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# BRIEFING ON SELECTED SUSTAINABLE DEVELOPMENT TOOLS

**Final report to the English Regions Network**

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# Introduction

CAG Consultants and the University of Hull were commissioned by the English Regions Network (ERN) to investigate sustainable tools that could be used by regional partners. The research was divided into two phases:

1. Literature review of sustainability tools and current practice by regional partners
2. Investigation into the effectiveness of selected tools

This note summarises our findings for phase 2.

Our initial investigation into sustainability tools identified 21 different tools. These are presented in a separate report *Literature Review of 21 Sustainable Development Tools*. The steering group selected 5 tools for further investigation. These were:

- Action planning – developing and monitoring
- Sustainability appraisal
- Voluntary Agreements (Compacts)
- Area Sustainability Indicators
- Scrutiny

The tools were selected because they offer valuable techniques for strengthening the impact of Regional Sustainable Development Frameworks. Our sister report on *Research into Regional Sustainable Development Frameworks* explains in more detail how the tools might be used to further develop and improve the effectiveness of RSDFs. This document focuses on good practice advice and the experience of applying the tools, but we have also included boxes in the introduction that summarise how the tools might relate to the RSDFs.

The five tools are all generic management tools that are not exclusive to sustainable development. In each briefing we therefore include a box in the introduction on how to mainstream sustainable development into the tools.

The ideas in the briefing on sustainable development scrutiny will be developed further during the pan-regional project to integrate sustainable development and scrutiny.

Briefings on each of the tools are presented below. The key findings are summarised in boxes at the start of each section.

## **CAG Environmental Management System Statement**

Under CAG's EMS we are required to include a statement on the significant environmental aspects of a project and how these should be managed. The environmental impacts of this project are through the indirect environmental impacts that application of the tools will have on regional partners and others. All of the tools are designed to identify and help improve the management of these impacts.

# Action plans

## Key findings

- **Action plans are a tried and tested method of implementing strategic policy, whether internally within an organisation or by partnerships.**
- **Action plans are not a stand-alone technique, they are used to help implement strategic policies such as the RSDF.**
- **They are particularly useful as a means of committing actors to implementing strategic policies, and for monitoring progress.**
- **Whilst there is no standard methodology for preparing, implementing, monitoring and reviewing action plans, a number of characteristics of a good action planning (content and process) have been identified.**
- **Effective internal or partnership structures are considered essential to ensure implementation.**
- **In practice many actions plans fall short of the ideal process, some being simply lists of actions without any indication of resources, responsibilities or implementation structures**

## 1. Introduction

Action planning is a widely used technique applicable in most areas of public policy and in business management, and is a vital tool for implementing strategic policies. Action plans can make an important contribution to achieving Regional Sustainable Development Framework targets, by committing organisations and partnerships to take actions to implement the Framework and to report at regular intervals on the progress achieved.

Action plans are often intended to work towards long-term strategic objectives expressed in strategic policies, but the plans themselves are normally short term in their time horizons. Regular monitoring and review is therefore essential. This briefing note considers the preparation, content, implementation, monitoring and review of action plans.

Action plans can be divided into two types:

- **Internal action plans:** a framework for actions to implement strategic policies within an organisation
- **Partnership action plans:** a framework for actions to implement strategic policies by partners

The latter is most relevant to implementing Regional Sustainable Development Frameworks.

Government advice on a range of largely public sector initiatives suggests that action plans are an appropriate mechanism in an array of policy fields including community strategies, planning, health, air quality, education, economic development, community safety, and biodiversity to name but a few. In the field of sustainable development, Local Agenda 21 action plans have been produced by many local authorities since the early 1990s as part of wider Local Agenda 21 initiatives. Local Agenda 21 Strategies were intended to be partnership action plans, although the quality and “buy-in” to these plans was variable. Many local authorities have also developed internal sustainable development action plans, often tied in with the authorities’ annual business planning. A web search produced in excess of half a million hits for action plans in a wide variety of different policy and management fields.

Advice on the format (the content) of action plans is widely available, but there is little published advice available on what constitutes good practice in the preparation, implementation and review (the process) of action plans. Despite the paucity of advice - no advice was found on sustainability action plans, for example - some characteristics of good (process and content) practice have been elicited from government publications relating to other policy fields.

### **Mainstreaming Sustainable Development into Action Plans**

Action Plans become “Sustainable Development Action Plans” when they are developed to achieve / implement objectives and targets in sustainable development policies or strategies.

### **The Link to RSDFs**

Action Plans can be used to address any gaps that exist in progressing the objectives of regional strategies or where there are crunch issues that cut across a range of strategies and plans that have to be addressed and resolved. This is where RSDFs can really add value and not duplicate the action planning that is already included in existing regional, sub-regional and local strategies and plans.

## **2. Guidance on action plans**

Whilst many characteristics of action plans are generic, and will apply equally to internal and partnership action plans, others are more relevant more to one or the other. Here we look at advice on internal action plans produced by the UK Department for Education and Skills, and on partnership action plans associated with community strategies and Biodiversity Action Plans. Most advice focuses on the

`product' – the action plan content. Unfortunately it is the processes rather than the content of action planning that most often fail.

### ***The Format / Content of Action Plans***

A comprehensive and widely applicable attempt to define what constitutes a good action plan can be found on the Government's Education Standards web site.<sup>1</sup> This contains advice to schools on producing an effective action plan following a statutory inspection when it should set out what a school intends to do to tackle the issues identified in the report. The suggested characteristics of a good action plan, outlined below, could equally be applied to sustainability action plans produced in the English regions.

#### ***A good action plan:***

- **prioritises** what needs to be done to [raise standards];
- is **achievable** within a realistic and specified timescale;
- for each issue states:
  - i. the **actions** to be taken to address it; and
  - ii. clear **targets and success criteria** which enable [the school] to assess progress [in raising standards];
- for each action
  - iii. sets appropriate and detailed **deadlines**; and
  - iv. states who will take **responsibility**
- states the arrangements for:
  - v. collecting **evidence** where appropriate
  - vi. **monitoring** progress in completing the proposed action; and
  - vii. **evaluating** the effects of the action taken [in particular on pupil attainment and progress] indicating who is responsible for each process, to whom, when and in what form they should report;
- estimates the **staff time and resources** needed to implement the plan;  
*and*
- **evolves** in the light of evaluation.

This extract incorporates most of the key words and phrases which need to be taken into account in any internally focused action plan i.e. that it: prioritises; has a specified timescale; identifies the actions to be taken; sets clear targets and success criteria; sets deadlines; identifies responsibilities; states the arrangements for data collection, monitoring and evaluation; estimates resource needs; and evolves with practice. Perhaps what it misses is that action plans should be prepared in association with those who will be responsible for implementing them.

Where action plans focus on implementing partnership strategies, in addition to the characteristics identified above, these plans need to take into account the plans and

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<sup>1</sup> See [www.standards.dfes.gov.uk/otherresources/action/index](http://www.standards.dfes.gov.uk/otherresources/action/index).

programmes of other organisations and public/stakeholder opinion more generally. Partnership action plans frequently address issues such as:

- Partnership arrangements
- Stakeholder participation
- Awareness raising and communication

The action plans prepared as part of the community planning process are a good example of partnership action plans. ODPM<sup>2</sup> gives very similar advice on their content as for internal plans:

“Community strategies need to produce tangible results. They should therefore include the major actions that will be taken to contribute to the objectives and outcomes, and identify the body or bodies responsible for those actions.....

The action plan should also include clear details of the arrangements for reviewing progress, including the timescales by which the strategy will be periodically reviewed.”

Local Biodiversity Action Plans (Local BAPS) are another example of partnership action plans. The Millennium review of the UK Biodiversity Action Plan<sup>3</sup> raises many issues associated with this type of action plan - the following table lists the functions of Local BAPS.

<b>Functions of Local Biodiversity Action Plans</b>
<ul style="list-style-type: none"><li>• To ensure that national targets for species and habitats, as specified in the UK Action Plan, are translated into effective action at the local level.</li><li>• To identify targets for species and habitats appropriate to the local area, and reflecting the values of people locally.</li><li>• To develop effective local partnerships to ensure that programmes for biodiversity conservation are maintained in the long term.</li><li>• To raise awareness of the need for biodiversity conservation in the local context.</li><li>• To ensure that opportunities for conservation and enhancement of the whole biodiversity resource are fully considered.</li><li>• To provide a basis for monitoring progress in biodiversity conservation at both local and national level.</li></ul>



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2 DETR (2000) *Preparing Community Strategies: government guidance to local authorities*

3 DEFRA (2000) *The Millennium review of the UK Biodiversity Action Plan*. London, The Stationery Office

## ***Preparing and Implementing Action Plans***

Advice on good action planning processes is less common. Community strategies and their action plans are to be prepared and implemented through Local Strategic Partnerships which according to the DETR guidance should “comprise the key partners operating in the area that the strategy is to cover”. Possible members include a wide range of public sector organisations, business and voluntary organisations. The DETR guidance points out that the representatives for each body need to have the authority to speak on behalf of their organisation, to sign it up to the plan, and be able to commit the organisation’s resources to the strategy.

Advice on good practice in community planning, produced for Enfield Council<sup>4</sup> suggests that most community planning activities are co-ordinated through a steering group with a number of sub groups or action groups to work on particular issues and action plans. This approach was also common with Local Agenda 21 Strategies.

### **3. Experience in the English Regions, Wales and Scotland**

A limited amount of experience of preparing and reviewing action plans exists at the regional scale of government where they have been used for instance to implement RSDFs and Regional Economic Strategies. At the most basic the action plans amount to little more than lists of aspirations without any indication of priorities, timescales, resource requirements or even responsibilities for implementation.

In Output 1 of this research project we identified four recent examples of sustainable development action plans. These were by the Welsh Assembly, Scottish Executive, North West Regional Assembly, and Yorkshire and the Humber Assembly. The Welsh and Scottish examples are essentially internally focused plans and those in the two English regions, partnership plans. The latter two both formed part of their respective Regional Sustainable Development Frameworks (RSDFs). We did not identify any English regional bodies that were operating internal sustainable development action plans.

We chose two of these initiatives, one internal and one partnership action plan, to explore in greater detail. These are the Action Plan for *Learning to Live Differently* (National Assembly for Wales) and the *Action for Sustainability* Action Plan (North West Regional Assembly), both of which are currently both being reviewed. Key staff were interviewed and documents collected and analysed. We also looked briefly at the action plan in the Yorkshire and the Humber RSDF *Advancing Together*, in order to compare this with the AfS plan.

In neither case was the action plan a stand-alone document. Both were prepared to provide frameworks for implementing the respective sustainable development strategies so it is difficult to evaluate the action plans as separate tools, particularly

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4 Sisulu M. (2000) Good Practice in Community Planning , IDeA

as it is too early to be able to identify many sustainable development outcomes. Inevitably, perhaps, our analysis is more descriptive than evaluative.

### ***The learning to live differently action plan***

The Welsh Assembly has a statutory duty to address sustainable development and the way it intends to do this is set out in *Learning to Live Differently: the Sustainable Development Scheme of the National Assembly for Wales (2001)* which incorporates an action plan. “The Assembly will produce an Action Plan that will spell out how the commitments in the scheme are to be met, what action is needed, by when, and by whom” (p.1). This is essentially an internal document focusing on the actions of the Welsh Assembly itself to mainstream sustainable development in its work. Because of this it focuses on internal procedures and outputs rather than wider outcomes.

**Preparation:** The action plan methodology was developed in house, based on existing operational and business planning mechanisms, the aim being to mainstream sustainable development, not treat it as a separate activity. A number of linked sustainability tools are being developed with help from Forum for the Future including web tools, integrative tools and a sustainability appraisal tool.

The Scheme, and the accompanying action plan, although largely produced by the Assembly staff, did receive some limited help from external partners through an informal group of local authority officers, staff from the statutory agencies and academics. External stakeholder involvement was minimal, in the view of the staff involved, because the plan is essentially internally looking, and also because extensive consultation is labour intensive (the Sustainable Development Unit which prepared it consisted of just two people). There were no dedicated internal mechanisms established for the sustainable development work which was undertaken by the SD Unit in consultation with other units. It was reported through standing operational and business planning groups.

Workshops and training sessions were arranged for Assembly staff. The staff believe that stakeholder input is likely to increase as the scheme is rolled forward. This will be carried out with the help of the recently established Sustainable Development Forum for Wales led by the University of Cardiff and involving the main sectors of civil society.

**Extract from *Learning to Live Differently* action plan**

Decision making	Policy development/r eview	Working with others	Leading by example	Indicators	Monitoring/ evaluation
Identify and plan first tranche of existing and new policies for review in 2001 - 2003 by autumn 2001	Key policies, strategies, grant schemes to be assessed against initial sustainability appraisal criteria by spring 2002	Foster links to share experience, knowledge and best practice e.g. with EC, SD Commission, regional development agencies and Government Offices	Work with internal colleagues (and external partners) to build SD into new and existing training programmes	Decide initial set of indicators in spring 2001, and publish baseline set by summer 2001	Commission surveys of existing practice of NAW Divisions by autumn 2001
<u>Action</u> Policy Unit, R&D, Finance	<u>Action</u> SDU (Sustainable Development Unit), R&D	<u>Action</u> ongoing by all	<u>Action</u> Policy Unit, Training	<u>Action</u> SDU	<u>Action</u> SDU Report annually and four yearly on performance First annual report by Autumn 2001
					<u>Action</u> SDU

**Content:** The action plan is a folded insert into the main Sustainable Development Scheme document. The plan is in table format, written in Welsh on one side and English on the other. Actions are listed in under six headings (see the extract from the action plan above.)

**Implementation:** Implementation of the action plan is the responsibility of all units in the Welsh Assembly, with the Sustainable Development Unit (now the Policy Unit) co-ordinating the actions with the Units responsible. At the political level the Cabinet has established a sub-committee on sustainable development to secure the delivery of the sustainable development scheme and action plan.

A partnership has been established with Forum for the Future to develop tools which will assist in integrating sustainable development and other cross-cutting themes into the work of the Assembly.

**Monitoring:** The Welsh Assembly has a duty to report annually on the steps it has taken to pursue sustainable development and two monitoring reports have been produced to date, the latest also reporting on progress on the actions listed in the sustainable development action plan (see example below).

**Extract from *Learning to Live Differently* annual monitoring report for 2001**

COMMITMENT	PROGRESS
Identify framework of requirements for sustainability appraisal tools with initial tools developed on a 'fast-track basis	A three-year partnership has been agreed with Forum for the Future, who are assisting us to devise a top-level integrated appraisal tool that will allow sustainable development and the Assembly's other cross-cutting themes to be taken into account systematically in policy formulation and decision making. Initial workshops were held in December 2001, the top-level tool is expected to be ready for use by the summer of 2002*

\* The integration tool includes a checklist which will be used in developing policies and in evaluating projects and policies during development and delivery.

The first monitoring report also included baseline data (trends are published in an accompanying statistical bulletin) on twelve indicators relating to employment, education, crime, housing, climate change, air quality, river water quality, wildlife, waste, Welsh language, electricity from renewable sources and ecological footprint.

**Review:** The effectiveness of the whole Sustainable Development Scheme is required to be evaluated every four years to coincide with elections to the Assembly. The first evaluation is planned to take place in 2003

In the view of the Sustainable Development Unit, progress on mainstreaming sustainable development across the Assembly's work has been fairly good. The Scheme and accompanying action plan are considered to be playing a significant role in internal policy development and the internal processes being put in place will lead to wider sustainability outcomes.

Assembly staff pointed to the Sustainable Development Scheme and action plan having helped achieve positive outcomes, such as the following, which will take forward the policies in the Scheme in other sectors:

- The *Spatial Plan for Wales*, will address sustainable development through the land use planning system,
- *Farming for the Future - a new direction for farming in Wales* seeking to deliver more sustainable farming
- *Managing Waste Sustainably*, intended to move Wales away from an over reliance on landfill
- *The Wales Woodland Policy* which emphasises the sustainable management of woodlands
- *Review of Energy Policy in Wales*
- New arrangements for procurement and
- The introduction of a new environmental management standard - the Green Dragon Environmental Management Standard.

**Effectiveness:** Anecdotal evidence suggests therefore that the Welsh Assembly's Sustainable Development Scheme and Action Plan do appear to be having a positive influence on the integration of sustainable development into policy

processes, though as indicated previously, no formal evaluation has yet been undertaken.

### ***Action for Sustainability Action Plan***

An Action Plan was produced as part of the Action for Sustainability (AfS) initiative in the North West region. AfS was eventually adopted as the region's sustainable development framework (RSDF) and as such is being assessed in the parallel research project on RSDFs. AfS was published as a set of six separate documents in a pocket folder with the titles: Begin, Live, Protect, Save, Grow and Action Plan.

**Preparation:** Work on the preparation of AfS and the Action Plan was undertaken by officers from Government Office North West and the Regional Assembly, with help from local authority officers and organisations such as the Environment Agency. It was overseen by a steering group on which were represented some 40 stakeholder organisations. However staff involved admitted that there were some gaps in the original stakeholder consultations, pointing to a lack of engagement with the business sector and with bodies representing the social aspects of sustainable development. "The social side of things didn't have the capacity or even the willingness to operate at the regional level..... that's something we have been able to deal with this time [in the review.]"

**Content:** The Action Plan was published as a separate report in the AfS folder. It includes objectives and targets under four sustainable development themes (social, environmental, resource management and economic). In its introductory section, the Action Plan is described as being at the heart of the AfS framework and also as "work in progress for the partners in the North West". Its purpose is described as being "to deliver the actions needed to place sustainable development at the heart of future prosperity". The Action Plan incorporates what are describes as:

- A set of provisional aspirational visions
- Headline objectives and targets
- Aspirational objectives and targets

It had been the intention of the staff involved to take this process further with the development of a stronger and more regionally specific set of targets policies and projects. However, whilst it proved relatively easy to get widespread agreement to the regional vision and fairly general objectives it became increasingly difficult to get the range of regional bodies to sign up to more specific targets, policies and projects. As one of the members of staff involved commented: "We under-estimated how long it was going to take and how much discussion and getting up to speed was needed....we wanted to include actions but the rest of the region just wasn't there yet". These were, therefore, deferred until the action plan was reviewed.

In comparison, the Action Plan in *Advancing Together* in Yorkshire and the Humber in many ways goes further than the AfS plan. It includes more specific action points to meet its fifteen sustainability objectives and identifies lead agencies. For example:

Business sector	Lead Agency
Businesses should be encouraged to consider the introduction of green transport plans	Regional Travelwise Project
Build on the regional supply network to create new initiatives that help SMEs to supply companies in the region, and which market local products (e.g..food) locally	Yorkshire Forward (RDA)

**Implementation:** As the AfS action plan does not set out responsibilities, resource needs or a timed programme it is unclear to what extent the objectives and targets are being implemented. There is some anecdotal evidence that the action plan had not been wholly accepted by all of the regional institutions. A member of staff at NWRA suggested, for example, that it had not been particularly influential within North West Development Agency “as they were not keen on the idea”, feeling that it was too biased towards the environment. This lack of clarity led to some stakeholders interviewed in the RSDF research project calling for a more focused performance managed approach in the North West.

Although more specific in some respects than the AfS plan, the Advancing Together action plan shares many of its problems. In particular it does not incorporate timescales or priorities making it difficult to measure performance in implementing the actions.

**Monitoring:** Whilst regional monitoring arrangements are being established in the North West there have not been any monitoring reports produced on the action plan. (Nor the Advancing Together Action Plan). In its present form it is difficult to monitor as it does not include specifications that can be measured.

**Review:** AfS was seen by its authors as work in progress, and a review is currently underway. To quote “the original action plan was just getting messages up in black and white, wasn’t it. The new plan should be a vehicle for co-ordinating action and a guiding light as to where the partners should be spending their time and money”. The AfS review is being managed by a monitoring group reporting to the AfS Board consisting of Regional Assembly members plus representatives from the business, voluntary, health and university sectors. Staff involved indicate that over a thousand individuals and organisations have been consulted on the review. In the future AfS is likely to be reviewed at three yearly intervals although more frequent monitoring reports might be prepared.

Other sustainability tools are being developed in parallel with the review including the Integrated Appraisal Toolkit (see the chapter on sustainability appraisal).

**Effectiveness:** Staff involved with the AfS and action plan review believe that it has helped raise awareness about sustainable development in the region bringing different organisations and sectors together. In particular they suggest that it has helped ensure that the RES now has a stronger focus on sustainable development, despite the suspicions about it in NWDA. As with the Welsh Assembly example though it is difficult to separate out the role of the action plan from the wider AfS

process and in the absence of any evaluation, the effects of both on sustainable development in the region can only be speculated upon.

## 4. Conclusions

Action plans are a tried and tested mechanism for implementing policy, whether internally or by partnerships, usually through short term actions, progress against which is regularly monitored and periodically reviewed. As the examples described here suggest, they are not a stand-alone technique, but are usually prepared to help implement strategic policies, so are difficult to evaluate separately from the broader policy documents to which they relate.

Action plans are considered particularly useful as a technique to sign-up vital actors and to help monitor progress towards long-term goals. Being largely short-term they can be reported on at regular intervals and feed into longer term policy review processes.

They are also associated with other sustainability tools such as indicators and targets and in the examples considered, appraisal tools designed to secure integrated approaches to addressing sustainable development in policy and project development.

