



House of Commons
Environmental Audit
Committee

**Greening Government:
the 2004 Sustainable
Development in
Government Report**

First Report of Session 2005-06



House of Commons
Environmental Audit
Committee

Greening Government: the 2004 Sustainable Development in Government Report

First Report of Session 2005-06

*Report, together with formal minutes, and
written evidence*

*Ordered by The House of Commons
to be printed Thursday 17 November 2005*

HC 698

Published on Thursday 24 November 2005
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

The Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

Current membership

Mr Peter Ainsworth MP (*Conservative, East Surrey*) (Chairman)
Ms Celia Barlow, MP (*Labour, Hove*)
Mr Martin Caton, MP (*Labour, Gower*)
Mr Colin Challen, MP (*Labour, Morley and Rothwell*)
Mr David Chaytor, MP (*Labour, Bury North*)
Mr Tobias Ellwood, MP (*Conservative, Bournemouth East*)
Ms Lynne Featherstone, MP (*Liberal Democrat, Hornsey and Wood Green*)
Mr David Howarth, MP (*Liberal Democrat, Cambridge*)
Mr Nick Hurd, MP (*Conservative, Ruislip Northwood*)
Mr David Lepper, MP (*Labour/Co-Op, Brighton Pavilion*)
Mr Elliot Morley MP (*Labour, Scunthorpe*) [*ex-officio*]
Mr Mark Pritchard, MP (*Conservative, Wrekin, The*)
Ms Emily Thornberry, MP (*Labour, Islington South & Finsbury*)
Dr Desmond Turner, MP (*Labour, Brighton, Kempton*)
Mrs Theresa Villiers, MP (*Conservative, Chipping Barnet*)
Joan Walley MP (*Labour, Stoke-on-Trent North*)

Powers

The constitution and powers are set out in House of Commons Standing Orders, principally Standing Order No. 152A. These are available on the Internet via www.parliament.uk.

Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at: www.parliament.uk/parliamentary_committees/environmental_audit_committee.cfm.

A list of Reports of the Committee in the present Parliament is at the back of this volume.

Committee staff

The current staff of the Committee are: Mike Hennessy (Clerk); Lynne Spiers (Second Clerk); Eric Lewis (Committee Specialist); Elena Ares (Committee Specialist); Louise Combs (Committee Assistant); Caroline McElwee (Secretary); and Robert Long (Senior Office Clerk).

Contacts

All correspondence should be addressed to The Clerk, Environmental Audit Committee, Committee Office, 7 Millbank, London SW1P 3JA. The telephone number for general inquiries is: 020 7219 6150; the Committee's e-mail address is: eacom@parliament.uk

References

In the footnotes of this Report, references to oral evidence are indicated by 'Q' followed by the question number. References to written evidence are indicated by page number as in 'Ev12'. number HC *-II

Contents

Report	<i>Page</i>
Conclusions and recommendations	3
Greening Government 2005	5
Introduction	5
Greening Government—the background	5
SDiG 2004 and the NAO findings	7
Wider considerations	9
Appendix: NAO Memorandum	11

Conclusions and recommendations

1. The attached National Audit Office (NAO) briefing presents its findings on the latest available Sustainable Development in Government (SDiG) report, which was published in November 2004 and covers the reporting year 2003-04. In terms of operational performance, the key findings are not substantially different from those of previous years. In particular, there continue to be significant variations between departments, and in some respects performance has actually deteriorated—as demonstrated by the following examples drawn from the NAO briefing:
 - Although departments' approaches to dealing with waste appear to have improved, the amount of waste recovered has fallen significantly in several cases. Only six departments recovered 40 per cent or more of their waste in 2003-04, compared to nine the previous year, and the total amount of waste recovered fell from 53 per cent to 24 per cent. The number of departments which recycled 25 per cent or more of their waste remained the same, at seven out of 20.
 - In the case of water use, while there has been a slight overall improvement, it is still the case that only 6 departments met the March 2004 target of 7.7 cubic metres a person. Four departments—the Cabinet Office, Department of Culture, Media and Sport, Department for Work and Pensions, and the Home Office—failed even to meet the 'interim' target of 11 cubic metres, two years after its deadline of March 2002.
 - In paper procurement, the amount of recycled paper in use has gone up slightly, from 25% to 36%, but the 2004 data still shows the two departments which dominate paper purchasing—the Ministry of Defence and the Department for Work and Pensions—in a particularly bad light. We hope that the 2005 data will begin to reflect the efforts which we are aware staff in both departments have been making to turn this around. (Paragraph 12)
2. We are also seriously concerned about departmental progress against carbon reduction targets. The SDiG report states that, if the Ministry of Defence is excluded, emissions from the remaining civil departments have risen by 11% since 2000. This is a very poor performance given that emissions might have been expected to fall by 4%, and one which mirrors the difficulties now facing the Government in achieving the challenging UK wide carbon reduction targets it has set itself. It is particularly worrying that the trajectory is going so dramatically in the wrong direction. (Paragraph 13)
3. It is disappointing that there continue to be serious problems relating to the availability and robustness of data provided by departments as part of the SDiG process. There also appear to be apparent inconsistencies between different data sets. It is, for example, difficult to reconcile the massive increase in the use of renewable energy with the large increases in carbon emissions reported by

departments. We would welcome the assistance of the NAO in investigating these issues further. (Paragraph 15)

4. We welcome the improvements in the 2004 SDiG report in terms of its objectivity and analytical depth, and we hope that that—with the allocation of responsibility for this process now transferred from DEFRA to the SDC—there will be further improvements in the 2005 SDiG, which is to be published imminently. (Paragraph 16)
5. the development of the Framework for Sustainable Development on the Government Estate represents a significant achievement; and it constitutes a highly effective and transparent approach to setting cross-departmental targets and monitoring progress. We would regard it as a step backwards if the current review of the Framework were to result in any weakening of its fundamental concept and structure—particularly if there were to be any move toward abandoning the enforcement of common standards and targets across all departments. (Paragraph 18)
6. One area which the review could usefully address is the scope of the Framework in terms of the organisations and sectors covered. Moreover, the fact that the NHS and the schools sector are at present not covered by the Framework massively understates the environmental impacts central government departments have and the scope for significant improvements—for example, in reducing carbon emissions. (Paragraph 19)
7. Greening Government amounts to more than green housekeeping, and if we are indeed to place the environment at the heart of Government it will be vital to assess the commitment of departments to sustainable development at a deeper level. (Paragraph 20)

Greening Government 2005

Introduction

1. This report focuses on “Greening Government”, and represents the sixth report on this topic which the Environmental Audit Committee (EAC) has published since it was established in 1997.¹

2. The term “greening government” was coined by the Committee to refer not only to incorporating environmental objectives in operational aspects of departmental performance (eg by reducing energy and water consumption and recycling waste); but also—and in some senses more importantly—to greening the fundamental objectives of departments by ensuring that full weight is given to environmental impacts in policy appraisal and development. However, for reasons set out below, the current focus of the Government’s monitoring of this area is now restricted to operational management.

3. In recent years, we have received considerable assistance in various areas from the National Audit Office (NAO), as part of the increasing audit support it is providing to assist us fulfil our audit role. This short report serves mainly to highlight the latest NAO briefing to us on Greening Government, which we received in November 2005.² The briefing is based on an analysis of the Third Annual Report on Sustainable Development in Government (November 2004).³ In view of the imminent publication of the 2005 data and report (see below), we have only chosen to highlight a few key points.

Greening Government—the background

4. In 1997, the incoming government embarked on a series of initiatives to promote sustainable development and to fulfil the pledge made by Prime Minister that the environment should be placed at the heart of government. These initiatives included the development of a new Sustainable Development Strategy, the creation of the Green Ministers Committee, and the creation of the Sustainable Development Unit (SDU) within the then DETR as a cross-departmental resource to promote sustainable development and monitor progress. They included also the creation of the EAC itself as a means to assess the government’s progress towards sustainable development and audit departmental performance against any targets set.

