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Accountability, Sustainability and Society

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**A Sustainable Development Agenda  
for the Second Term of the Welsh  
Assembly Government**



Andrew Flynn



## About the BRASS Centre

In 2001, Cardiff University won £3.1 million in research funds from the Economic and Social Research Council to develop a Research Centre for Business Relationships, Accountability, Sustainability and Society (BRASS). The Centre is a joint venture between the University's schools of Business, City and Regional Planning and Law. It brings together the three Schools' existing research expertise on issues of sustainability, business ethics, company law, corporate reporting and business communication.

The Centre started work in October 2001 under the leadership of Professor Ken Peattie of the Business School, Professor Terry Marsden of the Department of City and Regional Planning and Professor Bob Lee of the Law School. The funding of the Centre covers an initial five-year period, but this should just mark the beginning of BRASS' contribution to creating more sustainable and responsible businesses locally, nationally and globally.

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# **A sustainable development agenda for the second term of the Welsh Assembly Government**

A report produced for WWF Cymru

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## Background

A major achievement of the first term of the Assembly has been the widespread usage of the term sustainable development by those inside and outside the Assembly. For the second term of the Assembly there will be much greater expectation of the Assembly and attention will increasingly focus on what it has achieved. Delivery, though, is largely the responsibility of the Assembly's partners rather than the Assembly itself. A potential difficulty here is that the Assembly may find it difficult to separate out its responsibilities and actions from those of its partners and others charged with delivering sustainability. Perhaps a more important challenge for the Assembly is how it can best ensure that its partners share its sustainable development agenda and that they deliver on its sustainability strategy.

An agenda for the second term of the Assembly therefore needs to cover three key sets of actors:

- Local government
- Assembly Sponsored Public Bodies (ASPBs)
- The Assembly

These three sets of actors and the inter-relationships between them form the core of this second report for WWF Cymru. The suggestions in this report are drawn from a sustainability perspective but when evaluated need to include a wider political and policy perspective. The suggestions are linked to the findings and analysis in the first report for WWF Cymru *Learning to Live Differently?* More specifically the proposed agenda draws largely upon three sources of data:

1. interviews conducted with staff in local government, ASPBs and the Assembly;
2. secondary information, such as policy documents and reviews
3. a workshop organised by WWF Cymru on 10 July 2003 at which participants discussed:
  - partnership working
  - budget setting and service delivery
  - organisational boundaries and terms of reference
  - Assembly promoted projects and sustainable development

## **An agenda for delivery**

One way of identifying the issues that will face the Assembly and its partners is through following a virtuous circle of policy delivery (see Figure 1). To reinforce the message of sustainability it is essential that a virtuous cycle is developed and is clear to participants. Each of the elements in the cycle raises issues that need to be addressed but attention also needs to be given to examining the interstices between these factors as these will be key conduits in promoting or undermining sustainability.

## **Following the cycle**

As a first step it is possible to follow the cycle of Figure 1. For example, bids for money could be made against the Assembly's sustainability objectives. UK government requires departments to bid for money against its sustainability objectives. Bids are evaluated against the extent to which they those objectives. Those bidding for funding need to show how their programmes, policies or plans meet those objectives over the funding period. The utilisation of the Integration Tool, and variations upon it, should help to promote consistency between Assembly goals and objectives. Programme or policy delivery can then be monitored internally (or externally) to determine the extent to which they are meeting the Assembly's sustainability goals. Finally, there should be evaluation of programme delivery to assess its effectiveness. How well are the original bid criteria being met, are the Assembly's sustainability goals being met? The information can also be used to inform future development of the Assembly's policy on sustainable development.

Below key points are explored in further detail.

## **Delivering sustainability**

*Learning to Live Differently* recognised that Wales is on an unsustainable development trajectory. The Assembly had done much both internally and externally to promote sustainable development as a central public policy issue. Amongst the Assembly's partners there is tremendous goodwill towards

the Assembly and its work on sustainability. For some organisations sustainable development has raised a new set of issues for them to tackle, for others it has reinforced an agenda that they wished to pursue. The same is true for different part of the Assembly. So whilst many can now confidently speak the language of sustainability they do so from different knowledge bases and perspectives. For the sustainability enthusiasts and those with a longer engagement with debates on sustainability there are signs of a sense of frustration that they have not been asked to do more. Amongst some there is a desire that the Assembly should lay down sustainability challenges to its partners. To do so, though, will require more than recognition that Wales is currently unsustainable.