Whilst there is no standard methodology for producing, implementing, monitoring and reviewing action plans, there are a number generic characteristics which should be present if they are to be effective. These are outlined below:

### Good practice in action plans

Preparation	<ul style="list-style-type: none"> <li>• Involves internal and external stakeholders. Particularly those partners who will have a role in implementing the action</li> <li>• Takes account of higher level policy documents and partner's plans and programmes</li> </ul>
Content/format	<ul style="list-style-type: none"> <li>• Format can vary with circumstances, but should include a clearly laid out framework for implementing each action</li> <li>• Prioritises what needs to be done</li> <li>• Sets deadlines or a programme for action</li> <li>• States who will be responsible for leading on each action (named internal departments / units or partners)</li> <li>• Identifies resource needs and who will provide them</li> <li>• Identifies arrangements for monitoring and review, including timescales, and identifies a limited number of targets/indicators to measure success</li> <li>• identifies arrangements for awareness raising and keeping partners and staff informed</li> </ul>

Implementation	<ul style="list-style-type: none"><li>• Has the structures in place needed to implement the actions i.e.. working groups, meetings of internal staff or partners, dedicated support staff</li><li>• Has representation (internally and partners) at a sufficiently senior level to speak for their section or organisation and commit resources</li><li>• Holds regular meetings of those responsible for taking actions</li><li>• Is tied into the organisation's / partners' budgetary and management processes</li></ul>
Monitoring	<ul style="list-style-type: none"><li>• Has up to date baseline information</li><li>• Produces regular monitoring reports (ideally annually to fit with budgetary cycles)</li><li>• Publishes information on performance</li></ul>
Review	<ul style="list-style-type: none"><li>• Has an agreed review timetable</li><li>• Involves partners and consults other stakeholders during the review process</li></ul>

The regional action plans that we investigated are perhaps limited in scope in their present form. Certainly to various degrees they fail to address some of the criteria for good action plan identified above. Common weaknesses are:

- Often little more than lists of actions, many of which may be in conflict without any indication of priorities
- Do not include deadlines or programmes for action
- Do not identify resource requirements and responsibilities
- Lack implementation structures without which they are in danger of losing momentum and effectiveness
- Do not produce regular monitoring reports

# Sustainability Appraisal

## Key findings

- Sustainability appraisal is a widely used and accepted technique that is most commonly applied in the field of land use planning, but is equally applicable to other policies and plans.
- It is central government's preferred policy appraisal tool for ensuring that its objectives for sustainable development are addressed.
- National guidance recommends an objectives based appraisal process applied at all of the main stages in the policy making and review process.
- A number of evaluations have been carried out of sustainability appraisal practice, identifying a range of weaknesses (see conclusions) but many of these result from the appraisals being carried out before national advice was available.
- Advice issued by regional bodies is of two types, guides to the full sustainability process and checklists for use in self-appraisal.
- With all major strategic plans we recommend that a full appraisal process is followed. A checklist approach may be encouraged where a full appraisal would be out of the question, but the weaknesses of this approach should always be borne in mind, and fuller appraisals encouraged wherever feasible.
- We identify the main components of good practice in sustainability appraisal (see conclusions).
- Central government advice is likely to be modified to take account of the European SEA Directive, following a recent consultation exercise.

## 1. Introduction

Sustainability Appraisal "is the process by which the performance of a plan, strategy or proposal is assessed in sustainability terms".<sup>5</sup> As well as the assessment, the appraisal typically includes recommendations to improve sustainability performance.

The technique has its roots in Strategic Environmental Assessment (SEA), or Environmental Appraisal as it is sometimes termed in the UK, which has been widely adopted in land use planning as part of the development plan process. SEA in particular has been used during the preparation of structure and local plans in

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5 Harridge, C., Mactavish, A., Mcallister, I. & Nicholson, S. (2002) *Guide to Sustainability Appraisal*. London, Town and Country Planning Association

England and Wales and good practice guidance has been available since 1993<sup>6</sup>. Sustainability Appraisal extends the environmental appraisal process to give equal weight to social and economic criteria. This is very much in line with the central government view of sustainable development having environmental, social and economic dimensions which need to be seen as integrally related.

Sustainability appraisal has been promoted by central government as its favoured policy appraisal tool in land use planning. The revised Planning Policy Guidance note 12 (PPG12) *Development Plans*<sup>7</sup> advised local authorities to undertake sustainability appraisals of development plans, although the government has never issued any advice on how to conduct sustainability appraisals for local and structure plans. However, in 2000 the government published guidance on sustainability appraisal of RPG<sup>8</sup>, and the recommended methodology has been widely applied to structure and local plans as well.

At the regional scale, the government's 1999 guidance on the preparation of Regional Economic Strategies (RES) advised RDAs to carry out sustainability appraisals of their emerging RES<sup>9</sup>. Similarly Regional Planning Bodies (RPBs) were required by PPG11<sup>10</sup> on regional planning to conduct sustainability appraisals of Regional Planning Guidance (RPG). The current Planning and Land Bill makes sustainability appraisal a statutory requirement in the preparation of Regional Spatial Strategies and Local Development Frameworks.

Government advice on sustainability appraisal is currently being modified to take account of the European Directive on Strategic Environmental Assessment (SEA) that comes into force in 2004. Draft guidance on the SEA Directive<sup>11</sup> advises how current practice on sustainability appraisal can comply with the directive.

### **Mainstreaming Sustainable Development into Appraisal**

Policy appraisal becomes "Sustainability Appraisal" when: i) social, economic and environmental objectives are given equal weight; ii) the appraisal objectives and targets are drawn from agreed sustainability policies (such as RSDFs at the regional level).

### **The Link to RSDFs**

Sustainability appraisal is a valuable tool for testing whether policies and programmes at regional and other scales support or contradict the RSDF, and for encouraging more sustainable policies.

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6 DoE (1993) *A Guide to the Environmental Appraisal of Development Plans*. London, HMSO.

7 DETR (1999) *PPG12 Development Plans* London, The Stationery Office

8 DETR (2000b) *Good Practice Guide on Sustainability Appraisal of RPG*, The Stationery Office.

9 DETR (1999) *Regional Development Agencies' Regional Strategies*, notes that "the strategy should include an appraisal of the contribution the strategy will make to sustainable development."

10 DETR (2000a) *PPG11 Regional Planning* London, The Stationery Office

11 Office of the Deputy Prime Minister (2002) *Draft Guidance on the Strategic Environmental Assessment Directive*, London, The Stationery Office

## 2. National Guidance on Sustainability Appraisal

The majority of UK guidance on sustainability appraisal applies to land use plans, but most is equally applicable to appraisal of other strategic plans. Central government has promoted a model of sustainability appraisal that requires that policies are appraised against a range of criteria representing the four objectives of sustainable development in national policy:

1. maintenance of high and stable levels of economic growth and employment;
2. social progress which recognises the needs of everyone;
3. effective protection of the environment;
4. prudent use of natural resources.

The guidance on sustainability appraisal of RPG recommends that sustainability appraisal of regional policies should be undertaken using the objectives and targets in Regional Sustainable Development Frameworks.

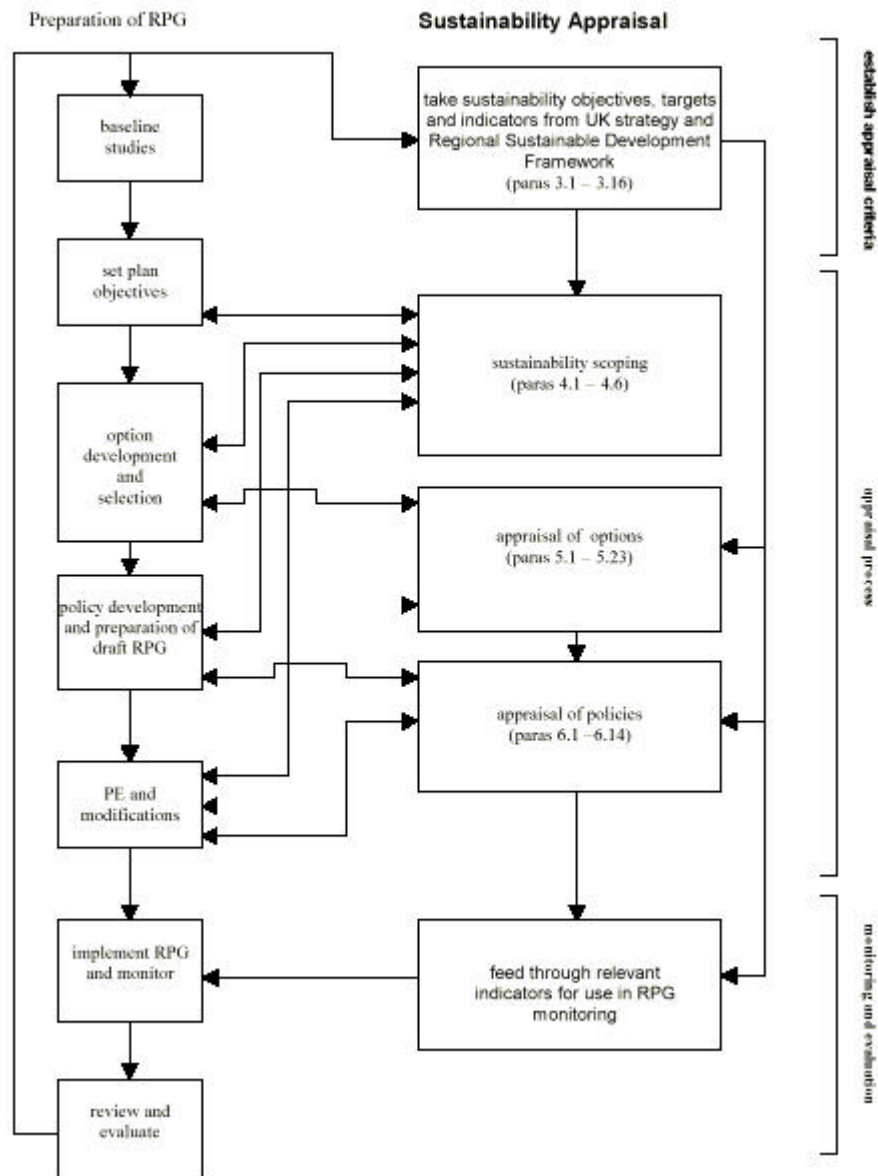
Published advice on sustainability (as opposed to environmental) appraisal focuses on Regional Planning Guidance<sup>12</sup>, although it is acknowledged to be more widely applicable. PPG11 identifies sustainability appraisal as the main mechanism for achieving integration between the objectives in RPG:

“It should help the evolving RPG to play a part in assisting the economy, reducing social exclusion, enhancing the environment and ensuring prudent use of natural resources. It should also help to avoid, reduce or mitigate any adverse impacts in these key areas. The potential direct, indirect and cumulative impacts of different strategic options need to be appraised in order to integrate sustainable development objectives in the formulation of policies and inform decisions on which options should be promoted in the draft strategy.”

PPG11 goes on to suggest that impacts should be considered on different groups in society “women as well as men, the elderly, people of different ethnic and religious backgrounds, disabled people, single person families and other disadvantaged groups.” The *Good Practice Guide on Sustainability Appraisal of RPG* envisages Sustainability Appraisal as an iterative process which will continue through the various stages of the planning process (see diagram below).

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12 DETR (2000b) *Good Practice Guide on Sustainability Appraisal of RPG* London, The Stationery Office



**The recommended Sustainability appraisal process for RPG (source DETR 2000b)**

Draft Guidance on Strategic Environmental Assessment issued for consultation by ODPM in October 2002 addresses some of the changes that will need to be made to current advice on sustainability appraisal to comply with the European Directive.(See section 5.) It gives increased emphasis to:

- identifying strategic options that make the plan more sustainable;
- collecting baseline environmental information, particularly for areas likely to be significantly affected by the plan;
- more rigorous prediction of environmental effects;
- greater consultation of the public and environmental authorities
- mitigation
- monitoring significant environmental effects of the plan

### 3. Experience to date

There is a growing body of experience in the application of strategic appraisal techniques, especially in land use planning, although variations exist in practice. This experience has been expanding throughout the last decade with a survey in 2001 finding that 91% of local authorities in the UK had carried out at least one environmental or sustainability appraisal of land use plans<sup>13</sup>.

#### Key sustainability appraisal tasks

1. Development of the appraisal objectives and criteria	This initial stage is crucial to the appraisal process as it provides the basis against which performance is measured. Government advice in England recommends the use of objectives based on the RSDf for regional plans.
2. Testing the appraisal objectives	The appraisal objectives should be tested to ensure that they are compatible with central government's policy and objectives for sustainable development.
3. Defining the baseline	A baseline assessment should be carried out of the existing environmental, social and economic characteristics of the area being appraised and how they might change without intervention.
4. Scoping the plan, strategy or proposal	Reviewing the content of the PPPs for a) Breadth of coverage / consistency with and coverage of national and regional policies; &/or b) Whether it addresses all of the sustainability objectives.
5. Appraisal of strategic options	Alternative strategic options are appraised against the framework objectives using an appraisal matrix to identify which option appears most sustainable.
6. Appraisal of policies and proposals	Each of the policies and proposals is appraised against the appraisal objectives
7. Reporting	The results of the appraisal must be reported in a way that is transparent so that those involved can understand both the process and the conclusions.

Sustainability appraisal as practised in the UK is essentially an objectives led process which typically involves appraising against a set of sustainability objectives and additional criteria. This approach has itself been criticised for leading to a lack of clarity between what is appraisal and what is planning<sup>14</sup>. Harridge *et al.*(2002) give an example of a typical set of appraisal objectives and criteria. (See appendix 2.) They point out that whilst sustainability appraisal has been used as a planning tool for some years there is no consistent methodology used. They identify the key tasks

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13 Therival, R. and Minas, P. (2002) Ensuring effective sustainability appraisal. *Environmental Impact Assessment Review* 20 (2) 81-91.

14 George, C. (2001) Sustainability Appraisal for Sustainable Development: integrating everything from jobs to climate change. *Impact Assessment and Project Appraisal*. 10(2) 95-106.

associated with sustainability appraisal of policies, plans and programmes (PPPs), and give details of what is involved with each stage. (An adapted version is presented in the box above.)

Most recent sustainability appraisals of regional plans have used the objectives identified in Regional Sustainable Development Frameworks, adjusted as necessary for relevance to the strategy. But reviews of recent regional and local practice indicate that often one or more of the 7 appraisal stages above have been omitted.

Typically stages 5 and 6 use some form of scoring method based on symbols to indicate whether strategic options or policies will have positive or negative impacts on the objectives. At the minimum, appraisals score whether the policy has 'positive, 'negative, or 'uncertain' impacts on the sustainable development objectives, as well as an option for recording that there is 'no relationship' with the objectives. In some cases there is additional quantification identifying 'major' and 'minor effects' and also 'short term' and 'long term' effects. Most appraisals also include a commentary on the issues raised and the implications for sustainable development, more so in recent appraisals. In some of the earlier sustainability appraisals complex matrices dominated with little explanation, making it difficult to appreciate the main issues.

There has been substantial research into the experience of sustainability appraisal in the UK, although virtually all of this research has focused on the use of appraisal for land use plans and Regional Economic Strategies.

A survey of planning authorities found that few had applied all of the steps recommended in the original guidance on environmental appraisal of development plans<sup>15</sup>. The policy impact matrix was most commonly used, whereas collection of base-line data, consistency analysis, scoping against good practice advice, and comparison of alternative options, was often missed.

There is also much recent experience of sustainability appraisal amongst regional bodies, mostly secured since the late 1990s. Counsell and Haughton (2001)<sup>16</sup> assessed thirteen sustainability appraisal documents produced during the recent round of RPG and Smith and Sheate (2001)<sup>17</sup> assessed six sustainability appraisals of RPG and seven of RES, the majority of which were prepared by consultants. Smith and Sheate (2001) identified the most notable weaknesses as:

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15 Environmental Appraisal of UK Development Plans: current practice and future directions, JM Curran, C Wood and M Hilton, Environment and Planning B, 1998.

16 Counsell, D. and Haughton, G (2002) *Sustainability Appraisal of Regional Planning Guidance: final report*: ODPM London.

17 Smith, S.P. and Seathe W.R. (2001) Sustainability Appraisals of Regional Planning Guidance and Regional Economic Strategies in England: an assessment. *Journal of Environmental Planning and Management*. 44(5) 735-755.

- No appraisal of strategic options
- Starting the appraisal late in the plan preparation
- Lack of targets
- Difficulty in assessing the impact of RPG and RES policies on sustainable development because of the lack of detail in the policies
- Absence of baseline data

In their research on sustainability appraisal for ODPM, Counsell and Haughton pointed out that the RPG process was already well underway in all but two regions before the draft advice on Sustainability Appraisal was published. As such they were examining “an imperfect application of a system, which was still seeking to clarify its purpose and indeed its modus operandi”. Many of the shortcomings of the appraisal documents assessed by them and also by Smith and Sheate were due in part to the time when they were produced i.e. before the government produced its good practice guidance and in most cases in advance of the preparation of RSDFs. So, for example, both research teams pointed to the appraisals not having included comparisons of options and to many of them using objectives other than those in RSDFs contrary to the advice eventually published in the guidance. These issues are addressed by Counsell and Haughton in their conclusions:

We identified fairly widespread support for the *principle* of undertaking Sustainability Appraisal. It was not seen “as the be-all and end-all” so much as a “technical check”, described as “poking people in the right direction” and “drawing it to their attention when they are doing something unsustainable.” There was dissent from this view by some environmental groups, which saw Sustainability Appraisal as fudging the environmental issues compared to SEA. Most interviewees though saw Sustainability Appraisal as being more objective and providing a more balanced approach to policy appraisal than previous policy instruments. Many of the problems which were encountered were attributed to the fact that this round was very much “make do and mend” due to the circumstances in which it was undertaken (speed of preparing RPG, lack of early guidance, changing regional institutions). That said, there were a considerable number of concerns identified about the process and methodologies used.

- ◇ Concerns were expressed in some regions about the lack of stakeholder involvement in the Sustainability Appraisal process, particularly where it was seen to have been undertaken largely as a technical exercise by professionals.
- ◇ Related concerns were voiced about the lack of transparency about how (and even whether) the results were used to modify policies prior to the public examination. In many cases economic development policies were shown to conflict with environmental objectives in the Sustainability Appraisal but policy makers did not justify going ahead with these policies in the draft RPG.
- ◇ The issue of transparency was addressed in the North West, Yorkshire and the Humber and East Midlands by including lists of the changes made as a result of Sustainability Appraisal in the draft RPG. But even in

Yorkshire and the Humber where stakeholders were involved to a greater extent than elsewhere, there were comments about the superficial nature of the changes made.

- ◇ Linked to these issues is that Sustainability Appraisal, in many instances, influences the next stage in RPG rather than the draft being simultaneously published (see Yorkshire and the Humber case study). Many stakeholders were not aware of this staggered relationship between Sustainability Appraisal reporting and RPG. In fact there seems to be a degree of confusion over whether published Sustainability Appraisals were reporting on the foregoing process, or were appraisals of particular RPG documents.
- ◇ Ownership of the Sustainability Appraisal was also sometimes a concern. In the South West the Sustainability Appraisal was commissioned by the Round Table on Sustainable Development, which involved a range of stakeholders thereby increasing regional ownership. The main benefit was considered to be greater credibility for the appraisal but the downside was that it extended the time taken to produce it.
- ◇ There was also some concern about the lack of continuity or internal consistency in the use of Sustainability Appraisal at different stages in the RPG process. In the South East, for example, the second Sustainability Appraisal (of 'proposed changes' to RPG) adopted a different set of objectives to the original Sustainability Appraisal. This problem should be resolved in the future by the adoption of common regional sustainability objectives (from Regional Frameworks for Sustainable Development) as proposed in the 'Good Practice Guide' (DETR, 2000b). [*This has now happened.*]
- ◇ To date Sustainability Appraisal in practice has often appeared to stakeholders as if it was being undertaken as a one-off exercise rather than as something integral to the RPG process. This has not been helped by the widespread practice of appointing consultants to undertake 'point-in-time' appraisals. Practitioners might consider retaining consultants to carry out Sustainability Appraisal during the RPG process in the spirit of the 'Good Practice Guide' rather than to appraise particular reports, or have an in-house team augmented from time to time by consultants.
- ◇ The issue of whether Sustainability Appraisal has been an integral part of the RPG process to date can also be questioned on the basis of what has happened at public examinations. Sustainability Appraisals appear to have had little direct influence on the policy debates in the first seven public examinations. Where the appraisal was referred to it was often fairly peripheral to the main debates. It was normally referred to in the debates about the core strategy and overall approach to sustainable development, rather than in the key policy debates about land for housing and economic activity. It was though addressed to a greater degree in the most recent panel report for the North West
- ◇ More positively, appraisals appeared to have been used by many participants in preparing submissions to the examinations.
- ◇ It is not clear whether appraisals were used by the public examination panels in identifying the issues for consideration at examinations - this might be a beneficial use for sustainability appraisal.
- ◇ The value of undertaking a full Sustainability Appraisal of 'proposed

changes' is questioned as those produced tend to be repetitive, rather than taking things forward from the previous Sustainability Appraisal and public examination.

- ◇ There was great variability in the choice and number of objectives between the various appraisals and regions. This is understandable in the current round of appraisals, with greater consensus likely to emerge now that all regions can refer to their own RSDFs.
- ◇ In terms of presentation, concerns have been expressed about the technical nature of Sustainability Appraisal which tends to make it inaccessible to many stakeholders. This was particularly the case with some of the earlier Sustainability Appraisals which incorporated many pages of matrices and little explanatory text - more recent appraisals have been better balanced with more text and fewer matrices.
- ◇ The social aspects of sustainable development tend to be under-represented in the Sustainability Appraisal process. None of the appraisals examined, for example, dealt with the impacts of RPG on different sections of society as proposed in PPG11.

The Sustainable Development Commission's report on the integration of sustainable development into the reviews of the RDAs Regional Economic Strategies<sup>18</sup> concluded that "Sustainability appraisals to date have not really been used for a monitoring or evaluative tool for measuring RDAs performance. Where they occurred in the first round of RESs they were primarily ex-post or one off appraisals".

The Commission also recommended that appraisal practice by RDAs should be strengthened in future:

"Encouragingly, a number of RDAs are also moving away from stand alone 'tick-box' checklists to more integrated appraisal methods.

Although there is a broad range of approaches to the application of these sustainability appraisals, it is preferable that it forms an integral part of the process rather than an ex-post or one-off exercise.

Ideally, the sustainability appraisal process should be planned at the initial or 'visioning' stage, as in the case of Yorkshire Forward. This should include a post-consultation sustainability appraisal to examine how sustainable development issues raised in the consultation are incorporated into the redrafting process, as well as a final sustainability appraisal on the finalisation of the RES. This final appraisal should be made publicly available, perhaps through the RDA or Regional Assembly website."

