



A Catalyst for Change

The Sustainable Development Commission

Strategy and Business Plan

2007-2010

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1. Purpose of document

The imperative for sustainable development grows day by day. Dramatic examples of the breaching of environmental limits such as the IPCC evidence of climate change, or the economic analysis in the Stern report, point to the need for a step change in the scale and speed of transformation needed in society here and worldwide. The Sustainable Development Commission (referred to hereafter as the SDC) intends to play its full part in this transformation by acting as a catalyst for change with government.

This three year strategy and business plan provides a framework for the SDC. It sets out a broad direction of travel to 2010, describes the approach we will take in being a catalyst for change, and the consequent tactics, style, tone, and positioning we intend to adopt. It is designed to be enabling not prescriptive, as inherent within it is the principle that the SDC must be innovative, flexible and responsive if it is to add value to government in particular, and society in general, as they wrestle with the challenge of sustainability. (Government in this document hereafter refers to the UK Government and Devolved Administrations unless otherwise stated).

Flowing from this document is an annual work programme. There are four related versions of the strategy and work programme, one tailored for UK Government/Whitehall, and one each for SDC operations in Scotland, Wales and Northern Ireland. Supporting these are documents which set out the broad management and governance

arrangements for the SDC, including the respective roles of our Commissioners and our Secretariat (the staff), the criteria we use to inform our choice of major projects, and our approach to managing the project cycle.

Stakeholder feedback over its first six years suggests that the SDC has developed real strengths and has had demonstrable influence in some areas. But it has also highlighted risks, for example: of sometimes failing to strike the appropriate balance in terms of “inside” and “outside” tracks, of tackling too many issues in insufficient depth, of focusing too much on immediate policy advice rather than on the long term challenges, and in not doing enough to help to create a more favourable climate in which politicians of all hues can act.

This strategy and business plan is intended both to build on the success we have achieved, and to raise the level of ambition for the SDC – taking it to a new plane of relevance and influence by developing its potential as a **catalyst for change**.

2. Executive summary

The SDC strategy and business plan contains seven drivers, which will be used to give focus and direction to its work. These drivers are:

Driver 1: Role

To act as a catalyst for change by consistently demonstrating how the five principles of sustainable development can be used to help find lasting solutions to some of the crucial issues of our time.

Driver 2: 2010 Outcomes

That as a result of SDC's influence, the UK Government and the Devolved Administrations will by 2010 have :

- *Built the organisational capability* - the attitudes, knowledge, skills, and resources - to put sustainable development into practice through their policies and programme.
- *Achieved breakthrough in the areas of policy* which will have the greatest immediate impact upon progress towards sustainability
- *Been held to account for their progress* in delivering the sustainable development strategy, and mainstreaming this scrutiny function within monitoring and audit bodies.

Driver 3: Smarter working

Through more sophisticated use of influence, to have scaled up the leverage we can achieve and the value we can add to Government by:

- Becoming a Learning Organisation - flexible and responsive
- Having a consistent approach to Engagement
- Influencing political climate as well as policy.

Driver 4: Target audience

To continue to focus on UK and Devolved Government as the primary audience for the SDC. To strengthen our advice to these audiences by developing the

networks and relationships we have internationally (especially within the EU); at regional level in England, and with local government and the public sector across the UK; with business, and with civil society.

Driver 5: Focus – A core of fewer bigger projects

To develop a series of thematic reviews to form the core of our work programme. Selected with reference to a set of criteria drawn from this document to ensure that they represent the most important steps to take us towards our 2010 outcomes, they will exemplify the way of working described earlier.

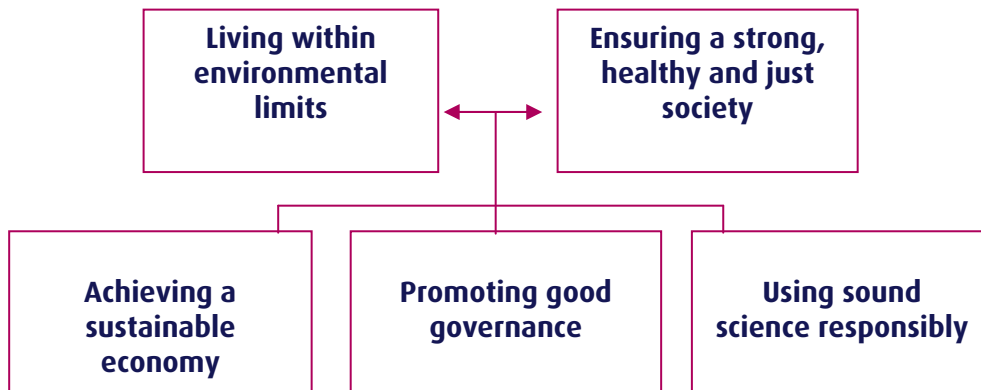
Driver 6: Project funding

To grow our income by attracting project funding where appropriate, thereby releasing core funds as “venture capital” for other new work. The core funding for the SDC is an extremely precious resource; it gives us the independence and flexibility to play a challenging and innovative role with respect to government. This approach will allow us to use our core money to focus on those areas of our work which are unlikely to attract project funding.

