

sustainable development commission

The Next Steps

An independent review of sustainable
development
in the English regions

Executive summary

November 2005

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1. Introduction

The English regions have a crucial part to play in advancing sustainable development in England. Important policies are developed, decisions taken, and resources deployed in the regions. Regional Development Agencies (RDAs), Regional Assemblies (RAs) and Government Offices (GOs), as well as the Greater London Authority (GLA), have influential strategic responsibilities. Others, such as the Environment Agency, the Health Protection Agency and many other public bodies, have regional elements to their organisations and command significant resources and powers. So too do many businesses and organisations in the voluntary sector.

In every region, new partnerships and partnership bodies with advocacy roles, such as the regional sustainable development roundtables, feature in the complex institutional landscape. Regional bodies also have a key role or potential for promoting and encouraging sustainable development at more local levels, acting as partners and facilitators for stimulating action at that level.

Each of these actors at the regional level has the potential to incorporate the goal of sustainable development at the heart of all their own individual plans and activities. And when they act together, they have a still greater potential capacity to transform their regions in a more sustainable direction.

Regions in which all actors play their parts for sustainable development separately and collectively could and should have a key role in the implementation of the UK Government Sustainable Development Strategy, *Securing the Future* (March 2005). There are important regional and local

dimensions to many of the policies in the Strategy.

In particular, regions should have an important role in helping to deliver the four shared priorities for UK action:

- Sustainable Consumption and Production
- Climate Change and Energy
- Natural Resource Protection and Environmental Enhancement
- Sustainable Communities.

In a truly sustainable region, all actors in the public, private and voluntary sectors would incorporate sustainability requirements at the heart of all their operations and in their procurement and construction activities. They would create powerful alliances and initiatives for promoting energy efficiency and greater use of renewable sources of energy. They would enhance the natural environment and tackle past pollution and land degradation. They would co-operate together to ensure that all new developments are created on sustainable development principles and that existing communities are encouraged and assisted to evolve in more sustainable directions.

Some good progress has been made in recent years on all these goals, and there is evidence of excellent, if sporadic, practice at the regional level. But much remains to be done.

In order to review progress and to stimulate further action, *Securing the Future* included the commitment that:

“The Sustainable Development Commission will review the overall arrangements for delivering sustainable development in the regions – including Regional Sustainable Development

Frameworks, regional sustainable development networks, liaison between central Government and the regions, and the role of major bodies and strategies – and make recommendations for improving effectiveness.”¹

2. This review

2.1 Aims of the review

The starting point for this review was to examine leadership, decision-making and delivery processes for sustainable development at the regional level, assessing the current effectiveness, and making recommendations for improvement. The findings and recommendations of this study are targeted at both national government, which can rapidly address some of the failings in regional accountability for sustainable development, and at regional bodies themselves to whom we have targeted many of the recommendations for improving institutional performance on delivery of sustainable development.

2.2 Gathering the evidence

In carrying out this review we have conducted interviews with a range of individuals in all the major regional institutions, practitioners from public sector, including health, as well as representatives from Non Governmental Organisations (NGOs). We have also examined the literature on institutional delivery of sustainable development, and sent out initial scoping questionnaires to relevant regional bodies to develop an understanding of their roles, terms of reference and responsibilities.

¹HM Government, *Securing the future: delivering UK sustainable development strategy*, March 2005, p160.

3. Institutional Leadership

3.1 Regional leadership

We found the lack of consistent leadership at the regional level to be a major obstacle to the delivery of sustainable development in the English regions. In most, no single body is acting as the lead advocate for delivering sustainable development principles and priorities as defined in *Securing the Future*. The roles of RDAs, RAs and GOs are not defined clearly enough in relation to sustainable development. In London, the Mayor is leading the delivery of sustainable development, but this is an exception.

The three main regional institutions (RDAs, RAs and GOs) need also to strengthen integration of sustainable development throughout their organisations. All bodies will therefore need to re-examine their organisational structures with a critical eye.² Our recommendation on good institutional governance is as follows:

Recommendation 1

All regional government institutions should develop a proper accountability framework as they set about embedding sustainable development, including:

- a. Identifying leadership and ownership of sustainable development at management board level, which is needed for driving forward strategy implementation and setting targets
- b. Creating a well-defined business case explaining why sustainable development matters to the delivery of the organisation’s

² The SDC’s SDAP guidance will be useful in ensuring this is done effectively - SDC, *Sustainable Development Action Plans – Getting Started*, August 2005 – www.sd-commission.org.uk

- c. objectives, and creating and maintaining an effective strategy for delivering sustainable development
- c. Developing a network of sustainable development champions, established at all levels of the organisation, to communicate and inspire delivery throughout the organisation
- d. Defining sustainable development objectives and targets in all parts of the organisation – including policy delivery, human resources, estates/facilities management
- e. Establishing clear indicators of successful delivery, which are properly monitored and reported on regularly.

