



Sustainable
Development Commission

Sustainable Development Commission

Annual Review

2007-8

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Introduction to the Sustainable Development Commission (SDC)

The SDC is the government's independent advisor on sustainable development, reporting to the Prime Minister, the First Ministers of Scotland and Wales and the First Minister and Deputy First Minister of Northern Ireland. Through advocacy, advice and appraisal, we help put sustainable development at the heart of government policy.

The SDC's roles are threefold:

- *advisory*: providing informed, evidence-based advice to government on sustainability issues
- *capability building*: developing the attitudes, skills and knowledge in government to deliver on sustainable development
- *scrutiny*: holding government to account on progress towards sustainable development and on its operational commitments.

Who we are

The SDC has 19 Commissioners from a mix of academic, scientific, business and NGO backgrounds, chaired by Jonathon Porritt. Appointments to the Commission are made by the Prime Minister in agreement with the First Ministers of Wales and Scotland and First and Deputy First Minister of Northern Ireland. They are normally appointed for three year terms, and serve a maximum of 9 years (see below for a complete list of membership).

The Commission is supported by a Secretariat of 50 full-time staff who implement the Commission's decisions. The Secretariat is led by its director, Andrew Lee, and is staffed by people appointed by open competition and by secondments from various sectors. The Secretariat are based in four offices in London, Cardiff, Belfast and Edinburgh.

How we work

The Commission is able to act independently and can investigate any topic within its remit. The work programme is decided taking into account knowledge gaps in government, new policy initiatives, contentious issues and technological innovations.

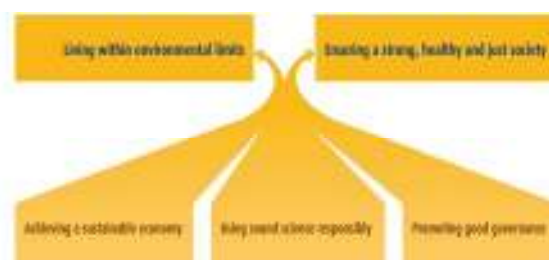
The work carried out reflects our three roles. This work includes, but is not restricted to:

- producing evidence-based reports on contentious environmental, social and economic issues of the day
- responding openly to government policy initiatives
- convening key stakeholders to encourage and facilitate debate on contentious issues
- working in partnership with departments to promote and support the mainstreaming of sustainable development throughout their organisation
- undertaking appraisals examining departments' operational performance and conducting in-depth thematic reviews into particular areas of government work.

Our Principles

The SDC bases its work on the five principles of sustainable development published by the UK government and the DAs in the 2005 report *One Future, different paths*, (shown below).

The principles guide the work of the SDC and establish a basis against which it reviews government progress towards sustainable development.



Current Membership

Chairman

Jonathon Porritt is co-founder and Programme Director of Forum for the Future, Co-Director of The Prince of Wales' Business and Environment Programme, and an eminent writer, broadcaster and commentator on sustainable development.

Commissioners (in alphabetical order)

Jan Bebbington (Vice-chair, Scotland) holds the Chair in Accounting and Sustainable Development in the University of St. Andrews. Jan's research interests focus around the dual themes of corporate reporting on sustainable development and full cost accounting.

Bernie Bulkin, formerly chief scientist at BP, is now non-Executive Director of AEA Technology plc, serves on numerous charitable boards, and has written extensively on the areas of energy and transport.

Lindsey Colbourne is internationally recognised for her pioneering engagement work. She established the NGO Vision 21 in 1993 and is now also coordinator of InterAct, an alliance committed to using engagement techniques to promote sustainable development.

Anna Coote is Head of Public Sector Policy at the new economics foundation. She was Deputy Director of the Institute for Public Policy Research (IPPR) from 1993-1997, where she led the Institute's groundbreaking work on health and social policy.

Peter Davies (Vice-chair, Wales) is co-coordinator of the Prince's Charities in Wales, former Deputy Chief Executive of Business in the Community, and has an established international reputation for his work in corporate social responsibility.

Stewart Davies has worked for 20 years in industry, as Managing Director at Rugby Cement amongst others, where he has implemented changes for businesses to meet demands in health & safety, Climate Change Levy and EU Emissions Trading Scheme. Stewart is currently Managing Director, Serco Integrated Services.

Ann Finlayson is an independent advisor on social change for sustainable development and is the former Head of the Social change at WWF, responsible for strategy development for the 'Learning for Sustainability' programme in the education, local government and business sectors.

Tess Gill is a leading barrister specialising in employment discrimination, industrial law and human rights. She is also a trained mediator and has held posts in a range of voluntary organisations.

John Gilliland (retired March 2008) is Chair and Director of Rural Generation, a research and development company, designing sustainable renewable energy and waste management systems using willow trees. John also operates a farm on both sides of the Irish border.

Tim Jackson is Professor of Sustainable Development at the University of Surrey. He has pioneered the development of an alternative measure of progress for the UK - 'green GDP'. His current interest are consumer behaviour, ecological economics, sustainable energy systems and environmental philosophy.

Alan Knight is an independent advisor to the Virgin Group, SAB Miller and Wyeville Garden Centres on sustainability through the product chain. He is also a board member of the Forest Stewardship Council, fellow of WWF UK and co-chaired the UK government's Roundtable on Sustainable Consumption.