Driver 7: Evaluation

To make monitoring, evaluation and lesson learning an integral part of how we operate, building this in to the project cycle for all major pieces of work. To introduce a new system of reporting which moves the emphasis from *outputs* (the reports we produce, events we organise and so on) to *outcomes* (evidence that the SDC has had a measurable influence on the behaviour or decisions of key people).

The principles of sustainable development



3. Sustainable Development – tackling real world issues

In all its work the SDC champions the five principles of Sustainable Development as laid out in the UK Sustainable Development Framework *One Future, Different Paths*, and within the SD Strategies for the four nations. They are what makes the SDC get up in the morning.

The top two principles are the overarching outcomes, and the three below are the means by which these outcomes will be achieved. The five principles have been agreed across all parts of government – UK, Devolved, Regional and Local - and the SDC believes that through their application sustainable development should become the central organising principle for all policy making. This means applying them now to the crucial problems of our time: sustainable development is relevant to the process of peace and reconciliation in Northern Ireland, to crime, to obesity and to community cohesion within our cities as it are to creating a low carbon economy. It is not something to be “tackled” when these other problems are solved.

It is clear from our work with key decision makers in government that although these principles are becoming more widely understood at a generic level, their positive value to everyday policy making and the delivery of programme, has been less well demonstrated. The challenge now is to show that sustainable development is more than just a set of principles, but can be and is being applied to real problems to arrive at new and more lasting solutions.

Sustainable Development is emphatically not about “trading off” one principle against another. Actions which breach global environmental limits cannot be sustainable, but neither can initiatives which respect those limits but are socially divisive or economically unviable. If climate change is the most graphic and pressing example of what happens when we breach environmental limits, sustainable development is the only response which can provide lasting solutions. Meeting all five principles at once is a tough challenge, but it is not impossible, and happily there are examples which can motivate us all. A well designed zero carbon development can foster community cohesion, improve

health, reduce crime, minimise environmental impact and reduce the long term costs for its citizens. This sort of multiple dividend is one to which public policy must consistently aspire and one which the SDC will champion.

4. Acting as a catalyst for change

If sustainable development is what makes the SDC get up in the morning, what is our unique role in helping to make it happen? After all, there are a huge range of organisations wrestling with many different aspects of SD.

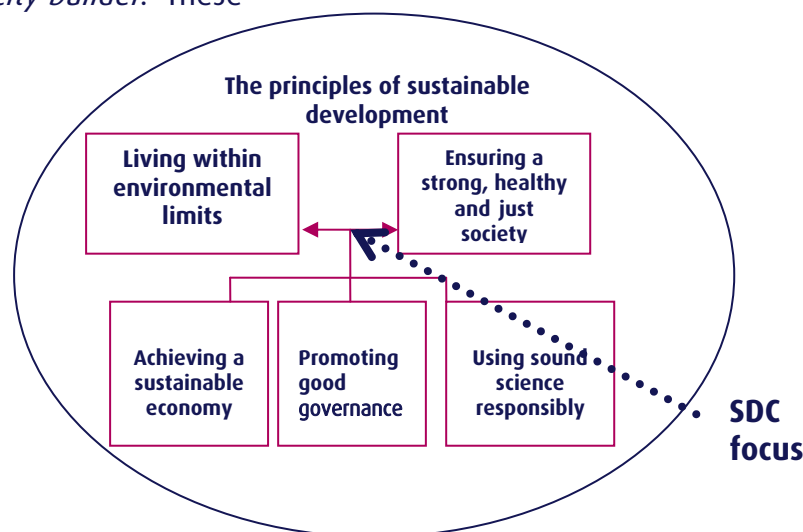
The starting point for the SDC is our mandate from government, laid out at our inception in 2000, and our Framework Agreement (*Appendix 1*). This mandate was enhanced as part of the new UK Sustainable Development Framework *One Future, Different Paths*, launched in 2005, within which sit the sustainable development strategies for the four nations of the UK. A number of documents define the specific relationships between the SDC and the various parts of government UK wide. These documents spell out the mandate of the SDC as *advocate and advisor, scrutiniser and capacity builder*. These

three approaches are powerful tools, the challenge for us now is to combine them effectively to maximise our potential.