In *Securing the Future*, the Prime Minister stated that “Government will lead by example”. To support the delivery of *Securing the Future* and the ‘good governance’ principle, and to demonstrate leadership in the regions, RDAs and GOs should also lead by example, ensuring that their own operations are sustainable. As such, there are a number of actions that all RDAs and GOs could undertake immediately (if they have not already) in order to visibly demonstrate their commitment to sustainable development:

Recommendation 2

As their contribution to the Government’s priorities for action on climate change and sustainable consumption and production, all RDAs and GOs should:

- a. Sign up to the Carbon Trust’s carbon management programme to improve the energy performance of the regional government estate
- b. Commit to signing up to the national action plan for

- c. sustainable procurement across the public sector, to be developed by the Sustainable Procurement Task Force in 2006 (which will encompass social, environmental and economic sustainability issues).
- c. Sign up to the new Framework for Sustainable Development on the Government Estate, when it is published in 2006³
- d. Sign up to the UK Government commitment that 10% of all their vehicles will be low carbon by 2012
- e. Work with Government to join the commitment to offset all carbon emissions from official air travel.

3.2 Regional Development Agencies

Our review has found that the RDA impact on sustainable development in the regions, whilst improving, is highly variable. A number of RDAs do not appear to recognise that economic outcomes should be delivered in such a way that environmental and social inclusion objectives are secured *at the same time*. Integrated outcomes rather than crude trade-off is what RDAs should now be aiming at, as a matter of course.

A key tool in this process is project appraisal. In conjunction with the East of England Development Agency (EEDA), the lead RDA for sustainable development, the SDC is proposing, in 2006, to review all project appraisal processes used by RDAs to create a benchmark for good practice.

The Department of Trade and Industry (DTI), as the RDAs’ sponsor Department, is responsible for assessing RDA performance, and for creating the frameworks which guide RDAs in

³ ODPM already reports for all GOs under the current Framework for Sustainable Development of the Government Estate (www.sustainable-development.gov.uk).

delivering their statutory duties (one of which is contributing to sustainable development). It is therefore vital that the DTI is engaged in the process of assisting RDAs to deliver SD through the Tasking Frameworks and appraisal mechanisms they support.

We are aware that work is ongoing in Government looking into the impact of RDA performance in the regions, and we recommend that the outcome of this work is that independent assessments (rather than RDA self-assessments) are carried out in each region. The inconsistency of RDA performance in this area suggests to us that the DTI mechanisms for appraisals should be examined and improved for delivery of sustainable development.

Our feedback from RDAs also demonstrates that the DTI is insufficiently engaged in assessing the performance of RDAs in delivering sustainable economic development.

Recommendation 3

In view of the ongoing reviews by Government of RDA performance, we recommend that DTI in particular should re-examine the effectiveness of its current target-setting and performance appraisal processes for RDAs' delivery of sustainable development.

3.3 Regional Assemblies

During our study, interviewees were generally positive about the performance of RAs in relation to sustainable development. However, there remains much confusion as to their precise role. In some cases, the RAs are failing to integrate sustainable development principles into their deliberations on their Regional Spatial Strategies (RSSs). Another problem is that the UK Government has not yet set out a clear plan for RAs following the 'no' vote in the referendum on an elected regional assembly for the North-East.

Recommendation 4

ODPM and Defra should clarify the role of the RAs in relation to sustainable development to ensure that sustainable development is their primary purpose. A key role for RAs should be to help motivate and stimulate activity on the sustainable development agenda at local authority level.

3.4 Government Offices

Although GOs have to contribute to their sponsor departments' delivery of their sustainable development responsibilities, our research has found that they are not giving sustainable development the priority that *Securing the Future* requires.

Furthermore, we found that while RAs, the GLA and RDAs each have duties to contribute to sustainable development, Government Offices have no comparable duty. However, as non-statutory bodies, we recognise that a formal duty on GOs would not be possible, and therefore our recommendation is proportionate to the status of GOs.

Recommendation 5

The UK Government should ensure that the 'primary purpose' of GOs is to deliver UK Government sustainable development policy through *all* their activities in the region. All sponsor departments should sign up to this new 'primary purpose'.

Our research found that GOs, like the other major regional bodies, must embed responsibility for delivering sustainable development into all levels of the organisation, and especially at the highest level.

Recommendation 6

Regional Directors should be made responsible for delivering against this new primary purpose.

Securing the Future contains the commitment that:

“All central government departments and their executive agencies will produce focussed sustainable development action plans [SDAPs] based on this strategy by December 2005 and will report on their actions by December 2006 and regularly thereafter.”(p153)

This commitment does not specifically include GOs. To ensure that *Securing the Future* priorities and commitments are delivered at the regional level, GOs need to be required to produce both their own SDAPs, based on the Strategy, and to contribute fully to their sponsor Departments’ SDAPs.

