

***Comprehensive Area Assessment* consultation: response from the Sustainable Development Commission**

“the Commission will build sustainable development principles into all our regulatory work. For example, the new Comprehensive Area Assessment (CAA) will include measures on sustainable development, as will future use of resources judgements” Steve Bundred (Chief Executive) and Michael O’Higgins (Chairman) Audit Commission¹

1 Summary

Through taking a sustainable development approach, both singly and in partnership, public sector bodies can play a leading role in exemplifying and delivering integrated environmental, social and economic improvements at the local level. They can do this through the internal management of their businesses, the services that they commission and provide, and through the leadership of their communities.

The public service inspectorates have an important role to play in supporting the public sector to achieve this goal. The development of the CAA provides a timely opportunity to deliver a step-change to align the public service assessment framework with a growing number of policy drivers for sustainable development.

To do this, the inspectorates need to put sustainable development principles at the heart of the CAA. This will have dual benefits: a central focus on sustainable development will help support the achievement of more efficient and sustainable outcomes ‘on the ground’, and it will also support the delivery of the ambitions of the CAA by supporting better, more integrated public service delivery.

The consultation proposals already go some way to incorporating sustainable development into the new performance framework for local services and in this respect we welcome them as a very positive step forward compared to previous local performance assessment frameworks, such as the Comprehensive Performance Assessment. We particularly welcome the new focus on sustainability in the “use of resources 2009” proposals.

Equally, the area risk assessment proposals include a number of elements which we believe will support the achievement of sustainable development. These include a focus on: joint inspectorate working; the achievement of area outcomes; the priorities of Sustainable Community Strategies and their ‘delivery mechanism’, the LAA; the effectiveness of local strategic partnerships (LSPs); and whether LSPs are addressing the “needs of its communities now and in the future”.

Nevertheless, there are a number of areas in which we think the CAA, and the area risk assessment, could be strengthened. One of the Sustainable Development Commission’s main concerns is that the area risk assessment proposals make no explicit reference to sustainable development. As a result, the degree to which sustainable development will be a part of the assessment is left open to interpretation. The risk is that the government’s aim of putting sustainable development at the heart of Sustainable Community Strategies and their delivery mechanism, the LAA, will not be achieved.

We suggest a number of ways in which the area risk assessment could be strengthened:

¹ Audit Commission, *Sustainable development: the Audit Commission’s approach*, 2007, http://www.audit-commission.gov.uk/localgovernment/downloads/sustainable_development.pdf

- sustainable development should be adopted as the overarching approach to the assessment, thereby mirroring the government's draft statutory guidance which puts sustainable development at the heart of new statutory arrangements for local government and its local public sector partners²
- the assessment should look at the degree to which Sustainable Community Strategies meet their sustainable development requirements in the government's statutory guidance, the consultation for which has just closed
- all the specific service inspections by individual inspectorates should adopt a consistent approach to sustainable development; and
- just as the assessment will consider how well the needs of vulnerable people are being met whether or not this features as a target in the Local Area Agreement (LAA), progress against key sustainable development priorities, such as climate change mitigation and adaptation, should be also be considered regardless of whether they are part of the LAA.

In relation to other elements of the CAA, we also make a number of other suggestions, including:

- Performance Information: we welcome the focus on using accurate and reliable data to support analysis and good decision making. It should also be recognised that the use of a wide variety of data sources and indicators, including contextual and locally-specific information, can also contribute to a richer analysis of the sustainability of an area. Furthermore, pulling together data on different themes can help create 'lenses' which can also help the analysis of complex issues, such as sustainable development. In this respect, we look forward to further discussions with the Audit Commission, and the other inspectorates where appropriate, about how our proposals for Local Sustainable Development Lens can help inform their assessments
- Direction of Travel: Government guidance states that LSPs should have increased focus on sustainable development through their Sustainable Community Strategies (and therefore the related LAAs). To support this, the direction of travel should include a focus on the degree to which partnership working is leading to more integrated priorities and policies that achieve the goals of living within environmental limits and creating a just society by means of sustainable economy, good governance and sound science
- Finally, incorporating sustainable development into the new assessment methodology of the CAA is only the first part of the journey. To be successful, it will need to be accompanied by significant cultural changes in the way the inspectorates work. In particular, they will need to incorporate sustainable development into their learning and development systems so that they fully understand and reflect the concept throughout their work. In this respect, we welcome the commitments made by Audit Commission to incorporate sustainable development into all of its regulatory work, including its learning and development programmes, and we hope this approach is followed and supported by the other public service inspectorates.³

The SDC has developed a productive and evolving working relationship with the Audit Commission over the last year and we have also begun to engage with Ofsted and the Healthcare Commission too. As part of this on-going dialogue, we would welcome the opportunity to follow-up this response to the CAA consultation with the inspectorates and work with them to help strengthen the CAA's focus on sustainable development.

