

Research report – advice for a sustainability appraisal guide for local organisations

Strategic partnership work for the South East England IRF Working Group

Forum for the Future

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Executive Summary

This report presents the findings of research conducted on behalf of the IRF Working Group into how Sustainability Appraisal (SA) guidance being developed at the regional level might be targeted and adapted to local organisations.

The recommendations are drawn from the feedback obtained from interviews with several staff at Forum for the Future, (based on extensive experience of working on sustainability appraisals with regional and local government and businesses) and eight interviews with sustainability and planning officers from five councils and one Local Strategic Partnership (LSP).

Due to the need to keep the process simple and streamlined, there was unanimous agreement that the IRF Working Group should only produce one set of guidance at regional and local level. HOWEVER, they should produce a sub-section that is adapted towards local organisations' needs and cites examples for different local organisations.

In addition to local authorities, LSPs and local businesses guidance should be addressed to the local community and voluntary sector. Sub-sections need to be refined to reflect the different organisations' objectives and responsibilities. This is particularly true for businesses, which may need to be approached differently and we recommend consulting directly with business, once a draft framework is completed, to improve understanding of their needs. Further tailoring might be necessary depending, in part, on what the SA is applied to and how familiar the organisation is with sustainability, SA and the regional context.

The interviewees agreed that the proposed sections of the guidance are all relevant, but should also include sections on why they should use the tool and how to engage people. For example, it may be more appropriate to engage business through corporate social responsibility and public relation opportunity and LSPs through their commitment to sustainable communities. Further suggestions and key points around each section are outlined in section four.

All of those interviewed stressed the importance and value of getting the language right. To be accessible to the widest possible audience, it has to be short, simple and in plain English. Organisations should be free to adapt objectives within the appraisal framework to their own language, for example taking it from their own community strategy or corporate objectives. This will make it relevant and understandable to those using it.

Due to the sensitivity of language, we highly recommend that the IRF Working Group convenes at least one workshop with local organisations, using independent facilitators to gain feedback on language within the draft SA.

As a voluntary mechanism the IRF Working Group needs to demonstrate how the framework will add value and fit in with existing processes. This is crucial to widespread buy in and actually getting organisations to use the tool. They also need to demonstrate what processes or systems they have employed to review local priorities and how these relate back to regional objectives.

The rest of this document outlines the results of the research and makes specific suggestions around each key heading. In addition, several best practice case studies are documented throughout this report.

For purposes of this report, 'tool' refers to the Sustainability Appraisal and 'framework' refers to the guidance and the tool.

1. Methodology

Interviews were held with several staff at Forum for the Future and eight interviews with sustainability and planning officers from the following organisations:

- Wakefield District Partnership
- Basingstoke & Dean Borough
- Hampshire County Council
- Southampton City Council
- Southampton Partnership
- Carmarthenshire County Council

Of these Wakefield District Partnership (the LSP), Carmarthenshire and Basingstoke use an integration tool developed with Forum for the Future; Hampshire and Southampton use SA's developed in-house and Southampton Partnership have discussed the need to use a tool.

Interviewees were asked questions around 4 key areas:

- Should there be a separate SA guide for local organisations?
- Which local organisations would the guide be addressed to?
- What should be the form and content of the guide?
- What should the proposed SA methodology in the guide look like?

Other documentation reviewed includes SA guidance produced by ODPM and existing literature on SA in the councils interviewed.

2. Is separate SA guidance needed for local organisations?

Nearly all those interviewed stated a preference to produce only one set of guidance and while two people thought stand-alone guidance was desirable, when prompted, all agreed that sub-sections would be preferable to separate guidance for local organisations. This could take the form of either separate chapters or sections within chapters that relate to application and use within local organisations e.g. for LSPs. The different sectors can then read parts relevant to them. The guidance should be kept at a strategic level and scope allowed within the process for different audiences to adapt the framework to issues specific to their sector.