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<sup>18</sup> Sustainable Development Commission (2002) *Summary Report: revision of the RDA's Regional Economic Strategies and the integration of sustainable development*

## 4. Influencing sustainable development outcomes

There has been little research into the outcomes of sustainability appraisal in terms of improved policy. Counsell and Haughton (2001) in a case study of the Yorkshire and the Humber region concluded that “based on documentary analysis and our interviews, it is probably fair to say that Sustainability Appraisals had only a marginal effect on the policy content of RPG in Yorkshire and the Humber. The main changes that can be specifically traced to the Sustainability Appraisal process tended to be around wording rather than basic intent, despite the substantive role of Sustainability Appraisal in at least one debate at the public examination. In this way the Sustainability Appraisal did significantly contribute to the debate about sustainable development in the core strategy, but it appears to have had little influence on the major policy debates on housing and employment land”.

Research by Manchester University<sup>19</sup> also throws doubt on the effectiveness of appraisal of land use plans. It found that 61% of plan-making authorities believed that their plan would have developed in the same manner without any appraisal, and only 29% stated that the appraisal had some influence on the plan objectives and policies. Despite this 87% of respondents thought the process worthwhile, although only 24% thought that it assisted them in understanding sustainable development issues within their area.

Respondents were asked to make recommendations on how the effectiveness of the appraisal process could be improved. Answers included:

- 39% thought the appraisal should start earlier in the plan preparation process
- 38% thought dissemination of best practice should be enhanced
- 33% wanted new appraisal guidance to be produced
- 32% thought training for those doing the appraisal should be increased
- 13% thought there should be greater consultation and public participation

The authors concluded “it is probable that the appraisal process is falling short of its capability in respect of incorporating sustainable development within development plans. This could be due to lack of experience within planning authorities, unsuitable appraisal methodologies, and the fact that the political will does not exist to implement the changes that the appraisal process may propose. However it is also possible that the role of the appraisal process has been over-enlarged in terms of its potential contribution to sustainable development. EA/SA are only one element of a wider framework for incorporating sustainable development within the land use planning system. 81% of respondents believed that other issues, such as government guidance and local issues, were more significant than the appraisal process in motivating change.”

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19 M. Short, J. Carter, M. Baker, C. Jones and C. Wood, *Current practice in the SEA of development plans in England*. EIA Centre, University of Manchester, 2002.

Sustainability appraisal has also been criticised for the way it is often seen to avoid 'crunch issues' i.e. tensions within the policy making process between different sectoral objectives and policies. This criticism that sustainability appraisal has avoided rather than confronted crunch issues was raised by Counsell and Haughton in the case study described above. They give as an example the tensions between policies in RPG for Yorkshire and the Humber on greenfield employment sites, in South Yorkshire (Objective 1 area) and around the Humber Estuary (the Humber Trade Zone), and those on biodiversity and conservation. These tensions had been flagged-up in successive iterations of the sustainability appraisal but had not been resolved. They admit though that this is due more to political priorities in the local area than to the quality of the sustainability appraisal. Similar concerns about how appraisal findings are used by decision makers are expressed by Curren *et al.* (1998)<sup>20</sup>.

## 5. Regional Guidance

Guidance on sustainability appraisal has been produced by at least five of the English regions and the Welsh Assembly. This guidance is of two main types:

- guides to the full appraisal process (also incorporating appraisal objectives), and
- appraisal checklists intended for self appraisal, although these can also be used as the objectives/criteria for full sustainability appraisal.

We looked at three examples of each type of advice - sustainability checklists produced in Wales, North West, and East of England and guides to sustainability appraisal produced in the East Midlands, South East, and Yorkshire and the Humber.

### ***Guidance on Full Appraisals***

The **East Midlands** was probably the first of the English regions to publish generic advice on sustainability appraisal - **A Step-by-step Guide to Sustainability Appraisal** was published by the Regional Assembly in 2000, focusing on regional strategy work within the Integrated Regional Strategy (IRS) but also applicable at other scales. The guide provides a common methodology for sustainability appraisal based on the objectives, policies, indicators and targets in the IRS. It identifies the key stages in the sustainability appraisal process and provides examples of matrices to be used at these different stages.

**Advancing Together**, the RSDf for **Yorkshire and the Humber** incorporates advice on undertaking sustainability appraisal. This consists of guidance on the process to be followed and includes an appraisal matrix that lists the region's fifteen sustainability aims plus additional objectives based on the RSDf. PPPs are scored against a simple plus / minus / no effect / uncertain effect appraisal system.

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20 Curren, J.M., Wood, C. and Hilton, M. (1998) Environmental appraisal of development plans, current practice and future directions. *Environment and Planning B: Planning and Design* 25 411 - 423.

Guidance on sustainability appraisal has also been produced by the **South East Regional Assembly**, based on the RSDF objectives supported by additional criteria and topic specific questions. The appraisal methodology, which covers all of the main stages in carrying out sustainability appraisal, has already been applied to transport, energy efficiency, renewable energy and tourism strategies within a partial review of RPG. In future the Assembly is planning to develop a common approach to sustainability appraisal with key regional agencies, building on the RSDF.

The **East of England Development Agency**, in partnership with the regional assembly and round table, has commissioned consultants to prepare a web based Integrated Appraisal Toolkit that will build on their sustainable development checklist (see below). The toolkit will be designed for appraisal of:

- EEDA projects over £500,000
- Land Use Plans (UDP, structure and local plans, Local Development Strategies)
- Sub-regional strategies produced in association with Regional Planning Guidance and, in future, with Regional Spatial Strategies
- Community Strategies

It is due to be completed by summer 2003 and will be hosted by the East of England Observatory website ([www.eastofenglandobservatory.org.uk](http://www.eastofenglandobservatory.org.uk)).

### ***Guidance on Self-Appraisal Toolkits***

The **Welsh Assembly's integrative tool**, has been developed in-house with assistance from Forum for the Future. It is not a sustainability appraisal tool as such as it does not form part of an iterative appraisal process. The tool consists of two checklists, the first checklist is intended to be completed by an organisation or department of the Assembly which is promoting a policy or project. It asks questions about what is being proposed, how it will be delivered and its likely impacts. The second checklist, intended for completion by the Assembly's appraisal team, looks at the contribution the proposal makes to a range of assembly objectives and is appraised on a six point scale from 'undermining' to 'excellent'. This integrative tool also covers equality and social inclusion.

The **North West Assembly's Integrated Appraisal Toolkit** was developed by regional partners in the North West in consultation with a wide range of other organisations. Like the Welsh Assembly's integrative tool, it has not been produced with full sustainability appraisal specifically in mind. It also includes two checklists: a 'quick scan' checklist, intended to help in scoping projects, programmes, plans and strategies either internally or by external bodies; and the extended checklist which is intended to be used to help promoters of PPPs to think in more detail about how to maximise benefits. Additional criteria are included for each of the objectives and those using the checklist are asked to use a simple four point ranking system from negative impact to strong positive impact.

The **East of England Regional Assembly's sustainable development checklist** was developed by the UK Centre for Economic and Environmental Development (UK CEED). As with the Welsh and North West examples it has been designed as a fairly quick and convenient method by which those preparing PPPs can check their proposals against the objectives set out in the RSDF. Like the previous two, it is

intended for self-appraisal rather than formal sustainability appraisal. “The appraisal is designed to be carried out internally in the first instance. This allows for new options and policies to be appraised as they arise”. It incorporates the nine high level objectives in the RSDF under each of which there are a number of more detailed questions/criteria. It also includes signposts to further information and best practice guidelines, and will eventually incorporate regional targets. PPPs are appraised on a five-point scale over three years and ten years.

These six regional toolkits are compared in the following table and a fuller analysis is included as appendix 1.

### Comparison of checklists / appraisal tools

	Checklists			Appraisal guides		
	Welsh Assembly	NWRA	EERA	EMRA	RAYH	SEERA
<ul style="list-style-type: none"> <li>▪ Stakeholders/partners involved in development</li> </ul>		Yes	?	?	?	
<ul style="list-style-type: none"> <li>▪ Includes guidance on an iterative sustainability appraisal process</li> </ul>				Yes	Yes	Yes
<ul style="list-style-type: none"> <li>▪ Intended uses:                             <ul style="list-style-type: none"> <li>- self appraisal of PPPs</li> <li>- assist in PPPs design/development</li> <li>- formal appraisal</li> <li>- internal briefings</li> <li>- public presentation of proposals</li> </ul> </li> </ul>	Yes Yes ? Yes Yes	Yes Yes ? ?	Yes Yes ?	? Yes Yes	Yes Yes Yes	? Yes Yes
<ul style="list-style-type: none"> <li>▪ Based on RSDF objectives?</li> </ul>		Yes	Yes	Yes	Yes	Yes
<ul style="list-style-type: none"> <li>▪ Uses scoring system?</li> </ul>	Yes	Yes	Yes	Yes	Yes	Yes

Whilst all five English examples of appraisal tools score the performance of PPPs against the objectives in the RSDF the three checklists do not include comprehensive advice on the sustainability appraisal process. So, whilst the same objectives could be, and are in fact, used in formal sustainability appraisal, the purpose of the toolkits is more to for swift self appraisals. The checklists have been produced as easy to use, quick and relatively cheap methods of helping those preparing PPPs to ensure that they address the objectives in the RSDF. The three sustainability appraisal guides, on the other hand, promote and include details of iterative SA processes, based largely on central government advice for RPG.

Whilst there are clearly advantages in having a simple and easy to use appraisal checklist - cheap to use, more likely to be used, awareness raising - there could also be disadvantages. Research quoted earlier found that if appraisals do not start early in the plan-making process and follow good practice, (particularly by considering alternative strategic options before going on to consider the draft policies), they are unlikely to have much impact on sustainability outcomes. The danger with simple checklists is that a sustainability appraisal process may appear to have been applied, while in fact there has been no improvement in the sustainability performance of the policy or plan being considered.

With all major plans we would recommend a full appraisal process that applies all the components of good sustainability appraisal. (See below.) This does not imply that the appraisal needs to be undertaken by experts. With clear guidance it is quite possible for non-specialists to undertake full appraisals. But what is essential is that key steps, (such as appraisal of strategic options, explanations of scoring, recommendations on improvements, and a summary of which recommendations are finally accepted or why they were rejected) are not omitted.

Certainly a checklist approach may be encouraged where a full appraisal would be out of the question, but the weaknesses of this approach should always be borne in mind, and fuller appraisals encouraged wherever feasible.

## 6. Conclusions

Sustainability appraisal is a widely used policy appraisal technique. The majority of experience has been in appraisal of land use plans, but many of the lesson from land use planning may equally be applied to appraisal of other policies and plans. Much recent experience has been at the regional scale of government. The technique has been adopted by central government as the principle means of incorporating sustainable development objectives into the policy making process and a great deal of published advice exists on how the process should be carried out. This advice has evolved as experience has grown. The essential components of a good appraisal are summarised below.

### **Components of a good sustainability appraisal**

- An iterative process beginning at the start of the plan/strategy making process and reporting at all of the main stages i.e. strategic options, detailed policies and proposals, draft policy or plan, review.
- Based on an appraisal framework that incorporates widely accepted sustainability objectives that have been tested for compatibility with (national, regional, local) sustainable development policies.
- Draws on a baseline assessment (of the existing environmental, social and economic conditions in the area) to identify the key sustainability pressures in the region (area) that must be addressed by the plan.
- Conducted by an inter-disciplinary team.
- Involves stakeholders in the appraisal process.
- Scopes the plan / strategy against the appraisal objectives.
- Appraises and compares the sustainability performance of alternative strategic options.
- Records an explanation of the reasoning behind the scoring.
- Makes recommendations on how to improve sustainability.
- A transparent process in which the conclusions and recommendations of the sustainability appraisal are widely available together with an explanation of what actions were taken to address the recommendations or why the recommendations were not followed.
- Well presented reports with the main conclusions clearly highlighted.
- Independent verification of the appraisal by an external party.

All English regions have published sustainability appraisals of their RPG and RES, although many of the appraisals have been undertaken by private sector consultants and Round Tables. Three or four consultancies in particular have built up extensive practical experience of the technical aspects of sustainability appraisal and are widely used by public sector bodies.

In the early days of sustainability appraisal there was a good deal of criticism because many did not appear to conform to good practice, were often produced at the end of a plan making process and had little effect on its content. More recent practice has taken on board 'good practice guidance' produced by central government and sustainability appraisal is seen to be an iterative process which should start at the beginning of the plan making process. There are still though a few issues that are not, perhaps, adequately covered in existing guidance and continue to pose problems for appraisal processes. The common weaknesses of sustainability appraisal are summarised in the table below:

<b>Common weaknesses in sustainability appraisals</b>
<ul style="list-style-type: none"><li>• Undertaken at a late stage in the plan making process as a one-off exercise when the main components of the plan have already been fixed rather than as an iterative process.</li><li>• Alternative strategic options are not tested before developing detailed policies.</li><li>• Baseline data has not been collected making it difficult to appreciate the impact of the plan / strategy on sustainable development pressure points.</li><li>• Lack of transparency, particularly in: a) the reasoning behind scores; b) how the strategy had been modified to take account of the conclusions of the sustainability appraisal.</li><li>• Poor presentation of appraisal results that make them appear highly technical and inaccessible.</li><li>• No stakeholder involvement in the appraisal process.</li></ul>

### ***Does Regional Guidance and Experience meet Good Practice?***

Regional organisations have built up a considerable body of experience on sustainability appraisal and have contributed to the development of national guidance. Whilst many practical problems have been encountered, and some early sustainability appraisals failed to meet some of the good practice criteria, recent advice on full appraisals issued by regional bodies, such as the step-by-step guide published by the East Midlands Regional Assembly, closely follow national guidance.

The regional appraisal checklists which we reviewed earlier do not follow good practice guidance. They are intended instead to act as a fairly quick and easy means of checking how PPPs perform against the appraisal framework. It could perhaps be made more clear that these checklists are not a substitute for full sustainability appraisal.

With all major strategic plans we recommend that a full appraisal process is followed. A checklist approach may be encouraged where a full appraisal would be out of the

question, but the weaknesses should always be borne in mind, and fuller appraisals encouraged wherever feasible.

One of the most contentious issues in sustainability appraisal is the extent to which political opinions, stakeholders and the public should be allowed to influence the process. Some see sustainability appraisal as being essentially a technical activity to be carried out by experts, whilst others view it as part of a wider, and increasingly participative decision making process.

Policy-making is inevitably political in nature, so there is sometimes a clear tension between what the sustainability appraisal suggests and what is politically acceptable in the locality. These tensions have for example emerged in the northern regions, between policies to create employment that encourage economic development on greenfield land and environmental protection criteria. Sustainability appraisals have been able to identify these tensions but not resolve them. Transparency is the key issue here, in the way the results of the sustainability appraisal are used. If the recommendations of the appraisal are not accepted, it is important that the reasons why are explained in the forthcoming policy or plan. Otherwise the whole sustainability appraisal process will lose credibility.

### ***Sustainability Appraisal in Future***

Central government advice on sustainability appraisal is likely to be amended (following the current consultation exercise) to take on board the requirements of the EU Strategic Environmental Assessment Directive. ODPM is recommending that SEA is extended to consider sustainable development.

The key output of the ODPM's proposed joint SEA/Sustainability Appraisal (SEA/SA) process is "a plan that is (as far as circumstances allow) environment-friendly and sustainable". SEA/SA is intended to make the plan-making process more transparent, better documented and more clearly focused on environmental and sustainability problems. As such the environmental assessment process is described in the SEA directive as :

- the preparation of an environmental report;
- the carrying out of consultations;
- the taking account of the environmental report and the results of the consultation and decision making
- the provision of information on the decisions.

If carried through into the final version of good practice guidance, these changes may address many of the concerns about sustainability appraisal mentioned above.

# Appendix 1

## Sustainability checklists and guides

### Comparison of appraisal tools

During the course of stages 1 and 2 of our research we identified a number of examples of appraisal tools developed or being developed by English Regional Assemblies and the Welsh Assembly. These tools were of two types, checklists for quick and easy use and guides to carrying out the full sustainability appraisal process. We compared these initiatives in the main body of the report. Here we give further details of the checklists and appraisal guides. These details are based largely on published material about the tools themselves, supplemented where available by additional information on the web.

### Checklists

#### Welsh Assembly Government Integration Tool

The tool, which has been developed in-house at the Welsh Assembly with assistance from Forum for the Future, is not a sustainability appraisal tool as such as it is not intended to form part of an iterative appraisal process. It consists of two sets of questions.

- The first checklist is intended to be completed by an organisation or department of the Assembly which is promoting a policy or project. It asks questions about what is being proposed, how it will be delivered and its likely impacts.
- The second checklist, intended for completion by the Assembly's appraisal team, looks at the contribution the proposal makes to a range of assembly objectives and is appraised on a six point scale from 'undermining' to 'excellent'.

This integrative tool is not restricted to sustainable development objectives - it also covers equality and social inclusion. In a report to Cabinet Sub-Committee on 4<sup>th</sup> November the proposed uses of the tool are outlined as follows:

"The tool does not take decisions, but is an aid to decision making. It is intended to be used flexibly as required in a specific policy process, for example:

- for brainstorming;
- for improving initial proposals;
- to help identify more detailed appraisal requirements;
- to identify at an early stage the gaps in our evidence base;
- in comparing options;
- for presenting advice to ministers;
- in presenting proposals publicly;
- in evaluating policies, programmes or projects;
- in reviewing policies, programmes or projects;
- for sifting complicated rafts of recommendations to identify key points.

The report also discusses the circumstances in which the tool should be used suggesting that an over bureaucratic approach would run the risk of losing the creative dynamic that the tool can generate. Any compliance, monitoring or approval system, it suggests, would also undermine spontaneity in using the tool.

### **North West Regional Assembly: Integrated Appraisal Toolkit**

The North West Assembly Toolkit was developed by regional partners in the North West in consultation with a wide range of other organisations. Like the Welsh Assembly's integrative tool, it has not been produced with sustainability appraisal specifically in mind. It also includes two checklists:

- a 'quick scan' checklist, intended to help in scoping projects, programmes, plans and strategies either internally or by external bodies. The checklist asks how the PPPS will contribute towards achieving 14 regional objectives to help identify gaps and/or areas where further consideration may be useful;
- the extended checklist which is intended to be used to help promoters of PPPs to think in more detail about how to maximise benefits. Additional criteria are included for each of the objectives and those using the checklist are asked to use a simple four point ranking system from negative impact to strong positive impact.

The toolkit is based on Action for Sustainability, the North West's RSDF, using the same objectives.

The toolkit is intended as a guide to the self-appraisal of projects, although the same objectives will presumably be used for the formal process. "The toolkit has been designed so that it can be used at any stage of project, programme, plan and strategy development and review. However, ideally it should be consulted when formulating your initial objectives and general approach. It should then be revisited at several stages throughout the project, programme, plan or strategy making process to inform revisions and ensure that any changing circumstances are fully considered in the light of new information. Just going through the process once is unlikely to be sufficient".

### **East of England Regional Assembly sustainable development checklist**

The checklist was developed by the UK Centre for Economic and Environmental Development (UK CEED) for the East of England Regional Assembly. As with the Welsh and North West examples it has been designed as a fairly quick and convenient method by which those preparing PPPs can check their proposals against the objectives set out in the RSDF. Like these other two, it is intended for self appraisal rather than formal sustainability appraisal, although it could also be used for this latter purpose. "The appraisal is designed to be carried out internally in the first instance. This allows for new options and policies to be appraised as they arise". It incorporates the nine high level objectives in the RSDF under each of which there are a number of more detailed questions/criteria. It will also eventually incorporate regional targets. PPPs are appraised on a five-point scale over three years and ten years.

The benefits of the checklist are described as providing the opportunity for organisations to:

- evaluate the sustainability of actions and strategies
- determine their 'distance to target', where these exist
- assess options against each other and the baseline
- enable comparisons with other organisations, or best practice
- highlight areas where more information and/or action may be needed
- improve strategies, policies and projects in line with regional sustainable development objectives
- facilitate ongoing monitoring of progress towards SDF objectives

It is intended that the checklist will form the first stage of a more sophisticated toolkit "designed to become an interactive and information-rich web-based resource".

## **Sustainability Appraisal Guides**

### **Yorkshire and the Humber Assembly: Sustainable Development Appraisal Sheet**

The Yorkshire and the Humber appraisal guidance is intended for use in formal sustainability appraisal as well as by project leaders to improve the sustainable development content of activities. It consists of a single list of appraisal aims (15) plus additional objectives based on the RSDF, which it forms part of. PPPs are scored against a simple plus/minus/no effect/uncertain effect appraisal system.

The accompanying text recommends that an initial scoping appraisal should be undertaken just using the 15 aims without considering the additional objectives.

### **East Midlands step-by-step guide to sustainability appraisal**

The East Midlands was probably the first of the English regions to publish generic advice on sustainability appraisal - **A Step-by-step Guide to Sustainability Appraisal** focusing on regional strategy work within the Integrated Regional Strategy (IRS) but also applicable at other scales. The guide provides a common methodology for sustainability appraisal based on the objectives, policies, indicators and targets in the IRS. It identifies the key stages in the sustainability appraisal process and provides examples of matrices to be used at these different stages. The step-by-step guide is intended for use in formal sustainability appraisal, and includes pro-forma for nine different matrices to be used at all of the main stages in the appraisal process.

### **South East of England**

The South East of England guidance on sustainability appraisal was developed for the regional Assembly by consultants ENTEC UK. As with the other examples, the appraisal framework is based on the RSDF objectives "which are then tailored into strategy/topic specific questions. The recommended process covers all of the main stages in good practice guidance. The appraisal incorporates Health Impact Assessment criteria and also the Countryside Agencies Rural Proofing checklist.

The guidance has been used in the selective review of RPG9, including the Regional Transport Strategy, and in preparing the draft strategies for Tourism, and Energy Efficiency and Renewable Energy.