Recommendation 7

- a. GOs should be required to produce their own SDAPs by June 2006, in collaboration with their regional partners, to drive forward delivery of the *Securing the Future*. This should be done in line with the SDC’s SDAP guidance, *Sustainable Development Action Plans – Getting Started*.⁴
- b. Government Departments should ensure that, in the future, GOs fully contribute to the sponsor Department’s own SDAPs to ensure delivery of their commitments at the regional level.

3.5 National leadership

A lack of joined-up regional policy and processes within central government create problems in the regions. The departments with the major influence

⁴ SDC, *Sustainable Development Action Plans – Getting Started*, August 2005 – www.sd-commission.org.uk

on regional government activities often send conflicting guidance, or create policy frameworks which make it very difficult for regional government to pursue sustainable development goals. The Cabinet Office published a report and guidance on incorporating regional perspectives into policy-making in October 2002. That study, in part, sought to address this problem. However, the review only involved government departments and Government Offices.

Recommendation 8

The Cabinet Office should follow up its 2002 study of government policy and its impact on the regions, *Incorporating regional perspectives into policy-making*, with a wider review involving a range of regional stakeholders, including RAs, RDAs and local government bodies. The review needs to identify and resolve any conflicts at the regional level that undermine sustainable development. The objective of the review should be to identify solutions that enable a long term approach to the delivery of crosscutting objectives at the regional level.

There is also a need for a clear mechanism to review *overall* progress of the GOs performance on sustainable development in order to assess how far they are delivering the Government’s sustainable development priorities in the regions. Such an assessment could then inform regional funding allocations from government departments. The body responsible for assessment could also reflect the learning back to GOs in each region, highlighting good practice and areas for improvement.

Recommendation 9

Working closely with the Sustainable Development Commission, the Regional Coordination Unit (RCU) should develop the skills and capacity required to monitor GOs and provide an overall

assessment of performance across all the English regions. RCU should then:

- a. take these findings back to government departments to influence their funding allocations for regional programmes
- b. work with the GOs to reflect the learning from this overall assessment back to each region, highlighting good practice and learning from each GO's experience.

4. Regional frameworks and strategies

There are too many regional strategies to be effective. In every region, there is a growing trend to produce more and more strategies, often at the behest of national government departments or agencies, but these are often in conflict with the move towards 'integrated' regional strategies of one kind or another.

UK Government guidance envisages that Regional Sustainable Development Frameworks (RSDFs) should provide a shared vision and shared objectives for sustainable development in the region and inform other regional strategies. Our research, however, produced little evidence to suggest that RSDFs are either overarching or influential. We found that:

- There is a widespread confusion as to the purpose of RSDFs
- RSDFs are not recognised by stakeholders as a the overall regional framework
- RSDFs lack influence.

Recommendation 10

New government guidance should be developed by the UK Government (including ODPM, Defra, and DTI) to assist regional bodies in integrating

strategies. This guidance should cover all the main strategies, such as Integrated Regional Frameworks, Integrated Regional Strategies, and Regional Sustainable Development Frameworks. It should clarify the roles of the different bodies and documents. It should make clear that the overall purpose of strategy integration is to contribute to achieving the goal of sustainable development by ensuring that regional strategies take a long term, cross-cutting approach.

RSDFs are already widely used as the basis of sustainability appraisal. This can include appraisal of regional strategies, sub-regional and local level strategies, and even project funding bids. Our research found that there was overwhelming support for RSDFs to be used as a sustainable development appraisal tool and/or as a basis for sustainable development assessment. However, we believe the RSDFs need to be examined critically to see if they fulfil the full scope of a sustainability appraisal, and, where there are gaps, these should be filled so that each region develops and employs a sustainability appraisal tool that is genuinely fit for purpose.

Recommendation 11

Working with a cross-section of regional practitioners, the Sustainable Development Commission should, in 2006, provide specific guidance on how to develop a suite of sustainability appraisal tools to be used by all regional bodies and applied to all regional strategies. In some regions, the existing RSDF will form the basis for those appraisal tools; in other regions, the RSDF may prove to be unsuitable for that purpose.

5. The role of major bodies: coordination and integration

Interviewees agreed that the co-ordination of activity for sustainable

development was crucial for achieving sufficient focus. Those with experience of voluntary agreements or action plans found them to be useful confidence-building tools to facilitate joint working. However, they emphasised that they would only work if there was already a commitment within the different organisations to work together. Collaborative working by the RDA, Regional Assembly and Government Office could be highly effective, as with other regional organisations, such as the NHS.

Recommendation 12

All regional bodies should make use of voluntary agreements to facilitate joint working. These have been found to be highly effective if clearly structured and partnered.