Tim Lang is Professor of Food Policy at City University specialising in how public and private policy shapes the food supply chain. A farmer for seven years after obtaining his doctorate, he is a co-founder of Sustain, a major NGO alliance, and an award-winning author of several books.

Tim O'Riordan is former Professor of Environmental Sciences at the University of East Anglia and a Fellow of the British Academy. He has written extensively on interdisciplinary research for sustainable development and the implications of the transition to sustainability.

Alice Owen has a background combining industry, the voluntary sector and the public sector. In 2004 she founded her own company Integral Value Ltd assisting organisations to realise commercial advantage from taking sustainability seriously.

Anne Power is Professor of Social Policy at London School of Economics and Deputy Director of the Centre for Analysis of Social Exclusion. Since 1965 she has been involved in European and American housing and urban problems.

Hugh Raven is Director of the Soil Association Scotland and is special advisor to the Esmee Fairbairn Foundation on the environment. He also helps run Ardtornish, his family's estate in north Argyll and is active in the Slow Food movement.

Waheed Saleem is Locality Director with responsibility for Practice Based Commissioning and Children's Commissioning at Birmingham Eastern and North Primary Care Trust. His interests are in social policy, especially health, social exclusion, crime and youth.

Rebecca Willis (Vice-chair, Whitehall) is an independent researcher focusing on environmental politics at regional and local levels. Her freelance portfolio includes work with the Carbon Trust, Greenpeace, English Nature and the NorthWest Regional Assembly.

Making Change Happen

Last year the SDC agreed a three year strategy *A Catalyst for Change*, with bespoke versions for the UK Government, Scottish Government, Welsh Assembly Government and Northern Ireland Assembly. These strategy documents set out a broad direction of travel to 2010, our approach, and the consequent tactics and positioning we intended to adopt. The work programme *Making Change Happen*, again with versions for each part of the UK, translates those intentions into practical action. It describes in detail the changes we would like to see in government and beyond from 2008 to 2010 and the activities we expect to undertake to help to make those changes happen.

We started developing our four 2008-10 Work Programmes by describing some of the key changes – the **Impacts** - we believe are necessary across the UK for people to be able to live more sustainably. We related these Impacts to the shifts in government/public policy and delivery that will help to make them happen (the **Outcomes**). These fell into two groups: the high level Outcomes (which describe changes at the level of a whole government department or a public body) and the specific policy or process Outcomes which relate to this.

As the SDC's role is to be a catalyst for change within government, it is these latter outcomes that will drive our work. We then developed the **projects** and **activities** that we think can help to make these outcomes a reality.

The Work Programming process has resulted in a host of new projects that have been aligned with clear outcomes in government by 2010. This enables the SDC to more clearly track where it has or hasn't had sufficient influence.

Status Change

The SDC was established in 2000 as an advisory Non-Departmental Public Body (NDPB). Its core funding is provided by the UK Government through the Department of Environment, Food and Rural Affairs (Defra), who undertake sponsorship on behalf of the Cabinet Office, and from the Devolved Administration who each undertake a sponsorship role. In 2005, the UK Government's Sustainable Development Strategy *Securing the Future* (2005) expanded the SDC's role to take on a scrutiny role examining the progress of the strategy, and contained a commitment to review whether a change to executive NDPB would help deliver this new role.

The main drivers for a status change are:

- **Independence:** as the SDC grows, there has been less opportunity for supervision by Commissioners and given that staff are employed by Defra, there could be a perception of lack of independence
- **Devolved role:** status change should enhance the perception of the SDC as a UK-wide body with independent use of their influence and expertise
- **Management:** the SDC should gain more control over its finances and human resources enabling the organisation to select the most suitable arrangements for its needs.

After a detailed research and consultative period, Defra Ministers approved the change of status of the SDC to an Executive NDPB established as a not-for-profit Company Limited by Guarantee with membership held by the four DAs. The Company Limited by Guarantee route has the advantage of being relatively easy to establish, providing separate legal identity, enabling increased DA engagement and promoting greater transparency of governance. It enables SDC to secure funding from some non-Government sources and to have control of its own corporate affairs.

This new status will mean a number of changes for the organisation, such as:

- the SDC will for the first time be a legal entity, allowing it to enter into contracts
- staff will become employees of the new company
- SDC governance will have to comply with the Companies Act as well as government standards for NDPBs, such as host an Annual General Meeting and provide financial reporting to Companies House
- the Commission will legally become a sub-committee of the new Board of Directors, to which all policy making functions will be delegated.

The status change is due to occur during 2008/09. The change should mean that the SDC is better able to deliver its programme of advice and scrutiny.

SDC's work over the financial year 2007/08

Advisory Role

The advisory work of the SDC is undertaken by the policy teams covering a broad range of policy issues. Some of this work is published as evidence-based reports, while other work is collaborative with government and developed in response to policy initiatives. The work of the policy teams for the financial year 2007/08 is summarised below.

Built Environment

2007/08 saw the Department for Children, Schools and Families (DCSF) fund SDC to undertake a major study to determine carbon emissions of the English schools estate and develop carbon reduction scenarios as recommendations to DCSF, local authorities and schools. The SDC has had very positive engagement with DCSF and the key stakeholders, and its recommendations are being reviewed by DCSF presently. These include:

- setting a target for carbon reduction from the schools' estate of 50% by 2020, rising to 80% reductions by 2050. As a first step towards establishing this aim with schools, we recommend that DCSF adopts the same aim for its own operations
- committing to take action across the whole carbon footprint identified in this report
- committing to assess the carbon impacts of all major DCSF policies to remain in line with the carbon reduction aim.