1 EAC, Second Report of 1997-98, *The Greening Government Initiative*, HC517, 1997-98; EAC, Sixth Report of 1998-99, *Greening Government 1999*, HC 426; EAC, Fifth Report of 1999-2000, *The Greening Government Initiative: First Annual Report from the Green Ministers Committee*, HC 341; EAC, Thirteenth Report of Session 2002-03, *Greening Government 2003*, HC 961; EAC, Eighth Report of 2003-04, *Greening Government 2004*, HC 881

2 See Appendix to this Report

3 See <http://www.sustainable-development.gov.uk/publications/report2004/fore.htm>. The report is also referred to hereafter as the 2004 SDiG report

5. One of the first inquiries EAC undertook was on Greening Government, and it published two reports on this topic in 1998 and 1999.⁴ These reports were based on evidence collected from departments, major agencies and NDPBs by means of a questionnaire which EAC itself drew up, and which covered not only operational management aspects, but also the extent to which environmental objectives were incorporated within policy making.

6. In its 1998 report, EAC recommended that the Government should itself publicly report on progress in this area. The Green Ministers Committee subsequently did so, publishing its first annual report in 1999 which built upon the departmental questionnaire approach adopted by EAC.⁵ In recognition of the extra administrative work two similar but distinct surveys might impose on departments, EAC informally agreed in 2000 to base its future work on the government survey and the Green Ministers Report itself.

7. In 2000, EAC published its third report on Greening Government.⁶ This constituted a critique of the first annual report of the Green Ministers Committee. It highlighted, *inter alia*, the somewhat anecdotal nature of that report, the absence of objective analyses of departmental performance, and the need for a more consistent and systematic approach to the setting of targets across all departments. It also recommended that the Government should make available the full data submitted by departments.

8. The second and third reports from the Green Ministers Committee, published in late 2000 and 2001, addressed some of these criticisms.⁷ Indeed, with regard to operational management, the gradual introduction of the Framework for Sustainable Development in the Government Estate (SDiG) from 2002 represented a major step forward in terms of a systematic and transparent approach to cross-departmental target setting and monitoring. The Framework consists of nine parts—an overarching statement followed by eight specific areas covering aspects of operational management such as energy, waste, travel, and water consumption—though the development of some of these sections was not completed until 2004.⁸

9. That year (2002) also saw a significant change in the status of the Green Ministers Committee. This became a formal sub-Committee of ENV (the Cabinet Committee responsible for environmental issues). As a result, the title of the Government's annual report on Greening Government had to be changed from the 'Annual Report of the Green Ministers Committee' to the 'Sustainable Development in Government Annual Report' (SDiG). This reflected not only the changed status of the Green Ministers Committee but

4 For the 1998 report, see:<http://www.publications.parliament.uk/pa/cm199798/cmselect/cmenvaud/cmenvaud.htm> For the 1999 report, see:<http://www.publications.parliament.uk/pa/cm199899/cmselect/cmenvaud/cmenvaud.htm>

5 DETR, Greening Government, *First Annual Report of the Green Ministers Committee*, 1999. See <http://www.sustainable-development.gov.uk/publications/publications.htm>

6 See: <http://www.publications.parliament.uk/pa/cm199900/cmselect/cmenvaud/341/34102.htm>

7 These can also be found at:<http://www.sustainable-development.gov.uk/publications/publications.htm>

8 For the Framework, see <http://www.sustainable-development.gov.uk/delivery/integrating/estate/estate.htm>

also the broader focus of the report itself, which now included a section on social reporting as well.

10. The first SDiG report was published in November 2002 and EAC published a rigorous critique of it in 2003.⁹ The Committee's report contained 30 conclusions and recommendations covering a wide range of areas, including staff resources, the incorporation of environmental objectives in policy development, operational management of departments, and monitoring and reporting. In particular, it highlighted the lack of staff resources devoted by departments to the Sustainable Development agenda, the paucity of environmental targets within Public Service Agreements, and the inability of many departments to demonstrate progress on screening new policies for environmental impacts. In addition, EAC showed that there were huge variations in the operational performance of departments—for example, in the amount of renewable energy or recycled paper departments purchase—and widespread inadequacies in terms of data collection and reporting.

11. Last year (2004), EAC reported on the second SDiG annual report, assisted by an analytical briefing provided by the NAO on departments' operational performance.¹⁰ In terms of the latter, the NAO findings were very similar to those highlighted by EAC the previous year. However, EAC also noted that the report focused only on operational management issues, and did not cover the mainstreaming of environmental objectives within policy development—including staff resources, environmental screening and appraisal, setting environmentally related policy targets, monitoring and reporting on them, and raising awareness in both departments and their associated bodies. The Committee strongly regretted that the Government appeared to have abandoned monitoring policy and awareness aspects of the Greening Government initiative in a systematic and objective manner, and contrasted the situation here with the progress which had been made on operational reporting.

SDiG 2004 and the NAO findings

12. **The attached National Audit Office (NAO) briefing presents its findings on the latest available Sustainable Development in Government (SDiG) report, which was published in November 2004 and covers the reporting year 2003-04. In terms of operational performance, the key findings are not substantially different from those of previous years. In particular, there continue to be significant variations between departments, and in some respects performance has actually deteriorated—as demonstrated by the following examples drawn from the NAO briefing:**

- **Although departments' approaches to dealing with waste appear to have improved, the amount of waste recovered has fallen significantly in several**

⁹ For the EAC report, see: <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmenvaud/961/961.pdf>

¹⁰ See: <http://www.publications.parliament.uk/pa/cm200304/cmselect/cmenvaud/881/881.pdf>

cases. Only six departments recovered 40 per cent or more of their waste in 2003-04, compared to nine the previous year, and the total amount of waste recovered fell from 53 per cent to 24 per cent. The number of departments which recycled 25 per cent or more of their waste remained the same, at seven out of 20.

- In the case of water use, while there has been a slight overall improvement, it is still the case that only 6 departments met the March 2004 target of 7.7 cubic metres a person. Four departments—the Cabinet Office, Department of Culture, Media and Sport, Department for Work and Pensions, and the Home Office—failed even to meet the ‘interim’ target of 11 cubic metres, two years after its deadline of March 2002.
- In paper procurement, the amount of recycled paper in use has gone up slightly, from 25% to 36%, but the 2004 data still shows the two departments which dominate paper purchasing—the Ministry of Defence and the Department for Work and Pensions—in a particularly bad light. We hope that the 2005 data will begin to reflect the efforts which we are aware staff in both departments have been making to turn this around.

13. **We are also seriously concerned about departmental progress against carbon reduction targets.** The key outcome-related Framework target here is to reduce absolute carbon emissions by 12.5% by 2010-11 relative to the 1999-2000 baseline. This amounts to a 1% reduction a year for each department. However, departmental emissions have risen by 3% against the baseline, and indeed the position for most departments is actually much worse than this. **The SDiG report states that, if the Ministry of Defence is excluded, emissions from the remaining civil departments have risen by 11% since 2000. This is a very poor performance given that emissions might have been expected to fall by 4%, and one which mirrors the difficulties now facing the Government in achieving the challenging UK wide carbon reduction targets it has set itself. It is particularly worrying that the trajectory is going so dramatically in the wrong direction.**

14. The NAO briefing discusses at some length a range of issues relating to target setting and to the availability and reliability of departmental data. Indeed, the NAO concludes that it is difficult to draw general conclusions about departmental performance either because of lack of data or because new targets have been introduced, resulting in a lack of comparability with the previous year’s data. It also questions the basis on which targets have been set—and this is particularly striking where departments have so dramatically exceeded their targets, as remains the case for renewable energy.

