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**To what extent can sustainability
be embedded in decision-making
for procuring public services?**

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the requirements for the degree of
Doctor of Philosophy

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Date:

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Abstract

Government bodies have an obligation to drive sustainable development. One focus at legislative level is sustainable public procurement of goods and services. Effective planning and monitoring is an essential part of the process of transformation toward sustainable procurement. Post-normal science approaches treat this process as more than just setting targets and showing a set of results. It is an activity that can shape the direction of an organisation, a department or an individual and facilitate adaptive changes to a more sustainable model. This thesis examines the extent to which sustainability policy can be embedded in decision-making for procurement within local government.

This thesis takes a three-step approach to the research question, with an empirical study based in Scotland between December 2011 and December 2013. First the context of sustainable public service procurement was explored using ten case studies. The drivers and barriers to sustainable service procurement were established in order to design and recommend solutions. The second stage of the research developed and tested a new toolkit for translating policy and uncovering specific sustainability attitudes. The third phase of the empirical research used workshops to analyse the attitudes of public sector procurers and partner organisations. All of the research was undertaken as the Procurement Reform (Scotland) Bill was being passed, the content of which provided a standard for sustainable public procurement to measure the findings against.

This thesis finds that the definition and very notion of sustainability is still not clear for many procurement decision-makers. The sustainability of public service procurement is often dependent on the priority or expertise of the procurement manager, with little guidance or consensus on sustainable development. It emerged that many procurement practitioners in local government responsible for implementing sustainability policy construct barriers to doing so effectively and do not see sustainability as a core aspect or responsibility of service provision. A post-normal sustainability technology can be of use in this respect, offering a 'messy' solution to the problem. The case study organisation adopted the toolkit created for this research. This thesis concludes that embedding sustainability into decision-making for procuring public services will require firmer legislation and better translation of the sustainable development agenda for procurement managers.

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List of Acronyms

ABSEN	Argyll and Bute Social Enterprise Network
DEFRA	Department for Environment Food and Rural Affairs
EIA	Environmental Impact Assessment
EU	European Union
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
NHS	National Health Service
OECD	Organisation for Economic Co-operation and Development
PPF	Performance Planning Framework
PQQ	Pre-Qualification Questionnaire
PSP	Public Social Partnership
SAA	Social Accounting and Audit
SEA	Strategic Environmental Assessment
SIA	Social Impact Assessment
SIMPLE	Social Impact measurement for Local Economies
SLA	Service Level Agreement
SMART	Specific, Measurable, Achievable, Relevant, Time
SME	Small to Medium Enterprise
SROI	Social Return on Investment
UN	United Nations

Chapter 1 Introduction

Government bodies across the world have an obligation to drive sustainable development and translate international policy goals into sustainable economic actions. One way this can be achieved is by ensuring that public sector funds are invested in sustainable goods and services. In many instances legislation is placing these obligations on government bodies, such as public sector organisations. Using Scotland as a case study, this thesis evaluates the extent to which this drive for sustainability within public sector organisations can embed environmental and social principles in decision-making on the procurement of goods and services.

There is a wealth of theory and debates on the definition of sustainable development, the various influences surrounding sustainable development accounting for organisations, and the role of the public sector in sustainable development. In the context of this thesis sustainable development accounting is the use of sustainability policies, guidelines and tools to make decisions that consider sustainability and produce evidence of sustainability.

The UN estimates that central and local government expenditure accounts for 20% of GDP in OECD countries and 15% in non-OECD countries (United Nations, 2008)¹. Governments and related public sector organisations are expected to lead the way on sustainable practices, including behaviors, processes and reporting (Ball and Grubnic, 2007; DEFRA, 2005; Farneti et al., 2011). However, it is unclear the extent to which sustainability policy is actually filtering its way down to everyday practices and if the employees of public sector organisations have the capacity to make decisions that incorporate sustainable development criteria and principles. According to Walker and Brammer (2012, p.457), "studies have found that purchasing managers are unsure of how to incorporate ethical and social issues in their buying". Bebbington (2009, p. 189) contends that sustainable development is a public policy goal that individuals and organisations are aware of, but is

¹ The Organisation for Economic Co-operation and Development (OECD) comprises of 34 member countries, with a mission to promote positive social and economic policies.

interpreted in different ways to the point where it is “politically plastic”. There are unanswered questions about the role of legislation, the people involved, accounting technologies, and other external events that influence sustainability in an organisation (Fraser, 2012).

There is sufficient existing conceptual knowledge to help develop tools and guidance for decision-making that considers sustainability. This research “increasingly employs interview and field study, in addition to more traditional desk-based, methods” (Owen, 2008, p. 244). Change research in organisations needs to explore processes, attitudes and organisational culture (Fraser, 2012). However, research in this area does not often acknowledge the realities of conflicts and other issues of practical implementation of sustainability in decision-making processes and the need to engage all stakeholders (Frame and Brown, 2008; Owen, 2008). Much of the research has also focused on private sector attempts to implement sustainability strategies (Ball and Grubnic, 2007; Ball and Osborne, 2011). If indeed the public sector is to pioneer a shift to more sustainable practices, research is required to fill some of the gaps in this area. Empirical studies need to look at the development of new methods for embedding sustainable development in a public sector setting from context, to action, through to reflection stage (Bebbington, 2007).

This thesis empirically explores attempts by a public sector organisation to include sustainability criteria and principles when considering procurement of services. According to Fraser (2012), research settings need to provide a dynamic empirical context, providing insights into potential and actual changes. In carrying out this research in a specific setting, the practical and conceptual challenges of applying sustainability discourses in the real world will become more apparent. Indeed, there is a growing set of literature in this area that argues towards researchers creating the change towards sustainable accounting that they wish to see (Bebbington, 2009; Fraser, 2012; Gray, 2010; Xing et al., 2009). Bebbington (2009, p. 189) claims, “Researching accounting for sustainable development performance may entail researchers being active (co)-creators of the accounting they are seeking to understand”. This thesis uses an action research approach to make interventions at the initial procurement design stage. By engaging public sector decision-makers at this early stage of procurement, dialogue on what sustainability means to them and the communities they work in can influence the overall process.