An agenda that is also more delivery focussed must also pay attention to the means by which that agenda is to be realised. In the following sections the potential role of the Assembly and its partners in delivering a more sustainable Wales is outlined. Key *conduits* between the Assembly's sustainable development agenda and its delivery take place are:

- Partnership working
- Leadership
- Funding
- Policy

These four themes run through the discussion that follows.

### **The Assembly and local government**

The area of greatest concern identified in the report *Living Differently?* is the relationship between the Assembly and local government. At its heart is a dilemma over the best way to achieve sustainable development. Is it through the Assembly acting coercively and seeking to impose its agenda on local government or is it best achieved by working in a consensual manner and recognising that local government will have its own agenda and working to ensure that as far as possible that is congruent with the Assembly's. Alongside a normative discussion of what *should* happen runs an analytical debate over what *can* happen.

A key issue is the extent to which the Assembly's partners should be able to determine their own local agendas. Much of the Assembly's approach in its first term was based on the belief that local government in particular should be able to determine its own priorities. Local government should be able to reflect local needs. This is because local government, like the Assembly, gains legitimacy for its agenda through the democratic process. The ability of local government to shape its own priorities is endorsed by the notion of partnership between the Assembly and local government developments and practices such as policy agreements.

In any disagreement over democratic mandates who should prevail? Is it the Assembly or local government? As low turnout shows both institutions may lack legitimacy in the eyes of the electorate and it is therefore in neither side's interest to raise questions over who is the ultimate source of policy legitimacy. There are therefore strong pressures for both local and national government to work co-operatively.

Partnership-based working is highly valued by staff in the Assembly and local government. Where both partners share a common agenda a partnership approach to policy development and delivery may have significant benefits. For example, it may mean that the Assembly can provide the strategic vision for a more sustainable Wales while local authorities can contribute their specialist, local knowledge. If the two sides do not share a common agenda then it is a rather more complicated situation. Essentially the challenge for those keen to promote a more sustainable Wales is that the advocates of sustainability in local government are marginalised and there are too few signs that sustainability is being mainstreamed or that political leaders see the benefits or the need to actively promote sustainability. So how might the Assembly try to influence local government agendas? There are three key levers that can be used:

- Policy and partnership
- Funding
- Audit

### ***Policy and Partnership***

Part of the partnership ethos is that partners must be prepared to make compromises. Quite clearly the Assembly is not beholden to the WLGA and local government (or vice versa) – there have been disagreements between the two sides – and it may be that the Assembly can convince local government leaders of the need for them to mainstream sustainable development in their organisations. As a precursor the Assembly may also need to show to its internal and external audiences that it has mainstreamed sustainability (see below). The Assembly’s policy commitments to sustainable development need to strike a resonant chord with local government. One way in which this could happen is through an awareness raising and educational programme for senior figures in local government. Another would be for the Assembly to convince local government of the significance that it attaches to sustainability and of their need to engage with sustainable development at more than a rhetorical level. The regular high level meetings between the WLGA and the Assembly might be one way of reinforcing the Assembly’s sustainability message. A third possibility would be the formulation of a Policy Agreement on sustainable development between the Assembly and local government.

So far policy agreements have not proven to be an effective means of realising change in relation to sustainability. This is because they have not addressed the mainstream of what councils deliver – they are the cherry on the cake. A sustainable development Policy Agreement would have to be of a quite different order from previous Policy Agreements since it would have to confront a range of local authority services and agendas. A second problem with current Policy Agreements from a sustainability perspective is there is only a very limited audit requirement associated with them. Although the Agreements are jointly negotiated at present local authorities are only required to show that they have used their ‘best endeavours’ in meeting the programme of a Policy Agreement. So, if a local authority does not succeed in meeting what is expected of it in a Policy Agreement it suffers no penalty as long as it can show that it has made its ‘best endeavours’. What counts as ‘best endeavours’ may well be open to interpretation but is also a much weaker of form of holding an organisation to account than might have been expected. Evaluating an organisation’s ‘best endeavours’ might be appropriate if testing targets were to be imposed, but if they are jointly agreed then so must be a more rigorous form of assessment.