15. **It is disappointing that there continue to be serious problems relating to the availability and robustness of data provided by departments as part of the SDiG process. There also appear to be apparent inconsistencies between different data sets. It is, for example, difficult to reconcile the massive increase in the use of renewable energy with the large increases in carbon emissions reported by departments. We would welcome the assistance of the NAO in investigating these issues further.**

16. More positively, the NAO does emphasise that data collection and presentation have been significantly improved—partly because DEFRA employed the consultants PricewaterhouseCoopers (PWC) to revise both the Report and the SDiG questionnaire to government departments on which the report is based. Responsibility for the SDiG reporting process has now been transferred to the Sustainable Development Commission (SDC). **We welcome the improvements in the 2004 SDiG report in terms of its objectivity and analytical depth, and we hope that that—with the allocation of responsibility for this process now transferred from DEFRA to the SDC—there will be further improvements in the 2005 SDiG, which is to be published imminently.**

Wider considerations

17. This year has seen the publication of a new UK Sustainable Development Strategy and some consequent changes in roles and responsibilities. These include changes to the Cabinet Committees involved—ENV has become Energy and the Environment (EE) and is now chaired by the Prime Minister, while ENV(G) has become EE(SD); and changes to titles—Green Ministers have now become Sustainable Development Ministers.

18. On the operational side, we understand that the newly created Operations Board is currently undertaking a review of the Framework for Sustainable Development on the Government Estate. We can appreciate the need to review and revise targets in each area—though even here it is necessary to bear in mind the point made by the NAO, namely that new targets or changes to existing targets can undermine objective analysis of departmental performance over time. However, **the development of the Framework for Sustainable Development on the Government Estate represents a significant achievement; and it constitutes a highly effective and transparent approach to setting cross-departmental targets and monitoring progress. We would regard it as a step backwards if the current review of the Framework were to result in any weakening of its fundamental concept and structure—particularly if there were to be any move toward abandoning the enforcement of common standards and targets across all departments.**

19. **One area which the review could usefully address is the scope of the Framework in terms of the organisations and sectors covered.** EAC has pointed out in previous reports inconsistencies in this respect, and the issue has been raised again by the NAO. **Moreover, the fact that the NHS and the schools sector are at present not covered by the Framework massively understates the environmental impacts central government departments have and the scope for significant improvements—for example, in reducing carbon emissions.**

20. On a more positive note, as alluded to above, the Sustainable Development Commission has taken over responsibility from the Sustainable Development Unit (within DEFRA) for the SDiG reporting process, as part of its wider “watchdog” role. While this does raise wider questions over the role of the SDU and the adequacy of the present framework for auditing sustainable development within Government—an issue to which we hope to return in the near future—we welcome the greater independence and objectivity which the SDC will bring to bear in the reporting process. Indeed, it seems to

us that the SDC should use this opportunity to evaluate afresh the scope of the departmental questionnaire and to re-incorporate within it policy and resource-related issues. **Greening Government amounts to more than green housekeeping, and if we are indeed to place the environment at the heart of Government it will be vital to assess the commitment of departments to sustainable development at a deeper level.** We will watch with interest how the SDC intends to take forward this agenda.

APPENDIX

NAO Memorandum prepared for the Environmental Audit Committee

Sustainable Development in Government Report 2004

Executive Summary

1. In 2004 the National Audit Office produced a briefing for the Environmental Audit Committee (EAC), examining how the UK government reports on its own 'green housekeeping', meaning progress against targets for nine areas of environmental, economic and social performance under the Framework for Sustainable Development on the Government Estate (the Framework). These targets are related to departments' administration but do not extend to the policies departments administer. This information is collected by the Department for the Environment, Food and Rural Affairs (Defra) and published annually as the Sustainable Development in Government (SDiG) Report. NAO examined the SDiG Report 2003, for performance in the financial year 2002-03. Our briefing to EAC informed its own 'Greening Government' report of July 2004 .

2. This briefing examines the SDiG Report 2004 (for the financial year 2003-04), which has been extensively revised since the previous NAO briefing on the SDiG Report 2003. Defra employed the consultants PricewaterhouseCoopers (PWC) to revise both the Report and the SDiG questionnaire to government departments on which the report is based.

3. We examined two aspects of the SDiG Report 2004: the quality of data and its presentation in the report; and the performance of government departments as demonstrated by the data. We found that:

- *on data quality and presentation:*

- performance targets for government departments have now been established across all nine areas covered by the SDiG report; at the time of our last briefing only five areas had targets. However, some targets require clarification and/or further explanation of their basis;
- most departments' data have been checked to some extent, although not always by independent verifiers;
- the number of 'gaps' in the data has reduced, but data are still incomplete in several areas;
- data presentation has been much improved, through the increased use of charts rather than numerical tables;
- the narrative text accompanying the data has been improved, to provide more detailed explanations.

■ *on performance of government departments:*

- the data still contain many gaps and inconsistencies which make it difficult to compare departments' performance or to see a clear trend over time;
- however, taking the available data at face value, there is a discernible improvement in departments' performance in three of the nine areas covered by the report —'overarching commitments' (mechanisms to improve sustainable development performance, such as Environmental Management Systems); water services and waste (understanding of waste issues has improved, although amounts of waste recovered have declined);
- in the other six areas—travel, energy, water services, estates management, biodiversity and social impacts—it is difficult to draw general conclusions about performance either because of lack of data or because new targets have been introduced, resulting in a lack of comparability with the previous year's data;
- the report does not cover some significant public bodies, as we also noted in our previous briefing on the SDiG Report 2003 . However, we note that the Framework on which the report is based is currently being reviewed and that this review will consider the extent of the Framework's coverage. The results of the review are expected during 2005.

4. Although the SDiG Report 2004 shows marked improvements from the 2003 edition, there is still some way to go before a comprehensive and reliable picture of government departments' performance is available. Future SDiG reports should:

- contain data that have been independently validated, and provide details of the validation process;
- further reduce or eliminate the 'gaps' in data, ideally so that all departments provide appropriate responses to all the questions in the survey;
- continue the presentational improvements (such as greater use of charts) which have been introduced in the SDiG Report 2004;
- maintain, where possible, consistency of targets and measurement from year to year, so that clear patterns in departments' performance can be seen;
- expand the coverage of the Report to include all departments and other government bodies which are not currently included.

5. Since the SDiG 2004 report was published, Defra has decided that subsequent reports should be produced by an independent body, outside government. The next SDiG report, due to be published later in 2005 and based on data for the financial year 2004-05, will therefore be published by the Sustainable Development Commission, based on data compiled by PWC.

Introduction

Purpose of this briefing

6. This briefing is the result of the National Audit Office's analysis of the Sustainable Development in Government Report 2004 (hereafter referred to as the SDiG Report 2004). It has been produced in response to a request from the Environmental Audit Committee of the House of Commons (hereafter referred to as the Committee). It aims to help the Committee assess the adequacy of the SDiG Report as a system for monitoring sustainable development in government's operations, and to review the effect of changes that have been made to the SDiG Report since the NAO's first briefing to the Committee on this subject, in 2004.

The SDiG Report and related targets

7. The Sustainable Development in Government Report (SDiG Report) is an annual overview of the performance of 20 central government departments (listed in Annex 2) and their executive agencies against a range of sustainable development measures. It is co-ordinated by the Sustainable Development Unit (SDU) of the Department for Environment, Food and Rural Affairs (Defra), which issues a questionnaire to the 20 departments and publishes the SDiG Report and accompanying data on the Internet. The report covers nine areas: 'overarching commitments' to sustainable development (Environmental Management Systems and public reporting); travel; water services; waste; energy; procurement; estate management and construction; biodiversity and social impacts.

8. The SDiG Report covers departments' operational performance only and excludes sustainable development in policy-making. Operational reporting is based increasingly on the Framework for Sustainable Development on the Government Estate (the Framework), which is co-ordinated by Defra's SDU along with the SDiG Report. The Framework's first targets were published in 2002, but targets for five of the nine areas – waste, energy, procurement, estates management and social impacts—were not issued until 2004. It is not yet possible, therefore, to report on departments' progress against the Framework targets in these areas. The SDiG Report has, however, made use of substitute or interim targets in some areas, such as energy, where interim targets were set for greenhouse gas emissions, energy from renewable sources and use of Combined Heat and Power (CHP).

