

# GOVERNMENT RESPONSE TO SUSTAINABLE DEVELOPMENT COMMISSION

## Introduction

- 1 The government welcomes the Sustainable Development Commission's 6<sup>th</sup> Annual Sustainable Development in Government (SDiG) Report on performance against its targets on Sustainable Operations on the Government Estate (SOGE) and the UK Government Sustainable Procurement Action Plan (SPAP). This report demonstrates the value that an independent watchdog can bring to the achievement of government targets and the improvement of government performance on sustainability.
- 2 This paper sets out the government's response to the SDC's report in the following areas:
  - a. Action that has been taken since last year's 5<sup>th</sup> SDiG report, in the period not covered by this report.

*This includes a wide range of activity, some of which is recognised in case studies of the SDC report itself, and much of which has been initiated in response to last year's SDC report.*
  - b. Action that government has already taken to improve the performance data issues that SDC identifies in their 6<sup>th</sup> report.

*This has included an examination of data to identify and correct where possible issues in the data submitted by departments to the SDC, and the baselines used, in particular on carbon emissions.*
  - c. Changes that will now be put in place to address recommendations of the 6<sup>th</sup> SDiG report.

*These include several new policy initiatives, and the creation of a sustainability organisation at the heart of government to accelerate and embed change.*

## Action that government has taken since the SDC's 5<sup>th</sup> SDiG report, of 2007

- 3 Since the period covered by this report (Financial Year 06/07) much has been achieved. Examples include the work of MoD and FCO to reduce carbon emissions from travel, the work of DCMS and HMT on waste and major progress that will ensure a more sustainable future from Defra and MoD. DWP has, over this period, reversed its upward trend on carbon emissions from its estate. A list of specific, concrete achievements is at Annex A.
- 4 This progress has been driven by the action taken since March 2007, when the Secretary of State for the Environment asked the Cabinet Secretary Gus O'Donnell to take personal charge of the government's work in this area and the Prime Minister's Delivery Unit (PMDU) to recommend the structures that need to be put in place to ensure the SOGE targets were delivered.

*Immediate action taken by Government on performance data to address issues identified by the SDC in its 6<sup>th</sup> Report:*

- 5 It is clear from the SDC's analysis that not enough progress has been made in laying the foundations of effective performance management: robust baselines against which to measure progress; and timely accurate, real-time data on performance.
- 6 We have therefore conducted a major exercise over the past two months to assure the quality of the data that government departments have provided to SDC, and the baselines used. This validation exercise, for which the SDC has agreed the method for rebaselining, suggests that information provided by government departments to the SDC has in places been inaccurate. This includes some of the original baselines against which we are measuring performance, and data on carbon emissions, where performance has been reported over many years. Summary results of this analysis are at Annex A.
- 7 Correction of these reporting errors does not materially affect the government's performance at an aggregate level. However, there are significant impacts on the assessment of departmental performance, in particular, the Ministry of Justice and the Cabinet Office, whose performance on carbon is seen as "red" on the basis of information provided to the SDC, have in fact made progress towards achieving their targets.

*Changes that will now be put in place to address the recommendations of the 6<sup>th</sup> SDIG report:*

- 8 To improve government performance further, government will shortly implement or is already implementing a raft of further initiatives. These are wide spread and a more complete list can be found at Annex C. They build on the recommendations of the SDC (to which the government response is set out at Annex D) and include:
  - the Cabinet Secretary's announcement that sustainability of the government estate will be one of his four corporate priorities for the civil service. From this April, changes to permanent secretary's objectives to address achievement against SOGE targets;
  - extending participation in the Carbon Reduction Commitment to all government departments;
  - the implementation of the EU Energy Performance of Buildings Directive and stronger enforcement of the government's policy on BREEAM 'Excellent' certification of new buildings and 'Very Good' certification on major refurbishments, such that no new builds or major refurbishments will happen unless they meet the BREEAM (or equivalent) standards;
  - driving forward delivery against the government's existing commitment to procure buildings in the top quartile of energy performance, using data that will be available from the Energy Performance Certificates to define the top quartile and report progress against the commitment;
  - a programme to Green Government IT, to be launched by Summer 2008;
  - the implementation of new office space efficiency standards of 10 square metres (net internal area) per person in new buildings and major refurbishments and between 10 and 12 square metres for other buildings;
  - extension of the benchmarking of the estate to all government buildings;
  - the full exploitation of the opportunities for estate rationalisation that will occur as 500 government property leases expire over the next 8 years.

Several departments, notably DTI (now BERR) have succeeded in making big reductions in their carbon footprint through this strategy;

- collaborative procurement of common goods and services, such as energy, fleet, travel and ICT to higher environmental standards.

9 As the SDC note in their report, the Government Sustainable Procurement and Operations Board has already driven significant change across government. To drive the changes now required and build upon the stronger leadership we have put in place in Whitehall, we will now:

- a. create a new “top 200” Director General post of Chief Sustainability Officer, and a new “Centre of Expertise in Sustainable Procurement” (CESP), situated within the Office of Government Commerce (OGC). This will address the need for stronger integration between the government’s action on procurement and the government estate and the drive to achieve SOGE targets and SPAP commitments through strong cross-Whitehall collaboration. The objectives of this new organisation will be to:
  - provide stronger central coordination of performance management, and to provide guidance and support to help departments rapidly develop the capability and capacity to deliver our commitments;
  - work with departments to draw up a delivery plan with milestones and a trajectory for the delivery of the government’s SOGE targets and SPAP commitment, to be published in summer 2008;
  - take account of all the recommendations of the SDC report and, in the delivery plan, lay out timescales for their delivery;
  - set out the actions required to counter the barriers that stand in the way of further progress in government and to raise government’s capability and leadership in sustainable procurement and operations.

## Annex A – Departmental Delivery in 2007-08

- 1 Government are confident that actions taken over the last 12 months, driven by the cross-government Sustainable Procurement and Operations Board (SPOB) have improved performance further – and that this will be reflected when the SDC comes to report on the government's performance over the past 12 months.
- 2 Case studies in the SDC report and those below illustrate recent – often transformational - progress that has been achieved over the past 12 months:

### Carbon Emissions from Offices – Highlights

- 3 **DWP** has succeeded in achieving a 14% energy reduction from its 300 largest buildings (which consume around 75% of total DWP energy). A reduction of at least 10% should therefore be achieved across the estate as a whole for the last 12 months – reversing what had been a consistent upward trend.
- 4 The **MOD** is undertaking a series of energy efficiency measures, and is one of a number of departments working with the Carbon Trust on the Carbon Management Programme. As a result of this work, energy efficiency across 10 MOD sites in the south west of England is set to improve by up to 10% creating potential annual cost savings of **£750,000** and reducing carbon dioxide emissions by **2,400 tonnes** per year.
- 5 **DCSF** seized a regular replacement requirement to upgrade lighting and fan coil units in their Sanctuary Buildings Head Quarters to more energy efficient models. This has resulted in energy savings of **64,865 KWh** and prevented over **27 tonnes** of carbon dioxide being produced. **DCSF** has also implemented a power management solution to ensure that IT equipment is properly shut down at night and over weekends, saving energy, generating estimated saving of over 500,000 kg of carbon between November 2006 and October 2007. The **Cabinet Office** has launched a similar solution, with proposed savings of **500 tonnes** of carbon dioxide and **£88,000** a year.
- 6 The **Cabinet Office** has installed Passive Infra Red (PIR) lighting controls in a number of Cabinet Office buildings and will shortly be rolled out to other parts of the estate. The PIRs detect movement and switch the lights on only if the area is occupied. It is estimated that once this programme is complete it will save approximately **90 tonnes** of carbon dioxide and **£17,000** a year.
- 7 The **Department for Transport** has recently completed a Carbon Management Energy Efficiency report in conjunction with the Carbon Trust<sup>1</sup>. An implementation plan to address the Carbon Trust's recommendations is being developed in time for April 2008, to deliver an estimated reductions **500 tonnes** of carbon.
- 8 **Defra** is currently installing Advanced Metering at approximately one hundred of its sites. The meters will capture over 90% of the Defra Network Estates utility use from electricity, gas, oil and water by the end of summer 2008. Advanced Meter Reading (AMR) provides regular and accurate meter readings, using Smart Meters, which collect data at half hourly intervals. Key buildings on the Defra Estate will be able to display real time utilities usage. Carbon Trust sources indicate that savings of up to 10-15% can be achieved through the implementation of initiatives realised through the analysis of AMR data, through reducing the base load, optimising the use of equipment and reducing peak usage.

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<sup>1</sup> The Carbon Trust is a private company funded by Government to help businesses and public sector bodies reduce their carbon emissions.

### Companies House Energy Efficient Lighting Study

Companies House has a multi-storey car park located at its Cardiff Office. During 2007 the Building Services department reassessed the lighting in the car park to identify potential carbon savings. As a result of this assessment, the following measures were implemented:-

- A 40% reduction in lighting units used (250 units in total)
- All remaining fittings were switched from using T8 fluorescent tubes to 45% more energy efficient T5 tubes.
- Movement sensors were fitted in all of the lift lobbies. (The lights will automatically switch off when not in use)
- All perimeter lighting was connected to a photocell. (The lights will automatically switch off depending on the natural daylight levels)

As a result of implementing the above measures Companies House have made an annual **saving of £6,000** through reduced energy costs, repaying the investment required within one year, and **prevented over 10 tonnes of Carbon** being released into the atmosphere on an annual basis.

### Carbon Emissions from Road Vehicles – Highlights:

- 9 **HMRC** has successfully reduced its road travel related carbon emissions by almost 12% through the implementation of a sustainable fleet management policy and by changing staff travel behaviours. It has reduced its fleet by 387 vehicles and restricted vehicle performance to average CO<sub>2</sub> emissions of 119g/km. The majority of pool cars are now dual-fuel or hybrid and, following a review of its private user scheme, grey fleet vehicles are restricted to a maximum of 170g/km CO<sub>2</sub>. This figure will be reduced further over the next few years. Staff are strongly encouraged to make better use of video and telephone conferencing facilities and, where travel is necessary, to consider rail travel in preference to car or air.
- 10 When vehicles in **MoD's** leased administrative car fleet are replaced an alternative fit for purpose smaller, cleaner vehicle that produces lower carbon dioxide emissions is used. Nearly a quarter of vehicles were replaced in 2007-08 and a further 3,000 (45% of fleet) will be replaced in 2008-09. The average passenger car carbon dioxide emissions for the fleet are now 135g/km compared to 151 g/km in 2006. MoD has developed an electronic travel booking tool, which is open to other departments to use. The service provides travel information, a booking tool which shows the CO<sub>2</sub> emissions for different journey options, encouraging low carbon choices, and management information, to support departments in calculating and reporting CO<sub>2</sub> emissions from its travel requirements.

### Collaborative Procurement – Fleet Database

**OGC's** Collaborative Procurement Directorate has worked with suppliers under the DWP Vehicle Purchase and the NHS PaSA Lease framework deals to develop the fleet database. Suppliers provide monthly data on the cost and carbon emissions of vehicles purchased, enabling OGC to develop a fleet average carbon rating, which departments can access. This enables them to measure progress in reducing average fleet emissions.

Using the database **DWP, Ministry of Justice** and **Environment Agency** are all showing strong progress to achieving the target of average emissions of 130g/km by 2010-11.

### GCDA – Greening the Fleet

Over the last year, GCDA has progressed further in building one of the most environmentally friendly vehicle fleets anywhere in the UK. GCDA has, over the last two years, worked with their customer departments to ensure that all official users are offered the car considered to be most environmentally friendly, and appropriate to the requirements (for example, where security considerations require an armoured vehicle, it is not yet possible to use a low carbon emitting vehicle).

Over the 2 year period 2005-2007 this resulted in a drop in average emissions from 230.5g / km to 160.32 g / km. In the last twelve months, GCDA has moved further still, and become part of the Government Carbon Offset Fund. This means that, where use of carbon is unavoidable, GCDA arranges for it to be offset through the approved mechanisms.