## *Funding*

There is a marked contrast between Policy Agreements that are measured by ‘best endeavours’ and are thus not easily open to rigorous audit and waste management where funding has been ring-fenced, targets have been set and financial penalties will be incurred if targets are missed. Waste management has become a policy area that senior management in local government cannot afford to ignore. The funding of waste management represents a quite different approach from that for local government as a whole. The WLGA acting on behalf of local government is adamant that there should not be a direct link between funding and individual targets (WLGA 2001, para 6). So why is waste an exception? First, it is widely acknowledged that historically waste management in Wales has been very poor. Second, existing practices could not cope with the demands placed upon them by EU waste legislation. Third failure to comply with EU waste targets would have led to the prospect of significant financial penalties being incurred. More radical measures were therefore required to improve waste management in Wales.

The question that now has to be answered is whether or not Assembly funding of local government should or could be used as a more direct lever to promote sustainability? In answering the questions it is necessary to come to a judgement about the balance between partnership and organisational self-learning on one side and direction and dissemination of best practice and formal guidance on the other. In part the answers to this dilemma depend upon:

- perceptions on the *commitment* of organisations to sustainable development. If organisations are keen to promote sustainability then there is presumably less need to act in a more directive manner;
- *leadership* within organisations. The promotion of sustainable development by an organisation requires leadership within it. A major challenge is to create a situation in which local (political or organisational) agendas are convergent with a broader sustainability agenda. How are the leaders of organisations to be engaged in sustainable development? And
- the *capacity* of key actors to promote sustainable development. Put bluntly, a more directive strategy may be more resource intensive because of its demands upon knowledge and if the resources are not present then the strategy unwinds.

How might budgets and programmes to promote sustainable development be better linked? One possibility is to follow the example of the UK government and Scottish Executive in their budget setting. Here departments have to bid for funds against the objectives of government to promote sustainability. When making their bids departments have to show how they will spend the money and the targets that they will achieve. This in turn provides a straightforward review and evaluation process since the objectives, budgets, targets and achievements are transparent. Details of the UK and Scottish governments' approaches to spending and sustainability can be found in Annex One.

From a sustainability perspective there are two major benefits from revising local government funding. First, it brings Assembly and local government sustainability agendas into line. Second, because budget bids would be evaluated against the range of local government activities it would help to mainstream sustainability within local government.

Another funding possibility would be for the Assembly to introduce a Sustainable Development Innovative Actions Programme. This could be a fund administered by the Assembly where local government bid for sums of money to undertake what they believe to be locally innovative sustainability actions. This would help to 'unlock' ideas that may be currently stifled at a local level. Funding could be linked to evidence of mainstreaming sustainability within local government and so help to accelerate processes of organisational learning.

### ***Audit and Measurement***

A third possible way that the Assembly could promote positive changes to mainstream sustainable development in local government is through the audit regime. The Audit Commission is required by government to inspect local government to:

- enable the public to see whether best value is being delivered;
- enable the council to see how well it is doing;
- enable the Government to see how well its policies are working on the ground;
- identify failing services where remedial action may be necessary; and

- identify and disseminate best practice.

Councils are evaluated for how good their services or functions are now and the improvement prospects for the services. One possibility is to undertake whole authority inspections to assess the extent to which councils see sustainable development as a cross-cutting issue that involves the simultaneous pursuit of social, economic and environmental sustainability. This is an approach that has been undertaken for Basingstoke and Deane Borough Council (see <http://www.audit-commission.gov.uk/reports/BVIR.asp?CatID=&ProdID=C8451950-8F8D-11d7-97E8-00105A63A3F5&SectionID=toc#>).

