

Improvement Study –
Sustainable Development
**Torfaen County
Borough Council**

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Author:	Andy Phillips
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Status of our reports to the Council

This report has been prepared for the internal use of the named body. Our reports are prepared:

- *In relation to performance audit, under the Audit Commission Act 1998, in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.*
- *In relation to inspection, following inspection work carried out under Section 10 of the Local Government Act 1999 and in accordance with the guidance issued by the National Assembly for Wales in Circulars 14/2000 and 18/2002. The inspection report is issued in accordance with the duty under Section 13 of the 1999 Act.*

Reports are prepared by appointed auditors and inspectors, and addressed to members or officers. They are prepared for the sole use of the named body, and no responsibility is taken by auditors or inspectors to any director /member or officer in their individual capacity, or to any third party.

Introduction

1. As part of the Wales Programme for Improvement, the Audit Commission in Wales (ACiW) carried out a joint risk assessment with each local authority in early 2003. One of the outcomes of this was to identify common themes which arose at many or all local authorities.
2. Sustainable Development was one of the common themes identified and, subsequently, this Improvement Study is being carried out at all 22 local authorities in Wales as part of the 2003/2004 Regulatory Plans. Each council will receive an individual report and a national report will also be produced summarising the key findings and highlighting good practice.

Background

3. One of the most widely used of the many definitions of sustainable development came from the World Commission on Environment and Development:
*'Development that meets the needs of the present without compromising the ability of future generations to meet their needs.'*¹
4. Local Government is a key strategic partner in supporting the National Assembly for Wales (the Assembly) in the realisation of its vision of a sustainable Wales. Previous studies have identified that sustainability is not being integrated into 'day to day' operations. This work will focus upon integration and identify drivers and barriers to improvement.

¹ See Appendix 2 for background information on sustainable development in Wales.

The journey so far

Recognising the need for change

5. The Council has many priorities for improvement and is currently facing strict budgetary constraints that are limiting the uptake of new initiatives.
6. Some progress is evident with the production of a Local Agenda 21 strategy, the development of sustainability appraisal and the commitment to incorporate sustainable development across council activities. After an encouraging start, the initial momentum has since faded, although there is now some evidence of renewed interest.
7. We found that sustainable development was not actively driven by members or senior managers, key policy drivers are absent and strategies are redundant and overlooked. The result is that sustainable development is not as yet embedded across the activities of the Council, and this is a passive process led by enthusiasts rather than as a driven and managed process of change.
8. There must therefore be doubt whether the Council is currently maximising the benefits of promoting sustainable development or has fully recognised the need to change.
9. The potential role of the Community Strategy as a vehicle for mainstreaming sustainable development is also not fully understood but, as this strategy has yet to be produced, this offers a significant opportunity for improvement.

Ownership and willingness to change

10. The Council vision is to 'improve the quality of life of the people of Torfaen significantly and continuously'. This is supported with eight core themes including; 'to forge partnerships to develop and enhance the economic, social and environmental wellbeing of the County Borough'. This core theme articulates the principles of sustainable development, which can also be identified in general terms in the Improvement Plan. However, the Council makes no direct statement in support of sustainable development.
11. Examples of how sustainability has been promoted so far are given within the Improvement Plan, but these are almost entirely focused on environmental improvements and as a result, have little cross-cutting impact. Only the proposed use of sustainability appraisal within the Torfaen Regeneration Strategy and for the Unitary Development Plan (UDP) hold promise of a wider and more holistic interpretation of sustainable development.
12. Further evidence was obtained during our interviews to indicate that the Council's understanding of sustainable development is centred on the 'environmental' aspects rather than a balanced approach that takes in the holistic integration of social, economic and environmental gains.
13. The Council does not have a member leading on sustainable development, pending the allocation of new portfolios. It was unclear if sustainable development would be specifically included within the new portfolios. Member awareness of sustainable development is in general acknowledged to be limited, and induction training is being provided for all members that includes the basic concepts of sustainable development. We regard this as a positive step towards embedding the ownership of sustainable development issues at the decision-making heart of the Council.