One possible problem for researchers engaging in this type of research is that sustainability is still a wicked and complex issue. A single notion of sustainable

development is unobtainable, and should remain so in order to prevent over-simplification and inadequate capture of the issues (Bebbington, 2009). This is not to say the creation of guidance tools is not possible, however. The tools just need to be developed in acknowledgement of the problem. Frame and Brown (2008, p. 225) claim that “wicked problems” need “clumsy solutions”. In other words, any tool that is developed needs to bring the agenda back to the stakeholders and frame any knowledge and decisions around sustainability in context. This idea of actually encouraging subjectivity and a contextual, participant oriented approach to sustainable decision-making is framed by post-normal scientific theory (Bebbington, 2009; Frame and Brown, 2008; Frame and Cavanagh, 2009). Post-normal science is a decision-making approach that aims to match the complexity of the problem. In this case, it is used as an approach to the wicked problem of finding a consensus on sustainable development (Bebbington, 2009). This thesis explores sustainability accounting research from this post-normal science perspective.

The development of peer communities with relevant knowledge and understanding lies at the heart of the methodological approach to post-normal science. This network of peers will have an informed interest and concern in the issues being decided upon (Bebbington, 2009; Frame and Brown, 2008; Frame and Cavanagh, 2009). This thesis documents the creation of post-normal sustainability technology that creates “interventions for the creation and use of knowledge about sustainability”, whilst recognising that sustainability is “risk-laden, ideologically diverse and highly uncertain” (Frame and Brown, 2008, p. 226). Bebbington (2009, p. 191) argues, “The notions of expertise and post-normal science have not been applied to accounting in any depth”. This thesis studies an extended peer community to examine how an organisation could bring together competing pressures and demands into a “dialogic engagement framework” for helping take sustainable directions and actions (Bebbington, 2009, p. 191).

Gibson (2006b) argues that, whilst consensus is hard to reach, determining the criteria for sustainable development is possible. However, integrating the criteria into a particular setting or context is where it gets more problematic. This thesis examines if this is case and explores the underlying reasons for the current level of decision-making in the public sector that embraces sustainable development. Section 1.1 of this chapter provides a context of current discourses and policy measures around sustainable procurement, and introduces some of challenges faced in putting these into practice. Section 1.2 highlights an example of applying sustainable procurement policy, using Scotland as a national example.

The thesis aims and objectives are shown in Section 1.3. Section 1.4 finishes the chapter by fully detailing the thesis structure. The next Section provides an introduction to sustainable procurement.

1.1 Sustainability policy: the challenge of implementation

It is a widely accepted view that economic development needs to continue in the future in a way that is sustainable. Sustainability includes ensuring the planet does not run out of finite resources, humans have social justice, and financial growth is maintained equitably. The Brundtland Report declares that “sustainable development seeks to meet the needs and aspirations of the present without compromising the ability to meet those of the future” (United Nations World Commission on Environment and Development, 1987, p. 51).

At the core of every definition or strategy, sustainability is essentially about protection and creation. Protection of what is important, in parallel to the creation of new and better services for more people. This requires innovation in institutions of government and socio-technical systems (Kemp et al., 2005). Sustainability is therefore seen as a desirable public policy goal in most developed nations (Thomson et al., 2014). This thesis explores the application of sustainable development discourses through the procurement of goods and services by public sector organisations. Morton et al. (2011, p. 22) claim that:

“Sustainable procurement is being implemented across the globe as a policy instrument to support national, regional and international policies and programmes with respect to poverty eradication, wealth creation, stimulation of local economies and employment, promotion of labour rights, national sustainable development strategies, and innovation and development of environmental technologies”

Whilst the UN has created a guide to sustainable procurement, many countries are already setting their own agenda. Japan, for example, is considered to have one of the strongest systems of sustainable public procurement (Thomson and Jackson, 2007). Thomson and Jackson (2007, p.425) identify Japanese procurement policies to include:

- Eco-labelling
- Purchasing guidelines
- Product lists
- A mandatory reporting system
- Life-cycle analysis information
- A public awareness programme

The Japanese legislation is very centred on greenhouse gas emissions and resource use. The USA and Canada both focus public sector guidelines for sustainable procurement around energy. The European Union (EU) has introduced sustainable procurement legislation, also with a major focus on CO₂ emissions and renewable energy (Morton et al., 2011; Thomson and Jackson, 2007). Within the EU, however, countries such as Sweden and Denmark have taken more holistic approaches by linking the health and social cases for environmentally responsible procurement (Thomson and Jackson, 2007; Walker and Brammer, 2012). The UK Government has a strategy in place for sustainable development that appoints the public sector responsible for leading the transformation towards a sustainable economy (DEFRA, 2005)². This strategy requires public sector organisations to: adopt sustainable practices; re-orient activities to achieve sustainable outcomes; and govern others to act more sustainably (Thomson et al., 2014).

There are problems of implanting local choices for sustainable development into decisions and ensuring that competing objectives eventually become aligned (Gibson et al., 2005; Kemp et al., 2005). Bebbington (2009, p. 192) maintains “sustainable development is moving beyond a vaguely specified goal that everyone would aspire to, to one that has specific meaning in particular settings”. In order to solve this, there needs to be clear and open decision criteria within sustainable development accounting tools. This criteria will offer rationales for decisions and evaluations, help create better learning from previous mistakes, and facilitate better early decisions (Gibson et al., 2005). In a post-normal science approach, any tools that bring this criteria together need to be “heuristic instruments” that provide insight into the wicked problems of sustainability and influence policy to become more responsive and oriented to local context and stakeholder needs (Frame and Brown, 2008, p. 236).

Figure 1.1 shows an action plan for sustainable public procurement developed for EU countries (Clement et al., 2007). Stage One involves defining the scope of the activity: what products and services does the public sector organisation wish to procure in a more sustainable manner? This stage also takes into account current practices, with a view to setting baselines for improvement. The second stage is to use the information and knowledge gained from Stage One to “set targets tailored to the specific interests and capacities of the public authority” (Clement et al., 2007, p. 48). These can be measurable

² The UK Strategy takes into consideration the devolved parliaments of Scotland, Wales and Northern Ireland, each of whom has their own “solutions to the shared challenge of sustainability” (DEFRA 2005, p3).

and time bound. Stage Three includes planning the activities and assigning responsibilities for implementing sustainable procurement. Stage Four is then the implementation of the action plan. Monitoring and reporting of results is Stage Five. At this fifth stage public authorities are encouraged to assess sustainability achievements, report progress and learn for the next procurement cycle.

