

# Highways Agency Sustainability leadership assessment



# Executive Summary

The Highways Agency (the Agency) manages the strategic road network, which carries one-third of vehicle traffic and two-thirds of freight journeys in England. The Agency therefore plays a vital role in overseeing a system that is critical to our economy and society, and has significant environmental impacts. The Agency has a vision to be the ‘world’s leading road operator,’ but faces many pressures and challenges in achieving this.

The UK has a transport challenge. Congestion costs the UK economy £4.3bn a year<sup>1</sup>. Transport emissions account for 22%<sup>2</sup> of UK carbon dioxide (CO<sub>2</sub>) emissions – of which road transport is 68%. Furthermore, the UK has breached EU standards on air quality<sup>3</sup>, mostly due to pollution from cars.

There is a clear societal case for creating a sustainable future. Governments and businesses recognise the need to respond to environmental and social pressures and grapple with how to deliver that change. As a public sector organisation, the Agency is central to delivery of sustainable development, and is instrumental in shaping one of the United Kingdom’s most important systems – transport.

Leaders – whether public or private sector – understand that sustainability leadership is not about addressing just one or two issues. It means embedding sustainable development into organisations so profoundly that it is indistinguishable from mainstream culture and practice. For public bodies, this means applying sustainability principles in strategic planning, management development, decision-making, public participation, allocation of resources and audit and evaluation. It means thinking further ahead, engaging more widely and bringing values of sustainable development to the fore.

## About this project

This report will help the Agency understand its current performance on sustainability and what actions it can undertake to become a public sector leader. This is an independent assessment of the Agency’s performance, carried out by Forum for the Future (Forum). It uses a bespoke framework, evaluating seven performance areas:

- Vision and Strategy
- Governance and Capacity
- External Engagement
- Understanding and Education
- Operations and Processes
- Procurement and Delivery

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<sup>1</sup> INRIX and the Centre for Economics and Business Research (Cebr)

<sup>2</sup> Department for Transport

<sup>3</sup> <http://www.guardian.co.uk/environment/2013/may/01/government-pollution-supreme-court>

- Measurement, Performance and Impact

It assesses where the Agency currently stands on the public sector sustainability leadership spectrum; suggests likely causes of successes and sticking points; and most importantly, highlights actions that will help the Agency along its journey to becoming a leader. The framework describes characteristics that an organisation's performance can be compared to; achievement levels range from: 'At Risk', 'Compliant', 'Incremental', and 'Strategic' to 'Systemic.'

This assessment of the Agency's activities was done by reviewing key literature, interviewing internal and external stakeholders; and sharing, testing and developing recommendations during a workshop of thirty-five Agency staff and external stakeholders. This contains culmination of Forum's analysis and recommendations which have been developed in direct consultation with Agency staff and stakeholders.

The project took place in the spring of 2013 in collaboration with WSP UK under the Highways Agency Framework for Transport Related Technical and Engineering Advice and Research- Lot 2:4/45/12.

**Overall performance**

The Agency has made good progress towards delivering many early wins, core environmental commitments and safety priorities, despite difficult external circumstances. The priorities of value for money and efficiency dictate performance and culture within the Agency. These Short-term realities drive the agenda, so overall commitment, capacity and performance against sustainability goals waiver between compliant and incremental – see the diagram below. (Systemic is what we would expect to see in an ideal setting, and is not indicative of any one exemplar organisation.)

	At Risk	Compliant	Incremental	Strategic	Systemic
Vision & Strategy		★			
Governance & Capacity			★		
External Engagement			★		
Understanding & Education		★			
Operations & Processes			★		
Procurement & Delivery			★		
Measurement, Performance & Impact			★		

Figure 1 Analysis of The Highways Agency’s Leadership Performance Overall

It is our impression that many public sector bodies have faltered in their commitment to delivering sustainable outcomes as a result of recent economic circumstances. It is a testament to the Agency that it has made progress, and is committed to exploring how to take a leading approach.

Significant opportunities exist to improve the Agency's economic, social and environmental outcomes. There is real appetite on the ground for the Agency to take on more sustainable practices. This ranges from how staff talk about sustainability and what it means for them, to how it applies in their day-day to roles, to the strategy of the Agency itself.

Our findings are summarised below. Discussion and recommendations for all performance areas are presented across seven sections in the full report.

### **Taking action**

The short and long-term recommendations are structured according to performance areas in our assessment framework. Whilst many recommendations will take longer to achieve, and require a deeper shift in approach, there is much the Agency can do to embed sustainability into how decisions are made and acted upon.

The greatest opportunities lie in:

- having a vision and strategy where organisational goals integrate sustainability, with clear responsibility and leadership at senior levels;
- being clear on the public value and business case of taking a sustainable approach (which could be co-developed with stakeholders); and,
- making the most of the Agency supply chain.

Finally, the Agency needs to support this by building processes that embed sustainability throughout operations. It may be possible to act on some of these in conjunction with the existing Change Programme underway in the Agency. This assessment uncovered a desire within stakeholders and staff for the Agency to take a leading position. The value of this exercise largely depends on how the Agency responds and acts upon the recommendations.

## Headline Findings

### 1. Taking a sustainable approach

The Agency's remit is mandated by government, but there is scope to play a much more active role *now* to leverage its position and influence the debate on how to develop a sustainable transport system. Given its contribution to economic development, there is also a case for giving the Agency a strategic role in broader transport planning.

### 2. Taking the lead

A clear message came through for the board and senior management to lead more strongly in sustainability. Whilst individuals are driving sustainability at this management level in pockets, and are engaged on issues such as climate change, the board is driven by government priorities such as cost-effectiveness. This has led to inconsistent, mixed messages from leaders on the Agency's approach to sustainability.

At a strategic level, sustainability plays a role, but the approach reflects the short-term nature of policy-driven organisational priorities. The Agency's Sustainable Development Plan is purported to sit alongside the core business plans which implies that it has the same value or influence. The plan acknowledges future environmental and economic challenges, and the tendency within the Agency to see sustainability 'as a separate issue apart from the core business.' Where this is still the case it is a long way from becoming integral to the success of the organisation.

### 3. Making the case

In these financially constrained times, it is paramount to understand the business case for taking a sustainable approach. The Agency articulates a strong, evidence-based case for how it adds value in economic terms, but does not argue with the same strength how it could deliver greater sustainability. A more robust public demonstration of how sustainable development has been delivered (that includes quantified metrics, reporting across Sustainable Development goals, and plans for closing gaps) is needed and future operating models need to weigh long term costs and benefits in environmental, economic and social terms. Some staff are beginning to understand the economic opportunities associated with sustainability. Having an understanding of the economic value of a sustainable approach in the short and long-term is vital, and should underpin the rationale and narrative for the Agency's leadership journey.

### 4. Telling the story

Interaction and communication is needed to explain what sustainability means, what the Agency is doing and the future trends which will affect the Agency. This will help to foster a shared organisational understanding of sustainability risks and opportunities. Staff are currently engaged through the sustainability blog and portal, and best practice examples are well-known. Channels beyond this are limited and more documented examples of the Agency's work, including the journey or process used to reach an outcome in detail, are required. Messages should be tailored to directorates and teams to be meaningful to their work. Leaders should talk about and advocate sustainability more, and engage in broader dialogue about the Agency's role in delivering a sustainable transport system.

## 5. Engaging with others

There currently is constructive, participatory dialogue between the Agency and its stakeholders and clear procedures in place for major projects. The Agency focuses on delivering legislated duties and does this well. But there is a need for better two-way dialogue that moves beyond broadcasting the Agency's messages, to more interactive engagement that feeds into the Agency's strategy and key work streams, such as project design. Where open engagement has occurred, it has led to significant improvement on the design and outcomes of projects, such as the Hindhead Tunnel. However, these examples remain isolated, and the Agency should mainstream good examples of effective engagement to build trust, share perspectives, skills and knowledge, and make better decisions in the long run.

## 6. Delivering through the supply chain

The greatest opportunity to improve environmental and social outcomes lies in the Agency's extensive supply chain, representing over 90% of total expenditure. Major projects have uniformly applied and enforced standards; smaller projects have less consistently applied standards. The primary focus is on cost and delivery. Innovation through sustainability is secondary.

Sustainability criteria are used in some procurement activities, focusing on screening suppliers for minimum sustainability standards, and on continuous improvement on themes such as decreasing GHG footprints. The Agency could be much stronger in encouraging innovation across its supply chain.

## 7. Embedding sustainability

Sustainability is emphasised organisationally, but many processes and actions do not yet have it embedded, and such a process-oriented organisation should move beyond general policy to specific action. The Agency has made progress over the past five to ten years with internal sustainability initiatives, and worked with suppliers to pick a lot of the 'low hanging fruit', including internal carbon emissions, travel and vehicle use, minimising waste, and some biodiversity in planning. Pilot efforts for more integrated sustainability are underway but it is unclear how these will go to scale.

For everyone to be able to take sustainability goals forward (rather than the goals being perceived as commitments that need to be led by specialists), they must be integrated into key documents, tools and decision-making stages. This means revising standards with input from the supply chain, determining which processes are 'sustainability-proofed' and which need to be changed, and providing adequate guidance to staff on how to use new practices.

## 8. Learning & Capacity Building

There is a gap between ideal and actual capabilities across the Agency. Staff do not yet have the capacity, knowledge and confidence to spot opportunities and apply sustainability principles within their day-to-day roles – a challenge which is common to many organisations. There is a strong sustainability team who are seen as well-resourced and good champions. However, responsibility in individual business units, beyond core metrics such as carbon, is less clear. Not every directorate has clear goals to deliver or assist on, and few have resources assigned to help deliver sustainability goals.

## 9. Reporting on outcomes

Generally speaking, transparency and reporting are the Agency's strengths, and it is proud of its award-winning efforts. Yet, reporting on wider environmental and social areas is less rigorous. Key performance measures focus on value for money, customer satisfaction, highway performance, project success and GHG emissions. The Agency has tools holding data on environmental assets and useful information is available in various databases around climate change. However, there are problems with consistently updating information about other sustainability issues such as habitat and species under protection.

Major projects have significant follow-up monitoring and evaluation to ensure outcomes are met and reported publicly. Progress is thus reviewed but results are only occasionally used to inform future practice. To drive action on sustainability, more metrics (tied to performance outcomes) are required

## Summary of Recommendations

The following recommendations are grouped under each area of the assessment framework. More detail on each is available in the full report.

### 1. Vision & Strategy

- a. Separate achievable medium-term ambitions from longer-term aspirations in Sustainable Development vision and goals statements.
- b. Goals should be targeted, actionable and a staff member should be given responsibility for delivery.
- c. Develop and communicate a public case for sustainability which is similar to the way in which economic value cases are presented.
- d. Develop of a range of sustainability metrics, beyond carbon, which address sustainability in processes, projects and maintenance, collaboration and adoption of leading edge practice in the supply chain.
- e. . Integrate and embed the Sustainable Development Plan to the Strategic Plan and annual Business Plans, so that a single, clear narrative and set of metrics guides the Agency, its supply chain and its external stakeholders.<sup>4</sup> Ensure quantitative metrics are robust and reliable enough to be included in the Agency's Strategic Plans and Business Plans, when they are next revised.

### 2. Governance & Capacity

- a. Appoint a board member to lead on sustainability performance. Make the extent of this commitment clear and explain how it will be driven forward. Communicate this commitment simply and visibly within and outside the Agency.
- b. Expand beyond the limited network of sustainability advocates in the Agency by fostering new champions throughout.

