

## Managing resources

How well does the organisation manage its natural resources, physical assets, and people to meet current and future needs and deliver value for money?

### KLOE 3.1

Is the organisation making effective use of natural resources?

#### **KLOE focus**

The organisation:

- understands and can quantify its use of natural resources and can identify the main influencing factors;
- manages performance to reduce its impact on the environment; and
- manages the environmental risks it faces, working effectively with partners.

#### **Why is this important?**

By reducing its own consumption of natural resources, and by influencing others through the example it sets, the public sector can make a significant contribution to achieving sustainable development. *Securing the Future*, the UK sustainable development strategy, 2005, sets out key principles, the first being “living within environmental limits and ensuring that the natural resources needed for life are unimpaired and remain so for future generations”.

In the context of this assessment by ‘natural resources’ we mean resources that occur naturally on the earth, which the organisation in the conduct of its own operations either consumes directly, or impacts upon:

- energy;
- clean water;
- clean air;
- land and soil; and
- materials including plant and animal products (such as wood and food) and minerals.

Using natural resources will have environmental impacts for example, reducing resources for future generations or by polluting land, air or water. Using fewer natural resources or using them more wisely will reduce those impacts. It is helpful to think about the impact of the goods and services used by the public sector across their whole lifecycles – what detrimental effect they could have on climate change, and what wastes they could produce.

**Note: the focus of KLOE 3.1 is on the organisation’s own impact on the environment, from the resources it consumes in the delivery of its services. It is not about how it acts to reduce the consumption of resources by others, such as businesses or the wider community. The area assessment under CAA will deal with environmental issues in the wider area.**

## Local government

### Sector context

Local government is a major consumer of natural resources. In its role as community leader a council can set a good example to others: by putting its own house in order. In doing so, it will enhance its own credibility and be more likely to exert a positive influence on others.

**Note: for 2008/09 this KLOE will only be applicable to single tier and county councils, and will not be assessed at district councils.**

### Energy

Councils will use energy for most activities they undertake in their day-to-day business – heating, air-conditioning, lighting, operating appliances, and transport. Fuel and electricity bills show how much energy the council is using and whether consumption is dropping as the result of energy saving measures adopted.

The main environmental impact of producing and using energy such as electricity, gas, fuel (unless it is from a renewable source) is the emission of carbon dioxide. Carbon dioxide is one of the main gases causing climate change.

### Clean water

The Water Act 2003 places a duty on all public bodies to conserve water.

Councils will typically use water in their offices, in schools, in sports and leisure centres, parks, in public toilets, in libraries, museums, community centres and public halls, nursing homes, children’s homes, council depots, for washing vehicles and so on.

Where water is metered water bills will reveal water use.

Pumping water to and from consumers and treating it at water treatment plants uses energy and thus contributes to climate change. For example according to [Waterwise](#) this accounts for 1% of the UK’s total energy consumption. Climate change will also impact on the availability of fresh water.

## Clean air

Government sets air quality objectives which councils are required to meet and these cover pollutants such as benzene, sulphur dioxide, lead, and particles (produced especially from diesel engines). It also produces guidance on [local air quality management](#).

The fuels that councils use, for example to run their vehicle fleets, will impact on local air quality, especially if they run on diesel.

## Land and soil

Land provides the basic habitats for plants and animals, and is key to protecting and improving biodiversity.

Soil is an irreplaceable natural resource that provides the essential link between the components that make up our environment. Maintaining [soil quality](#) is of particular importance on land that councils manage: gardens and allotments, open spaces and parks, road verges, school playing fields and cemeteries. Urban development and construction of transport infrastructure are the main causes of almost irreversible net soil loss, where soil is covered by impervious materials.

## Materials

- **Plant and animal products from forestry, agriculture, fishing** - a decent quality of life depends on goods made from natural products, in turn made from plants and animals. For example, councils use wood in buildings and in paper, and foodstuffs in canteens and care homes. Councils can reduce the quantities they require by actively managing use and identifying opportunities to reduce waste. They should ensure that they come from sustainable or local sources that reduce the impacts from transportation. For example, wood for buildings or furniture could be [Forest Stewardship Council certified](#), and foods provided by the council could be locally sourced and or organic.
- **Metals and minerals** - councils use minerals in various ways, such as in building or road construction, for salting roads in winter, and in products they buy. Councils can reduce the environmental impact of these activities by for example, using recycled aggregates in road building and ensuring it has appropriate winter maintenance plans that target road salting on a risk basis.
- **Waste** - councils need to deal with waste disposal and factor in the whole life costs for any goods they buy. For example, new computers may be more energy efficient but councils will have to decide how to dispose of their old stock. This maybe through re-sale, local community or international development re-use schemes, or disposal in as environmentally friendly way as possible.

## What might you expect to see?

## Understanding and quantifying the use of natural resources

### What's this about?

This is about whether the council knows what natural resources it consumes in its own operations, and what strategic approach it has in place to reduce the use of those natural resources. It includes the:

- land and buildings it occupies (see also guidance for KLOE 3.2 for asset management);
- goods, services, works and utilities it procures;
- plant, equipment and vehicles it uses; and
- employment practices it adopts for its staff.

### Getting the basics right - what might you expect to see?

The council is developing a strategy to reduce its own use of natural resources and its impact on the environment. The council is gathering information to set a base-line of the natural resources it uses and understands where it can most effectively intervene to reduce its use of natural resources.

