

FINANCING
Local
FUTURES

Sustainability in practice





Supported by CIPFA, the LGA and the IDeA, *Financing Local Futures* is a web-based resource designed to help those involved in local government financial decision-making to develop their own organisations' contributions to sustainable development.

The guide explores the opportunities available through existing financial mechanisms, policies and powers to encourage a sustainable future, focusing on the role of financial decision-makers within local government. It points to ways in which local authorities can use finance not only to gain financial and economic benefits but also to contribute to the health, well-being and prosperity of their communities and to protect and enhance the environment.

Financing Local Futures includes:

- ➔ **An exploration of the opportunities and benefits that contributing to sustainable development can bring to your local authority and your local area.**
- ➔ **An introduction to the tools, levers and mechanisms that can be used to help your authority finance sustainable development, with links to more detailed resources.**
- ➔ **Ten top tips for local financial decision-makers wanting to maximise their own contribution to sustainable development in their authority.**
- ➔ **An online discussion forum where you can discuss your own experiences with others.**
- ➔ **Case studies from other councils, as well as the opportunity to add your own case study.**
- ➔ **Links to a whole range of useful resources about financing sustainable development.**

OPPORTUNITIES

Sustainable development opportunities for local government

Local government has a significant impact on the lives of every citizen in the country. Together local authorities spend over £80 billion a year on the day-to-day running of local services (over £2500 a second!), accounting for over a quarter all public expenditure in England. Local authorities in England employ over two million people (around 8% of the working population), own 11% of the housing stock and collect over 29 million tonnes of household waste per year (www.lga.gov.uk).

These huge resources are used to carry out a wide range of activities and services. Local authorities are administrators of schools, children and young people's service managers, local employers, waste collectors, roads constructors, land use planners, social service

providers, energy consumers, major procurers, public health promoters, recreation and leisure providers, housing providers, regenerators, stewards of local and global natural resources, and much more besides.

Local government has the potential to significantly contribute to sustainable development; through the sustainable use of its resources it can simultaneously support local economies, strengthen local communities and reduce their impact on climate change and the environment as a whole.

Given the breadth and scale of these services and operation, financial decision makers have a key role and influence in ensuring a sustainable future for us all.

WHAT'S IN IT FOR YOUR ORGANISATION?

Community leadership

Leadership on sustainable development sets an example both to the public and to partner organisations. Local authorities can enhance public trust and reputation, motivate their partners and the public to take action, improve levels of local engagement and participation, and help to build a common sense of responsibility around sustainability.

Financial benefits

More efficient use of energy and other resources can lead to direct financial savings, especially over the long-term. Environmental efficiency measures, such as insulation, recycling bins and low flush toilets, can all reduce running costs. Bigger projects can yield greater savings; Woking BC's energy efficiency fund resulted in £4.7m of cost savings over 10 years.

Value for money

Basing spending decisions against sustainability criteria is the only way to ensure value for money over the long term. This means taking a 'whole-life cost' approach that takes account of environmental, social and economic considerations. On the other hand, decisions based on up-front costs alone have been found to be a false economy.

Local benefits

Local communities, economies and environments can all benefit from local government commitment to sustainable development. Procuring sustainable, local food, for example, supports the local economy, reduces food miles and associated congestion costs, cuts greenhouse gas emissions and contributes to people's health.

Risk management

The management of all risks, including long-term environmental, social and economic risks contributes to good organisational management. The risks of not addressing sustainability include the increasing financial costs of finite resources, such as fossil fuels, reputational risk, the risks of environmental change and increased risks to public health.

Achieving wider aims

Sustainable development is becoming increasingly important at the local level. Councils are required to contribute to sustainable development through sustainable community strategies and the planning framework. A sustainable development approach also involves tackling issues such as climate change, health inequalities, well-being and place-shaping in an integrated, long-term way.

Financing sustainable development involves good financial house-keeping but is as much about social and environmental return as it is economic benefits.

Nigel Broadbent
Group Finance Manager, Kirklees MC

72.5% of local government finance directors feel that there is not enough information regarding sustainable development and how it relates to their role.

SDC and partners
Survey of SD financing in local government, October 2006.

CASE STUDY

Gateshead: Use of bio-fuel for council vehicles

Gateshead Council cut mileage by 269,000 miles in 2006, and saved £77k by quadrupling bio-fuel in 10% of their fleet and training drivers to be fuel efficient.

Gateshead Council won the Energy Saving Trust's *Fleet Hero Award*, in recognition of a drive towards sustainable development by the transport department. The Council were rewarded for introducing 20% bio-fuel to a tenth of all their vehicles. They also trained drivers in fuel efficiency and allocated them jobs closer to their homes – a trial which saved £77k in the first year.

"Since Kyoto the transport department have been thinking 'what can we do?'" said Graham Telfer, Fleet Manager for the Council. "The goal behind the project was to reduce our CO₂ emissions, but we had to make sure it wasn't going to be at a cost to the tax payer."

WHAT NOW?

Go to the website

www.sd-commission.org.uk/financinglocalfutures

Have your own say

The *Financing Local Futures* website includes a discussion forum where you have your own say, share your experiences with others, ask questions and give us feedback about the website:

www.sd-commission.org.uk/forum_public/

Tell us what are you doing

Are you or your council using finance to support sustainable development?
Would you like to share your knowledge and experiences with others?
We would like to hear from you.

Contact: maria.arnold@sd-commission.org.uk

What is the Sustainable Development Commission?

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

Through advocacy, advice and appraisal, we help put sustainable development at the core of Government policy. You can find out more on our website:

www.sd-commission.org.uk

For more about our work on local government, contact Denny Gray at denny.gray@sd-commission.org.uk or Maria Arnold at maria.arnold@sd-commission.org.uk

What is sustainable development?

Delivering sustainable development involves planning for the long-term, fully integrating economic, social and environmental factors into decision making and considering impacts beyond the local area.

For the public sector, the overarching framework for delivering sustainable development in the UK is set out in *One Future – Different Paths*, in which “the goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations”.

www.sustainable-development.gov.uk

Our partners



The Local Government Association (LGA) promotes the interests of English and Welsh local authorities – a total of just under 500 authorities. These represent over 50 million people and spend around £74 billion a year on local services.

www.lga.gov.uk



The Chartered Institute of Public Finance and Accountancy (CIPFA) is the leading professional accountancy body for public services, whether in the public or private sectors.

www.cipfa.org.uk



Improvement and Development Agency for local government (IDeA) works for local government improvement so councils can serve people and places better. Together with the Local Government Association we lead local government improvement.

www.idea.gov.uk