimated to have access to healthcare across the country. Some of this is due to the barriers people face in having to pay to access healthcare which is widespread.

The UK will provide £184.9-million from 2013–18 to strengthen basic health service provision in the DRC in order to improve reproductive, maternal, neonatal and child health. The programme will build on DFID's proven track record of improving access to health care and delivering health results in the DRC as a result of its existing Access to Healthcare programme, which ends in December 2012, but will adopt a new approach of working more through Faith Based Networks to improve the sustainability of the programme.

Access to electricity is a problem for healthcare centres and often solved through small generators or solar power, but if they are unaffordable then no power is provided which negatively impacts on both patient health and security.

The Climate and Environment Assessment undertaken for this programme identified an opportunity to both improve healthcare outcomes and deliver low carbon environmental sustainability through the provision of small scale renewable energy systems to power the healthcare centres rather than relying on expensive and dirty diesel generators.

4 Government Estate and Operations: leading by example

4.1 Greening Government Commitments

The Greening Government Commitments are targets for cutting carbon, waste and water consumption across the government estate and operations, ensuring sustainable procurement of goods and services to help deliver on these aims, and transparency in respect of social aspects of sustainability.⁴⁸ The scope of these targets includes not only office premises but also the defence estate, prisons, laboratories, museums, forests plus many other diverse sites. This shows Government leading by example and itself using fewer resources in the same way as it expects from the wider public sector, the private sector, civil society and citizens.

Case study (11): DWP – Environmental Champions

The 2010 target for Government departments to cut emissions by 10% was the driver for DWP to set up its network of Environmental Champions. With over 800 customer-facing offices alone, it was clear that delivering changes on the ground on a sufficient scale to meet the target posed a huge challenge. DWP advertised for staff volunteers to raise awareness among their colleagues and improve the performance of their workplace. Starting from an initial group of 100 volunteers, the network has since expanded to some 900 volunteer Environmental Champions. Communication has been key to maintaining interest and engagement. DWP uses the wealth of information they hold on their individual buildings to regularly update the Champions on energy, water and waste performance in their place of work. Champions' activities range from putting up posters to driving negotiations with facilities managers and running their own events.

Action taken by departments in 2011/12 demonstrates how making changes to benefit the environment can also lead to financial benefits for organisations. This “win-win” approach resulted in nearly £50m savings compared to 2009/10: For example:

- A 12% reduction in greenhouse gas emissions, estimated to save the tax payer £40 million
- A 5% reduction in waste arisings, delivering £4.7 million savings
- A 3% fall in water consumption, saving the taxpayer £4.2 million.

Some of the ways in which these savings have been achieved include Home Office (HO) implementing restrictions on staff travel and improving and extending teleconferencing facilities to all staff, contributing to a reduction in travel as well as ensuring more efficient use of staff time. HMRC encouragement of customers to complete tax returns online and using text messages for alerts has contributed to a fall in paper use by 30 million sheets in

⁴⁸ Greening Government Commitments sd.defra.gov.uk/gov/green-government/commitments/

2011/12, cutting carbon associated with printing and distribution by 760 tonnes as well as saving £297,000.

The first Annual Report on Government Departments' Progress against the 2015 Greening Government Commitments targets published in December 2012 shows good progress, but more work remains to be done.⁴⁹ For example:

- Government Green House Gas emissions were down by 12% in 2011/12, against a 2015 target of 25%. 8 out of 21 departments met or exceeded the 2015 target.
- Government as a whole recorded a 5% reduction in waste arisings, against a 25% target for 2015. Five departments have met or exceeded the 2015 target.
- More work is needed to cut water consumption, with a 3% reduction in 2011/12. 19 of 21 departments made reductions.

In early 2013 the joint chairs of the Greening Government Cabinet Sub Committee wrote to Ministers and Permanent Secretaries challenging them to demonstrate that they are fully on track to meet each one of the Commitments by 2015.

4.2 Sustainable procurement

Government buys lots of goods, works and services, from computers to constructing and renovating buildings. The public sector in the UK spends the equivalent of 16% of GDP on goods and services; central government spends the equivalent of 9% of GDP. The taxpayer expects value for money both in terms of financial cost and taking into account the longer term costs and benefits for our environment and society. By procuring sustainably, government can use its purchasing power to help businesses make the transition towards supplying products and services that are more efficient and sustainable.