In 2007, we undertook a study of carbon emissions of the NHS estate to act as evidence for the NHS carbon reduction strategy, funded by the NHS sustainable development unit. We have had good engagement with DH and NHS officials and our input to strategy was welcomed. The key headlines from the carbon footprinting work are:

- NHS England is responsible for 22% of England public sector emissions
- NHS England total consumption emissions rose by 12% between 1992-2004

- procurement of goods and services results in 60% of the emissions attributable to NHS England
- the emissions from procurement of pharmaceuticals make up a fifth of those for NHS England, and are comparable to emissions from either building energy use or travel sectors.

The SDC input into the Sustainable Construction Strategy has included seconding staff to the Department for Business, Enterprise and Regulatory Reform (BERR) to work on strategy development, and membership of the Project Board. We supported BERR to create a strategy with cross departmental and industry 'buy-in' and an ambitious policy package. Our input has resulted in strong cross departmental support for the strategy and stakeholder engagement.

Energy, transport & climate change

Building on our work in 2006/07, we published two major energy reports in autumn 2007. *Lost in Transmission?* looked at the role of Ofgem, the independent gas and electricity market regulator, and is discussed below under Thematic Reviews. *Turning the Tide* examined tidal power in the UK from a sustainable development perspective. The work was supported by UK Government, the Welsh Assembly Government, South West England Regional Development Agency, the Scottish Government and the Department of Enterprise, Trade and Investment (Northern Ireland). The report examined the full-range of tidal technologies, including tidal stream, tidal lagoons and barrages, with particular reference to a Severn barrage. The report concluded that tidal stream was a very promising technology which needed continuing support if its potential is to be fully exploited and a Severn barrage could be sustainable under certain conditions. The SDC is continuing to work with UK Government as it takes forward its feasibility study on exploiting the tidal range of the Severn Estuary.

The SDC has continued to be active in internal government work on climate change policy. This has included participating in Defra's work on personal carbon trading and the carbon reduction commitment, and we responded to BERR's consultation on a heat strategy. We have also been

working with key government departments on carbon footprinting and emission reduction strategies for parts of the public sector estate (see section on *Sustainable Buildings*). We have also started a major project to contribute to Defra's development of the Supplier Obligation for the period post-2011. This project included engagement with a broad range of stakeholders and development of propositions for testing with consumers. The research phase completes in summer 2008 and will be published with an independent SDC position in autumn 2008.

The SDC worked in partnership with IPPR to carry out a major engagement exercise looking at the issues around aviation and the role of aviation in a sustainable economy. The Stakeholder Assessment process included aviation industry groups, government representatives, academics, citizens' groups and NGOs and was supplemented with visits to sites of particular relevance to the aviation debate, and is due to be published in 2008/09 called *Breaking the Holding Pattern*.

Sustainable Consumption & Business

Products have an enormous and still largely untapped potential to help address pressing environmental and social challenges. In November 2007, the SDC launched *You are what you sell. Product Roadmapping for Sustainability*. This primer outlines the opportunities for business and government in taking a products-focused approach to sustainable development. It introduces practical tools and explains why products are becoming crucial to sustainable development policy thinking. Commissioner Alan Knight has led SDC's successful advocacy of the products approach, engaging and inspiring many within government and business, and providing SDC's first YouTube appearance with his talk on product roadmapping.

Back in 2006 the SDC called for Defra to initiate ten product roadmaps in *I will if you will*, the report of the Sustainable Consumption Roundtable, jointly hosted with the National Consumer Council. Defra has achieved this and its Sustainable Products and Materials Report, published in mid-2008, details action already underway to help make a wide range of products, including food, electrical appliances and clothing products more sustainable throughout their production, use and disposal. It

also sets out a vision for future work on making products more sustainable and is encouraging debate about how this could be achieved.

The SDC has also been working to help identify pathways towards a vision for sustainability in the retail sector. In September, we brought together over 56 sustainability experts from retailers, government, academia and NGOs to explore the goals and priorities for retailers and government policy. Alan Knight has chaired the Retail Environmental Sustainability Experts Group for BERR, which brings together retail sustainability interests from government departments and agencies to help coordinate cross government policies.

The Business Taskforce on Sustainable Consumption and Production (jointly sponsored by Defra and BERR) completed its work at the end of the year. Commissioner Stewart Davies successfully led a Taskforce working group on personal mobility. The resulting Mobility 2020 concept is now being developed by the SDC with businesses and Taskforce partners.

Health

The Healthy Futures team have had a very busy and successful year. An independent evaluation of the Good Corporate Citizenship Assessment Model by the Environment Council surfaced the many positive impacts the model has had in practice for National Health Service (NHS) Trusts. All respondents found the model effective, two thirds of users returned to the model and overall the model seems to assist Trusts to identify objectives and give a more holistic overview of where they need to take action. It also provided an in-depth of understanding of enabling factors and barriers within Trusts, which will help to inform further development of the model. Half of all NHS Trusts are now registered on the model, double the number from the previous year.