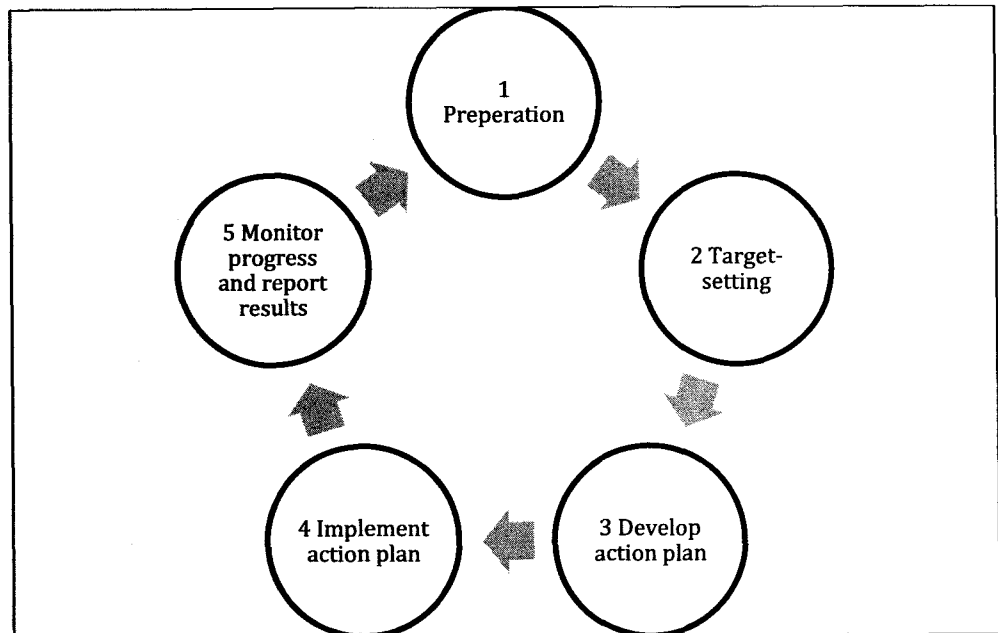


Figure 1.1 Overview of the Procurement Milestone Process (Clement et al., 2007)

Putting procurement into action (Stage 3 and 4) is something that can public authorities will do regardless of the potential sustainability of the product or service. The strength of the sustainable approach is therefore determined during early planning and proven at the reporting stage. Therefore, the empirical research of this thesis focuses on Stage 1, Stage 2 and Stage 5 of the procurement cycle. Preparation and target setting for sustainable procurement requires an understanding of sustainability, from government to local community level. This thesis explores the extent to which decision-makers in the public sector have the knowledge and capacity to plan for sustainability. The thesis also investigates if decision-makers are able or willing to plan for reporting and monitoring of sustainability progress, the main components of Stage 5 of the cycle.

There is a lack of research of public sector capacity to respond to demands for greater accountability for sustainable development. Government policy in most places is inconsistent with sustainable development, discouraging innovations and sustainable

behaviours (DEFRA, 2005, 2006). Policy can often only be words as opposed to real, embedded action (Bebbington, 2009). Research needs to be undertaken that explores how public, private and third sector reporting can be integrated so it is meaningful at larger scales. In particular, more qualitative studies need to be carried out in this subject area (Ball and Grubnic, 2007). Bebbington et al. (2007, p. 348) go further, arguing that “theories are needed to explain the linkages between the public policy agenda for sustainable development and how such an agenda becomes embedded (or not) in the workings of the private, public and third sector”.

Frameworks for sustainable development accounting need to be built into any public sector organisation reforms and policies. For example, Ball and Grubnic (2007) point to the potential for public sector organisations to demand sustainability reporting as part of the contracting process for public-private partnerships. They see public-private partnerships as a “fascinating focus for researchers to explore the relative commitments of public and private sector players to the sustainable development agenda, and in relation to reconciling the interests of different stakeholders” (Ball and Grubnic, 2007, p. 258). Ball and Grubnic (2007) state that sustainability accounting is useful if it:

- Can define what is organisationally a significant contribution;
- Is a vehicle for translating political objectives for sustainable development into policies and programmes;
- Is a frame of reference for understanding how natural and social systems work when undertaking tasks and activities.

Embedding sustainability into any practice is a widely acknowledged challenge. Accounting and reporting is recognized as one way of achieving this (Ball and Grubnic, 2007; Broadbent and Guthrie, 1992; Gray, 2010; Thomson et al., 2014). Lamberton (2005, p.18) states, “the primary objective of the sustainability accounting framework together with the chosen definition of sustainability determines the principles which guide the capture and reporting of accounting information”. However, problems with this include reaching a consensus on what sustainability should and could look like, what indicators of sustainable performance are to be used, and ensuring the capacity and buy-in of all individuals involved. This has implications in which a sustainability policy may not be implemented within public service delivery the way it was designed to be (DEFRA, 2006).

There is an argument that governments are responsible for implementing and promoting global sustainability policies (Ball and Grubnic, 2007; Grubnic and Owen, 2010; Kemp et al., 2005). The Procurement Reform (Scotland) Bill is one example of an attempt

to localise the sustainability agenda. It creates a set of principles that managers of public service procurement should adhere to in order to better ensure sustainability. This is a reaction to the participatory governance shift, which has subcontracted the public tasks that were previously carried out as a matter of principle by public sector bodies (Broadbent and Guthrie, 1992; Ball and Grubnic, 2007). Contracting out of services creates a shift in emphasis to efficiency, effectiveness and value, and requires greater cooperation between different organisations for planning and reporting on sustainability (Broadbent and Guthrie, 1992; Kurunmaki and Miller, 2006, 2010). The next section examines in more depth attempts to drive sustainable procurement in Scotland.

1.2 Procurement reform in Scotland

This thesis explores sustainable procurement within local government in Scotland. The Scottish Government states that “a public body must, in exercising its functions, act [...] in a way that it considers is most sustainable” (The Scottish Government, 2009). In 2013 the Scottish public sector received new objectives and discourses in the form of the Procurement Reform (Scotland) Bill. This is:

“An Act of the Scottish Parliament to make provision about the procedures relating to the award of certain public contracts; to require certain authorities to produce procurement strategies and annual reports; and for connected purposes.” (The Scottish Government, 2013b, p. 1)

The provisions, strategies and reporting requirements outlined in Procurement Reform (Scotland) Bill involve a number of sustainability policies for public sector organisations to follow. The thread running through these policies and areas for reform is the drive for a more sustainable approach. The Procurement Reform (Scotland) Bill consultation paper stresses that:

“Procurement is a key means of delivering the Scottish Government's priorities and underpins the achievement of the social, economic and environmental benefits that sustainable economic growth demands” (The Scottish Government, 2012a, p. 7).