Since devolution As the Audit Commission in Wales has noted differences between Welsh and English public services have become more marked. Wales now has its own distinctive NHS plan and health services structure, and a unique approach to modernising and improving local government. The Commission's work aims to meet the unique needs of Welsh public services and to reflect the cultural, social and economic environment in Wales. It would, therefore, seem quite appropriate that in this climate the Assembly call upon the Commission to carry out a programme of reviews to assess the sustainability performance of Welsh local authorities in an approach similar to that undertaken for Basingstoke and Deane Borough Council.

Audit must take place against a background of effective performance measures. Currently the Local Government Data Unit is carrying out a *Review of the Performance Measurement Framework for Local Government in Wales*. The project began in early 2003 and will be completed by 2005. Its objectives have clear implications for measuring progress on sustainability as they are to recommend a performance measurement framework for local government which:

- “provides a consistent and coherent set of measures for the Assembly and local government to track progress on delivery against key national and local policy objectives;
- enables progress on cross-cutting objectives to be tracked consistently across public bodies” (Evans 2003, p2).

It is intended that two key principles – equality and sustainable development – will run through the performance framework, from national strategy to local services and resources (Local Government

Data Unit – Wales 2003, p4). Quite how these two themes will be woven into a system of measurement is not clear. As the consultation paper on the Framework asks: “How should equality and sustainable development measures be woven into the framework?” (Local Government Data Unit – Wales 2003, p9) From the information available the answer is not clear at all. The consultation paper expects national strategic measures to fall into six themes:

- Economy, jobs and business
- Education, life-long learning and leisure
- Communities (including community safety)
- Environment and transport
- Health and social well-being
- Corporate governance

There are reference groups for each of the themes and sub-groups will be established to cover cross-cutting policy areas (Local Government Data Unit 2003, p11). From a sustainability perspective it is essential that sufficient resource be devoted to reviewing and developing the sustainable development indicators and that it does not fall between thematic groups. Achieving more sustainable development does not mean that there should be sustainability indicators prominent in every service area but such indicators should be more prominent in some service areas than others (e.g. waste, transport, education). There is also the opportunity to think at a strategic level about how to measure a sustainable council (or ASPB). How is the concept of sustainable development to be turned into something that is measurable across an organisation?

### **The role of the WLGA**

The WLGA plays a central role in Welsh public policy debates but is it innovative or a force for conservatism in debates on sustainable development? The WLGA, as a representative body, is there to represent the views of its members to the Assembly and as its members have historically shown little interest in sustainable development it is quite understandable that the WLGA has adopted a similar approach. There are, however, signs that the WLGA does now wish to engage fully and much more meaningfully with the sustainability agenda. However, the WLGA can only be more innovative in its approach to sustainability if its members want it to be. So, how might the WLGA's members be

encouraged to think more deeply about sustainable development? One possibility is to use the Partnership Council to: convince the leaders of local government that unsustainable development in Wales is a problem; that it is a problem that is shared by them and the Assembly (and other partners); that it is a joint responsibility to make Wales more sustainable; and that efforts should be made to provide joint solutions.

At a strategic political level the WLGA needs to be able to convince its members of the legitimacy of the sustainability agenda. This could happen in two ways. One is to make the language of sustainable development relevant to local government leaders. Another way is to demonstrate the local economic, environmental and social benefits that arise from pursuing sustainable development. Sustainable procurement strategies might be one example of where local government leaders can see a return on adopting a new approach to an issue.

## **Procurement**

*Living Differently?* pointed out that there is a strong belief that the Assembly's current approach to procurement is a missed opportunity to maximise sustainable development benefits. Essentially the approach to procurement remains little different from what might be found in a number of other public organisations and does not pay sufficient attention to the Assembly's sustainable development responsibilities.

The Assembly has made efforts to improve the sustainability of its procurement through its 'Winning Our Business' strategy but it remains a voluntary and largely reactive approach. Recently a more positive approach has been signalled as WAG has called for a Sustainable Development Pathfinder Project on procurement.