There have also been some important advances in NHS and Department of Health (DH) policy and practice towards sustainable development. The SDC's Healthy Futures work has helped to bring about significant advances within DH, including:

- high-Level Sustainable Development (SD) Steering Group and the development of an SD Strategy
- establishment of a Sustainable Development Unit to drive forward an SD Strategy for the NHS
- development of a NHS Carbon Reduction Strategy
- political leadership raising the profile of tackling the broader determinants of health and health inequalities.

Three new publications have been very well received – *Healthy Futures #6: natural environment, health and well-being*; a one year on celebratory publication developed in partnership with the NHS Confederation ‘*Healthy and Sustainable*’; and *Healthy Futures #7: The NHS and climate change*.

In addition, the Healthy Futures team produced *Health, place and nature*; an in-depth knowledge base on how outdoor environments influence health and well-being to be used as a tool by policy makers, practitioners and others who are interested in helping to make the case for sustainable development. This has received very positive feedback and is proving a useful tool in showing the benefits of SD in practice.

Education and Young People

Building on the firm foundations of DCSF’s sustainable schools strategy, our work with the Department has extended this year to supporting policy on wider children’s health and well-being. *Every Child’s Future Matters*, published in summer 2007, explored the central role played by the environment in children’s physical and mental well-being. It looked in particular at the impact of high levels of road traffic on children’s ability to be physically active in public space, and the value of green spaces for play, exercise and mental health.

Climate change also featured in the report, which concluded that services used by children, including schools, surgeries, hospitals and social care services, should exemplify sustainable development in everything they do and that postponing action on climate change can only diminish children’s life chances. We were very pleased to see many of these ideas coming

through strongly in DCSF’s recent Children’s Plan, and in specific strategies such as *Fair Play*. It would not be overstating the case to say that in the light of obesity, climate change and mental ill-health, government is beginning to rethink its attitude to public space.

Clearly, despite real successes, there is still a vast amount of work to be done. School workforce development, for example, is still largely unaffected by sustainable development, meaning that important opportunities for engaging children, saving resources, and contributing to sustainable communities are not being taken. School procurement – including food, information technology and utilities contracts – in many cases do not follow sustainable procurement principles. The system is diverse and fragmented, and levers are few and far between, yet we know that schools produce 15 per cent of public sector carbon emissions, and the majority of these arise through the supply chain.

One promising direction is to empower young people to take the debate to their local schools and councils, and demand action on issues like waste and climate change. With the SDC’s help, DCSF is embarking on a major programme of support for young sustainability activists, targeting young people in disadvantaged circumstances.

Economics

The main focus of Economics work over the year has been our *Redefining Prosperity* project. Work on this included four seminars and the commissioning and writing of 20 think-pieces. These are all contributions to debate about the complex relationship between economic growth, sustainability, and wellbeing, and will feed into the writing of a report on the issues raised. We have had some engagement with Treasury and BERR on the project and intend to expand this engagement in 2008/09.

There has also been an economics input to the SDC’s work on planning and the Government’s Sub-National Review on regional development, and discussions have been held with officials in the Treasury and other departments about the new set of Public Service Agreements, which set the key targets for government departments.

Regional and Local Government

At the local level, the SDC's work has focused on advice and advocacy to Government and other key stakeholders to help shape the development and implementation of the new local performance framework. This has involved:

- leading a Defra-commissioned project, Capability for Local Sustainability, bringing together key departments and stakeholders to explore ways of improving local government capability to deliver sustainable development
- a programme of work with the Audit Commission to develop and implement its approach to sustainable development
- advice to DCLG on the content of the new statutory guidance, *Creating Strong, Safe and Prosperous Communities*
- working with key stakeholders to develop proposals for a Local Sustainable Development Lens, a voluntary set of indicators linked to the national indicator set, to track local progress on sustainable development.

The SDC has also continued to publicise *Financing Local Futures*, an online guide for financial decision-makers in local authorities on mainstreaming sustainable development into their work, which was first published in February 2007.

This year has seen the start of a dynamic period of change for the English Regions following the government's sub-national economic development and regeneration review (SNR). The SNR has far-reaching implications for regional structures, governance arrangements and the focus of future development programmes. The SDC has provided advice and analysis of potential impacts to Government departments, and acted as a national advocate for a wide range of stakeholders. We have also been working directly with regional stakeholders to promote the embedding of sustainable development principles within their own structures.

The future role of the SD Regional Champion Bodies (RCB) is also being explored within the context of the SNR. We have continued to host the biannual RCB network, facilitating knowledge transfer between regions and representing the critical importance of the RCB role at the national level, as

well as providing developmental support to individual RCBs.

Following the Barker Review of land use planning and the Eddington Review of transport, the Government issued a Planning White Paper, representing the biggest reform of spatial planning since 1947. The SDC has worked closely with Government departments, providing advice on both the development of policies as well as on good governance and consultation processes. We have established effective relationships with planning stakeholders and continue to assess the implications of the forthcoming legislation at the national, regional and local level.

Engagement

Following on from the success of the engagement team's first year, the team expanded in 2007-2008 to deliver a series of innovative projects. The engagement work programme focused on building an evidence base, putting engagement at the heart of the SDC's own work, and capacity-building across Government.