Driver 1: Role

The challenge for the SDC over the next three years is to act as a catalyst for change: by demonstrating how the five principles of sustainable development can be used to help find lasting solutions to some of the crucial issues of our times. We will focus SDC attention on those issues which will derive the most benefit from applying the five SD principles, ones where there is currently a fundamental mismatch between “living within environmental limits” and “ensuring a strong, healthy and just society”.

We will systematically bring together key players from across the disciplines of social science, environment and economics. We will use our convening power and the range of expertise within the SDC to create space to find new solutions to intractable problems. In this we intend to model in miniature the kind of cross disciplinary and cross departmental ways of working that will need to characterise a more sustainable approach to future government.



5. Three year outcomes

The SDC has set itself three overarching 2010 outcomes as set out below. These outcomes are the most crucial test of success for us, and are the second thing which will drive focus and direction. All proposals for major new projects will be tested as to the extent to which they will take us towards the outcomes. Well designed projects may contribute to two or even all three outcomes.

Driver 2: Outcomes

That as a result of its role as a catalyst for change, the SDC will have helped the UK government and the Devolved Administrations to:

3.1. Build the organisational capability - the attitudes, knowledge, skills, and resources - to put sustainable development into practice through their own policies and programmes.

3.2. Achieve breakthrough in the areas of policy which will have the greatest immediate impact upon progress towards sustainability between now and 2010.

3.3. Have been held to account for their progress in delivering the sustainable development strategy; have mainstreamed the scrutiny function within monitoring and audit bodies.

2007/08	Smart Targets	2008/09	Smart Targets	2009/2010	Smart Targets	Priority Policy Outcomes	Strategy Outcomes - That as a result of SDC's role as catalyst for change the UK Government and the Devolved Administrations will have:
-Good Corporate Citizenship -Education and young people -SDAPs -Capacity building in central and local govt -Using engagement capacity		-Good Corporate Citizenship -Education and young people -SDAPs -Capacity building in central and local govt -Using engagement capacity		-SDAPs -Capacity building in central and local govt -Using engagement capacity			Built the organisational capability the attitudes, knowledge, skills and resources – to put sustainable development into practice through their own policies and programmes.

2007/08	Smart Targets	2008/09	Smart Targets	2009/2010	Smart Targets	Priority Policy Outcomes	Strategy Outcomes - That as a result of SDC's role as catalyst for change the UK Government and the Devolved Administrations will have:
-Good Corporate Citizenship -Tidal -Redefining Prosperity 2 -Engagement policy		-Redefining Prosperity 2 -Engagement policy		-Engagement policy			Achieved breakthrough in the areas of policy which will have the greatest immediate impact upon progress towards sustainability between now and 2010.

2007/08	Smart Targets	2008/09	Smart Targets	2009/2010	Smart Targets	Priority Policy Outcomes	Strategy Outcomes - That as a result of SDC's role as catalyst for change the UK Government and the Devolved Administrations will have:
<ul style="list-style-type: none"> -SOGE (SDIG) -SDAPs -First Assessment -SCP -Supermarkets -Ofgem Review -Review of Public Service Regulators -Scrutinising through engagement 		<ul style="list-style-type: none"> -SOGE -SDAPs -Review of Public Service Regulators -Scrutinising through engagement 		<ul style="list-style-type: none"> -SOGE -SDAPs -Scrutinising through engagement 			<p>Been held to account for their progress in delivering the sustainable development strategy, and mainstreamed this scrutiny function within monitoring and audit bodies.</p>

6. Smarter working – more sophisticated use of influence

The SDC has strong foundations on which to build its approach to influence. We have established a reputation for robust, evidence based reports. For example, our work on nuclear power, wind power and NHS corporate citizenship are all widely used and quoted. We receive strong coverage across a range of media. Where the SDC has developed strong inside track relationships – for example with DfES or DoH – it has been very successful in encouraging Departments to change.

However, given the scale and speed of transformation which UK society requires to achieve a move towards sustainability, the SDC needs to scale up both its leverage and its value to government.

Driver 3: Influence

The SDC will become more sophisticated in its use of influence: developing techniques we have already trialled in some aspects of our work. The key techniques are:

- Becoming a Learning Organisation - flexible and responsive
- Having a consistent approach to Engagement.
- Influencing political climate as well as policy

Becoming a Learning Organisation - flexible and responsive

Sustainable development requires new approaches to old problems. No-one has

a monopoly on solutions - they lie with individuals and organisations across society. This means that all institutions must be able to learn and adapt rapidly, and the SDC is no exception. Over the next three years we will develop and encourage a culture of learning throughout the organisation: stimulating the process of peer review amongst commissioners and staff, rewarding innovation in the use of influence, and becoming more outward facing in gathering new ideas and feedback about how we are doing.