This carbon offsetting policy applies not only to the official fleet, but also to GCDA's Green Cars taxi-style service for government departments, which is leading the market for green taxi services to the public sector. As well as off-setting any unavoidable carbon, the Green Cars service provides accurate data to passengers alerting them to the carbon footprint that their journey has caused, and how much carbon they have saved by using a lower emission vehicle, as compared to a standard black cab.

### Waste Arisings & Recycling - Highlights

- 11 The **MoD** site, St Athan, has implemented a sustainability and recycling strategy that has seen the site move from scrap, salvage and skip collection of its waste to a recycling rate of over 70%, resulting in 105 tonnes of waste being diverted from landfill since the scheme's launch in September 2007. In recognition of this the team received two awards at the UK National Recycling and Sustainability Awards held in February 2008; Best Recycling and Sustainability Initiative and Best Recycling Team and Manager. In addition the team were also crowned national champions. MoD plan to build on this success across other sites, see box below for full details.

- 12 **HMT** and **HMRC** have achieved recycling rates in the current year at 1 Horse Guard Road / 100 Parliament Street that are above 50% for the building. This is fully reported in the SDC report in the case study reported at Box 4.1. As the footnote to that text box reports, HMT reported performance on this measure is 17.4% for 2006-07 so they have achieved a marked improvement in the past year.

### MoD's Approach to Waste Management

Given MoD's large and diverse, 4000-site estate and the varied waste streams it manages it recognised the challenge it faces to manage its waste effectively and so commissioned a waste management consultancy to undertake a waste improvement study. The study examined how MoD managed waste and involved a series of audits across the estate. The key recommendation, which is being examined, was the formation of a pan MoD Waste Management Authority that would maximise the MoD's purchasing power, increase efficiencies in waste collections and standardise waste practices.

MoD is working with the National Industrial Symbiosis Programme to develop a series of regional relationships with industry to use MoD waste streams in their manufacturing processes, which improve the level of waste being reclaimed, reducing landfill. MoD is also working with individual Local Authorities on their isolated sites to introduce mini recycling centres and collection of waste to help local communities.

The MOD has also worked closely with WRAP (Waste Resources Action Programme)<sup>2</sup>, an organisation which encourages and enables businesses and consumers to be more efficient in their use of materials and to recycle objects more often. For example, Defence Estates and Defence Estates Key Suppliers have engaged with WRAP over a number of years to increase the amount of recycled material in construction projects

MoD is not just concentrating on meeting the waste SOGE targets. MoD has developed an Integrated Waste Management system for the Future Aircraft Carrier that reduces the volume of waste by between 80-90%. Lessons learnt from this and earlier surface ships waste-stream management systems are being built into the Future Waste Management Initiative that will be fitted to future classes of ships. The technology developed for surface ships is being investigated for use on land in forward operations to reduce the waste footprint and dependence on the logistics supply chain.

- 13 **HMRC** is responsible for the disposal of the goods it seizes at airports and ports. It has introduced an environmentally friendly disposals programme to ensure that wherever possible goods are recycled. As a result: seized tobacco is shredded, pulped and used to generate electricity that feeds into the national grid; alcohol and wet goods are either turned into pig feed or fertiliser or processed to produce methane and used as fuel for electricity generators; seized oils are processed into a secondary liquid fuel and used as a replacement for fossil fuels by a cement company.
- 14 In 2007 **BERR** introduced an on-site water bottling plant to provide water for their internal catering, proving tap water bottled on site rather than purchasing mineral water for meetings and events. Prior to this they have been purchasing 43,680 bottles of water per annum, now they buy none reducing waste associated with bottled water, and the carbon footprint of their supply chain.
- 15 During 2007 the **Department of Health** implemented a managed print service. In recent years the number of printers and associated devices used by staff had increased, to a ratio in 2006 of 2:1. This led to large amounts of wasted and unnecessary printing. Reducing the number of devices by over 70%, approximately 1,500 printers, photocopiers, fax machines and scanners were removed and replaced with 330 modern print devices, including a number of multi-functional devices proving print, photocopying,

fax and scanning. Duplex black and white printing and copying were set as default options. The effect of this change has been to reduce use of paper by over 3 million sheets per year. In addition reducing the ratio of devices to staff members from 2:1 to an average of 12:1 will yield energy savings, which will be reported on over the next year.

- 16 The **Cabinet Office** recently launched an initiative to help improve the quantity of waste it is recycling. All of the general waste and recycling facilities across the estate were replaced with one bin for all recyclables and one bin for all non-recyclables. This then makes it much easier for staff to dispose of their waste appropriately. To ensure that we were maximising the recycling potential, personal desk bins were also removed. This scheme not only serves to make recycling more efficient but also helps to reduce the total amount waste which is thrown away by raising awareness amongst staff.
- 17 **Defra** has recently established a new food and biodegradable waste collection. Food waste is collected from the restaurants in its London sites and taken to a local waste processing facility. Using an accelerated composting machine compost is produced from the waste and is made available to community groups. The new scheme diverts biodegradable waste from landfill/incineration, reducing waste arisings and increasing recycling.

## DCMS – Recycling Project

Working with their building services partner, MITIE, DCMS began a programme of recycling on its sites in January 2007. An awareness raising communication programme preceded the removal of under desk bins, which were replaced with centrally located colour coded recycling bins.

A waste bailer was also installed, which enabled more efficient storage of waste awaiting collection for recycling than the previous wheelie bins.

Since the initiation of the programme, recycling has increased, from less than 10% to around 60% of all waste, and general waste arisings have reduced by a third. The cost of implementing the scheme is expected to be repaid through a reduction in landfill tax payments.



## Water Usage - Highlights

- 18 The **Cabinet Office** has installed data loggers to the incoming water meters to better understand their consumption profile, enabling profiling of day/night usage and identification of anomalies in usage. Cabinet Office is also currently implementing a number of measures under Project Hydro. For example:
- installation of flow restrictors to hand basins saving approximately 574,000 litres of water per year;
  - installation of volume reducers in cisterns saving approximately 284,000 litres of water per year;
  - the proposed installation of waterless urinals with a projected saving of 11,000,000 litres of water.

### MoD's Approach to Water Management

The MOD manages the majority of its water through Project Aquatrine, a 25 year Private Finance Initiative, with third party consortia. One example is work undertaken on surplus land within the Project Allenby-Connaught footprint that is managed by Aspire Defence, to reduce demand in the water-stressed South East area.

Prior to leakage reduction work taking place, night time demand was measured at 78m<sup>3</sup> per hour (equivalent to almost 700,000m<sup>3</sup> per annum). Through joint monitoring of meters installed by C2C and those monitored by the Aspire MUJV partner, Thames Water, significant leakage reduction work has been possible, resulting in demand being reduced to 56m<sup>3</sup> per hour (equivalent to approximately 500,000m<sup>3</sup> per annum). This level of demand is now being maintained, reducing the pressure on demand in the South East, which despite greater rain fall of late, is still a water-stressed area. Open lines of communication between the teams has allowed C2C to get onto released surplus and alienated land.

**Improving the Estate – BREEAM Highlights from 2007-08**

- 19 Government recognises the importance of building sustainability considerations into building specifications and design, and strong progress against the BREEAM requirements has been made in 2007-08.
- 20 **DfT** received BREEAM Excellent rating for 17 new build projects in 2007-08, and 50 new build projects to be undertaken in 2008-09 have received BREEAM Excellent on the design.
- 21 Of the 9 projects undertaken by **Defra** in 2007-08, 8 have received a BREEAM Excellent rating, with one expected to achieve the first ever UK BREEAM Outstanding.
- 22 When designing a new facility in the Sheffield city centre area for the Border and Immigration Agency the former Buildings and Estates Unit of the **Home Office** decided to stretch the achievement of the required BREEAM excellent target to see what was possible. The outcome was an excellent score of 77.7%. Including the use of grey water and rainwater harvesting for toilets and urinals, the building achieved a BREEAM Excellent rating, and was the first Excellent rated building in Sheffield.

**Ministry of Justice – BREEAM in Courts and Prisons**

HMCS has developed a number of measures to ensure that new court buildings meet Sustainable Development requirements, including:

- awareness seminars and guidance to project teams to ensure that the approach to sustainability is taken into account in the selection of construction contractors; and
- using an analysis of whole life costs to identify the preferred solution for providing new buildings.

In addition, in collaboration with the Building Research Establishment, HMCS developed a Court specific BREEAM assessment tool which now forms part of the Court Standards and Design Guide. As a result, all new projects are now designed so that they achieve an "Excellent" rating (or "Very Good" for refurbishment), with the recently constructed buildings in Loughborough, Huntingdon, Bristol and Hendon all achieving the required standard, and buildings due to be delivered over the next year in Salisbury and Caernarfon designed to achieve "Excellent".

In recognition of this commitment to sustainability, HMCS recently won the 'Green Major Project of the Year' 2007 at the Green Construction Awards, for the new Civil Justice Centre building in Manchester. This award recognises a project completed in the last three years that demonstrates that environmental sustainability was high on the agenda throughout its development, from design through construction to the day-to-day performance of the completed building or structure.

HMPS is actively working to improve the built environment and has obtained BREEAM 'excellent' or 'very good' rating on the majority of prison house block projects. Custodial Property has worked with BRE to develop a prisons specific BREEAM introduced in early 2008. Designers, constructors and technical assessors on building projects are being given more guidance on sustainable requirements in building projects. A new A10 house block design is being developed to meet the urgent need for increasing population and HMPS is currently incorporating sustainability into the core requirements.

### Developing for the Future - MoD

The MoD Project Allenby/Connaught is the largest estates PFI contract ever awarded by the Ministry of Defence. The 35 year £8billion project is developing a living and working environment for 18,700 personnel who are critical to the Army's operations on the garrisons at Aldershot and across Salisbury Plain. A 10-year construction programme will demolish 400 buildings, construct 365 new buildings and carry out 140 refurbishments. This is the largest *BREEAM* certification project in the UK with new buildings designed to achieve 'Excellent' and refurbishments 'Very Good' ratings. Modular construction ensures efficiency and waste minimisation, and an onsite waste transfer station achieves 80% recycling. 97% of demolition is waste crushed and re-used on site. The building designs incorporate best practice energy efficiency and low carbon energy technologies including solar thermal water heating and micro-Combined Heat and Power systems estimated to save 1,400 tonnes of CO2 emissions annually. Water efficiency and sustainable urban drainage systems feature throughout, including rainwater harvesting. Each new accommodation building is served by a rainwater harvesting system for toilet flushing, thereby reducing the quantity of potable water used. Given the number of the systems to be installed, the rainwater harvesting scheme is one of the largest such schemes ever undertaken in the UK. The project won Building Magazine's Sustainable Development of the Year award and Best Sustainability Initiative for the Public Sector award for 2007.

### Developing for the Future – Defra

Defra is currently building a new office in Alnwick, Northumberland, which will replace its existing Lion House offices.

The building features the latest renewable technologies which will create a first building of its kind on the Defra Estate and, by the time of completion in early 2008, it will be the first carbon neutral building with at least a BREEAM Excellent rating, and is expected to achieve Outstanding. Set on two floors the building has capacity for three different sections that will be able to work in one of the most modern office environments in the country. Three wind turbines, a thermal solar system, photovoltaic, and a biomass boiler are the four renewable technologies that will contribute to save carbon emissions equivalent to nine typical UK houses.

In addition to the leading edge technologies, the building has passive and natural ventilation, and a rainwater harvesting system. The project also incorporates government targets to reduce water consumption and waste and increase recycling. On completion the building will bring environmental, economic and social benefits to Alnwick.



### Estate Rationalisation

- 23 Estate rationalisation has also continued over this period, with impressive reductions in square metres occupied that have potential to reduce carbon emissions.
- 24 **HMCS**, part of the **MoJ**, is committed to making better use of its estate, delivering greater value for money by increasing utilisation. Sharing a single courthouse helps streamline the delivery of business and allows for the disposal of a surplus building and resultant reduction in running costs. HMCS Estates exceeded the Public Service Agreement (PSA 4) target to deliver 30 integration opportunities by 30 April 2006. Since the integration programme was initiated in 2002/3, 45+ integration projects have been delivered and a further 10 are planned in 2008/9.
- 25 Further examples of what is possible are shown in the box below.