Furthermore, we hope that through our review of public service regulation we can help to identify ways in which the Audit Commission, Healthcare Commission (soon to be the Care Quality Commission) and Ofsted can further integrate sustainable development into their individual, and joint, inspection

² HM Government, *Creating Strong, Safe and Prosperous Communities, Statutory Guidance: Draft for Consultation*, November 2007

³ Audit Commission, *Sustainable development: the Audit Commission's approach*, 2007, http://www.audit-commission.gov.uk/localgovernment/downloads/sustainable_development.pdf

processes. We will also consider how we can effectively involve the other CAA inspectorates in our review process.

1 Introduction

The development of the Comprehensive Area Assessment (CAA) provides a timely opportunity to integrate the principles of sustainable development into the public service inspection framework in England. The Sustainable Development Commission (SDC) therefore welcomes the opportunity to respond to the CAA consultation, run jointly by the Audit Commission, Commission for Social Care Inspection, Healthcare Commission, HM Inspectorate of Constabulary, HM Inspectorate of Prisons, HM Inspectorate of Probation and Ofsted (see Annex A for more about the SDC).

2 Sustainable development and the public sector

"few problems could begin to rival the need to ensure a sustainable future and in particular the challenge posed by climate change. The evidence is compelling and the need for action urgent ... This is not an optional extra. It is essential for all our futures." The Rt Hon Alistair Darling, Chancellor of the Exchequer⁴

For the UK public sector, "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".⁵ The challenge of achieving this goal has never been more urgent, and public sector bodies have a pivotal role.

2.1 The potential for change

Through taking a sustainable development approach, both singly and in partnership, public sector bodies can play a leading role in exemplifying and delivering integrated environmental, social and economic improvements at the local level. They can do this through the internal management of their businesses, the services that they commission and provide, and through the leadership of their communities.

The combined resources public sector bodies have is enormous. In terms of employment, the local government and education sectors and the National Health Service (NHS) employ just over 15% of the UK workforce, with the figure growing to 20% for the wider public sector.⁶ The public sector also has significant purchasing power. The local government, health and education sectors in the UK together bought over £88 billion worth of goods and services in 2005/06.⁷

Consequently the public sector is responsible for significant environmental impacts. It is estimated that the schools estate alone is responsible for 10.4 million tonnes of carbon dioxide, which is just under 2% of UK carbon emissions and almost 15% of carbon emissions attributable to the public sector.⁸ The education sector is estimated to produce almost 700,000 tonnes of waste per year.⁹ Local government in England owns 11% of the housing stock and collects over 29 million tonnes of household waste per

⁴ Speech by the Chancellor of the Exchequer, the Rt Hon Alistair Darling MP, at HRH Prince of Wales's Accounting for Sustainability Conference at St James's Palace, 12 December 2007

⁵ HM Government, Scottish Executive, Welsh Assembly Government, Northern Ireland Office, *One future – different paths: the UK's shared framework for sustainable development*, March 2005

⁶ Office of National Statistics, *Labour Market Trends*, 'Public Sector Employment 2006', December 2006, http://www.statistics.gov.uk/articles/nojournal/PSE_2006.pdf

⁷ Her Majesty's Treasury (April 2007), *Public Expenditure: Statistical analysis 2007*. Available at http://www.hm-treasury.gov.uk/media/E/B/pesa07_complete.pdf

⁸ SDC (April 2006), *Schools carbon footprinting, scoping study – final report*. Available at http://www.sd-commission.org.uk/publications/downloads/SDC_Carbon_Footprint_report_to_DfES.pdf

⁹ Waste Watch (2005) *Resource Management in the Education Sector*

year.¹⁰ And around 800,000 meals are served in hospitals every day with impacts from food production, processing and transportation.¹¹

2.2 National policy drivers

Since the publication of the UK Government's Sustainable Development Strategy, *Securing the Future*, sustainable development has become an increasingly important part of the public sector policy agenda. For instance:

- The Government's draft statutory guidance, *Creating Strong, Safe and Prosperous Communities*, places sustainable development at the heart of new arrangements for local services. It states that the Sustainable Community Strategy (SCS) should be the 'overarching plan' for the local area, with sustainable development firmly at the heart of its content. Local Area Agreements (LAAs) are statutorily required to be based on SCSs and, as the 'delivery mechanism' for SCSs, should therefore also be firmly based around the achievement of sustainable development. To demonstrate what is meant by this, the guidance explains that for a local priority or policy to be sustainable, it should be respect the five principles of sustainable development¹² (see Annex B)
- The NHS has recently incorporated sustainable development into its guiding principles and is establishing a sustainable development unit to drive this forward. This builds on the 2004 White Paper, *Choosing Health: making healthy choices easier*, which identified good corporate citizenship as one of the five new priorities for the next ten years; good corporate citizenship describes how NHS organisations can embrace sustainable development and tackle health inequalities through their day-to-day activities. 43% (and rising) of NHS Trusts in England are now using the NHS/SDC Good Corporate Citizenship model to help them do this¹³
- DCSF's Sustainable Schools programme is recognised by Ofsted as a way of evaluating school performance (included in the Self Evaluation Form). Meanwhile, the recently published Children's Plan aims to address important sustainable communities issues, working across government departments to tackle issues such as planning and road traffic to improve children's wellbeing
- The local government and health sectors have published plans for taking forward sustainable procurement. The *Local Government Procurement Strategy* outlines a commitment to spend local authorities' £40 billion a year procurement budget in a way that achieves both value for money on a whole life cycle basis, and wider economic, social and environmental benefits.¹⁴ NHS PASA's sustainable procurement action plan, *Procuring for Health and Sustainability 2012*, covers the whole of the health and social care sector¹⁵
- There have been a number of government initiatives in relation to environmental sustainability and climate change which will have implications for the wider public sector. These include: the eco-towns initiative, the Code for Sustainable Homes, a new PPS on climate change, NIS indicators on climate change, the Carbon Reduction Commitment and the Climate Change Bill.

¹⁰ www.lga.gov.uk

¹¹ SDC (2004) *Healthy Futures: food and sustainable development*. Available at <http://www.sd-commission.org.uk/publications.php?id=71>

¹² HM Government, Scottish Executive, Welsh Assembly Government, Northern Ireland Office, *One future – different paths: the UK's shared framework for sustainable development*, March 2005

¹³ <http://www.corporatecitizen.nhs.uk/>

¹⁴ Centre of Excellence North East, Improvement and Development Agency and the Local Government Association (November 2007) *Local Government Procurement Strategy*. Available at <http://www.lga.gov.uk/Documents/Publication/sustainableprocurement.pdf>

¹⁵ NHS PASA and Department of Health (November 2007) *Procuring for Health and Sustainability 2012: Sustainable procurement action plan*. Available at

<http://www.pasa.nhs.uk/PASAWeb/NHSprocurement/Sustainabledevelopment/PolicyStrategyandActionPlan20069.htm>

2.3 Improving local delivery

Taking a sustainable development approach is not only about responding to national policy drivers and requirements however. It also has some very tangible benefits for public sector bodies and the local areas they work in:

- It can help ensure that local public sector bodies are achieving long-term efficiency and truly sustainable outcomes for their communities. It can also ensure that they are playing their part in tackling regional, national and international sustainable development issues, such as climate change, all of which have a cost to the public purse, as poor health, social exclusion, unhappy people and unhealthy environments quickly become costs to be dealt with in terms of healthcare, housing, benefits, pollution clean-up and the cost to society of mental health problems; and
- It can also help support better, more integrated public service delivery, for example by contributing to educational improvement and public health outcomes. The DCSF's Sustainable Schools strategy is illustrative of this approach. Important progress is being made on the environmental performance of the schools estate, and also the level of awareness and understanding about sustainable living among young people. However, such is the interest level of young people in sustainability issues – which are perceived to be exciting and relevant to their lives – that many schools are reporting improvements to pupils' basic achievement and behaviour, and more positive engagement with their communities.