Throughout 2007-2008, major SDC engagement projects included:

- a major stakeholder review of government policy around sustainable aviation, *Breaking the holding pattern* - jointly run with IPPR (see above in Energy, Transport & Climate Change)
- a major stakeholder and consumer engagement project, *The Supplier Obligation*, focusing on household energy post 2011 (see above in Energy, Transport & Climate Change)
- an IPPR report commissioned by SDC called *Engagement and political space*, looking at how effective engagement can open up political space on climate change
- an Involve report commissioned by SDC called *Engage for Change* which assesses the role of engagement in sustainable policy-making
- our SD Stakeholder Panel which was used in a variety of projects including work planning and sustainable schools strategy.

Our aviation consultation was evaluated and highlighted in Hansard's Digital Dialogues (a Ministry of Justice commissioned review of ways central government can use information technology to enable and enhance public

engagement) as an exemplary way to conduct online consultation.

Alongside SDC engagement projects, the team also delivered highly strategic capacity building across Government. These include:

- close ties with the Cabinet Office and Ministry of Justice on developing cross governmental public engagement best practice
- assessing the National School of Government's current offering and shaping new courses
- helping to shape the formation and launch of People & Participation online.

"I think the fact that SDC has transformed itself into this honest broker trying to bring everyone together has been a very courageous but a very welcome move."

Stakeholder, SDC Aviation Dialogue

Finally, last year also saw the development of the team's training role, which included:

- delivery of two engagement overview training days for over 30 staff and commissioners
- development of bespoke in-depth engagement materials to complement the project management cycle
- training days for SD officials working across Whitehall
- interactive seminar for Scottish government practitioners and policy makers.

"I got some insight and a reaffirmation that even where people disagree quite strongly you can create a structure within which you can have a positive discussion"

Stakeholder, SDC Aviation Dialogue

Capacity Building

SDC's Capability Building supports government on developing leadership on sustainable development, as well as helping build the knowledge, skills and resources to make sustainable development part of government's policy, operations and core business.

The capability building role is primarily entrusted to the Whitehall team, but is also embedded across the organisation, with teams incorporating a capability building approach into their policy work.

The SDC has continued to provide support to all departments and Executive Agencies preparing Sustainable Development Action Plans (SDAPs), a key corporate document setting out each organisation's contribution to *Securing the Future*. In March 2008, we launched an updated SDAP guidance *Driving Change*, which sets out a more detailed and challenging approach to producing SDAPs, encouraging government to go a step further than the year before. The response has been positive and the process has accelerated the mainstreaming of sustainable development into departments' modes of working. The SDC met all requests for SDAP advice from both departments and agencies.

We ran our first ever bespoke Capability Building programme, responding to a request from the Department of Communities and Local Government (DCLG) Permanent Secretary. A series of three capability building seminars, which focused on key policy areas for DCLG, were delivered in partnership with DCLG from August to December 2007. These seminars supported DCLG staff in building a vivid picture on how to apply sustainable development principles in their work. A commitment to phase two has been agreed for the future.

As part of a long term commitment to Capability Building, SDC received Defra funding for a cross-government capability building programme. This "seed corn funding" capitalised on the momentum generated by SDAP process and also the interest in sustainable development across government. The programme achieved the following goals:

- establishment of comprehensive new evidence bases for sustainable development capability at both central and local government level
- successful partnership working with the National School of Government to stimulate new thinking around sustainable development
- establishment of a learning network of officials across government to support knowledge sharing and build confidence for change in relation to sustainable development
- compilation of digest of sustainable development learning and development providers which will assist departments to become "intelligent customers" for these services

- increased capability building skills for SDC Secretariat to support the Commission's Strategy aim to support organisational change for sustainable development across government.

Watchdog Role & Scrutiny Work

The *Sustainable Development in Government* (SDiG) report continues to be a major part of our watchdog role in England, examining government departments and their agencies' operational performance against the government-wide targets. Our activities have included elevating the importance of sustainable procurement through extensive contribution to government's procurement plan and careful design of the SDiG questionnaire, progressively raising the ambition level.

The SDiG report found that while there were many examples of good practice and innovation, government as a whole did not have a co-ordinated approach to meeting the targets. The response to the report from government has been very positive. All 43 of SDC's recommendations have been accepted by government, and a new Centre of Expertise on Sustainable Procurement (CESP) has been created in Office of Government Commerce (OGC). The CESP is leading the development of Government's operational and procurement delivery plan to address our recommendations. The SDC has already provided extensive comments on the travel element and continues to provide strategic support and advice to departments on how to improve their data quality and their delivery plans for achieving government's targets (much of this is now with OGC, who undertake the detailed work). Sir Gus O'Donnell is committed to delivering real change and achieving the Government's sustainable procurement and operations targets, and has now also given Permanent Secretaries a 4th objective on achieving these.

In-depth Thematic Reviews

Through our in-depth reviews we look in detail at particular parts of government policy or area of work from the perspective of sustainable development and make proposals to increase effectiveness in delivery. This year we undertook three reviews.

Review of the Regulators

The Watchdog team is leading a thematic review of public service regulators to encourage the regulation of sustainable development in the wider public sector. This is a cross-SDC project with both the 'Healthy People and Sustainable Places' and 'Education and Young People' policy teams working closely on the review. All three devolved administrations were also involved in the first phase.