### Rationalising The Civil Estate – Some examples of recent progress

The Office of Government Commerce works with departments to improve leadership, integration, review and challenge in the management of the central civil government estate. A key aspect of this work is estate rationalisation. This means ensuring that no office space owned or leased by the government is unused, and use of office space is optimised, reducing the total size of the estate.

The majority of this reduction can only be achieved at lease breaks, where departments have the option of releasing leased property. However, with 514 lease breaks due within the next 8 years, estate rationalisation has the potential to be one of the keys to achieving the government's estate carbon reduction targets.

As much of a department's energy consumption is associated with heating and lighting the space it occupies, rationalising this space will lead to reductions in the government's use of energy, and therefore support delivery of carbon reduction targets. Recent examples of estate rationalisation include:

#### 1) Charity Commission

The Charity Commission have three regional offices and Harmsworth House, which they share with the Intellectual Property Office (IPO), in London. An estate rationalisation project was triggered by a lease expiry due in June 2009. OGC worked with the Charity Commission to devise a relocation plan re-using surplus office space and challenged them to reduce the number workstations from a ratio of 1:1 to staff to 0.8:1, allowing existing space to be used more intensively.

Around a third of Charity Commission posts based in London will move to regional offices in Liverpool and Taunton. The remaining staff will move to office space created by the Office of Fair Trading in their Fleetbank House offices by reducing their space per workstation to conform to industry best practice standards. IPO staff will move to their main site in Newport. This project will contribute to the release of around 8,000m<sup>2</sup> of the Charity Commission's estate across London, a 53% reduction.

#### 2) Office for Standards in Education

The Office for Standards in Education (OFSTED) is the sole occupier of Alexandra House in Kingsway, London. The lease is due to expire in September 2009, and OFSTED are in the process of relocating around 20% of their London posts (95 staff) to existing regional offices which will be used more intensively. Staff remaining in London will move to nearby Aviation House, currently wholly occupied by the Food Standards Agency (FSA). The FSA are reorganising the building, increasing workstation density to 10m<sup>2</sup> per desk and encouraging flexible working by reducing staff desk provision to 80%. Using Aviation House more intensively allows for Alexandra House (5,104m<sup>2</sup>) to be released.

#### 3) NS&I

National Savings and Investments (NS&I) occupy part of Charles House in London, where the lease expires in June 2010. NS&I is already highly devolved to the regions and a number of posts will be relocated to the regions. OGC is working with NS&I to provide a civil estate solution for the remaining London staff. Vacating the NS&I offices in Charles House will contribute to a reduction of 77% in their London estate. This is part of a national strategy to reduce the total NS&I estate by 83%, releasing over 320,000 m<sup>2</sup>.

## Annex B – Data Analysis

- 1 One of the themes of the SDC report is that Government has not made enough progress to lay the foundations of effective performance management: timely, accurate, real-time performance data that enables performance to be benchmarked and measured against robust baselines and trajectories of required performance.
- 2 The SDC also reports that rebaselining is still often necessary to reflect machinery of Government changes, which can and do have a material impact on individual departments' ability to deliver agreed targets. Many departments are yet to put in place information and management systems that can respond to these changes.
- 3 The government therefore launched a major exercise in January 2008 to assure the data provided by government to the SDC, understand the causes of the concerns highlighted by SDC, and to better understand the drivers of performance. When this exercise is completed, the government is confident that it will provide a more accurate picture of performance; and that the drivers of good performance which will enable performance to be managed more successfully in years to come.
- 4 Interim results show that:
  - a. the quality of that data supplied by departments to the SDC in the past has been of variable quality and on too many occasions incomplete, inconsistent or inaccurate;
  - b. confidence in the accuracy of current data returns is relatively high in relation to energy targets – but much work needs to be done in all other areas. Many departments are unable to quantify the level of waste they generate, due to pre-existing outsource contracts which do not have reporting requirements built in. Additionally smaller sites often use the local authority refuse services, who cannot report on waste collected from individual buildings as part of their regular collection rounds. Further support to departments in addressing these issues will be provided by the Centre of Excellence. The MoD is currently working with the SDC to establish a baseline for its waste arisings, which amount to 50% of all government waste arisings. Until this work is completed, we cannot accurately assess the overall performance of government against this target;
  - c. on the targets for carbon emissions, many changes are required to baselines for individual government departments – to reflect transfers in and out of government (the sale of Qinetiq, the transfer in of the magistrates and probation estates) and increases in reporting (the success of the drive to include Executive Agencies and NDPBs in government returns in greater numbers).
- 5 Graphs depicting the impact of this exercise on the true performance of government against the Carbon Emissions from Offices targets are attached below. These graphs show both the overall position of government, and some key departments where rebaselining is necessary against the original baseline reported and against the proposed new baseline. The colour rating system is that used by SDC. In summary:
  - a. The aggregate position for government does not materially change.
  - b. The Ministry of Justice moves from being a red performance against the original baseline, to an amber when the baseline is adjusted to reflect the effect of the inclusion of Magistrates Courts.
  - c. The Ministry of Defence still achieve a green performance, meaning they are on target to meet the commitments when the baseline is adjusted to remove Qinetiq.

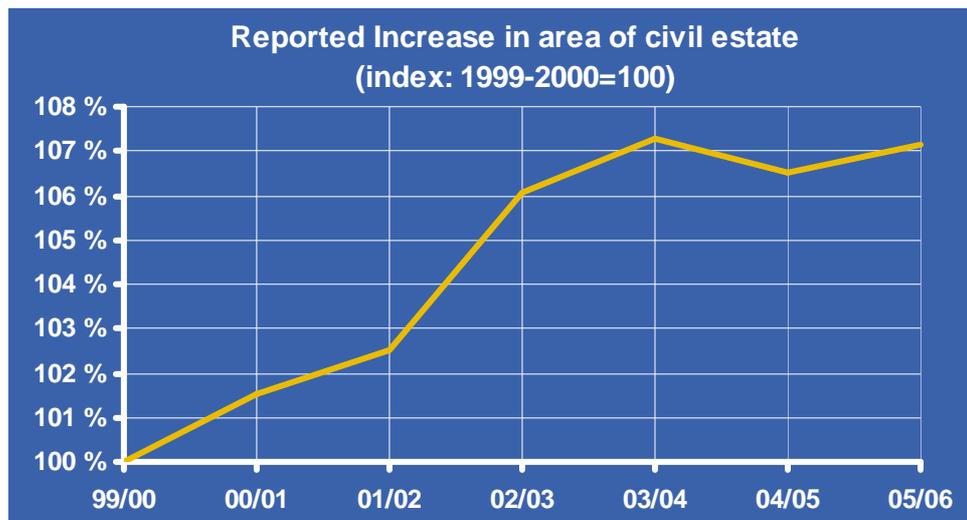
- d. The Cabinet Office is shown as red against the reported baseline. When this baseline is adjusted to reflect the true coverage of Cabinet Office reporting, performance moves to the green area.
- 6 Further work will be required to agree these new baselines, and baselines for other departments where required. We will continue to re-baseline as necessary in a transparent way. Establishing a robust baseline and real-time performance reporting will form an important part of the work of the Chief Sustainability Officer in the next three months.

### Real Time Performance Reporting

OGC's Property Benchmarking Service delivered through the central government property database, ePIMS, already captures a number of key sustainability metrics at an individual building level; these include energy consumption, water consumption and solid waste recycling. Performance is analysed, benchmarked and reported against equivalent private sector buildings. A new tool "The Property Interrogator" will supplement this analysis, providing decision makers with visibility of key performance indicators in real time across the estate. As recommended by the Sustainable Development Action Plan, the Property Benchmarking Service will become mandatory from 1 April 2008 for all office occupations over 500 m<sup>2</sup> on the estate.

Working with the Sustainable Development Commission and Defra's Sustainable Development Unit, OGC is taking forward plans to develop e-PIMS to provide the platform for delivering future SDiG surveys, starting next year, and as an interim solution the detailed questionnaire prepared by the SDC will be delivered through e-PIMS for the 2008 SDiG report. It will in turn significantly enhance the availability of hard edged data for measurement against the bulk of the SOGE targets and will offer the scope to analyse individual building sustainability performance at source taking the current SDiG department perspective to another level. It will also help reduce the reporting burden on departments – while ensuring OGC has the data needed to perform an effective scrutiny and challenge role.

- 7 Government has a growing understanding of the drivers of performance, and as our data improves, we are able to analyse more effectively the drivers of performance –and address them.
- 8 On carbon emissions, critical drivers include:
  - a. The size of the estate. An analysis by the NAO of the data provided by government to the BRE over the years was carried out in November 2007 as part of its report for the Environmental Audit Committee on Energy and Carbon Emissions. This showed that the square metreage on which government reports to BRE had, by 2005/06 grown by 7% since 1999/2000.



Box 1 - NAO Depiction of BRE data on scope of buildings covered in SOGE returns

- b. Our analysis of departmental returns suggests, however, that this reflects more comprehensive reporting to BRE by government departments. See Box 1 above. Rationalisation of the estate is in fact, a powerful driver of reduced carbon emissions. The DTI (now BERR) “two roofs” strategy has been a significant contributor to reduced emissions in that department. The plans in HMRC to rationalise the operational estate, reducing it by some 50% over the coming years, should reverse the upward trend in HMRC carbon emissions. The potential of estate rationalisation to impact on carbon emissions is discussed in more detail in Annex A. Government policy in the area of sustainable buildings then plays its part in helping to ensure landlords or future occupiers use less energy and carbon.

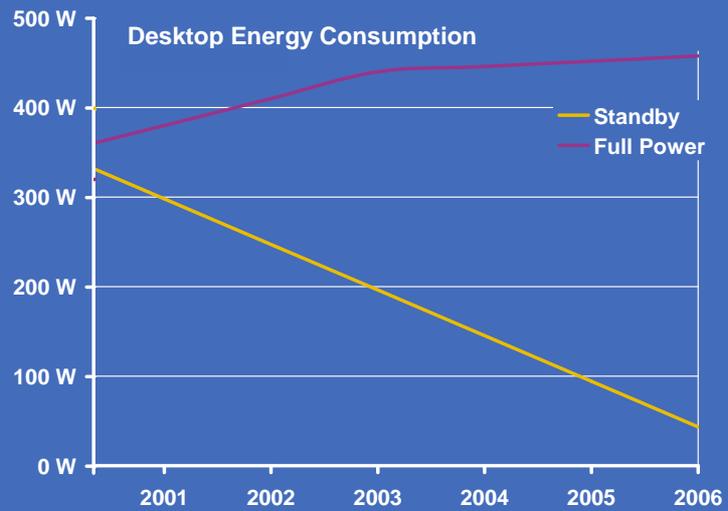
**Trends in use of ICT - Initial Analysis**

Engagement with departments highlighted a consistent driver that increased usage of ICT since 1999 accounts for some of the increase in carbon emissions. It is not possible at this time to directly attribute a proportion of CO2 emissions directly to use of ICT, however over the period, PCs energy consumption profile has changed significantly:

- there has been a 30% increase in energy consumption at full power
- this has been offset by a 90% drop in consumption in stand-by mode (see graph below).
- Use of stand by mode is driven by employee behaviour, which has shifted over the period. Today staff are less likely to turn off their PC over night and more likely to use standby. Strong action is required to raise awareness of this issues, and change behaviour.

Other trends that will have a direct impact on IT power consumption include:

- overall, headcount has risen over the period (It has fallen in central government, but risen in executive agencies)
- the ratio of employees to computers has changed, from circa 2:1 to 1:1.2
- ICT's role in the work place has changed, as highlighted in the boxes below.
- The switch from a mainframe to a network environment has resulted in increased use of Data centers, which require additional cooling, which industry standards suggests at least matches the power consumption of the PC itself.
- There is greater use of complex peripherals, many of which use power packs that consume energy whenever plugged in – such as mobile phone chargers and laptop chargers.