Having a consistent approach to Engagement

Central to achieving influence is a consistent approach to engagement. The SDC will engage stakeholders better and more consistently throughout the whole lifecycle of its projects and programmes, being open about its thinking, bringing people together, and surfacing opposing views and tensions. By this means we will seek to achieve influence and movement long before reports are published or events held.

Influencing political climate as well as policy

Even where there is a robust evidence base to support a more sustainable policy or programme, the crucial barrier for politicians is often the perception that the public will not support change. The SDC cannot be party political – we exist to serve the government of the day. But we will seek to frame our advice to government in both political and policy terms – understanding and directly addressing the political climate in which decisions are being made. (See also section 7 below).

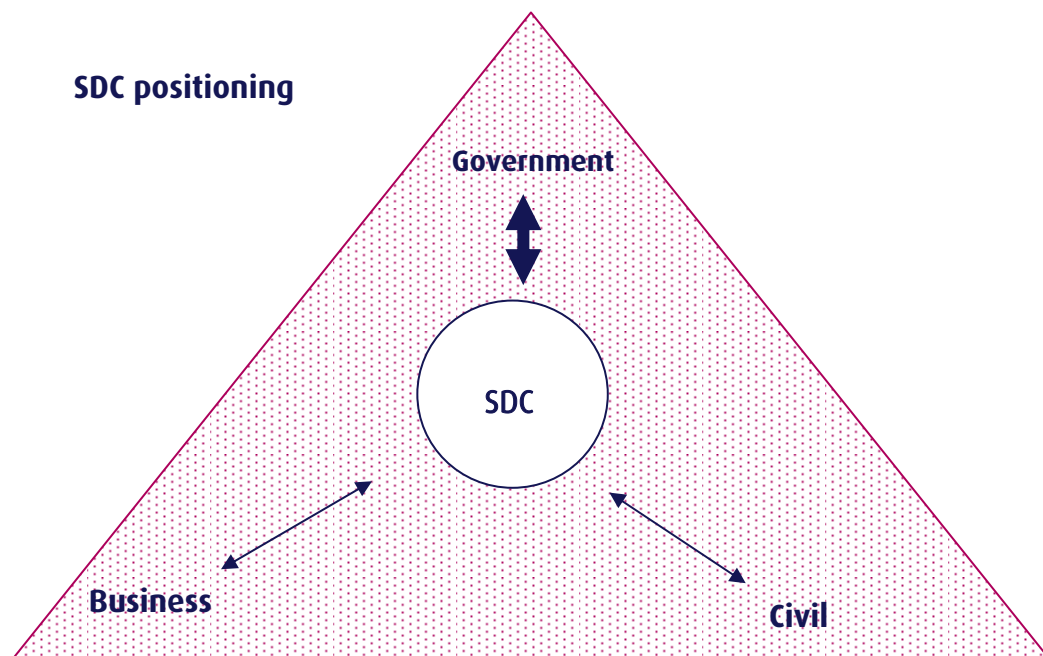
This more sophisticated approach to the use of influence is the third driver for overall focus and direction for the SDC.

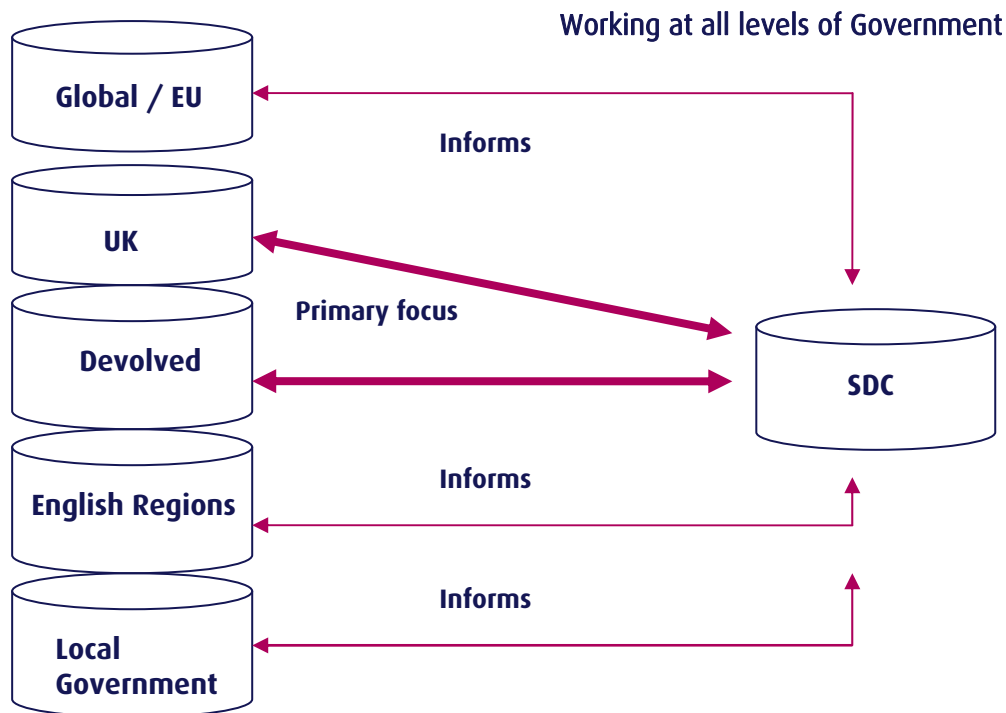
7. Positioning: informed advice connected to the real world