Developing only one tool is important to ensure national and regional priorities and objectives are cascaded down to the local level. For example, Carmarthenshire are updating their SA to reflect and align with the Welsh Assembly Governments integration tool, as are several other councils in Wales. In conversations with Hampshire (outside the research conducted for this report) they mentioned that it is difficult for them to achieve sustainability without referring to the regional context, Several people stressed that this is an appropriate foundation only IF the regional vision and in the

Forum's SA framework

The framework developed by Forum for the Future is a SA tool based on the aims and objectives of the corporate plan and the community strategy. It is a means of appraising and aligning policies, plans, activities and projects to ensure that they reflect local needs and priorities. The framework uses the Comprehensive Performance Assessment (CPA) categories and is based on the key tenets of sustainability integration of the environment, economy and society, long-term thinking and national and global implications (the latter two are often missing from community strategies and corporate priorities so are added on). SA is not a tick box exercise, but a process to initiate discussion and enable people to work out opportunities for delivering their work in the most sustainable way. It is applied to a range of areas within council ranging from service planning, budget planning, capital project bids, and procurement to scrutiny. LSPs regularly use SA against action plans.

Integration Regional Framework reflects the full remit of sustainable development which encompass integration of the environment, economy and society, long-term thinking and considering national and global implications. This will also enable comparability between sectors and levels of government - one person noted that one of the best ways to galvanise LSPs into action is through comparing performance, where one framework could act as a useful driver. When developing tools, local organisations often refer to and have to take account of regional and national criteria. This approach would therefore streamline the process and should be promoted as a mechanism to align their priorities with the regional level, as has happened in Carmarthenshire (see case study for details).

However, local organisations need to be able to refine broad objectives, reflect local priorities and address any gaps in the regional framework. They therefore need room to interpret regional guidance to their own context for example, applying local knowledge to economic performance. This is crucial to ensuring ownership and relevance at the local level. There is a recommendation in the draft national sustainable development strategy, due for release in 2005 to replace community strategies with sustainable community strategies. If adopted, this will have implications for adapting and aligning local priorities with the IRF.

3. Which local organisations should the SA guide be addressed to?

In addition to local authorities, LSPs and local businesses guidance should be addressed to the local community and voluntary sector. The voluntary sector have issues that are particular to them, are often subject to insecure funding, and work on particular topics with a small client group. Therefore, several people felt it is necessary to highlight them as a separate audience.

Targeting the LSP should, by default cover the major strategic bodies in a locality. If this is not the case (LSPs in the South East would need to be checked), guidance should target primary care trusts, regeneration companies, learning skills councils and education authorities (building SA into the way people learn as well as internal management). It was stressed that LSPs need to be treated as independent organisations and not as an extension of the council, as is often the case. Some LSP partner organisations may then apply it within their own organisations as have Groundwork, a member of the Wakefield District Partnership, used it against their business plan.

The business sector is very diverse and hard to engage, particularly small medium enterprises (SMEs), and as such may need to be approached differently. Using the same generic model aids comparison between sectors and in theory the same fundamental issues are relevant for both

Basingstoke and Dean Borough Council

Basingstoke has had a SA since 1998. They updated this in June 2003 at a well-attended workshop to test a draft sustainability appraisal tool, which reflected the themes of the community strategy and council priorities. An updated version was then tested with members against a draft procurement strategy. They also used it as a basis for a newly formed street care team and discussions with voluntary sector.

It has acted as a powerful mechanism to re-focus thinking about a range of outcomes, balancing national and local priorities and has generated discussion around the meaning and relevance of the questions.

It is also being used to inform strategies and officers have been using it to scope projects, feeding into the process right at the beginning.

The tool will be launched as part of larger toolkit to engage and embed corporate priorities and work has now begun on developing an electronic version which produces two graphs – one showing results against corporate priorities and another results against the community strategy. They are writing case studies on how it’s been used and hope that it will become mainstream in the future.

public bodies and private business for example, resource efficiency and employee well-being. However, significant areas of impact will vary significantly and therefore it might be more appropriate to tailor information for example, work out main areas of impacts from local businesses and prioritise them. One person thought that business responds better to local guidance as this more accurately reflects the needs of the local economy.

If the IRF Working Group is to have any success getting businesses to use the SA it needs to be simple, easy to use and complimentary to existing processes. Most businesses that already undertake some form of SA using:

- NetRegs, tailor web-based information for different business sectors - *Environment Agency*
- Csr.gov.uk Web site providing general guidance on CSR – *Department of Trade & Industry (DTI)*
- SIGMA - guidance for businesses in sustainable development - *British Standards Institution & Forum for the Future & DTI*
- Global Reporting Initiative, sustainability reporting guidelines
- Environmental Management Systems, SIGMA,
- Five capital model - *Forum for the Future*
- The Natural Step.