Delivering the change

14. The Council produced and published a Local Agenda 21 strategy in 1997. Since that time, several groups have been formed to raise the profile of sustainable development issues within the community. More than 70 stakeholders and members of the public attended a seminar on sustainable development held by the Council in 1999.
15. The Council evaluated progress and published a revised Local Agenda 21 strategy in August 2000. We were told that this strategy was over-ambitious and could neither be delivered nor the progress monitored. The strategy has not been supported by policy and is now not a 'live' document and is effectively redundant.
16. We found that the absence of a policy framework to support the delivery of the Local Agenda 21 Strategy is the fundamental reason why sustainable development is not embedded across the work of the Council.
17. We were encouraged to find that senior managers appreciate the need to balance economic, environmental and social issues. However, it is a concern that the benefits of sustainable development are not widely appreciated by decision makers. This means that sustainability is often 'pushed from the agenda'. Compounding this issue is the lack of policy drivers to ensure that sustainable development issues are routinely considered.
18. We were advised that ownership of the sustainable development agenda was restricted to officers who are keen to promote it. We were told that sustainable development is "everybody's job but nobody's job" and that there is a lack of commitment and accountability at the top. This could be the consequence of the Council's promotion of sustainable development through projects rather than through policy. We were told that in reality, the success of this strategy relies upon the keenness of the individual and their ability to "sneak it into strategies".
19. The result is that ownership and the willingness to change to more sustainable ways is only supported in pockets and that this is currently insufficient to move the Council effectively towards mainstreaming sustainable development.

Achieving the change - the corporate approach

Strategic framework and key drivers

20. The Council can demonstrate a fair understanding of the key drivers at UK and Wales levels, but these are only partly used to translate national issues and to apply them at a local level. The Community Strategy is still at an early stage and consultation on sustainable development issues has been informal and very restricted. It does not as yet provide a strategic framework or driver for sustainable development.
21. The Management Team is not driving the integration of sustainable development across the activities of the Council. Since restructuring in 2000, officers advised us that the Council has developed some ambitious plans, but these typically have exceeded their capacity to deliver. We were also concerned to note that there is no formally accepted process by which policies are adopted, and driven through the organisation. For sustainable development, this has meant that a short-term view has invariably been taken resulting in other competing and more widely supported priorities taking preference.

22. Originally, the Council's Local Agenda 21 strategy was a useful 'touchstone' for sustainable development and informed the development of the appraisal tool now piloted within the Torfaen Regeneration Strategy.
23. A review of the Local Agenda 21 strategy has been proposed in each of the last three annual budget cycles, but has yet to gain the necessary resource allocation to allow progress.
24. The Torfaen Regeneration Strategy was approved in January 2004, with amendments in May 2004. In previous work we have undertaken² we found that the strategy was primarily driven by economic regeneration issues, and that stakeholder and community consultation needed to improve.
25. In particular we, noted that:
 - the Strategy does provide a good base for regeneration, but care is needed to ensure that it aligns, rather than duplicates or conflicts with the developing community strategy and other key strategic documents;
 - 'ensuring that solutions are sustainable' is a key guiding theme of the Torfaen Regeneration Strategy and sustainable development is integral to this strategy; and
 - the integration of sustainable development is driven by performance management arrangements, including the requirement to check each programme with an appraisal tool, and to report the impact of projects through the use of UK sustainability indicators.
26. It was encouraging to see this approach to developing strategy.
27. The same approach is, however, not apparent within the draft Torfaen Health, Social Care and Wellbeing Strategy, where sustainable development could support and guide and even enhance many of the proposed strategic aims. The Council needs to ensure that this is achieved in this strategy and also as it develops the Community Strategy.
28. The lack of available financial resources was the reason given for not having a dedicated sustainable development officer or unit.
29. We found that in general, members have a low awareness of sustainable development and gravitated towards examples of good environmental stewardship when interviewed. The Council Leader has recently been appointed and acknowledged a low awareness of sustainable development, although recognised that it is a holistic issue and best delivered as interwoven into the activities of the Council. We found that there was little political leadership for sustainable development and a belief that policy and integration mechanisms, such as sustainability appraisal tools, were in place and widely used in decision making. This is not confirmed by our findings.
30. There is support for sustainable development from the Assistant Chief Executive, and while the current low starting position is acknowledged, the Council's capability is strengthened by a new team of policy and scrutiny officers trained in sustainable development. A recent recruit adds environmental impact assessment skills to this team. We found an understanding of the social, economic and environmental elements of sustainable development, but in common with some other councils, Torfaen struggles to link the local actions it takes to global sustainability issues.

² ACiW Improvement Study – Regeneration, May 2004.

31. We were encouraged to find that Torfaen is developing a flagship project to enhance the community cohesion agenda in the south Cwmbran area of the County Borough. The 'Power station' will be a community education centre built to BREEAM³ 'excellent' standards during 2005. The centre will be enhanced by a New Opportunities funded 'green-spaces' project which will seek to establish the centre as an outreach learning centre and a bridge between social, economic and environmental aspects of regeneration. The Council is to use this project, and a similar development proposed for Trevethin, which focuses on health issues, as a springboard to promote sustainable development within communities.