9. The nine areas and associated targets are set out in Figure 1.

Figure 1: The nine sustainable development areas and associated targets

Area	Main aspects covered	Target Published
Overarching Commitments	Incorporating commitments to sustainable development by for example implementing an Environmental Management System (EMS) and reporting publicly on environmental performance.	July 2002
Travel	Reducing the environmental impacts of business travel and employees' commuting journeys	July 2002
Water Services	Reducing departments' water consumption	July 2002
Waste	Reducing departments' waste generation and improving waste management practices such as recycling	July 2004
Energy	Reducing carbon emissions by making use of Combined Heat and Power (CHP) systems, and to use energy from renewable sources	March 2004
Procurement	Incorporating sustainable development considerations into departments' procurement strategy, for example by purchasing recycled paper and timber from sustainable sources	October 2004
Estates Management	Using environmental standards for construction and buildings refurbishment projects	October 2004
Biodiversity	Taking measures to avoid damage and enhance biodiversity on departments' estates	August 2003
Social Impacts	Enhancing the government's role as an employer and its impact on the local communities in which it operates	October 2004

Source: National Audit Office

The Committee's report and subsequent changes to the SDiG Report

10. The first NAO briefing analysed the SDiG Report 2003, covering the financial year 2002-03. It informed the Committee's 'Greening Government 2004' report of July 2004 (hereafter referred to as the Committee's report).

11. Following the Committee's report, Defra's SDU commissioned the independent consultants PricewaterhouseCoopers (PWC) to revise the SDiG questionnaire issued to departments, analyse departmental returns and write the SDiG Report 2004. PWC made significant changes to the content and presentation of the SDiG Report 2004.

12. The major findings of the Committee's report, and the developments which have taken place since, are listed below:

- **targets needed to be more clearly defined and their rationale explained** - the period since the Committee's report has seen the publication of several Framework targets, so

that Framework targets have now been set for all of the nine areas covered by the report. However, although the SDiG Report 2004 clearly describes the targets for each of the nine areas and often provides more detailed definitions of the targets than in the previous year, it still lacks, in most cases, any explanation of the reasons for setting a target at a particular level. This is surprising, particularly in areas where targets do not appear to be very demanding (for example, the target for departments to source 10 per cent of their electricity from renewable sources);

- **departments' performances appeared to vary widely, but clear conclusions were hard to draw because of data limitations**—departments' performances still appear to be highly variable (for example, while five departments report that 100 per cent of their 'desktop' paper is made from recycled paper, at two major departments only five per cent or less from recycled materials). The available data have improved in both quantity and quality since the SDiG Report 2003, but still have gaps and inconsistencies which often make clear conclusions difficult to reach;
- **taking the data at face value, however, some departments did appear to have made significant achievements, in at least some of the areas**—overall, there appears to have been a slight improvement in departments' performance against targets in 2003-04 compared with 2002-03. This is noticeable for 'overarching commitments' (delivery plans and environmental management systems), energy, procurement and biodiversity. However, for two areas—waste and water services—it is not always possible to make comparisons with the previous year's performance because targets have been changed or dropped;
- **the report presentation was helpful but could be further improved**—since the SDiG Report 2003, the report's presentation has been changed to include charts rather than numerical tables and greater explanation of both targets and the reasons for departments' performance. The report is now available for download from the Internet, as the Committee recommended, although obtaining the full supporting data requires downloading nine separate documents.

13. This briefing discusses in greater detail the changes that have been made to the quality of data and its presentation in the report, plus departments' performance according to the data available. It identifies where the recommendations made by the Committee on the basis of the National Audit Office findings have been acted upon in the SDiG Report 2004, and where improvements could still be made. It also identifies new issues that have arisen in the latest report.

Quality of data and presentation

Targets

14. During 2004 Defra completed the publication of targets in all nine areas of the Framework for Sustainable Development on the Government Estate. These new targets have to some extent addressed the weaknesses highlighted in the Committee's report, relating to the then-existing targets for four areas. However, the new Framework targets for five new areas have significant limitations, and only very limited action has been taken to address the Committee's previous comments.

The new targets have limitations

15. The new Framework targets published in 2004 cover five areas: waste, energy, procurement, estates management and social impacts (see Figure 1). Targets for some areas are much more detailed and specific than others. For example, the waste area has five separate targets, ranging from publication of a waste management strategy, to increasing recycling or composting by 5 per cent per year; meanwhile, in the social impacts area, departments are asked to achieve only one objective, to publish a strategy for social impacts by March 2006.

16. In general, the new targets are clearly defined and are supported by a great deal of detailed guidance for departments, which is published on the website of the Framework for Sustainable Development on the Government Estate. Most of the new targets are time-limited with clear deadlines for departments to meet.

17. The new targets also take account of government's role in influencing sustainable development practice outside government. Four of the five areas—waste, energy, procurement and estates management—call for departments to incorporate sustainable development requirements into their contracting with other organisations.

18. However, improvements are still needed to many of the new targets:

- In the previous NAO briefing, we noted that there was scope for more 'outcome' targets (for example, to reduce water consumption to a certain level) to accompany 'process' targets (for example, to implement an Environmental Management System). This finding bears repetition for the new targets; three of the five new areas (procurement, estates management and social impacts) have only 'process' targets, although the waste and energy areas show a better balance between process and outcome targets.
- The new targets also do not state the basis for target-setting, whether industry norms, wider policy objectives or estimates of what might reasonably be expected based on departments' current performance. As we noted in our previous briefing, this means it is difficult if not impossible to assess whether government departments are being expected to do more or less than, for example, similar organisations in the private sector or elsewhere in the public sector.

- Where quantified outcome targets are given, in some cases they do not appear to be very stretching. We noted in our previous briefing that the target for departments to obtain at least 10 per cent of their energy from renewable sources by 2008 was likely to be achieved early, since 17 out of 20 departments had achieved this target by 2003. This target has not been revised and the majority of departments are still comfortably exceeding it. On waste, the targets for departments to ‘reverse the upward trend’ in their waste arisings by 1 per cent per year, and to increase recycling or composting rates by 5 per cent per year, to a target of 75 per cent, seem less than ambitious.

19. In one area, procurement, many questions which departments are asked are unhelpfully vague. For example, one question calls for departments to “indicate a commitment to undertake environmental risk assessments of contracting activity”, without defining an appropriate approach to environmental risk assessment. During NAO’s research for the Committee on sustainable procurement in central government, departments indicated that they did not know what was expected of them.

Some improvements have been made to established targets

20. Following the Committee’s report and its comments on the targets which existed at that time, some improvements have been made, but there is work still to be done:

- In one area, water services, a target has expired and has not been renewed. The target for departments to sign up to the Watermark scheme—one of four targets in the water services area - had expired by the time the SDiG Report 2004 was written. The report notes this fact but does not explain the continuing relevance of the Watermark scheme to departments or whether the target will be renewed;
- The rationale for the choice of particular targets is not discussed. The Committee Report recommended that “...the rationale for setting specific targets in relation to current performance and industry norms should...be clearly explained in the Framework.” In general, however, this has not been done. For example, the SDiG Report 2004, in common with the previous SDiG Report, chose in its procurement section to gather specific data on the procurement of timber, paper, electrical products and food. The NAO, in our analysis of the SDiG Report 2003, noted that these four areas were a limited selection of the goods and services which could be included in a sustainable procurement strategy, and that the rationale for their selection was not stated. The SDiG Report 2004 does not, however, include any such explanation of the rationale for the selection of these four areas.
- The detailed definitions of targets are sometimes vague and therefore difficult for departments to monitor. The Committee Report recommended that “The Government should ensure that operational targets, and the methodology for monitoring them, are clear and unambiguous.” However, some ambiguities remain:
 - In the overarching commitments section, target A5 states that departments should ensure they have arrangements to verify their sustainability performance data. The NAO briefing to the Committee identified this target as ambiguous, because it did not specify what ‘verify’ meant (for example, whether verification by an external,

independent expert was required or whether departments' own checks would be sufficient.) The target still contains no clear definition of 'verify', although the questionnaire now asks departments to state whether their data have been verified.

