



House of Commons
Environmental Audit
Committee

**Second Special Report:
Government Response
to the Eleventh Report
of 2002–03, The
Sustainable
Development Headline
Indicators 2002**

Session 2003–04

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The Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

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References

In the footnotes of this Report, references to oral evidence are indicated by 'Q' followed by the question number. References to written evidence are indicated by page number as in 'Ev12'.

Second Special Report

Sustainable Development Headline Indicators 2002 – Government Response.

1. The Environmental Audit Committee published its report on *Sustainable Development Headline Indicators 2002* on 10 October 2003 as HC 1080.
2. The Government's Response to the Committee's Report was received on 26 January 2004 in the form of a memorandum to the Committee. It is reproduced as an Appendix to this Special Report.

Appendix

THE GOVERNMENT'S RESPONSE TO THE ENVIRONMENTAL AUDIT COMMITTEE ELEVENTH REPORT (2002-03):

THE SUSTAINABLE DEVELOPMENT HEADLINE INDICATORS 2002

Introduction

1. We welcome the Environmental Audit Committee's continued interest in and support for the Government's Headline Indicators of Sustainable Development and how progress towards sustainable development is communicated.
2. The way in which the indicators have been reported and assessed continues to be an evolving process, building on what was set out in *Quality of life counts – a baseline assessment* in 1999 and on successive Government annual reports. There are no hard and fast rules or rigorous methodologies for assessing whether we are becoming more or less sustainable. So the Committee's recommendations are a helpful input into how we develop our monitoring.
3. In particular, in preparing the 2002 Government Annual Report, we took account, as far as was practicable, of the Committee's previous recommendations arising from the 2001 Sustainable Development Headline Indicators (Fourth report (2001-02)). As result of these and other improvements implemented we consider that the presentation of the 2002 Headline Indicators had greater transparency and was a fair and open assessment of progress.
4. As we said in response to the Committee's previous report on the indicators, we still intend to address issues such as the coverage, presentation, interpretation, assessment and relevance of sustainable development indicators as part of a wide review, running alongside the review of current sustainable development strategy. The results of the review, a new set of indicators, should be published in 2005.

RESPONSE TO THE COMMITTEE'S CONCLUSIONS AND RECOMMENDATIONS

Recommendation 1: “We continue to support the Government's practice of reporting annually on progress against the headline indicators. We also support the practice of publishing the underlying data as it becomes available as this facilitates ongoing scrutiny. (Paragraph 8)”

5. We are grateful for the Committee's support. We consider an annual stock-take as an essential part of our current approach to sustainable development. Through annual reporting on the headline indicators we hope to reinforce what sustainable development means, to raise awareness and show that both the Government and the country as whole should be held to account in making progress.

6. Updating the headline indicators as and when the underlying data become available is a key principle of the National Statistics Code of Practice. It is important that the Government and stakeholders have access to an up to date and reliable picture of progress. It also helps to ensure that sustainable development is not seen as just an annual exercise.

Recommendation 2: “We recommend that the Government seek to strengthen the relationship between regular assessment of performance against headline and other indicators and progress-chasing against policies and programmes embodied in the national and departmental sustainable development strategies. (Paragraph 9)”

Recommendation 3: “We recommend that the Government re-examine how climate change indicators could be used more effectively to act as a strong progress-chaser against short-term and longer term objectives for reducing greenhouse gas emissions. (Paragraph 16)”

7. We agree that having indicators that actively drive progress is a laudable aim. However, the primary purpose of the UK indicators is to monitor and report on progress as a package. It may be expecting too much of them that they should also drive the progress they monitor in specific areas.

8. By their nature indicators summarise, and the headline indicators in particular are necessarily broad in scope. It is therefore difficult for them to be used as the catalysts that drive progress; rather they are a summary of more detailed underlying evidence, which helps to so. It is as communication tools and awareness raisers that indicators are at their most effective.

9. However, the sharing of experience internationally suggests that few if any countries or organisations have genuinely integrated indicators into policy making. Whilst the availability of information has an important role, research and experience have shown that indicators and other information alone cannot be expected to lead to behavioural change.

10. Work is ongoing under Defra's Public Service Agreement (PSA) on sustainable development to identify the links between promotion and embedding of sustainable development into policy making. To this end other owners of PSAs relating to the headline indicators are being engaged directly across Government. Our aim is to improve the extent to which promotion activity influences the embedding of sustainable development considerations into the management of the issues covered by the headline indicators. The results of this exercise will inform a revised approach to the promotion of sustainable development through Defra's PSA, which will be produced early in 2004.

11. We will be reviewing the role of indicators as part of the wider review of the strategy and indicators.

Recommendation 4: “The absence of an explicit statement of the nature of the subjective judgement made for each assessment remains a serious weakness. We recommend that such a statement become a requirement in the annual report. The outcome of the Government's consideration of this issue, promised in the response to our Report of a year ago, should form part of the current review of the indicators. (Paragraph 17)”

12. We consider that the presentation of the headline indicators in the 2002 Government Annual Report provided sufficient justification for the assessments and to include even more statistical information would deviate from the indicators being simple and effective communication tools.

13. In light of the Committee's earlier concerns, we provided a simpler summary of the assessments at the start of the indicator chapter and then for further clarification repeated these assessments beneath each of the indicator charts, and provided detailed comparisons between the latest data and the baselines.

14. There were only a few headline indicators within the fifteen in 2002 where there may have been any degree of normative judgement in the assessments, given the comparisons with baselines. In such cases the assessment was determined using the judgement of the Government Statisticians who maintain the headline indicators.