2.4 The role of public service inspectorates

The public service inspectorates have an important role to play in supporting the public sector to achieve the goal of sustainable development. This role is recognised by the Audit Commission: *"the Audit Commission and our partners ... have an important role to play in encouraging local partnerships to place sustainability at the heart of their plans for local communities."*¹⁶ We also welcome the commitments made by Audit Commission to incorporate sustainable development into all of its regulatory work, and we hope this approach is followed and supported by the other public service inspectorates.¹⁷

In this respect, the CAA provides a timely opportunity to deliver real improvements in the way sustainable development outcomes are monitored, assessed and ultimately delivered in public services. The need for action on sustainable development is urgent; the scale of the task immense. Failure by the inspectorates to embed sustainable development into their work, now and for the foreseeable future, will be an opportunity missed and a set-back for sustainable development.

3 The CAA: overview

So how far do the proposals in the CAA consultation document go to incorporating sustainable development?

There is much to welcome:

- The focus on assessing 'the prospects of place for areas and quality of life for local people' is consistent with a sustainable development approach. In addition, many of the other terms used in the proposals chime with sustainable development. These include, for example 'sustainability',

¹⁶ Speech by Michael O'Higgins, Chairman of the Audit Commission, at the LGA/Energy Savings Trust Climate Change Conference, 4 December 2007

¹⁷ Audit Commission, *Sustainable development: the Audit Commission's approach*, 2007, http://www.audit-commission.gov.uk/localgovernment/downloads/sustainable_development.pdf

‘sustainable communities’, sustainable community strategies’, ‘current and future needs’, and ‘social, economic and environmental issues’. Applied appropriately, these will help to integrate a sustainable development approach into the CAA methodology

- The area risk assessment contains a number of elements which support a sustainable development approach, including the joint inspectorate approach, the focus on outcomes, Sustainable Community Strategies and LAAs, and the expectation the LSPs should focus on needs ‘now and in the future’. We expand on these below
- The new focus on sustainability in the Use of Resources judgement is also particularly welcome.

There are still areas, however, where the focus on sustainable development could be strengthened or could be made much more explicit. These include:

- Sustainable development is a ‘whole-systems’ approach. It is about living within environmental limits and ensuring a strong, healthy and just society, supported by means of a sustainable economy, good governance, and the use of sound science. The Government’s draft statutory guidance endorses this approach (see section 2.2);

There are a number of terms in the CAA proposals that, applied in the right way, should support this approach. Nevertheless, it is not sufficiently obvious from the proposals that the inspectorates plan to make sustainable development an integral part of the CAA. There are no explicit references to sustainable development in the area risk assessment proposals, for example. There is a danger therefore that sustainable development could become marginalised as the CAA proposals develop, particularly in the area risk assessment;

- Related to this, the ‘environmental limits’ dimension of sustainable development seems particularly peripheral when compared to the focus in the proposals on inequalities or vulnerable groups for example;
- Taking sustainable development into account will also require significant cultural changes in the way the inspectorates’ work. For example, they will need to incorporate sustainable development into their learning and development systems so that they fully understand and reflect what is a complex concept.

These are some of our broad observations on the CAA proposals. We now turn to each of the constituent parts of the CAA, the degree to which they support a sustainable development approach, and how they might be strengthened in this respect.

4 Area risk assessment

“The forward-looking risk assessment that the inspectorates will jointly undertake will, in essence, be assessing the prospects for the area and for the quality of life for local people. And those prospects include the long term future of that place, with environmental sustainability as part of that” Michael O’Higgins, Chairman, Audit Commission¹⁸

4.1 Area risk assessment: strengths

There a number of elements of the area risk assessment proposals that support a sustainable development approach. These include:

¹⁸ Speech by Michael O’Higgins, Chairman of the Audit Commission, at the LGA/Energy Savings Trust Climate Change Conference, 4- December 2007