Integration at strategic and service delivery levels

32. We could not identify a corporate mechanism that helps to achieve consistency and integration of sustainable development in corporate policy and service delivery. Sustainability appraisal is not widely used and does not form part of the decision making processes undertaken during scrutiny, policy and project development, monitoring and appraisal, budget setting and allocation, service and financial planning, the selection of partners, performance management and, procurement.
33. Some use is to be made of sustainability appraisals for regeneration projects and for decisions relating to the UDP (see paragraph 12).
34. The current structure means that sustainable development and the community strategy are managed by different directors. This may make delivery of these complementary agendas even more difficult. Previous work undertaken by ACiW identified that regeneration and community strategy are not sufficiently aligned⁴ and this problem could potentially affect the integration of sustainable development.
35. The Council now undertakes a whole authority analysis as a part of the risk assessment and planning cycle. Part of this assessment evaluates arrangements for making sustainable development integral to the work of the Council. Findings confirm a lack of corporate understanding on sustainability. The need for an energy strategy has also been identified, and significant progress is now being made in taking this forward.
36. The Council does not have a corporate procurement strategy. This weakness is recognised by the Council and is included in the Improvement Plan as a priority for 2004/2005. We explored the embedding of sustainable development within this strategy and were told that a feasibility study is currently underway. Sustainable procurement issues will be included, subject to the outcome of this study and a scoping specification for a new procurement function. The Council is acutely aware of the need for careful procurement, as reserve funds are currently very low. This means that short-term costs rather than longer term sustainable development criteria is the major influence on purchasing.
37. A key to resolving this apparent conflict is a better appreciation by the Council of the real additional value that sustainable development can bring to procurement, for example, by reducing whole-life costing and by adding value across the social, environmental and economic spectrum of sustainable development.

³ BREEAM – Buildings Research Establishment Environmental Assessment Method.

⁴ ACiW Improvement Study – Regeneration, May 2004.

38. Sustainable development is not an integral part of the Asset Management Plan, but some improvements are anticipated when future links are made to the new energy strategy. Managers advised us that survey work is progressing well, but that there are variations in the approach of individual services to the corporate use of property assets.
39. There were few examples of how the principles of sustainable development are applied in the management and delivery of services. Primarily, examples were confined to the activities of the Sustainability Working Group (see paragraph 44 below) within the Department of the Environment, and their advice to the Departmental Management Team on application of sustainability principles to service delivery.

Community involvement and leadership

40. The Council has yet to produce a community strategy, however, this is deliberate and aimed at ensuring that the delivery process is correct and that community ownership is gained. This may be the case, but the delay means that the Strategy cannot as yet be used as a vehicle to deliver sustainable development. We found that the dissemination of the sustainable development message has been weak and understanding of the use of the Community Strategy as a vehicle to mainstream sustainable development was currently limited. There is clearly much work to do if the strategy is to fulfil this role.
41. Sustainable development is led by the Assistant Director (Regeneration). A report was made to Council in January 2003 that summarised the progress made so far and sought to raise awareness and revitalise sustainable development within the Council. The report also makes reference to the 'Big T2' conference held in May 2002 and to the 'Torfaen: A Modern Improving Council' Action Plan. Both make a commitment to communities to incorporate sustainable development broadly across council activities. The linkages to the Community Strategy are also well documented in this report.
42. It is disappointing that little progress has been made to deliver this commitment since that time.
43. The Sustainability Working Group was formed in 1997 with an aim to promote sustainable development across the Council. We found that the activity of the group is now restricted to within the Department for the Environment. However, there are encouraging signs of progress with the group's work programme and reporting protocol driving sustainable development through the departmental service plans.
44. This model is not mirrored in other departments, and means that there is no established interface and little exchange of sustainable development good practice between departments.
45. It was interesting to find that the Sustainability Working Group had a beneficial relationship with the sustainable development unit in Monmouthshire County Council. As a result, some good progress has been made to set up a shared green travel plan.
46. We found some examples where the Council was leading by example in sharing good practice and assisting partner organisations:
 - an interesting example is the eco-building scheme promoted by the Council's Environmental Co-ordinator which proposes to use compressed straw bales to produce a building that will be used for both employment and learning.
47. However, most schemes, with the notable exception of the 'Power-station' project, are examples of good environmental stewardship through individual projects, rather than examples of mainstream sustainable development.