## Appendix 2

### Sustainability appraisal objectives and criteria: source Haslem *et al.* 2002

Sustainability objectives	Criteria
<b>Social progress which recognises the needs of everyone</b>	
1. To ensure that everyone has the opportunity of a decent and affordable home	<ol style="list-style-type: none"> <li>1. Availability of affordable and private sector housing</li> <li>2. Accessibility of housing</li> <li>3. Energy efficiency of housing stock/fuel poverty</li> <li>4. Quality of housing stock</li> </ol>
2. To improve the health and well-being of people and reduce inequalities in health	<ol style="list-style-type: none"> <li>1. Protection of health</li> <li>2. Health improvement</li> <li>3. Equity - reducing health inequalities</li> </ol>
<b>Effective protection of the environment</b>	
3. To protect and enhance existing biodiversity and natural habitats, and create new wildlife habitats	<ol style="list-style-type: none"> <li>1. Conservation of biodiversity</li> <li>2. Enhancement of biodiversity</li> <li>3. Maintenance/restoration of habitats</li> <li>4. Creation of new habitats</li> <li>5. Biodiversity/wildlife education</li> <li>6. Impact on relevant biodiversity action plan</li> </ol>
4. To reduce road traffic and congestion through reducing the need to travel by car and improving travel choice	<ol style="list-style-type: none"> <li>1. Reduced road traffic (personal and freight)</li> <li>2. Increased support for more sustainable forms of transport</li> <li>3. Reduced need to travel</li> </ol>
<b>Prudent use of natural resources</b>	
5. To reduce waste generation and disposal and achieve sustainable management of waste	<ol style="list-style-type: none"> <li>1. Minimise waste production</li> <li>2. Reduce waste disposal</li> <li>3. Sustainable waste management (waste hierarchy)</li> </ol>
6. To increase the proportion of energy generated and consumed in the region from sustainable sources	<ol style="list-style-type: none"> <li>1. Increased production of renewable energy</li> <li>2. Increased consumption of renewable energy sources as a total proportion of energy use</li> </ol>
<b>Maintenance of high and stable levels of economic growth</b>	
7. To ensure that people have access to quality employment and occupation opportunities	<ol style="list-style-type: none"> <li>1. Availability of employment opportunities</li> <li>2. Quality of employment opportunities</li> <li>3. Social inclusion</li> <li>4. Support facilities (flexible working practices and child care)</li> </ol>
8. To invest to secure future prosperity and quality of life	<ol style="list-style-type: none"> <li>1. Investment in infrastructure</li> <li>2. Investment in R&amp;D</li> <li>3. Investment in social capital</li> <li>4. Equitable distribution of wealth</li> <li>5. Investing in the housing stock</li> </ol>

# Scrutiny

## Key findings

- **Scrutiny may be internal scrutiny within an organisation, or external scrutiny of another organisation.**
- **Sustainable development adds the extra dimension of:**
  - a) **Dedicated scrutiny of SD performance**
  - b) **Embedded SD scrutiny - incorporating SD principles within all scrutiny**
- **There are a variety of potential techniques that might be applied. Many of these are not unique to scrutiny. Other tools, such as benchmarking, appraisal, indicators and action plan monitoring, have a role.**
- **Performance scrutiny asks how faithfully and effectively policies are implemented, rather than stopping short at scrutinising the policy. This is especially important for SD, because it is common to find that excellent sustainable policies fail to be translated into day to day decisions.**
- **Alternative approaches to sustainable development scrutiny are summed up in table 1.**
- **To date there is limited experience of sustainable development scrutiny practice by the regions.**
- **But there is much relevant transferable experience from local government scrutiny, Best Value and Comprehensive Performance Assessment.**
- **In the appendix we provide a brief summary of what has been tried that follows the numbering in table 1.**
- **Key conclusions are that:**
  - i) **There is no one SD scrutiny technique, but many different approaches which are relevant to the regions**
  - ii) **There is a lot of relevant experience that can be drawn from local government**
  - iii) **Some common criteria have emerged for good SD practice and these converge with good scrutiny practice more generally**
  - iv) **These criteria should be kept in mind when designing SD scrutiny techniques**
- **The English Regions Network will be piloting SD scrutiny techniques during 2003-4, and plan to produce guidance for regional assemblies in summer 2004.**

## 1. Introduction

This briefing considers potential methodologies for regional sustainable development scrutiny. It looks at what has been tried so far at both regional and local levels. Where possible it identifies good practice, although scrutiny is very new and practice is still evolving.

Is there something exceptional about sustainable development that requires a unique approach to scrutiny? The answer is both “yes and no”. Undoubtedly sustainable development scrutiny must draw on the experience and practice of scrutiny more generally. But often scrutiny focuses on one or two functions or outcomes. Sustainable development, like other cross-cutting issues (equalities, diversity, social inclusion) demands an approach that inter-weaves sustainable development objectives into everything that an organisation does. This makes it complex for both the doers and the scrutinisers. Without some clear advice on suitable methodologies, it is probable that scrutinisers will miss important points. This certainly seems to have been the case in local government.

At present the regional assemblies’ primary scrutiny role is *external* scrutiny of the plans and work of the Regional Development Agencies, with the possibility of external scrutiny of other regional organisations. The White Paper *Your Region, Your Choice*<sup>21</sup> anticipates a new scrutiny role for elected regional assemblies. It proposes an executive / scrutiny split very much along the lines of that recently introduced into local government. Consequently this briefing considers the potential for scrutiny under both the current regional framework, as well as elected regional assemblies.

Under the new system, an elected assembly will establish scrutiny committees with the primary purpose of scrutinising the work of the assembly’s executive. In the White Paper the government notes that “we do not want to be prescriptive about the number of such [scrutiny] committees or their precise functions.” However, it then goes on to describe scrutiny roles very much along the lines of those applied in local government. (See box below.) Scrutiny under elected regional assemblies would therefore be focused much more on the *internal* scrutiny of the activities of the assembly, although external scrutiny would probably also continue.

### Functions of Scrutiny Committees within Local Government

1. Policy reviews
2. Policy development
3. Best Value reviews
4. Holding the assembly executive to account
5. External scrutiny

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21 *Your Region, Your Choice: Revitalising the English Regions*, Department for Transport, Local Government and the Regions, May 2002.

There are, then, the alternatives of internal and external scrutiny, as well as a variety of potential scrutiny functions. Sustainable development adds the extra dimension of:

- a) Dedicated scrutiny of sustainable development performance
- b) Embedded SD scrutiny - incorporating sustainable development principles within all scrutiny

So there are a variety of potential approaches to scrutiny, and consequently a range of techniques that might be applied. Many of these techniques are not unique to scrutiny. Other tools, such as benchmarking, appraisal, indicators and action plan monitoring, have a role.

### **Mainstreaming Sustainable Development into Scrutiny**

Sustainable development can be incorporated into scrutiny either by:

- Dedicated scrutiny of SD performance
- Embedded SD scrutiny - incorporating SD principles within all scrutiny

### **The Link to RSDFs**

Scrutiny allows Assemblies to investigate whether policy implementation (as well as policies themselves) follows sustainable principles and the RSDF.

RSDF action plans will provide a much better defined framework for the scrutiny process than scrutiny across all RSDF objectives.

## **2. Alternative Approaches to Sustainable Development Scrutiny**

The alternative approaches to sustainable development scrutiny are summed up in table 1 on the next page. It includes examples in **bold** of different techniques that we are aware have been tried. We have also noted in *italics* other techniques, such as integrating sustainable development into Best Value and Comprehensive Performance Assessment (CPA), that are readily transferable to scrutiny.

Table 1 includes a column for “performance scrutiny”, replacing local government’s scrutiny of Best Value reviews. Performance scrutiny asks how faithfully and effectively policies are implemented, rather than stopping short at scrutinising the policy. This is especially important for sustainable development, because it is common to find that excellent sustainable policies fail to be translated into day to day decisions.

Performance scrutiny can be sub-divided into two types:

- Corporate governance scrutiny
- Service, function or (cross-cutting) theme scrutiny

**TABLE 1: ALTERNATIVE APPROACHES TO SUSTAINABLE DEVELOPMENT SCRUTINY**

SCRUTINY FUNCTIONS ①	POLICY OR PROJECT DEVELOPMENT OR REVIEW	HOLDING D-MAKERS TO ACCOUNT	PERFORMANCE	
			Corporate Governance	Service, Function, Theme
<b>EMBEDDED - SD CONSIDERED WITHIN ALL SCRUTINY PROCESSES</b>				
<i>Internal</i>	SD considered within all internal scrutiny of policies.	SD considered when decision-makers are held to account internally.	SD considered within all internal performance reviews.	
			SD considered within CPA Self-Assessment.	SD considered in all Best Value reviews
<i>Internal or External</i>	SD expert / champion is member of scrutiny committee or Best Value review team			
	SD implications statement on all scrutiny reports			
<i>External</i>	SD considered within all external scrutiny of policies.	SD considered whenever decision-makers are held to account externally.	SD considered within all external performance reviews including peer reviews.	
			SD considered in CPA Corporate Assessment.	SD considered in Best Value inspections.
<b>DEDICATED SUSTAINABLE DEVELOPMENT SCRUTINY</b>				
<i>Internal</i>	Internal SD Scrutiny Committee			
	Sustainability Appraisal of Policies	Holding d-ms to account for how their decisions impact on SD	Internal SD performance scrutiny. Monitoring performance and SD indicators. <i>Best Value SD cross-cutting reviews.</i>	
<i>External</i>	External SD forums or commissions			
	Sustainability appraisal of policies	Holding d-ms to account for how their decisions impact on SD	External SD performance scrutiny. SD Peer Reviews. SD Benchmarking. Requiring reports on SD integration / performance. <i>Best Value SD cross-cutting inspections.</i>	

The former considers how well an authority is managed corporately. Sustainable development may be considered within a general corporate governance review, or alternatively the corporate management of sustainable development might be scrutinised separately. In contrast, service, functional or theme reviews focus on one area of an organisation's work, for example administering Objective 2 grants, and ask how effectively these are being managed.

Under the regional assemblies' current scrutiny role, external scrutiny of policies, projects and performance management will be most relevant. The assemblies do not have a policy development role for the RDAs or other regional organisations. It is also debatable whether the assemblies are in a position to hold RDAs to account for their decisions, for example by challenging RDAs to demonstrate that a decision supports an approved RDA sustainable development policy. In contrast, elected regional assemblies may be able to employ all of the approaches in table 1.

### **3. Experience to Date**

To date there is limited experience of sustainable development scrutiny practice by the regions. Our previous report on current regional practice<sup>22</sup> identified few examples, and these rarely had established methodologies. This summary of experience to date therefore draws heavily on experience from local government. It includes some examples directly drawn from local government scrutiny, but scrutiny is still relatively new for local authorities. In fact a key conclusion of the IDeA's Best Value and Sustainable Development Pathfinders Project<sup>23</sup> is that in most authorities scrutiny has not yet sufficiently matured to allow piloting of sustainable development scrutiny projects.

At present, therefore, much relevant experience comes from Best Value and Comprehensive Performance Assessment. Although these processes are different from scrutiny, there are many useful techniques and lessons that can be transferred. The appendix provides a brief summary of what has been tried.

### **4. Lessons Learnt**

A key conclusion is that there is no one sustainable development scrutiny technique. There are many different approaches, all of which are relevant to the regions. But to make sustainable development scrutiny manageable, regions will probably have to opt for a sub-set of the techniques that are available.

Secondly, there is already a lot of relevant experience that can be drawn from local government scrutiny, and from Best Value and CPA. The regions would be wise to build on this experience, rather than starting completely afresh. But much of what

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<sup>22</sup> Sustainable Development Tools being used by English Regions, Northern Ireland, Scotland and Wales, report to English Regions Network by CAG Consultants, January 2003.

<sup>23</sup> The *Best Value and Sustainable Development Pathfinders Project* is a year long project involving 12 local authorities which is due to end in March 2003. It is jointly managed by the IDeA and LGA.

has been tried has not been evaluated. Therefore the regions might benefit from putting some effort into learning more lessons from what has already been tried.

Although at present the regions have an external scrutiny role, most of the experience from internal scrutiny, e.g. cross-cutting performance reviews or monitoring of action plans, are just as applicable to external scrutiny.

Where techniques have been evaluated, some common themes emerge. (See box.)

#### **Criteria for Good SD Scrutiny Practice**

- i) Actions taken to implement policies should be considered as well as the policies themselves.
- ii) Outputs or achievements should be considered as well as corporate processes
- iii) Written guidance and clearly defined methodologies are essential, otherwise scrutinisers are likely to be confused about what evidence to collect, and what conclusions to reach.
- iv) Clearly defined methodologies are also vital for transparency, allowing scrutinisers to explain how conclusions were reached.
- v) Scrutinisers should receive training in sustainable development scrutiny.
- vi) Scrutinisers usually need support from sustainable development experts and champions – especially at the beginning and the end of the scrutiny process.
- vii) Staff, partner agencies, and the public should be involved in sustainable development scrutiny.
- viii) A combination of techniques is usually more powerful than one.
- ix) It is easy to become overwhelmed with sustainable development scrutiny and scrutiny reviews should be tightly scoped and focus on key priorities.

### **5. How well does SD Scrutiny meet criteria for good SD Tools and good Scrutiny?**

How can we assess what amounts to good scrutiny practice? In our original proposal to the English Regions' Network we suggested the following criteria for regional sustainable development tools:

- i) Influences sustainable development outcomes
- ii) Promotes policy integration and resolves (or reduces) *crunch issues*.
- iii) Promotes linkages between different strategies across the region
- iv) Useful at the regional level
- v) Not prohibitively expensive (staff time, doesn't require external expertise)
- vi) Transparent
- vii) Involves stakeholders

These criteria remain perfectly valid for regional sustainable development scrutiny.

In addition the Institute for Local Government Studies' recent report<sup>24</sup> on scrutiny in local government for the Office of the Deputy Prime Minister (ODPM) proposes that good practice in terms of scrutiny processes would involve:

- Developing an **inclusive** approach, working to engage all relevant stakeholders, including partners and the public;
- Working in a **transparent** way, where it is clear to all those involved how the overview and scrutiny process works;
- Demonstrating **accountability** for the processes and outcomes of overview and scrutiny;
- Being **efficient** in the work of overview and scrutiny, responding to the needs and aspirations of the community;
- Working in a **deliberative** way which underpins an evidence-based approach to the way overview and scrutiny works;
- Demonstrating a **non-partisan approach** to the work of overview and scrutiny, which places the needs and aspirations of the community above the consideration of party politics;
- Strengthening the **democratic process of decision-making** through improving the quality of debate and initiating debate.

The final three criteria for sustainable development tools – not prohibitively expensive, transparent, and involves stakeholders – clearly overlap with the more general criteria for good scrutiny.

Looking back at the messages that have come out of sustainable development scrutiny (section 4), there is a strong convergence between these and the general criteria for good scrutiny practice. Essentially, these criteria must always be kept in mind when designing sustainable development scrutiny techniques.

For external regional scrutiny there is another important criteria, identified in a recent report<sup>25</sup> on regional scrutiny – maintaining good relations between the Assembly and the RDA. This is another important factor that will need to be considered in the design of sustainable development scrutiny.

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24 *Development of Overview and Scrutiny in Local Government*, Office of the Deputy Prime Minister, September 2002.

25 *English Regions Network Scrutiny Project*, S.Snape et al. Draft report February 2003.

## Appendix

### Sustainable Development Scrutiny and Related Techniques

The examples are categorised according to the numbers in table 1. (There are no examples for holding decision-makers to account, and so numbers 2, 7, 11, and 15 are missing from the appendix.) Under each category different experience and techniques are summarised, as well as lessons learnt where available. Each summary follows the same format, summarised in the box below.

#### **FORMAT FOR EACH SUMMARY**

**NAME** – TYPE OF TECHNIQUE

**Where Tried** – Examples of where tried

**Technique** – How does it work

**Lessons Learnt** – Usually only available where method has been evaluated

**Further References** – Sources of further information

## 1) SD Considered within all Internal Scrutiny of Policies

### 1.1 SD CHECKLISTS FOR SCRUTINY COMMITTEES

**Where Tried:** Cambridgeshire County Council and Leicester City Council have both experimented with sustainable development checklists for scrutiny committees as part of the Best Value and Sustainable Development Pathfinders project.

**Technique:** Cambridgeshire County Council's Overview and Scrutiny Committees have agreed that from autumn 2002 a sustainability checklist be completed by officers and attached to all relevant reports going to scrutiny committee.

A preliminary draft of the checklist was submitted to the Scrutiny Management Committee with a request for views on the best way of supporting Scrutiny Members in integrating sustainable development into its work. However Members were keen to adopt the checklist immediately and asked that from autumn 2002 it be completed by officers (rather than used by members) and attached to all relevant reports going to scrutiny committee. In effect the procedure became more like item 5 – SD implications statements on scrutiny reports.

The 2 page Cambridgeshire checklist sets out general principles and examples of trigger points for particular scrutiny (e.g. proposals involving land or buildings). The second page gives a matrix of objectives and “buzz words” drawn from the Council’s policy framework, under the 3 “vision” headings.

Issues raised by Members in discussion included:

- importance of using checklist at the start of the policy/review process, not the end
- need to integrate with other material e.g. list of “key questions” for Scrutiny members
- requirement for more rigorous approach in some cases: e.g. sustainability appraisal
- need to eliminate all jargon

**Lessons Learnt:** Too early to judge, but see note of caution about checklists under item 2 below.

**Further References:** WWF Mainstreaming Sustainability Resource Pack<sup>26</sup>, Political Structures case studies.

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<sup>26</sup> WWF *Mainstreaming Sustainable Development through Modernisation Resource Pack*, available on the Idea Knowledge ([www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk)) and WWF ([www.wwf.org.uk](http://www.wwf.org.uk)) websites.

### 3) SD considered within all internal performance scrutiny

#### 3.1 SD CONSIDERED WITHIN CPA SELF-ASSESSMENT (Corporate governance)

**Where Tried:** All English single tier and county councils have recently completed Corporate Self-Assessments as part of the CPA process.

**Technique:** Local authorities were asked to address 4 questions for the Self-Assessment:

1. What is the council trying to achieve?
2. How has the council set about delivering its priorities for improvement?
3. What has the council achieved / not achieved to date?
4. In the light of what the council has learnt, what does it intend to do next?

Sustainable development should naturally have been considered under each of the 4 questions for any council (the majority) that has sustainable development as a core priority or theme. But a recent survey by CAG Consultants for WWF found that, although many sustainable development officers attempted to get relevant information included in the Self-Assessment, this rarely happened.

**Lessons Learnt:** Unless there is explicit guidance that sustainable development should be considered as part of corporate capacity (or governance) scrutiny reviews, that it is likely to be forgotten, even if SD is a corporate priority. The CAG survey sample was very small, and there may be some useful examples from single tier and county council CPA Self-Assessments that are worth looking at. District Self-Assessments could be monitored in future.

**Further References:** *How well does CPA address sustainable development performance?* Report by CAG Consultants for WWFUK, January 2003. Available at: [www.wwf.org.uk/filelibrary/pdf/CPAreport.pdf](http://www.wwf.org.uk/filelibrary/pdf/CPAreport.pdf).

#### 3.2 SD CONSIDERED WITHIN ALL BEST VALUE REVIEWS (Service, functional or theme)

**Where Tried:** Numerous local authorities have experimented with techniques to ensure that sustainable development is considered within all Best Value reviews. CAG undertook a survey of what has been tried for the IDeA in 2001. More recently the Best Value and Sustainable Development Pathfinders project have been piloting various techniques.

**Technique:** This section summarises the findings of the CAG / Inlogov survey for the IDeA and two recent Pathfinder projects by Sandwell MBC and Chesterfield BC.

CAG and the Institute of Local Government Studies (Inlogov) undertook a survey for the IDeA of local authorities' progress on promoting sustainable development through Best Value in 2001. It found a substantial amount of activity, often involving Best Value review teams completing sustainable development checklists at the beginning the review. The aim of the checklists was to help review teams to identify the important sustainability impacts of their review, and to thus improve sustainability performance.

Sandwell MBC has developed a process for simultaneously addressing the 'core issues' of sustainable development, equalities, community safety, risk management, and e-government in Best Value. There is an 'impact assessment template' that helps address each of the core issues, with further, specialist support available. Sustainable development, or any other core issue, is defined for services under review in workshops. So, it's not about following a pre-existing checklist. Instead, an impact template allows the services to say what's most important. It has been helpful for sustainable development to be a core issue alongside the other areas. It helps streamlining - for instance, a single message goes to heads of service, rather than five or six separate messages. There is less risk of competition between the core areas. It has the benefits of 'hunting in a pack' - the SD specialist needn't be a lone voice any more. Service specialists in each area (including sustainable development) will review improvement plans, to ensure the relevant issues have been properly taken on board.

Chesterfield Borough Council tried a new approach to introducing sustainability into a cross-cutting Best Value Review of Leisure and Cultural Services. The aim was to get officers to 'think outside the box' and develop solutions to fit their own service-specific, local issues. All team members attended a half-day training seminar developed by the Sustainability Unit. A programme was developed based around 'visioning' and 'scenario planning'. The teams were asked to consider the consequences for sustainability of running their service. Then how they could change their service to improve sustainability. To promote the use of long-term planning, the next exercise required all the teams to consider what kind of Chesterfield do we want to see in 2010, and what can we do now to put us on the road to that. Each team was given fifteen minutes to create a vision or description of Chesterfield in 2010. This was very useful in freeing up the officers' thinking processes, and enabled them to think about the long term issues. Teams were then requested to debate and make notes around four areas – their service impacts, the opportunities for change, the various influences that the service exerts and the threats for the service.

**Lessons Learnt:** The IDeA survey found that the use of checklists on their own at the start of the review process usually failed to ensure that sustainable development was fully addressed within the review. It found that to be effective, checklists needed to be combined with:

- Training for Review Team members
- Support from a sustainable development champion at the start of the review process, and later when options and recommendations are being devised
- Advice and support to review teams to focus only on the most important sustainable development impacts of the review
- Comparison of the sustainability impacts of alternative options at the options appraisal stage
- Merging sustainability checklists with other cross-cutting checks (such as against Community Strategy, diversity or social inclusion objectives)
- Build on existing sustainability management systems where possible

The strongest message from the survey was that far more was achieved with the active involvement of sustainable development champions in Best Value (and therefore scrutiny) Reviews. The champion may be a dedicated sustainable development officer, scrutiny officers who have received training, departmental LA21 representatives, or LA21/Community Forum members. The survey found that active involvement is much more likely to ensure that:

- The conclusions from sustainable development challenges are fed through to improvement proposals
- Review teams focus on the more significant sustainability impacts.

Without personal involvement many Review Teams simply ignored sustainable development or ticked boxes on the checklist and then forgot about it. This may not be because team members are actively resistant to sustainable development, but because they are not confident that they understand the issues. As the case studies illustrated, even a couple of hours support from a sustainable development champion could significantly change the outcome.