- Target E6, for energy, reads “departments to include clauses to ensure opportunities are identified and measures taken for reducing carbon emissions and collecting energy data (by fuel type) as far as practical...”. The highlighted terms are vague and allow for a great deal of potential variation in performance.
- The ‘overarching commitments’ and water services areas of the Framework both distinguish between performance on office-based estates and mixed or non-office-based estates. These distinctions are reflected in the questionnaire on which the SDiG Report is based, but departments’ responses to these sections of the questionnaire are inconsistent, showing either that they do not have the information available or that they have failed to understand the question.
- Links between the targets and the relevant guidance are not always clear. Some sections of the Framework clearly match the data sought to the relevant target, but in others the link is less clear. For example, in the travel section, targets B1 to B3 are matched with the guidance for collecting the data required to measure progress towards these targets. The guidance is also labelled B1 to B3 as appropriate. However, this useful matching of targets to data collection guidance is not carried throughout the Report.

21. A specific recommendation made by the Committee has not been addressed in the new energy target. The Committee recommended that the Government should “...state how much of the 12.5% carbon reduction target is to be met through changes in fuel mix rather than reductions in demand”. This is not, however, clearly stated in the relevant target (E1).

Data

22. The Committee Report found that the data in the SDiG Report 2003 “...(have) significant weaknesses, which limit the conclusions that can be drawn from (them).” For the SDiG Report 2004, the data available have improved, both in quantity and quality, but the data in several areas still have gaps and inconsistencies which make clear conclusions about performance difficult to reach.

Data collection has improved

23. There has been some improvement in the amount of information collected since the previous year's report, though gaps remain. For example, in the water services area of the SDiG Report 2004, only three departments supplied no information when asked whether they had identified non-office sites with potential for significant water savings, compared to eight the previous year. In the waste area, four departments supplied no information on the percentage of waste they recovered, compared with five in the previous year. Eight gave no information about their recycling target, down from ten the previous year.

24. Data on waste, in particular, remain limited. The SDiG Report 2004 acknowledges “The levels of data are quite low when compared to other parts of the Framework.” Although departments can usually supply data on the total amounts of waste that they generate and recover, more detailed information on waste streams (e.g. paper, plastic, IT equipment) is much more limited. Many departments do not have systems in place to record detailed waste data.

25. There are two other specific areas where data are limited:

- For estates management, data on new build and refurbishment projects, in particular whether such projects had been assessed against the Buildings Research Establishment Environmental Assessment Method (BREEAM);
- For travel, figures for single-occupancy car commuting are limited, apparently because such data are not generally held by departments but must be collated by surveying staff.

26. As part of other NAO research on sustainable procurement, we have found further explanations for the gaps in data. There is some evidence that individuals tasked with filling in the SDiG returns for the 2004 Report did not always have sufficient knowledge to fill it in accurately, and may not have consulted with relevant colleagues. Some departments felt that they were given a relatively short time to complete the questionnaire. Others reported that if the person filling in the questionnaire wrote too much in a text box, the data may be cut off by the character limit in the questionnaire. Departments are concerned that important qualitative data may therefore be lost.

It is not clear which bodies are included in the Report

27. The SDiG Report 2004 is intended to cover central government departments and their executive agencies. The Committee recommended that “...the Government should clarify on what basis bodies are, or are not, to be included in the Sustainable Development in Government report, and it should explain how this relates to the exemptions in the Sustainable Energy Act. It must also ensure that departments do include in returns all those bodies—in particular, executive agencies – which should be included.” However, this information has not been included in the SDiG Report 2004, and other NAO research on sustainable procurement has found some evidence that only some departments provided information including the performance of all of their Executive Agencies, and some did not.

28. It is clear that some Executive Agencies are doing work on sustainable development which is distinct from that of their parent departments: for example, the case example of the National Health Service Purchasing and Supply Agency (NHS PASA) used in the procurement section of the report. Where there are clear differences between the progress of departments and that of their executive agencies, and in particular where the executive agency is large, it may be appropriate to disaggregate this data. This would avoid the risks that poor performance by a large executive agency is masked by good performance by the department overall; that good practice by an executive Agency is masked by poor performance at a departmental level; or that this good practice is skewing the data returns for the whole department. It would also be useful to provide a full list of all executive agencies covered by the report.

Some verification of departmental returns has taken place

29. The Committee recommended in its report that “...departments should be required to provide evidence that all their environmental performance data have been independently validated” . The SDiG Report 2004 contains details of the number of departments whose data have been independently verified—all except two departments have carried out some verification. In most cases, however —11 of 20—the verification has been done internally rather than by an external independent verifier.

Data presentation is much improved

30. The presentation of data is markedly improved in the SDiG 2004 Report, which includes many charts and graphics showing the performance of departments compared to each other and against their performance in the previous year. The charts are accompanied by text on which departments are performing particularly well or badly. In the SDiG Report 2003, most data were simply presented in the form of the completed questionnaire responses, accompanied by very little comment or explanation.

31. There is no attempt, however, to aggregate departments’ performances to draw conclusions about the performance of government as a whole, as the Committee recommended in its report . Such aggregation would be a valuable addition to the Report, but until a complete and consistent dataset is available this is impossible to produce.

32. Illustrative case examples are included throughout the Report, highlighting best practice by individual departments or other government bodies. These examples provide interesting details about sustainable development in practice, and are likely to be a good way of sharing best practice between departments.

Narrative

The overall quality of the narrative sections has improved

33. There have been some significant changes in the narrative sections of the SDiG Report. Generally, the sections are longer, containing more detail of the targets set and more discussion of departments’ performance.

34. The Report’s whole narrative, providing a summary with illustrative charts and graphics, is available as a single file for download. This file does not include full details of all the data, which are available in the form of nine further files to be downloaded separately.

35. In the NAO analysis of the SDiG Report 2003, we commented that it was not clear for whom the narrative sections were written. This lack of clarity remains in the SDiG Report 2004. A paragraph in the foreword to outline the expected audiences for the Report would assist readers in understanding the relevance of the elements drawn out in the narrative.

Performance

36. The SDiG Report 2004 paints a mixed picture of departments’ progress since the previous year’s report, complicated by the data limitations which are discussed earlier in

this briefing. There has been a discernible improvement in the performance of departments in three of the nine areas covered by the report:

overarching commitments;
 water services; and
 waste (understanding of waste issues, although waste management practices have not generally improved).

37. In the other six areas covered by SDiG 2004 it is more difficult to identify positive progress, either because of the limitations in the data provided or because targets have only recently been published.

38. Within each of the nine areas, the SDiG Report 2004 continues to show considerable variation in performance between departments. For example, in the overarching commitments section, the Department for Culture, Media and Sport (DCMS) and the Foreign and Commonwealth Office (FCO) have 100 per cent of their main office staff covered by a certified Environmental Management System (EMS), whereas the Department of Health (DH) only covers 3 per cent. Similarly, in the energy section, DCMS report that they purchase 83 per cent of departmental energy from renewable sources, whereas DfID purchases only 7 per cent, and the Department of Trade and Industry (DTI) only 0.1 per cent.

39. There continues to be a general problem in concluding whether performance is good, bad or indifferent, because the reasons for setting particular targets are not stated and there is insufficient information about the starting positions and characteristics of organisations. Some anecdotal evidence is provided—for example, the report notes that the Ministry of Defence (MoD) and the Home Office (HO) are the two most important influences on biodiversity on the government estate, since they control more than 90 per cent of it—but detailed, quantitative and consistent benchmarking has not been done. There is little evidence of detailed analysis of the reasons for the large variations in departmental performance, which the Committee called for in its report.