The blockages to more sustainable procurement appear to be threefold. First, a lack of awareness of the opportunities of using purchasing power to realise environmental and social benefits. Second, when there has been awareness of how procurement may be used for wider purposes there may be

unease that using it in this way may infringe UK or EU procurement rules. Third, until recently lack of political drive to push at the boundaries of what is permissible under procurement rules.

There are two approaches that must be taken to make procurement more sustainable. One is to develop a sustainable procurement strategy. Here it is possible to follow the best practice procurement strategy of another public sector organisation such as the Environment Agency. The Agency has produced a valuable guide on its approach to sustainable procurement. The guide can be found at:

[http://www.environment-agency.gov.uk/commondata/103599/spg\\_526173.doc](http://www.environment-agency.gov.uk/commondata/103599/spg_526173.doc)

The guide is in two parts. The first part provides a process guide for buyers so they can understand how to integrate environmental and social issues into their day to day procurement activities. The second part gives specific information on the high environmental/social impact products and services (e.g. worker exploitation in the developing world).

The second approach is to identify what sustainable procurement may be able to achieve. What can buyers demand of suppliers? On the environmental side the issues are fairly straightforward: suppliers can be required to meet environmental criteria (e.g. that they have a certified environmental management system) but such requirements must apply to all suppliers bidding for a contract. The major challenge relates to community benefits. How can local areas benefit from the Assembly's spend? What benefits might local areas gain?

At the outset it is important to point out that it is possible to include community and environmental benefits in procurement contracts (Macfarlane and Cook 2002). In the most significant study of the potential for realising community benefits through procurement Macfarlane and Cook (2002 chapter 3) show the steps that public bodies need to take to realise these benefits, and these provide an agenda for action for the Assembly. These are:

1. Prepare the business case – the Assembly must assess the extent to which procurement requires the achievement of community benefits and work this into a business case
2. Business case justification – here the Assembly must be able to confirm that its business case is robust and feasible. A fully justified business case will involve a high-level definition of the Assembly's project requirements to ensure that there is a clear and agreed understanding of the

business goals and what is required of contractors. The business case must have the full support of the Assembly.

3. Procurement strategy – the following issues need to be considered:

The procurement procedure (e.g. do EC procurement requirements apply?)

OJEC Notice

Prequalification questionnaire

Invitation to tender/negotiate

Contract documentation

Partnering

4. Implementation – this involves revisiting the business case and the justification to ensure that the contract does meet the Assembly’s requirements.

5. Monitoring performance

The opportunities for making procurement more sustainable also apply to local government and the ASPBs. Some councils and ASPBs have been undertaking work in this area but the Assembly could provide an important leadership role by demonstrating how in its own procurement it has been able to gain sustainability outcomes.

### **The Assembly and the ASPBs**

There are three possible scenarios by which the Assembly may seek to improve the sustainability performance of its ASPBs:

- ‘kill off’ any that are seen to undermine progress towards a more sustainable Wales
- reorganise ASPBs (e.g. integrate functions or responsibilities)
- reform existing procedures to ensure that they are more attuned to sustainability

Below each of these options are briefly considered from a sustainability perspective.

### *Organisational termination*

The issue here is are organisations so terminally poor at meeting the Assembly's sustainability agenda that they are incapable of reform. The continued existence of such ASPBs undermines the Assembly's strategy of sustainable development. One candidate for termination would be the WDA as it has historically had a poor track record in taking on board environmental issues and whose engagement with sustainability has been patchy (though here it is similar to a number of organisations). *Living Differently?* pointed out that a number of interviewees were supportive of the WDAs efforts to think more sustainably. From an economic perspective some interviewees were prepared to argue that the blockage on sustainability in Wales was not the WDA but environmental ASPBs that adopted a narrow perspective to their work. In the workshop to debate topics for a second term for the Assembly a work group on organisational issues explicitly rejected termination because it was seen to be too resource intensive and there was a belief that organisations could change.