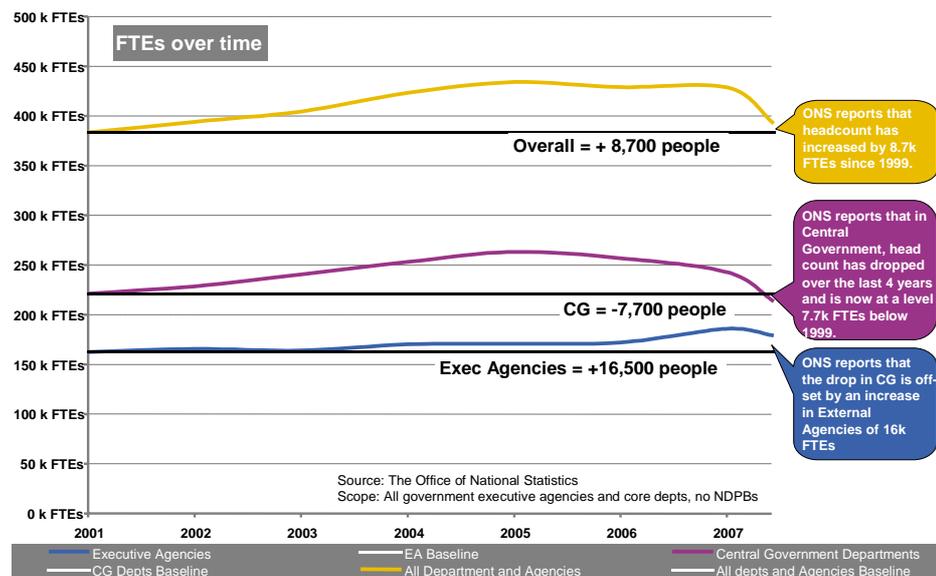


**Energy Usage**

1999	2007
Within a mainframe environment there was no CPU.	Moving to a network environment has seen dramatic increases in CPUs
Average energy consumption of CPU 40W/H	Average energy consumption of CPU 57.2W/H
Mainframe environment: logging off from the system enforced shutdown and equipment was switched off	People often leave equipment on full power. Challenge to change behaviours, technologies and processes.
In a network environment people used desktops, and would share terminals	Staff have individual desktops
Users mainly office based and had little requirement for mobile equipment.	Increased mobile working: More laptops and some users who have both lap top and desktop.
Average monitor energy consumption 65W	Average monitor energy consumption 29W but higher number of monitors
Average of 3 users per printer. Average energy consumption of 120W	Average of 8 users per printer with an average energy consumption of 400W
Separate printers, fax machines, photocopiers	Increased use of multi-functional devices
Users had simplistic requirements with little need for additional peripherals	Increase in the number of external devices such as portable hard-drives, external disk drives etc.

Box 2 - -IT Power consumption – analysis of trends

- c. headcount changes. Box 3 - below shows the overall trend in civil service numbers over the reporting period. The graph indicates that while central government headcount is now lower by 7,700 FTEs against the baseline year, this reduction was preceded by a period in which FTE headcount grew, peaking in 2006. There has been an overall increase in the numbers staffing levels of executive agencies, of which 52 out of 62 are included in the SDC report. The increase in headcount during the reporting period supports the suggestion that emissions have increased during the period due to an increase in operational requirements, and associated ICT use. Numbers have declined in recent years, due to the Gershon efficiency programme, which redirected resources to the front line. We expect this trend to continue, as a result of the forward controls on administrative expenditure the government has put in place for the CSR07 years. This should, help reduce electricity use in central government;



Box 3 - Change in FTE numbers during 1999-2007

- d. use of electricity: NAO figures suggest that government as a whole has used more electricity (12%) and less gas (9%) since 1999/2000. Further analysis of the increase in electricity use is required. We believe that part of the increase may be caused by increased use of ICT. In DWP, for example, one driver of the upward trend in emissions (now reversed) has been the upgrading of IT to customer-facing staff (to allow, among other things, better access for customers to employment information) and expanded opening hours. More generally, recent ICT equipment requires more electricity than its 1999 equivalents when in use – but in standby mode is more efficient. A further factor we believe to be the increasing use of air conditioned buildings and we will explore this further in future work;
- e. we believe that there is considerable scope to drive down the use of electricity: OGC have worked with DCMS to develop a pan-Government framework for IT power management software, which will be available in the new financial year. The Chief Information Officers (CIO) Council will be setting out a detailed plan to drive down the consumption of electricity by government’s ICT and reduce its other environmental impacts in Summer 2008
- f. construction and refurbishment of the government estate: BREEAM standards have been mandated for new buildings and for major refurbishment since 2000 but those standards have not always been embraced by decision-makers in practice. SDC report makes clear that uptake has been disappointing. We need to explore impact of “ageing building” on carbon emissions and conversely how far requirements such as BREEAM certification, if fully embraced, can be expected to impact overall carbon emissions.

- 9 Many of the drivers of carbon emissions – notably the nature of the estate and the number of civil servants – impact also on SOGE targets on waste and water. Trend data is less clear for those targets. Often data covers two years only and reliable data is not always available. But we know that on travel, there is considerable scope to improve departmental performance by controlling more effectively the use of the “grey fleet”.

#### Potential Gains from Controlling The Use of Grey Fleet

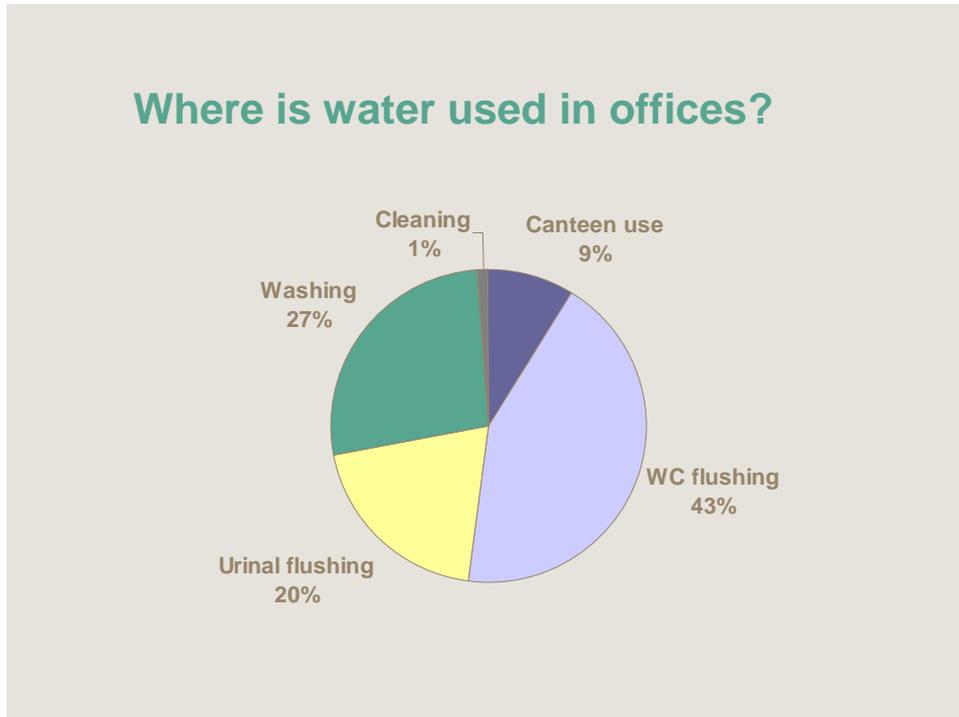
The government’s programme on the collaborative procurement of common goods and services includes the procurement of Fleet. The pilot is being led by NHS PASA for government as a whole.

The Fleet category also focuses on better managing, and where possible reducing, the use of ‘grey fleet’, or employee-owned cars for business travel. An EST study indicated that the average employee-owned car used for business purposes was 6.9 years old, compared with 6 months for spot hire cars. Older vehicles tend to have higher emissions and research suggests that a 20% reduction in the grey fleet mileage of 11 central government departments could generate financial savings of £9 million and environmental savings of over 5,800 tonnes CO<sub>2</sub> every year.

**Box 4 - Potential gains from controlling the use of grey fleet**

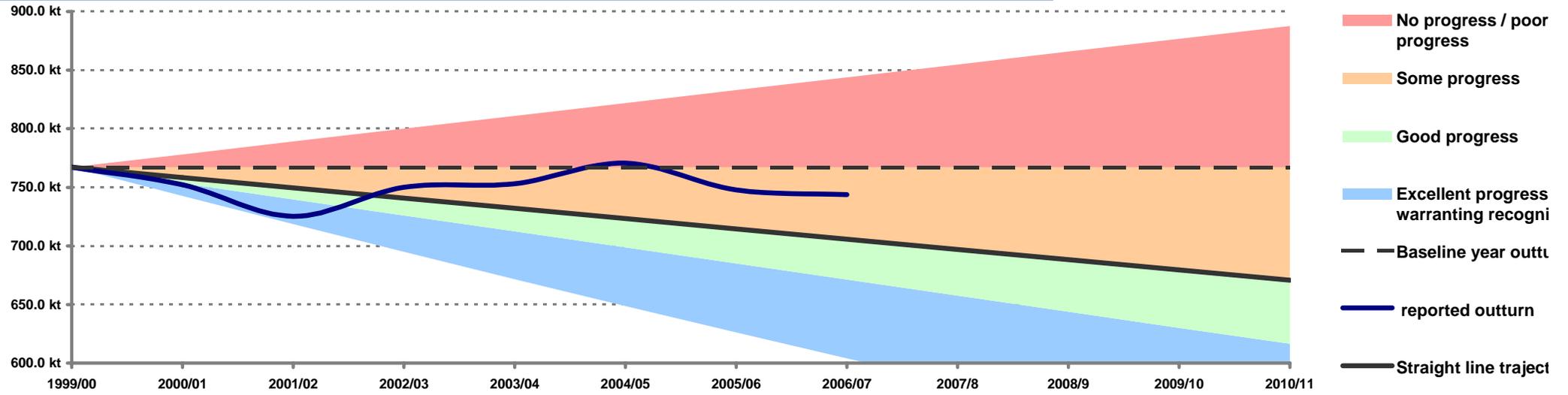
- 10 On waste, we know that:
- a. site consolidations, refurbishments and closures often generate an increase in waste in any one year, as offices are emptied. Further work is needed to understand the scale of these non-routine waste arisings to establish their overall likely impact on the achievement of waste targets. This will be considered in the forthcoming Delivery Plan. For routine waste, many departments now offer wide ranging recycling facilities from paper to batteries and mobile telephones;
  - b. in addition to these generic drivers which impact all departments, the Ministry of Defence have very specific drivers for waste, related to their operational activities. The multitude of activities carried out on sites including vehicular repairs, aircraft re-builds, vehicle and airframe servicing, and vessel maintenance generate levels of waste unique to them. In addition the Defence estate often has to dispose of waste generated and brought in from military operations and training overseas for example at naval bases and flying stations. It also has services provided on sites such as health centres, hospitals, dental surgeries and munitions and explosives waste that require specific specialist disposal.
- 11 On water, we know that:
- a. benchmarking gives some evidence as to what factors influence performance. On older, or larger estates leakage can be a major component of water demand. The increased use of cooling – closely linked to the use of ICT – can use significant amounts of water. Achieving other targets can have a perverse effect on water consumption measures. For example, in an attempt to reduce the number of staff using cars to travel many sites now provide additional shower facilities for those who cycle or walk;
  - b. monitoring, including the appropriate use of sub-metering, is an essential component of water management. An accurate assessment of water consumption including variations within days and across months is required to enable proper benchmarking and identification of the factors that influence consumption;
  - c. energy saving devices, such as taps providing boiling water from efficient heating systems provides more efficient use of water and energy than the use of kettles. Monitoring, including submetering, is also important.