- The **joint-inspectorate approach** to risk assessment: the integration of environmental, social and economic policy goals and delivery is a key aspect of sustainable development, and the joint-inspectorate approach should support an integrated approach to local assessment
- The focus on the achievement of local and national priority **outcomes**: if local areas are to be truly sustainable, a key goal of the CAA should be to assess the degree to which sustainable development outcomes are being achieved in local areas
- The focus on the priorities of the **Sustainable Community Strategy (SCS)**: the government's draft statutory guidance states that "the shift to *Sustainable* Community Strategies emphasises, to a greater extent than previously, that sustainability should be at the heart of decisions taken on the content of the strategy."¹⁹ The guidance also states that local priorities and policies should be based on the principles of sustainable development if they are to be sustainable (see Annex B). However, as we point out below, this focus needs to include an assessment of the degree to which the Sustainable Community Strategies meet their requirements on sustainable development in the Government's statutory guidance once it is finalised
- The focus on the **Local Area Agreement (LAA)**: draft government guidance states that the LAA should be "the shorter-term delivery mechanism for the Local Strategic Partnership's Sustainable Community Strategy."²⁰ In theory, this should mean that the LAA is based on sustainable development priorities. In practice, this will depend on whether the SCS (or SCSs in two-tier areas) really does have sustainability at its heart, and whether the LAA is really based on the SCS
- The focus on the **effectiveness of local strategic partnerships (LSP)**: draft government guidance states that the SCS's "economic, social and environmental priorities should therefore demonstrate how they support each other in an integrated way."²¹ This should also, by implication, be the approach in the LAA. Partnership working will be a key means to delivering this type of joined-up approach
- The focus on whether an LSPs is **addressing the "needs of its communities now and in the future"**. Taking a long-term view of an area's needs is a fundamental part of a sustainable development approach. Climate change is the most high-profile and urgent example of an issue which requires a long-term view: if we don't take action now, the quality of life of future generations will suffer. A long-term view is also important when addressing other priorities. Local authorities are already having facing the consequences of unforeseen demographic changes. And, as the *Children's Plan* recognises, the quality of public space has long-term impacts on obesity, mental health, safeguarding and play.

4.2 **Area risk assessment: embedding sustainable development**

As discussed in section 3, the area risk assessment proposals make no explicit reference to sustainable development. As such, it is far from clear at this stage whether the area risk assessment will be effective in assessing whether sustainable development outcomes are being achieved in local areas.

Furthermore, we are concerned that assessment in relation to sustainable development could be dependent on whether a local area thinks it is important or not:

¹⁹ HM Government, *Creating Strong, Safe and Prosperous Communities, Statutory Guidance: Draft for Consultation*, November 2007

²⁰ HM Government, *Creating Strong, Safe and Prosperous Communities, Statutory Guidance: Draft for Consultation*, November 2007

²¹ HM Government, *Creating Strong, Safe and Prosperous Communities, Statutory Guidance: Draft for Consultation*, November 2007

“The new annual assessment of risk will need to examine sustainability in an area where this has been identified as a local priority, or the evidence suggests it should be a local priority”
Michael O’Higgins, Chairman, Audit Commission²²

In our view, **sustainable development principles should be central to the area risk assessment methodology**. We therefore suggest a number of ways in which the proposals could be strengthened in relation to sustainable development. These include:

- **Adopting sustainable development as an overarching approach to assessment:** the government’s draft statutory guidance states that for a policy to be sustainable, it should respect the five principles of sustainable development (see Annex B).²³ These principles provide a framework for all policy-making in the UK:

“We want to achieve our goals of living within environmental limits and a just society, and we will do it by means of a sustainable economy, good governance, and sound science”²⁴

These principles should also be at the heart of the area risk assessment, so that the CAA fully reflects this statutory guidance. Failure to do so is to trail behind not only the government’s own guidance but also many of the initiatives in other areas of government (see section 2.2)

- **The assessment should look at the degree to which Sustainable Community Strategies meet their statutory requirements in relation to sustainable development.** The government’s draft statutory guidance says that to a greater extent than previously, sustainability should be at the heart of decisions taken on the content of the SCS. To date, (Sustainable) Community Strategies have frequently lacked the weight and political commitment of the leadership of the authority to establish them as the central strategy of the local area, over-arching and shaping all other goals and objectives. They have also often failed to make sustainable development their central feature. Part of the reason for this is that there has not previously been any means by which to judge whether SCSs are truly sustainable
- The area risk assessment will be informed by specific service inspections carried out by individual inspectorates. In order for the overall area risk assessment to be consistent with regards to sustainable development, it is important that all the inspectorates involved in the CAA agree and adopt a consistent approach to sustainable development
- The risk assessment should examine impacts beyond the local area as this is a key element of sustainable development
- The consultation says that the “risk assessment will not be limited to the contents of the LAA. For example, it will consider how well the needs of vulnerable people and the need to minimise harm to the public will be met, whether or not this features as a target in the Local Area Agreement”. We are concerned that the same approach will not be taken in relation to sustainable development, despite the centrality of sustainable development in the government’s guidance and the urgency with which action must be taken: *“The new annual assessment of risk will need to examine sustainability in an area where this has been identified as a local priority, or the evidence suggests it should be a local*