Achieving the change - the service approach

Sustainable development function

48. The Council does not have a dedicated sustainable development resource. The Sustainability Working Group provides some capacity for progressing sustainability issues within the Department of the Environment. When we discussed this issue with senior managers, their opinion varied widely from the need to dedicate at least an officer post to integrating and promoting sustainable development to a view that such a resource could work against integration. We consider that the Council currently has neither option and that a critical mass of expertise would be beneficial to mainstream sustainable development, at least to ensure that it is initially embedded across all activities.
49. The lack of an identifiable resource also means that the linkage with the developing community strategy is lost and that advice and guidance on sustainable development cannot be easily provided to inform risk assessments, best value reviews, partnerships, procurement issues and performance management. In addition, good practice cannot easily be spread amongst peers and learning from others is also very restricted.

Improving integration and achieving sustainable development

What remains to be done?

50. The ACiW assessment of the degree of maturity of a council's approach to sustainable development has been informed by a wide range of sources. In developing the approach used for this study we have, in particular, drawn upon material developed by Forum for the Future⁵ in conjunction with local authorities.
51. The Council clearly has much to do to ensure that sustainable development becomes an integral part of all activities. We found a strong view amongst the officers we spoke to that with all of the other competing priorities faced by the Council there was "no space left" for sustainable development. This leads us to conclude that the Council does not appreciate the real benefits that will accrue if more sustainable ways are adopted, or if they do, they are not prepared to wait for the medium/longer term when these benefits become more apparent.
52. There are no significant barriers imposed on the Council that prevent the mainstreaming of sustainable development. All of the barriers we found were internal to the organisation and are centred on the poor understanding of the benefits and a need to shift views of both political and senior management leaders. Some senior managers acknowledge this position and have the vision to initiate the necessary changes, but need resource to be dedicated for this to occur. The appointment of an energy efficiency officer could provide an opportunity to accelerate this change process.

⁵ Forum for the future is a leading UK sustainable development charity currently advising the Welsh Assembly Government and many local authorities.

Issues for the Council to consider

53. As a result of our study, we recommend that the Council should do the following:

Recommendations	
R1	Continue to build the awareness of members, officers and the public about sustainable development to enable the Council to: <ul style="list-style-type: none"> fully discharge its duty to work with others to prepare a strategy (the Community Strategy) setting out how the economic, social and environmental well-being of the area can be improved; fulfil the potential of its power to promote economic, social and environmental well-being; be more pro-active in its community leadership role by demonstrating the relevance of national and international issues to locally driven agendas, and the impact that local actions can make globally; and recognise the benefits that a sustainable development approach can make to corporate decision-making and service provision.
R2	Ensure that key strategies and policies support and promote a sustainable development way of working. For instance: <ul style="list-style-type: none"> ensure that the proposed procurement strategy is informed by sustainable development criteria and includes a requirement to undertake a sustainability appraisal; and that policy supports the integration of sustainable development and that mechanisms to promote this, such as appraisal tools, are applied consistently in decision making at both corporate and service levels.
R3	Clarify the responsibility and method for mainstreaming sustainable development into the work of the Council. Achieve this by: <ul style="list-style-type: none"> formally assigning the lead responsibility at both member and officer level to promote sustainable development across the Council; and create a SMART (specific, measurable, achievable, resourced and timebound) action plan, to bring about the mainstreaming of sustainable development.
R4	Utilise local case studies to explore how: <ul style="list-style-type: none"> the success criteria of positive examples such as the 'Power Station' and the 'Eco-building scheme' can be embedded across the organisation.

54. Our work was carried out on 20 July 2004, and by reviewing a range of key documents. The following personnel were interviewed:

Officer	Position
Paul Matthews	Assistant Chief Executive
Cllr Robert Wellington	Council Leader
Martin Buckle	Assistant Director (Regeneration), Dept. for the Environment
Staff focus group	Various – a cross section from within the Council

Sustainable development: the statutory and policy framework

There is a range of legislation and policies that relate specifically to sustainable development at both the UK and Welsh Assembly Government levels.

'A Better Quality of Life', the UK sustainability strategy was published in 1999. It lists four key themes:

- social progress which recognises the needs of everyone;
- effective protection of the environment;
- prudent use of natural resources; and
- maintenance of high and stable levels of economic growth and employment.

Welsh Assembly Government sustainable development action plan: 2004-2007

The Assembly is required by law to make a scheme stating how it will promote sustainable development in the exercise of its functions. The Assembly is required to publish annual reports on progress in implementing the Scheme, and every four years following each Assembly election an additional report must be published on the effectiveness of what has been done and a decision must be taken – after consultation – on whether the Scheme should be remade or revised.