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<sup>4</sup> Recommendations in this section are also relevant as long-term recommendations for Section 7: Measurement, Performance & Impact.

- c. Ensure sustainability outcomes are formally assigned and delivered via relevant directorates and teams, with accountability for key measures and actions.
- d. Align senior management and staff performance objectives with sustainable development outcomes.
- e. Assess the risk management register against sustainability goals, and adapt it to include assessments of future risks and volatility. Use evidence-based risk assessments to inform adaptation plans and actions.
- f. Use an improved risk register to describe sustainability. Risk of inaction can make a strong business case for less committed parts of the business.

### 3. External Engagement

- a. Develop a stakeholder engagement best-practice toolkit which outlines key principles and a staged approach to suit different stakeholders and circumstances. The engagement process must be clear, unambiguous and shared with the public, but need not be as involved as a major scheme consultation.
- b. Leverage the strong case which has already been made for public value in economic terms. Use this to engage with policymakers in broader sustainable transport discussions, with robust, evidence-based advice using existing relationships with DfT and government. Begin to share a metric of carbon emissions from network traffic with DfT to account for the mutual responsibility of improving carbon performance.
- c. Build capacity to engage local authorities and stakeholders to deliver effective route-based strategies. Cultivate internal skills for planning at a local and route-based level.

### 4. Understanding & Education

- a. Define what is meant by sustainability and share this consistently with directorates, using the terms pertinent to them. Break sustainability down into its constituent parts. (For example, what does the Agency mean by environmental limits and social value? What are the sustainability risks, opportunities and benefits?)
- b. Increase visibility and communication of good working practices and sustainability outcomes, within the Agency and externally.
- c. Articulate a clear sustainability learning strategy for the Agency. Build capacity of staff and champions to deliver against their goals.

### 5. Operations & Processes

- a. Develop a clear methodology for making the investment case for sustainable choices that weighs costs and benefits over the long term. Give weight to economic, social and environmental factors over the life of assets.
- b. Ensure new or revised business processes sufficiently incorporate principles of sustainability.
- c. Target integration and operating model improvements to where the Agency has the most impact – network construction, maintenance, process and policy. Move beyond light touch efforts and isolated pilots.
- d. Make sustainability everyone's responsibility. Introduce staff targets, consisting of a few goals that summarise each individual's contribution.

## 6. Procurement & Delivery

- a. Build a collaboration programme with first-tier suppliers, to develop and foster best-practice in construction and maintenance, thus leveraging the significant expertise within the supply chain.
- b. Quantify and reward best-in-class supplier performance and delivery.
- c. Embed sustainability requirements in tenders and contracts as standard practice.

## 7. Measurement, Performance & Impact

- a. Build metrics that measure key environmental, economic and social goals. For example: percentage of projects delivered in a zero-waste manner  
Determine how sustainability metrics can be presented in equal terms, alongside economic value and the effective use of funding, which are already reported in a robust manner.
- b. Redesign the Sustainable Development scorecard so that it fully explains which areas are not going according to plan, and what actions the Agency and individual directorates will take to close gaps.
- c. Adopt a shared standard for reporting supplier sustainability performance, to create an evidence base for understanding how the Agency's value chain is performing.
- d. Develop a manageable, focused range of metrics, beyond carbon, which address wider environmental and social aspects that are SMART (specific, measurable, achievable, relevant and time bound) and integrated into key plans, tools and reports and can be presented in equal terms alongside value and the effective use of funding.

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# 1. Introduction

The Highways Agency's (the Agency) Sustainable Development Plan 2012-2015 states its aim to be 'the world's leading road operator' and a best-in-class UK executive agency, and indicates how sustainability should contribute to these goals through 2015 and beyond. The plan features nine performance areas that apply to all parts of the business (see Figure 1), and under each are a series of activities and measures for reaching those outcomes. One outcome is for the Agency to achieve independently verified recognition for public sector leadership on sustainable development – and to identify the actions needed to achieve higher levels of leadership on sustainability.

This report assesses the Agency's sustainability leadership performance, by analysing what's currently being done, where the gaps are, and what's needed to become a leading organisation. This assessment will:

- Benchmark and assess the Agency's current performance against an objective, bespoke framework, which describes a spectrum of public sector sustainability leadership, across seven areas of performance;
- Evaluate where the Agency sits within this sustainability leadership spectrum, and suggest likely causes for both successes and sticking points;
- And, highlight actions that will help the Agency along its journey to becoming a leader, and better align its current and future sustainable development goals, activities and measures with appropriate leadership characteristics.



Figure 1

## 1.1 Forum for the Future & Sustainability Leadership Assessment Framework for Public Sector Organisations

This assessment was conducted by Forum for the Future (Forum), a global sustainability non-profit. The project took place in the spring of 2013 in collaboration with WSP UK under the Highways Agency Framework for Transport Related Technical and Engineering Advice and Research- Lot 2:4/45/12. Forum used a bespoke framework adapted from an assessment framework originally developed over years of work with public bodies on sustainability leadership.

At its core, the Sustainability Leadership Assessment Framework provides a spectrum of performance for public sector organisations, across seven areas:

- Vision and strategy.
- Governance and capacity.
- External engagement.
- Understanding and education.
- Operations and processes.
- Procurement and delivery.
- Measurement, performance and impact.

This report contains an analysis of each section of the framework in turn and identifies the key findings and recommendations under each heading. Within each of these, specific sub-categories are described, and five levels of performance provide benchmarks which an organisation's performance can be compared to. Achievement levels range from 'At Risk' to 'Systemic,' as shown in Figure 2. The descriptions in each sub-categories are characterisations that Forum believes are evident when conducting the evaluation. The framework and descriptors of performance, with the Agency's assessed levels highlighted in bold, can be found in Appendix A.



Figure 2

## 1.2 Methodology

In this assessment, Forum conducted a literature review, internal and external stakeholder interviews, and a stakeholder workshop to test, validate and expand findings and recommendations. This assessment is a culmination of findings from these activities, and the recommendations were built in consultation with the Agency and its stakeholders. An overview of Forum's methodology is below.

**Table 1: Methodology**

<b>Scoping &amp; Background</b>	<b>Secondary Research &amp; Consultation with Stakeholders</b>	<b>Initial Findings &amp; Recommendations</b>	<b>Stakeholder Workshop &amp; Ongoing Consultation</b>	<b>Reflecting Stakeholder Input &amp; Reporting Back</b>
February – March 2013	March – May 2013	May 2013	June 2013	June 2013
<ol style="list-style-type: none"> <li>1. The Agency and Forum agree on project scope and methodology.</li> <li>2. Review and develop a bespoke Sustainability Leadership Assessment Framework to suit the needs of the Agency and this project.</li> <li>3. Identify an appropriate cross-section of target stakeholders to consult. Internally, this includes participation from a cross-section of directorates and roles; externally, this includes suppliers, advisers from government and NGOs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Conduct literature review of Agency documentation, including the Sustainable Development Plan, past and current Strategic Plans and annual Business Plans, the Cook Review, and other internal, external and public material as required.</li> <li>2. Conduct 18 internal and 6 external stakeholder interviews.</li> </ol>	<ol style="list-style-type: none"> <li>1. Conduct first analysis to form initial findings, evaluations, conclusions and preliminary recommendations.</li> <li>2. Review initial work with project group to fill in gaps in understanding.</li> </ol>	<ol style="list-style-type: none"> <li>1. Deliver workshop with Agency staff and external stakeholders to share findings and recommendations, gather new evidence and test and deepen recommendations.</li> </ol>	<ol style="list-style-type: none"> <li>1. Stakeholder feedback and recommendations analysed and built into the assessment and recommendations.</li> <li>2. Forum and the Agency agree on the final assessment and recommendations.</li> <li>3. Submit report.</li> </ol>

## **2. Vision & Strategy**

### **Findings & Recommendations**

## 2. Vision & Strategy

	Achievement Level	Summary of Findings
Vision & Goals	Incremental	<ul style="list-style-type: none"> <li>The Sustainable Development Plan acknowledges future environmental and economic challenges, and inspires new ways of thinking, but is not systemic, due to the Agency's externally-set remit. Short-termism weighs heavily on stated ambitions.</li> <li>The vision for long-term sustainability is inadequately defined in the Sustainable Development Plan and Strategic Plan. The vision for sustainability is not uniformly understood or shared across the Agency, and many contend it is unclear. Focus is on impact mitigation and economic performance rather than systemic change.</li> </ul>
Plans & Strategies	Compliant	<ul style="list-style-type: none"> <li>The Agency has successfully delivered on some core environmental commitments despite difficult external circumstances.</li> <li>The current situation dictates efficient delivery, regardless of stated goals. Short-term realities drive the agenda.</li> <li>Annual Business Plans don't align with Sustainable Development goals in many instances. Business Plans and performance specifications include some environment measures, but not broader sustainability outcomes. Emphasis is on value for money, efficiency, and safety.</li> <li>There are gaps between vision, goals and operational plans. Goals within the Sustainable Development Plan can be vague, and disconnected from quantified metrics and directorate-led actions. For example: "Continue to develop lean processes with the supply chain and internally."</li> </ul>
Public Value Case	Compliant	<ul style="list-style-type: none"> <li>Economic and legislative performance is well reported. Affordability and cost efficiency are front and centre. The Agency makes an excellent case for its improving financial performance and public value delivery.</li> <li>No value case for sustainability is pitched to the public or policy makers, and the value of sustainability is not quantified in the public value case.</li> </ul>
<b>Recommendations</b>		
Short Term		<p><b>1. In Sustainable Development vision and goals statements, separate achievable medium-term ambitions from longer-term aspirations.</b></p> <p>Plans could be divided into two areas: medium-term goals that suit the Agency's remit, and long-term aspirations that articulate the future of a sustainable Agency. The longer-term picture might describe what a sustainable transport system looks like, how the Agency plays a role, and what broader changes would be necessary. How this is acted on depends on the Agency's post-2015 role.</p> <p><b>2. Employ a tightened range of performance areas so goals are targeted, actionable and identify who is responsible for delivery.</b></p> <p>State actions clearly with designated responsibility - plans must be positioned as the job of whole teams and directorates, rather than led by specialists or the sustainability team alone.</p> <p><b>2. Develop and communicate a public case for sustainability which is similar the way in which economic value cases are presented by the Agency today.</b></p> <p>Determine benefits and costs of sustainable choices, and include them in financial planning and metrics to understand trade-offs in projects, processes and operations. State environmental, economic and social values in a common language to communicate the Agency's impacts. This will be dependent, partly, on the budget stability and cost horizons afforded by a post-2015 performance specification, since valuing sustainability trade-offs requires a longer-term view of costs and benefits.</p> <p>Workshop participants emphasised the need to link sustainability to value-for-money to counter the perception that 'sustainability always costs more,' and recommended using the public value case to argue why sustainable choices now could lead to a more resilient roads network with lower operating costs in the future.</p>

<b>Long Term</b>	<p><b>1. Develop a range of sustainability metrics, beyond carbon, which address sustainability in processes, projects and maintenance, collaboration and adoption of leading edge practice in the supply chain.</b></p> <p>These metrics should be embedded in the Sustainable Development Plan, the Business Plan measures, and in regular reports to the board and senior managers. Such measurements focus the business on what needs to happen for a more integrated approach to sustainability within the Agency's remit. Ensure that carbon is the centrepiece in a suite of a few effective and easily-understood metrics. Don't make it cumbersome; monitor a rational number of indicators that mean something to a greater number of people in the Agency.</p> <p><b>2. Integrate and embed the Sustainable Development Plan into the Strategic Plan and annual Business Plans, so that a single, clear narrative and set of metrics guides the Agency, its supply chain and its external stakeholders.<sup>5</sup></b></p> <p><b>3. Ensure quantitative metrics are robust and reliable enough to be readily installed in the Agency's Strategic Plans and Business Plans, when they are next revised.</b></p>
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## 2.1 Key Findings

### 2.1.1 Vision & Goals

The assessment examines vision and goals in the Agency's Sustainable Development Plan, Strategic Plan and annual Business Plans, and in wider findings from secondary literature, interviews and stakeholder workshop feedback.