Since the review began in July 2007, the English regulators have already taken action to develop their approach to sustainable development. For example, the Audit Commission has developed and published a statement of intent on sustainable development, set up a sustainable development capability building programme for its staff and has stated that sustainable development will be integral to the new assessment framework; Ofsted has incorporated questions relating to sustainable schools into their assessment framework, has shadowed the SDiG process, and has started to develop an SDAP; and the Healthcare Commission has commissioned research into the potential role for regulating the environmental impacts of healthcare bodies and run a roundtable event to discuss the findings and recommendations.

We have also been invited by the seven inspectorates involved in developing the new Comprehensive Area Assessment to provide advice on how to assess sustainable development and are now working on the inside track to do so.

We will continue to work with the regulators to develop their understanding of sustainable development and to encourage them to assess sustainability in the bodies they regulate. We will publish a final report in early 2009.

Ofgem and the Energy System

The SDC published its second thematic review in September 2007, *Lost in Transmission*, reviewing Ofgem's performance, as the regulator of the gas and electricity markets, against its sustainable development duty. The work included interviews with industry, Ofgem and Government officials, academics and NGOs as well as desk-based research. The report included 20 recommendations to government and Ofgem, including changing

Ofgem's primary duty to align with government's energy and environment policies. The report has sparked a substantial debate in government around Ofgem's remit in the context of the current energy bill.

Review of Supermarkets

In February SDC published its review of government's role in supporting sustainable supermarket food, *Green, Healthy and Fair*. This timely report calls on government to develop an integrated policy for a sustainable food system. Supermarket food is inextricably linked to many of the toughest challenges faced by Britain today, from obesity and climate change, to waste, rising food prices and global poverty. The food chain contributes around one-fifth of total UK greenhouse gas emissions and is a major source of waste, much of it avoidable. Obesity and overweight currently costs the economy a staggering £10bn a year and is forecast to reach £50bn by 2050. Many peoples' livelihoods in rural communities, in the UK and in the developing world, depend upon getting access to and a fair price from, the UK's food system.

SDC's report has been welcomed within government and has been influential in the Prime Minister's own review of food policy by the Strategy Unit.

Devolved Administrations

The balance of the SDC's three core roles of advice, advocacy and scrutiny varies in each of the DAs depending on the memorandum of understanding with each administration.

The DA offices work closely with the office in Whitehall and with each other. This is evidenced in the research for the tidal report which was funded by all four administrations and, at various stages, engaged SDC staff in all our offices.

Scotland

SDC Scotland's major project in 2007/08 was the completion of our First Annual Assessment of progress by the Scottish Executive, *Sustainable Development in Scotland*. This work was started in January 2007 and launched in September 2007 by the First Minister Alex Salmond in the Scottish Parliament. While this Assessment focused on the

actions of the previous Administration and their delivery against Scotland's Sustainable Development Strategy, it also noted early initiatives introduced by the (then) new SNP administration.

Since this time, the SDC has worked closely with the new Government, providing advice and expertise on a number of sustainable development issues. Notably we provided advice relating to the development of the Scottish Government's Economic Strategy on how to frame this strategy using sustainable development criteria. Following on from this we have engaged closely with the Scottish Government on issues such as additional measures of progress, climate change, carbon accounting and sustainable development decision tools.

In late summer 2007 Scottish Ministers asked for advice on the role of energy from waste in a zero waste society. In response we began an investigation and in December 2007 published *A Burning Issue*. In January 2008 Cabinet Secretary Richard Lochhead made a speech to Parliament setting out the Government's new position on waste policy, in which he made use of the SDC's findings and recommendations on energy from waste. Our Scottish Commissioner, Jan Bebbington, has subsequently joined the Scottish Government's Zero Waste Think Tank and is ensuring that SDC findings are taken account of in this group.

Since late 2007 SDC Scotland has also worked to advise Government on food policy and has contributed to the Government's Food Discussion with its report *The Right Ingredients*. SDC is also supporting Government in delivery of an SDC Leadership programme, and in spring 2008, Jonathon Porritt spoke alongside Richard Lochhead, John Swinney and Sir John Elvidge to launch the Scottish Government's Greener public sector leaders' programme.

Alongside this SDC has supported the use and delivery of major UK elements of work. Across 2007/08 we have worked alongside UK colleagues to support delivery of *Lost in Transmission*, *Tidal Energy in the UK* and *Green, Healthy & Fair*.

Wales

Since the inception of the new coalition government in May 2007, progress in Wales has been significant. With relationships with the Welsh Assembly Government (WAG) consolidated through a Memorandum of Understanding outlining the key expectations from the team, SDC Wales have secured increased funding, a new office independent of the WAG building, and a new team in place to deliver our commitments. The strong relationship that SDC Wales now has with the Welsh Assembly Government was exemplified through the invitation to our commissioner, Peter Davies, to join the Ministerial Policy Board for the Sustainability, Environment and Housing portfolio. The Welsh Assembly Government also called on SDC Wales to support and advise on its review of the statutory SD scheme, and the third sector framework 'exploring sustainability'. The SDC was also named in the *One Wales* programme of government, giving a specific remit to SDC in relation to the Climate Change Commission.