In order to succeed in a catalytic role the SDC needs to position itself carefully. We were set up to help government wrestle with the very real tensions and dilemmas inherent in moving towards sustainability. Influence is earned through trust, so the SDC will aim at all times to build strong inside-track relationships and earn a reputation as an honest broker, consistent and transparent in its dealings whilst being robust and fearless in its advice – never shying away from bringing decision makers face to face with the most intractable dilemmas.

Managing this “inside track” engagement is of fundamental importance to the SDC, and it is uniquely

placed to fulfil this role. However, whilst necessary, a strong inside track relationship with government is not in itself a sufficient condition of success for the SDC. We need also to ensure that our relationships with government are informed by connection to the other parts of society, including business, academia, NGOs, and the media. The government has a huge amount to learn from these players, so SDC advice to government will be much stronger if it takes account of their views and approaches. In a democratic society it is vital that an independent advisor is seen to be exactly that by the public at large – visibly and demonstrably independent. We have a duty, on behalf of government, to challenge other players to face up to some of the real dilemmas and tensions inherent in the five principles, encouraging them to play their full part in finding solutions to the more intractable issues.





An international and devolved perspective

Much of the institutional underpinning of sustainable development – from Rio to Johannesburg, from the EU to the G8 – is international. The SDC is part of an EU network of similar organisations, the EEAC, and is increasingly drawing upon the experiences of other countries such as Canada and New Zealand. Since the SDC’s inception there has also been a dramatic change in the political landscape of the UK, with devolution of power in varying degrees to Scotland, Wales, Northern Ireland and London, as well as an ongoing debate about the role of local and regional government in all four countries.

In its first five years the SDC’s focus was, necessarily given its very limited resources, on UK domestic issues. We now have strengthened capacity in place to work more closely with the Devolved Administrations, and have also established relationships with bodies in

the English regions, the institutions which support local government, and parts of the public sector such as the NHS. Many of the issues which concern us – such as health, transport, housing or education – are influenced by policy levers at all these levels.

Driver 4: Positioning & Target Audience

The UK and Devolved Governments will continue to be our primary audience. However, we will strengthen our advice to these audiences by developing the networks and relationships we have internationally (especially within the EU), at regional level in England, with local government and the public sector across the UK, and with business and civil society. This means drawing on evidence of good and bad practice, and addressing the relevant aspects of the UK/Devolved framework within which these players operate.

We will also seek to play a more active role in sharing our experience in developing the SDC with other governments around the world which are developing SDC equivalents, and with those bodies themselves.

8. Focus – A core of fewer bigger projects

The cylinder below represents the total effort of the SDC. Over the next three years, we will concentrate more of the resources of the SDC into the major pieces of work which have the potential to reframe the debate on key issues – the centre of the cylinder and the core of our programme.

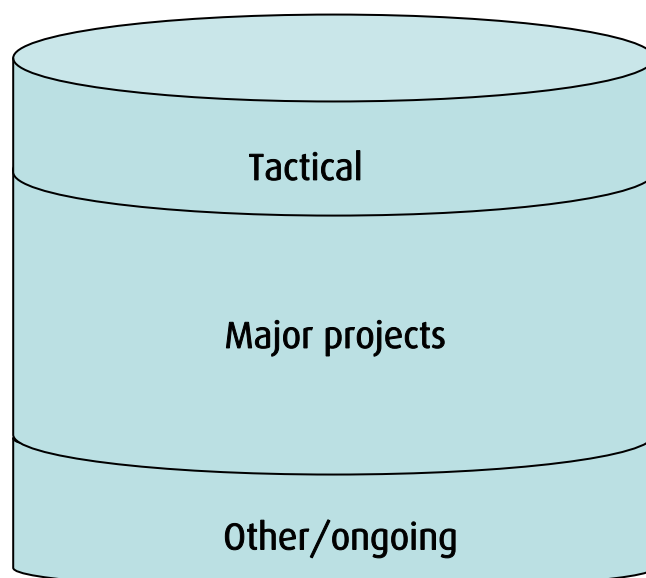
At the top of the cylinder, a proportion of the SDC's resources will remain available to be deployed on tactical opportunities to achieve change and to build relationships. Events happen, and sometimes political circumstances mean that huge progress can be made on a

seemingly intractable issue in a matter of weeks, or much that has been secured can be swept away.