#### Sustainable Development Plan

The Sustainable Development Plan attempts to set a vision of systemic change, and succeeds in some ways. It states that sustainability should be embedded and 'everyone's business,' and states that the Agency should strengthen its 'contribution to a sustainable transport system'. However, this Sustainable Development Plan vision is constrained by the Agency's externally-set remit and budgetary constraints. Long-term sustainability and resiliency are inadequately defined, since these take a back seat to economic concerns, cost constraints and environmental impact mitigation. Interviewees reinforced this, and workshop participants conceded that the Sustainable Development Plan mixes short-term focus with an unclear long-term vision.

Sustainable Development goals are set across nine performance areas; some of these bridge toward more systemic<sup>6</sup> sustainable development, but overall, the goals remain focused on economic recovery, value-for-money and efficient Agency delivery strategies. The Sustainable Development goals contain many outcomes and some actions for getting there, but goals in various focus areas. For example, the Strong Working Partnerships, Taking Ownership and Adding Value sections all contain actions for greater collaboration with the supply chain. Key activities are often stated in vague terms, without a description of the specific actions required and directorates responsible for delivering on the goal.

<sup>5</sup> Recommendations in this section are also relevant as long-term recommendations for Section 7: Measurement, Performance & Impact.

<sup>6</sup> We define 'systemic' as using sustainability and its principles of meeting humans needs within environmental limits as a model for achieving public service mandates.

Moreover, an inadequate number of goals have quantified outcomes attached – in other words, there are not enough milestones to determine when a goal has been reached. Finally, several performance areas have a tendency to mix long-term aspirations with more immediate medium-term objectives.

Despite some shortcomings, interviewees contend that the Sustainable Development Plan does a good job of ‘getting sustainability into people’s minds’ at a high level, and triggers thinking around how schemes and processes may be delivered more sustainably. However, it is clear that the long-term vision is not well-understood or shared across the Agency, and long-term ambitions are ill-defined in the minds of many.

### **Strategic Plan**

The Strategic Plan sets five strategic goals, two of which account for delivering sustainable solutions and treating the strategic roads network as a dynamic, resilient asset. These recognise the need to address sustainability challenges, including carbon emissions and climate change impacts on the network. However, the strategy does not say how to fulfil these outcomes, and it’s unclear what is meant by ‘resilient’. Environmental issues are addressed by the strategic goals in terms of mitigation; the aim is to reduce impacts through improved actions and processes, rather than to deliver sustainable outcomes through more systemic change.

Vision and goals in the Strategic Plan are set in light of government policy. The role assigned to the Agency, for highways maintenance and construction, allow action on incremental goals but restrict progress toward deeper sustainability achievements. This means that whilst minimising the impact of operations and projects are priorities, there is less room for thinking about how action can align with the loftier ambitions in the Sustainable Development Plan. Current budget pressures compromise long-term sustainability goals – for example, choosing the least expensive option now may incur future costs and impacts over the life of the asset.

### **2.1.2 Plans & Strategies**

Annual Business Plans drive the Agency’s activity from year to year (and to an extent, reflect longer-term economic and performance goals in the Strategic Plan). The operational outlook is focused on ‘getting to the next budgetary cycle in the most cost-effective way’. Cost priorities, economic recovery, and decreased political emphasis on ‘green issues’ dictate an operational agenda out of step with sustainability in vision and goals. As a result, plans don’t direct the behaviours suggested by the Sustainable Development Plan or Strategic Plan. The Agency is focussed on legislated duties and compulsory sustainability goals; interviewees comment that Business Plans have retreated from environmental commitments made before the government’s 2010 spending review.

The Business Plan and the Department for Transport (DfT) performance specification include measures for sustainability, centred on carbon emissions, climatic risks, noise and air quality, highway safety, and greening government commitments. However, more ambitious outcomes, such as collaborative, sustainable supply chains, are not prioritised. Recent external reviews and performance specifications hold promise for sustained, reliable funding, longer-

term planning horizons and planning stability. There is potential for greater independence after 2015 when DfT introduces a new outcomes-based specification. Additionally, Agency strategy could change when DfT completes its assessment of how to invest in the network in 2014.

Although the Agency has made a valiant attempt to challenge itself through the Sustainable Development Plan, “it is difficult to tie aspirations into plans, projects and delivery in such a constrained environment.” Despite this, the Agency has committed to delivering on environmental goals where possible, and continues to embed sustainable process in internal operations – for example, in traffic operations and employee behaviours. This dropped off in other government bodies after the spending review.

### 2.1.3 Public Value Case

Affordability and efficiency are front and centre in the Agency’s demonstration of public value. Measurements effectively communicate positive economic outcomes from recent Business Plans. These include metrics such as cost of maintaining the motorway per lane mile, and a cost performance index for construction schemes. The Agency makes an excellent argument for its improving cost structure and public value delivery.

Carbon emissions are well-reported, and demonstrate the Agency’s contribution to sustainability for the public. However, the Agency does not have a common language to communicate the monetary value of sustainability, alongside factors such as cost-per-mile or traffic congestion. To foster understanding and gain commitment to more progressive goals, decision-makers need a common language to compare sustainability trade-offs (for example, the total lifetime cost of sustainable construction versus lowest-cost construction plans). The public value case does not make a clear argument for sustainability alongside improved cost structures, project performance and network conditions. It is up to the Agency to advocate for funding stability and the value of sustainability, and the public value case is critical in this. If DfT and the Agency adopt a new post-2015 performance specification that provides long-term funding stability and promotes outcomes-based management, sustainability could play an integral part how the Agency delivers its annual Business Plans and long-term public value. Lifetime costing of built assets could play a great role in advocating the sustainable public value case.

# **3. Governance & Capacity**

## **Findings & Recommendations**

### 3. Governance & Capacity

	Achievement Level	Summary of Analysis
<b>Leadership</b>	<b>Compliant</b>	<ul style="list-style-type: none"> <li>At the management level, performance is mixed; some advocate sustainable outcomes more than others, except for staff who are directly responsible for sustainability. There are few advocates for sustainability spread throughout the directorates. Leadership messaging is not always consistent. Responsibility for sustainability, beyond core metrics, is not always clear.</li> <li>Guidance on which actions are needed to achieve stated goals is inconsistent.</li> </ul>
	<b>Incremental</b>	<ul style="list-style-type: none"> <li>The board is broadly engaged on climate change issues. Key metrics are reviewed monthly and action is taken to ensure goals are met.</li> <li>The board understands fundamental climate related-risks. The board drove sustainability more strongly in the past and is affected by key priorities from government, and on current economic and cost-effectiveness.</li> </ul>
<b>Sustainability in Organisational Structure</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>The dedicated sustainability team is seen as well-resourced and good champions of sustainable outcomes in various parts of the business.</li> <li>Responsibility in individual business units is less clear. Not every directorate has clear goals to deliver or assist on and few have resources assigned to help deliver sustainability goals.</li> </ul>
<b>Risk Management</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>Climate and safety risks are well understood. Extreme weather events have caused the Agency to look more closely at the associated risks.</li> <li>When it comes to adaptation, there is less planning and action. Cost risks are higher priority.</li> <li>Specific data on asset resiliency and standards, required for adequately assessing future risks, is not uniformly available.</li> </ul>
<b>Recommendations</b>		
<b>Short Term</b>	<ol style="list-style-type: none"> <li><b>Appoint a board member to lead on sustainability performance. Make the extent of this commitment clear and explain how it will be driven forward. Communicate this commitment simply and visibly within and outside the Agency.</b></li> <li><b>Expand beyond the limited network of sustainability advocates in the Agency by fostering new champions throughout.</b></li> </ol> <p>These advocates should be supported by senior managers, and should receive help from the sustainability team to lead their own groups in delivering agreed outcomes. They should work collectively to send consistent messages to the business on sustainability opportunities and risks.</p>	

<b>Long Term</b>	<p><b>1. Ensure sustainability outcomes are formally assigned and delivered via relevant directorates and teams, with accountability for key measures and actions.</b></p> <p>Include outcomes in directorate management plans. Provide clarity on key areas of focus for each directorate who is responsible for what; and agreement on 'what good looks like' in terms of outcomes. Devolve responsibility from the sustainability team.</p> <p><b>2. Align senior management and staff performance objectives with sustainable development outcomes.</b></p> <p>Close gaps in knowledge for delivering on personal objectives by providing training for managers tasked with delivering various sustainability outcomes. Once training and resources to support such competencies are available, build sustainable development into personal assessment and career development plans. Personal commitments communicate that sustainability is everyone's responsibility, from the board down.</p> <p><b>3. Assess the risk management register against sustainability goals, and adapt it to include assessments of future risks and volatility. Use evidence-based risk assessments to inform adaptation plans and actions.</b></p> <p>The Agency's approach to projects, maintenance and asset management should evaluate and adequately weight the costs associated with future risks if not properly dealt with today. This includes, but is not limited to, future social and environmental costs arising from climate change.</p> <p><b>4. Use an improved risk register to describe sustainability. Risk of inaction can make a strong business case for less committed parts of the business.</b></p>
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## 3.1 Key Findings

### 3.1.1 Leadership

At the senior management level, the leadership record is mixed. A number of directors have invested time, energy and thought into fostering and supporting the sustainability team, and the initiatives that radiate out from here. However, unless initiatives are driven by an outspoken advocate, sustainability is not seen as critical; there is a sense that it is something directorates 'have to do' alongside core priorities such as network safety. As a result, there are pockets of activity and varying leadership for sustainability, and the message is not always consistent and focused. Moreover, it is not always clear which senior staff are responsible for leading various initiatives, beyond the dedicated sustainability team.

The board is engaged and knowledgeable on material issues facing the Agency today. Performance against the biggest sustainability performance indicators (such as carbon) and government commitments and regulations are of concern, and the board receives monthly reports on these. The board is attentive to high-level metrics, and takes action if issues arise.

Although there is a recognised need for sustainability at the board level, and some passion on this issue, several interviewees commented that the board is not as active as it was in the past, because of shifts in government priorities. The board may, therefore, be insufficiently engaged on longer-term risks and opportunities.

### 3.1.2 Sustainability in Organisational Structure

The sustainability team is the primary diffuser of sustainability throughout the Agency, and has a high profile, visibility and adequate resources, despite the fact that the team is relatively small in staffing and budget. Although the team sits within Network Services, responsibility for sustainability is supposed to be devolved throughout the business. Each division is supposed to have goals to deliver, with the board driving progress towards these through the Sustainable Development Plan and other documents.