They often focus on 'greening the business', as opposed to a SA which normally operates at a strategic level. Some of the issues which are pertinent to business are:

- Suite of underpinning policies - e.g. environmental policy, diversity policy, work/life balance policy etc
- Suite of programmes, with associated objectives, indicators/targets to ensure policies are implemented - maybe certified to recognised management system such as ISO 14001 or following SIGMA guidelines
- Board-level responsibility for sustainability issues
- Transparent, annual, public reporting of SD performance - external verification recommended, + compliance with benchmarks such as Global Reporting Initiative
- Stakeholder engagement programme
- Programme of awareness-raising amongst staff/suppliers/customers
- Sustainability appraisal criteria applied to suppliers
- Membership of lobby groups that are actively promoting a regulatory regime that rewards good SD performance
- Employee incentive schemes that reward good SD performance
- Community investment programmes

Whilst LSPs do have business representation, (often including large organisations and representative bodies such as the chamber of commerce) this may not adequately cover the businesses in the area, for example, SMEs. It would be useful to consult directly with businesses, once you have a draft framework to better assess how this should be adapted to meet their needs.

When determining potential audiences, one suggestion was to analyse the stakeholders that should be involved in the process, target the guidance accordingly and provide a sub-section for those sectors.

4. What should be the form and content of the guide?

A full list of areas the guide are outlined below with key discussion points:

Implications of the SEA directive

Government guidance on SA has subsumed SEA into SA. Most saw this a good approach particularly as the SEA is, in reality, already 'out of date'. By the time legalisation had come into effect, many organisations had already started to use SAs and it had become common practice to look at the full tenants of sustainability i.e. environmental, economic and social need to be appraised, not just the environment. Many local authorities are looking at integrating the two processes. One person stated that if SEA and regional guidance are different, it is unlikely that they will use the regional guidance. Forum recommends that SA can be used with SEA at the scoping stage of SEA (stage B as outlined in the guidance on SEA), consulting external authorities on what must be included in the environmental report. One interviewee however, believed that the SEA element should remain distinct and clear from SA, being evidence based rather than objective led. They were also concerned to see that the latest scoping report from the Assembly integrates SEA with SA.

Different appraisal methodologies and how they can be combined

From our own experience SA should act as they overarching appraisal process as it covers all areas, encourages dialogue, identifies areas for further work or assessment based on evidence and results.

HIA has been championed by the health sector and looks at determinates of poor health. The coverage is almost the same as SA and many SD systems have incorporated HIA - with SD triggering further HIA work if answers around health questions are unknown.

Rural proofing can be covered by including a general question about the impact of project / policy on different areas and then pointing them to rural proofing if more information is needed.

Who should carry out a SA, when and WHY?

As well as explaining what it's for, it is also crucial to explain who should use it and why. This should be upfront and is essential to obtain buy-in. It needs to present 'hooks' for each sectors or "they won't get past the first page". It should clearly demonstrate the benefits and how local and regional objectives fit together.

Step by step approach to carrying out a SA at the regional, sub-regional and local level

Specific suggestions for this section include:

- How to use and adapt it to different areas including examples of where it's been applied and the different ways and situations you'll be using SA
- How to engage people in the process (this is often missed)
- How to align the process to performance management systems (see Wakefield case study)
- Clear useful information that goes from the strategic to the practical
- Guidance adapted to the experience of organisations using the tool and what they're applying it to i.e. a group that is unfamiliar with SAs, will need more guidance.

All of these areas were important for the interviewees, with practical examples the top priority.

Good practice examples

These are essential and should include case studies pertaining to each sector and examples of indicators and targets to enable monitoring.

Carmarthenshire County Council

Carmarthenshire first developed a sustainability appraisal mechanism - "Local voices, local visions" - with Forum for the Future back in 1999, which arose from the Council's desire to take an integrated approach to social, economic and environmental considerations, and to align its corporate aims and activities with the principles of sustainable development.

