

Carl Sargeant AC/AM
Y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth
Leol
Minister for Social Justice and Local Government



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref

Kirsty Williams AM
Chair – Sustainability
Committee
Ty Hywel
Cardiff Bay
CF99 1NA

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Dear Kirsty,

Mainstreaming Sustainable Development in the Social Justice and Local Government Portfolio

Thank you for the opportunity to provide evidence to the Sustainability Committee on 3 February 2011. I am now in a position to provide the additional information requested by the Committee.

Local Government (Wales) Measure 2009

The 2009 Local Government Measure changed the legal basis on which local authorities plan, and account for, service improvement; and mainstreamed sustainable development into their community leadership functions through the community planning process.

The Measure requires Local Authorities to set annual improvement objectives. These improvement objectives must be framed so as to demonstrate improvement in at least one of the seven aspects of improvement defined by the Measure. One of these is sustainability (a unique requirement in the United Kingdom). The delivery of these objectives is monitored by the Wales Audit Office. A local authority that failed to set or deliver reasonable objectives (including sustainability objectives) could be criticised by the Wales Audit Office for doing so. This could, in turn, lead to formal action by the Welsh Ministers.

The Measure mainstreams sustainability within longer term community planning arrangements and the annual improvement arrangements for local authorities. The Measure defines community planning as a process by which the authority and its community planning partners (e.g. Local Health Boards and Fire and Rescue Authorities):

- Identify long term objectives for improving the social, economic and environmental well being of an area;
- Identify long term objectives in relation to the area for contributing to the achievement of sustainable development in the UK; and

Identify actions to be performed and functions to be exercised by the local authority and its community planning partners for the purpose of meeting those identified objectives in the community strategy.

A report by Price Waterhouse Coopers, 'Sustainability Reporting and Accounting' and commissioned by the Welsh Local Government Association (WLGA) stressed that the Local Government (Wales) Measure 2009 was a very significant lever and sustainability reporting driver.

Outcome Agreements

The outcome agreements that I have negotiated with each council in Wales requires them to develop and deliver detailed programmes of work to deliver outcomes under the headings of "*Wales is an energy efficient, low carbon and low waste society*" and "*the environment is protected and sustainable*". That means that two out of the ten themes in each whole agreement will be concerned directly with sustainability – a proportion that greatly exceeds current local authority spend in these areas and thus demonstrates my commitment to giving these issues a greater profile. By comparison, there is for instance only one required outcome on education and one on social care, which together account for around 2/3 of local authority expenditure.

All local authorities have readily embraced this focus on sustainability. All local authorities have appointed sustainable development co-ordinators who meet collectively as Sustainable Development Co-ordinators Cymru, a forum to consider the further development of sustainable development and promulgate best practice. Some innovative examples are; Flintshire proposal to commit the council and all local public-sector partners to make at least a 3% per annum reduction in carbon dioxide emissions over the next three years (leading to an 80% reduction by 2050) and to work with the third sector to the same end. Denbighshire has agreed to work with the Assembly Government and the Environment Agency to reduce or eliminate flood risk for 2000 homes in the county. All authorities are firmly of the view that the incentivisation that outcome agreements will provide is central to making these schemes work.

Changing Climate, Changing Places Project

The Changing Climate, Changing Places project began as a joint project between the Welsh Assembly Government, the Welsh Local Government Association, the Environment Agency, the Countryside Council for Wales and Science Shop Wales three years ago to help develop a corporate response to Climate Change adaptation within four pilot local authorities, and to act as a role model for local partners, communities and other authorities.

The four pilots were in Cardiff, Rhondda Cynon Taff, Flintshire and Gwynedd. The four areas were given the same brief, 'to develop an adaptation planning process which fitted within their internal business planning cycles.' Each pilot project then focussed on specific service areas. In RCT, this was flood and water; transport and social services in Gwynedd; Flintshire focused on work with LSB partners, social and community risks and initial work on their local development plan; and Cardiff focused on understanding the issues of risk and integrating them into business planning.

The aim is now to build upon this and that all 22 local authorities and other key reporting authorities in Wales learn from the project and take forward their planning on adaptation. All local authorities will be encouraged to being planning for adaptation (if they haven't already) at Climate Change week events in March. Our current consultation process suggests that if progress isn't made by 2012, we can direct local authorities to undertakes these tasks. The

WLGA have commissioned an evaluation of Changing Climate, Changing Places which will be shared at events across Wales during Climate Change Week (21st – 27th March).