However, this is not always consistent with practice; it is not apparent that there are senior sustainability advocates in every directorate, directly responsible for goals in the way that the sustainability team is. Unlike the sustainability team, there aren't established protocols in other groups, so sustainability goals seem to be afterthoughts to "business as usual". Although senior managers drive performance through internal scorecards and stewardship reports which account for how priorities are being acted on, this documentation doesn't result in substantial, continuous action.

### 3.1.3 Risk Management

In the Agency's governance approach, there is a general understanding of climate change and weather-related risk, how these risks will emerge in the future, and how the network may be more vulnerable as a result. Climate change is in the board-level risk register and recent flood events have focused attention on such risks.

Although general awareness of sustainability risks is solid, this has not yet translated into preparation and action, and the focus in risk registers is on 'here and now,' rather than future risks which are expected to bring greater extremes to the roads network. Climate adaptation hasn't been raised to a top priority when compared to economic and budget-related risks. As a result, future risk may be insufficiently factored into engineering, construction and asset management.

The magnitude of climate-related risks is unknown because there isn't enough data or tools to fully understand this. Moreover, additional information is needed to understand the resiliency of current assets – and which may need upgrading or adaptation in light of future risks.

# **4. External Engagement**

## **Findings & Recommendations**

## 4. External Engagement

	Achievement Level	Summary of Analysis
<b>Stakeholder Engagement</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>Engagement is participatory and standardised for major projects and the Agency is doing a good job in this regard.</li> <li>The processes for stakeholder engagement beyond projects are not always clear. Engagement may be too narrowly focused on specific issues, such as carbon emissions or flooding.</li> <li>Local engagement capabilities for route-based planning (outside projects) may require further development. Local and regional engagement will be crucial, given the shift toward this form of planning.</li> </ul>
<b>Engagement for Public Service Effectiveness</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>Engagement on public service effectiveness is centred on delivering more value for less money.</li> <li>Engagement focuses on delivering legislated duties. There is a need for better two-way dialogue on transport systems between the Agency, other departments, DfT and government policymakers.</li> </ul>
<b>Engagement for Systems Resiliency</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>Resiliency is explored internally and specified in the performance specification and route-based planning is a sign that future strategies could yield more resilient outcomes for the strategic roads network.</li> <li>However, the Agency could advocate for a more strategic role in planning for resiliency – both upwards with DfT and the government, and downwards with local authorities, developers and communities. There is a case to be made for giving the Agency a strategic role in overall transport planning, given its contributions to economic development.</li> </ul>
Recommendations		
<b>Short Term</b>	<ol style="list-style-type: none"> <li><b>Develop a stakeholder engagement best practice toolkit which outlines key principles and a staged approach to suit different stakeholders and circumstances. The engagement process must be clear, unambiguous and shared with the public, but need not be as involved as a major scheme consultation.</b> <p>Understand the benefits that good engagement can bring, and ensure consistency through communications and the toolkit. Key principles should include why we want to engage, what we will do with the outputs and how we will manage expectations. A one-size-fits-all approach won't work. A wide variety of schemes calls for scaling and customisation.</p> <p>Revisit the role of the National Road User Committee and the National Environment Committee to gauge and improve effectiveness. The sustainability team should interface directly on these panels. Further stakeholder engagement forums may be needed in light of the route-based planning initiative.</p> </li> <li><b>Leverage the strong case which has already been made for public value in economic terms. Use this to engage policymakers for broader sustainable transport discussions, with robust, evidence-based advice, using existing relationships with DfT and government. Begin to share a metric of carbon emissions from network traffic with DfT to account for the mutual responsibility of improving carbon performance.</b></li> </ol>	

<b>Long Term</b>	<p><b>1. Build capacity to engage local authorities and stakeholders, to deliver effective route-based strategies. Cultivate internal skills for planning at a local and route-based level.</b></p> <p>This includes looking at capacity of local roads or other transport modes, and overall strategies for local sustainable transport, if the Agency's network cannot accommodate future route demands.</p>
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## 4.1 Key Findings

### 4.1.1 Stakeholder Engagement

The Agency engages with stakeholders via project-based consultation, ongoing feedback from road users, and through groups such as the National Road User Committee. Stakeholder engagement on major projects is strong, and impact assessment (via analysis and external engagement) is in line with statutory requirements to consult. Stakeholder views, including those of local planning and road authorities, are actively sought. The public is consulted via a combination of workshops and written submissions. Consultations range from formal public enquiry, to workshops, to one-on-ones with individual citizens and local authorities. Interviewees cite the Hindhead Tunnel as an example of excellent engagement that led to more successful outcomes.

The engagement process on smaller projects and on-going activities, such as maintenance, is less clear. There isn't consistent evidence of how engagement occurs, and it isn't clear how the National Road User Committee and the National Environment Committee are consulted on smaller-scale initiatives. We noted concerns that the Agency is not sufficiently engaging stakeholders outside major schemes, and that there tends to be a narrow focus on site-specific issues such as flooding risk, rather than broader social and environmental impacts of the strategic roads network.

A point of frustration stems from the fact that although the Agency carries out consultation, it is constrained in how it can respond: "We're told to engage but can't give them what they want so stakeholders then feel that they're not being heard. We ask them what they want and then say, no, we can't deliver that."

The latest performance specification begins to prioritise route-based planning. The Agency needs preparation to engage key stakeholders on how projects and maintenance interface with local roads, transport strategies and issues, if route-based planning continues to evolve. This means cultivating the skills necessary for engagement at a local and route-based level. Land-use planning plays a crucial role in the future (and sustainability) of roads in the UK, and the Agency already has a statutory duty to provide substantive input into the planning system, so this can be leveraged.

### 4.1.2 Engagement for Public Service Effectiveness

The Agency recognises its role in increasing public service effectiveness and its Business Plan is centred on offering more value for less funding. The Agency supports government priorities in localism and regional economic development and appears to understand its role here. Significant changes have

resulted from cost efficiency objectives. However, publicly available data isn't clear on how savings are achieved, and whether long term negative impacts on effectiveness as a public service are anticipated.

Whilst the Agency has effectively delivered improved service at lower costs to date, the dialogue around public service effectiveness is narrow in scope. The Agency does not frequently address systems-level change as this requires a more strategic role in policy and planning in the overall transport system. A common theme is that the Agency plays too passive a role here. The Agency can't set transport policy, but nor does it exploit its influence on the transport system to offer strong, robust advice to key policymakers through ongoing engagement, strategic relationships and evidence-based advice.

There is a case for giving the Agency a strategic role in overall transport planning, given its contributions to economic development. The Agency's assets can facilitate economic growth whilst ensuring sustainability issues are alleviated, if joined-up planning is emphasised. There are signs this is recognised, given efforts to engage with developers and planners more strategically. However, the capability to think about the network in a systemic way, as owners of infrastructure, requires further development.

### 4.1.3 Engagement for Systems Resilience

The latest performance specification addresses resilience in terms of adaptation to future climate, weather, safety and reliability risks. However, it does not take a systemic view of how the Agency plays a role in resiliency of the overall transport system. This is reflected in the Agency's approach – 'getting traffic moving on motorways' is paramount.

However, planning for resiliency means this assumption needs to be challenged more often. For example, part of building a resilient strategic roads network might mean helping customers understand mobility options and alternatives, or promoting better uptake of public transport to reduce stress on critical assets, even if DfT is ultimately responsible for multimodal planning. Route-based strategies, if successful, could provide the Agency with more influence on planning a resilient transport system.

# **5. Understanding & Education**

## **Findings & Recommendations**

## 5. Understanding & Education

	Achievement Level	Summary of Analysis
<b>Learning &amp; Capacity Building</b>	<b>Compliant</b>	<ul style="list-style-type: none"> <li>The overall strategy for sustainability education requires significant development. The Agency has newly created e-learning packages but the capability-building efforts around sustainability seem insufficient.</li> <li>Sustainability training is becoming formalised, but has occurred through the portal and ad-hoc sessions in the past.</li> </ul>
<b>Staff &amp; Management Understanding &amp; Capacity</b>	<b>Compliant</b>	<ul style="list-style-type: none"> <li>Sustainability principles are seen as important, and pockets of staff understand why this is the case.</li> <li>Many people in the business don't understand how to apply sustainable practice in day to day tasks; expertise is higher at senior management levels but lower amongst operational staff.</li> <li>Some staff are beginning to understand the economic opportunities associated with sustainability.</li> </ul>
<b>Communications &amp; Networks</b>	<b>Compliant</b>	<ul style="list-style-type: none"> <li>The sustainability blog and the portal are key sources of information and tell stories of sustainability success.</li> <li>Interviewees would like to see more documented examples of the Agency's good work including the journey / process used to reach an outcome in detail, potentially in the form of case studies.</li> <li>Messages should be tailored so they are relevant and appropriate to various teams.</li> <li>There is desire for leaders to talk about and advocate sustainability more often.</li> </ul>
Recommendations		
<b>Short Term</b>		<ol style="list-style-type: none"> <li><b>Define what is meant by sustainability and share this consistently, with directorates using the terms pertinent to them. Break sustainability down into its constituent parts. (For example, what does the Agency mean by environmental limits and social value? What are the sustainability risks, opportunities and benefits?)</b></li> <li><b>Increase visibility and communication of good sustainability working practices and outcomes, within the Agency and externally.</b></li> </ol> <p>Focus communication on journey and process as well as positive outcomes, so staff can learn from examples and build a culture proud of its achievements. Staff require visibility of "how decisions are made, the part sustainability considerations play and how it affects decision making".</p> <p>Develop additional communications channels, including frequent and sustained messaging from senior leaders, greater status in the business plan, and other vehicles beyond the sustainability blog and the Sustainable Development Plan. Interactive communications could be used – for example, participative campaigns and interactive forums for general learning and understanding. Expose staff to research findings, and generate interactive discussions around implications of findings.</p> <p>Interaction and communication is needed on what sustainability means, and on the trends affecting the Agency, to foster a shared organisational understanding of sustainability and future risks.</p>

<b>Long Term</b>	<p><b>1. Articulate a clear sustainability learning strategy for the Agency. Build capacity of staff and champions to deliver against their goals.</b></p> <p>The programme needs to reach across the Agency, and be specific to projects, maintenance and processes. A holistic understanding of how sustainability plays a role in these three kinds of operations is required, and job-specific training should target the skills required to drive sustainable action in all three areas. Break sustainability down into manageable constituent parts and make each piece understandable and well-taught; emphasise a programme of continuous learning. This should be done on a directorate by directorate basis so it fits the language and remit of the staff being trained. Once training is offered, top managers and directors should do it first and publicise what they learned.</p> <p>Capacity building must have leadership buy-in and must be budgeted in order to succeed. Education for sustainability must be treated the way health and safety is treated today: mandatory, important and applicable to the entire Agency.</p>
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## 5.1 Key Findings

### 5.1.1 Learning & Capacity Building

The Agency has internal learning programmes in four areas: contract performance, project and programme performance, people performance and operational delivery performance. A priority across training programmes is how staff can deliver on goals through greater innovation – specifically, how to deliver more with less.

To develop skills for sustainability, the Agency has stated that it is "Implementing a resourcing and capability plan that helps deliver sustainable performance, and delivers a graduate recruitment programme." However, the nature of this plan and the overall learning programme are unclear. There isn't an extensive amount of training or tools for sustainability, or specific, targeted training courses tied to the subject, and the overall aim of capacity building is not clear to those within the organisation. A sustainability e-learning package was recently developed and shows potential. The organisation is training both staff and suppliers on lean techniques, which may have an associated carbon impact.