Since the development of this appraisal tool, Forum has worked with the Welsh Assembly Government (WAG) to develop an integration tool based on the guiding principles of sustainable development, social inclusion and equality and the key objectives included in their strategic plan "Wales: a Better Country". Following this, Carmarthenshire decided to update their original appraisal tool to reflect their emerging Community strategy and to align it with WAG's Integration Tool. A draft was developed in 2003 and was trialed in 2 workshops with internal and external representatives

The appraisal follows the community strategy visions and 5 themes: environment, health and well-being, lifelong learning, regeneration and safer communities. It is currently being piloted within 4 areas of the council covering health, regeneration (Objective 1), education and food procurement, with the aim of rolling it out across the council in 2005. The health and well-being partnership will test the tool against the draft Health and Well-being strategy.

Both the current tool and the initial tool have been invaluable in raising awareness of sustainable development and community strategy commitments; reinforcing the message that sustainable development should be linked back to corporate priorities and mainstreaming these into day-to-day activities. They are yet to realise its' potential of alignment and monitoring.

It is intended to use the tool in the scrutiny process, to link it to their performance management processes and to be used as a monitoring tool by all partnerships.

The audit commission concluded that the county is at the forefront of sustainable development in Wales and identified the use of the appraisal to help embed sustainable development as one of the critical success area. They also recommended further action in Carmarthenshire to reinforce the implementation of the appraisal process

Several other councils in Wales have made similar decision that their sustainability appraisal mechanism needs to reflect their Community Planning priorities, whilst reflecting the approach taken by WAG.

WAG are arranging a workshop in early 2005 through the welsh local authority community planning network to share good practice on sustainability appraisals in relation to community strategies

4.1 SA appraisal and Local Development Frameworks (LDFs)

Local authorities have to produce LDFs within 3 years of commencement of the new planning act which came into effect this year, and are required to produce a local development scheme by February 2005 which will set out all areas of the LDF. The councils interviewed are at varying stages of producing their LDF.

Guidance is needed now and ideally should have already been produced. Planners are still uncertain of the complex process and requirements. *In particular, they require guidance on how SAs should be applied to supplementary guidance, how this will be different to SAs of development plans and a range of practical examples.* This is not clear from current guidance from ODPM. At present, a SA has to be completed at the regional level, then on all development plans and then any on supplementary planning documents. This is an onerous process which some fear might be simply duplication.

Guidance has to be consistent with and compliment *Sustainability Appraisals of Regional Spatial Strategies and LDFs* produced by the Office of the Deputy Prime Minister (ODPM). This is the first source planners will refer to and regional guidance would help planners by interpreting the guidance for their region, showing how it will work in practice. Most LAs will have developed some form of SD guidance internally.

We understand that a lot of existing SA guidance focuses on content. Additional guidance could add value by addressing delivery which joins up strategies and integrates environment, economy and social elements within the principles of long-term thinking, national and global context. This reflects the process that is being encouraged by LDFs.

Rushmore borough council was the only council identified in this research that has already applied SA to LDF at an early stage - this needs to be confirmed. Wakefield District Council is one of the first councils in Yorkshire & Humber to embark on its LDF and is completing a SA on an issues and options paper.

5. What should the proposed SA methodology look like?

All of those interviewed stressed the importance of getting the language right. There is an inherent tension of having a regional system that everyone can use and yet is relevant to local needs. Language can put up immediate barriers - in one council, members using SA struggled with the language, and therefore the process.

We strongly believe that meeting with a range of local organisations to workshop and gain feedback on a draft tool and guidance is essential to developing something which is both right for them and they will use.

In order to reach out to a variety of audiences, guidance has to be kept short and simple, and free of jargon and government acronyms. Organisations should be free to adapt objectives within the appraisal framework to their own language, for example taking it from the community strategy (which has a duty to promote and contribute to sustainable development in the UK) or corporate objectives. This will make it relevant and understandable to those using it. Objectives, in the first instance need to clearly describe, in common sense terms the activity or outcome. Several councils are developing an electronic version of their SAs which are easy to navigate with help functions - this would also be a useful format for the regional level. Basingstoke and Dean are developing an electronic tool that will illustrate results against both corporate priorities and the community strategy.

As a voluntary mechanism, when developing the tool and guidance, the IRF Working Group needs to focus on how to get organisations to use the framework. SA is a process of continual improvement and will be adapted over time. They need to show how it adds value, for example using it as a mechanism to monitor regional targets and attract regional funding, and also how you can integrate SA into the organisations existing processes i.e. service improvement planning so it is not an additional process. This is more important than integrity and academic rigour for instance, *Quality of Life Capital* has had limited take up due to the complexity of the process and resources required.