**Further References:** The full report and case studies may be viewed on IDeA Knowledge ([www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk)), select Best Practice Case Studies <sup>™</sup> Best Value <sup>™</sup> Sustainable Development.

## 4) SD Expert or Champion is member of Scrutiny Committee

### 4.1 SD EXPERT OR CHAMPION MEMBER OF SCRUTINY COMMITTEE

**Where Tried:** There are probably numerous examples, but two that we are aware of are the City of Bradford and Durham County Council.

Bradford has 5 Overview & Scrutiny Committees, and one covers Environment – including sustainability, pollution, countryside, waste management, UDP, and Highways matters. The Committee is chaired by the former Chair of the Local Agenda 21 steering group and has appointed co-optees to Committee from:

- Environment Agency
- Bradford Environmental Action Trust (BEAT)
- Bradford University
- Bradford Business and Environment Forum

Durham County Council has a single over-arching Overview and Scrutiny Committee. This is split into 5 Sub-Committees – one for each of the 4 corporate aims and an additional one to cover corporate issues. Each sub-committee has working groups that look in depth at selected topics. The chair of the Overview and Scrutiny Committee was keen to make the link between the scrutiny process and County Durham's Local Agenda 21 Partnership. All members of the LA21 partnership were offered the chance to take part in the work of Overview and Scrutiny Committee, although at present only one LA21 representative has volunteered to be co-opted (onto the 'Sustainability' group).

**Technique:** Unknown if SD champions are given a special role.

**Lessons Learnt:** Not evaluated.

**Further References:** WWF Mainstreaming Sustainability Resource Pack<sup>27</sup>, Political Structures case studies.

## 5) SD Implications Statements on all Scrutiny Reports

### 5.1 SD IMPLICATIONS STATEMENTS ON ALL INTERNAL SCRUTINY REPORTS

**Where Tried:** We are not aware of this technique being used to support scrutiny. But there are examples of this technique being used to support decision-makers. Examples of support for decision-makers include: Greater London Authority requires SD statement on all reports to the Mayor that require a decision; all advice to Scottish ministers and policy memoranda accompanying bills includes a statement on SD impact. The National Assembly for Wales is intending to introduce a system that builds on their “top-level” policy appraisals. Many local authorities require sustainability implications statements on reports.

**Technique:** Normally a brief (few sentences) statement at the start or within a report. It is often combined with statements on equal opportunities and social inclusion. The statements are sometimes supported by report author training and / or written guidance, as well as checking and advice by sustainable development staff.

**Lessons Learnt:** No formal evaluation conducted, but anecdotal evidence suggests that statements are often of poor quality, and of limited value unless supported by report author training.

**Further References:** None.

### 5.2 SD IMPLICATIONS STATEMENTS ON ALL EXTERNAL SCRUTINY REPORTS

**Where Tried:** Sustainability South West (SSW) has used the RSDF as basis for sustainability statements to assist the work of Regional Assembly Select Committees to scrutinise the work of the RDA. A statement has been completed for the Skills and Learning Select Committee, and SSW are currently preparing a statement for the Rural Economy Select Committee.

**Technique:** For the Rural Economy Select Committee SSW have decided to ask questions about the principles and themes of the RSDF as well as the objectives.

**Lessons Learnt:** Not evaluated.

**Further References:** None.

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<sup>27</sup> WWF *Mainstreaming Sustainable Development through Modernisation Resource Pack*, available on the Idea Knowledge ([www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk)) and WWF ([www.wwf.org.uk](http://www.wwf.org.uk)) websites.

## 6) SD Considered within all External Scrutiny of Policies

### 6.1 SD CONSIDERED WITHIN ALL EXTERNAL SCRUTINY OF POLICIES

**Where Tried:** No examples apart from Sustainability South West's sustainability statements covered under item 5.

**Technique:**

**Lessons Learnt:**

**Further References:**

## 8) SD considered within all external performance scrutiny

### 8.1 SD CONSIDERED WITHIN ALL PEER REVIEWS (Corporate Governance)

**Where Tried:** The Improvement and Development Agency's (IDeA) have been operating local authority peer reviews under their Local Government Improvement Programme.

**Technique:** The Improvement Programme has set an interim benchmark for the 'ideal' local authority. The benchmark describes what an ideal authority would be expected to achieve in terms of:

- Leadership
- Democratic accountability and community engagement
- Performance management

The benchmark refers to sustainability at several points. (See box.)

#### **Local Government Improvement Programme Benchmark – Sustainability Questions and Positive Indicators**

**Leadership: Vision for the Community and Strategy** Is the council addressing its responsibilities for promoting economic, social and environmental wellbeing? Does the community strategy focus on the promotion of wellbeing? Are sustainability issues integral to strategic development and actively promoted?

**Leadership: Innovation and creativity** Evidence of innovation and experimentation in integrating sustainability and e-government approaches into current practice.

**Democratic Accountability and Community Engagement: Constitutional Arrangements and Scrutiny** Does scrutiny cover the sustainability impact of council policies and decisions?

**Managing Performance: Project Management and Procurement** Contract standing orders and procurement procedures are regularly updated and include whole-life costs, negotiated contract award procedures, workforce issues and sustainability.

**Lessons Learnt:** Not evaluated, but there is some question as to whether the Peer review team members understand sustainability issues sufficiently to address the benchmark questions. There are also potentially several other questions that could

be asked under the 3 key headings. (See the suggestions for what questions Corporate Assessment Teams might ask below.)

**Further References:** *Interim Benchmark of 'Ideal' Local Authority*, Improvement & Development Agency, November 2002.

## 8.2 CONSIDERING SD WITHIN CPA CORPORATE ASSESSMENTS (Corporate governance)

**Where Tried:** Audit Commission Corporate Assessment Teams (CATs) have recently completed Corporate Assessments of all English single tier and county councils as part of the CPA process.

**Technique:** Corporate Assessment Team's were asked to answer four "top level questions" with 9 accompanying themes. In theory these should have covered sustainable development for any council where sustainable development is a core priority or theme.

### Corporate Assessment Team Top Level Questions and Accompanying Themes

1. What is the council trying to achieve? (1. Ambitions, 2. Focus & 3. Prioritisation)
2. How has the council set about delivering its priorities? (4. Capacity & 5. Performance Management)
3. What has the council achieved to date? (6. Achievement & 7. Investment)
4. In the light of what the council has learned what does it plan to do next? (8. Learning & 9. Future Plans)

**Lessons Learnt:** A recent survey by CAG Consultants for WWF found that the CAT teams' treatment of sustainable development was weak. Although over half of the sample of 20 Corporate Assessment reports made some mention of sustainable development (including terms such as sustainability, local agenda 21 and the green agenda), the references were usually solely to sustainable development (or a related idea) being a corporate priority or core value. Very rarely did the Corporate Assessment go on to consider how well the authority performed on sustainable development against the CAT teams' key questions and themes. (See the box below for suggestions of what evidence the CAT team might have looked for.) Nevertheless there were a few interesting examples of references to sustainable development in Corporate Assessment reports.

Key conclusions from the WWF research are that those undertaking corporate capacity or governance scrutiny reviews need:

- Written guidance reminding them to consider sustainable development with corporate governance scrutiny
- Advice, support or training to help them think through what evidence they need to collect to judge corporate sustainable development performance, and how to collect it.

#### **SD EVIDENCE THE CAT TEAM MIGHT HAVE INVESTIGATED UNDER THE 9 THEMES**

**Ambition** - The authority has: identified sustainable development (which may go under a different name) as a corporate, core, or cross-cutting goal, priority or theme; and understands the concept, e.g. appreciates that sustainable development is cross-cutting, integrates quality of life, equity and resource efficiency, and considers future and global citizens.

**Prioritisation** – The authority has: identified the key unsustainable trends for the area, drawing on the views expressed in Local Agenda 21 and other consultations and on social, economic and environmental data; prioritised key unsustainable trends for action; and balanced national and local sustainable development priorities.

**Capacity** – The authority has: committed adequate staff and resources to the corporate co-ordination of sustainable development; appointed an executive member with overall responsibility for sustainable development; ensured that staff and elected members have sufficient understanding of the topic to manage it competently; and ensured that contractors have the capacity to manage their sustainable development impacts.

**Performance Management** – The authority / LSP has included sustainable development principles in the Community Plan and has translated sustainable development goals into corporate and service plans. A system is in place to ensure that sustainable development is systematically integrated into all council activities, and the council's sustainable development performance is regularly monitored and reported. The long-term risks associated with (un)sustainable development are being managed.

**Achievement** – The authority is making good progress towards its sustainable development goals across all its activities, and is aware of what is not improving.

**Investment** – The authority has put in place building blocks to overcome weaknesses in any of the above, and to further improve its sustainable development performance.

**Recommendations** – Recommendations for overcoming weaknesses in any of the above.

**Further References:** *How well does CPA address sustainable development performance?* Report by CAG Consultants for WWFUK, January 2003. Available at: [www.wwf.org.uk/filelibrary/pdf/CPAreport.pdf](http://www.wwf.org.uk/filelibrary/pdf/CPAreport.pdf).

### **8.3 SD CONSIDERED WITHIN ALL BEST VALUE INSPECTIONS (Service, theme or functional performance.)**

**Where Tried:** The Audit Commission Best Value Inspectorate commissioned CAG and Inlogov to prepared advice for inspectors on how they might consider sustainable development within all of their Best Value inspections. Although the advice was prepared, we are not aware that it has ever been applied. The Inspectorate was overtaken by Comprehensive Performance Assessment in the middle of preparing the guidance, and plans to run training for inspectors were shelved.

**Technique:** CAG and Inlogov based their advice on the key questions that inspectors must ask for all Best Value inspections under Judgement 1 – *How good is the service?* The Audit Commission specified that the inspectors must focus on sustainable development *outcomes* rather than *processes*. (See further discussion about this distinction under cross-cutting sustainable development reviews.) The recommended questions on sustainable development are shown in the box on the next page. They are grouped according to the key questions (KQ) that inspectors must ask under Judgement 1.

**Lessons Learnt:** Not evaluated.

**Further References:** *Best Value Guidance on Sustainable Development: Inspection Principles*, guidance prepared by CAG Consultants and Inlogov, November 2001.

**CAG / INLOGOV ADVICE ON KEY SUSTAINABLE DEVELOPMENT QUESTIONS FOR BEST VALUE INSPECTIONS**

**KQ1 Are the Aims Clear and Challenging?**

- a. Has the service included in its aims *significant* national sustainable development objectives as expressed in *A Better Quality of Life*, the Welsh Scheme *Learning to Live Differently* and the relevant Regional SD Framework?
- b. Has the service included in its aims *significant* objectives from the Local Agenda 21 or Sustainable Development Strategy, (or a Community Strategy that has fully integrated sustainable development)?
- c. Has the service considered how its *significant* sustainable development objectives might conflict with each other or with other service aims? Has is considered how it might overcome these conflicts and searched for integrated solutions?
- d. Has the service translated *significant* national, regional and local sustainable development targets into service targets?

**KQ2 Does the Service Meet those Aims?**

- a. Has the service specified the desired results (including targets) for its sustainable development aims?
- b. Has it consulted on these aims as part of its general consultation?
- c. Has it identified situations where customer focus conflicts with the service's sustainable development aims?
- e. Has is considered how it might overcome conflicts with customer focus and searched for integrated solutions?
- d. Is the service monitoring progress against the desired results?
- e. Does the service have systems in place to meet the desired results that it has specified, and is it delivering these results?
- f. Have the sustainable development aims been incorporated into procurement processes?

**KQ3 How does its Performance Compare?**

- a. Has the service compared how well it is meeting its sustainable development aims? How does it compare with other authorities?
- b. Has the service identified and implemented good practice advice on how to meet its sustainable development aims?

**9) Internal SD Scrutiny Committee**

**9.1 DEDICATED SD SCRUTINY BY SD SCRUTINY COMMITTEE**

**Where Tried:** Bristol City Council has 6 'scrutiny commissions', one of which is the Sustainable Development and Social Justice Scrutiny Commission. It is probable that other councils have also adopted sustainable development scrutiny committees.

Although both the Scottish Parliament and National Assembly of Wales have Sustainable Development sub-committees, these are committees of the executive rather than scrutiny committees.

**Technique:** The terms of reference of the Bristol Commission are summarised in the box below.

**Bristol's Sustainable Development and Social Justice Scrutiny Commission  
Summary of Terms of Reference**

Within the context of "*Serving Bristol Better*", delivering the council's vision of "*improving Bristol and the lives of all its people, now and for future generations*", and delivering the council's community leadership role to promote the social and economic well-being of the city,

- To agree and deliver an annual programme of policy review / development work within the terms of reference of the commission.
- To respond to policy or budget referrals / consultation requests from a relevant executive member.
- To hold the executive to account and call-in decisions from the executive on areas which fall within the commission's terms of reference.
- To refer through the Corporate Affairs and Scrutiny Management Commission appropriate items to full council and to present final reports on policy development work to full council.
- To undertake scrutiny and call-in function for any council services that have a significant impact on sustainable development and social justice issues, including matters arising out of the integrated equalities policy and the emergent social inclusion agenda; sustainable development aspects of the work of environment, transport and leisure and regeneration aspects of the work of neighbourhood and housing services.
- To promote the better delivery and integration of those services.
- To contribute to the development of policies in respect of these services.
- To investigate and make recommendations on issues of public concern related to these services where they are delivered by other agencies and impact on the quality of life of the citizens of Bristol.

**Lessons Learnt:** Not evaluated.

**Further References:** WWF Mainstreaming Sustainability Resource Pack<sup>28</sup>, Political Structures case studies.

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<sup>28</sup> WWF *Mainstreaming Sustainable Development through Modernisation Resource Pack*, available on the Idea Knowledge ([www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk)) and WWF ([www.wwf.org.uk](http://www.wwf.org.uk)) websites.

## 10) Internal Sustainability Appraisal of Policies

### 10.1 SUSTAINABILITY APPRAISAL OF POLICIES BY INTERNAL SD SCRUTINY COMMITTEE

**Where Tried:** Sustainability appraisal of policies is a potential role for Sustainable Development scrutiny committees, but we are not aware of any sustainability appraisals that have been undertaken by Scrutiny Committees, or undertaken on their behalf. Most appraisals have been undertaken on behalf of the Executive / decision-makers.

**Technique:** As standard sustainability appraisal methodology.

**Lessons Learnt:** See separate note on sustainability appraisal.

**Further References:**

## 12) INTERNAL SD PERFORMANCE SCRUTINY

### 12.1 MONITORING SUSTAINABILITY PERFORMANCE AND AREA INDICATORS AND ACTION PLANS

**Where Tried:** Many local authorities have sustainability action plans (usually specifying actions to be taken by each department), related performance indicators, and area sustainability indicators. These are often monitored by sustainable development staff, who may report to relevant Executive members, chief officers or scrutiny committees. Traditionally this has been done internally, but the same technique is equally applicable to external scrutiny.

**Technique:** See separate briefing notes on indicators and action planning.

**Lessons Learnt:** See separate briefing notes on indicators and action planning.

**Further References:**

### 12.2 CROSS-CUTTING SD SCRUTINY REVIEW

**Where Tried:** Durham County Council undertook a cross-cutting sustainable development scrutiny review. It is possible that other councils have also done so.

**Technique:** The 'Looking after the Environment' Overview and Scrutiny Sub-Group opted to review Durham County Council's Sustainable Environment Policy as one of its first priorities. A specific 'Sustainability' Overview and Scrutiny working group was established to carry out this review. Members of the group were supported by a senior officer from the Council's Corporate and Legal Services Department, and the Sustainable Development officer from the Environment and Technical Services Department.

The Overview and Scrutiny 'Sustainability' group received an initial presentation on sustainable development, and a brief overview of Durham County Council's environmental performance to date. The group decided to send a questionnaire to all Chief Officers asking what specifically each department was doing, or planning to do, under each of the 10 headings of the sustainable environment policy. The results of

the survey revealed some positive actions, but overall demonstrated a general lack of awareness and a lack of a co-ordinated approach (with sustainability often being seen as an optional consideration that could easily be overlooked). It was also clear that there was no adequate monitoring and reporting of performance. In addition to the survey, the group have requested and received detailed presentations on energy management, financial issues, and the role of IT. A researcher from the University of Northumbria was commissioned to assess good practice from other local authorities.

**Lessons Learnt:** Not evaluated.

**Further References:** WWF Mainstreaming Sustainability Resource Pack<sup>29</sup>, Political Structures case studies.

### 12.3 CROSS-CUTTING SD BEST VALUE REVIEW

**Where Tried:** CAG and Inlogov undertook a survey of cross-cutting sustainable development Best Value reviews for the Audit Commission early in 2002. At that time 10 local authorities in England and Wales were found to have completed genuinely cross-cutting reviews. Several other authorities are believed to have completed similar reviews since then.

**Technique:** A number of local authorities have undertaken what are described as sustainable development, Local Agenda 21 or environmental stewardship Best Value reviews. Not all of these were cross-cutting reviews. Some were service reviews of the section or staff that are dedicated to promoting sustainable development or environmental stewardship across the authority. Others were 'multi-service' reviews covering several services that are considered particularly important for the environment. About half were cross-cutting reviews that considered how well national and local sustainable development policies were being pursued across the authority. Some of these considered purely corporate *processes* for promoting sustainable development. Others also assessed sustainable development *outcomes*. The table below summarises the different approaches taken for sustainable development reviews.

TYPES OF SUSTAINABLE DEVELOPMENT REVIEW	
Single Service	
1. Narrow service	Considers current activities of SD / LA21 Unit, e.g. EMAS implementation, awareness raising, and asks if these activities are being undertaken efficiently, effectively, economically, and benchmarks with authorities undertaking similar activities.
2. Broad service	Asks whether the SD/LA21 Unit would be more effective if it shifted the emphasis of its activities. Benchmarks with authorities that have SD/LA21 Units with different approaches.
Multi-Service	
3. Multi-Service Environmental Stewardship	

29 WWF *Mainstreaming Sustainable Development through Modernisation Resource Pack*, available on the Idea Knowledge ([www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk)) and WWF ([www.wwf.org.uk](http://www.wwf.org.uk)) websites.

Reviews the performance of a range of typical environmental services such as transport, waste and environmental health.

#### Corporate Cross-Cutting

##### 4. Process Cross-Cutting

Considers the processes that the authority has instituted to promote sustainable development and ask how efficient, effective and economic these are. Benchmarks with family / network authorities, and/or 'best in class'.

##### 5. Process + selected outcome Cross-Cutting

As 3, but also selects a sample of service based activities for further investigation. Latter selected either for: their importance to sustainable development; apparent poor sustainability performance; or contribution to national SD targets.

##### 6. Outcome cross-cutting

Asks if the authority is fulfilling national, regional, and local sustainable development policy. Benchmarks as much against policies and targets as against other authorities.

##### 7. Outcome cross-cutting + partners.

As 5 but includes key partners such as health authority, business organisations, utilities, statutory agencies.

**Lessons Learnt:** The survey concluded that Best Value reviews of sustainable development are in their infancy, but experience so far suggests that the most effective reviews:

- Are cross-cutting rather than service based, because sustainable development crosses all local authority activities.
- Undertake an initial scoping to narrow down the themes for investigation to a few key priorities, in order to avoid being overwhelmed by the task.
- Focus on (at least a sample of) outputs, because process alone can not demonstrate that the local authority is delivering sustainable development results.
- Have broad inter-departmental Review Teams, with external critical friends from other local authorities and / or a local sustainable development forum or relevant NGO.
- Consult staff, elected members and external organisations on the effectiveness of corporate sustainable development processes.
- Take the challenge aspect seriously and look at best practice sustainable solutions from various sources.

**Further References:** *Best Value and Sustainable Development – Survey of Cross-Cutting Reviews*, Report by CAG Consultants and Inlogov for the Audit Commission, April 2002.

## 13) External SD Forum or Commission

### 13.1 EXTERNAL / DEDICATED SD FORUM OR COMMISSION

**Where Tried:** The London Sustainable Development Commission is planning to review all new or revised Mayoral strategies. The National Assembly for Wales is intending to have all its policies externally validated by the Wales Sustainable Development Panel.

**Technique:** We are not aware of any written methodology.

**Lessons Learnt:** Too early to judge.

**Further References:**

## 14) Sustainability Appraisal of Policies by External SD Forum

### 14.1 SUSTAINABILITY APPRAISAL OF POLICIES BY EXTERNAL SD FORUM

**Where Tried:** Sustainability appraisal of policies is a potential role for external Sustainable Development forums or commissions, but we are not aware of any sustainability appraisals that have been undertaken by external commissions, or undertaken on their behalf. Most external appraisals have been undertaken on behalf of the Executive / decision-makers.

**Technique:** As standard sustainability appraisal methodology.

**Lessons Learnt:** See separate note on sustainability appraisal.

**Further References:**

## 16) External SD performance scrutiny

### 16.1 SD PEER REVIEWS

**Where Tried:** Presud is a European sustainable development peer review project involving local authorities across Europe. Teams from participant authorities undertake peer reviews of partner authorities. A key aim of the project is to pilot and continuously revise the Presud methodology. In the UK Birmingham City, Newcastle City and Nottingham City Councils are involved.

**Technique:** Presud relies on a team of peer reviewers collecting evidence from the authority through interviews with staff and members and collecting key documents and other sources of evidence. The team collect evidence based on:

- i) A benchmark developed from the IDeA's Peer Review Methodology
- ii) A set of outcome and performance indicators based on the OECD's system of environmental performance reviews. This gives it a strong environmental focus.

The benchmark comprises:

- Three corporate themes in which a municipality will need to perform strongly to demonstrate that it has made progress towards sustainable development and that it has the capacity to make further progress. These themes have been derived from IDeA's 'Local Government Improvement Programme' benchmark. (See section 8.)
- Ten sustainable development themes, derived from the peer review tool used by the Organisation for Economic Co-operation and Development (OECD) to assess the progress of Member States towards sustainable development. The response of municipalities to the pressures and states for each theme is assessed.

The three Corporate Themes are the same as for the IDeA benchmark: Leadership; Democratic and Community Engagement; Performance Management.