As well as taking forward specific SDC Wales work such as the *Healthy Sustainable Wales*, commissioned work on the built environment and climate change, and responses to consultations such as the renewable energy route map, aspects of the UK work programme have also successfully been launched in Wales. Notable examples which, following advocacy, are making progress include *Green, Healthy and Fair*, the regulators review, *You are what you Sell* and the tidal power report. As part of this advocacy, successful meetings have been held with the Minister for Rural Affairs and the Deputy First Minister and Minister for the Economy and Transport and the Minister for Environment Sustainability and Housing, and a series of seminars and workshops has been held with key stakeholders and officials, leading to new opportunities for SDC moving forwards.

Northern Ireland

During 2007/8 SDC consolidated its position as a key advisor on sustainable development to the new Northern Ireland Executive, laying the foundations for initiatives in 'breakthrough' areas, such as climate change, procurement, construction and training for sustainable development.

At the request of the Environment Minister, SDC took a lead role in examining the climate change agenda in Northern Ireland by hosting two events. *The Jargon of Carbon* seminar examined progress towards carbon neutrality on the government estate. As part of the UK aviation dialogue, we hosted a one-day 'field trip' to examine the unique challenges of the aviation agenda in Northern Ireland. Both seminars were oversubscribed and stimulated considerable discussion and debate.

SDC also provided valuable advice to government on the first Northern Ireland Sustainable Procurement Action Plan and helped design and deliver the first training programme on sustainable development rolled out across the Northern Ireland Civil Service.

Both Commissioners and SDC staff have been in regular demand to speak at conferences and seminars throughout the year. Jonathon Porritt, Bernie Bulkin, Anna Coote, Alice Owen and Tim Lang all delivered speeches, and the SDC has initiated a quarterly lecture series to showcase our work. The Head of SDC also made presentations at several high profile events.

Communications

Our dedicated communications team provides support and expertise to ensure our messages are communicated effectively to government and the wider public.

In addition to managing the presentation and publication of our advice to government, the team is responsible for creating and maintaining our website, stimulating debate on our online forums, engaging in strategic media relations and organising multi-stakeholder events that inform and invigorate our work.

Online services

The SDC website is a crucial part of our communications work, and 2007/08 saw a significant increase in its use by the public and stakeholders. The site is used to highlight our latest projects and make a broad range of sustainable development information available. It also features an events calendar, user forums and profiles to increase active participation and encourage

engagement with the SDC. This year we have added an *SDC in the news* section to keep our audience up to date with external media stories featuring the SDC. We have also provided the additional option of subscribing to our home page via Rich Site Summary (or RSS) news feed.

The provision of our published reports online has proved to be a very successful means of distributing our work. In total almost 286,000 documents were downloaded in 2007/08, 58,000 more than last year. On average, the website received over 21,000 visitors per month.

Table 1: The top 5 publication downloads in 2007/08

Publication	Downloads
1. <i>Every Child's Future Matters</i>	9,710
2. <i>Wind power in the UK</i>	7,693
3. <i>Tidal Power in the UK</i>	6,692
4. <i>I will if you will</i>	6,418
5. <i>Nuclear Power</i>	4,618

Online networks

The SDC online network allows members of the public to keep up to date with our work and sustainability issues. Over the last year membership has grown from 10,000 to 12,750. Members receive a monthly bulletin covering current areas of work and are invited to contribute to forum debates and provide their own case studies of good sustainable practice.

Membership of our expert Sustainable Development Panel grew from 569 to 660 this year, as the engagement team looked to broaden the membership and align panel members with policy teams' existing key stakeholders. Members were kept informed of SDC work through a monthly bulletin, giving them the opportunity to contribute to projects.

The Panel was most notably used to inform our work on aviation, but also on the work programme planning process and low carbon schools project. The aviation consultation led to a more in-depth process with stakeholders and was again analysed by the Ministry of Justice's Digital Dialogue project to track the progress of innovative forms of online engagement across government.

Press

2007-08 saw a great increase in the SDC's media profile, beginning with extensive coverage of *Building Houses or Creating Communities* in May. It was launched with an exclusive feature by Rebecca Willis in the Observer, and reached an eventual audience of over 17 million. Rebecca, along with Alice Owen and Anne Power, continued to answer a steady stream of requests for interviews on housing and planning matters throughout the year.

Every Child's Future Matters was enthusiastically received in a wide range of professional media, beginning with an opinion piece by Waheed Saleem published in the Guardian Society. Total coverage reached an audience of over a million professionals in children's services, planning, housing and health.

Jan Bebbington and Hugh Raven both featured in coverage on *Sustainable Development in Scotland*: a review of progress by the Scottish Executive. Other notable coverage in Scotland accompanied the publication of *A Burning Issue*: the role of energy from waste and *The Right Ingredients*, the SDC's response to the National Food Policy Discussion.

The SDC's strong reputation on energy was bolstered by widespread coverage of *Lost in Transmission – the Role of Ofgem in a Changing Climate*, fronted by Bernie Bulkin. National broadsheet and trade coverage reached over five million industry and policy professionals, and the report was of particular interest in Scotland. *Turning the Tide* was eagerly anticipated by the media, and was met with a deluge of media coverage on its publication in October. At simultaneous press launches in London and Cardiff, Bernie Bulkin, Tim Jackson, Peter Davies, Lindsey Colbourne and Jonathon Porritt all contributed to media interviews. The result was blanket broadcast and broadsheet coverage, detailed reporting in a broad range of trade press, and massive regional coverage in Wales and the Severn Estuary area, with a combined audience of 60 million.