The Greening Government Commitments include sustainable procurement: embedding the government's sustainability standards for goods and services ("the Government Buying Standards") and monitoring and publishing supply chain impacts in particular carbon.

Tools are in place for practitioners that enable them to procure sustainably. Defra develops and maintains Government Buying Standards.⁵⁰ These are model technical specifications and evaluation criteria that help procurers identify efficient products and services in terms of energy, water and waste, as well as air and water pollution. Defra's National Sustainable Public Procurement Programme⁵¹ includes training modules. New sector specific modules as well as general carbon literacy training have been added.

Centralised contracts are in place through the Government Procurement Service that ensure sustainable products are easily available to the public sector. Supply chain reporting tools are also available, enabling the monitoring of impacts throughout the supply

⁴⁹ Annual Report on Government Departments' Progress against 2015 Targets in 2011/12 (HM Government, 2012) www.gov.uk/government/publications/greening-government-commitments

⁵⁰ Government Buying Standards <http://sd.defra.gov.uk/advice/public/buying/>

⁵¹ National Sustainable Public Procurement Programme sd.defra.gov.uk/advice/public/nsppp/

chain, from carbon to equalities. This helps ensure resilience to price changes and reduces reputational risk.

Case Study (12): DECC – Embedding sustainable procurement

In September 2012, DECC included sustainability considerations and compliance with Government Buying Standards as part of its Business Case template for all procurement requests over £20,000. This means Sustainability Impacts are considered as part of formal requests when approval is sought for procurement spending. Requests have to:

“Outline the main economic, social and environmental impacts of the project, both positive and negative, and the steps you have taken to mitigate or minimise negative impacts. [And] For cases involving the procurement products covered by the Government Buying Standards...indicate whether...they will meet the mandatory or best practice standard.”

Accompanying guidance is available to support officials.

CO continues to provide high level leadership and has emphasized the importance of pre-procurement dialogue, which enables discussions with suppliers to help identify sustainable products and services. Many Departments have championed sustainable procurement. HMRC has developed a closed-loop system for paper procurement, which has been taken up by 15 out of 17 government departments. The HO uses a supply chain monitoring tool which helps it manage its supply chain impacts, from carbon to social benefits like apprenticeships. The DH has embedded sustainable procurement within the “NHS Standards of Procurement” issued in May 2012,⁵² and supports the NHS with guidance and training on procuring for carbon reduction and ethical procurement, and through the NHS Sustainable Procurement Forum.

Sustainable procurement is now an integral element to the planning and delivery of military equipment, not least because reducing reliance on fossil fuels and operational energy consumption, reduces operational risk (eg from ambushes on the logistics chain supplying the front line) and through-life costs, while enhancing mission endurance (as there are no power grids in remote locations). As well as conducting research and development into delivering sustainable solutions on the front line, MOD’s procurement guidance now requires new equipment that is resilient to long-term climate change and business cases are mandated to consider sustainability, especially energy and resource scarcity risks.

A recent NAO briefing⁵³ shows the complexity of what is involved in embedding sustainable procurement into the public sector from developing buying standards to the use of new tools to monitor supply chains. This is why a partnership system has been fostered across government but with clear responsibility on each department to meet its commitments. This joint working includes the development of standards for example,

⁵² NHS Standards of Procurement (DH/ NHS, 2012) www.gov.uk/government/publications/nhs-procurement-standards

⁵³ NAO briefing: Sustainable procurement in government (NAO, 2012) www.nao.org.uk/

between Defra and the DH on food procurement. It is strengthened by leadership and scrutiny from the Cabinet sub-committee on Greening Government.

Case study (13): Ministry of Justice (MoJ) – Ensuring ethical and environmental best practice in uniform sourcing

MoJ's procurement strategy aims to minimise the negative economic, environmental and social impact of what it buys. For example, MoJ has used its contract to buy new prison uniforms which are produced in line with best practice in ethical trading and environmental standards. To ensure this, MoJ-officials conducted audits at their supplier's factories of how uniforms were produced and the working conditions.