Box 1.1 shows the six headline areas of reform. Some are explicitly about sustainability, such as accounting for social and environmental sustainability issues (reform area 4), or encouraging partnerships and contracts with third sector organisations, such as social enterprise (reform area 2). Other aspects of the

Procurement Reform (Scotland) Bill build sustainability into other processes. For example, reform area 1 is aimed at creating more consistent and transparent processes for public procurement. The underlying aim of this is to open up opportunities for local businesses and social enterprises, promoting equality and opportunity within local communities.

The Procurement Reform (Scotland) Bill, like other sustainability policy and legislation, has a dual aim of forcing compliance in sustainable development and facilitating a shift in attitudes and behaviours towards sustainable development. One of the stated priorities of the Bill is:

“Embedding sustainable procurement – which is 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 and generates benefits not only to the organisation, but also to society, the economy and the environment – at the heart of the reform agenda” (The Scottish Government, 2012a, p. 10).

Box 1.1 The Procurement Reform (Scotland) Bill six proposed areas of reform

1. Public procurement processes are transparent, streamlined, proportionate, standardised and business-friendly
2. Making it easier for business, particularly newer businesses, SMEs and the third sector, to access public contract opportunities and sub-contracting requirements
3. Smarter use of public procurement to encourage innovation and growth
4. Taking account of social and environmental sustainability issues through public procurement
5. Dealing with inappropriate conduct and poor performing suppliers
6. Application and compliance

(The Scottish Government, 2012a, p. 5)

Figure 1.2 shows the evolution of the Procurement Reform (Scotland) Act, from consultation stage, to Bill and, ultimately, to Act. The Procurement Reform (Scotland) Act began with the working title “Sustainable Procurement Bill” (The Scottish Government, 2012b). This was changed in August 2012 to the Procurement Reform (Scotland) Bill, ahead of the public consultation on the bill. The consultation period began on 10th August 2012 and ended on November 12th 2012. The Procurement Reform (Scotland) Bill was introduced to the Scottish Parliament on 3rd October 2013. The Procurement Reform (Scotland) Bill was passed by the Scottish Parliament on 13th May 2014 and is from that point is known as the Procurement Reform (Scotland) Act. The enactment of the Procurement Reform (Scotland) Act has been delayed until autumn 2015 due to issues with

the content of the Act that were identified after the Bill was passed. The empirical results of this thesis examine these issues in parallel to the thesis findings in Chapter 6. The empirical research for this thesis was carried out between December 2011 and May 2014, so the Procurement Reform (Scotland) Act had not passed through Parliament. Therefore, this thesis refers to the Procurement Reform (Scotland) Bill throughout the majority of the text.

During the consultation period, the change of name from Sustainable Procurement Bill to Procurement Reform (Scotland) Bill was felt by many to be an unconstructive step in the process towards a more sustainable public sector in Scotland. For example, Stop Climate Chaos Scotland³ (2013, p.1) expressed concern:

“That the initial intention behind this Bill, to achieve more sustainable procurement, has been lost. Indeed, this change of focus is reflected in the renaming of the proposed Bill from Sustainable Procurement Bill to Procurement Reform Bill”.

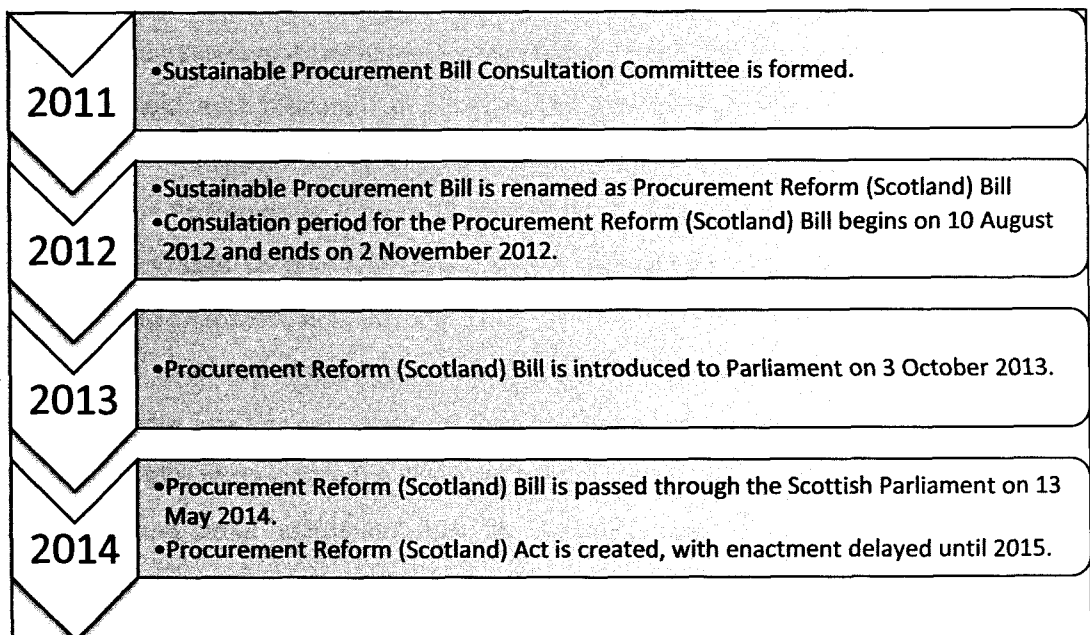


Figure 1.2 The evolution of the Procurement Reform (Scotland) Act

These sentiments were further echoed by other organisations involved in the consultation for Procurement Reform (Scotland) Bill. The Scottish Trades Union Congress “found the bill slightly disappointing when measured against the early aspirations for what was then

³ Stop Climate Chaos Scotland is a coalition of 60 organisations that campaigns to ensure the Scottish Government meets its climate change obligations (Stop Climate Chaos Scotland, 2014).

described as a sustainable procurement bill” (Scottish Parliament, 2014, p. 14). Unison, another trade union, felt that:

“In broad terms, the bill is fine, but generally it is too timid. It reflects a risk-averse approach to procurement. It focuses essentially on housekeeping - on tidying up systems - rather than on the wider benefits that we could get from the £9 billion to £11 billion of procurement” (Scottish Parliament, 2014, p. 9).