²² Speech by Michael O’Higgins, Chairman of the Audit Commission, at the LGA/Energy Savings Trust Climate Change Conference, 4 December 2007

²³ HM Government, *Creating Strong, Safe and Prosperous Communities, Statutory Guidance: Draft for Consultation*, November 2007

²⁴ HM Government, Scottish Executive, Welsh Assembly Government, Northern Ireland Office, *One future – different paths: the UK’s shared framework for sustainable development*, 2005

priority".²⁵ To avoid being seen as an 'optional extra', **progress against key sustainable development priorities, such as climate change mitigation and adaptation, should also be assessed regardless of whether it is identified as a local priority in the LAA.**

5 Performance information

We agree that accurate and reliable data is important to support sound analysis and good decision making. The way this information is organised and presented is also important as this determines how well the inspectorates and local areas themselves can make appropriate decisions about priorities. It should also be recognised that the use of a wide variety of data sources and indicators, including contextual and locally-specific information, can also contribute to a richer analysis of the sustainability of an area.

Furthermore, pulling together data on different themes can help create 'lenses' through which different issues can be examined. The SDC has been working with the Audit Commission, Defra, CLG, the LGA and the Environment Agency to put together proposals for a Local Sustainable Development Lens (LSDL), based around the National Indicator Set. One of the main objectives of the lens is to help local authorities and their partners to determine the way in which they achieve social, economic and environmental performance in a more balanced, integrated and strategic way, especially in relation to the development of Sustainable Community Strategies and LAAs. **We look forward to further discussions with Audit Commission and the other inspectorates where appropriate, about how the LSDL can help inform their assessments.**

6 Direction of travel

The proposals outline that the direction of travel assessment will continue to be an important part of local service assessment and that the methodology for it will essentially be the same as it has been in previous years.

We are pleased that there will continue to be a focus on assessing how effectively an authority is contributing to wider sustainable community outcomes and using its community leadership role to drive improvement in the area. A key test of the direction of travel assessments will be how well this is applied in the future and the degree to which this part of the assessment is seen as important for receiving a good assessment overall.

The consultation also proposes some additions to the direction of travel assessment. There is a new focus on partnership working, which is important, although the proposals do not specify 'to what end' the partnership working should be focused. In line with the expectation in government guidance that LSPs should have increased focus on sustainable development through their Sustainable Community Strategies (and therefore their LAAs), we would therefore suggest the direction of travel should also focus on the degree to which partnership working is leading to more integrated priorities and policies that achieve the goals of living within environmental limits and a just society by means of sustainable economy, good governance and sound science.

7 Use of resources

In section 2.1, we outlined the significant combined resources of the public sector. If these resources were directed towards the achievement of sustainable development, the impact would be huge. These resources are not just about the financial or human assets of an authority. They are also about the

²⁵ Speech by Michael O'Higgins, Chairman of the Audit Commission, at the LGA/Energy Savings Trust Climate Change Conference, 4 December 2007

physical assets and natural resources that they directly manage, the goods and services that they commission and procure, and the policies and plans that they create which determine how the economic, social and environmental resources of the whole area and beyond are shaped.

We therefore strongly welcome the new focus on sustainability in the proposals for the use of resources 2009. This marks an important change for the Audit Commission and one we hope will be built on as the use of resources judgement evolves in future years. Whilst the consultation does not include full details of the use of resources 2009, we particularly welcome:

- The recognition that 'value for money' goes beyond financial cost and should incorporate wider environmental, social and economic outcomes. Whole-life costing should therefore play a key role in assessing whether value for money is being achieved. It is also important therefore that the Audit Commission use the term 'efficiency' in its broadest sense, reflecting this broader definition of value for money
- The focus on the degree to which organisations commission and procure services that meet local needs and delivery sustainable outcomes and value for money. Sustainable procurement is key way of ensuring that public spending delivers value for money in its fullest sense. The sustainable procurement agenda is gathering pace across the UK, and the SDC has a role in assessing UK Government performance. As part of our on-going engagement with the Audit Commission and the other inspectorates, we would be pleased to discuss how we can help to ensure that suppliers receive consistent messages from the entire public sector and work towards common methods of categorising and measuring the overall impacts of procurement activities within supplier organisations and down supply chains and across communities
- The focus on how well organisations are making effective use of natural resources in ways which meet current and future needs;
- The focus on how well an organisation manages its assets effectively and sustainably to help deliver its strategic priorities and service needs

Whilst there is much to welcome in the consultation proposals, the degree to which the use of resources 2009 effectively incorporates sustainable development will depend on the detail which underpins these proposals. This will not be published until around April 2008. Until then, the SDC offers a conditional welcome to the proposals for this element of the CAA.