Case Study (14): DfE – Supporting Schools to reduce their energy bills

DfE is providing £8 million to support Schools to reduce their energy bills through the Salix Finance Energy Efficiency Loans Scheme. It allows public sector bodies to apply for an interest free loan to finance up to 100% of the costs of energy saving projects. DfE is also working with Energy Services Companies (ESCOs) to help schools significantly reduce their energy use and save money. For example, the Greater London Authority RE:FIT programme has used ESCo principles to deliver average yearly savings of £26,500 on secondary school energy bills, following an average investment of £87,000. For primary schools, average annual fuel bill savings of £8,200 per year were achieved following an average investment of £38,000 per school.

Case Study (15): DFID – Green roof at Abercrombie House

Leaks which damaged the fabric of the building were the spur for investigating the most sustainable, durable and economical new roof at DFID's Abercrombie House office in East Kilbride. The resulting sedum roof, installed in 2010, is the largest green roof replacement to date in Scotland. The existing asphalt waterproof layer was kept in order to minimise building waste, with a new built-up roof system installed on top. It provides excellent thermal insulation, which led to a carbon reduction of 18 tonnes in the first year, and savings of between three and 10% in heating costs. It is expected to last for 40 years – where a conventional roof would need replacing after 25 years – and no repair costs are anticipated for at least 25 years. The green roof also offers extra protection to the roof membrane from frost, UV degradation and erosion, which could potentially double the lifespan of the roof membrane, thus reducing long term costs further. The roof's capacity to cope with rainfall means a reduction in surface water run-off, which reduces the risk of flash floods and impact on local drainage systems. Other benefits include increased sound insulation; improved air quality and habitat provision for local biodiversity. Combined with changes to plant operation times, the green roof has resulted in a 20% reduction in gas usage since 2009.

4.3 Procuring from Small and Medium sized Enterprises (SMEs)

Enabling smaller suppliers to compete for public sector business stimulates competition which through reduced cost and public spending as well as more streamlined and competitive business, helps boost economic growth. The Coalition Programme set an aspiration that by the end of this Parliament 25% of Government procurement spend would flow to SMEs, directly and through the supply chain. This commitment was reiterated in the Mid Term Review (see (6) Conclusion below).

Government has introduced a series of measures to support the achievement of the 25% aspiration, including the abolition of Pre-Qualification Questionnaires for below threshold contracts, the advertising of all central Government opportunities over £10,000 on Contracts Finder, and a Mystery Shopper Service allowing SMEs to complain about poor public procurement practice.

There has been a steady increase in central Government's direct spend with SMEs from just 6.5% in 2009/10 to 10% in 2011/12. Figures provided by Government's major suppliers show that SMEs benefitted from a further 6% in indirect spend through the supply chain.

Each central government department has put in place an action plan setting out how it will support the achievement of the 25% aspiration. Each department has also nominated 'SME Champions' at both official and ministerial levels. In addition, the Crown Representative for SMEs provides a strong voice at the top table, regularly providing an 'SME viewpoint' to senior officials and ministers. Central Government procurement practice is starting to change. Many of the systemic and institutional barriers have been removed and is a positive signal for Central Government achieving its 25% aspiration.

Actions taken by Departments include for example MoJ's work to increase the number of SMEs within their food supply chain, including facilitating a 'Meet the Bidder' event to allow interested SMEs to engage with potential first tier contractors. SMEs now account for 52% (£29.4m) of its annual spend on food supply contracts. DCLG undertook to publish a pipeline of future procurements as part of its commitments in 2011. This is on its website in a section aimed at SMEs and includes other support such as training.⁵⁴ DCLG welcomed SMEs in recent tenders for projects including Tenancy Deposit Schemes, Community Rights and Troubled Families.