### *Reorganise ASPBs*

One of the messages from the development of environmental protection has been that environmental problems are becoming more complex and demand more integrated thinking and solutions. One response has been to create a more integrated Environment Agency. But should integration stop there? Are there possibilities for bringing together ASPBs to better deliver sustainability? To answer these questions we need to be more fully aware of the costs of reorganisation and of what might be achieved by reforming existing procedures.

### *Reform procedures*

This was the favoured response of the participants in the work group that debated organisational issues. At present there is a gap between what some ASPBs are being asked to deliver in their Remit Letters and their Corporate Plans. There needs to be much more systematic development of the Remit Letters and evaluation of the Corporate Plans from a sustainability perspective to ensure that the two work together rather than giving mixed messages. At a minimum there could be a standard Remit Letter in which the Assembly's sustainability agenda is core to the text, and about how individual ASPBs should deliver on the Assembly agenda. The Remit Letters must link to the ASPBs Corporate Plans.

A key test is whether the ASPBs can be reformed from within. Can their senior staff adopt sustainability for themselves? Can the Assembly work with the ASPBs to ensure that the management of the ASPBs receive a coherent sustainability message? If this test is failed – and scrutiny of Remit Letters, Corporate Plans and the Assembly's holding to account ASPBs for sustainability shows that they have failed then more radical measures must be considered.

### **The Assembly**

In seeking to mainstream its own commitments to sustainability the Assembly faces a major challenge in how it uses its available resources. An indication of the variability of Assembly engagement with sustainability comes from the review of the Remit Letters in *Living Differently?* as this showed that individual policy divisions, who have responsibility for formulating the Letters, dealt with sustainability in different ways that largely reflected their commitment to the concept. There is clearly still much that needs to be done to ensure that across the Assembly there is a consistent and deep-rooted commitment to sustainable development. Training and awareness raising and the use of the Integration Tool all have a part to play but so do will commitments from the Assembly's leadership and demonstrations of what the Assembly has achieved.

In the first term of the Assembly there was real success in Wales playing a key role in the formation of two international networks in which the participants are keen to learn lessons on sustainability from one another. When capacity is limited the opportunity to learn from others must be taken. The networks have raised the international profile of Wales and helped to position it as an innovative region in Brussels. At this stage the costs of network participation in time and resources can be calculated what cannot be evaluated is the future benefits that might be gained from the lessons that can be learnt from others and from the revised perceptions of Wales.

At a political level the Assembly's Scrutiny Committees should ask ASPBs what they are doing on sustainability. They should be asked searching questions on their sustainability performance and how their expenditure and activities are delivering the Assembly's agenda.

## Conclusions

An agenda for sustainable development needs to be clear. At present though, and quite understandably for a new organisation, there has been a proliferation of policy initiatives and documents. Many of these will refer explicitly to sustainable development or sustainability but will do so in their own way. Such diversity in the meaning of sustainable development will reflect the ways in which different parts of an organisation are taking 'ownership' of the term but to the outside world may appear to promote unnecessary ambiguity.

An agenda that is concerned with delivery must also engage with fundamental questions. These include, where should resources be devoted? What can be achieved within a term of office? What should different partners seek to contribute? How should they contribute? And what is the appropriate timing for their contribution?

Evaluation and review of organisations and their policies and programmes also needs to be broadened and deepened to more fully embrace the sustainable development agenda. The Remit Letters to ASPBs means that some will have to regularly report to the Assembly on aspects of their performance in relation to sustainability. This in turn may provoke more reflective and directed work on sustainable development such that some of the ASPBs begin to ask about how they measure their contribution to sustainability and recognise some of their more unsustainable practices. There is, however, a need for a more systematic audit and performance review. Whilst the Integration Tool may help to make policy development more sustainable measuring what policy has achieved is, perhaps, even more challenging. How do policies, programmes and plans contribute to sustainability? How do organisations contribute to sustainability? What are the indicators by which performance should be measured? And how will organisations be held to account for good or poor performance?

A transparent and virtuous policy cycle needs to emerge. It needs to be sophisticated enough to work with the commitment to partnership that runs through the Assembly and flexible enough to reflect local (in both geographical and organisational terms) diversity. At the same time it needs to ensure that the

Assembly and its partners are working towards delivering a common and challenging commitment to a more sustainable society.