- d. The Government sponsored “Envirowise” programme has developed considerable evidence and expertise on how organisations can improve water efficiency. The graph below shows where water is most commonly used in offices and highlights washrooms as the biggest user, which suggests the installation of low-flush toilets and rainwater harvesting systems will be critical to reducing water use in government offices.

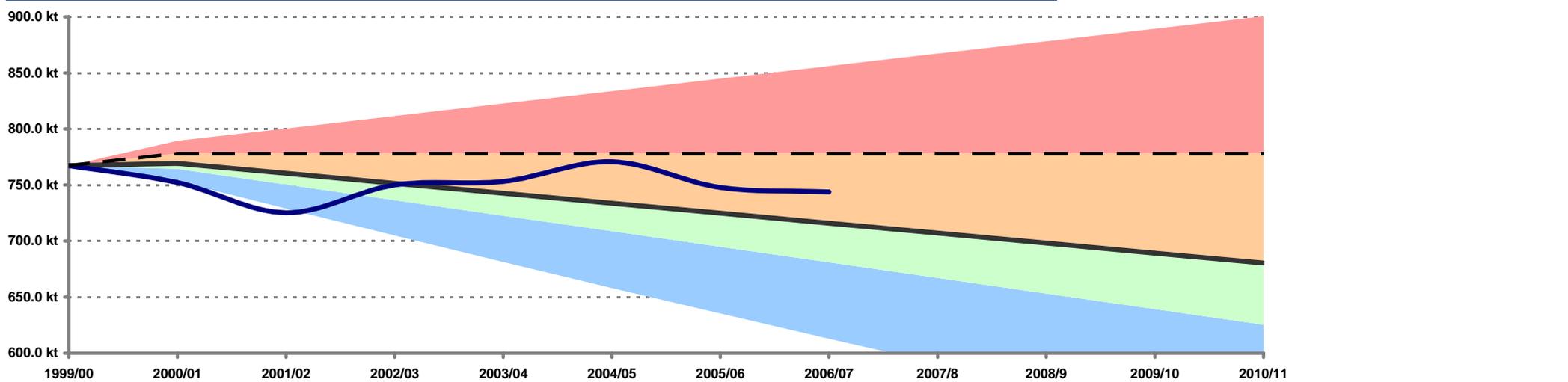


*The following pages contain a summary of the analysis of government performance on Carbon Emissions from the estate.*

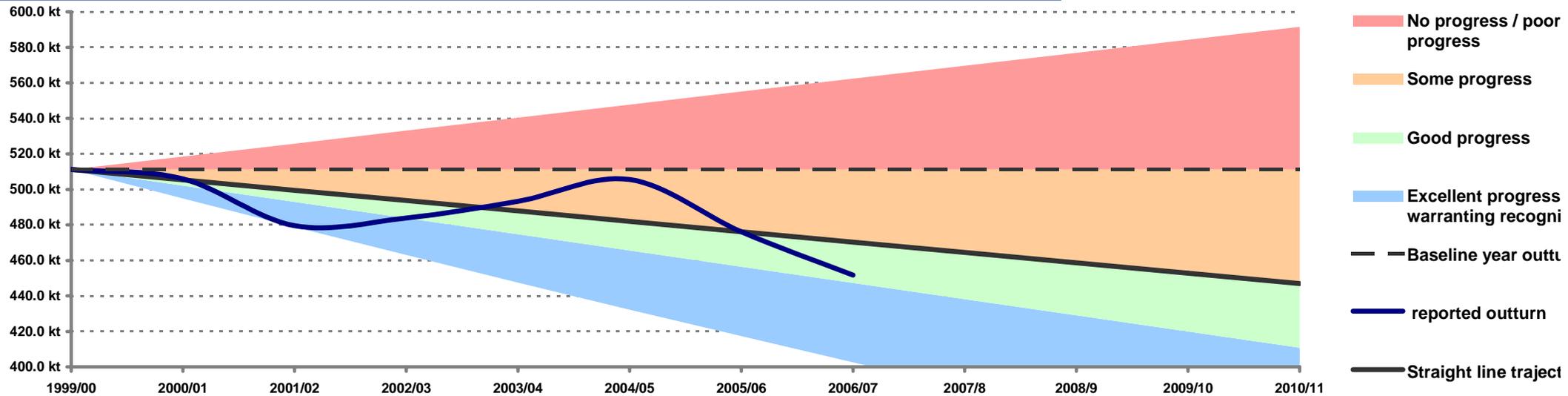
Position for All Government using the baseline as agreed in the SDiG report



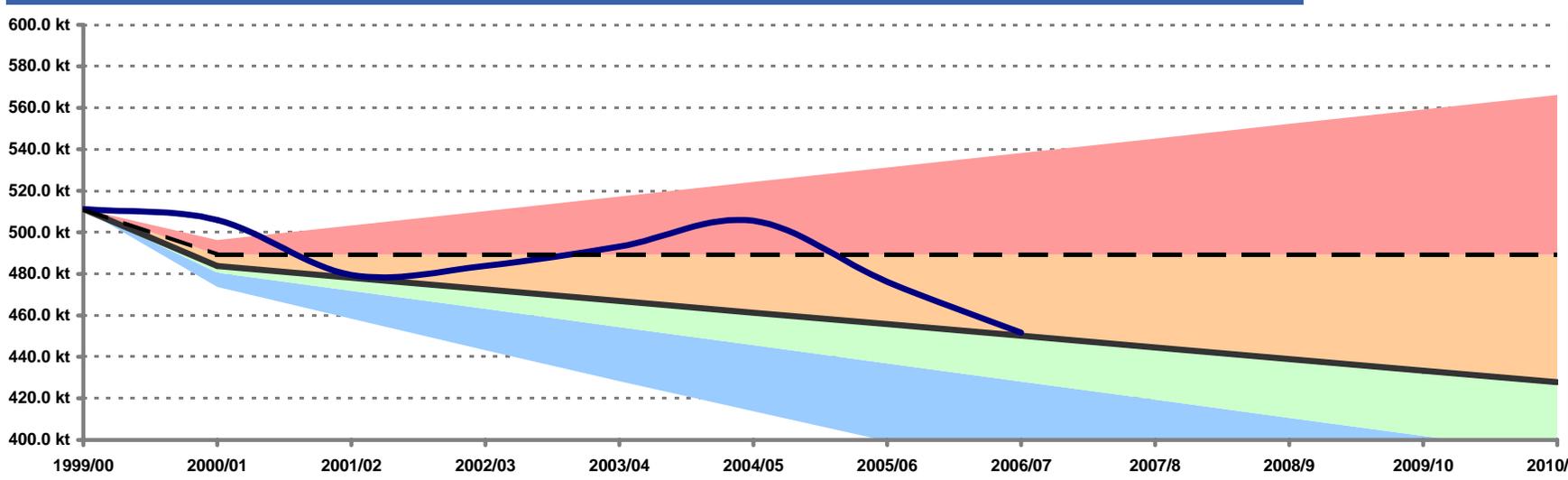
Position for All Government using the proposed baseline



Position for Ministry Of Defence using the baseline as agreed in the SDiG report



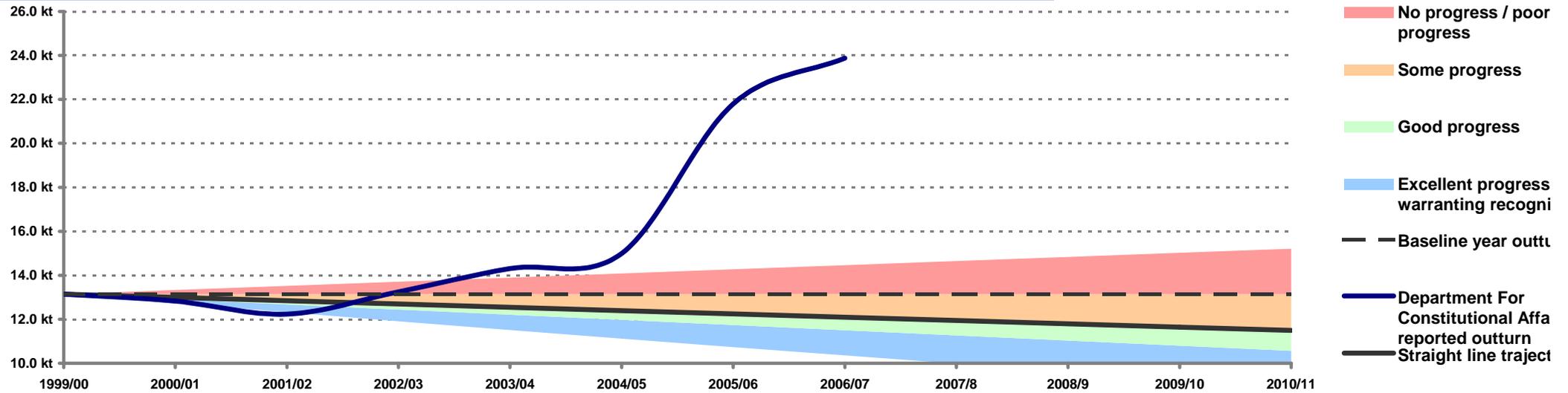
Position for Ministry Of Defence using the proposed baseline



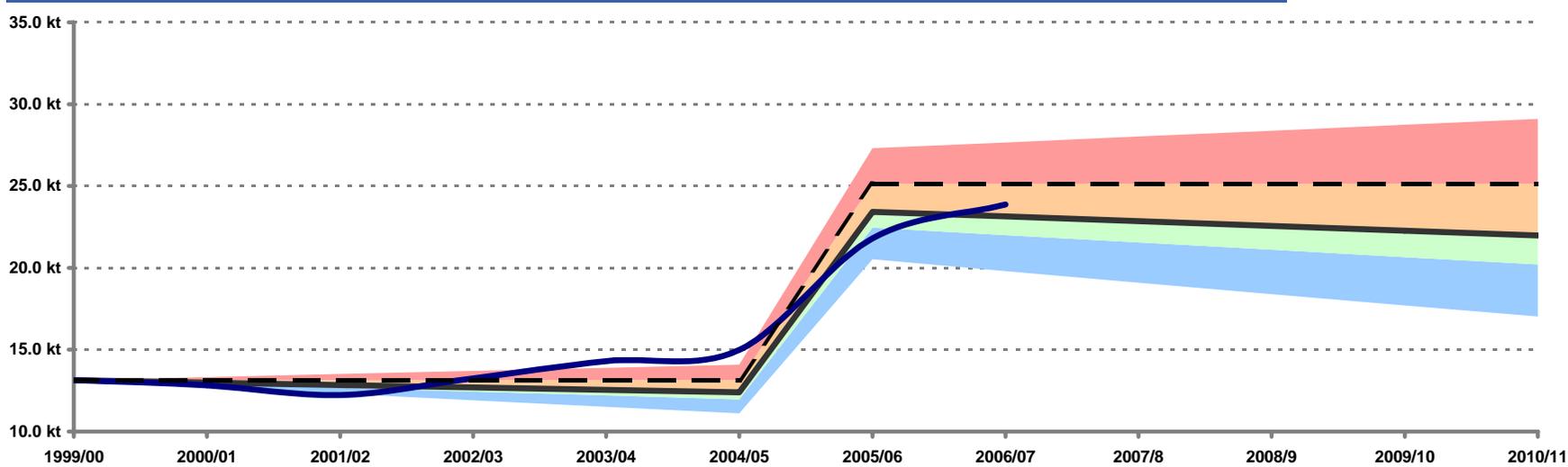
The Ministry of Defence baseline included Qinetiq, which was privatised by MoD in 2001/2, but not removed from the baseline.

The proposed baseline removes carbon emissions arising from Qinetiq from the baseline.