Driver 5: Focus

At the centre of the cylinder are the resources devoted to the portfolio of thematic reviews which will take us towards the three outcomes we wish to see in government; that is, strengthened capability, breakthroughs in policy and being held to account. These major projects will form the core of our programme, and they will be selected with reference to a set of criteria drawn from this document to ensure that they take us towards our 2010 outcomes and exemplify the way of working described earlier.

These major pieces of work may take a year to eighteen months to develop, implement, follow through and evaluate. It is through our approach to them that the SDC will attempt to demonstrate its potential as a catalyst for change and to demonstrate the



practical utility of the five principles of sustainable development. The projects will be characterised by substantial resource commitment - involving the expertise of all of the Commissioners at crucial points, of staff from across the secretariat, and a substantial investment in building an evidence base and engaging stakeholders. Our work on nuclear power and tidal energy are examples of this approach.

The size and number of major initiatives we run in a given year will dictate the resource we have available for other work. The base of the cylinder is made up of our smaller but often very influential initiatives, and our ongoing work, including the essential task of building future relationships.

9. Our resources - people and money

The SDC is formed of two parts:

The Commission – comprising the Chairman and eighteen Commissioners who are recruited through the Office of the Commissioner for Public Appointments and approved by the Prime Minister, and the Secretariat, made up of the Director, Management Team and c50 full time staff who are, by and large, civil service appointments.

The roles of Commissioners and Secretariat are complementary, and they have equal but quite distinct roles to play in driving the organisation forward. The SDC is Commissioner-led in the sense that Commissioners are public appointments, take a lead in acting as “ambassadors” for the organisation, help shape and ultimately sign off the strategy and the annual work

programme. In practice, the SDC operates through a close partnership between the Commission and the Secretariat, with considerable delegation to the Director and Management Team.

A separate set of documents explain how governance and management operates in the SDC, including the roles of Commissioners and Secretariat, the criteria used to help select major projects, and the project management cycle arrangements.

The authority of the Commissioners, both individually and as a body of nineteen, comes not only from their breadth of experience and expertise but also through their status as having been appointed by the Prime Minister and First Ministers. We will make more of the role of Commissioners in representing SDC in parts of government, and in using our Plenary meetings as a “thinktank”, allowing the wide range of disciplines represented by Commissioners to be brought to bear in-depth on big issues. It is this ability to model the cross-departmental approach needed in government which is one of the SDC’s real strengths.

Whilst it is essential to the business model of the SDC that Commissioners continue to be closely involved in programme development, approval and advocacy, the SDC’s Management Team, the Director and his senior staff, also has a key role to play. This includes ensuring that the systems and approaches are in place for attracting and developing talent, allocating resources, managing projects, reporting, knowledge management etc. The Management Team and Commissioners will work together to ensure the SDC is engaging all its stakeholders and that its views are strongly and consistently advocated.

The Secretariat has expanded to over fifty staff UK wide, mostly recruited through open competition. The range of expertise has also expanded and is available not only to Commissioners but also on a day to day basis, to officials within government departments, as well as to many other stakeholders. For Team Leaders and the Heads of our Devolved teams, the recruitment, management and development of staff will be of increasing importance. At the same time, the delivery of major projects will require the formation of teams drawn from across the Secretariat, working closely with Commissioners, and bringing in short term expertise from outside on a temporary basis. The management structure of the Secretariat will reflect this dual role, developing talent and building external relationships, as well as delivering time limited projects.

The SDC is now a very exciting place to work standing as it does at the crossroads of many cutting edge issues and working closely with many parts of government. As its Secretariat is part of the civil service there is considerable potential in its “porous boundaries”. We will maximise this potential by putting in place a system which provides opportunities both for short term intern placements within the organisation and for existing SDC staff to gain experience elsewhere in government; this is important given the relatively limited chance for direct promotion in a small organisation.

In summary, as the capability of the Secretariat to manage the day to day delivery of projects and programmes of work improves, using better, more streamlined, systems, Commissioners

and Secretariat will spend more time working together in:

- being more outward focused - engaging with government and other stakeholders at many levels
- bringing their joint expertise to bear on major issues in a more strategic, in-depth, way.

Funding and income generation

Although the sponsorship role for the UK-wide SDC ultimately lies with the Cabinet Office, this is in practice delegated to Defra, which for FY06/07, contributed just under £2.89million of SDC’s overall expenditure of £3.7m. Core support also comes from the Scottish Executive, Welsh Assembly Government and Northern Ireland administration. We receive project funding from a variety of sources which at present include DoH, DfES, the SW RDA and various devolved components.