### 5.1.2 Staff & Management Understanding & Capacity

Staff are inadequately prepared to deliver sustainable outcomes. Sustainability knowledge, understanding and capacity at management levels are higher, but this declines through middle management and delivery staff. There are deep-seated capability issues at the heart of sustainability challenges in middle management and below. Although motivation and reward are important, staff need help with 'how to get on with it'. Many feel that sustainability is important in theory, but that they don't yet have an understanding of how to integrate sustainability practices into day-to-day work.

Some staff are starting to understand sustainability as an economic opportunity, beyond its earlier messages on carbon, health and safety. Despite this, there isn't a broad, shared understanding of what sustainability means to the Agency. The Sustainable Development Plan isn't just about minimising carbon, but this is not well-understood.

Core competencies are part of yearly development plans, but sustainability isn't necessarily being built into development plans for individual employees.

### 5.1.3 Communications & Networks

Many cite the sustainability blog and portal as key sources of information. These focus on communicating results from sustainability initiatives with positive results. These sources aren't strong at communicating more difficult issues which the Agency may not be fully addressing yet. There are few other places where sustainability is addressed in depth, and there is a need for greater visibility of good practice examples that the Agency has delivered.

The term sustainability is a hindrance in itself. Staff have different interpretations of what it means, and its' all-encompassing nature means that people are unable to relate sustainability back to their day to day role, or perceive it to be someone else's responsibility. To have greater value and relevance, it needs to be broken down and communicated in a common organisational language.

Pockets of good work on sustainability are cited, but aren't tied together in a bigger picture. There is a need to bring together the strands and make the Agency's approach to sustainability more understandable to internal audiences, first and foremost, including a sense of the process used to get there so that others can learn about the journey. There is a need for case studies and evidence-based communications – namely, examples of where and how things were done right.

The organisation doesn't hear enough from internal leaders on sustainability, and there needs to be active, regular communication on key sustainability messages, with greater status in the business plan and board-level communications vehicles, to make it a mainstream message. Currently, such messages are delivered passively through the Sustainable Development Plan, the sustainability blog and a few other documents.

# **6. Operations & Processes**

## **Findings & Recommendations**

## 6. Operations & Processes

	Achievement Level	Summary of Analysis
<b>Integration</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>The Agency has made some progress with internal GHG reductions, travel and vehicle mileage, minimising waste, recycling and some biodiversity in planning.</li> <li>Some pilot efforts for more integrated sustainability are underway but plans to scale these up across the Agency are unclear.</li> </ul>
<b>Operating Model</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>The Agency is ahead of other government bodies in terms of internal operations and employee behaviour, and interviewees note clear progress over the past five to ten years.</li> <li>Sustainability is emphasised organisationally but many processes and actions do not yet have it embedded, and a process-oriented organisation like the Agency needs to move sustainability from policy statements to specific processes.</li> <li>In terms of network construction and maintenance, the policy is there, but moving beyond legislated duties to sustainability is difficult, given budget cuts. Guidance in applying policy to practice is required for staff.</li> <li>Future operating models need to weigh long term costs and benefits in sustainability and financial terms.</li> </ul>
<b>Management Systems</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>The Agency is equipped with management tools that hold data for environmental assets. It is part of their managing agents' remit to monitor environmental features. Useful information is available in various databases around climate change. But, systems don't necessarily capture uniform information in other areas of sustainability such as habitat and species under protection.</li> </ul>
Recommendations		
<b>Short Term</b>	<ol style="list-style-type: none"> <li><b>Develop a clear methodology for the investment case for sustainable choices, including evaluations that weigh costs and benefits over the long term. Over the life of assets, give weight to economic, social and environmental factors.</b>  Financial planning should evaluate short and long-term trade-offs of sustainable delivery in particular projects, maintenance contracts and major operational decisions. This will be dependent, partly, on long-term budget stability, cost horizons and independence afforded by the post-2015 performance specification, since valuing sustainability trade-offs needs a long-term investment horizon. Moreover, any current sustainability assessments for projects and procurement should continue to be firmly applied and continuously improved. This is at risk given the current cost efficiency agenda.</li> <li><b>Ensure new or revised business processes sufficiently incorporate principles of sustainability.</b>  Audit significant processes to understand which are sustainability-proofed, and which require attention. This will guide the organisation on which processes are weakest, or are not being regularly used by staff. For example, review WEBTAG/VM and amend the change management process to allow recycled materials, new technology, and other innovations to be approved more quickly. Guidance on how to use processes is required. Specialists or the sustainability team should help staff understand how to apply sustainability process in day to day work with a focus on how it will help accomplish the job at hand more effectively.</li> <li><b>Build metrics that measure and drive positive outcomes on key environmental, economic and social goals. For example: percentage of projects delivered in a zero-waste manner.</b>  Build goals for the minimum required number of projects, maintenance schemes and processes with superior sustainability performance.</li> </ol>	

<b>Long Term</b>	<p><b>1. Target integration and operating model improvements to where the Agency has the most impact – network construction, maintenance, process and policy. Move beyond light touch efforts and isolated pilots.</b></p> <p>Scale up and diffuse sustainable innovation across operations whenever possible. Put in place a plan for moving from pilot projects to mainstream, standardised practice, with senior sponsorship and advocacy. Explore how to maximise early pilots (such as zero-waste construction), and how the Major Projects Delivery Hub model might be applied to sustainability in operations.</p> <p><b>2. Make sustainability everyone’s responsibility. Introduce staff targets, consisting of a few goals that summarise each individual’s contribution.</b></p> <p>This means practically including it in staff appraisals and tying requirements to more sustainable outcomes, in a simple, understandable way. Break sustainability down to two or three goals that make sense to people, and customise these based on directorate and job role. Allow teams flexibility on how to deliver the goals in a similar fashion to team commitments for health &amp; safety.</p>
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## 6.1 Key Findings

### 6.1.1 Integration

The Agency’s approach to integrating sustainability into operations is not linked to Sustainable Development goals. In the *Adapting for Change* section of the Sustainable Development Plan, the Agency aims for an effective process to manage effects of climate change, a strategy for managing dependencies on scarce resources, and a better understanding of how the Agency contributes to ecological networks. There is a lack of evidence to show how they will be accomplished by 2015, and it isn’t clear what integrated action the Agency intends to take in some areas. For example, “discouraging road use” may be a goal, but the associated actions for achieving this are not immediately obvious.

Presently, integration is focused on incremental wins, such as greenhouse gas (GHG) reductions in energy and fuel use, vehicle mileage reductions, switching off lighting, minimising construction waste, minimising office waste, litter removal from network, and water conservation. Biodiversity is integrated into plans, but at a legislative compliance and standards level. Once such gains are achieved, progress slows. But, “everyone has to live and breathe it, beyond the easiest steps like these”.

The Agency has piloted deeper sustainable practices, such as the zero waste to landfill upgrading of A46, which benefited from reduced use of finite materials, lower transport costs, lower carbon emissions and zero landfill waste. As mentioned, however, deeper approaches to sustainability aren’t widespread, or widely disseminated and standardised through the Agency. There isn’t evidence of a process for scaling successful experiments into practice, and there is a risk of ‘reinventing the wheel’ because a particular project or maintenance innovation isn’t repeated, scaled up and diffused. The Major Projects Delivery Hub is a diffuser of solutions shared across projects, with standardisation as an outcome whenever possible, but it is unclear whether this Hub also has a ‘work group’ to deal with sustainable innovation.

### 6.1.2 Operating Model

The Sustainable Development Plan and annual Business Plans outline an Agency operating model that prioritises improved social and environmental outcomes, reduced costs and improved efficiencies, in line with government commitments and outcomes of the value management process. In the operating model, sustainability plays a mitigation role, via efforts to reduce environmental and social impact when planning construction and maintenance. Early impact reduction efforts have paid off, in line with early integration successes noted above.

Several aspects of the operating model are examined in detail below.

#### **Network Construction & Maintenance**

The chief concern for construction and maintenance is cost and economic recovery and delivering on legislated duties. Decisions start with affordability, and expand from this to potential sustainability enhancements. For example, some interviewees report that if a road helps with economic prosperity, sustainability doesn't hold back the scheme – even if the impact may be negative in the long term.

Agency projects and maintenance comply with applicable legislation and standards, but going beyond compliance is often difficult given current business conditions and spending constraints. This leads the Agency to doing the minimum necessary in some cases, even if directorates or teams demonstrate willingness to go further.

#### **Investment Decision-making**

Although the Agency has cost-benefit analysis methods for economic, environmental and social factors in place for various investment cases, it isn't clear how often and to what effect sustainable choices are factored into decision-making toolkits. The sustainable choice could be less expensive across the life of a scheme or contract, but these choices are not always considered, beyond the financial, environmental and social impact from air quality, noise and greenhouse gases, and monetisation of carbon in large projects. Certainly, managers recognise a cost-benefit in using fewer resources to do the job. Investment analyses should incorporate and standardise methods for analysing sustainability costs and benefits to ensure investment decisions regularly weigh alternatives. Appropriate training may be required for staff to apply these analyses and recognise opportunities.

In particular, a short-term focus stems from the current political climate and associated Agency priorities. Near-term budget constraints prevail in many instances. There is an attitude that chosen investments are intended to 'get us to the next spending review,' and evaluating choices on a timeframe spanning the life of an asset or contract is less important. It isn't clear how often and to what effect whole life costing is used. Future costs need weight in investment decisions, especially given the risk of suboptimal decisions which increase legacy costs. Being able to monetise both economic and environmental parts of a decision provides more accurate cost implications and clearer assessment of long-term risks.

## Processes & Policies

Various guidance documents and standards are available to assist operational tasks, and sustainability has been incorporated in some of these. This is driven by internal advice and by initiatives outside the agency (for example, the aggregates industry finding sustainable sources of material that helps the Agency specify sustainable materials). Where it can, the Agency has introduced sustainability into the operating model via internal and supplier specifications.

Toolkits for managing down costs and lean processes are better developed than guidance on other sustainability aspects. There is uncertainty around which of the Agency's processes have been 'sustainability proofed'. Desired outcomes are stated at a high level, but full integration into processes is unclear. Moreover, there are gaps in applying processes.

Interviewees comment that since the Agency is process-oriented, "processes [that] take sustainability into account will be acted upon. Staff do it because it's their job." At present, many requirements for sustainability sit in policy documents and have not yet been designed into day-to-day process and actions. For example, workshop participants described change management processes that aren't nimble enough to allow timely approval of recycled materials use, new technologies and innovations in operations. Indeed, responsive processes and standards are listed as goals in the Sustainable Development Plan, but progress against this desired outcome is not measured.

Furthermore, guidance on applying processes needs to be improved, and staff feel they need help from specialists or the sustainability team on using sustainable processes in day to day work. Guidance is informal and varies by region, often because of the knowledge and skills present in one office or another. An understanding of what sustainability means for the Agency's operating model is still emerging, so the factors that staff need to balance when making operating decisions are not yet fully understood. This 'balance' and how to achieve it is crucial when moving from general policy to specific processes and actions.

## Internal Policies & Employee Behaviour

Sustainability plays a significant role in employees' day-to-day work patterns and choices – through recycling, office and facility energy efficiency, sustainable travel options, and internal culture. Long-term employees have observed notable improvement in the last five to ten years.

### 6.1.3 Management Systems

The Agency uses management tools holding data for environmental assets. It is part of their managing agents' remit to monitor environmental features. Useful information is available in various databases around climate change. But, information about 'softer states' such as social conditions, habitats and species under protection is not consistently recorded, so some systems for holding this kind of data are underused.

