Dear Ms Creagh

GREENING GOVERNMENT COMMITMENTS

As requested in your letter of 21 May, we have prepared a summary of relevant findings from our sustainability overviews for your inquiry on the Greening Government Commitments (GGCs) – government’s targets for reducing the negative environmental effects of its buildings, transport, purchasing and operations by 2020.

We have drawn on the five sustainability overviews that we have completed to date, which have examined the Ministry of Justice (2017), the Department for Transport (2016), the National Health Service (2015), the Home Office (2014), and the former Department for Business, Innovation and Skills (2013). We have also drawn on our recent update report on sustainability at the Department for Transport (2019), our January 2019 and February 2015 reports on environmental metrics, and earlier reports on sustainable procurement and sustainability reporting.

Key findings from NAO work relating to the Greening Government Commitments

Our sustainability overviews have identified a range of initiatives that Departments have introduced to help towards the GGC targets. For example:

- When we examined the former Department of Business, Innovation and Skills in 2013, we found that its domestic flights accounted for a relatively high share of central government’s as a whole. The Department was working to reduce staff travel by rolling out high definition video conferencing and updated guidance to send out a stronger message about when flights were appropriate, and planned to withdraw the use of government procurement cards for travel;

- Our review of sustainability and the NHS in 2015, highlighted the role of the ‘Coalition for Sustainable Pharmaceuticals and Medical Devices’, a working group which sought to increase the sustainability of healthcare products and services by promoting best practice and by developing sustainability tools and guidelines; and

- When we examined the Ministry of Justice (MoJ) in 2017, it was taking forward a £16 million carbon
reduction programme, which it expected to pay back costs within five years and deliver a reduction in carbon emissions of 19,200 tonnes CO₂e in 2019-20. This followed a £4.5 million programme in 2014-15 to reduce emissions on the court estate and a 2012-2013 initiative to install energy saving technology (‘voltage optimisers’) in 19 prisons. As at 2017, MoJ had 14 sites with operational combined heat and power (CHP) or biomass boilers, and four sites with domestic-scale solar panels. A key part of its forward plans involved the installation of LED lighting across the prison estate.

However, the GGC targets do not give a complete picture of the environmental performance of the public sector estate:

- The GGC targets focus on the central government estate and do not cover hospitals, schools or asylum accommodation. This means they exclude significant areas of impact: at the time of our review (2015) the NHS had 6,252 hospitals, treatment centres and support facilities with a total floor area of almost 25 million square meters. During our 2014 review the Home Office estimated that the carbon footprint of asylum accommodation and services was, at around 35,000 tonnes, equivalent to more than half of the carbon footprint of the departmental group’s built estate. Network Rail has also so far been outside the scope of the GGCs. It owns and operates most of Britain’s railway infrastructure, including 20,000 miles of track, management of 20 of the largest stations and 105,000 square meters of occupied office space. In our 2019 update report on sustainability at the Department for Transport (DfT) we found Network Rail’s sustainability reporting fell well short of the GGC standards. During our work Network Rail and the Rail Minister agreed that it will be included in the scope of the GGCs from 2020.

- The GGCs focus on the UK estate, and do not require departments to include the impact of overseas operations or international travel. The Department for International Development (DFID), nevertheless extended its GGC targets to cover its international estate and set additional targets for reducing international air travel. However, in 2015 we found that the Foreign & Commonwealth Office (FCO), had not done so, despite estimating that international air travel was responsible for 71% of its total emissions in 2008-09, and that overseas operations accounted for two-thirds of its global estate and vehicle emissions. FCO’s latest sustainability report (2017-18) confirms that it still does not include its overseas operations in its sustainability reporting.

- Finally, the GGCs do not align fully with the goals in government’s 25 year Environment Plan. In particular, the targets provide only limited coverage of the impacts of government operations on clean air and on plants and wildlife: the only target related to clean air is to reduce domestic flights, and there are no quantified targets on biodiversity. While departments could address these issues as part of the GGC requirements on sustainable procurement, we found limitations in how this had happened in practice. Whilst MoJ had included sustainability clauses in its vehicle hire contracts since 2015, at the time of our work in March 2017 only two of its 1483 vehicles were ultra-low emission vehicles.