Reacting to government announcements, the SDC maintained its profile on nuclear energy throughout early 2008. Tim Jackson made use of frequent media opportunities, including Newsnight

and Channel 4 News, to reinforce our position of opposition to a new generation of nuclear power plants.

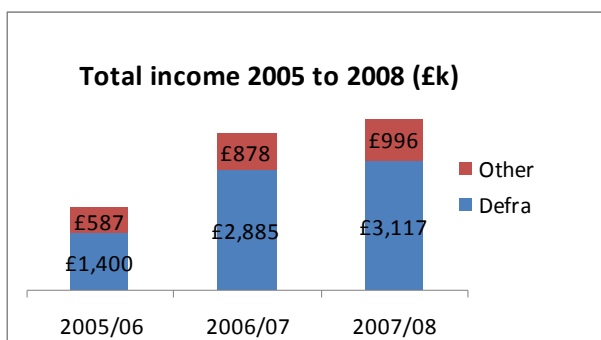
Green Healthy and Fair, the SDC's report on supermarkets, was published in February, with Tim Lang fronting broadcast and broadsheet interviews nationally, and Peter Davies in Wales. Talks by John Gilliland in Northern Ireland raised the profile of climate change and health, and Anna Coote's work with the health team on good corporate citizenship in the NHS attracted a steady stream of trade coverage.

Finally, the annual *Sustainable Development in Government* report in March, led by Rebecca Willis, again achieved a huge volume of coverage, placing the SDC in a strong position to increase its profile still further in 2008-09.

Resource Management

Income

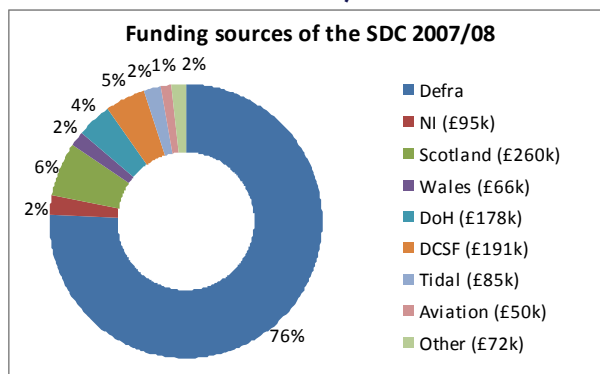
The SDC derives income from a number of government departments and other bodies. The main sponsor is Defra with an allocation of £3.1 million in the Financial Year 2007/08. Other important sponsors are the Welsh Assembly Government, Scottish Government, the Northern Ireland Assembly, the Department of Health and DCSF.



The budget of 2007/08 increased compared to the previous financial year despite the Comprehensive Spending Review and the consequent budget constraint suffered by Government Departments. This is due to the SDC successfully attracting increased project funding for example for the completion of the Tidal Project and the Aviation,

Supplier Obligation, and Local and Central Government capacity building projects. In total the income raised for 2007/08 was £4,113k.

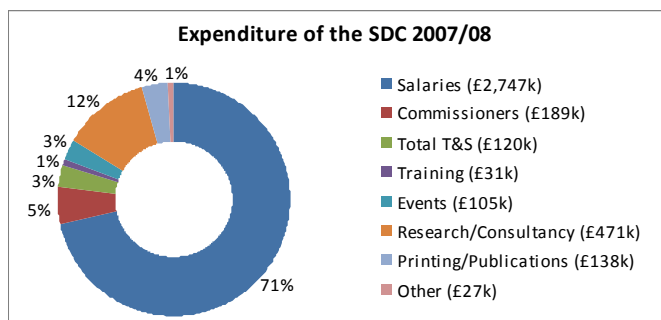
Source of SDC income 2007/08



Expenditure

Over two thirds, 72%, of SDC's expenditure was spent on staff. The next largest item of expenditure was research and consultancy at 12.3% of our budget, re-enforcing our aim to produce strong evidence bases for our work.

Our funding sources and expenditure are summarised below.



Personnel

At the end of the financial year, the Secretariat had 50 staff of which 23 were permanent, 3 seconded from industry or other government departments and 24 on Fixed or Short Term Appointment. The recruitment exercise in the DAs was completed in the previous financial year and therefore the number of staff for the financial year 2007-08 has remained unvaried.

List of publications in 2007/08

For the complete list of our publications, please visit our publications website at:
<http://www.sd-commission.org.uk/publications.php>

List of acronyms

BERR – Department for Business, Enterprise and Regulatory Reform
CESP - Centre of Expertise on Sustainable Procurement
DCSF – Department for Children, Schools and Families
DCLG – Department of Communities and Local Government
Defra – Department for Environment, Food and Regional Affairs
DH - Department for Health
IPPR – Institute for Public Policy Research
NDPB – Non Departmental Public Bodies
NGO – Non Governmental Organisation
NHS – National Health Service
OGC – Office of Government Commerce
SDiG – Sustainable Development in Government
SDAP – Sustainable Development Action Plan
SDC – Sustainable Development Commission
SNR – Sub-National Review
WAG – Welsh Assembly Government
WWF – World Wide Fund for Nature