The Agency is able to meet minimum obligations to tracking regulated environmental issues (for example, obligations relating to EU chemicals of concern). However, environmental impact data from management systems doesn't yet play a major role in the Agency's asset management strategy.

# **7. Procurement & Delivery**

## **Findings & Recommendations**

## 7. Procurement & Delivery

	Achievement Level	Summary of Analysis
<b>Procurement</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>Procurement activity focuses on screening suppliers for minimum sustainability standards, with an eye to continuous improvement on themes such as decreasing GHG footprints over time.</li> <li>Major projects have uniformly applied and enforced standards; smaller projects have less consistently applied standards.</li> <li>The primary focus is on cost, efficiency and quality, and innovation through sustainability is secondary. It is less important unless explicitly 'designed in' to a project or contract.</li> </ul>
<b>Delivery Agents</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>Suppliers typically comply with minimum contractual standards and legislation, but work on tight contracts with expectations of future cost reductions, so innovation around sustainability is infrequent. Sustainability performance is mixed where there is no obvious financial benefit.</li> <li>More innovative performance-tied contracts are suggested by some interviewees.</li> </ul>
<b>External Influence</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>The Agency is influenced by DfT procurement policy.</li> <li>It exercises influence through an Industry Advisory group where some best practices are shared and/or fostered. However, collaboration amongst the Agency and its myriad of suppliers is not robust, beyond required engineering activities.</li> </ul>
<b>Recommendations</b>		
<b>Short Term</b>		<p><b>1. Build a collaboration programme with first-tier suppliers, to develop and foster best-practice in construction and maintenance, thus leveraging the significant expertise within the supply chain.</b></p> <p>This could include a workshop that brings together the Agency and its suppliers to gauge progress on procurement and delivery in 2014, with aim of moving up the Procurement &amp; Delivery spectrum in the assessment framework. The Agency should bring its buying power to bear on influencing sustainable performance and innovation from suppliers. The Agency should challenge its supply chain to deliver optimum outcomes.</p>
<b>Long Term</b>		<p><b>1. Quantify and reward best-in-class supplier performance and delivery.</b></p> <p>Options include compensation-linked performance measures in contracts and controlling overall budgets whilst rewarding suppliers that innovate. Monetary incentives that reward superior environmental performance should be examined in depth, since suppliers are rarely rewarded for sustainable practice such as CO2 savings. For example: reward suppliers with a percentage of costs saved through carbon reductions.</p> <p><b>2. Embed sustainability requirements in tenders and contracts as standard practice.</b></p> <p>Reform contracts to promote holistic, long-term whole-life sustainability over and above short-term cost savings. Robust, actionable minimums for all projects and activities should be built into supplier performance standards. For example: "This project will procure x% of materials within 50 miles" or "This project will use x number of apprentices for activity y".</p>

## 7.1 Key Findings

### 7.1.1 Procurement

Over ninety per cent of the Agency's expenditure and associated impact occurs in the supply chain and is therefore vital in delivering sustainable outcomes. Sustainable solutions are one of five priorities in the procurement strategy, alongside use of sound competition, collaboration, satisfying customer requirements, and securing best value (quality, time and cost). Additionally, parts of the Sustainable Development Plan are focused on procurement and suppliers, with goals to deliver improved outcomes, ensure projects are appraised correctly and that lean processes are used. The Agency is influenced itself heavily by DfT procurement policy.

There are several processes in place that steer the design and standards of supplier work. Activities are centred on screening and qualifying suppliers against minimum criteria, rather than getting up to best practice. There are sustainability criteria in procurement requirements for large projects, via pre-qualification questionnaires. This is often delivered through frameworks which specify value for money, delivery performance and sustainability requirements and grading schemes. For maintenance contracts, sustainability and legal requirements are clear, and each supplier is tasked with creating an environmental management plan. However, this is not a fundamental part; rather, this is something additional that a supplier has to 'comply with'.

In practice, individual contracts rely on the project manager, and sustainability is dependent on their ability to ask the right questions, have the technical expertise and have the ability to apply sustainable practice. Some contend that quality and costs are primary considerations in any contract, with sustainability playing a tertiary role. Although qualified suppliers meet minimum sustainability thresholds, innovative performance doesn't occur unless it's specified as important, and measured during and after project execution.

'Sustainable procurement' is defined as a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment. A vital prerequisite for sustainable procurement is that *someone* has clear responsibility for the quality of the decision-making analysis; knows the right questions to ask; and has the authority to ask them to steer analysis. The rest of the procurement team must be able to input to requirements, and execute them, through procurement activities.

Key suppliers have experience collaborating closely with other clients – for example, in the private sector – and have significant expertise that they can bring to bear for the Agency. The suppliers interviewed during this assessment indicated a desire to be challenged, and to work more closely with the Agency on improving delivery.

### 7.1.2 Delivery Agents

There are several mechanisms in place to guide the Agency's management of its supply chain, including a supplier recognition scheme, a value on innovation and partnership working. During interviews, UK suppliers (delivery agents) contend that the Agency's environmental requirements are superior to other major clients. Several examples were highlighted where the Agency put best practice schemes in place, such as a carbon management toolkit. However, with tightening budgets, collaboration in this area appears to have faded.

The supply chain exploits cost saving opportunities but has a mixed record on more innovative or riskier approaches to sustainability. Where there are clear financial benefits in doing it, the supply chain is very good at aligning itself to exploit the sustainable approach; they are not as effective when it costs more to deliver the same benefit to the Agency. Supplier cooperation on efforts beyond compliance is mixed, depending on the supplier's culture and nature of the contract. The Agency could play a stronger role in encouraging innovation in its supply chain and raising standards to improve sustainable outcomes both in the work suppliers deliver for the Agency, and in the management and culture of the procurement directorate itself.

### 7.1.3 External Influence

The Agency exercises inconsistent influence on suppliers, customers and peers. It influences through an Industry Advisory group where some best practices are shared or fostered. There is good buy-in at this level on the sustainability agenda and the group can influence the direction of suppliers; some practices may be taken forward once proposed by this board. It's not clear how committed the suppliers are to this forum when it comes to action.

However, collaboration amongst the Agency and its myriad of suppliers is not robust, beyond required engineering activities. Budget cuts have impacted opportunities to engage and collaborate. For example, patrols – the public face of the Agency on the roads – used to give safety advice via public facing events. They no longer do this and therefore have no opportunity to influence the public. There used to be a sustainability management group which met with partners, but this was cut due to cost restraints. Whilst the Agency is willing to engage with stakeholders, it doesn't appear to be consistently effectively, and plans for ongoing collaboration remain unclear.

Some stakeholders are concerned that the Agency doesn't yet communicate its sustainability agenda clearly with suppliers, beyond individual project sponsors. The Agency has an opportunity to educate suppliers on the 'big picture' of where they want to be – and the areas in which there's a need to leverage supplier expertise and capability.

The Agency has a role in leading by example. It can do this through communications, by sending clear messages on their approach to sustainability; by demonstrating commitment to improved environmental, economic and social outcomes through its work; and by sharing practices and tools for sustainable outcomes, such as lifecycle analysis. In particular, sharing the business case for sustainable approaches to a variety of schemes could positively influence suppliers and stakeholders.

## **8. Measurement, Performance & Impact** **Findings & Recommendations**

## 8. Measurement, Performance & Impact

Achievement Level		Summary of Analysis
<b>Monitoring &amp; Evaluation</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>○ Key performance measures focus on value for money, customer satisfaction, highway performance, project success and GHG emissions.</li> <li>○ Major projects have significant follow-up monitoring and evaluation to ensure outcomes are met and reported publicly.</li> <li>○ The Sustainable Development Plan has some measurements but many goals do not have metrics attached.</li> <li>○ To improve sustainability performance, more metrics (tied to performance outcomes) are required.</li> </ul>
<b>Reporting &amp; Transparency</b>	<b>Strategic</b>	<ul style="list-style-type: none"> <li>○ Transparency and reporting are strengths and the Agency is proud of its award winning efforts.</li> </ul>
<b>Demonstrating Added Value</b>	<b>Incremental</b>	<ul style="list-style-type: none"> <li>○ The Agency is able to articulate a strong, evidence-based case for how it adds value in economic terms, but cannot argue with the same strength on how it delivers greater sustainability.</li> </ul>
Recommendations		
<b>Short Term</b>	<ol style="list-style-type: none"> <li><b>1. Build metrics that measure key environmental, economic and social goals. For example, the percentage of projects delivered in a zero-waste manner. Determine how sustainability metrics can be presented in equal terms, alongside economic value and the effective use of funding, which are already reported in a robust manner.</b></li> <li><b>2. Redesign the Sustainable Development scorecard so that it fully explains which areas are not going according to plan, and what actions the Agency and individual directorates will take to close gaps.</b></li> <li><b>3. Adopt a shared standard for reporting supplier sustainability performance, to create an evidence base for understanding how the Agency's value chain is performing.</b></li> </ol> <p>Compile environmental impacts of the supplier and its' Agency contracts, in terms of air, fuel, water and other basics, in one place. Keep the data set straightforward and manageable. Ensure the Agency can quantify the true impact of the value chain it has significant influence on – beyond direct internal emissions and impacts.</p>	
<b>Long Term</b>	<ol style="list-style-type: none"> <li><b>1. Develop a manageable, focused range of metrics, beyond carbon, which address wider environmental and social aspects that are SMART (specific, measurable, achievable, relevant and time bound) and integrate into key plans, tools and reports and can be presented in equal terms alongside value and the effective use of funding.</b></li> </ol>	

### 8.1 Key Findings

#### 8.1.1 Monitoring & Evaluation

The Agency's key performance measures focus on cost, value for money, customer satisfaction, highway conditions and performance, project success (in terms of time and budget) and GHG emissions. The most robust and frequently cited indicators are on cost effectiveness, value for money and efficiency. Only internal GHG emissions are accounted for, not from vehicle traffic on the strategic roads network.

Understanding wider impacts is a key performance area of the Sustainable Development Plan. Progress is thus reviewed but results are only occasionally used to inform future practice. The Sustainable Development Plan has some measurements but many goals do not have metrics attached. To drive action on sustainability, more metrics (tied to performance outcomes) are required.

Major projects have follow-up monitoring and evaluation to ensure outcomes are met and reported publicly on the web (at one and five year intervals). These evaluate whether the predicted economic and environmental benefits and costs have been realised, and are publicly accounted in follow-up reports on the web, which the Agency can learn from and correct if necessary.

### **8.1.2 Reporting & Transparency**

Generally speaking, transparency and reporting are strengths and the Agency is proud of its award-winning efforts. The Agency provides robust reporting on how they are delivering value to taxpayers. Reporting on Sustainable Development is less rigorous than on overall performance. The Sustainable Development Plan includes progress reports and a scorecard, based on intended outcomes of the Sustainable Development. Although summaries are published, the scorecard would be more effective if it explained assessed performance gaps and remediating actions.

### **8.1.3 Demonstrating Added Value**

The Agency articulates a strong, evidence-based case for how it adds value in economic terms, and shares this with the public. However, the same cannot be said for the sustainability agenda, and a more robust public demonstration of Sustainable Development delivery (that includes quantified metrics, reporting across Sustainable Development goals, and plans for closing gaps) is needed.