The ten Sustainable Development Themes are: Air management; Water management; Waste Management; Natural Resources and Nature Conservation, Soil; Integration of Environmental and Economic Policies; Sectoral Integration – Energy; Sectoral Integration – Transport; Regional Co-operation; Integration of Environmental and Social Policies; Integration of Social and Economic Activities.

The outcome and performance indicators follow the same ten sustainable development themes. They provide evidence on outcomes, e.g. local air quality, and sustainable development processes or management, e.g. levels of resources committed to various tasks.

**Lessons Learnt:** Too early to say. The project is due to be completed in a year.

**Further References:** The Presud website is at [www.presud.org](http://www.presud.org).

## 16.2 SD BENCHMARKING

**Where Tried:** As well as benchmarking by peer reviewers, (see Presud) benchmarking may also be undertaken by a group of authorities that choose to compare their own performance, usually by comparing evidence collected by internal staff. The Hampshire local authorities developed a matrix by which to compare their corporate sustainable development performance for use in Best Value sustainable development cross-cutting reviews. (See section 10.)

**Technique:** The Hampshire matrix describes 4 different levels of performance from 1 (poor) to 4 (excellent) for different aspects of corporate sustainable development management. These cover: scope and understanding; support for sustainability; training on SD issues; structures; policy making; decision-making; budget setting; service and business planning; Best Value and performance monitoring; procurement; consultation; stakeholder involvement in community planning.

Each authority judges what level of performance they have achieved and arrives at an overall score for their performance. The Hampshire matrix, in contrast to Presud (see above) focuses purely on corporate processes rather than outcomes.

**Lessons Learnt:** Not evaluated.

**Further References:**

## 16.3 REQUIRING REPORTS ON SD INTEGRATION

**Where Tried:** National Assembly for Wales

**Technique:** All Assembly Supported Bodies have been asked to submit a plan to the Assembly on how they propose to integrate sustainable development into their work.

**Lessons Learnt:** Too early to judge.

**Further References:**

## 16.4 BEST VALUE SD CROSS-CUTTING INSPECTIONS

**Where Tried:** Best Value inspectors have undertaken cross-cutting sustainable development Best Value inspections for most of the sustainable development cross-cutting reviews. (See section 11.)

**Technique:** Initially the inspectors took a mix of approaches to inspecting cross-cutting sustainable development reviews. In order to standardise their approach, the Audit Commission prepared guidance for inspectors on how to inspect cross-cutting sustainable development (quality of life) reviews. This focused on 8 key themes. (See box below.) These key themes are addressed using the standard 6 questions that inspectors apply to all Best Value reviews.

The guidance also sets out what is described as “the characteristics of a 2<sub>ç</sub> service for each of the 6 themes. This is similar to a benchmark, but rather than being for the “ideal” authority, as in the IDeA Improvement Programme benchmark, the guidance defines the benchmark for a good 2<sub>ç</sub> service. An excellent service is awarded 3<sub>ç</sub>.

<b>Audit Commission Key Themes for Cross-Cutting Quality of Life Inspections</b>	
<b>Key theme</b>	<b>Outcome</b>
1. <b>Framework / drivers</b>	National, regional and local drivers are understood and translated to a local level.
2. <b>Impact</b>	The Council's sustainability initiatives make tangible differences on the ground.
3. <b>Integration</b>	Sustainability is mainstreamed within the Council.
4. <b>Stakeholder involvement</b>	The Council engages well with local communities.
5. <b>Partnerships</b>	Opportunities to work with other agencies are maximised.
6. <b>Resources</b>	Staff / budget etc are provided to deliver sustainability initiatives.

**Lessons Learnt:** Not evaluated.

**Further References:** *Quality of Life (Sustainable Development, Local Agenda 21, Community Strategy) Inspection Guidance and Judgement Criteria*, Audit Commission Best Value Inspection Service, December 2001.

# Sustainability Indicators

## Key findings

- This discussion focuses on area sustainability indicators, which we distinguish from sector specific and corporate sustainability indicators.
- (Area) sustainability indicators are usually intended to: inform policy; raise public awareness; raise awareness of decision-makers; *and / or* monitor progress towards sustainability.
- The case for sustainability indicators can be divided into the arguments for monitoring sustainability trends and the arguments for indicators.
- But there are also important arguments against the use of indicators.
- Factors to consider when developing indicators are:
  - Community or professional
  - Resonant or technical
  - Driving force, state and response
  - Themes and proxies
  - Local relevance versus comparability
  - Indicators or indices
- Sustainability indicators are widespread. We draw attention to some better known examples and include references.
- Evaluations of indicators have concentrated on their capacity to inform policy. They conclude that sustainability indicators have had little influence on policy making.
- Recommended practice for regions that are developing sustainability indicators is to:
  - Decide if the primary purpose of the indicators is to influence regional decision-making *if it is*:
  - First decide on the best mechanisms for integrating sustainability indicators into regional decision-making processes
  - Choose an indicator style and selection process that fits the primary purpose of the indicators
  - Ensure that principles 1 to 4 of the Bellagio Principles for sustainability indicators are met
  - Ensure that the selected indicators perform reasonably well against the qualities of good indicators
  - Avoid diverting most time and effort into selecting the indicators and collecting data, at the expense of interpreting, presenting, using and updating the indicators

## 1. Introduction

This briefing considers the potential use of area sustainability indicators as regional sustainable development tools. These indicators are normally known purely as sustainability indicators, and will be described as such throughout the rest of this note. The term `area' is added to distinguish them from:

- Sector specific indicators – such as sustainable agriculture, tourism or planning.
- Corporate sustainability indicators – designed to report on organisations' (public and private) sustainability performance.

This note looks at the arguments for and against sustainability indicators, considers what has been tried so far at regional, local and national levels, discusses their effectiveness and advises on good practice.

### **Mainstreaming Sustainable Development into Area Indicators**

Area indicators become sustainability indicators when they:

- Give equal weight to social, economic and environmental concerns
- Address the key sustainability issues expressed in national, regional or local SD strategies
- Involve stakeholders in their selection
- Consider equity within the local and with global communities
- Consider the long-term as well as immediate impact of activities

### **The Link to RSDFs**

Area sustainability indicators can be used to monitor progress towards RSDFs' long-term objectives and targets. They must be distinguished from indicators that measure partners' short to medium-term progress against RSDF action plans. Both are essential.

## 2. Why Sustainability Indicators?

Sustainability indicators became popular after the 1992 Rio Earth Summit. Agenda 21 argued that monitoring trends in sustainability was essential for the achievement of sustainable development, and that this information should be used to set targets and to prepare sustainability plans for achieving the targets.

Sustainability indicator sets have grown rapidly over the last decade. Usually they are intended to do one or more of the following:-

- i) Inform policy
- ii) Raise awareness of the general public

- iii) Raise awareness of decision-makers
- iv) Monitor progress towards sustainability

All of these objectives are closely intertwined. Monitoring progress may inform policy, raising awareness of the public may influence progress towards sustainability, and raising the awareness of decision-makers may help to inform policy.

<b>Table 1: The Case for Sustainability Indicators</b>	
<i>Monitoring sustainability trends</i>	While much monitoring of social, economic and environmental trends is already taking place, important sustainability trends are missing, and the information is not gathered together into a holistic integrated picture of progress towards or away from sustainability.
<i>Using indicators (as opposed to larger quantities of statistics and survey results)</i>	<ul style="list-style-type: none"> <li>• More easily absorbed and so capture the attention of the public and decision-makers.</li> <li>• Can focus attention on what matters.</li> <li>• Raise early alarms, allowing policy revisions before it is too late.</li> <li>• Cheaper to maintain.</li> </ul>

The case for sustainability indicators can be divided into the arguments for monitoring sustainability trends and the arguments for indicators. (See table 1.) But the attributes of indicators inevitably have a downside. Arguments against indicators (see table 2) include:

- i) They tell a partial story;
- ii) They focus attention on what can be measured instead of what matters;
- iii) Decisions are driven by indicators, rather than logic or need;
- iv) Too much effort is focused on monitoring rather than getting on with the job.

<b>Table 2: The Case against Sustainability Indicators</b>	
<i>Tell a partial story</i>	Indicators are designed to <i>indicate</i> and so tell a partial story. Inevitably, while an indicator might be moving in the 'right' direction, other aspects of sustainability may be moving in the opposite direction. The temptation is to try to fill in the gaps, but then the benefits of indicators are lost.
<i>Focus attention on what can be measured</i>	While huge amounts of effort have been put into designing the 'ideal' set of indicators, the final indicator set is always driven by data availability. Indicator processes can help to make the case for improved access to data, but there are always indicators that are missed because of data problems, while some important issues that are virtually immeasurable.
<i>Decisions are driven by indicators</i>	Senior managers and politicians may become very sensitive to indicator trends, and overreact when an indicator moves in the wrong direction, pulling resources from other important areas in order to concentrate efforts on improving the indicator.
<i>Too much effort is focused on monitoring</i>	Choosing and maintaining indicators is time consuming, to the detriment of efforts to improve sustainability. Monitoring can sometimes even become a substitute for implementing sustainability policies and plans.

### 3. Indicator Characteristics and Processes

There is an extensive literature on sustainability indicators, and on indicators more generally. Below we summarise the key discussions and debates.

#### ***Community or Professional Indicators***

Sustainability indicators have typically divided into two types:

1. Local community based sustainability indicators
2. `Professional' sustainability indicators

Table 3 presents a simple characterisation of each type. There is of course much overlap, and many indicator sets cross into both categories.

	<b>Community</b>	<b>Professional</b>
Characteristics	<ul style="list-style-type: none"> <li>• Represent local trends</li> <li>• Themes selected through community consultation</li> <li>• Small number of indicators</li> <li>• Indicators are chosen to have resonance for local people</li> </ul>	<ul style="list-style-type: none"> <li>• Represent local, regional or national trends.</li> <li>• Themes selected by professional stakeholders.</li> <li>• Larger number of indicators, sometimes with smaller sub-set of headline indicators.</li> </ul>
Purpose	Primarily to raise public awareness, but also to inform local decision-making.	Primarily to inform decision-making and to monitor progress. Headline indicators are intended to raise public awareness of sustainability.
Target Audience	Primarily general public, but also elected members and managers.	Full set: managers and politicians. Headline: public and politicians
Examples (See section 4.)	Numerous local sustainability indicators developed as part of Local Agenda 21. LGMB Local Sustainability Indicators Project.	United Nations Sustainable Development Indicators. Quality of Life Counts. Audit Commission Quality of Life Indicators.

#### ***Resonant or Technical Indicators***

Indicators for the general public (and sometimes politicians) are generally believed to be more successful if they are “resonant”, while managers (and perhaps politicians) are likely to require more robust “technical” indicators to justify and inform policies. Table 4 gives some examples.

<b>Resonant Indicator</b>	<b>Technical Indicator</b>
Proportion of children who travel to school by car	Passenger journeys by mode of transport
Number of trout in river	River water quality
Expected years of healthy life	Death rates by cause and social groupings

### ***Driving Force, State and Response***

The Organisation for Economic Co-operation and Development (OECD) was the first to coin the term 'pressure, state and response indicators.' More recent publications, e.g. by the UN, have replaced the term 'pressure' with 'driving force', which has both positive and negative connotations. Examples of each type of indicator, using indicators taken from the national sustainability indicator set *Quality of Life Counts*, are shown in table 5 below.

The idea behind this division is that state indicators alone are insufficient. To progress towards sustainability we also need to understand the key forces that are influencing these trends, and whether the response to these forces is adequate.

	<b>SD theme</b>	<b>Indicator</b>
<b>State</b>	Better health for all	H6 Expected years of healthy life
<b>Driving Force</b>	Shaping our surroundings	K2 New retail floor space in town centres and out of town
<b>Response</b>	Developing skills and rewarding work	C4 Businesses recognised as Investors in People

Adapted from Annex A, *Quality of Life Counts*, DETR 1999.

The framework is a useful way of ordering indicators, but not all indicators fit simply into one or other category. For example, vehicle miles may be treated as both a state indicator in terms of congestion, and a driving force for climate change emissions. The framework also tends to work best with environmental themes. The driving forces and potential responses to social or economic issues, such as crime or youth unemployment, are very diverse and often contentious.

There are also good arguments for not attempting to monitor all 3 types of indicators for every theme. The end result is inevitably a very large indicator set which detracts from the key benefits of indicators, i.e. that they are:

- Easy to absorb and capture the attention of the public and decision-makers.
- Focus attention on what matters.
- Are cheap to maintain.

For small indicator sets, state indicators are generally considered more desirable, as they describe sustainability trends in an area. But state indicators are usually much more expensive, if not impossible, to monitor. Frequently indicator sets fall back on driving force and response indicators.

### ***Themes and Proxy Indicators***

Typically an indicator selection process starts by identifying sustainability *themes* like the ones in table 5. It then goes on to identify indicators that might be used to represent the themes. Usually there is an almost endless list of indicators that the more ingenious can think of for each theme, as illustrated in table 6 for the theme of “increased participation in social networks.” The first indicator in the box above probably best reflects the true intent of the theme. But is this a viable indicator? It would require regular surveys. If these are to capture the experiences of different neighbourhoods and different social groups (elderly, unemployed, single parents, ethnic groups, etc.), the surveys would need to be very large and therefore expensive.

<b>Table 6: Themes and Proxy Indicators</b>	
<b>Theme</b>	<i>Increased participation in social networks</i>
<b>Potential indicators</b>	<ul style="list-style-type: none"> <li>▪ Average number of different types of social networks (sport, political, parenting, minority group etc.) in which local people say they participate at least once a month.</li> <li>▪ Proportion of people who say that they are satisfied with their social networks.</li> <li>▪ Proportion of people who say that they have done a favour for a neighbour in the last 6 months.</li> <li>▪ Proportion of people who say that they enjoy living in their area.</li> <li>▪ Average length of time that people stay in an area.</li> </ul>

For many reasons, what at first sight looks like the best indicator proves too difficult. Indicators further down the list are selected, and these are increasingly *proxies* for the theme that they are representing. There are of course degrees of approximation. So, in the example above, the indicator *proportion of people who say that they have done a favour for a neighbour in the last 6 months*, might be considered a closer approximation to its theme than *average length of time that people stay in an area*.

### ***Local Relevance versus Comparability***

To date the majority of indicator sets have been developed independently of other sets. This applies as much to the national UK set (which differs from the UN’s recommended sustainability indicator set), as regional and local indicators. There are now increasing efforts to apply common indicator sets, especially at the local level. There are arguments for both approaches (see box), but an inevitable tension between them.

## ARGUMENTS FOR LOCALLY DETERMINED OR COMMON INDICATORS

### Locally Determined

- Reflect local people's concerns and priorities
- Reflect the content of local SD strategies
- More resonance for local people and decision-makers

### Common Indicators

- Allow comparison of progress towards sustainability, and therefore place pressure on poor performers
- Strengthen the case for improving data availability for common indicators

## ***Indicators and Indices***

There have been numerous attempts to develop a single index of sustainable development. Indices combine several components and aggregate them (using some form of weighting) into a single unit. Examples of this approach include the United Nation's "Human Development Index" (HDI); the World Conservation Union (IUCN) "Well-being Index"; the World Economic Forum (WEF) "Environmental Sustainability Index"; and the World Wide Fund for Nature (WWF) "Living Planet Index". Single indices have the power of presenting a single measure of sustainability, but have the obvious drawback that, even more than indicators, they can mask important trends that are moving in the opposite direction. On their own they can do little to inform policy. The choice of weights is also very controversial, and can have a significant impact on the index's direction of change.

## **4. Experience to Date**

Sustainability indicators are widespread and it is impossible to summarise in this note everything that has been tried over the last decade. In this section we merely draw attention to some of the better known examples. Nor have we included examples of indicator sets. Instead we have included references for readers to follow-up.

### ***English Regions***

Several English regions have published area sustainable development indicators. The East of England published indicators with the RSDF. The South East have included 40 indicators in their first regional monitoring report. The East Midlands have included draft indicators within their state of the region report, and have also included indicators in their Integrated Regional Strategy. Most other regions are in the process of developing sustainability indicators linked to their RSDFs.

### ***Wales, Scotland and the UK***

The first set of UK sustainable development indicators was published in 1996<sup>30</sup>, following a commitment made in the 1994 sustainable development strategy. Like

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<sup>30</sup> *Indicators of Sustainable Development for the United Kingdom*, Department of the Environment, March 1996.

the strategy, the focus was strongly environmental. A new set of sustainable development indicators – *Quality of Life Counts* - was published in 1999<sup>31</sup> to support the new UK sustainable development strategy. It comprised 150 indicators, of which 15 were selected as headline indicators. Updates on the headline indicators are published annually, showing both national and regional trends.

The National Assembly for Wales has recently published its first set of 12 headline sustainable development indicators<sup>32</sup>, and is planning to develop a larger set of indicators. The Scottish Executive has also recently published 24 indicators within its new sustainable development strategy *Meeting the Needs*.<sup>33</sup>

## **Local**

Local sustainability indicators were first promoted in the UK by the Local Government Management Board (LGMB) in 1993/4. A menu of 113 local sustainability indicators were devised and piloted by a number of local authorities.<sup>34</sup> The ethos of the LGMB approach was that indicators should be locally chosen by local people. This brings the benefits of locally relevant indicators summarised above, but reduces comparability.

As Cartwright<sup>35</sup> notes “although there was a report on the LGMB pilot study, it was not known which local SDIs were being adopted.” Cartwright undertook a survey of 140 local authorities to find out which of the LGMB indicators were most popular. She found 20 indicators that were used by 40% of more local authorities, but also considerable variation in other indicators.

The next major local indicator exercise in the UK was promoted by the Central Local Information Partnership (CLIP) – a sub-group of the Central Local Partnership. CLIP issued a set of indicators that were piloted by a number of local authorities. The final report proposed a menu of 29 indicators.<sup>36</sup> These were somewhat overtaken by a similar exercise to develop quality of life indicators by the Audit Commission. The latter initially grew out of a concern that Best Value performance indicators give too narrow a picture of local circumstances, but have been increasingly presented as voluntary indicators to monitor the effectiveness of Community Strategies.

The Audit Commission published 69 candidate quality of life indicators in November 2000. These were piloted by 90 local authorities, including two Local Strategic Partnerships. A recommended set of 38 local quality of life indicators has recently been published.<sup>37</sup> A significant difference between the Audit Commission indicators and the original LGMB project, is that the former recommends that local authorities

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31 *Quality of Life Counts*, Department of the Environment, Transport and the Regions, December 1999.

32 *Sustainable Development Indicators for Wales - 2002*, National Assembly for Wales, Statistical Bulletin SB 36/2002.

33 *Meeting the Needs*, Scottish Executive 2002.

34 *Sustainability Indicators Research Project – Report of Phase One*, LGMB et al, 1994.

35 L. Cartwright, *Selecting Local Sustainable Development Indicators: Does Consensus Exist in their Choice and Purpose?*, Planning Practice and Research, Feb-May 2000, Vol 15, Issue 1/2.

36 *Local Quality of Life Counts – A Handbook for a menu of Local Indicators of Sustainable Development*, Central Local Information Partnership 2000.

37 *Quality of Life: using quality of life indicators*, Audit Commission, 2002.

or Local Strategic Partnerships adopt common indicators. In other words the Audit Commission is giving priority to comparability.

All of the Welsh local authorities have agreed to develop and pilot a set of Welsh Quality of Life indicators. The indicators build on the Audit Commission set for England. The pilot will run during 2003 and is being managed by the Local Government Data Unit – Wales.<sup>38</sup>

The European Common Indicators Programme is an initiative by the European Sustainable Cities Project to develop a common set of local indicators.<sup>39</sup> Ten common themes and one “umbrella” indicator have been selected and the participants (over 100 European cities) are currently developing, testing and refining indicators for these themes. The themes have a strong environmental bias.

### ***International***

Several international organisations have proposed or are monitoring national sustainable development indicators. These include the United Nation’s Commission for Sustainable Development (CSD)<sup>40</sup> and the European Commission. The UN set is weighted towards the preoccupations of developing countries. For example the indicators include: children reaching grade 5 of primary education; percent of population with access to safe water.

The European Commission have published sustainability indicators for EU member states using indicators adapted from the UN set.<sup>41</sup> The OECD have published a useful summary of national indicators published by OECD members, which includes lists of the indicators used in each country.<sup>42</sup> Summary tables from the OECD report are shown on the next page.

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38 For more information on the pilot go to Wales Local Government Data Unit website at [www.lgdu-wales.gov.uk/html/eng/our\\_projects/qol/eng\\_qol.htm](http://www.lgdu-wales.gov.uk/html/eng/our_projects/qol/eng_qol.htm).

39 *Towards a Local Sustainability Profile – European Common Indicators Interim Report April 2002*, available from the Sustainable Cities website at [www.sustainable-cities.org/indicators](http://www.sustainable-cities.org/indicators).

40 *Working List of Indicators for Sustainable Development*, United Nations Commission for Sustainable Development, available from [www.un.org/esa/sustdev](http://www.un.org/esa/sustdev).

41 *Measuring progress towards a more sustainable Europe – Proposed indicators for sustainable development. Data 1980–99*. Commission of the European Communities and Eurostat. Luxembourg: Office for Official Publications of the European Communities, 2001.

42 *Overview of Sustainable Development Indicators used by National and International Agencies*, OECD Statistics Working Paper 2002/1, available from the OECD website [www.oecd.org](http://www.oecd.org).