Not all feedback on the Procurement Reform (Scotland) Bill was negative. The Federation of Small Businesses Scotland felt that the Procurement Reform (Scotland) Bill “could be an important step in changing how we view procurement in Scotland, recognising that public spending decisions can affect a number of other policy objectives” (Scottish Parliament, 2014, p. 8).

Overall it was felt that the Procurement Reform (Scotland) Bill, in principle, provided a platform for Scotland to take a more holistic approach to sustainable government spending. The six reform areas identified in Box 1.1 certainly mirror the approaches of Sweden or Denmark in which social, health and environmental issues are all considered with each procurement decision. There is also a greater focus on accountability and public awareness, which echoes the approach of Japan. However, some of the criticism aimed at the Procurement Reform (Scotland) Bill is that, unlike Japan, it does not “give proper importance to environmental benefits alongside social and economic benefits” (Stop Climate Chaos Scotland, 2013, p. 1).

The empirical research for this thesis was undertaken during the consultation period, when it was unclear what final form the Procurement Reform (Scotland) Bill would take. It was also unclear how the Procurement Reform (Scotland) Bill would fit with current processes and other legislation such as EU procurement legislation⁴. The reform in procurement towards a greater focus on sustainability would also require those at the decision-making level of public spending to understand and embrace the principles and guidance of the Bill. As Section 1.1 alludes to, this is no easy task. Understanding sustainability, setting performance targets, delivering on those targets, and then evidencing the impacts is a big challenge for non-experts in sustainability. The next section outlines the thesis research aims and objectives in relation these issues.

⁴ Application of the Procurement Reform (Scotland) Act regulations is planned for 2015. This is to allow time for the Scottish Government to ensure compliance with EU Procurement Directives (The Scottish Government, 2014b).

1.3 Thesis aim and objectives

This thesis asks the question: to what extent can sustainability be embedded in decision-making for public services? Within this research aim there are three main objectives:

Objective 1: Explore the current sustainability of public services in the context of changing sustainability discourses

Objective 2: Assess the understanding and interpretation of sustainable development by key stakeholders in public service delivery

Objective 3: Develop a framework or set of proposals for sustainability to be more effectively understood and applied in the procurement process in public sector organisations

The introduction in Scotland of the Procurement Reform (Scotland) Bill offered a chance for this research to take place in the context of change, reaction to change and the role of reporting, as suggested by Bebbington (2007). What capacity do public sector organisations (and their private and third sector partners) have to respond to the sustainable development agenda set by the Procurement Reform (Scotland) Bill? This thesis aims to build on the research of those such as Thomson et al. (2014) in exploring the interactions between the government level sustainable development agenda and programmatic aims, service procurement (including the role of the third sector in the transformation to a more sustainable model), and accounting as a mediating mechanism to increase understanding of sustainability and assess progress.

The thesis does this by developing post-normal sustainability technologies (Frame and Brown, 2008) for translating the discourses relating to sustainability. Gray (2010) argues that academic attempts to study, research and influence sustainability accounting and accountability are unlikely to reflect the issues. However, researchers can help public sector organisations make advances, stay engaged, retain organisational legitimacy, and feel supported that sustainability accounting is not too radical a concept in instances where it is not widely accepted (Ball and Grubnic 2007; Bebbington 2009; Bebbington et al. 2007; Frame and Brown 2008; Frame and Cavanagh 2009). Sustainable development accountability frameworks developed by researchers can also help by gaining community or stakeholder perspectives, and strengthening relationships and contributions in communities that live within the limits of ecological and social systems (Ball and Grubnic 2007; Bebbington 2009; Bebbington et al. 2007; Frame and Brown 2008; Frame and Cavanagh 2009). The next section outlines the thesis structure.

1.4 Thesis Structure

The next chapter, Chapter 2: Literature Review, investigates secondary theory and data relating to the objectives. It introduces the existing links between the sustainability agenda and public services, with a particular focus on reporting and accountability for sustainability. It then examines differing approaches to sustainability and sustainability accounting, with a focus on post-normal sustainability technology. Chapter 2 then concludes by looking at sustainability decision-making tools as translators of the sustainability agenda and, therefore, potential instruments of change.

Chapter 3: Research Methods, illustrates and justifies the strategy of the empirical research. It details the methods used to determine if sustainability can be embedded in decision-making for public service delivery. Data collection methods and the reasons why they are appropriate to this thesis are outlined.

The thesis empirically sets out to first examine the sustainability of public service delivery and the way services are procured at the time of the Procurement Reform (Scotland) Bill consultation. Chapter 4: Classifying the drivers and barriers to sustainable public service delivery, details and analyses the context of sustainable public services using a case study approach. Ten services in Scotland are analysed against the aims of the Procurement Reform (Scotland) Bill to determine how much sustainability is already part of the decision-making processes of those involved.

Chapter 5: Creating the first draft of the Sustainability Impact Assessment Toolkit, examines what a translating tool for sustainability discourses could look like. This examination draws upon theory, empirical research results and sustainability discourses from international and national level. Chapter 6: Testing the Sustainability Impact Assessment Toolkit, reflects on barriers and drivers to implementing sustainability policy such as the Procurement Reform (Scotland) Bill using workshops and a revisit to the ten services from Chapter 4.

The thesis is concluded in Chapter 7, which summarises the findings and forms recommendations. The next chapter will review current literature on sustainability accountability within public sector.