# Conclusion

Forum for the Future concludes that the Highways Agency has made progress towards delivering many early wins, core environmental commitments and safety priorities, despite difficult external circumstances. The priorities of value for money and efficient delivery dictate both performance and culture within the Agency. These realities drive the agenda, so overall commitment, capacity and performance against the sustainability achievement levels in Forum for the Future's assessment framework waiver between compliant and incremental. (Systemic is what we would expect to see in an ideal setting, and is not indicative of any one exemplar organisation.)

Significant opportunities exist to improve the Agency's economic, social and environmental outcomes. There is appetite on the ground for the Agency to take on more sustainable practices. This ranges from how staff talk about sustainability and what it means for them, to how it applies in their day-day to roles, to the strategy of the Agency itself.

The short and long-term recommendations are structured according to performance areas in our assessment framework. Whilst many recommendations will take longer to achieve, and require a shift in approach, there is much the Agency can do to embed sustainability into how decisions are made and acted upon.

The greatest opportunities lie in:

- having a vision and strategy where organisational goals integrate sustainability, with clear responsibility and leadership at senior levels;
- being clear on the public value and business case of taking a sustainable approach (which could be co-developed with stakeholders); and,
- making the most of the Agency supply chain.

Finally, the Agency needs to support this by building processes that embed sustainability throughout operations. It may be possible to act on some of these in conjunction with changes already underway in the Agency. This assessment uncovered a desire within stakeholders and staff for the Agency to take a leading position. The value of this exercise largely depends on how the Agency responds and acts upon the recommendations.

# Appendices

## Appendix A - Sustainability Leadership Assessment Framework

Levels for Assessment	
<p><b>At Risk</b> Permission to operate in question.</p>	<p><b>The organisation is not operating sustainably &amp; may be undermining outcomes.</b> Sustainability does not feature in plans &amp; activities. No staff development, leaders do not regard it as a priority &amp; processes may undermine sustainable delivery. Permission to operate may be at risk.</p>
<p><b>Compliant</b> Keep permission to operate.</p>	<p><b>Sustainability is not a priority beyond legal requirements.</b> Understanding of sustainability held by limited few. Sustainability separated into components (economic, social, environmental). Sustainability strategy isn't integrated with organisational mandates &amp; strategies. Organisation meets legislative requirements but does not actively seek stakeholder views.</p>
<p><b>Incremental</b> Useful to the existing strategy.</p>	<p><b>The organisation is starting to take sustainability seriously.</b> Sustainability retrofitted into operations through programmes that embed it within existing processes. Hence, sustainability may be integrated into strategies ad-hoc, with mixed success. Leadership is ad-hoc, with inconsistent messages. Leader organisations may find that elements of activities are at this level.</p>
<p><b>Strategic</b> Long-term, sustainable value emerging.</p>	<p><b>Sustainability is 'mainstreamed' across most activities but is not yet embedded within culture.</b> At this level, there are training programmes on sustainability &amp; some communications on how sustainability is executed. Relative to similar organisations, leadership is exhibited on most issues &amp; processes such as integration tools are widely used. However, efforts might not survive management, policy or political changes.</p>
<p><b>Systemic</b> Creating a sustainable future.</p>	<p><b>Constructively creating an organisational model that contributes to a fully sustainable society.</b> This is not about creating utopia, but about using sustainability &amp; its principles of meeting humans needs within environmental limits as a model for achieving public service mandates. This recognises the tensions between delivering on short &amp; long-term priorities &amp; scale of the challenge with available budget, but the organisation tackles these to permit alternative approaches.</p>

Note: In each framework section, the Agency’s assessed level of performance is marked entirely in **bold**.

## Vision & Strategy Assessment Framework

	At Risk	Compliant	Incremental	Strategic	Systemic
Vision & Goals	Vision & goals do <b>not contain</b> sustainability principles.	Sustainability is <b>one of many</b> elements within vision & goals.	<b>One or several aspects of sustainability is part vision &amp; goals. They reflect the short-term nature of policy-driven organisational goals.</b>	Sustainability is an <b>integral part</b> of vision & goals. They reflect the long-term conditions impacting the public service & attempt to sync short-term policy changes with longer term, systemic concerns.	There is an enduring and long-term expression of the organisation’s <b>wider purpose and vision for its contribution to a sustainable society</b> . They reflect the need to sustainably deliver a public service in the long-term, despite policy changes. Robust <b>sustainability principles guide values</b> to which the whole organisation operates.
Plans & Strategies	Sustainability is <b>not included</b> in the business plan, & this is not seen as an issue.	<b>Sustainability is one of many themes within the business plan, &amp; not presented holistically.</b>	Sustainability is central to the business plan but only features in an ad-hoc way in other plans & strategies.	Sustainability <b>underpins business plans</b> , & underpins most other plans & strategies. The strategy accounts for future readiness in the face of commodity, ecosystem and climate shocks, but this does not underpin all parts.	<b>Sustainability is the overarching framework</b> for all the organisation’s activities thus providing a strategic, systemic & integrated approach. This results in sustainability being actively integrated into <b>all</b> strategic plans, strategies & policies. The strategy process is shaped, shared and owned by the organisation. Planning is therefore aligned & mutually supportive. <b>Future readiness &amp; systems resiliency</b> underpin the strategy e.g. the strategy process acknowledges uncertainty of the future and therefore has plural views of the future.
Public Value Case	Conflicting policies & strategies are <b>undermining</b> sustainability outcomes.	<b>Sustainability legislative requirements are recognised &amp; complied to. This means trade-offs are made.</b>	Sustainability is retrofitted <b>into the operating model</b> through programmes & strategies. An incremental approach to achieving sustainability outcomes is taken.	The <b>business case</b> has been made & sustainability is a mainstream activity where a strategic approach to reaching outcomes is taken. The organisation explores why long-term absolute decoupling is needed to separate growth from social & environmental impact. However, a case for offering <b>sustainable public value</b> isn’t formally in place.	The <b>sustainable public value case</b> is made, internally & externally. It looks at outcomes beyond the organisation to create value for the public. The case articulates the need for future readiness by absolute decoupling from impact & operating well within environmental limits & with minimal non-renewable resources. It is understood why the organisation should be following its strategy to contribute to a sustainable society.

## Governance & Capacity Assessment Framework

	At Risk	Compliant	Incremental	Strategic	Systemic
Leadership	Sustainability is <b>not driven</b> within the organisation. Leaders are indifferent.	<b>Sustainability is led by some individuals who have an understanding of what it means but it is not effective.</b>	<b>Sustainability is led by individuals who have understanding of what it means &amp; occasionally provide effective leadership on such issues.</b>	<b>Senior management</b> lead sustainability. They have a clear understanding of what it means & try to make it integral to decision making. They are seen as champions within the organisation & have achieved some success.	<b>Senior management &amp; staff</b> lead sustainability. Senior Management have a clear understanding of what it means for the organisation & outcomes for society. They drive & are accountable for its delivery. They demonstrate the ability to make & support difficult decisions, & are adaptable to changing & emerging priorities.
Sustainability in Organisational Structure	<b>No resources</b> (financial or time) allocated to achieving sustainability goals.	<b>Limited resources</b> allocated to achieving sustainability goals, sometimes underneath an environment directorate if one exists.	<b>Sustainability is a core area of work or separate team. The organisation has advocates that champion sustainability &amp; are visible within different directorates.</b>	Sustainability is structured within <b>core operations</b> & there is appropriate, visible support (technical & facilitative) to the organisation to achieve sustainability goals.	As the principles of sustainability underpin <b>all functions &amp; directorates</b> , the structure reflects this through providing technical expertise centrally, as well as facilitating the dispersion of sustainability in all directorates & cross-organisational working.
Risk Management	<b>No understanding</b> of sustainability related risks.	<b>Limited understanding</b> of sustainability related risks, but these are not recorded or monitored.	<b>Limited understanding &amp; ad hoc recording of sustainability related risks. Future risks such as increased commodity prices, priced ecosystem services &amp; climate shocks are acknowledged, but adaptation plans remain undeveloped.</b>	Sustainability related risks (both internal to the organisation & external within field of operations) are <b>included in &amp; addressed as part of the organisation's risk register.</b> Although increased commodity prices, priced ecosystem services & climate shocks are recognised as key risks, <b>future-ready</b> adaptation plans are not comprehensive.	<b>Systems resiliency &amp; the precautionary principle</b> are core principles that underpin the organisation's understanding of risk (both internal to the organisation & external in society). <b>Future-readiness</b> is integral to risk management; adaptation plans are in place for increased commodity prices, priced ecosystem services & climate shocks.

## External Engagement Assessment Framework

	At Risk	Compliant	Incremental	Strategic	Systemic
Stakeholder Engagement	<p><b>Minimal dialogue</b> between organisation, citizens &amp; stakeholders. Sustainability principles are neither implicit nor explicit in this dialogue.</p>	<p>There is <b>constructive dialogue</b> between organisation, citizens &amp; stakeholders, but it focuses on the most outspoken. Sustainability principles are patchy through this dialogue.</p>	<p><b>There is good participatory dialogue between the organisation, citizens &amp; stakeholders but tends to focus on consultations on strategies &amp; projects.</b></p>	<p>There is excellent dialogue between the organisation, citizens &amp; stakeholders &amp; this <b>influences decision-making</b>. Sustainability principles consistently &amp; appropriately frame dialogue; which engages people’s creatively, energy &amp; diversity.</p>	<p><b>Participatory systems for stakeholder input</b> are actively promoted. Citizens &amp; stakeholders are informed, represented &amp; involved effectively in the development &amp; delivery of decisions. Those most affected by the organisation are identified &amp; engaged with at the local, regional &amp; national level. This is continuous.</p>
Engagement for Public Service Effectiveness	<p><b>No external dialogue on improving public service delivery &amp; public value</b> is undermined. Relationship with DfT is adversarial.</p>	<p><b>External dialogue on improving public service delivery, isolated to own organisation only.</b> Public value may be undermined by narrow engagement.</p>	<p><b>External dialogue on improving public service delivery in an arena that includes other organisations &amp; Government. Relations are improving but few changes have resulted.</b></p>	<p>Proactive engagement with Government &amp; related public &amp; private actors to <b>determine how public service effectiveness can be improved via systems-level, integrated changes</b>. Change initiatives are piloted in a non-strategic manner.</p>	<p>The organisation sets &amp; leads engagement agenda with Government &amp; related public &amp; private actors on <b>how public service effectiveness can deliver the conditions for a sustainable society via systems-level changes</b>. Lasting efforts lead to systems-level improvement &amp; changing thought paradigms on collaboration amongst public &amp; private actors.</p>
Engagement for Systems Resiliency	<p>No work on systems resiliency.</p>	<p>Isolated collaboration occurs with other public &amp; private actors, but there is no exploration of systems resiliency.</p>	<p><b>Isolated collaboration with other actors. Systems resiliency &amp; the case for integrating strategy with other public &amp; private actors is explored internally, but not acted on.</b></p>	<p><b>Systems resiliency is informally articulated</b> as part of goals &amp; strategy, whereby the organisation pilots some integrated strategies with related public &amp; private actors (for example, rail &amp; air infrastructure). However, this is not yet a ‘mutual remit’ with other actors.</p>	<p>The organisation has succeeded in planning for systems resiliency with related public &amp; private actors to <b>achieve a better public value case than what is possible</b> when strategy &amp; planning is done in isolated silos. An integrated approach is advocated over the long term.</p>