4.4 London 2012 Olympic and Paralympic Games: the Greenest Games Ever

Sustainability was one of the key bid promises for the London 2012 Olympic and Paralympic games and helped distinguish the bid from those of others. Successes include

⁵⁴ www.gov.uk/government/organisations/department-for-communities-and-local-government

the green infrastructure legacy of the Olympic Park and other sites and the fact that 100% of operations waste was diverted from landfill. The sustainable approach to construction and procurement saw innovations such as heavily contaminated soil being remediated on site rather than being sent to landfill, saving approximately £68m.⁵⁵

The Games organisers teamed up with World Wildlife Fund and BioRegional to develop the 'One Planet Olympics' concept.⁵⁶ Partnership working was essential to deliver all aspects of London 2012. The success was achieved by commitment from the Olympic Delivery Authority (ODA), London Organising Committee of the Olympic and Paralympic Games (LOCOG), Government (led by DCMS), partner organisations and contractors working together to deliver the Games sustainability aspirations. To help keep this commitment on track, and a first for any Games host, London 2012 created an independent sustainability assurer.⁵⁷

DCMS involved key Departments and stakeholders in developing policy on a range of issues, such as PVC, and to advise the Olympics Board. Legacy boards were created to ensure that the level of ambition for legacy plans matched that for the actual Games. Defra co-chaired the London 2012 Sustainability Group to advise LOCOG on issues such as how to deliver their ambitious zero waste to landfill commitment. DfT, the Greater London Authority, Transport for London and Defra worked closely together on measures to improve air quality and providing information to the public on air pollution and what they could do to protect their health.

Case Study (16): DfT – Transport for Everyone

DfT published an action plan in December 2012 – “Transport for Everyone” – which outlined how operators, local councils and their Department could help to make it easier for people using public transport, in particular those with disabilities, to get to where they need to go. This action plan builds on the success achieved in the Games. At its heart is the importance of improving door-to-door journeys rather than addressing issues in isolation.⁵⁸

During the ODA planning stage, the HO required that 'Secured by Design'⁵⁹ (a police design-out-crime initiative) was adopted for all legacy housing and where possible for Olympics venues. By allocating police specialists in this field to the ODA, 'Secured by Design' became the model for the development of the Olympics venue design and physical security. It is now part of the legacy to promote the success of the London Olympics security for other international sports venues and in particular for the Rio 2016 Olympics.

⁵⁵ London 2012 legacy case study: Sustainable Procurement – London 2012 Olympics and Paralympics construction programme, Martin Sykes, Cathy Berry, July 2012

⁵⁶ www.london2012.com/about-us/sustainability/

⁵⁷ Commission for a Sustainable London 2012 www.cslondon.org/

⁵⁸ Transport for Everyone www.gov.uk/government/news/transport-for-everyone

⁵⁹ Secured by Design is protected by Trademark copyright owned by ACPO Crime Prevention Initiatives Ltd.

The Government has committed to a long term legacy for the Olympic and Paralympic Games and sustainability is part of that legacy. WRAP (the Waste and Resources Action Programme) launched a zero waste roadmap for the events sector in March 2013. Learning material and case studies from the London 2012 Games, including sustainability, are available on the Learning Legacy website.⁶⁰

Case study (17): London 2012 – Weymouth and Portland

The sailing venue in Weymouth and Portland helped make the games the greenest ever. It has solar panels on its roof – and a number of large wind turbines – which produce up to 20% of its total electricity. Voltage optimisation devices reduced electricity use by 8%. Natural England advised on natural environment issues and facilitated partnership working to create 254 ha of new green infrastructure. There will be long term economic, social and environmental benefits. Part of the sailing village is being sold as affordable housing while tourism will be boosted by the green infrastructure, the opening of the first part of the All England Coast Path, a Legacy Trail and new ways to promote Weymouth Bay's wildlife to visitors. Natural England has produced case studies on Weymouth & Portland and the other Olympic sites, including Hadleigh.⁶¹

London 2012 showcased a sustainable approach to site design, construction and operations. The UK demonstrated knowledge and experience which it can market to other parts of the world and is doing so as part of the economic legacy of the Games.

⁶⁰ learninglegacy.independent.gov.uk/

⁶¹ www.naturalengland.org.uk/about_us/news/2013/220313.aspx

5 Holding Government to Account

One of the main elements of the Government's sustainable development Vision is to support mainstreaming through greater transparency; enabling the public to monitor performance.