We found that the Ministry of Justice’s carbon reduction target was not sufficiently challenging:

- At the time of our review, MoJ had already exceeded its 2020 carbon emissions target, reducing its emissions by 28% from 2009-2010 to 2016-17, against a targeted 22% reduction by 2020. However we did not consider that this carbon target was sufficiently challenging: by the time it was announced, (in December 2016), it required the Ministry to do no more than maintain total carbon emissions performance at a time when it planned further reductions to the size of its estate.
We found signs that mechanisms for responding to underperformance are not well developed:

- To make a real difference, performance metrics need to be part of a wider performance framework which includes performance monitoring and 'mechanisms for action' to identify and rectify any underperformance.

- The Department for Environment, Food & Rural Affairs, has responsibility for the annual cross-government report on GGCs, but was unable to demonstrate that underperformance had been effectively acted upon in the case of three departments having missed waste to landfill targets by a wide margin. (In 2016/17 three departments (the Department for Culture Media & Sport, DIT and the Department for Work and Pensions) reported that 35% or more of their waste was going to landfill, against a target of 10% or less to landfill.)

Estates rationalisation has been an important contributor to improvement:

- We found that the Home Office had reduced the size of its estate by 10% between 2011 and 2013, which it recognised as having played a key role in the carbon emissions reductions it had achieved.

- Reductions in the size of MoJ’s estate had also been a factor in its progress against GGCs, though likely not the only reason. MoJ’s estate was 9% smaller in 2017 than in 2009, compared with around 30% reduction for waste, carbon and paper use over a similar period. However, the Ministry had no analysis of the different factors that have contributed to this performance, nor could it identify any discrete environmental initiatives that had yet made a significant contribution.

Contractual relationships with facilities management companies can also be key to success:

- The Home Office had made innovative use of payment by results in its facilities management contracts which led to energy savings of over £1.1 million over 2010-11 to 2012-13, shared between the Department and its contractors.

- On the other hand, we found MoJ needed to do more to secure engagement from suppliers to protect biodiversity on its sites and clarify their responsibility for biodiversity action plans. In July 2015 a subcontractor damaged an orchid meadow at the Verne immigration removal centre.

We have found significant gaps in data on sustainable procurement:

- The GGCs now only require Departments to describe their approach to sustainable procurement rather than report percentage compliance with the Government buying standards. These buying standards are a series of standards and sustainability criteria on, among others, water consumption, energy and resource efficiency, that provide guidance when purchasing goods and services for 11 product categories. In our two briefings to the Committee since this change, on MoJ and DIT, we found the Departments did not know how they were performing against the standards as they no longer collated the data. DIT told us that this was partly due to a lack of resource, and partly because it was concerned that a number of the standards are not up to date and do not reflect current best practice. The latest data available on cross-government performance with the buying standards showed that by 2015-16 five departments had not reached 80% compliance with the food buying standard.

- At MoJ, we also found significant gaps in data on a related government environmental commitment: that all new builds and refurbishments by central government departments should achieve excellent and very
good environmental ratings respectively, as measured by the Building Research Establishments Environmental Assessment Method (BREEAM). We found that MoJ did not have final BREEAM certifications for 64% of the 151 new build and refurbishment projects in courts, tribunals and prisons since 2010.

Please do not hesitate to get back to us if you would like to discuss any of these points, or if you would like us to brief the Committee in person on these findings.

Yours,

Gareth Davies

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1 This is part of government's Common Minimum Standards for Construction. See: Cabinet Office, State of the Estate in 2017-18, p43.
Appendix: Relevant NAO reports

1. Comptroller and Auditor General, Ministry of Justice: Environmental sustainability overview, National Audit Office, November 2017
2. Comptroller and Auditor General, Departmental Sustainability Overview: Department for Transport, National Audit Office, April 2016
5. Comptroller and Auditor General, Departmental Sustainability Overview: Business, Innovation and Skills, National Audit Office, July 2013
6. Comptroller and Auditor General Department for Transport Sustainability update (memorandum to the Environmental Audit Committee (unpublished), National Audit Office, March 2019
7. Comptroller and Auditor General, Environmental metrics: government's approach to monitoring the state of the natural environment, HC 1866, Session 2017-19, National Audit Office, January 2019
8. Comptroller and Auditor General, Environmental and sustainability metrics: National Audit Office, October 2015
10. Comptroller and Auditor General, Sustainability reporting in central government; and update, National Audit Office, February 2015