## Understanding & Education Assessment Framework

	At Risk	Compliant	Incremental	Strategic	Systemic
Learning & Capacity Building	No learning mechanisms in place. <b>One off training</b> sessions are used to raise awareness of sustainability.	<b>Some learning mechanisms in place but sustainability is not a central component of this. Training on sustainability is generalised &amp; not role-based.</b>	<b>Informal approach</b> to learning and improving its understanding of sustainability. It does this through learning from best practice internally, regional, national & international exemplars. Training & capacity building is given <b>across the organisation</b> but follow-up support is limited.	A <b>learning organisation</b> which seeks to improve its own understanding of sustainability. It does this through cross-organisational structures that creates leading practices and innovations that allows for failures. This applies across the organisation. <b>Regular capacity building is provided.</b> Sustainability is designed into teams & individual activity; it is central in professional development.	A learning organisation <b>using sustainable values &amp; principles</b> as a guide to improvement and decision-making, to deliver a sustainable society. This is achieved through horizontal, vertical & diagonal collaboration around problems. These processes are resilient as they have the adaptive capacity to deal with change, & therefore self-amending, agile & responsive to external context. <b>Sustainability principles cross-cut all training, capacity building &amp; professional development.</b>
Staff & Management Understanding & Capability	Limited or <b>no understanding</b> or awareness of sustainability.	<b>There is understanding of sustainability only in 'obvious' operations, &amp; for those with specialist technical knowledge. There is understanding of sustainability only by some managers.</b>	There is <b>general awareness</b> & understanding of sustainability as an important aim or principle. People across the organisation are involved in improvement for sustainability. Each directorate works effectively with sustainability team. Some managers champion sustainability.	Staff <b>understand</b> need for & commitment to change to a sustainable way of operating, individually & collectively. They will have the knowledge of what might be needed but this doesn't always translate into action. <b>All managers understand the need for change</b> & are committed to delivering more sustainable operations, individually and collectively, but results are inconsistent.	Staff <b>understand &amp; have the skills, capabilities and knowledge</b> to be able to translate sustainability into their everyday role without extensive support. All managers understand how their roles & organisation contribute to sustainability, are vocal about this & consistently <b>translate this understanding into action.</b>
Communication & Networks	<b>Very little</b> internal or external comms on sustainability.	<b>Some internal &amp; external comms on sustainability which includes a few campaigns &amp; internal focus areas.</b>	Active & <b>coherent internal &amp; external comms</b> on sustainability.	Active & coherent internal & external comms on sustainability, celebrate successes, share learnings and which aim to <b>support behaviour change</b>	Consistent, active & coherent internal & external comms, in line with sustainability principles. People feel empowered to reflect, collaborate and share their learning. Comms <b>lead to demonstrable behaviour change.</b>

## Operations & Processes Assessment Framework

	At Risk	Compliant	Incremental	Strategic	Systemic
Integration	Processes <b>conflict</b> with the integration of sustainability into operating models.	<b>No formal process</b> to integrate sustainability into the organisation’s work, but informal questions asked.	<b>Formal processes in place to support the integration of sustainability into some aspects of the operating model.</b>	Formal processes <b>support the strategic integration</b> of sustainability into all aspects of operating models, from strategies to programmes & projects. These are used consistently.	Formal processes ensure that <b>sustainability underpins all of the organisations work</b> from strategies to programmes & projects, which lead to sustainability outcomes on the ground. This is done at the earliest possible opportunity. Processes that undermine sustainable values have been modified or removed.
Operating Model	Core operations for delivering the organisation’s strategy are in <b>direct conflict with sustainability</b> principles. The organisation <b>does not actively seek to manage</b> resources in a sustainable manner.	Core operations for delivering the organisation’s strategy <b>comply with legislated Government policy.</b> Some resources managed in a sustainable manner & this is done centrally.	<b>Core operations for delivering the organisation’s strategy comply with Government policy. Ad-hoc pilots lead to some activities with notably reduced impact. Some resources managed in a sustainable manner, with involvement of staff across the organisation.</b>	A strategy is in place for transitioning core operations to <b>delivery within environmental limits in the long term.</b> Pilot projects & early efforts lead to a few activities that now respect environmental limits. The organisation manages <b>most of its new &amp; existing resources</b> in a sustainable manner, which is sometimes reflected in day to day staff activity.	Key activities are governed closely by a futures-ready organisational strategy. Core operations are completing transition to model where <b>sustainable value is delivered to the public within environmental limits.</b> The organisation actively pushes for sustainability excellence in the <b>management of all assets and facilities,</b> including environmental & social considerations. This is reflected in day-to-day staff activity.
Management Systems	Organisation has <b>no environmental management systems.</b>	Organisation <b>operates some management systems</b> but often without the buy-in & knowledge of staff & they often are in conflict.	<b>Organisation operates some management systems including separate social, environmental &amp; economic ones. Ad-hoc evidence of delivery with the buy-in of some staff.</b>	Organisation operates a <b>Sustainability Management System</b> but this is separate to other management systems & is not seen as the overall operating system. There are some targets & evidence of effective delivery.	<b>Corporate indicators</b> used to drive continuous improvement for sustainability throughout the organisation. Indicators relate to a wide range of sustainability factors, both social & environmental. There is an understanding of how these work together. Targets & actions are set and reviewed regularly (with board level involvement) & there is evidence of effective delivery.

## Procurement & Delivery Assessment Framework

	At Risk	Compliant	Incremental	Strategic	Systemic
Procurement	Sustainability or environmental criteria are <b>not used</b> in procurement activities.	Sustainability or environmental criteria are <b>occasionally used</b> in procurement activities.	<b>Sustainability criteria are used in some procurement activities for all stages of the value chain.</b>	<b>Procurement activities are in line with the organisation’s vision &amp; sustainability strategy.</b> The expectation of continuous improvement on sustainability is communicated to suppliers & progress on, and adherence to sustainability goals is regularly reviewed.	All procurement is governed by comprehensive strategy <b>organised around sustainability principles.</b> This is strictly monitored & supported. Where remediation is required, the organisation provides support for formulating & implementing an action plan for improvement.
Delivery Agents	<b>No delivery agents</b> (public or private) adhere to sustainability policies or work together	<b>Few delivery agents</b> (public or private) adhere to sustainability policies, or work together to co-ordinate activities for the benefit of the public.	<b>Some delivery agents (public and private) adhere to sustainability policies, &amp; work together to co-ordinate activities for the benefit of the public</b>	Many delivery agents (both public and private) adhere to sustainability policies, & work together to co-ordinate activities for the benefit of the public. The organisation <b>actively supports others organisations</b> to mainstream sustainability within their operations.	The organisation works actively in <b>partnership with others</b> to deliver sustainability. Partnership working is productive, sustainable & planned into the long term. Accountability is clear. Public value is created & measured through a wide range of social & environmental outcomes that go beyond statutory requirements.
External Influence	Organisation <b>does not exercise its external influence</b> on suppliers, customers, peers & stakeholders.	Organisation <b>exercises little influence</b> on suppliers, customers, peers & stakeholders.	<b>Organisation exercises some, inconsistent influence on suppliers, customers, peers &amp; stakeholders.</b>	Exercises external <b>influence on &amp; support</b> to suppliers, customers, peers & stakeholders in line with its overarching sustainability goals. The organisation interfaces with stakeholders in a joined-up way to share & develop best practice, tools, building their capacity on sustainability.	Organisation actively develops a <b>culture of sustainability with its partners</b> (including other public sector organisations), suppliers, customers, peers & stakeholders in order to create sustainable outcomes. It demonstrably leads development of systemic approaches to sustainability.

## Measurement, Performance & Impact Assessment Framework

	At Risk	Compliant	Incremental	Strategic	Systemic
Monitoring & Evaluation	No review & monitoring of projects or plans takes place, apart from those required statutorily. Sustainability issues are not included.	Some review & monitoring takes place but does not feed into the review process. Sustainability issues are incorporated ad-hoc.	Progress on some action plans & strategies is reviewed but results are only occasionally used to inform the review process/practice. Sustainability issues are incorporated in most obvious projects.	Progress on most action plans & strategies is monitored with results fed back into & taken into consideration during the review process. <b>Lessons learnt are always incorporated into delivery.</b> Sustainability issues are monitored across all strategies, programmes & projects.	The organisation's <b>commitment to continuous improvement</b> is supported by action plans & strategies being monitored & appraised & results taken into consideration during the review process. Both easy to measure & difficult sustainability issues are addressed.
Reporting & Transparency	The organisation does not gather and share economic, social & environmental information.	There are <b>isolated examples</b> of where the organisation has gathered & shared economic, social & environmental information & learning within the organisation.	The organisation sometimes gathers and shares economic, social & environmental information, learning & progress within & outside the organisation	<b>The organisation gathers &amp; shares comprehensive &amp; integrated economic, social &amp; environmental information, learning &amp; progress within &amp; outside the organisation.</b>	The organisation gathers & shares economic, social & environmental information, learning & progress within & outside the organisation & sells the benefits of this approach. <b>Reporting on long-term performance towards sustainability takes place regularly as part of mainstream processes.</b> Reporting always applies a recognised framework for sustainability reporting.
Demonstrating Added Value	The organisation is <b>not able to demonstrate</b> that money is used most effectively & efficiently through its delivery.	<b>Occasionally</b> , the organisation demonstrates that money is used most effectively & efficiently through its delivery.	<b>In some cases, the organisation demonstrates that money is used most effectively &amp; efficiently through its delivery.</b>	In most cases, the organisation can <b>demonstrate that money is used most effectively &amp; efficiently through its delivery.</b>	In every case, the organisation demonstrates that money is used most effectively & efficiently through its delivery – <b>always benefiting the economy, society &amp; the environment at the same time over the long term.</b> Sustainable development criteria are an integral part of efficiency, improvement & budgeting processes/cycles.

## Appendix B – Source List for Secondary Literature Review

Publication	Source
<i>A fresh start for the Strategic Road Network.</i> 2011	Department for Transport, Alan Cook
<i>Annual Report and Accounts.</i> 2011-12.	Highways Agency
<i>Business Plan.</i> 2008-09.	Highways Agency
<i>Business Plan.</i> 2012-13.	Highways Agency
<i>Business Plan.</i> 2013-14.	Highways Agency
<i>CIPS Audit Check Sheet – Sustainable Procurement Module.</i> 2011.	Highways Agency
<i>Environment Action Plan.</i> 2010-11.	Highways Agency
<i>Environment Strategy.</i> 2010-15.	Highways Agency
<i>Managing our approach to environmental performance; Supporting our Environment Strategy.</i> 2010.	Highways Agency
<i>Performance Specification.</i> 2013-15.	Highways Agency, Department for Transport
<i>Post Opening Project Evaluations.</i> Various years.	Highways Agency
<i>Procurement Strategy.</i> 2009.	Highways Agency
<i>Strategic Plan.</i> 2010-15.	Highways Agency
<i>Sustainable Development Framework Best Practice Assessment Report.</i> 2010.	Highways Agency
<i>Sustainable Development Guide.</i> 2012-15.	Highways Agency
<i>Sustainable Development Plan 2012-15 - Progress report No. 1.</i> 2012.	Highways Agency
<i>Sustainable Development Plan.</i> 2012-15.	Highways Agency

## Appendix C – Interviewees & Workshop Participants

<b>Interviewee</b>	<b>Organisation</b>
18 interviewees	Highways Agency
6 interviewees	External Stakeholders

<b>Workshop Participant</b>	<b>Organisation</b>
17 participants	Highways Agency
17 participants	External Stakeholders

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