WLGA Sustainable Development Framework

The WLGA have a Sustainable Development Framework which is evolving and increasingly focusing on specific work areas with individual Local Authorities and Local Service Boards and exploring initiatives in particular areas. Three separate consultancy firms have been contracted to develop various aspects of the Framework. The Framework is monitored and evaluated and reported on regularly.

In 2010, the WLGA commissioned Price Waterhouse Coopers to produce a document, 'Sustainability Reporting and Accounting,' which was published in October. Its purpose was to raise awareness through a policy and legislation update as well as showcasing organisations that have been proactive in sustainability reporting. It also emphasised the need to think and plan long term and the importance of sustainability reporting in shaping future good practice.

Under the Framework, a model Sustainable Regeneration Implementation Plan focused on the Tawe Riverside Corridor has been undertaken by Swansea County Council. Monmouthshire County Council has carried out a staff travel survey to support the development of a more agile working policy. An Environmental Management System to help in benchmarking environmental performance and objective setting and the development of a common methodology for carrying out sustainability appraisals of asset management plans have also been developed.

The WLGA are working with local councils on 'Future Trends' mapping to explore the impact of future social, environmental and economic trends on community needs and service provision in the longer term. The aim is to "hard wire" such trends and their associated risks into strategic planning going forward. Under the Framework a WLGA consultant is working with Powys and their regeneration consultants to ensure that sustainable development is embedded in the County's regeneration strategy. Other authorities are exploring the use of renewable energy sources and the income raising potential that the 'Feed in Tariff' for surplus energy provides.

The Carbon Reduction Commitment

The Carbon Reduction Commitment has the potential to drive down significantly the carbon footprint of the Local Government sector as a whole (along with all other areas of the public sector). The Commitment is requiring all organisations to analyse very carefully their existing individual footprints and the key drivers behind them as a benchmark for the introduction of a "cap and trade scheme" designed to progressively reduce emissions.

We need to have a mature relationship with Local Government colleagues on sustainability and there is plenty of evidence that they are doing a good job. The Chair of the Sustainable Development Commission spoke positively about the progress of Local Government on the sustainability agenda when I met with him last year. Local Government is engaging positively with other key players such as Forum for the Future and the Carbon Trust.

Sustainable Procurement in Local Government

The Efficiency and Innovation Programme, led by the Minister for Business and Budget, has identified collaborative procurement and commissioning as a priority area for action in improving the efficiency and effectiveness of public services. My understanding is that there are now between 60-80 procurement professionals employed by local authorities.

A dedicated workstream supported by Value Wales is working across public services to enable the public sector's £4.3bn annual expenditure to deliver its maximum possible value, in the most sustainable way.

Local Government has consistently supported and participated in the drive to embed sustainability into procurement. Value Wales has produced a range of policies and tools in support of this work:

The Sustainable Procurement Assessment Framework (SPAF), which enables organisations to assess their sustainable procurement performance and produce an improvement action plan;

The Sustainable Risk Assessment template (SRA), which helps organisation build social, environmental and economic factors into procurement projects;

The xchangewales programme has helped make public sector procurement processes more efficient with the sell2wales web site having registered over 50,000, suppliers over 28,000 of which are Wales based. Sub contracts are now being advertised via the Tier 1 facility with Carillion, for example, publishing 5 Tier 1 adverts for Cefn Hengoed School refurbishment with a further 5 anticipated. Work is also underway with Vinci Construction relating to Roath Basin BBC Studio and Carillion Roads Division relating to Heads of Valleys widening scheme. The xchangewales programme has reduced carbon and paper used with transactions to date saving 9,122,161 sheets of paper, equivalent to 991 trees and 59.3 tonnes of carbon;

Work on opening up opportunities for Wales based companies in the construction industry, with Welsh businesses securing awards from 15 out of 26 major contracts in 2010. Added to this is the increased use of "Community Benefits" clauses and where these have been used on projects such as the Church Village bypass, the Local Multiplier Effect benefit to the economy and community has been at least 30% greater than the construction industry average.;

Promoting Sell2Wales, which has made many opportunities available to Welsh suppliers; and

The Supplier Qualification Information Database (SQiD), which aims to simplify and standardise the pre qualification system. It is currently being piloted with training delivered to over 300 procurement staff to date with more planned. It is scheduled to go live as part of the refreshed Sell2Wales web site in 2011. Initial estimates from Industry are that pre qualification costs business in excess of £20 million per annum and the system has potential to cut these costs significantly.

Yours sincerely



Carl Sargeant AM/AC