Sustainability overviews
The UK NAO’s experience of auditing environmental governance in government departments

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Review how an organisation ‘embeds’ environmental sustainability, covering:

- Governance
- Operations
- Procurement
- Policy

About our sustainability overviews
Environmental governance and our good practice framework

Is the organisation effectively tackling environmental issues?

- **Governance**
  - **Priorities:** Senior officials have identified how the organisation can best contribute to government’s wider sustainability objectives. The organisation’s environmental priorities are clear to staff and stakeholders. For example, via its Single Departmental Plan, and/or dedicated sustainability strategies.
  - **Championing and holding to account:** Senior officials champion environmental issues, and hold people to account for environmental performance, for example by appointing a Board-level sustainability champion, and by regularly considering environmental performance at senior-level committees.

- **Estates and operations**
  - **Approach:** There are strong arrangements to encourage people to consider environmental factors in managing the estate.
  - **Performance:** For significant environmental impacts of the estate there is good performance against ambitious targets, benchmarks and requirements.

- **Procurement**
  - **Approach:** There are strong arrangements to encourage policy-makers to consider environmental impacts when initiating and designing policy.
  - **Performance:** For contracts with significant environmental impacts there is good performance against ambitious environmental targets, benchmarks and requirements.

- **Policy and policy-making**
  - **Approach:** There are strong arrangements to encourage people to consider environmental factors in procurement.
More detail on some of the key environmental governance issues we assess

Is the organisation effectively tackling environmental issues?

Governance
- Senior oversight
  - Senior sustainability champion
  - Thorough and regular reporting on progress against targets
  - Escalation by exception of serious issues
- Communication of priorities and approach. E.g. through integration in business plans and annual report.

Estates and operations
- In particular re:
  - engagement with Facilities Management contractors
  - Improving the performance of new build and the existing estate
  - nationally important sites for wildlife

Procurement
- In general:
  - Strategy, plan, guidance & training
  - Clear allocation of responsibility
  - Monitoring of progress
  - Lessons learned
- In particular re:
  - sustainability standards in contracts
  - sustainability Key Performance Indicators

Policy and policy-making
- In particular re:
  - Consideration of environmental issues in environmental impact assessments
Key themes from our work to date

The extent and quality of senior level oversight varies significantly.

Governance over sustainable procurement has been one of the weakest areas, though with pockets of good practice.

Central targets, and Ministerial accountability make a big difference!

- **Transport department**: Director General & wide-ranging supporting Boards & working group
- **Justice department**: Chief Operating Officer but limits to oversight in practice.
- **Business Department**: hiatus in senior oversight
- **Home Office**: not actively managing sustainability impacts of asylum estate,
- **Justice & Business departments**: lack of data on Government Buying Standards.
- **NHS**: working group to improve sustainability of healthcare products
- **Governance in Home Office, Justice and Business Departments heavily driven by central targets for sustainability** (‘Greening Government Commitments’)
The impact we have achieved through assessing environmental governance in this way: Sustainability at the Ministry of Justice November 2017

What we achieved

Strengthened the NAO’s already good relationship with EAC.
- Chair: ‘forensic’, ‘first class job’.
- Statement in the House

Valued by MoJ and recognised as prompting constructive change
- ‘thoughtful and constructive’ and ‘a very helpful prompt’
- Over 30 commitments made in the hearing
- 16 specific recommendations in EAC’s report

Key changes include:
- a new senior Sustainability Board
- Overhaul of approach to nationally important sites for wildlife

Important because:
- MoJ has ten nationally important sites for wildlife (SSSIs).
- Only two are in a favourable condition.
- In July 2015 a subcontractor damaged an orchid meadow at the Verne immigration removal centre.
As we consider next steps for these sustainability audits, we would welcome your input on

1. How we might refine our good practice framework. In particular:

   • Are there other *aspects* of environmental governance we could usefully review?
   • Are there other *tests* we could usefully carry out to review the effectiveness of environmental governance arrangements?

2. Alternative approaches we might take to reviewing environmental governance of government departments.

   • For example, which environmental governance issues might most usefully merit a cross-government review?