Overarching commitments

40. The ‘overarching commitments’ area includes the publication of delivery plans and Environmental Management Systems by departments. Good performance in the previous year (14 of 20 departments meeting all the relevant targets to some extent) has been improved upon slightly, although the targets have still not been met by all departments across the board. The chart below, reproduced from PWC’s report, shows progress on delivery plans in detail. Nearly all departments have now published delivery plans for the first three target areas (over-arching commitments, travel and water services). This is a significant improvement on the previous year, when only 12 departments had published plans for these three areas. However, biodiversity is still a weak area; only seven departments have published plans while eight have yet to do so and two have published ‘statements’ rather than full delivery plans. Three departments—the Cabinet Office, the Export Credits Guarantee Department (ECGD) and HM Treasury—say plans for biodiversity are not relevant to them.

Figure 2: Departmental progress against developing and publishing target delivery plans

Dept	Target A2: Delivery Plans							
	Part A – Overarching Commitments		Part B – Travel		Part C – Water Services		Part H – Biodiversity	
	Dev'd*	Pub'd*	Dev'd	Pub'd	Dev'd	Pub'd	Dev'd	Pub'd
C&E	y	y	n	n	y	y	n	n
CO	y	y	y	y	y	y	n/a	n/a
DCA	y	n	y	n	y	n	y	n
DCMS	y	y	y	y	y	y	y	n
Defra	y	y	y	y	y	y	y	y
DfES	y	y	y	y	y	y	y	y
DfID	y	y	y	n	y	y	n	n
DfT	y	y	y	y	y	y	n	n
DH	y	y	n	statement	y	y	n/a	statement
DTI	y	y	y	y	y	y	n/a	statement
DWP	y	y	y	y	y	y	y	y
ECGD	y	y	y	y	n/a	statement	n/a	n/a
FCO	y	y	y	y	y	y	y	y
HMT	y	n	y	n	y	n	n/a	n/a
HO	y	y	y	y	y	y	y	y
IR	y	y	y	y	y	y	n	n
LOD	y	y	y	y	y	y	n	n
MoD	y	y	y	y	y	y	y	y
ODPM	y	y	y	y	y	y	n	n
ONS	y	y	y	y	y	y	y	y

Note: Dev'd = Developed; Pub'd = Published

Source: SDiG Report 2004

41. This area of the SDiG report also includes data on which departments are covered by Environmental Management Systems. The data on this in the SDiG Report 2004 are more detailed than that contained in the previous year's report; departments are now asked to distinguish between EMSs in operation at 'main office-based sites', 'other office-based sites' and 'mixed or mainly non-office' sites. In the previous year, departments were merely asked to supply data on the existence of EMSs without specifying which parts of their estate were covered. The new, more detailed information is valuable since it demonstrates that although more than half—eleven departments—have implemented an EMS at their main office-based sites and five had such a system in development, there is much less progress at smaller office sites—no department had an EMS covering these. Departments with 'mixed or mainly non-office' estates—nine of the 20—either have an EMS in place, for at least part of the estate, or are making efforts to implement one.

42. Departments have also got better at communicating their sustainable development achievements to the public, according to the SDiG Report 2004. 19 departments now report on the impacts of their estate operations, up from 17 in the previous year; the exception is HM Treasury.

43. Verification of departments' data is also reported in the 'overarching commitments' section of the SDiG Report 2004, but is discussed in the previous section of this document, 'Quality of data and presentation'.

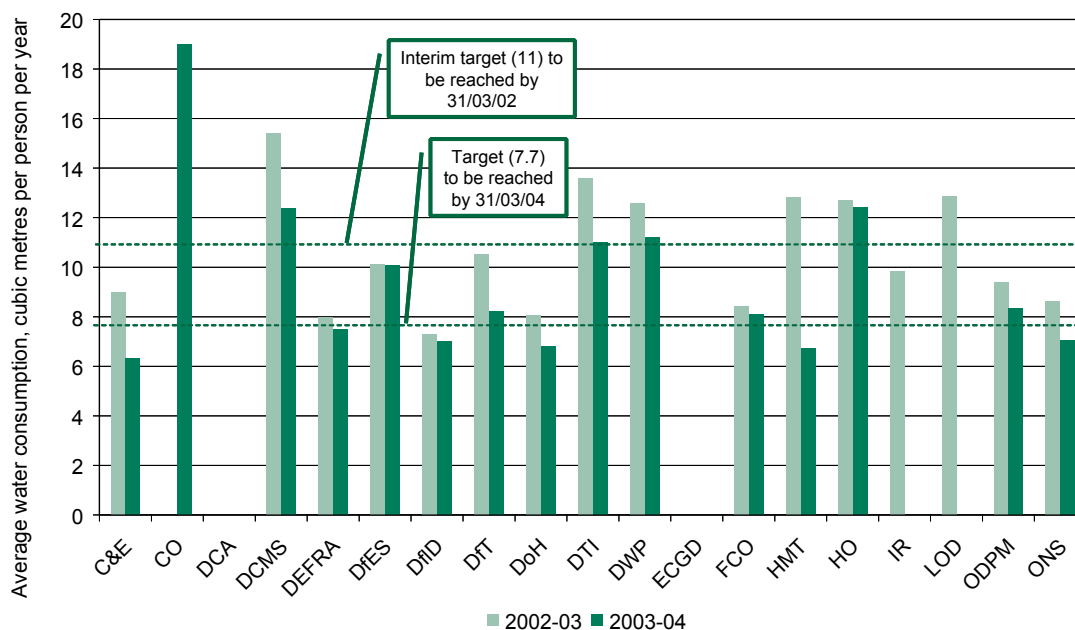
Travel

44. As in the SDiG Report 2003, much of the data in the travel section are incomplete, particularly the data for carbon dioxide emissions from road transport and for car-sharing commuting. Data on commuting has actually worsened since the previous report—only 10 departments have provided any information, down from 12 in the previous year. In our previous analysis of the SDiG Report 2003 we discussed the reasons for data limitations in the travel area—such as, for example, the need to generate data on commuting through employee surveys, since this information is not already collected by departments for other purposes (unlike, for example, data on water consumption in departmental buildings). The SDiG Report 2004 promises that improvements to data gathering and reporting will be made in time for the SDiG Report 2005, based on data for 2004-05.

45. The travel area also covers the use of 'alternatively-fuelled' fleet cars by departments; the term includes cars running on liquefied petroleum gas, bio-fuels, natural gas, hybrid fuels or those that are electrically powered. The information given here is rather difficult to interpret; a chart displays the proportion of department cars running on alternative fuels, but does not make clear that some departments—such as the Department for Work and Pensions (DWP)—have large vehicle fleets, others operate very few vehicles. The chart is potentially misleading, since adding only one or two alternatively-fuelled vehicles to a small fleet makes a much larger difference to the proportion of such vehicles than would be the case for a large vehicle fleet. Some information on the size of vehicle fleets is given in the text, but this is not comprehensive.

Water services

46. Departments' water consumption per head has generally improved since the SDiG Report 2003; 11 of 20 departments reported some reduction while only three said their water consumption had increased. However, only six departments met the target of 7.7 m³ per person per year by the deadline of 31 March 2004 (the end of financial year 2003-04, the reporting period for the SDiG Report 2004). Four—Cabinet Office, the Department for Culture, Media and Sport, the the Department for Work and Pensions and the Home Office—failed even to reach the 'interim target' of 11 m³ per person per year, two years after its deadline of 31 March 2002. The text of the SDiG Report 2004 gives departments' explanations for their failure.

Figure 3: Departments' water consumption on office sites

Source: SDiG 2004

47. Departments with significant non-office sites were required to assess such sites for water-saving opportunities by November 2002; of the 11 departments to which this applies, four have now done so for all their sites, and four have assessed at least some sites. Of the remaining three departments, Customs and Excise is the most significant laggard, with 105 significant non-office sites, none of which have been assessed for water-saving opportunities.