We believe that the SDC, in its role as a catalyst for change, has a great deal to offer the national governments as they wrestle with the increasing imperative of sustainable development. We are not yet at critical mass as a world class advisor. We therefore intend to seek opportunities to further strengthen our capacity, both in our Devolved offices and in London. Given the many current pressures upon public expenditure now evident through, for example, the Comprehensive Spending Review, it would be unrealistic to think that the SDC has an automatic right to more core funding. Therefore, we will to be proactive and demonstrate our added value through well designed projects.

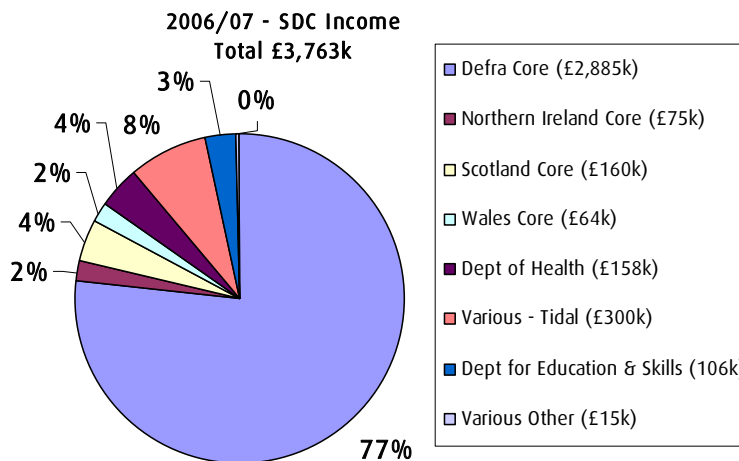
Driver 6: Project funding

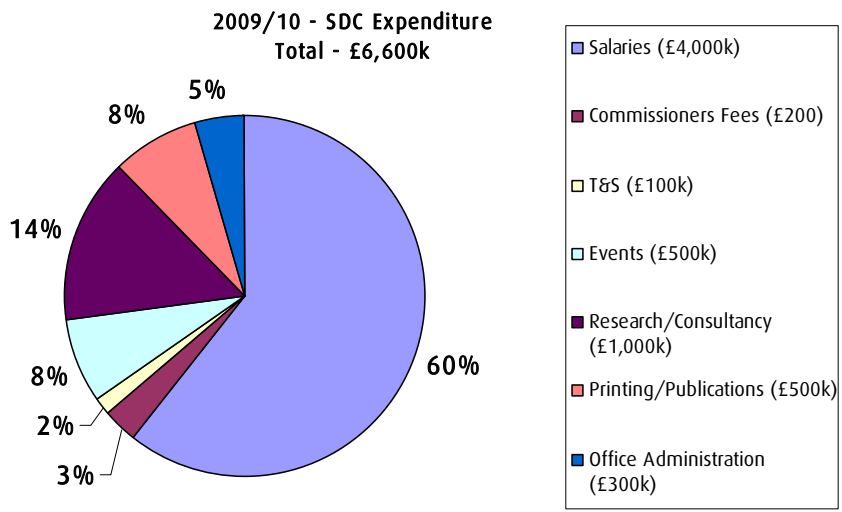
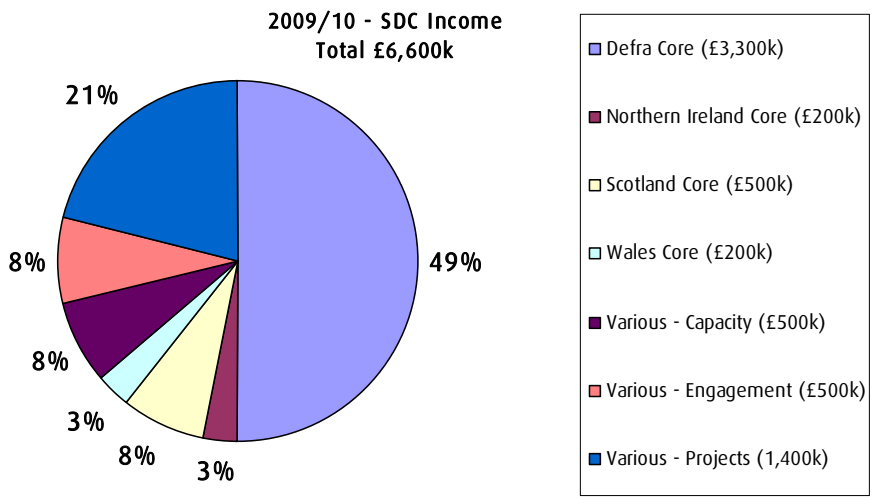
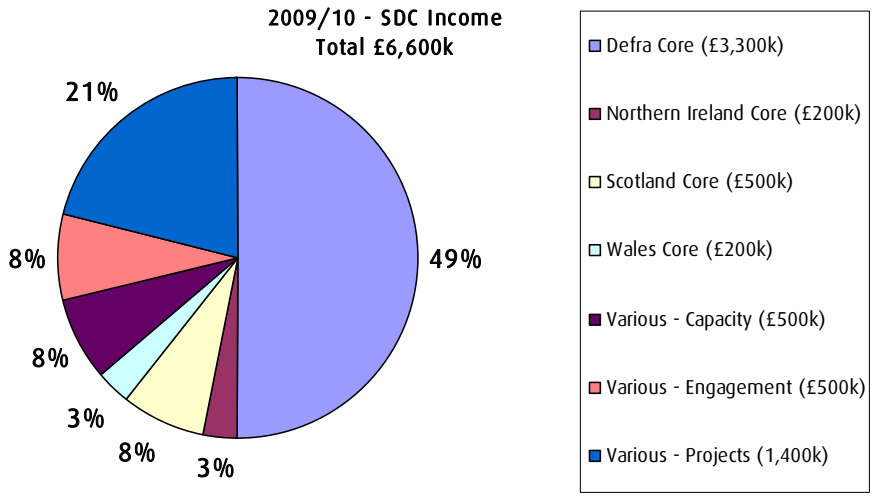
The SDC will aim to grow its income by attracting appropriate project funding based on full activity-based costings that capture the core overheads attributable to any given thematic review, and releasing core funds for other new work. Our SDC core funding is an extremely precious resource; it gives us the independence and flexibility to play a challenging and innovative role with respect to government. This approach will allow us to use this money wisely to focus on those areas of our work which are unlikely to attract project funding.