Position for Department For Constitutional Affairs using the baseline as agreed in the SDiG report



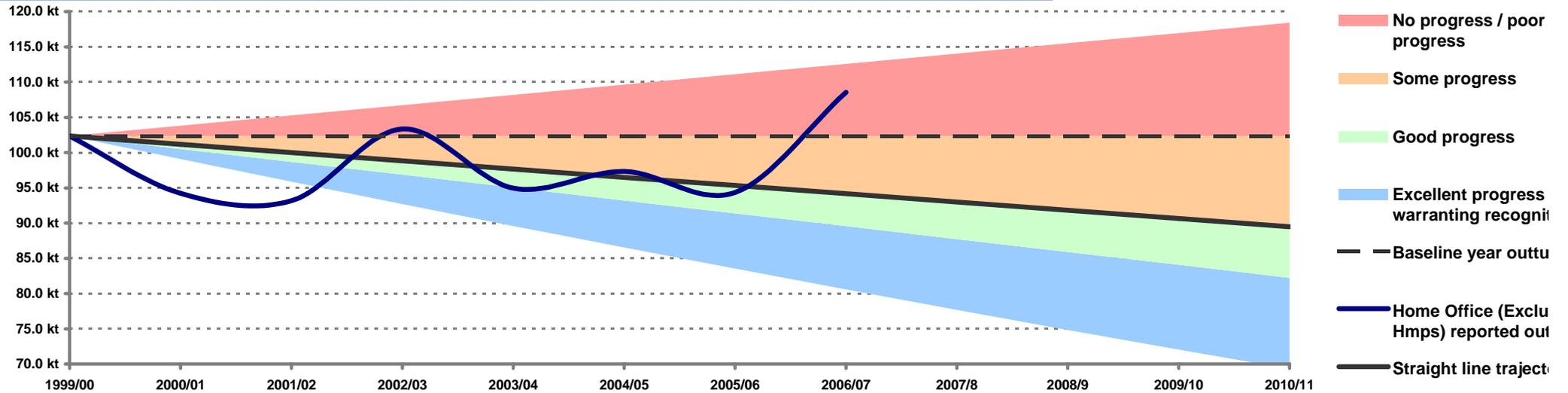
Position for Department For Constitutional Affairs using the proposed baseline



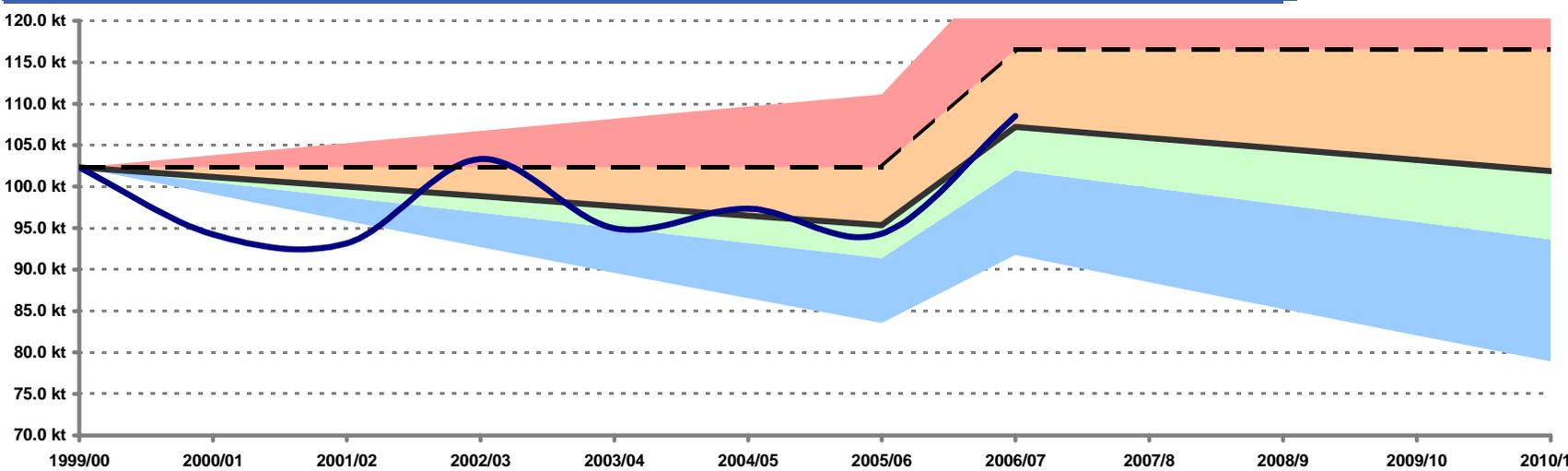
The Department for Constitutional Affairs baseline agreed in 1999 did not include 460 Magistrates courts, which moved into Central Government from Local Authority control in 2004/5.

The proposed baseline includes estimated emissions from the magistrates courts.

Position for Home Office using the baseline as agreed in the SDiG report



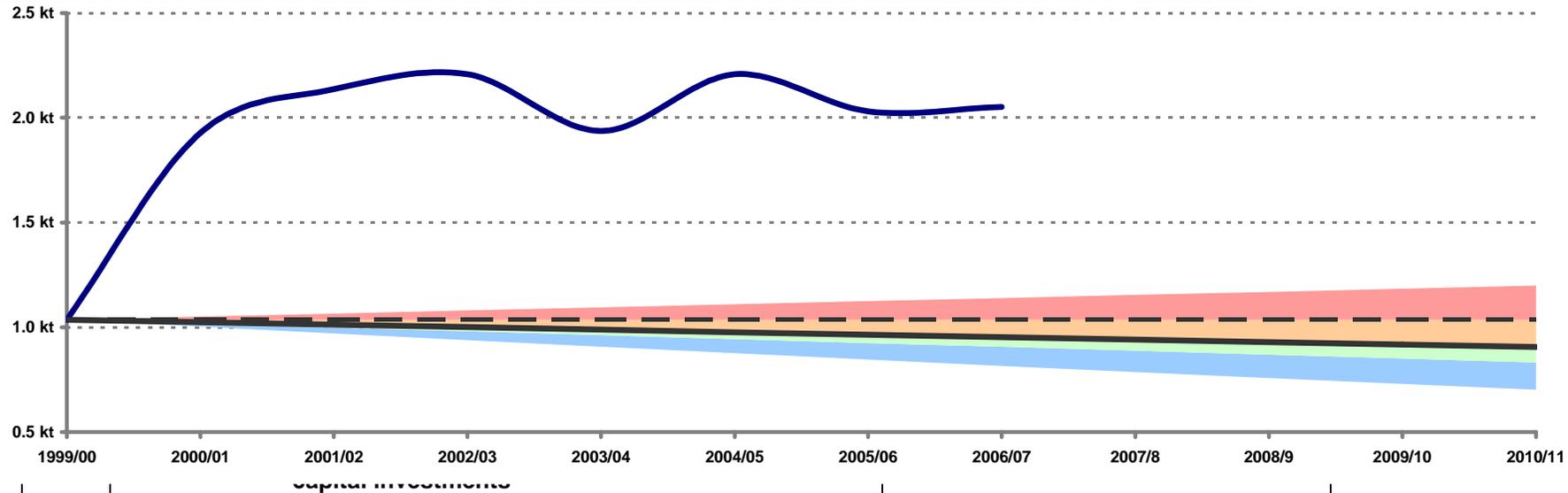
Position for Home Office using the proposed baseline



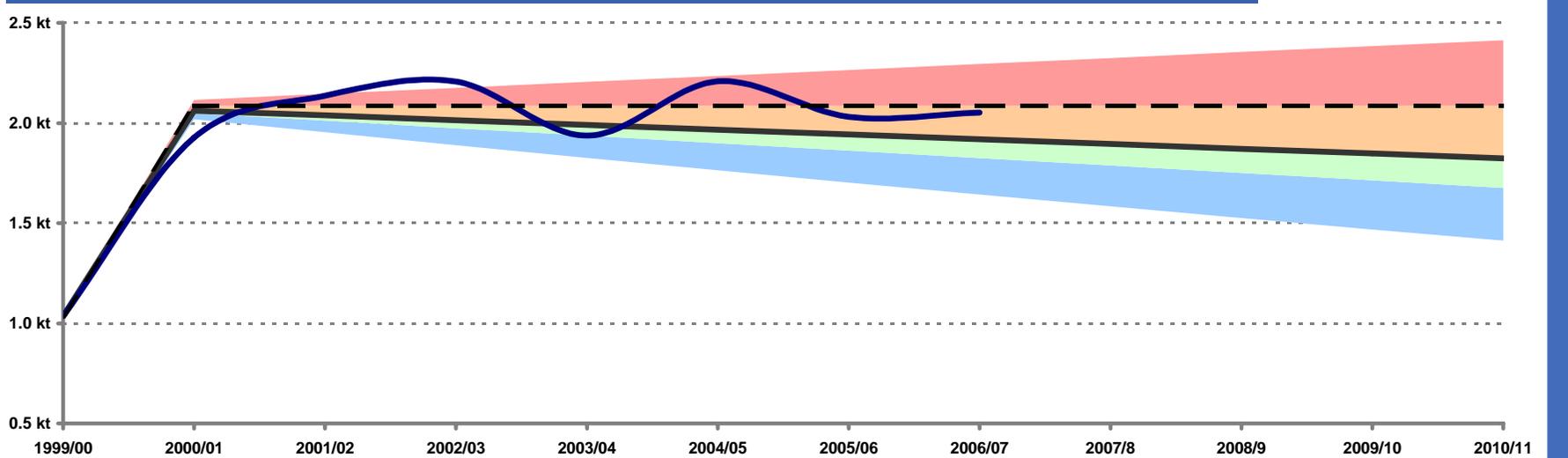
The Home Office baseline agreed in 1999 excluded part of the estate that was being refurbished. It also did not include the Probation Service which moved into Central Government in 2005.

The proposed baseline corrects these issues. Future SDiG reports will require comprehensive rebaselining to reflect MoG changes in which a large part of HO activity moved into MoJ.

Position for Cabinet Office using the baseline as agreed in the SDiG report



Position for Cabinet Office using the proposed baseline



The Cabinet Office baseline used in the SDiG report reflects only those parts of the estate for which the baselining team were confident in the data. This was c. 50% of the total estate.

The proposed baseline corrects this and includes the entire estate.

## Annex C – Future Action to Drive Performance

- 1 The government recognises that it must do more to reduce carbon emissions. Since we received the SDC report we have already taken some small but significant steps to demonstrate our commitment to further progress; in the coming months we will announce more changes that will reduce the environmental impact of government operations.
- 2 Key measures will be more carbon efficient management of the government estate, including plans for new builds and an increased focus on the environmental impact of bought in goods and services. Improvements in the efficiency of the estate and in procurement will be reflected in better performance against SOGE targets and the commitments under the Sustainable Procurement Action Plan.
- 3 Both the root causes of upward trends in emissions (such as the use of ICT) and barriers to further progress (such as those identified in the latest SDC report) must now be addressed systematically.

### *We have already begun this process*

- 4 In this year's Budget the government announced its ambition that all new public buildings should be zero carbon by 2018, and will establish a task force to advise on the timeline and how to reduce carbon emissions in the intervening period.
- 5 All departments will participate in the Carbon Reduction Commitment (CRC) to government. The CRC is a new UK-wide emissions trading scheme - which will target energy-use emissions from large, primarily non-energy intensive public and private sector organisations, in 2010. Any organisation that consumes more than 6,000MWh / year from 100KW metering systems (also known as mandatory half hourly meters) will qualify for the scheme. However, in order to demonstrate our commitment to leading in the reduction of energy emissions from the government estate, we have decided to mandate the inclusion of all central government departments in the scheme regardless of whether they meet the inclusion threshold or not.
- 6 The government also announced last week that it would phase out by Summer 2008 the use of bottled water across the government office estate at meetings. The impact of this measure upon government carbon emissions is small, but this is an important symbol of our commitment to further progress.

### **The Carbon Reduction Commitment**

The CRC will provide government departments with an important mechanism for achieving absolute emissions reductions from their entire estate. The scheme is designed to drive energy efficiency and carbon savings by giving organisations a financial incentive to do so through emissions trading (through downstream carbon pricing and the risks and rewards implied by the revenue recycling mechanism), and combining this with Corporate Social Responsibility incentives (through the performance league table).