Chapter 2 Literature Review

The overall aim of the research is to uncover: *To what extent can sustainability be embedded in decision-making for procuring public services?* Bebbington (2007, p.230) argues that research on sustainability accounting and accountability should focus on:

- Context of behaviour change (ethical investments, changing legal requirements, change of codes of conduct)
- Actions of organisations in response to changes in context (development of new forms performance appraisal, project evaluation, or budgeting systems)
- How reporting of performance reflects alterations in instructions or actions

This thesis aims to uncover the drivers and barriers to sustainability within public services and explores the potential for change. The literature review therefore examines the main issues surrounding the inclusion of sustainability in decision-making. In this thesis the notion of accountability for sustainability is based on the principle that every individual and organisation has simultaneously a right to information and a duty to supply it. Accountability ensures that communities remain empowered and organisations are transparent (Gray, 1992). This thesis explores if public sector decision-makers have the knowledge and capacity to plan and assess sustainable practices when procuring, in line with the drive for sustainable public services. The thesis seeks to examine this from a post-normal scientific perspective, using post-normal sustainability technology to explore the potential for change in processes, attitudes and organisational culture. The chapter begins in Section 2.1 by looking at drivers of sustainable planning and decision-making in public sector organisations. The resulting repercussions of the sustainable development agenda for decision-making in public sector procurement are then discussed. Increasing demands for accountability that have resulted from the changes in government models are then explored. The section also explores the background to the increasing shift towards public service provision by third sector organisations, such as social enterprises and community groups, and how this has effected the procurement of services.

Section 2.2 examines approaches to assessing sustainability, both within and outwith the context of public services. It looks at existing and proposed models of

sustainability accounting and how these are interrelated within the broader theories of post-normal sustainability technology. This alternative approach presents the opportunity to effectively meet legislative changes and create, through better decision-making processes at the procurement stage, more resilient and sustainable public service delivery.

Finally, Section 2.3 reflects on the potential for such systems of accounting to facilitate and drive the changes required from new instructions or sustainability discourses.

2.1 Shifting settings and agendas for public procurement

Sections 1.1 and 1.2 introduced the transformations required to meet the targets and goals for sustainable development, including some of the targets set by legislation. Sustainability accounting and accountability is one of the actions and expertise required to change as part of this transformation process (Thomson et al., 2014). Accounting and accountability is “the measuring, recording, reporting, justifying, and responding to performance metrics of judgements, actions, and outcomes” (Kinder, 2011, p. 148). In the context of the sustainable procurement cycle (and in this thesis), accounting and accountability is the process of planning, monitoring and reporting on impacts that are in line with the wider societal and governmental sustainable development agenda and discourses. It is widely agreed that accounting for sustainable development is a useful practice, and one that plays a crucial role in embedding sustainable development principles into decision-making processes within organisations (Ball and Grubnic, 2007; Broadbent and Guthrie, 1992; Gray, 2010; Thomson et al., 2014).

However, sustainability accounting for decision-making is also a problematic and challenging discipline. There is a danger that as performance assessment moves from the traditional use of monetary measurements to a broader sustainable development focus, the discipline will fail to reform in a way that promotes sustainable development in the right manner (Kinder, 2011). Problems for planning and assessing sustainability in procurement of public services may include:

- Reaching a consensus on what sustainability could and should be or look like
- Prioritising and choosing the right indicators of sustainable performance
- The capacity of organisations and individuals to change systems and behaviours
- The ability of management accounting as a mechanism to deliver and assess sustainable development

These issues are explored in more detail in section 2.3 of this chapter.

The accountability framework demonstrates the cycle by which the planning, monitoring and reporting of actions take place. Instructions and expectations from one party (the principal) are passed onto another party (the agent) (Bebbington, 2007). The agent then carries out these instructions and provides an account of the actions. An example of the accountability framework in action might be a central government creating legislation, which is then carried out by branches of local government. Figure 2.1 shows an example of this, using the Procurement Reform (Scotland) Bill. The legislation is created and passed by government and the sustainability agenda is then passed down to a local level in the form of public sector organisations. Public sector organisations, such as local authorities, are then accountable to the government regards performance in carrying out the actions enforced by the legislation. What is often missing is a translation of the legislation or agenda for those agents responsible for its implementation. This is where an accounting tool can be used for educating and helping at both the initial planning stage and reporting stage.

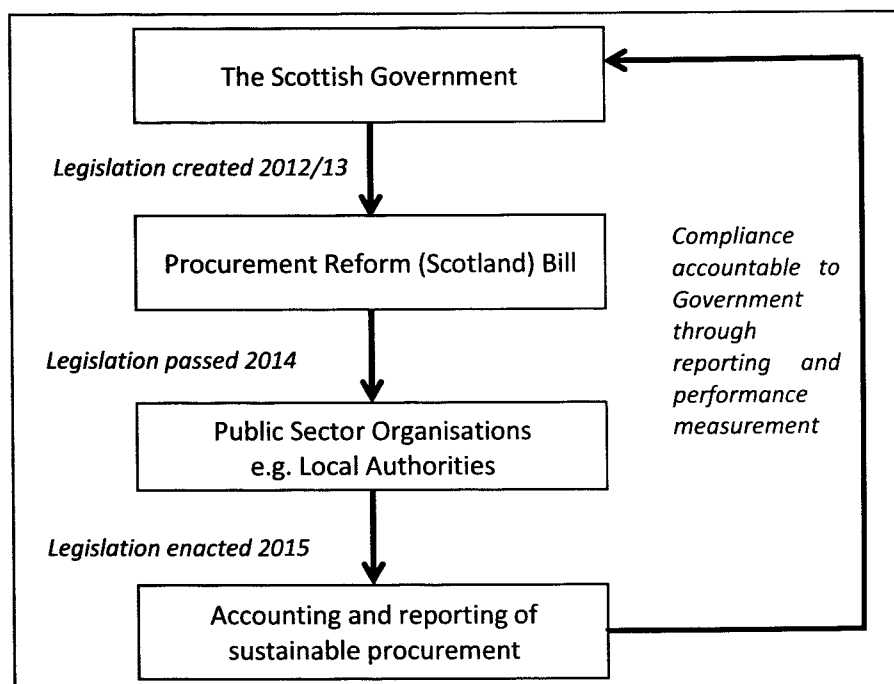


Figure 2.1 Example of the Accountability Framework using the context of the Procurement Reform (Scotland) Act

Whether the accounting process is for performance assessment, transformation of activities and approaches, or to govern others, the practice must be transparent and

robust. Molnar (2011, p. 115) argues that “accountability must be a democratic process through which shared goals are explicitly established, progress is measured, and work to improve performance is motivated and guided”. In other words, the process is more than just showing a set of results. It is an activity that can shape the direction of an organisation, a department or an individual. It can act as a precursor to guide decisions and strategies (Gibson et al., 2005), such as in the early stages of the procurement milestone cycle (see Figure 1.1), and can be a tool for demonstrating success or failure *ex post*. In summary, any new planning for sustainable development, such as the sustainable procurement of a service, can make use of sustainability accounting tools to guide the change (Kemp et al., 2005).

