

**On closer inspection** Research suggests authorities still have much to learn from the private sector about telling the world of their latest contributions to sustainable development



# Secure in the knowledge

**Rhiannon Soper** and **David Bent** explain how improvements in sustainability reporting are helping boost a sector the UK Government has put near the top of its agenda

**S**ecuring the future – the UK Government's sustainable development strategy, launched almost 12 months ago – claims that 'the Government will lead by example'.

The prime minister, in his foreword, says he wants to ensure 'we get the full environmental, social and economic dividend from every pound we spend' – a big task for any government.

But what, in practice, does this mean for public service organisations?

Sustainability is a concept which is growing in significance throughout the world. Sustainability reporting – telling the outside world about your organisation's contribution to sustainable development – has been a key element in encouraging it to happen in the private sector. But the public sector seems to be lagging behind. Why?

To understand the situation, CIPFA issued a discussion paper at the end of 2004 – *Accounting and reporting for sustainability in public service organisations*.

The report argues that sustainability reporting is the missing piece in the per-

formance management jigsaw. Worldwide, the private sector produces more than 1,500 non-financial reports, the lion's share in Europe.

According to recent research by sustainability charity Forum for the Future, the leaders in sustainability reporting are now succeeding in a number of areas, including:

- they are balanced
- their systems used to identify priorities are transparent
- they don't shy away from difficult and sensitive issues
- their reports are targeted and to the point
- innovative approaches are used to quantify costs and benefits
- they use several stakeholders
- reports cover all aspects of sustainability – economic, social and environmental.

Public sector organisations have a different mission from the private sector, and different reporting requirements. The public sector needs to disclose the effectiveness of policies and – depending on

their responsibilities – the state of the environment and/or society and/or economy within their jurisdiction.

When it comes to identifying important issues, the private sector uses familiar techniques – stakeholder engagement, advisory panels, and risk-management matrices.

For the last year Forum for the Future has been working with its local authority partners on a sustainability standard which will help identify key objectives and integrate these into a performance-management system.

The public sector needs to say if it is making a positive or negative contribution to an environmentally, socially and economically-sustainable future. Given the wider public interest, it is important it leads by example, by providing public account of its own activities.

Significantly, the local political leadership should be able to catalyse change and progress the wider sustainability agenda.

CIPFA has joined forces with Forum for the Future and brought together a

working group from a wide cross-section of the public services to try to produce guidance on reporting on sustainability in the public services.

The intention is not to produce another raft of performance indicators, since these are available from several different sources. Instead, the guidance will enable public bodies to challenge themselves on sustainability, mainstream them into overall objectives, and enable the measurement and reporting of performance in a way which supports delivery.

The guidance will encourage them to identify priority issues, raise awareness among senior managers, and promote sustainability as a corporate objective.

Further details about the CIPFA/Forum for the Future framework can be found at: [www.cipfa.org.uk/pt/sustainability](http://www.cipfa.org.uk/pt/sustainability)

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