**Table 4a. Comparison of Different National SD Indicator Sets**

UNCSO Categories and themes	Austra- lia	Den- mark	Finland	Korea	Nether- lands	Portu- gal	Swed- en	Switzer- land	UK	United States
<b>• Equity</b>										
Poverty		4	4	4	4	4		4	4	4
Gender Equality	4		4	4	4		4	4	4	
<b>• Health</b>										
Nutritional Status				4						
Mortality	4	4	4	4	4	4			4	4
Sanitation				4		4		4		
Drinking Water		4	4	4		4			4	
Healthcare Delivery				4		4			4	
<b>• Education</b>										
Education level	4		4	4	4	4	4	4	4	4
Literacy						4		4	4	
<b>• Housing</b>										
Living Conditions		4		4	4			4	4	4
<b>• Security</b>										
Crime			4	4	4	4	4	4	4	4
<b>• Population</b>										
Population Change	4		4	4			4		4	4
<b>• Atmosphere</b>										
Climate Change	4	4	4	4	4	4	4	4	4	4
Ozone Layer Depletion		4	4	4		4			4	4
Air Quality	4		4	4		4		4	4	4
<b>• Land</b>										
Agriculture	4	4	4	4	4	4	4	4	4	4
Forests	4	4	4	4	4	4	4	4	4	4
Desertification						4				
Urbanization	4	4	4	4				4	4	
<b>• Oceans, Seas, and Coasts</b>										
Coastal Zone	4		4	4	4	4			4	
Fisheries	4	4	4	4		4	4		4	4
<b>• Fresh-Water</b>										
Water Quality	4	4	4	4	4	4		4	4	4
Water Quantity	4	4	4	4	4	4		4	4	4
<b>• Biodiversity</b>										
Ecosystems	4	4	4	4	4	4	4	4	4	4
Species	4	4	4	4	4	4	4	4	4	
<b>• Economic Structure</b>										
Economic Performance	4	4	4	4	4	4	4	4	4	4
Trade		4		4	4	4		4	4	
Financial Status	4	4	4	4	4	4	4	4	4	4
<b>• Consumption &amp; Production Patterns</b>										
Material Consumption		4	4	4	4		4		4	4
Energy Use	4	4	4	4	4	4	4	4	4	4
Waste Generation and Management		4	4	4		4	4	4	4	
Transportation		4	4	4		4	4	4	4	
<b>• Institutional Framework</b>										
Strategic Implementation of SD		4		4					4	
International Cooperation		4				4		4	4	
<b>• Institutional Capacity</b>										
Information Access			4	4		4		4		
Communication & Infrastructure			4	4						
Science and Technology			4	4	4	4	4	4		
Disaster Preparedness&Response				4				4		

Source: Overview of Sustainable Development Indicators used by National and International Agencies, OECD 2001.

**Table 4b. Other common themes and indicators**

Categories and themes	Denmark	Finland	Nether-lands	Portugal	Sweden	Switzer-land	United Kingdom	United States
<b>SOCIAL</b>								
Life styles and illnesses		4				4	4	
Health (pollution related illnesses)	4				4		4	
Ethnic Minorities		4	4			4	4	
Cultural Heritage		4					4	
Participation in arts and recreation			4					4
<b>ENVIRONMENTAL</b>								
Acidification	4	4	4				4	
Toxic contamination	4	4		4	4	4	4	4
Alien species								4
<b>ECONOMIC</b>								
Tourism	4			4			4	

Source: Overview of Sustainable Development Indicators used by National and International Agencies, OECD 2001.

Oxfam, Birdlife International and the New Economics Foundation have jointly published<sup>43</sup> 10 global headline indicators and 2 composite indices that are designed to monitor global sustainability trends. (See box.) They argue that most of the proposed global indicator sets are too complex and do not reflect important environmental issues.

### Headline Indicators and Indices for a Sustainable World

**Indicators:**

- Global emissions of carbon dioxide
- Land and sea area protection under national or international law or agreement
- Area of forest in the world
- Index measuring threat of extinction of wild birds
- Access to adequate water and sanitation
- Ratio of girls to boys in primary and secondary education
- Infant mortality – deaths per 1000 births
- People living on less that \$1 US per day
- Economic losses from unnatural disasters
- Fossil fuels and the global economy

**Indices:**

- Ecological footprint
- Environmental vulnerability index

From: *Measuring Real Progress – Headline Indicators for a Sustainable World.*

## 5. Are Sustainability Indicators Effective?

Determining whether or not indicators are effective depends, of course, very much on what the indicators are trying to achieve. One of the problems for evaluators has

<sup>43</sup> *Measuring Real Progress – Headline Indicators for a Sustainable World*, Birdlife International, New Economics Foundation and Oxfam, 2002. Available from the NEF website [www.neweconomics.org](http://www.neweconomics.org).

been the lack of clarity about the original purpose of indicator sets, and often this has evolved over time. The two evaluations that are available concentrate on the capacity of *local* indicators to inform policy (rather than influence public opinion). Both conclude that sustainability indicators have had little influence on policy making.

Bell and Morse<sup>44</sup> note that “while examples of sustainability indicator frameworks are legion, there have been relatively few examples of sustainability indicators being used at a senior level to routinely influence policy or as management tools.” They also quote Rigby et al<sup>45</sup> that “much of the measurement of indicators has, at the end of the day, largely resulted just in the measurement of indicators. The actual operationalisation of indicators to influence or change, for instance policy, is still in its infancy.” Bell and Morse note that there has been much debate about why sustainability indicators have not been as effective as hoped, and that “some have suggested that in part it may be due to a historical and continuing technical emphasis on improving measurement rather than (indicator) use.” They note that it has commonly been argued that indicators will be more effective with:

- (i) clear and simple presentation
- (ii) participation (in indicator selection) of those who are intended to ultimately benefit from the SIs

The PASTILLE project is an EU funded research project into the use of local sustainability indicators in four countries – Austria, France, Switzerland and the UK.<sup>46</sup> The research includes in-depth case studies of the use of sustainability indicators in Vienna, Lyon, Winterthur, and the London Borough of Southwark. The Pastille research “set-out to answer the question – do local level sustainability indicator sets significantly influence decision-making and, if not why not?”<sup>47</sup>

The Pastille project similarly concludes that “based upon our research thus far, no they do not readily and automatically lead to changes in decision-making nor make major policy impacts. Is this then to say that indicators are irrelevant and have no place in local policy or that they serve no useful purpose? The answer again is no. Indicators indeed can and do serve a purpose in the continuing debate about sustainable development...What is important...to understand is that indicators function **inside** the governance process. They are not exogenous factors parachuted in, which can act like a magic bullet causing decision-making to become instantly objective and scientific. Creating successful indicators relies far more on focusing on how they are integrated into the process of urban governance and far less on devising, designing and tweaking particular indicator sets.”

The New Economics Foundation and University of West of England are currently running a project to explore ways of making local quality of life indicators more

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44 S. Bell and S.Morse, *Breaking through the Glass Ceiling: who really cares about sustainability indicators?*, Local Environment, Vol 6, No 3, 2001.

45 D. Rigby, D. Howlett and P. Woodhouse, *A Review of Indicators of Agriculture and Rural Livelihood Sustainability*, Manchester Institute for Development Policy and Management, 2000.

46 *Indicators into Action*, The PASTILLE Consortium, LSE 2002.

47 *Indicators into Action: Local Sustainability Indicator Sets in their Context*, The PASTILLE Consortium, LSE 2002, page 81.

influential in policy making, and intend to publish a toolkit to help practitioners make indicators more influential.<sup>48</sup> The final report is due out shortly.

## 6. Recommended Practice

There is a wide range of literature on good sustainability indicators. Key messages are to:

- First agree the primary purpose of the indicators
- Decide on the best mechanisms for using the indicators
- Choose an indicator style and selection process that fits the primary purpose of the indicators
- Ensure that principles 1 to 4 of the Bellagio Principles for sustainability indicators are met
- Ensure that the selected indicators perform reasonably well against the qualities of good indicators
- Avoid diverting most time and effort into selecting the indicators, at the expense of interpreting, presenting, using and updating the indicators

### ***Agreeing the Primary Purpose***

One of the important lessons of sustainability indicators is that a single set of indicators rarely manages to effectively fulfil a variety of different purposes.

It may be feasible to have one indicator set from which sub-sets of indicators can be drawn and presented to different audiences. But if the set is to meet a variety of purposes it is likely to end up very large. Another important lesson is that large sets lose their capacity to focus attention, *and* frequently fail to be maintained. The history of sustainability indicators is littered with time consuming exercises to choose indicators that are only published once (if at all) and never updated. It is not uncommon for projects to never move beyond selecting the indicators, because enthusiasm wanes once data collection and presentation is reached.

So essential initial steps for developing sustainability indicators are to:

1. First agree the primary purpose of the indicator set
2. Design the indicator selection process and presentation style with the primary purpose in mind
3. Opt for a smaller number of indicators that will be regularly updated, rather than a larger set that is trying to do everything.

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<sup>48</sup> *Making Indicators Count – Making Measurement of Quality of Life more Influential in Local Governance*, New Economics Foundation and University of West of England, 2002.

Having concluded that sustainability indicators have rarely been very effective, the Pastille project has developed an indicator “test” to guide practitioners through key decisions and help them towards more successful indicators.<sup>49</sup> The test includes questions about:

- the purpose of the indicators
- the types of indicators
- the other tools with which the indicators operate
- the stakeholders to involve
- the resources and skills available for maintaining the indicators

### ***Decide on the Best Mechanisms for using the Indicators***

Before launching into indicator selection and design, first decide *how* these indicators will be used. Some examples might be:

To influence decision-makers:

- Sent annually to decision-makers in the same format and alongside annual circulars of social and economic information
- Presented annually to elected members

To inform policy:

- Presented and considered as part of the annual budgetary round

### ***Indicator Development and Style depends on their Primary Purpose***

A typical indicator selection process would normally: -

1. Ask stakeholders (general public, interest groups, or partners) to identify key quality of life / SD themes or concerns for their area
2. Use a sub-group to devise candidate indicators (and sometimes targets although these are usually very contentious) to represent each of the themes and investigate availability of data
3. Report back on candidate indicators (and targets) – with their pros and cons – to the stakeholders who make a final selection
4. Hand responsibility for publishing and maintaining the indicators to a lead organisation

But the choice of stakeholders, choice of indicators, and techniques for publishing the indicators, should be quite different depending on the primary purpose. The box below summarises generally accepted good practice for two different purposes.

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<sup>49</sup> *Indicators into Action – A Practitioners Guide*, The Pastille Consortium, London School of Economics and Political Science, 2002.

<b>Good Sustainability Indicator Practice</b>		
	<b>Public Awareness Raising</b>	<b>Informing Policy</b>
<b>Stakeholders to involve</b>	General public.	Organisations with a contribution to make to sustainability outcomes, but drawing on consultations about the public's concerns.
<b>Type of indicators</b>	All resonant.	Resonant and technical.
<b>Number of indicators</b>	20 or less.	No more than can be regularly maintained.
<b>Presentation</b>	Eye catching techniques and media that will reach the general public, e.g. newspaper articles, bar mats, sugar packets, hoardings, leisure centre displays.	Integrated (same format, timing and circulation as other information) into the decision-making process.

## ***Choosing Sustainability Indicators***

What (if anything) distinguishes 'sustainability' indicators, from a set that simply combines social, economic and environmental indicators? The OECD review of national sustainability indicators<sup>50</sup> notes that several countries refer to the Bellagio Principles.<sup>51</sup> (See box on next page.) There are 10 principles of which 5 to 10 cover similar issues to those discussed above. Principles 1 to 4 add extra dimensions, and should be considered when selecting sustainability indicators.

## ***Choosing Good Indicators***

Last but not least is making sure that the indicators selected have the qualities of good indicators. There is a multitude of lists of suitable qualities available, but they generally come down to the same essential items. A good starting point is the list used by the then DETR for the national headline sustainable development indicators<sup>52</sup>:

1. Resonance – *captures public attention*
  2. Robustness – *calculation is transparent and defensible*
  3. Credibility – *direction of change reflects public experience*
  4. Sensitivity – *responds to changes in the topic (or theme) it is intended to measure*
  5. Availability of data – *trend data available and statistically valid*
  6. Regularity – *data is regularly updated*
- plus that other vital criterion:
7. Cost / benefit – *the benefits of the indicator are sufficient to justify the costs*

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50 *Overview of Sustainable Development Indicators used by National and International Agencies*, OECD Statistics Working Paper 2002/1, available from the OECD website [www.oecd.org](http://www.oecd.org).

51 The Bellagio principles emerged as the synthesis of deliberations of an international group of measurement practitioners and researchers that came together in Bellagio, Italy in 1996.

52 *Quality of Life Counts: Indicators for a Strategy for Sustainable Development for the United Kingdom*, Department of the Environment Transport and the Regions, 1999.

## THE BELLAGIO PRINCIPLES

### **Principle 1. Guiding Vision and Goals**

Assessment of progress toward sustainable development should be guided by a clear vision of sustainable development and goals that define that vision

### **Principle 2. Holistic Perspective**

Assessment of progress toward sustainable development should:

- include review of the whole system as well as its parts
- consider the well-being of social, ecological, and economic sub-systems, their state as well as the direction and rate of change of that state, of their component parts, and the interaction between parts
- consider both positive and negative consequences of human activity, in a way that reflects the costs and benefits for human and ecological systems, in monetary and non-monetary terms

### **Principle 3. Essential Elements**

Assessment of progress toward sustainable development should:

- consider equity and disparity within the current population and between present and future generations, dealing with such concerns as resource use, over-consumption and poverty, human rights, and access to services, as appropriate
- consider the ecological conditions on which life depends
- consider economic development and other, non-market activities that contribute to human/social well-being

### **Principle 4. Adequate Scope**

Assessment of progress toward sustainable development should:

- adopt a time horizon long enough to capture both human and ecosystem timescales thus responding to needs of future generations as well as those current to short term decision-making
- define the space of study large enough to include not only local but also long distance impacts on people and ecosystems
- build on historic and current conditions to anticipate future conditions - where we want to go, where we could go

### **Principle 5. Practical Focus**

Assessment of progress toward sustainable development should be based on:

- an explicit set of categories or an organising framework that links vision and goals to indicators and assessment criteria
- a limited number of key issues for analysis
- a limited number of indicators or indicator combinations to provide a clearer signal of progress
- standardising measurement wherever possible to permit comparison
- comparing indicator values to targets, reference values, ranges, thresholds, or direction of trends, as appropriate

### **Principle 6. Openness**

Assessment of progress toward sustainable development should:

- make the methods and data used accessible to all
- make explicit all judgements, assumptions, and uncertainties in data and interpretations

### **Principle 7. Effective Communication**

Assessment of progress toward sustainable development should:

- be designed to address the needs of the audience and set of users
- draw from indicators and other tools that are stimulating and serve to engage decision-makers
- aim, from the outset, for simplicity in structure and use of clear and plain language

### **Principle 8. Broad Participation**

Assessment of progress toward sustainable development should:

- obtain broad representation of key grass-roots, professional, technical and social groups, including youth, women, and indigenous people - to ensure recognition of diverse and changing values
- ensure the participation of decision-makers to secure a firm link with adopted policies and resulting action

### **Principle 9. Ongoing Assessment**

Assessment of progress toward sustainable development should:

- develop a capacity for repeated measurement to determine trends
- be iterative, adaptive, and responsive to change and uncertainty because systems are complex and change frequently
- adjust goals, frameworks and indicators as new insights are gained
- promote development of collective learning and feedback to decision-making

### **Principle 10. Institutional Capacity**

Continuity of assessing progress toward sustainable development should be assured by:

- clearly assigning responsibility and providing ongoing support in the decision-making process
- providing institutional capacity for data collection, maintenance and documentation supporting development of local assessment capacity

*Assessing Sustainable Development: Principles in Practice.* Hardi and Zdan, 1997 International Institute for Sustainable Development, Winnipeg, Manitoba, Canada. ISBN 1-895536-07-3. See <http://iisd1.iisd.ca/measure/1.htm>

The DETR headline indicators were targeted at the press and public. Consequently resonance was a high priority. This may be less essential for indicators that are aimed at professionals.

While the list may seem obvious, it is surprising how often indicators are selected that fail to meet most of the criteria. On the other hand, it is also difficult to find any indicators that perform well against every criterion, and compromises will have to be made.

### ***Giving Time and Resources to all Stages***

Too often the majority of time and effort goes into choosing the indicators and collecting data. There are other equally important decisions and activities, and it is vital at the start to agree the following:

1. How the indicators will be integrated into decision-making, or raise public or decision-makers awareness.
2. How the indicators will be analysed and interpreted
3. How and where the indicators will be presented
4. What resources will be available to maintain the indicators – and therefore the maximum number of indicators that are viable
5. Which stakeholders to involve in the indicator selection process

Only *after* these vital (but often forgotten) questions are resolved, should thought be given to the issues that have too often dominated sustainability indicators, e.g.

- What themes to cover
- Which indicators are suitable
- What data is available

Although many hours of thought have been given to these latter questions, ultimately the perfect indicator set (which of course does not exist) is no use at all, if it does not achieve its purpose.

## **7. Lessons for the English Regions**

Many of the English regions have or are developing sustainability indicators. The first question to ask is – what exactly is the primary purpose of these indicators? Often they are presented as a means to monitor progress against the Regional Sustainable Development Framework, but behind this (we assume) is a desire to influence decision-making by regional bodies. If this is the case, then it is important to ensure that:

- Key regional stakeholders have been involved in selecting and debating the themes and indicators.

- The indicators chosen are suitable for their target audience. (Senior managers and elected members?)
- That they are imaginatively presented in a way that is suitable for their target audience.
- That resources are set aside for updating the indicators.

*and most important of all:*

- That thought is given at the start as to how these indicators will be integrated into decision-making processes.

To quote the Pastille advice:

*“Creating successful indicators relies far more on focusing on how they are integrated into the process of urban governance and far less on devising, designing and tweaking particular indicator sets.”*

Decisions on sustainability indicators should not be handed over to monitoring bodies (although they will have an important role in maintaining indicators.) Choosing and using sustainability indicators needs to be a political process that engenders debate. Those close to decision-making must be involved from the start in thinking about how and when indicators can be integrated into decision-making processes, e.g. presented at annual budgetary rounds, or at the time of key policy decisions.

# Voluntary Agreements

## Key findings

- Voluntary agreements are a sub-set of voluntary approaches to sustainable development
- Voluntary approaches include:
  - unilateral commitments by organisations to improve their SD performance
  - public voluntary schemes that organisations can opt to join
  - voluntary agreements *comprising*:
    - partnership agreements
    - negotiated agreements
- The terminology for voluntary approaches varies. In this briefing we apply the terminology above.
- Attitudes towards voluntary agreements vary. Some argue that they are a poor substitute for regulation, others that they open up opportunities for concerted action where regulation is inappropriate.
- For the regions, which do not have the regulatory powers of central government, negotiated agreements offer perhaps their strongest instrument.
- Experience ranges from:
  - Partnership agreements on joint working that include some references to sustainable development (English regions)
  - Dedicated sustainable development agreement (Wales)
  - Negotiated environmental agreements with penalties between government and industry (UK and Europe)
- While negotiated agreements are most commonly reached by national governments, a study of environmental agreements across Europe found that some in Italy, France and Germany are also between regional authorities and industries.
- Negotiated agreements with binding commitments and clear penalties are likely to be most effective, but less demanding partnership agreements can bring `softer' benefits.
- Partnership agreements may be valuable for building trust and commitment, before moving on to more concrete commitments.
- Voluntary agreements are potentially a valuable tool to help the Regional Assemblies deliver the targets in RSDFs.
- Good practice advice on voluntary agreements usually recommend the features of negotiated agreements, but Regional Assemblies may not have the powers to impose (or threaten) the penalties and rewards that are necessary to reach negotiated agreements.
- Partnership agreements are a good starting point for regions, but ideally as a first step to reaching more detailed negotiated agreements.
- We list key features for Assemblies to aim for in negotiated agreements.

## 1. Introduction

This briefing considers the potential use of voluntary agreements as regional sustainable development tools. It looks at what has been tried so far at both regional and national levels, and discusses emerging ideas on good practice. A variety of approaches are considered, including compacts, concordats, covenants and negotiated agreements.

### **Mainstreaming Sustainable Development into Voluntary Agreements**

Voluntary sustainable development agreements will:

- Focus on sustainable development objectives rather than refer to sustainable development within other agreements.
- Set out actions to be taken by the signatories to address important sustainability objectives.

### **The Link to RSDFs**

Voluntary agreements can be used to strengthen partners commitment to RSDF action plans.

## 2. What are Voluntary Agreements?

Voluntary agreements are a sub-set of voluntary *approaches* to sustainable development. Voluntary approaches include:

- unilateral commitments by organisations to improve their SD performance
- public voluntary schemes that organisations can opt to join
- voluntary agreements *comprising*:
  - partnership agreements
  - negotiated agreements

Voluntary agreements entail a written agreement between two parties, one of which is normally national, regional or local government. Terms such as “compacts” and “concordats” are also used. Negotiated agreements, sometimes described as “covenants” additionally include written commitments by signatories to undertake specified activities or meet agreed standards.

A recent study<sup>53</sup> for DEFRA into the effectiveness of voluntary environmental approaches divides them into four broad categories. This classification is based on

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<sup>53</sup> *The Potential Cost and Effectiveness of Voluntary Measures in Reducing the Environmental Impact of Pesticides*, a report by Eftec, CSERGE and ENTEC for DEFRA, February 2002.

private sector experience, but voluntary approaches are also common among the public sector. For example, many local authorities have introduced environmental management systems and signed up to *Making a Corporate Commitment*. Table 1 presents an adapted version of the categorisation used in the DEFRA study.

The terminology for voluntary approaches varies. In this briefing we apply the terminology in table 1 throughout.

**Table 1**

**Classification of Voluntary Environmental or Sustainable Development Approaches**

**Unilateral commitments:** where individual or groups of organisations set up SD / environmental improvement programmes without any external involvement and communicate these to their stakeholders (e.g. Responsible Care Programme of the chemical industry, sustainable development policies of local authorities);

**Public voluntary schemes:** where public bodies develop general schemes that define minimum standards of performance, and individual organisations decide whether to join (e.g. the Corporate Social Responsibility Scheme, Eco-Management and Audit Scheme, and Making a Corporate Commitment);

**Voluntary agreements:-**

**a) Partnership agreements:** where Government interacts with organisations (either individually or collectively) to define the commitments and / or obligations of both sides (e.g. the agreement between the Chemical Industries Association and DEFRA on energy efficiency improvements.)

**b) Negotiated agreements:** as partnership agreements, but characterised by written commitments by signatories to undertake specified activities or meet agreed targets or standards, often with penalties where these are not met.

Adapted from: *The Potential Cost and Effectiveness of Voluntary Measures in Reducing the Environmental Impact of Pesticides*

### 3. Are Voluntary Agreements Desirable?

Voluntary agreements lie somewhere between regulation and other voluntary approaches. Attitudes towards them vary. Some argue that they are a poor substitute for regulation, others that they open up opportunities for concerted action where regulation would be inappropriate.