48. As well as the targets for average water consumption and for non-office sites, the SDiG Report has previously reported on whether departments made use of the Watermark Project. This three-year programme started in April 2000 and aimed to establish benchmarks for water consumption in various types of public sector buildings and organisations. The funding for Watermark has now finished and targets for departments' participation have therefore been dropped. Only two departments reported that they were still members of Watermark during 2003-04; other departments have alternative arrangements to collect and monitor water data.

Waste

49. Data on waste are particularly weak compared to other parts of the SDiG Report 2004; the report acknowledges that "The levels of data collected by departments are quite low when compared to other parts of the framework." The data are further weakened by the fact that Framework targets for waste were published only in July 2004, after the reporting period for the SDiG Report 2004 (the financial year 2003-04), so it is not yet possible to report on progress against the new targets. However, the new targets have prepared the ground for departments to collect information more comprehensively and consistently, which may result in better data on waste in future SDiG reports.

50. According to the available data, most departments improved their understanding of their waste management issues during 2003-04. The majority were developing waste management strategies during 2003-04; three departments had completed a strategy while 13 had one in progress. Most departments—17 of 20—knew how much waste they were generating and recovering in total, up from 14 in the SDiG Report 2003. Detailed information on individual waste streams was still very patchy, as noted in the SDiG Report 2003.

51. However, although departments' approaches to dealing with waste appear to have improved, the amount of waste recovered has fallen significantly in several cases. Only six departments recovered 40 per cent or more of their waste in 2003-04, compared to nine the previous year, and the total amount of waste recovered fell from 53 per cent to 24 per cent. The number of departments who recycled 25 per cent or more of their waste remained the same, at seven out of 20.

Energy

52. The energy area of the SDiG Report 2004 covers energy efficiency and its effect on carbon emissions, plus departments' use of electricity from renewable sources and from combined heat and power. Energy issues were particularly highlighted in the Committee's report on SDiG 2003. The Committee's criticisms, with the response to them in the SDiG Report 2004, are listed below:

- “We find it bizarre and highly unsatisfactory that the Government should have set a target of sourcing at least 10 per cent electricity from renewables by 2008 when analysis of the latest data shows that 17 out of the 20 ministerial departments already meet – or in many cases significantly exceed—this target...The Government must explain why it has not set a more challenging target. We also expect all individual departments which are currently meeting or exceeding the target to set their own appropriate and challenging targets.” As noted in the ‘targets’ section of this briefing, the target for electricity from renewable sources still stands at 10 per cent, to be achieved by 31 March 2008. Fourteen departments exceeded this target in 2003-04, a slight decrease on the 17 departments who achieved the target in 2002-03; possibly due to an overall increase in energy use which the SDiG Report 2004 notes.
- “The extensive delay in publishing departmental energy performance data is unacceptable and the Government must ensure that data for 2003-04 is available far earlier. It should also state how much of the 12.5 per cent carbon reduction target is likely to be met simply through changes in the fuel mix by 2010-11 rather than by actual reductions in demand.” The Committee's comments on the timeliness of the energy data were made because the SDiG Report 2003 was based on preliminary data; full data collected by the Buildings Research Establishment (BRE) were not available by the time of publication. A similar delay in publishing data has occurred for the SDiG Report 2004, which notes that the BRE information is provisional and “more up-to-date information regarding energy usage will be published on the Framework website in due course.”
- “It is regrettable that the Government should claim a likely carbon reduction in government departments of 29 per cent by 2010 against a 1990 baseline, when the

NAO has concluded that figures for performance from 1990 to 2000 are unreliable and cannot be audited.” The SDiG Report 2004 reports that departments’ carbon emissions have increased by three per cent compared to 1999-2000 (the baseline year for the Framework), but does not make any claims about the likely long-term change in carbon emissions.

Procurement

53. Framework targets for sustainable procurement were not published until October 2004, so the data contained in the SDiG Report 2004 cannot be used to show progress against the targets. The report covers procurement in four areas: timber, paper, electrical products and food, as well as ‘general procurement’.

54. The SDiG Report 2004 contains more detailed information on timber procurement than in the previous year, detailing departments’ spending both on construction timber and on manufactured timber products. Data for manufactured timber products are more extensive—only eight departments were able to provide information on construction timber—and shows that only a small proportion (2.5 per cent) of timber products had no evidence of legal sourcing.

55. For paper, the picture on the use of recycled desktop paper is similar to that in the SDiG Report 2003. Although the amount of recycled paper used has increased from less than 25 per cent to 36 per cent, two major departments—the Department for Work and Pensions and the Ministry of Defence—still use very little. The SDiG Report 2004 notes that the Ministry of Defence is negotiating with its supplier to purchase paper with a minimum 75 per cent post-consumer waste.

56. For electrical goods and food, departments’ performance in 2003-04 was at a similar level to the previous year: most departments make use of the EU energy labelling scheme to help them procure electrical products, while nearly all departments have now developed an action plan for sustainable food procurement.

57. In September 2005 the NAO published our review of sustainable procurement practices by central government, which summarised progress towards sustainable procurement and described the problems faced by departmental procurement officials in making further progress.

Estates management

58. The estates management area of the SDiG Report covers issues such as construction and demolition practices, departments’ adaptation to climate change, use of ozone-depleting and global warming substances, heritage, disposal of property and contaminated land. Framework targets for this area were not published until October 2004, so this section of the SDiG Report 2004 reports on the areas covered in previous reports: construction and refurbishment and air conditioning systems. The estates management data from the SDiG Report 2003 are not sufficiently comprehensive to allow true comparison with the SDiG Report 2004, which is based on more detailed questions.

59. When building or refurbishing buildings, departments are expected to assess all projects over £50,000 using the Building Research Establishment Environmental Assessment Method (BREEAM) or an equivalent standard. Since March 2003 departments have been expected to achieve 'excellent' ratings for all new build projects and 'very good' for all refurbishments. However, performance against this standard was extremely poor in 2003-04; only three of 147 new build projects (2 per cent) were rated 'excellent' and six 'very good'. Almost 200 refurbishments were carried out, of which only one (0.5 per cent) received a 'very good' BREEAM rating. It appears that in many cases, BREEAM assessments were either not carried out or their results were not submitted as part of the SDiG Report data.

60. By contrast, the majority (35 of 41, or 85 per cent) of the new air conditioning systems installed in 2003-04 were free of ozone-depleting and global-warming coolants. Systems refurbished by the Department for Transport and the Inland Revenue were also free of these substances, although the Department for Constitutional Affairs reported that its refurbishment involved component replacements and it would not have been cost-effective to replace the system with one free of such coolants.

Biodiversity

61. The Framework targets for biodiversity, published in August 2003, call for departments to take various actions to support biodiversity on their estates, such as auditing biodiversity issues and drawing up action plans. No 'outcome' targets have been set for the expected results of this work, since biodiversity is a complex area where it is extremely difficult to prove a causal link between specific environmental improvements and increases in the number of plant and animal species. The NAO briefing on the SDiG Report 2003 did not cover biodiversity, since targets and achievements in this area were at an early stage.

62. The SDiG Report 2004 shows that departments are making steady progress towards the targets for biodiversity, although the level of achievement is in some places still low. For example, departments with estates identified as having a significant impact on biodiversity are required to have conducted audits of 40 per cent of their sites identified as significant by October 2004. At the time of reporting, only two of the seven relevant departments had met this target. Only 16 per cent of all sites identified as having a significant impact for biodiversity had been audited.

Social impacts

63. The social impacts section of the Framework and of the SDiG Report 2004 covers the impact of estate management on staff and local communities. It is difficult to get a clear picture of changes in performance on social impacts, as the SDiG Report 2004 did not collect quantitative data in the same way as the previous year's report. It is also rather too early to discuss the results of this work, since the March 2006 deadline for departments to produce social impacts strategies has not yet passed. However, the SDiG Report 2004 does give a number of examples of good practice, drawn from three different departments – the 'good neighbour approach' adopted by the Department for Environment, Food and Rural Affairs, family-friendly policies at the Department for Culture, Media and Sport and the work done by the Export Credits Guarantee Department to give local school pupils work

experience in the Department - while the previous year's report only had an example from one department.