8 Next steps

The SDC has developed a productive and growing working relationship with the Audit Commission over the last year and we have also begun to engage with Ofsted and the Healthcare Commission too. As part of this on-going dialogue, we would welcome the opportunity to follow-up this response to the CAA consultation with the inspectorates and work with them to help strengthen the CAA's focus on sustainable development.

Furthermore, we hope that through our review of public service regulation we can help to identify ways in which the Audit Commission, Healthcare Commission (soon to be the Care Quality Commission) and Ofsted can further integrate sustainable development into their individual, and joint, inspection processes. We will also consider how we can effectively involve the other CAA inspectorates in our review process.

15 February 2008
Sustainable Development Commission

Annex A: About the Sustainable Development Commission

The SDC is the Government's independent advisory body 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. The 2005 UK Government Sustainable Development Strategy (UK SDS), *Securing the future*,²⁶ also charges the SDC with the role of 'watchdog' for sustainable development.

Our work programme includes work streams on local and regional government, health, education and children's services, recognising the huge potential contribution that the public sector can make to sustainable development.

We also recognise that the public service inspectorates and regulators have an important role to play in shaping public service responses to the challenges of sustainable development. So our review of public service regulation is assessing whether regulators and auditors of public services across the UK are using their powers and resources to promote sustainable development in the bodies they regulate. And through our local government work stream, we have also been providing advice to the Audit Commission on the development and implementation of its 'sustainable development approach'.²⁷

For more on the work of the SDC, go to www.sd-commission.org.uk.

²⁶ HM Government, *Securing the future: delivering UK sustainable development strategy*, March 2005.

²⁷ Audit Commission, *Sustainable development: the Audit Commission's approach*, 2007, http://www.audit-commission.gov.uk/localgovernment/downloads/sustainable_development.pdf

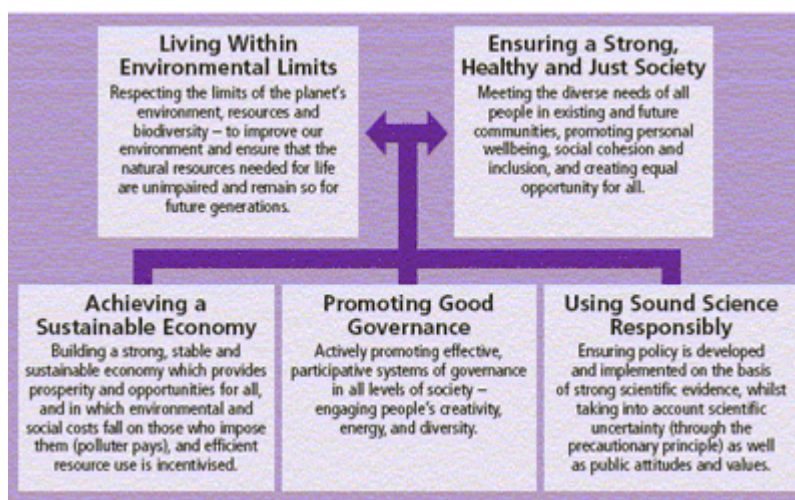
Annex B: Sustainable Development

Delivering sustainable development should involve 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”.

At the local level, terms such as sustainable communities, well-being and good corporate citizenship, and sustainable procurement all fall under the banner of sustainable development.

The UK’s shared sustainable development framework sets out a set of principles (right) to help guide public sector decision-makers, whereby the aim to achieve the goals of living within environmental limits and a just society by means of sustainable economy, good governance and sound science.



Further reading

HM Government, *One future – different paths: the UK’s shared framework for sustainable development*, March 2005, www.sustainable-development.gov.uk

HM Government, *Securing the future: UK delivering sustainable development strategy*, March 2005, www.sustainable-development.gov.uk