## **Annex One**

### **The UK Government Spending Review and Sustainable Development**

From the 2002 Spending Review the Government has sought to promote sustainability in the spending plans of departments. In preparation for the Spending Review guidance to departments was published in November 2001 and then each department produced a Sustainable Development Report in which it identified the social, economic and environmental implications of its policy priorities (Spending Review Report 2002, para 4.41). Departments Sustainable Development Reports form part of the evidence base against which spending bids can be evaluated. Departments also have to show how their Public Service Agreement (PSA) targets relate to sustainable development. PSAs set out each departments aim, objectives and key outcome targets.

Departments have to show how they are meeting the Government's fifteen headline sustainability indicators. For instance, there is a headline indicator on health is related to expected years of healthy life. This is the responsibility of the Department of Health that has a PSA Target to "Reduce substantially the mortality rates from the major killer diseases by 2010: from heart disease by at least 40 per cent in people under 75; from cancer by at least 20 per cent in people under 75." For DEFRA there is a waste reduction indicator and the PSA Target is to "Enable 25 per cent of household waste to be recycled or composted by 2005-6." Departments report on their progress in meeting their targets in the spring (in Departmental Reports) and in the autumn (in Performance Reports). Technical Notes set out how performance against PSA Targets will be measured. Through Service Delivery Agreements departments set out the key steps that will enable them to meet their targets. These documents can be accessed through the Treasury website so enabling external scrutiny of departmental performance.

### **The Scottish Spending Review and Sustainable Development**

The development of the Spending Review in Scotland mirrors that of the UK Government. It starts from the recognition that

“We want action across the whole of the Executive and throughout those public services and budgets which are devolved. A key part of this has been to design our Spending Review so that it contributes to sustainable development, ensuring that the very considerable financial resources being deployed really help us to meet the needs of Scotland, combining economic progress with social and environmental justice.” (Scottish Executive 2002, Foreword)

The Scottish Executive claims that its 2002 Spending Review has had a positive impact across the range of their responsibilities. Examples include:

“Increasing the amount of waste collected by *local authorities* which is recycled or composted to 25%” (emphasis added).

“Helping tourist businesses become more sustainable through the VisitScotland Green Tourism Business Scheme, and access funds for energy-efficient heating systems or waste recycling through the Clean Energy Demonstration Scheme and Loan Action Scotland.”

“Modernising Government Fund projects helping to reduce or eliminate the need to travel to access public information, advice or services, for example through contact centres, “one stop shops” and video conferencing.” (Scottish Executive (2002).

So how were these achievements made? They stemmed from a commitment made at a conference by the First Minister that

“Spending departments within the Executive and those partners and agencies we fund, will need to demonstrate what contribution their proposals will make towards the achievement of sustainable development objectives and in particular how they would:

- lead to reductions in resource use and assist in efforts to protect Scotland from the over use of resources;
- reduce the amount of waste and increase recycling;
- reduce demands on energy from non-renewable resources; and
- reduce the need for travel.” (Scottish Executive, 2002, p2)

The Spending Review fixed as priorities sustainable development and closing the opportunity gap, along with the Executive’s five priorities for action: health, education, crime, transport and jobs.

Departments then had to produce draft aims, objectives and targets for their portfolios, along with a detailed assessment of what the spending in their area would achieve. In setting their targets and assessments departments had to show how they had taken account of the Executive's priorities. In the section on sustainable development departments had to show to what extent their proposals:

- Would help to protect the ecosystem from over use of resources
- Reduce resource use
- Reduce the amount of waste and increase recycling
- Reduce demands on energy from non-renewable sources
- Reduce the need for travel

Departmental submissions were then examined by the Cabinet Sub-Committee on Sustainable Scotland. Feedback from the Sub-Committee was fed back to departments who had to revise their statements, aims, objectives and targets. The revised statements were then returned to the Sub-Committee so that its views could be taken into account by the Cabinet when making its funding decisions (Scottish Executive 2002, p2).



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