- 7 We will also make changes to the official car fleet, the vehicles used by Ministers and by Permanent Secretaries to reduce carbon emissions from vehicles. The majority of Ministers and Permanent Secretaries already travel in vehicles with emissions below 120g/km. We will now accelerate the pace of transition to low emissions vehicles, taking into account operational requirements.

*Shortly we will be announcing more changes to the way we work*

- 8 Estate rationalisation, facilities management, and the requirements we place on new government buildings and refurbishments will play a large part in the government's forward programme of work. It is critical that all new builds demonstrate to both staff and visitors the government's commitment to sustainable operations, through features such as on-site renewable energy technology, rainwater harvesting systems, ultra-efficient lighting solutions and sustainable construction products furnishing and fittings. Some new government buildings already achieve these high standards – see Annex A for details. The government will enforce more effectively the requirement to apply BREEAM to new buildings to and major refurbishments. Additionally:
- a. the implementation of the EU Energy Performance of Buildings Directive will require all existing public buildings to display an energy performance certificate – focusing attention of the performance of the building, and potential for improvement;
  - b. government will drive forward delivery against its existing commitment to procure buildings in the top quartile of energy performance, using the data that will be available from the Energy Performance Certificates to define top quartile and report progress against the commitment;
  - c. use of the OGC Property Benchmarking Service, which captures a number of key sustainability metrics at building level, will become mandatory from 1 April 2008, for all offices over 500 metres squared. This will allow all departments and their sponsored bodies to benchmark their property against industry best practice, informing strategic decisions about buildings and their impact on delivery;
  - d. the full exploitation of the opportunities for estate rationalisation that will occur as over 500 government property leases expire over the next 8 years, details are given in Annex A above;
  - e. departments will make further savings in workspace through the introduction of flexible working and from layout alterations. Government organisations are operating at the moment, on average, at between 16 and 17 square metres per person. We will implement new office space efficiency standards of 10 square metres (net internal area) per person in new buildings and major refurbishments and between 10 and 12 square metres for other office buildings. In the case of some freehold listed buildings (where layout is constrained) and the specialist operational estate, the standard may need to be applied flexibly. This will be decided on a case by case basis.
- 9 A second major area of opportunity lies in the procurement of common goods and services. The government is committed to collaborative procurement of common goods and services, covering initially the categories fleet, travel, energy and ICT. This will be a major driver of both value for money and sustainability. What matters is both what we buy, but also how we manage demand and policy.
- 10 The OGC Fleet Vehicle database reveals considerable success in promoting low fuel consumption across Whitehall and the wider public sector (notably in the NHS). Of vehicles on the database, almost all delivered since the start of 2007, and purchased through two frameworks (the NHS PaSA Lease framework and the DWP Vehicle Purchase framework), 2450 vehicles (26.0%) have CO<sub>2</sub> emissions of 130 g/km or under, and 1287 (13.7%) have emission of 120 g/km or under.

## Collaboration to deliver Sustainable Savings

The government believes that by adopting a “category management” approach to the purchasing of common goods and services across the public sector, significant gains can be achieved both in terms of value for money and in terms of environmental sustainability.

OGC’s Collaborative Procurement Directorate works with government departments and other public bodies to influence £72billion of common spend. Initially, work is focussed on the categories of energy, fleet, travel, office solutions, ICT and professional services. In 2007-08 over £565million has been saved through collaboration, and strong progress in embedding sustainability into collaboration activities has been made.

We will build on this in the coming year by developing KPIs for sustainability in the collaborative categories. The KPIs will cover four key areas:

- Reduction in Carbon Emissions;
- Financial Savings directly attributable to sustainability activity;
- Category level measures – such as use of environmental product specifications;
- Supply base – assess and measure environmental credentials.

Reporting in this way will support the work to embed sustainability as a ‘business as usual’ activity within pan-government procurement and allow for the performance of sustainability initiatives to be monitored and reported in the same way as value for money is currently.

- 11 Over the past year, government departments including the wider public sector has bought 1536 GWh of energy from sustainable sources exempt from the Climate Change Levy, supporting the market for renewable sustainable energy. This represents 20% of the energy bought under these arrangements, against a UK average of 4.6%.<sup>2</sup> ICT is a major driver of the use of electricity. Government is addressing this through its Greening Government IT programme. The Cabinet Office, supporting the work of CIO Council, are leading a work programme into how government can be more sustainable in its use of ICT. Working with industry the team are developing an action plan to be published in the Summer 2008 for adoption by departments. This will range from simple measures that can be adopted with immediate effect (using the Act on CO2 campaign to highlight actions such as the need to switch off IT equipment at night) through more complex initiatives to reduce the power consumed by servers and through the use of databases. The government is working closely with the ICT industry on this agenda. See box below.

<sup>2</sup> Source

<http://www.berr.gov.uk/energy/sources/renewables/explained/intro/faqs/page43371.html#HowmuchpowerdoesrenewableenergycurrentlycontributeotheUKselectricitysupply>

### Industry Engagement - Information Age Partnership

Government is also working with the ICT Industry on environmental concerns – in particular carbon emissions. The Information Age Partnership is a joint government-industry initiative. In 2007 it established a dedicated working group on environmental issues in ICT. The working group brings together Industry and government interests on ICT and the environment with particular focus on climate change issues.

Its aims are to support the work of the Cabinet Office Greening Government IT work through facilitating communication between industry and Government on current endeavours and best practice and to highlight future issues and actions with particular reference to future research interests on the use of ICT to reduce carbon footprints

The Group will report in May on its findings, supporting work to further understand the impact that the use of ICT is having on our carbon emissions.

#### *We will also be bolstering our delivery arms to ensure delivery*

- 12 The government will appoint a new Top 200 Chief Sustainability Officer and create a new Centre of Expertise in Sustainable Procurement.
- 13 The Chief Sustainability Officer (CSO) and the Centre of Expertise will form an integral part of the Office of Government Commerce. This will enable the CSO to take responsibility for the government's work on estates and on collaborative procurement and for ensuring the integration of work on environmental sustainability with the government's commitment to the achievement of value for money in procurement and estates. The objectives of this new organisation will be:
  - a. to provide stronger central performance management, and to provide guidance and support to help departments rapidly develop the capability and capacity to deliver our commitments.
  - b. to work with departments to draw up a delivery plan with milestones for the implementation of SOGE targets and SPAP commitments, to be published in Summer 2008;
  - c. to take account of all the recommendations in the SDC report and, in the delivery plan, lay out timescales for their delivery
  - d. to set out the actions required to counter the barriers that stand in the way of further progress in government and to raise the government's capability and leadership in sustainable procurement and operations.
- 14 The Centre of Expertise in Sustainable Procurement will lead for government:
  - a. a communications campaign, building on the existing Act on CO2 campaign. to raise awareness of the actions that can be taken by departments and their supply-chains to help government lead the way to the low-carbon economy;
  - b. the mainstreaming of sustainability into the National School for Government's training programme, with an immediate focus on its existing provisions for procurement, estates and leadership;
  - c. the use of the work of the Government Procurement Service in increasing capability within the procurement community to identify specific sustainability

training needs and ensure that sustainability is embedded within the CIPS training syllabus;

- d. the ongoing development of the OGC's revised procurement policy and standards framework, with sustainability embedded throughout and appropriate guidance and best practice case studies made available via its website portal;
- e. the provision of enhanced and improved guidance on recommended product standards and the supporting evidence and guidance;
- f. the development of guidance on performance management and data measurement for each SOGE target area in conjunction with Defra and practitioners.

*The Cabinet Secretary and Permanent Secretaries will continue to provide personal leadership on sustainable operations*

- 15 Finally, the government will only achieve what's necessary through the personal leadership of Permanent Secretaries in departments. It is that leadership that has enabled the government to make strong progress over the last 12 months and has driven recent work to establish the integrity of departmental data and improved performance management systems. The Cabinet Secretary has announced that sustainability of the government estate is one of his four corporate priorities and that all permanent secretaries will have objectives relating to their department's performance against the SOGE targets for 2008-09;
- 16 The government is confident that the steps taken in the past year have yielded significant improvements in performance. The future steps set out in this paper, including the major data validation exercise to establish more robust baselines and performance reporting, will produce a further step change in performance. This will enable the government to deliver against its targets and more importantly, to demonstrate clearly its determination to show strong leadership in tackling this important issue.

## Annex D - Response to SDC Recommendations

No.	Recommendation	Response	Commentary
<b>1</b>	<b>Delivering performance improvements</b>		
1.1	<p><b>Departments now need to take radical actions to ensure targets translate into real progress, particularly on carbon emissions. These actions will vary according to individual departments' differing circumstances; some examples of such radical actions include:</b></p> <ul style="list-style-type: none"> <li>• <b>A high level delivery group with key budget holders responsible for delivering sustainable operations</b></li> <li>• <b>A central invest-to-save fund for each department developed either with Carbon Trust/Salix support, or managed within each department, to finance capital investments</b></li> <li>• <b>A progressive reduction of energy and utilities budgets in line with year-on-year carbon, water and waste target expectations</b></li> </ul>	Accept	Government agrees we need to show how the targets are being translated into real progress and to accelerate the pace of delivery. The government is today announcing a programme of initiatives to address this, including objectives for perm secs and the establishment of a Centre of Expertise for Sustainable Procurement (CESP), headed by a Chief Sustainability officer (CSO).
1.2	<b>To ensure accountability and high level leadership, Permanent Secretaries and Senior Civil Servants should have the SOGE framework targets and other key sustainable development commitments explicitly built into their personal objectives at the earliest opportunity, with quarterly monitoring of progress.</b>	Accept	All Permanent Secretaries to do so for 2008-09.
1.3	Whilst working towards achieving SOGE targets, departments should look beyond the targets toward larger sustainable outcomes and goals for operations and procurement.	Accept	Departments are encouraged to first meet, and then exceed the existing targets where this can be achieved through the uptake of best practice. The Centre of Expertise on Sustainable Procurement will support departmental efforts to embrace

			best practice.
1.4	<b>The Sustainable Procurement and Operations Board's (SPOB) new Sustainable Practitioners Forum should consider how departmental support, advice and funding available for investment could be better managed, coordinated, publicised and monitored for uptake and effectiveness. The Forum should also create opportunities for departments to share practical experiences with the private sector to benefit from cross-fertilisation of innovations and solutions.</b>	Accept	Forum has already met twice and has a forward agenda focusing on specific areas of the SOGE targets. Going forward we will consolidate this position within the CESP.
<b>Measurement</b>			
2.1	<b>SPOB must ensure that each department provides evidence-based trajectories showing exactly how their estate, procurement, travel and other strategies will deliver improvements each year to meet short and longer term SOGE targets and other sustainable development commitments. The overall strategic approach to improving operational performance should be reflected in Sustainable Development Action Plans.</b>	Accept	Trajectories for the SOGE targets will be set, initially for carbon and at aggregate level and will form an integral part of the delivery plan to be developed by a CSO. We will extend this approach to the other SOGE targets as data quality improves. Departments will set out their overall strategic approach in the next iteration of their Sustainable Development Action Plans.
2.2	SPOB should provide guidance on the full set of SOGE targets, such as how the reversal of carbon emissions' upward trend and water consumption in new builds should be calculated and measured. This guidance should be updated for any new or amended targets.	Accept	Defra and OGC will work with key stakeholders to publish explanatory notes and supporting guidance for the SOGE targets.
2.3	<b>Departments need to map out the full data requirements for driving forward sustainable operations, including procurement, and ensure they have appropriate management information systems in place capable of providing full and accurate data across all of their operations. They should also ensure the data is robust, through closer scrutiny of information and, where appropriate, external verification of submitted datasets. Where there are major data collection difficulties, departments need to set out how they intend to resolve these. These discussions should be held under the overall auspices of the new SPOB sub-group on performance management.</b>	Accept	A performance measurement team within CESP will drive this, and one of the first challenges of the CSO will be to examine how best to implement this.
<b>3 Climate Change &amp; Energy</b>			
3.1	The focus must be on continued effort in finding efficiencies through carbon management programmes and behaviour	Accept	This will be embedded within the Delivery Plan to be developed by the CSO