Over reliance on project funding would make the SDC vulnerable to being seen as too much of a “service delivery” organisation rather than an independent advocate and watchdog, so there is a balance to be struck. However, there is considerable scope to lever in funds where the SDC plans projects with an

immediate and very obvious short term benefit to stakeholders.

There are two pie charts below. The first shows the SDC income and expenditure outturn, by main sources and applications, for FY 2006/07. The second sets out a level of aspiration, based on retaining core funding and diversifying income via project funding, by 2010. The key areas of our programme against which we will attempt to pull in project funds are the capability building work, work on engagement, and advisory projects such as the Tidal Power report, which has been successful in attracting new income. We will manage our core headcount in the Secretariat in accordance with our level of core funding, and seek to complement this with short term contracts, inward secondments, interns and other arrangements which provide flexibility.





Institutional status

The SDC is currently an ANDPB (an Advisory Non Departmental Public Body). There are advantages and disadvantages to this status both in Whitehall and elsewhere in government across the UK. Now the new Scottish Parliament and Welsh Assembly are in place, and with the restoration of the Northern Ireland Assembly, we will work closely with Defra and the Devolved Administrations to assess the extent to which the current status is fit for purpose and the extent to which other institutional structures would better enable the SDC – as an organisation which works across the UK - to deliver its mandate and to be held accountable.

10. Measuring our progress

The overall approach to performance management within the SDC forms part of the agreements with our sponsors within government. A rigorous approach to measuring progress will be essential for the SDC for several reasons. In a climate of increased demand for accountability it is crucial that we can demonstrate value for money both in *efficiency* (which dictates that we must spend our money and deploy people's time wisely to achieve the outputs we need) and *effectiveness* (which means we must deploy resources where they will achieve maximum influence and leverage for every pound invested). This approach will help us to keep a resolute focus on the three overall outcomes we

want to see achieved within government. To be an innovative catalyst for change we will need to embed a learning approach within the organisation.

Driver 7: Evaluation

Monitoring, evaluation and lesson learning will become an integral part of how we operate, and particularly as an integral part of the project cycle for all major pieces of work. We will introduce a new system of reporting which separates monthly "exception reporting" to the Management Team from quarterly reporting to the Commission in plenary. This quarterly reporting will move the emphasis from outputs (the reports we produce, events we organise and so on) to outcomes (looking for evidence that the SDC has had a measurable influence on the behaviour or decisions of key people). This approach will also be used to look at the success or otherwise of work over a longer timescale. It is in the nature of some of our issues that the evidence of change through influence might come months or even years after SDC interventions have been made.

This Strategy and Business Plan, along with its sister documents for Scotland, Wales and Northern Ireland, will be reviewed after eighteen months, and will be informed by the second stakeholder survey which forms part of our agreement with government.