The development of its strategy is based on a clear understanding of its own:

- carbon emissions;
- water use; and
- consumption of other resources.

The council shows evidence of working with others across its area in developing its strategy. It is also engaging with its staff and gaining their commitment to and ownership of the council's approach to reducing its impact on the environment.

It has identified some initiatives to support its strategy and reduce its impact on the environment. It is producing plans to deliver these initiatives.

### Performs well – what you might expect to see?

The information that the council has on its impacts on the environment is being used to help reduce its use of natural resources. It knows which of its operations produce most carbon and is targeting these areas as a priority.

It has a strategy which shows how it will reduce its own use of natural resources and its impact on the environment. This strategy is supported by delivery plans, for example to address climate change mitigation and adaptation, achieve energy and water efficiency, and optimise the use of renewable resources. Other corporate plans within the council, such as financial or HR plans support the delivery of its strategy. It is working effectively with partners in developing, implementing and monitoring plans.

## Managing performance to reduce impact on the environment and managing environmental risks

### **What's this about?**

This is about how the council manages its performance to reduce its environmental impact. For example does it know where its big environmental impacts are; has it set targets to reduce the major impacts; is it meeting those targets and can it measure progress on the targets? Reducing environmental impact requires robust performance management based on a good understanding of the use of natural resources. The council needs to have systems and processes in place across its operations.

It is also about how the council is delivering against its strategy to manage the environmental risks it faces or might face in the future, and how effectively it works with partners to do this. For example how is it planning to adapt its work to deal with changes in climate and weather patterns (for example, damage to property and infrastructure from flooding and excessive heat).

### **Getting the basics right - what might you expect to see?**

The council is establishing systems and processes to manage its own performance to:

- reduce its use of energy, fuel, water and raw materials through reducing demand and using more efficient approaches or products;
- reduce the waste it produces, and reusing and recycling resources wherever possible; and
- manage habitats to increase biodiversity.

The council is incorporating targets into its arrangements and establishing the systems it needs to monitor progress in achieving these targets.

### **Performs well – what else might you expect to see?**

The council has reliable information (this links with KLOE 2.2) which it uses to monitor its performance and manage progress in achieving its strategy. It is communicating performance against its strategy to the public, stakeholders and staff and engaging effectively with them.

It is making progress in delivering against its strategy, plans and targets. It is reducing its environmental impacts and consumption of natural resources from its operations in line with the targets it has set itself. This progress is spread across the organisation. It has identified the significant environmental risks that could impact on the delivery of its operations.

Sustainability impact appraisals are undertaken for all major projects and programmes. Where assessments show potential negative impacts, the council can demonstrate how it has responded for example, by either changing its policy, mitigating risks or having a plan to manage the effects.

The council considers the environmental impact of its suppliers of goods and services within its commissioning and procurement decisions and is working with them to achieve improvements.

The council is using its partnerships to help it to reduce its own impacts on the environment and preparing for climate change for example, using shared buildings.

## Sources of evidence

The following list provides examples of potential sources of evidence. The list is not exhaustive and auditors may draw on other sources of evidence, reflecting local circumstances, to support their judgements on this KLOE.

- Sustainable development policy and objectives.
- Environmental policy and objectives.
- Sustainability impact appraisals
- Planning and monitoring information on environmental impact.
- Performance indicators (including National Indicators).
- Reports to the cabinet covering procurement decisions and investment appraisals.
- A verified environmental management system such as [EMAS](#) (EU Environmental Management and Audit Scheme) or [ISO 14001](#) (Environmental Management System).

## Relevant National Indicators

- NI 185 - CO2 reduction from local authority (council) operations.
- NI 188 - Adapting to climate change.
- NI 189 - Flood and coastal erosion risk management.
- NI 194 - Level of air quality – reduction in NOX and primary PM10 emissions through local authority's (council's) estate and operations.
- NI 197 - Improved local biodiversity – active management of local sites.

Please refer to the [CLG Handbook of definitions](#) for definitions and further information.

## Reference material and further information

### Background to sustainable development and living within environmental limits

[Securing the Future – UK National Sustainable Development Strategy.](#)

Defra sets out its position on the use of natural resources to deliver [Public Service Agreement 28: 'Secure a healthy natural environment for today and the future'](#) and also has a [natural environment policy](#).

[LGA and DEFRA Joint Environmental Prospectus](#) – a shared commitment to work together to instil a strategic approach to the environment.

[Your sustainability questions answered.](#)

[Local decision-making and sustainable development](#), published by the Sustainable Development Commission.

### **Climate Change references**

Background information and guidance on [improving surface water drainage](#) produced by DEFRA.

[Nottingham Declaration on Climate Change](#) on mitigating and adapting to climate change, focused on councils.

[Carbon Trust information for the public sector](#) on reducing energy consumption, including its [guide to carbon footprinting](#).

The [Energy Savings Trust](#) offers advice, support and services designed to encourage organisations to meet the challenge of reducing CO2 emissions.

The [UK Climate Impacts Programme \(UKCIP\)](#) provides [tools, methods and guidance](#), including the [local impacts profile tool](#).

### **CIPFA**

[CIPFA has an area of its website on sustainability](#) and has produced a free discussion paper [Advancing Sustainability Accounting and Reporting: an agenda for public service organisations](#).

### **Case Studies**

The [Knowledge Gateway](#) contains notable practice from our work and is updated regularly.