Annex A

Departments included in the SDiG Report 2004

C&E – Customs and Excise, now merged with Inland Revenue to form HM Revenue and Customs.

CO – Cabinet Office

DCMS – Department for Culture, Media and Sport

Defra – Department for Environment, Food and Rural Affairs

DfES – Department for Education and Skills

DfID – Department for International Development

DfT – Department for Transport

DH – Department of Health

DTI – Department of Trade and Industry

DWP – Department for Work and Pensions

ECGD – Export Credits Guarantee Department

FCO – Foreign and Commonwealth Office

HMT – HM Treasury

HO – Home Office

IR – Inland Revenue, now merged with Customs and Excise to form HM Revenue and Customs

LCD – Lord Chancellor's Department (now the Department for Constitutional Affairs (DCA))

LOD – Law Officer's Departments

MoD – Ministry of Defence

ODPM – Office of the Deputy Prime Minister

ONS – Office of National Statistics

Formal Minutes

Thursday 17 November 2005

Members present
Mr Peter Ainsworth, in the Chair

Ms Celia Barlow
Colin Challen
Mr David Chaytor
Lynne Featherstone

Mr David Howarth
Mr Nick Hurd
Emily Thornberry
Dr Desmond Turner

The Committee deliberated.

Draft Report (Greening Government: the 2004 SDiG Report), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 20 read and agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the National Audit Office report (Sustainable Development in Government Report 2004) be appended to the Report.

Ordered, That the Chairman do make the Report to the House.

The Committee further deliberated.

[Adjourned till Monday 21 November 2005 at 2.45p.m]

Past reports from the Environmental Audit Committee since 1997

2004-05 Session

First	Housing: Building a Sustainable Future, HC 135
Second	Corporate Environmental Crime, HC 136
Third	World Summit on Sustainable Development 2002: A UK Progress Report, HC 381
Fourth	The International Challenge of Climate Change: UK Leadership in the G8 and EU, HC 105 (<i>Reply Cm6617</i>)
Fifth	Environmental Education: Follow-up to Learning the Sustainability Lesson, HC84 (<i>Reply Cm6594</i>)
Sixth	Sustainable Public Procurement , HC 266
Seventh	Pre-Budget 04 and Budget 05, HC 261 (<i>Reply HC 528</i>)

2003-04 Session

First	Annual Report 2003, HC 214
Second	GM Foods – Evaluating the Farm Scale Trials, HC 90
Third	Pre-Budget Report 2003: Aviation follow-up, HC 233
Fourth	Water: The Periodic Review 2004 and the Environmental Programme, HC 416 (<i>Reply, HC 950</i>)
Fifth	GM Foods – Evaluating the Farm Scale Trials, HC 564
Sixth	Environmental Crime and the Courts, HC 126 (<i>Reply, HC 1232</i>)
Seventh	Aviation: Sustainability and the Government Response, HC 623 (<i>reply, HC1063</i>)
Eighth	Greening Government 2004, HC 881 (<i>Reply, HC 1259</i>)
Ninth	Fly-tipping, Fly-posting, Litter, Graffiti and Noise, HC 445 (<i>Reply, HC 1232</i>)
Tenth	Budget 2004 and Energy, HC 490 (<i>Reply, HC 1183</i>)
Eleventh	Aviation: Sustainability and the Government's second response, HC1063
Twelfth	Environmental Crime: Wildlife Crime, HC 605 (<i>Reply, HC 438</i>)
Thirteenth	Sustainable Development : the UK Strategy, HC 624

2002-03 Session

First	Pesticides: The Voluntary Initiative, HC100 (<i>Reply, HC 443</i>)
Second	Johannesburg and Back: The World Summit on Sustainable Development–Committee delegation report on proceedings, HC 169
Third	Annual Report, HC 262
Fourth	Pre-Budget 2002, HC 167 (<i>Reply, HC 688</i>)
Fifth	Waste – An Audit, HC 99 (<i>Reply, HC 1081</i>)
Sixth	Buying Time for Forests: Timber Trade and Public Procurement - The Government Response, HC 909
Seventh	Export Credits Guarantee Department and Sustainable Development, HC 689 (<i>Reply, HC 1238</i>)
Eighth	Energy White Paper – Empowering Change?, HC 618
Ninth	Budget 2003 and Aviation, HC 672 (<i>Reply, Cm 6063</i>)
Tenth	Learning the Sustainability Lesson, HC 472 (<i>Reply, HC 1221</i>)
Eleventh	Sustainable Development Headline Indicators, HC 1080 (<i>Reply, HC 320</i>)
Twelfth	World Summit for Sustainable Development – From rhetoric to reality, HC 98 (<i>Reply, HC 232</i>)

Thirteenth Greening Government 2003, HC 961 (*Reply, HC 489,2003-04*)

2001-02 Session

First Departmental Responsibilities for Sustainable Development, HC 326
(*Reply, Cm 5519*)

Second Pre-Budget Report 2001: *A New Agenda?*, HC 363 (*HC 1000*)

Third UK Preparations for the World Summit on Sustainable
Development, HC 616 (*Reply, Cm 5558*)

Fourth Measuring the Quality of Life: The Sustainable Development
Headline Indicators, HC 824 (*Reply, Cm 5650*)

Fifth A Sustainable Energy Strategy? Renewables and the PIU Review, HC 582
(*Reply, HC 471*)

Sixth Buying Time for Forests: *Timber Trade and Public Procurement*, HC 792-I,
(*Reply, HC 909, Session 2002-03*)

2000-01 Session

First Environmental Audit: *the first Parliament*, HC 67 (*Reply, Cm 5098*)

Second The Pre-Budget Report 2000: *fuelling the debate*, HC 71 (*Reply
HC 216, Session 2001-02*)

1999-2000 Session

First EU Policy and the Environment: An Agenda for the Helsinki Summit, HC 44
(*Reply, HC 68*)

Second World Trade and Sustainable Development: An Agenda for the Seattle
Summit, HC 45 (Including the Government response to the First Report
1998-99: Multilateral Agreement on Investment, HC 58) (*Reply, HC 69*)

Third Comprehensive Spending Review: Government response and follow-up,
HC 233 (*Reply, HC 70, Session 2000-01*)

Fourth The Pre-Budget Report 1999: pesticides, aggregates and the Climate
Change Levy, HC 76

Fifth The Greening Government Initiative: first annual report from the Green
Ministers Committee 1998/99, HC 341

Sixth Budget 2000 and the Environment etc., HC 404

Seventh Water Prices and the Environment, HC 597 (*Reply, HC 290, Session 2000-01*)

1998-99 Session

First The Multilateral Agreement on Investment, HC 58 (*Reply, HC 45, Session 1999-
2000*)

Second Climate Change: Government response and follow-up, HC 88

Third The Comprehensive Spending Review and Public Service Agreements,
HC 92 (*Reply, HC 233, Session 1999-2000*)

Fourth The Pre-Budget Report 1998, HC 93

Fifth GMOs and the Environment: Coordination of Government Policy, HC 384
(*Reply Cm 4528*)

Sixth The Greening Government Initiative 1999, HC 426

Seventh Energy Efficiency, HC 159 (*Reply, HC 571, Session 2000-01*)

Eighth The Budget 1999: Environmental Implications, HC 326

1997-98 Session

First	The Pre-Budget Report, HC 547 (<i>Reply, HC 985</i>)
Second	The Greening Government Initiative, HC 517 (<i>Reply, HC 426, Session 1998-99</i>)
Third	The Pre-Budget Report: Government response and follow-up, HC 985
Fourth	Climate Change: UK Emission Reduction Targets and Audit Arrangements, HC 899 (<i>Reply, HC 88, Session 1998-99</i>)