6. Regional Sustainable Development Roundtables

All regions have found advantages in establishing a regional sustainable development roundtable or similar body. Although each is organised very differently, there are similarities in their role and activities. However, despite the advantages, our research for this report also identified a number of problems. The most commonly identified included:

- A lack of independence
- A lack of resources
- A lack of crosscutting support and buy-in
- A lack of clarity as regards their role
- Getting business support and engagement
- Not being 'action-oriented'.

As a result of our investigations, we are recommending that the Roundtables, or equivalent bodies, should be strengthened to become bodies that are able to advise regional institutions on the potential impacts of proposals on

sustainable development, and also to act as a scrutiny body – or 'critical friend' – of the regional institutions. It is important that such a body is sufficiently independent of the regional institutions but, at the same time, well enough connected to provide the right balance between being outside the regional institutions' decision-making processes, whilst but sufficiently "inside" to have access to relevant information.

To ensure independence, some regions may decide that representatives from the RDA, GO and RA should participate on the Champion body in a personal capacity, if their employment by the institution is perceived to be a problem. In other regions, full, representative, membership of regional stakeholders, including the RDA, GO and RA, may be deemed necessary in order to facilitate delivery of projects. In both cases, it is crucial that the Champion bodies are still effective in their functions as both advisor and scrutineer.

The SDC itself, whose Commissioners are members in a personal capacity, has to balance advice and advocacy with critique, in its relations with Government Departments, and finds the Commission can work very effectively.

Recommendation 13

GOs and RAs should be jointly responsible for coordinating the development of a sustainable development Champion body for each region. The new bodies will be responsible for advising on and critiquing the performance of regional institutions in delivering sustainable development. Each should comply with the characteristics defined below.

Working with key stakeholders in the region, including RDAs, we recommend that the GOs and RAs should either redefine the remit of the existing roundtable or create a new Champion body. Proposals for development of the

new bodies should be made within six months of the publication of this review.

It is critical that proper resources are identified to enable these bodies to work properly, and that these resources should be secured from regional sources. This should not require new resources, but a reallocation of existing resources in each region.

An effective Champion should be:

- a. Independent (by acting as the 'critical friend' to the RDA, the RA and the GO)
- b. Inclusive (with wide cross-sectoral representation)
- c. Influential (as a result of its membership and actions)
- d. Capable of delivering campaigns, programmes and projects that exemplify sustainable development excellence
- e. Well-networked (through partnerships within and beyond the region, including the SDC)
- f. Sustainable (with a core professional team, resourced through secure funding by regional partners to ensure stability).

Recommendation 14

The Champion bodies should monitor and scrutinise regional sustainable development performance and identify areas of weakness that need strengthening. This should include an assessment of GOs' performance against their SDAPs.

Roundtables were keen to establish links with the SDC. Several suggested that the SDC should convene regular meetings between all the roundtable/Champion bodies' Chairs and SDC Commissioners. Several also suggested the establishment of a formal network for the exchange of information between the roundtables /Champion bodies and the SDC secretariat. It was

suggested that information about good practice needs to be better communicated and shared within and between regions, and that the SDC could have a role in facilitating this.

Recommendation 15

With the creation of the new Champion bodies, the SDC will initiate the creation of a network of Champion bodies which would include a twice-yearly meeting between the Chairs of Champion bodies and relevant SDC Commissioners, and appropriate arrangements between the secretariats. These meetings will focus on developing solutions to problems of mutual concern. The SDC will facilitate the exchange of information on good practice on the basis of experience across the whole of the UK, and will gather evidence from the regional Champion bodies of good practice in the regions.

7. Indicators, monitoring and scrutiny

7.1 Indicators

We found that there is a lack of clarity over the role and purpose of regional sustainable development indicators, and a need for clear lines of responsibility in their delivery. There is insufficient linkage between the high level 'state of the region' indicators and the performance delivery indicators to make them sufficiently useful to the region.

Recommendation 16

We encourage the use of regional sustainable development indicators and national strategy indicators. Regions should agree at the outset the purpose of the indicators, how they will be measured and assessed, how they will respond to negative trends, and the reporting arrangements. Based on these indicators, Regional Observatories, in conjunction with the Office of National Statistics, should produce an annual

'state of the region' report in order to provide an overview of regional progress towards sustainable development. Monitoring and evaluation must be focussed on outcomes.

7.2 Monitoring and Scrutiny

The performance of the major bodies in the regions is monitored in line with their own plans and strategies. The DTI, for example, requires RDAs to incorporate an assessment of strategic performance into their corporate plans. However, there is no systematic consideration of how regional institutions contribute to the delivery of *Securing the Future*.

Furthermore, our research found that, where it does happen, scrutiny is hindered by both a lack of capacity and a lack of focus. We make recommendations for new monitoring and scrutiny in Recommendations 1, 3, 9 and 14.