Case Study (18): NHS – Consulting and engaging on a Sustainable Development Strategy for the health, public health and care system

The NHS is running a consultation between January and May 2013 to develop a new Sustainable Development Strategy for the health, public health and social care system from 2014–20.⁶² The new strategy will build on the NHS Carbon Reduction Strategy (2009) and outline practical steps that need to be taken to move the health system towards sustainable health care by 2020 and how to measure progress.

The NHS has been running an extensive engagement programme across the health, public health and social care system. This includes using its networks and supporters to cascade the consultation and encourage participation from across the health system. It is working with regional sustainability leads to run regional events and with partners such as Climate UK and the Health Protection Agency to run joint events. A wide range of materials is available on its website to help others engage with colleagues and networks. Material includes videos, workshop exercises and presentations with supporting notes.

This programme has engaged the NHS, Public Health, Social Care, Health and Wellbeing Boards, Local Authorities, Government Departments, Clinical Commissioning Groups and Royal Colleges.

5.1 Stakeholder engagement

Defra funds the sustainable development website and newsletter “SD Scene”. It reaches over 15,000 readers, mostly sustainability professionals and is also available via Twitter where it has over 3,000 followers.⁶³ The recent consultation on Sustainable Development Indicators made good use of online survey technology to seek views and was hosted on the SD Scene web site.

All Government Departments engage with their stakeholders to seek their views on policy proposals. This consultation will be based on standard departmental approaches and CO guidance. Defra has established the Civil Society Advisory Board to provide advice to the department on the most effective ways of engaging with civil society on its policies, their delivery, and the civil society implications of Defra's operations.

⁶² Sustainable Development Strategy for the Health and Care System 2014-2020: Consultation www.sdu.nhs.uk/sustainable-health/engagement-resources.aspx

⁶³ SD Scene sd.defra.gov.uk/news/

5.2 Sustainable Development Indicators

From July to October 2012, the Government held an informal public consultation on a new set of Sustainable Development indicators (SDIs). The SDI set can be used to consider trends in economic, societal and environmental measures together - whilst individual indicators are likely to cover only one of these. The SDIs should provide high level transparent measures of whether the UK is developing on a sustainable path. They will also help support the evidence base for policy development across Government.

The consultation set out a streamlined package of indicators with 12 headline indicators providing a summary assessment of overall progress supported by 25 supplementary indicators. In developing the indicator set, Government has tried where possible to focus on end outcome measures and has sought to highlight issues that are likely to have long term impacts (where we may be building up issues or problems for the future) and areas of stakeholder (user) concern or interest.

Government received over 2,500 responses to the consultation. A summary of responses was published in March 2013.⁶⁴ The Environmental Audit Committee also held an inquiry into Measuring Sustainable Development and Well-being and published its report in December 2012.⁶⁵ The Government submitted its response to the report in May 2013. A revised SDI set will be next published in summer 2013.

Case Study (19): Sustainable Development and Well-being

Looking for a complementary measure of UK national progress aside from the purely economic Gross Domestic Product, the Prime Minister asked the Office for National Statistics (ONS) to develop indicators to measure national well-being in November 2010. National well-being tends to focus on the current well-being of the nation so that policy makers, businesses, civil society and individuals can make more rounded decisions about what really matters to people now. The framework includes a number of environmental and economic measures, but currently tends towards measuring social progress. The SDIs are designed to capture progress over a longer timeframe and the indicators are balanced across the economy, society and environment. There is minimum overlap between individual measures; where there is, this is necessary to cover the fact that people's well-being today is influenced by their perceptions of well-being in the future.

⁶⁴ Consultation on new Sustainable Development Indicators

www.gov.uk/government/consultations/consultation-on-new-sustainable-development-indicators.

⁶⁵ Environmental Audit Committee - 5th Report: Measuring well-being and sustainable development: Sustainable Development Indicators (House of Commons, 29 December 2012)

www.parliament.uk/business/committees/committees-a-z/commons-select/environmental-audit-committee/news/-announcement-of-report-publication2/

The Social Impacts Task Force, established in 2010 and currently chaired by BIS, aims to support government departments taking better account of the well-being and social impacts of policy. Over the past year it has worked on sharing departmental evidence and analysis of well-being data, while promoting the use of ONS well-being data in particular. Its work on sharing good practice on measuring social impacts and incorporating these into policy continues and should also lead to overall improvements in sustainable development appraisal.