Friends of the Earth has issued a strong challenge to all forms of voluntary approaches<sup>54</sup>. (See box below.) Although Friends of the Earth is attacking all types of voluntary approaches, many of their criticisms equally apply to poorly designed voluntary agreements. In contrast Green Alliance takes a positive view of negotiated

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<sup>54</sup> *Undemocratic, Ineffective and Inherently Weak – the Voluntary Approach*, Friends of the Earth, August 2002.

(as opposed to partnership) agreements and argues that they offer a more flexible approach to environmental protection.<sup>55</sup>

For the regions, which do not have the regulatory powers of central government, negotiated agreements offer perhaps their strongest instrument.

#### **Arguments against Voluntary Approaches – Friends of the Earth**

- Aim too low and end up fuzzy and confused
- The motivations for business to comply are too weak
- Monitoring, verification and enforcement are weak or absent
- Increase the power of big corporations and dominant sectors
- Reduce the rights of citizens to challenge big business
- Delay and distort future policy making

#### **The Case for Negotiated Agreements (rather than regulation) – Green Alliance**

- Shifts responsibility to business
- Stimulates innovation
- Disseminates best practice
- Does not damage industry competitiveness
- Less costly than regulation

## **4. Experience in the UK and Europe**

Experience ranges from:

- Partnership agreements on joint working that include some references to sustainable development (English regions)
- Dedicated sustainable development agreement (Wales)
- Negotiated environmental agreements with penalties between government and industry (UK and Europe)

### ***English Regions***

In the North West 3 concordats on joint working have been signed between the Regional Assembly and the:

- i) North West Development Agency and Government Office for the North West
  - ii) Environment Agency
  - iii) North West Employers' Organisation and Fire Assembly
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*55 Signed, sealed and delivered – the role of negotiated agreements in the UK, Green Alliance, April 2001.*

Each sets out the separate responsibilities of each organisation. These agreements are not primarily concerned with sustainable development, but the first two concordats contain references to sustainable development:

“Our common vision will be realised through our joint efforts to support and deliver the Regional Sustainability Framework (Action for Sustainability), the Regional Strategy and Regional Planning Guidance, (including the Regional Transport Strategy).” [Concordat with NWDA and GONW.]

“The NWRA and EA are jointly committed to the North West as a whole and the bid to secure the sustainability of its future development...We shall work in synergy to build a sustainable North West...Central to this bid will be our joint efforts to ensure the delivery of the Regional Sustainable Development Framework (Action for Sustainability).” [Concordat with Environment Agency.]

These are partnership agreements. They make a commitment to joint working, but do not commit signatories to specified activities to, for example, deliver the targets in Action for Sustainability. These concordats could form the basis for developing negotiated agreements, although our parallel project on Regional Sustainable Development Frameworks found that ‘there is some concern from the [framework] ‘authors’ about the NWDA’s commitment to the Framework”<sup>56</sup>, and therefore to the concordat. The project also found substantial interest among other regions for using concordats to reach agreements with the Regional Development Agencies and regional Government Offices.

## **Wales**

The National Assembly for Wales has recently negotiated a sustainable development compact with the Welsh Local Government Association (WLGA)<sup>57</sup>. This is an agreement between the Assembly and all of the Welsh local authorities, national parks and fire authorities, as represented by the WLGA. The compact builds on the *Partnership Scheme* between the Assembly and Welsh local authorities. The aim of the compact is:

*to promote close and harmonious relationships and good communications and to foster constructive co-operation.*

The compact contains commitments from both the Assembly and the WLGA. It is supported by annual joint action plans. The plan for 2002-3 is shown in appendix 1. The Wales compact is a negotiated agreement as it specifies activities and standards that the signatories will deliver. There are no explicit penalties attached to this agreement, but the Assembly do potentially have powers to penalise local authorities should they fail to deliver on the agreement.

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<sup>56</sup> *Research into Regional Sustainable Development Frameworks – Interim Report to the English Regions Network*, CAG Consultants and Oxford Brookes University, January 2003.

<sup>57</sup> *Compact between the Welsh Assembly Government and the Welsh Local Government Association on Sustainable Development*, 2002.

## **The UK**

There are several examples of UK-wide negotiated environmental agreements. The most significant are the government's climate change agreements with energy intensive industries. Individual agreements have been negotiated between the UK government and a number of large energy using companies. "Umbrella agreements" have also been agreed with 44 energy intensive industrial sectors. Under these agreements the firms and sectors are allowed an 80% reduction in the Climate Change levy in return for reporting on their energy consumption, preparing an energy plan, and meeting agreed energy consumption or carbon emission targets. These agreements also allow firms to engage in emissions trading to meet their targets.

The government has also been in discussion for some time with the Crop Protection Association about a voluntary agreement to reduce the environmental impact of pesticides as an alternative to tax on pesticide use. In April 2000 the Association submitted a proposal for a package of voluntary measures. In response, the then DETR commissioned a study to establish criteria for effective voluntary measures, and to apply these criteria to the Association's proposals.<sup>58</sup> (The source for table 1.) The study drew heavily on a major report into European voluntary environmental agreements by Börkey and others. (See below.)

In April 2001 the Crop Protection Association's introduced a voluntary package to encourage best practice on pesticide use among farmers and to reduce their environmental impact. This package failed to meet many of the criteria proposed by the DEFRA study. The House of Commons Environmental Audit Committee has recently attacked the slow rate of progress. It notes that the package is already a year behind schedule and that the target to get 30% of arable land under a plan by 2006 is insufficiently challenging.<sup>59</sup>

## **Europe**

Börkey and Lévêque conducted a major study into voluntary approaches to environmental protection across OECD member states in 1999.<sup>60</sup> They found examples of 300 negotiated agreements among European Union member states, with an increasing use of such agreements since the early 1990s. However, two thirds of these agreements were in two countries – Germany and the Netherlands. The majority of agreements were with the manufacturing and energy sectors, with a smaller number in agriculture, and one agreement with the tourism industry in Greece. Agreements around climate change and waste management were the most common.

While agreements with national government are by far the most common, Börkey and Lévêque note that "some agreements in Italy, France and Germany are also signed by regional authorities and industries. For instance, in Germany a series of agreements have recently been signed at the State (Land) level, e.g. the Bavarian

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58 *The Potential Cost and Effectiveness of Voluntary Measures in Reducing the Environmental Impact of Pesticides*, a report by Eftec, CSERGE and ENTEC for DEFRA, February 2002.

59 *MPs hit out at Voluntary Initiative on Pesticides*, The ENDS Report, December 2002, Issue number 335.

60 *Voluntary Approaches for Environmental Policy – An Assessment*, P. Börkey and F. Lévêque, OECD 1999.

Environment Pact was signed in 1995 by the Bavarian State Government and the Association of Bavarian Industry.”

The Dutch model of negotiated agreements is particularly interesting as these agreements are closely tied to the Netherlands National Environmental Policy Plan which has firm targets. The details of these agreements are administered and monitored by local government. (See box.)

#### **The Dutch Model of Negotiated Agreements**

Negotiated agreements for pollution abatement are called “covenants” in the Netherlands. They constitute the key instrument of Dutch environmental policy, which was defined by the NEPP (the National Environmental Policy Plan) in 1989 and the NEPP Plus in 1990. These plans set stringent quantitative pollution abatement targets for over 200 substances, meant to bring the national economy towards sustainability.

As of 1996, 107 covenants were in force in the Netherlands, covering all major polluting industries - (printing and packaging printers, base metals, chemicals, dairy, metal products and electronics, textiles, meat industry, paper and paper products, leather, rubber and plastic products, brick and roofing tiles, concrete and cement products, and other mineral products).

Covenants have the status of a contract under civil law. Firstly a declaration of intent is signed by the Government and a branch association. This contract has no legal value, but it serves as a framework for the second type of contract, namely a series of agreements between the government and individual firms willing to join the covenant scheme.

From: P. Börkey and F. Lévêque, OECD 1999.

## **5. Are Voluntary Agreements Effective?**

The DEFRA study into voluntary measures for pesticides notes that evidence on the effectiveness of agreements is relatively scarce, although the number of evaluation studies is growing. They conclude that:

*The limited empirical analyses that have been undertaken, suggest that the targets that were set in voluntary agreements in the past have not differed significantly from business-as-usual projections. However, given the absence of any credible threat of an alternative instrument in most cases, this outcome is not surprising. On a more positive note, the available evidence suggests that the targets are achieved in most cases.*

The implication of this statement is that negotiated agreements, entailing a binding agreement and clear penalties, are likely to be more effective. But less demanding agreements can bring ‘softer’ benefits.

*An important claim that is made for agreements, in comparison to other instruments, relates to their so-called ‘soft effects’. This relates to their ability to enhance the relations between the parties involved in the agreement; improve*

*levels of co-operation and trust; build consensus; and increase levels of environmental awareness. This claim appears to be confirmed by the empirical evidence that is available.*<sup>61</sup>

Partnership agreements may therefore be valuable for building trust and commitment, before moving on to more concrete negotiated agreements. But to achieve real improvements in sustainable outcomes, negotiated agreements are probably essential. According to the DEFRA Pesticides study, negotiated agreements are only likely to succeed if there is a potential penalty (such as future regulation) or reward (such as a reduction in the climate change levy) at least hovering in the background. The Regional Assemblies do not at present have the powers to impose such penalties or rewards, but new opportunities may arise with the advent of elected regional government.

## **6. Guidance on Good Practice for Voluntary Agreements**

Börkey and Lévêque, the DEFRA pesticide study, and Green Alliance all make recommendations on good practice for voluntary agreements. The latter two documents build on Börkey and Lévêque's work, and so not surprisingly there is much in common in their recommendations. All of these focus on agreements with industry, but many of the recommendations could be adapted to other sectors. Unsurprisingly, all of these documents make recommendations that promote the usual characteristics of negotiated agreements. This is to be expected given the findings on what makes agreements effective.

Börkey and Lévêque's recommendations are summarised in the box below.

Green Alliance has published a Negotiated Agreements Best Practice Checklist.<sup>62</sup> This is divided into 3 sections:

1. When to use a negotiated agreement
2. Process of developing a negotiated agreement
3. Content of agreement

The Checklist is summarised in appendix 2.

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61 *The Potential Cost and Effectiveness of Voluntary Measures in Reducing the Environmental Impact of Pesticides*, a report by Eftec, CSERGE and ENTEC for DEFRA, February 2002.

62 *Negotiated Agreements: best practice checklist*, Green Alliance 2001.

### **Recommendations on the implementation of Voluntary Approaches**

*Clearly defined targets* The targets should be transparent and clearly defined. VAs should define quantitative targets. Moreover, the setting of interim objectives is crucial since they permit all the parties to identify difficulties arising during implementation at an early stage.

*Characterisation of a business-as-usual scenario* Before setting the targets, estimates of a business-as-usual trend – what the emission levels or other target variables are likely to be, given natural technical progress within the considered industry – should be established in order to provide a baseline scenario.

*Credible regulatory threats* Made at the negotiation stage, a threat of regulation by public authorities provides companies with incentives to go beyond the business-as-usual trend.

*Credible and reliable monitoring* Provisions for monitoring and reporting are essential for keeping track of performance improvements. They constitute the key to avoiding failure to reach targets. Monitoring should be made at both the firm level and the sector level in the case of collective VAs. In certain contexts, monitoring by independent organisations may be used.

*Third party participation* Involving third parties in the process of setting the objectives and the performance monitoring of VAs increases their credibility. More generally, environmental performance should be made public and transparent. It provides industry with additional incentives to achieve their commitments.

*Individual penalties for non compliance* Provisions should be made for individual sanctions for non-complying firms, by either making binding commitments, or by establishing linkages between VA commitments and regulatory requirements (e.g., the integration of VAs requirements into operating permits).

*Information-oriented provisions* In order to maximise the informational soft effects of VAs, supporting technical assistance activities, technical workshops, and publishing best practice guides should be promoted.

*Provisions reducing the risk for competition distortions* In the case of collective VAs, safeguards against adverse effects on competition could be provided by notification of new VAs to anti-trust authorities.

From: P. Börkey and F. Lévêque, OECD 1999.

## **7. Do Agreements fit good practice for SD Tools?**

In our original proposal to the English Regions' Network we suggested the following criteria for regional sustainable development tools:

- i) Influences sustainable development outcomes
- ii) Promotes policy integration and resolves (or reduces) *crunch issues*.
- iii) Promotes linkages between different strategies across the region
- iv) Useful at the regional level
- v) Not prohibitively expensive (staff time, doesn't require external expertise)
- vi) Transparent
- vii) Involves stakeholders

As our summary in table 2 indicates, voluntary agreements have the capacity to meet most of these criteria, but whether they do depends on their design.

<b>Criteria</b>	<b>Comment</b>
Influences SD outcomes	Much more likely for negotiated agreements with penalties.
Resolves crunch issues	Not necessarily, depends on what is agreed.
Promotes linkages between strategies	Yes.
Useful at regional level	Yes, but negotiated agreements may be difficult to reach if the Assembly has no power to impose penalties or rewards.
Not prohibitively expensive	Negotiated agreements can be very expensive to negotiate and monitor. Therefore they are only worthwhile if the benefits are substantial.
Transparent	Only if there are clear statements on the commitments / actions to be taken by signatories, accompanied by monitoring, and both are publicly available.
Involves stakeholders	Always involves the signatories. Green Alliance also argue that negotiated agreements should be based on publicly agreed objectives.

## **8. Implications for the English Regions**

Voluntary *sustainability* agreements, or concordats, are potentially a valuable tool to help the Regional Assemblies deliver the targets in Regional Sustainable Development Frameworks. These agreements could focus purely on the RSDFs (rather than more broadly as in the North West example.) Effective joint working is essential for achieving sustainability. Partnership agreements to progress the RSDF (between the Assembly, Development Agency, Government Office and Regional Round Tables) could help to increase the commitment of regional partners to the Framework. They would also strengthen the ability of partners to challenge apparently unsustainable behaviour by signatories.

Although partnership agreements are valuable tools for building trust and commitment, the evidence suggests that if agreements are to really change behaviour from “business as usual” and genuinely influence sustainable outcomes, then they should be seen as a first step to reaching more detailed negotiated agreements. The National Assembly of Wales’ Compact is a good example of the kind of agreement that regional assemblies could seek to reach with regional partners.

The Assemblies do not have the powers to impose (or threaten) the penalties and rewards that are available to national government, to the National Assembly for Wales, and to some European regional governments. This inevitably will constrain the effectiveness of regional negotiated agreements that are reached, but they may still bring benefits.

Negotiated agreements require a lot of time and effort to negotiate, monitor and update. They should therefore only be employed where there are clear benefits for sustainability that move signatories beyond “business as usual”.

Key features that the Assemblies should aim for in negotiated agreements are shown in the box below.

#### **Desirable Features of Regional Negotiated Agreements**

1. Clearly defined targets, activities or standards to be met by signatories, with dates for achievement.
2. Stakeholder involvement in agreeing the targets, activities or standards.
3. Independent assessment of “business as usual” baselines, to inform the setting of more challenging targets.
4. Regular monitoring.
5. Publicly available information on the agreement and the performance of signatories.
6. Regular reviews and updating of action plans.

*And if the agreement is with industry:*

7. Minimise the risk to industry of damaging their competitive position.

## APPENDIX 1

### JOINT ACTION PLAN FOR THE WELSH LOCAL GOVERNMENT ASSOCIATION AND WELSH ASSEMBLY GOVERNMENT ON SUSTAINABLE DEVELOPMENT FOR 2002-03

The following issues will be the focus of Local and National Park Authority work for the current year, carried out through the Sustainable Development Co-ordinators Cymru network and others, and will form the basis for their contribution to promoting sustainability in their areas and throughout Wales.

Project	Who?	Target date?
<p><b>Education for Sustainable Development and Sustainability Appraisal Tools</b></p> <p>Although there is provision within the National Curriculum for education for sustainable development, the means by which it is provided will vary. Furthermore, education for sustainable development may only be included in a few subjects, notably Personal and Social Education and Geography. The Welsh Assembly Government, local government and the voluntary sector recognise the need to encourage all schools to provide education for sustainable development across the whole Curriculum. The Welsh Assembly Government has therefore established an Education for Sustainable Development Advisory Panel. Its members include representatives from the following organisations:</p> <ul style="list-style-type: none"> <li>• The Welsh Assembly Government</li> <li>• The Welsh Local Government Association</li> <li>• ACCAC</li> <li>• Estyn</li> <li>• Voluntary sector organisations</li> </ul> <p>The aim of the Advisory Panel is to promote education for sustainable development in schools throughout Wales. It is therefore considering how to:</p> <ul style="list-style-type: none"> <li>• Incorporate education for sustainable development effectively across the Curriculum;</li> <li>• Disseminate good practice in education for sustainable development to all schools in Wales.</li> </ul>	<p>Welsh Assembly Government, WLGA, others</p>	

<p><b>Sustainability Appraisal</b></p> <p>The Assembly has made a commitment to identify sustainability appraisal tools to be used in a number of key policy areas.</p>	<p>Welsh Assembly Government SD Unit</p>	<p>?</p>
<p><b>Procurement</b></p> <p>The Welsh Assembly Government, WLGA and local authorities shall ensure that their procurement strategies reflect sustainable development objectives, for example, by maximising the use of recycled materials and by purchasing energy produced by renewable means.</p> <p>The Welsh Assembly Government and the WLGA will collaborate to produce best practice guidance for sustainable procurement in the public sector.</p>	<p>Welsh Assembly Government</p> <p>LAs, NPAs</p>	<p>?</p>
<p><b>Regional Waste Strategies</b></p> <p>The Assembly's national waste strategy for Wales "Managing Waste Sustainably" and local authorities municipal waste management strategies (MWMS), will include and promote sustainable development practices.</p> <p>The WLGA in partnership with others will develop and promote 'exemplar schemes' for local authority waste management schemes to achieve high recycling targets quickly in accordance with the policy agreements between individual local authorities and the Assembly, and promote sustainable waste management.</p>	<p>Welsh Assembly Government, LAs.</p> <p>WLGA</p>	<p>March 2003</p> <p>March 2003</p>
<p><b>Promoting Stakeholder Involvement</b></p> <p>The National Assembly will sponsor an Annual Conference on sustainable development, including a keynote address by the Minister, so that progress can be reported and experience shared.</p> <p>Local government will support the preparations for the conference and will participate in the conference as appropriate.</p>		

<p><b>Community Plans</b></p> <p>The community planning process requires a strong input from the community at all stages. Councils will use the community planning process to include community groups and all other local stakeholders in planning the future of sustainable communities and will use the process to enshrine sustainable development principles in all activity.</p>		
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## APPENDIX 2

### SUMMARY OF THE GREEN ALLIANCE BEST PRACTICE CHECKLIST FOR NEGOTIATED AGREEMENTS

#### WHEN TO USE A NEGOTIATED AGREEMENT

<i>When to use</i>	<i>When not to use</i>
<b>Policy objective:</b>	
<ul style="list-style-type: none"> <li>• When there is a clearly defined policy objective</li> <li>• When there is consensus on this objective</li> </ul>	<ul style="list-style-type: none"> <li>• When objectives are loosely defined</li> <li>• When there is no public consensus on the objective</li> </ul>
<b>Choice of policy tool:</b>	
<ul style="list-style-type: none"> <li>• When the advantages of a outweigh the disadvantages, e.g. ability to go beyond regulatory standards, implementation flexibility and avoidance of unnecessary regulation.</li> </ul>	<ul style="list-style-type: none"> <li>• When the disadvantages outweigh the advantages, e.g. poor transparency, weak targets, free-riders, and failure to achieve minimum standards</li> </ul>
<b>Business participation:</b>	
<ul style="list-style-type: none"> <li>• When there are incentives for business to participate, such as exemptions from tax or the threat of new and prescriptive regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• When there is little incentive for business to participate.</li> </ul>
<b>Costs and benefits:</b>	
<ul style="list-style-type: none"> <li>• When the benefits outweigh the resource intensive costs of negotiating and monitoring the agreement.</li> </ul>	<ul style="list-style-type: none"> <li>• When the benefits are insufficient to justify the costs of an agreement.</li> </ul>
<b>Third party rights:</b>	
<ul style="list-style-type: none"> <li>• When third parties (e.g. residents or NGOs) will gain additional rights, or at least maintain their rights.</li> </ul>	<ul style="list-style-type: none"> <li>• When third party rights might be removed or denied by the agreement.</li> </ul>
<b>Practicality of negotiation:</b>	
<ul style="list-style-type: none"> <li>• When negotiation with the sector is practical, e.g. it is reasonably homogeneous and represented by a trade body.</li> </ul>	<ul style="list-style-type: none"> <li>• When negotiation with the sector is impractical, e.g. the sector is very diverse with poor membership of trade bodies.</li> </ul>

#### PROCESS OF DEVELOPING A NEGOTIATED AGREEMENT

What should be publicly and visibly stated in advance of the negotiation process:

- Objective of agreement
- Relationship to broader government objectives
- Scope of negotiations
- Arrangements for information exchange
- Justification for choosing a negotiated agreement
- Indicative timetable for development of agreement
- Recognition of negotiating entities
- Eligibility for participation in agreement
- Mechanism for third party involvement during process and prior to adoption of agreement

## CONTENT OF AGREEMENT

**Targets** should be clearly defined, ambitious and may be quantitative or qualitative (e.g. to implement a process by a particular date.) Baselines must be clearly defined. Research on business-as-usual projections may be required to develop challenging targets.

**A mechanism** to ensure that individual companies deliver the objectives is essential. A chain of responsibility flowing from government to trade associations through to individual companies is required.

**Government** as well as business may need to make commitments in the agreement, including for example to monitor progress, disseminate information and withhold new regulations.

**Sanctions for non-compliance** Clear sanctions that can be used in a timely manner are essential. Penalties for not complying with agreements, how they are applied, and the conditions under which they are triggered, need to be clearly and carefully defined.

**Duration** A start date needs to be stated, and short, medium, and long-term evaluation points should be included. The agreement should run for a sufficiently long period to allow industry to respond to ambitious targets.

**Fulfilment of agreement** What is necessary to fulfil the agreement must be clearly specified.

**Post agreement issues** also need to be addressed in the agreement, including: monitoring and verification; dissemination of best practice; revision mechanisms, dispute resolution.