	change.		
3.2	<b>SPOB should define carbon neutrality and advise departments on how and when offsetting can be used to help achieve it. This should indicate how carbon emissions will be avoided and reduced, and ensure that any offsetting is used only as an interim measure.</b>	Accept	Defra is already working with the Carbon Trust to develop draft guidance, building on the ongoing MoD work to develop its Carbon Neutrality Strategy  A new unit has been established in Defra which will lead work to establishing the rules for government offsetting initiatives, i.e. next generation Government Carbon Offsetting Fund, carbon neutrality offsetting etc
3.3	Each department should understand and quantify its total carbon footprint, including all buildings and travel. This could be done using the Carbon Trust's Carbon Footprint Calculator or appropriate equivalent.	Accept in principle	Accept the principle to extend measurement beyond current SOGE coverage. Government is committed to mapping its carbon footprint and to this end is investing resource into addressing performance management with renewed vigour. However a balance will need to be maintained between the aspiration to extend what is measured and the need to set the existing measurement regime on a robust foundation. Several departments have already started work to assess their carbon footprints, and government will develop guidance on the most appropriate calculation method for departments to use.
3.4	SPOB should review the SOGE energy efficiency target as it causes a conflict between office rationalisation and the reduction of energy consumption. The possibility of setting a target based on energy use per FTE (rather than per m <sup>2</sup> ), or setting targets for absolute reduction of energy use, should be considered.	Accept	It is important, having agreed the targets in 2006 that departments remain focused on their delivery. But government will review this target in the light of the potentially perverse consequences identified by the SDC and by the NAO.
3.5	Government should take a leading position in implementing self-generation renewable energy and departments should explore the potential for Salix finance backing.	Accept	This will be addressed through the government's Renewable Energy Strategy, which is currently under development by BERR.
3.6	Government should consider the introduction of a climate change adaptation mandate for new builds, major refurbishments and relocations.	Accept	OGC will ensure that this matter will receive due consideration from appropriate bodies. In respect of the office estate and infrastructure this will be considered under the auspices of the High Performing Property Programme.
3.7	<b>Departments should agree on a government-wide sustainable travel policy to encourage travel avoidance through smarter working, and more</b>	Accept in principle	Drawing upon best practice, government will develop a set of core principles which departments will be encouraged to integrate

	<b>sustainable travel where there is no practical business alternative to travelling.</b>		into their own travel policies. Departments need to be given flexibility to ensure travel policies meet their own operational requirements, whilst ensuring delivery of SPAP and SOGE commitments.
3.8	<b>If the SOGE target on travel is to be truly outcome-focused, government's aim should be a target to reduce carbon emissions from all forms for transportation, not just road vehicles. However, in the short term, SPOB should introduce an air travel target to encourage travel by alternative, more sustainable, modes whenever travel is unavoidable.</b>	Accept in principle	Government is committed to understanding and reducing the environmental impact of all its operations, including travel, to the fullest extent possible. We will consider what further additional practical steps government should now take.  Departments are already offsetting the emissions associated with air travel. Last year 92,000 tonnes of CO2 were offset via the Government Carbon Offsetting fund, associated with air travel and other emissions of 40+ departments, agencies and NDPBs. Departments will consider further how they can reduce the environmental impacts of air travel, notably reducing the number of short-haul domestic flights where there are acceptable and more sustainable alternatives.
<b>4</b>	<b>Sustainable consumption and production</b>		
4.1	<b>SPOB should consider introducing more ambitious future waste minimisation and recycling targets to ensure departments continue to challenge themselves and create opportunities for improvement.</b>	Accept in principle	SPOB will consider the case for further targets and how to ensure that having met targets, departments are encouraged to make further improvement.
4.2	Departments need to ensure they have systems in place capable of providing high quality data on waste arisings and recycling across their full estate. Where there are major data collection difficulties, departments need to set out how they intend to resolve these. These discussions should be held under the overall auspices of the new SPOB sub-group on performance management.	Accept	We accept that robust data systems are not yet in place across government, hindering attempts to improve data quality. CSO will examine this in developing the delivery plan. Improvements in reporting will require resource investment and may also require a rebaselining exercise where departments' data has been of poor quality with low coverage.
4.3	<b>Government needs to set out exactly</b>	Accept	Current work to be consolidated in the Delivery Plan for SOGE

	<b>how the commitments in the Sustainable Procurement Action Plan and Transforming Government Procurement, and recommendations of the PMDU report, will be prioritised and taken forward, by whom, and when.</b>		targets and SPAP commitments to be drawn up by the Chief Sustainability Officer
4.4	<b>Government needs to develop, implement and monitor a strategic pan-government supplier engagement programme to ensure that the products and services government procures help it meet its sustainable operations targets and encourage sustainable practices down supply chains, as well as helping it meet the UK's wider sustainable development goals.</b>	Accept	The CESP will develop a programme of supplier engagement. Sustainability is already an integral part of the approach to pan-government procurement. We are considering how to best assess suppliers against sustainability criteria.
4.5	The operational impacts of suppliers and service providers, both on and off the government estate, should be monitored and reported on, with a view to tasking them to be more sustainable, learning from their innovative practices, and enabling government's full impacts to be better understood.	Accept in principle	Government is committed to the principle of a voluntary approach to reporting by business. But in developing the guidance for the SOGE targets, mentioned above, the issue of outsourced services will be addressed, building on the pockets of best practice: DWP report on outsourced operations. In addition we will consider the issue of KPIs for the supply base as part of the work of collaborative procurement and the CESP.
4.6	OGC should ensure that sustainable development is fully embedded in the procurement capability review process.	Accept	<p>Better procurement is a key means in reducing the government's environmental impact, and to this end;</p> <ul style="list-style-type: none"> <li>sustainability is embedded within the OGC Procurement Policy and Standards Framework and its Procurement Capability Review process. This will ensure that departments are clear what is expected of them. This will include our expectations on the use of contract conditions. Departments' performance will reviewed against those expectations</li> <li>Defra have funded Action Sustainability workshops</li> </ul>
4.7	All departments should engage fully with the Sustainable Procurement Flexible Framework, and ensure that well evidenced progress is made against the levels in it. Government needs to send a clear signal to departments about where it expects them to be on the framework, and by when. The levels chosen need to be realistic but challenging.	Accept	
4.8	Departments' sustainable procurement policies (as required at Level 1 of the Flexible Framework) should explicitly include demand management, so that justifying the need for goods or services is the first step in the procurement process.	Accept	

4.9	<b>Each department must take appropriate steps to ensure that Quick Wins are adopted in all relevant contracts, and that robust systems are in place to monitor compliance. OGC should routinely review compliance levels across departments, and reinforce to procurers that they should be used.</b>	Accept	<p>on the FF, tailored to departments needs. It will evaluate the impact of these workshops in considering making similar provision in 2008-09.</p> <ul style="list-style-type: none"> <li>• Departments will consider how to integrate demand management into their procurement policies;</li> <li>• Defra will work with OGC and the CESP on the revision of the Quick Wins standards and how best their use can be promoted and monitored.</li> <li>• Government will continue to work collaboratively to deliver sustainability through procurement.</li> </ul>
4.10	All major contracts should include relevant sustainability clauses that ensure alignment between contractor activities and the SOGE requirements. These clauses should include requirements for the contractor to provide the client with regular and accurate sustainability performance information against the requirements of the contract, and plans for the ongoing development of sustainable goods, services and operational activities. Departments need to actively manage contracts, including monitoring compliance with sustainability requirements.		<p>OGC guidance also explains the legal constraints within which the contracting process operates.</p>
4.11	Defra and OGC should provide guidance to departments on the practical ways that sustainability can be embedded into supplier contracts, including examples of sustainability clauses and best practice case studies.	Accept	
4.12	Departments should continue to work with OGC, OGcbuying.solutions and other government departments to construct contracts that support sustainability and efficiency objectives. This includes the development of pan-government collaborative contracts and sharing experience on contract development, supplier engagement and contract management.	Accept	
<b>5</b>	<b>Natural Resource Protection</b>		
5.1	In addition to improving the condition of SSSIs on the government estate, government should require departments to conserve and enhance the condition of their entire estates.	Under consideration	This matter will receive due consideration from appropriate bodies. In respect of the office estate and infrastructure this will be considered under the auspices of the High Performing Property Programme.
5.2	Departments should continue to reduce their water use through behaviour change, improved estates management, and leak detection and resolution. Departments should also consider the potential for building design and water	Accept	Departments will consider this and water saving technologies will be considered in the revisions to the Quick Wins procurement standards.

	management techniques, such as rainwater harvesting and the use of grey water systems <sup>1</sup> , to help deliver reductions in water use.		
5.3	SPOB should consider a water use target for existing buildings.	Accept	SPOB will consider the case for further targets and how to ensure that having met targets, departments are encouraged to make further improvement.
<b>6</b>	<b>Mechanisms and supporting processes</b>		
6.1	Departments need to make use of the mechanisms and supporting processes in place to deliver future operational performance improvements. Existing tools and mechanisms need to be reviewed and refreshed to ensure they effectively support delivery of the SOGE targets. As a priority:	See below for detail	
6.1. a	Those departments with incomplete EMS coverage need to step up their efforts and develop the required systems for effectively managing the performance of their estates.	Accept	Agree.
6.1 b	The mandate to apply BREEAM to all new buildings and major refurbishments, and for these projects to meet the government standards, needs to be strongly reinforced	Accept	Departments have made progress in this area – for example DfT in 2008-09 will deliver 50 new builds which have all achieved “Excellent” rating. In 2007-08 Defra completed 4 building projects, with 5 still in progress. Of these 8 achieved “Excellent” rating and one is expected to achieve “Outstanding” – this first such rating achieved in the UK.
6.1 c	SPOB should explore why uptake of BREEAM is so poor, and why many of the projects that are assessed failed to meet the required standard. Lessons need to be incorporated into future	Accept	Agree – however it must be noted that the requirement came into effect three months into the period being reported on –at which point many projects had already been

	design and planning specifications		commissioned. CESP will review the barriers and take forward plans for ensuring they are not an impediment to future progress
6.1 d	Government should consider whether it needs to provide guidance on sustainability appraisals for office locations to support those departments who do not have such an approach currently. At the same time flexibility needs to be maintained for those departments that have developed their own approaches	Accept	Agree
6.1 e	Where the existing Carbon Trust carbon management schemes are not suitable, government should require departments to identify alternative measures that will deliver the same benefits.	Accept in principle	Departments have committed to working with the Carbon Trust to address their carbon emissions.
<b>7</b>	<b>Coverage</b>		
7.1	<b>To improve reporting, SPOB should ensure there is a process in place to enable all departments to account for changes to their estates, and the corresponding impact, by managing a central register to track changes. SPOB and the SDC should then agree which changes are significant enough to warrant a recalculation of baseline data. whether these are positive or negative.</b>	Accept	Agree such register would be useful. May be better placed within work of HPP/ePIMS – this will be further examined as part of the delivery plan to be developed.
7.2	<b>To ensure that the true footprint of government activity is being examined, managed and reported, government needs to discuss and confirm how the SOGE targets will in future be applied to all operations on and off the government estate, including NDPBs, non-Ministerial departments and major outsourced operations. As a minimum, the SDC encourages these organisations to shadow the process, and set in place management information systems capable of providing the necessary data.</b>	Accept in principle	Government already reports across operational as well as office estates in many cases (prisons, probations, courts, Defra laboratories, Defence estate, DWP and HMRC caller officers) and will continue to encourage departments to widen the scope of reporting to ensure the true footprint of government activity is captured. CESP will identify and disseminate best practice and work with departments to ensure key NDPBs are aware of the targets, commitments and best practice. We will also explore how to best use existing governance arrangements to encourage NDPBs to consider measuring and reducing their environmental impact where practical and relevant.

7.3	Departments should ensure that the requirement for full coverage of executive agencies is met.	Accept	Agree.
7.4	Government should reaffirm that all parts of the SOGE framework, including the 'Government to Mandate' commitments and accepted elements of the SPAP, are mandatory, and apply fully to all departments.	Accept	Agree.

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