The Assembly's first scheme, 'Learning to live differently', was adopted in November 2000. In October 2003, following an independent report on the effectiveness of the original Scheme and a consultation paper on how it should be revised, the Assembly adopted a revised Sustainable Development Scheme 'Starting to Live Differently' on 16 March 2004.

The Scheme says what commitments the whole Assembly is making towards sustainable development, the principles it will observe, and some of the processes it will apply to promoting sustainable development in all its work.

A draft action plan is now being consulted upon that states how the Welsh Assembly Government will implement the commitments in the new scheme. The Plan seeks to address issues identified in the effectiveness report. Chiefly these relate to the way the Assembly works and the relative lack of real world change to date. It draws on responses to the consultation on revising the Scheme and is intended to:

- implement the new Sustainable Development Scheme;
- stand as a formal addition to the Welsh Assembly Government's strategic agenda 'Wales: A Better Country';
- fulfil commitments that Welsh Assembly Government has made internationally through membership of sustainable development networks;
- complement the first Wales Spatial Plan which is expected to be published later this year; and
- ensure that progress is kept under review.

The Welsh Assembly Government has identified four areas for new action where it considers that it can make the most difference:

- **Living differently:** addressing the major structural issues for sustainable development - energy, settlements, natural resources, production and consumption.
- **Leadership and delivery:** creating governance structures and a civil society that can deliver sustainable development.
- **Making our money talk:** making sure the Assembly and other public sector spending is focused on delivering sustainable development.
- **Measuring progress:** making sure the Assembly and other public sector spending is focused on delivering sustainable development.

The Welsh Assembly Government makes specific reference to the close relationship between the Sustainable Development Action Plan, its strategic agenda – Wales: a better country and other planning and delivery mechanisms.

This action plan is not intended to replicate action or commitments already contained in Wales: A Better Country, but sustainable development as a whole depends on the actions we are taking as a Government to promote healthy living, to tackle inequality for reasons of race, gender and disability and to address poverty and lack of opportunity through our Social Justice agenda. Sustainable development has people at its heart.

Sustainable development is also about governance and the ability to tailor our approach to different needs in different areas. So the Wales Spatial Plan, the corporate planning cycle for our agencies and our work with delivery in local government are central to making our sustainable vision for Wales a reality.

There is a range of other legislation which also needs to be taken into account when considering sustainable development.

Local Government Act 2000

The Local Government Act 2000 (the Act) is relevant in three key areas, best value, community strategies and the power to promote wellbeing.

Best value

Circular 10/99 Paragraph 17 states that:

Best Value Reviews will need to give effect to the principles of sustainable development. New performance targets generated by Reviews need to reflect the principles of sustainable development, set out in A Better Quality of Life – a strategy for sustainable development for the UK, and summarised in The Government's sustainable development strategy: What does it mean for local authorities? Where authorities have LA21 and any community strategies in place, reviews will provide an opportunity to give such principles practical effect through the setting of consistent performance targets.

Circular 14/2000 from the Assembly (paragraph 52) advises that:

Questions that need to be asked (for Challenge) include... Does the service meet authorities' statutory obligations under legislation relating to sustainable development, health and safety, equal opportunities and race relations?

It also contains a section 'Principles of Sustainable Development,' (paragraph 89) which notes that:

Performance targets contained in the Action Plans...need to reflect the principles of sustainable development.

Community strategies

The Act gave local authorities a duty to prepare, with their partners, a long-term community strategy to improve the quality of life in their local area.

Community strategies are the overarching strategic framework for the area and should set the overall objectives for individual strategies and for the Council's corporate strategy. These objectives should be based on local priorities, and according to the government guidance should:

- have a long-term vision;
- integrate social, economic and environmental concerns (ie, ensure that policy actions in one area support those in another);
- have regard to the National Sustainability Strategy and regional sustainability frameworks;
- consider how global and national concerns such as climate change and bio-diversity can be addressed through local action; and
- build on the work already done in developing Local Agenda 21 Plans.

The power to promote wellbeing

The Act gave local authorities the power to promote the social, economic and environmental well-being of their local community. However, the Act says that in exercising the well-being power a local authority must have regard to its Community Strategy.

A fundamental issue, therefore, is effective integration at both strategic and operational levels. Policy integration at the strategic level and joined-up service delivery are also crucial to improving user outcomes.

ACiW is responding to this key driver by undertaking a short study of the ways in which Local Government is responding to the vision of the Assembly.