5.3 Scrutiny

Environmental Audit Committee

Government progress on mainstreaming sustainable development is held to account through the parliamentary select committee Environmental Audit Committee.

The Committee considers the extent to which Government and Non-Departmental Public Bodies contribute towards environmental protection and sustainable development.

The Committee set out its role in its report *Embedding sustainable development: the Government's response* (May 2011).⁶⁶

The Committee has held a number of inquiries into sustainable development since the 2011 Vision and has provided a valuable challenge to how Government carries out its mainstreaming activities. In addition to general progress reviews, over the past year the Committee has for example launched inquiries into the Rio +20 Summit and Sustainability in the UK Overseas Territories.

To date the Committee has questioned Defra and CO about progress in mainstreaming sustainable development. The Committee announced at its hearing on 6th March 2013 that it intended to begin to question individual departments about their progress.

The NAO plays a role in scrutinising progress in mainstreaming sustainable development. This forms part of its role of scrutinising public spending on behalf of Parliament, helping it to hold government departments to account and helping public service managers improve performance and service delivery. The NAO also supports the EAC in its scrutiny role. It has produced a number of studies and briefing notes for the Committee, including most recently on Impact Assessments, Government sustainability reporting and sustainable procurement.⁶⁷

⁶⁶ Environmental Audit Committee – Fourth Report: *Embedding sustainable development: the Government's response* (House of Commons, 25 May 2011)

www.publications.parliament.uk/pa/cm201012/cmselect/cmenvaud/877/87702.htm

⁶⁷ NAO briefing: *Appraisal and sustainable development* (2012), NAO briefing: *Sustainability reporting in government* (2013), NAO briefing: *Sustainable procurement in government* (2013), www.nao.org.uk/.

6 Conclusion

Over the past two years much progress has been made to deliver on the Government's vision for sustainable development. Structures are in place to ensure sustainable development is being considered across policy, estates and operations. There are numerous examples, more than this report can include, of Departments driving forward sustainability in policy, operations and procurement.

The Coalition Government's "Mid Term Review" published in January 2013 sets out the achievements and the policy priorities for Departments, often working together, until 2015.⁶⁸ Further information will be set out in Departmental Business Plans alongside details of how they will continue to mainstream sustainable development across their activities.

Government also recognises that the delivery of sustainable development will always be a work in progress: the outcome of decisions made now in relation to the longer term will take time to become clear and new challenges will present themselves. The development of policy will continue to require the weighing up and balancing of a number of economic, environmental and social factors.

Having identified the good progress that has been made, Government has also identified areas where improvements can be made. Government's Business Planning and Annual Report and Accounts cycle will continue to be a key element of the approach to mainstreaming. Revised guidance to Departments should lead to improvements and greater consistency in Departmental sustainability reporting. Government will consider the outcome of its baseline evaluation into the effectiveness of sustainable development appraisal guidance and whether further improvements are needed. To ensure consistency Departments will continue to work together to share good practice in mainstreaming sustainable development. Revised sustainable development indicators will be published in summer 2013 and Departments will continue to work to meet their Greening Government Commitments.

⁶⁸ The Coalition: together in the national interest – Mid-Term Review midtermreview.cabinetoffice.gov.uk/

Appendix 1: Departmental Acronyms

BIS	Department for Business, Innovation and Skills
CO	Cabinet Office
DCLG	Department for Communities and Local Government
DCMS	Department for Culture, Media and Sport
DECC	Department of Energy and Climate Change
Defra	Department for Environment, Food and Rural Affairs
DfE	Department for Education
DFID	Department for International Development
DfT	Department for Transport
DH	Department of Health
DWP	Department for Work and Pensions
FCO	Foreign and Commonwealth Office
HMRC	HM Revenue and Customs
HMT	HM Treasury
HO	Home Office
MOD	Ministry of Defence
MoJ	Ministry of Justice
NAO	National Audit Office
ONS	Office for National Statistics