Sustainable development accounting, therefore, is as much a tool for management of organisational activities in a sustainable manner, as it is for reporting on sustainable performance and value. Accounting is critical for the formation of local sustainable development programmes and practices (Thomson et al., 2014) and, despite some issues, is still one of the most effective methods available to measure sustainable development at organisational level (Gray, 2010). Accounting in any area of the economy is not just a series of tests and evidence, but a system of goals and values (Power, 1997). Underneath every decision made is a set of guiding criteria or purposes. These guides can focus on (Gibson et al., 2005):

- The detail of the review needed for the undertaking
- The possible significance of the effects
- What the preferable options might be
- The acceptability of any design changes
- Whether a programme of monitoring is evaluating the right things

Within the broad programmatic discourse of sustainable development, objectives and criteria are delivered from all levels and scales of society. However, what is unclear is the full extent to which guiding criteria is actually used or embraced by those at an everyday working level of society (Bebbington, 2009). This thesis investigates if those in local government procurement are embracing sustainability and have the capacity to make decisions with consideration for sustainability.

As well as driving sustainable planning and decision-making in procurement, the increase in demand for non-financial outcomes and results has seen a parallel rise in requirement for accountability tools (Paton, 2003). This is particularly true in the context of the public sector. Indeed Mintzberg (1996, p. 76) argues that “if we are to manage

government properly, then we must learn to govern management". As more stakeholders from all parts of society engage with public service delivery, there will be greater transparency of the societal impacts and services will be reformed for the better (Joshi, 2008). Public sector organisations are bound by a mission that is not financial, but one of serving society in some manner. Increased financial income often comes from political agendas. For example, if crime is a current societal concern more finances will be allocated to police forces and prisons services. These organisations are then under pressure to show that this additional income has created value. The only way to show this is through performance indicators set against targets (Bolton, 2003). The same can be said for sustainable procurement: if sustainability discourses are currently high on the public agenda, then procurement of public services will need to be proven to be carried out with consideration for sustainability.

This section explores the reasons for the increase in the need for public sector bodies to plan for sustainability at an early stage in procurement and later demonstrate sustainability of the procurement through reporting mechanisms. The section also examines the rise of the procurement of services from third sector organisations as part of the participatory governance agenda. The thesis later empirically studies procurement of services from third sector organisations, so it is necessary to review the context of where, how and why the third sector has influenced the planning, monitoring and reporting of sustainability in public procurement.

Section 2.1.1 explores these changing models of public service provision, including the implications for sustainable development from the privatisation of public services and models of participatory governance. Section 2.1.2 then looks at how the ever-increasing sustainable development agenda has had an effect on the way procurement of public services is planned and delivered. Finally, Section 2.1.3 investigates increases in demand for reporting and the implications this has for sustainable public procurement.

2.1.1 Changing models of public service provision

Public sector organisations carry out services to the community that are "essential to the fabric of our society" (Broadbent and Guthrie, 1992, p. 3). However, the distinct boundaries between private and public sector that previously existed is now being blurred by the contracting out of services (Ball and Grubnic, 2007) and increased emphasis on participatory government (Citroni and Nicolella, 2011; Kurunmaki and Miller, 2006). This

has seen accounting discourses move from central control and compliance to an emphasis on efficiency, effectiveness and value (Broadbent and Guthrie, 1992; Kurunmaki and Miller, 2006, 2010).

A recent trend in the UK and other developed nations, such as USA and Canada, has been the increase in private organisations delivering public services to communities. This has been driven by ideological and economic strategies. These changes, such as privatisation of public services and industries, first emerged in the 1980s. These changes are all part of a long-term shift from so-called “Big Government” or state ownership of assets and services to the privatisation of many publically owned services and industries. This has resulted in public-private partnerships and the aforementioned contracting out of services (Ball and Grubnic, 2007). However, the profit focus of private sector organisations led to criticisms that services that are needed for social (or environmental) good may be at risk from self-interest and a commercial focus. Ball and Grubnic (2007) use the example of privatised prison services in this respect. A commercial interest on the part of the service provider to keep prisons full and thus increase financial income would clash with the societal interest to keep crime low. This thesis explores the capacity of those making decisions regarding procurement of public services to ensure that societal consequence is a primary focus, particularly in regard to principles of sustainable development.

There is an argument that some public tasks should fall to public agencies as a “matter of principle” (Ball and Grubnic, 2007, p. 247). This is because some public tasks stem from political decisions and are driven by societal need or desire to do the right thing. The people in public sector organisations have a more ethical motive to fulfil tasks (Ball and Grubnic, 2007; Grubnic and Owen, 2010). Public sector remit should include not just service provision, but facilitation of social inclusion and local economic benefit (Grubnic and Owen, 2010). Where the public sector cannot or will not provide a service, the gap between commercial interest of the private sector and the ethical motives of the public sector often require to be filled. Third sector organisations, such as social enterprise, have emerged and increased in scale, in part as a reaction to these criticisms and requirements (Sadler and Rogerson, 2011). See Box 2.1 for useful definitions of third sector organisations.

The trend for third sector service delivery also comes from necessity, such as when and where funding cuts affect service provision. Third sector organisations are performing a new role in society in which they provide “high quality services in areas where welfare systems are not fully covered by governments” (Citroni and Nicolella, 2011, p. 23).

Kurunmaki and Miller (2006, p. 88) observe, “Intense and innovative cooperative working among public, private and voluntary providers is promoted as a way of replacing the existing fragmented and dispersed service provision”. Third sector organisations are “maintaining the mechanisms that hold the government and market accountable by the public” (Molnar, 2011, p. 103). This thesis tests this notion, by observing the relationships and potential impacts on sustainability when public services are procured from third sector organisations.