15. That said we have been giving consideration to how progress may more rigorously and consistently be assessed. If practicable this will be included in the 2003 report, or otherwise will be considered further as part of the indicator review as promised in our previous response.

Recommendation 5: “The unavoidably subjective nature of the assessments, compounded by the absence of any independent validation and the absence of any published criteria for judgements made, continues to give us cause for concern. The assessments should be independently validated each year, prior to publication, and a statement of validation included in the annual report (Paragraph 18)”

16. The underlying data and the assessments of progress are available for scrutiny on the sustainable development website. All of the data used in the headline indicators are either directly National Statistics, and thereby produced in accordance with the National Statistics Code of Practice, or are otherwise overseen by Government Statisticians. The presentation and assessment of the indicators is produced by Government Statisticians. So any subjectivity in assessments is nevertheless based on their professional judgement.

17. We acknowledge the Committee's desire for the presentation and assessment of the indicators to be transparent in order to ensure progress towards sustainable development is properly and accurately reported. However, we still believe that subjecting them to a formal audit is wholly unnecessary given the basis on which the indicators are produced and assessed, given the opportunity for public scrutiny, and given that the Sustainable Development Commission, the media and other stakeholders are free to make their own judgements and comments.

Recommendation 6: “Changes in baseline data used for assessments 'since the strategy' make comparison between years difficult and therefore compromise the usefulness of the indicators. Such changes should only be made when absolutely necessary and each instance should be clearly highlighted in subsequent annual reports. (Paragraph 21)”

18. The assessments ‘since the Strategy’ were introduced in the 2001 report as a means of assessing recent progress, and to avoid focusing on short-term changes over the previous year. In the 2001 report the comparison was made with the latest data presented in chart form in the strategy document *A better quality of life*, published in May 1999 - normally relating to a year or two prior to the Strategy.

19. However, the first formal baseline assessment of the headline indicators was made in *Quality of life counts*, published in December 1999, for which in some cases an additional year's worth of data had become available in the intervening six months, following the Strategy.

20. In attempting to improve the manner in which the indicators are assessed for the 2002 report, it was concluded that the “change since Strategy” comparison should be made with the rigorous baseline assessment presented in *Quality of life counts*, rather than with what was presented in chart form in the strategy document. It should be noted that the changes in baseline did not cause the assessments of progress to change.

21. We accept the Committee's criticism that changes in the baseline should have been more clearly highlighted in the 2002 annual report. This will be rectified in the 2003 report. We also acknowledge that errors made in subsequent updates of the indicators in terms of labelling of the assessments on the sustainable development website may have increased the potential confusion. These have been corrected.

Recommendation 7: “We recommend that the Government consider how the headline information from the Environment Agency's survey of industrial and

commercial waste might best be incorporated in the sustainable development headline indicators report for 2003 prior to the full reporting that is expected in 2004. (Paragraph 23)”

22. We will of course make use of the results from the survey of industrial and commercial waste as soon as they become available. Unfortunately, there will be no figures available in time for inclusion in the 2003 report. The earliest we expect results from the survey to become available is mid-2004.

Recommendation 8: “We welcome the inclusion of the new sub-indicator on road traffic intensity which, together with the existing indicator on road traffic volumes, presents a clearer, more rounded picture of traffic levels and growth than has been the case in previous years. (Paragraph 24)”

23. We welcome the Committee’s support for the revised presentation of the transport headline indicator. This support and the Committee’s earlier observations made in respect of the 2001 indicator will be taken into account in the review of the indicators.

Recommendation 9: “The co-ordinated effort to give the indicators a higher profile in 2002 represents a significant improvement on previous years, but further effort is required to ensure that the profile is sustained throughout the year. (Paragraph 26)”

24. We are pleased that the Committee acknowledges the improved profile for the 2002 indicators. However, it should be noted that it is difficult to maintain the profile of the indicators continually throughout the year. Opportunities to promote the indicators do arise when new data for a specific indicator become available. However new data need to be presented within their principal policy context, which may not be first and foremost as indicators of sustainable development.

25. For most of the indicators, new data have not resulted in a change of assessment, merely a continuation of the existing trend. Continual interest in the progress shown by the indicators is therefore difficult to maintain.

26. However, we are continuing with our efforts to promote the indicators and sustainable development. The circulation of the Quality of life barometer leaflet, which summarises the headline indicators, has grown considerably for example. This is included with relevant publications and is used widely for conferences and other forums. Indicator experts from EU countries recently applauded it as an effective means of promoting indicators.

Conclusion

27. We remain fully committed to the effective and transparent reporting of progress in sustainable development. It is in all our interests that through the indicators we provide messages that are as objective as possible. We need to ensure that everyone is aware of what challenges we must tackle and where we particularly need to focus our efforts.

28. We are therefore grateful for the Committee's supportive and constructive comments. We will consider where we can improve the indicator presentation for the 2003 report to meet the Committee's concerns, and where this is not possible feed these into the wider indicator review.

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 Sixth Buying Time for Forests: Timber Trade and Public Procurement - The Government Response, HC 909
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 Eighth Energy White Paper – Empowering Change?, HC 618
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 Tenth Learning the Sustainability Lesson, HC 472 (*Reply, HC 1221*)
 Eleventh Sustainable Development Headline Indicators, HC 1080
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 Second Pre-Budget Report 2001: *A New Agenda?*, HC 363 (*HC 1000*)
 Third UK Preparations for the World Summit on Sustainable Development, HC 616 (*Reply, Cm 5558*)
 Fourth Measuring the Quality of Life: The Sustainable Development Headline Indicators, HC 824 (*Reply, Cm 5650*)
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