Box 2.1 Definitions for the third sector

The third sector	“Comprising social enterprises, voluntary organisations, co-operatives and mutuals” (The Scottish Government, 2012c, Online)
Social enterprises	“Businesses with primarily social objectives whose surpluses are principally re-invested for that purpose in the business or the community rather than driven by the need to maximise profits for shareholders or owners” (The Scottish Government, 2010, Online)
Volunteer groups	“Volunteering is the giving of time and energy through a third party, which can bring measurable benefits to the volunteer, individual beneficiaries, groups and organisations, communities, the environment and society at large. It is a choice undertaken of one's own free will, and is not motivated primarily for financial gain or for a wage or salary” (The Scottish Executive 2004, p7)

The number, significance, and visibility of third sector organisations fulfilling a role as influential civil actors has continued to increase (Molnar, 2011). In Scotland, for example, delivery of public services is a major driver of the third sector. The Scottish Council for Voluntary Organisations (2011, p. 2) declares that:

“Public sector contracts and grants make up around 42% of the sector’s income. This is a mixture of commercial contracts to deliver services and small grant funding, which is often targeted at providing services which help and support the most vulnerable, hard to reach people in society”.

This thesis investigates if this critical combination of both a drive for sustainable development and a shrinking public sector has created the potential for the third sector to become not just a major player in public service delivery, but to have a key role in enabling sustainable procurement to be planned and subsequently reported. Third sector organisations contribute to sustainable development at both local and global level (Citroni and Nicolella, 2011), and promote best practice and keep public and private organisations accountable (Molnar, 2011). This view is backed up by Gibson (2006a, p. 262):

“Sustainability initiatives have helped push the transition from a standard market-and-state government model to multi-player governance. There is now increasingly widespread acceptance that while governments and markets remain crucial, they are also insufficient and there is a consequent need for bigger systems linking public government, market actors, civil society organisations, and engaged citizens, often at several scales, local to global”.

Public service outsourcing to social enterprises can ensure a healthy balance between economic, social and environmental values. These are three important, although not exclusive, determinants of sustainable development. However, in many systems of government there is a danger that economic factors may take precedent in any decision-making (Gibson, 2006b; Pope et al., 2004). Economic efficiency has, in fact, long taken precedent over the effectiveness and equity of public services where accountability is concerned. This creates problems for planning and reporting on procurement of services, as financial metrics are not the only signifier of value. The “sophistication of public governance of the fragmented state” is not conducive to the traditional profit and loss model of accountability (Ball and Osborne, 2011, p. 4). This thesis explores this theory further. It examines current practices used by public sector organisations when assessing and planning procurement of public services, explores the reasons behind these practices, and looks at potential for a shift to more sustainable models.

This thesis also explores the practices of public sector organisations when considering reporting of impacts of sustainable procurement decisions. The current model of participatory governance puts strong demands on organisations. They must meet the challenge of adherence to “principles of information, stakeholder engagement, and stakeholder empowerment” (Citroni and Nicolella, 2011, p. 26). However, it is often the case that the most effective forms of sustainable innovation are planned, implemented and accepted by stakeholders in ways that are not conducive to measurement or performance management (Citroni and Nicolella, 2011). Performance measurement and management is made harder when it crosses organisational boundaries. It is a particularly formidable undertaking for both procurers and service providers when required in parallel to transforming practices, structures and local working relationships for sustainable service delivery (Kurunmaki and Miller, 2006).

This thesis practically tests approaches to sustainability that seek to bridge these gaps. It develops a Sustainability Impact Assessment Toolkit to more explicitly demonstrate

to decision makers the links between different organisational boundaries and relates these to sustainability concepts and outcomes. The Sustainability Impact Assessment Toolkit also aims to encourage consideration of reporting of impacts during the planning stages of sustainable procurement, so all stakeholders are better equipped to measure sustainability performance at the latter stage of the procurement cycle (see Figure 1.1).

Hood (1995) cites the importance of local practitioners and their routines for implementing larger agendas. This rings true for the implementation of the sustainable development agenda when procuring goods and services. Local public sector organisations and partners, such as third sector organisations, are best placed to deliver services in a way that is line with sustainable programmatic discourses. Kemp et al. (2005, p. 18) argue “the shift from *government* to *governance* spells a change in decision making and numerous opportunities for the pursuit of sustainability” (italics in original).

However it is also recognised that government still has a crucial role to play in the sustainable development agenda, even in an era of neoliberalism and the shrinking state (Kemp et al., 2005). It is government who will be responsible for implementing much of the global agenda for sustainable development. The task of involving all groups in civil society, including businesses and citizens, in the transition to greater sustainable development requires government to coordinate, initiate and legitimise actions and behaviours (Kemp et al., 2005). Sustainable procurement, due to the size of public sector spend in developed countries, has a large role to play in this wider task. It can influence internal processes with public sector organisations and force suppliers to provide more sustainable goods and services (Clement et al., 2007). The next section will look in more detail at public service provision and the sustainability agenda, and the implications this has on public sector procurement.

2.1.2 Sustainable development agenda and public procurement

Ball and Osborne (2011, p. 4) argue that sustainability within public sector organisations needs to be researched with the aim of creating public management with “such values as the common good, social justice, social and ecological sustainability, and ethical public management”. The public sector role of leading by example and influencing private sector organisations is only effective if public sector organisations are also accountable. Introducing monitoring and reporting mechanisms may strengthen all sectors and, indeed, civil society itself (Molnar, 2011). Using the third sector as an example, Paton (2003) argues

that social enterprises need accountability in order to show sustainability performance to various stakeholders. This includes demonstrating value to government and policy makers. Third sector organisations also need to retain confidence within the communities that they provide a service. The same could and should be true of the public sector bodies that are procuring services from the third sector.

Outsourced procurement of public service delivery creates greater issues of transparency and representativeness (Citroni and Nicolella, 2011). Representativeness can be an issue as third sector organisations often pursue niche causes in a particular locality, sector or ideological area. This can prevent third sector organisations from representing society in general (or at least create this perception). Accountability arises from the fact that a lot of money is invested in third sector organisations and they are also often given special tax schemes and other benefits in return for the social outcomes they are designed to provide (Citroni and Nicolella, 2011).

This need for performance appraisal of procurement puts pressure on public sector bodies to adopt managerial and performance measurement systems (Paton, 2003). Accountability increases are not always desirable. They can create: overburden; increased bureaucracy; tensions in stakeholder prioritisation; uncertainty of how to use accountability (e.g. short term or strategically); and questions of whether the accountability mechanism should come from within or outwith the organisation (Molnar, 2011).

This “ethical management and governance of public services and resources” is a major issue within the field of sustainability accounting (Ball and Osborne, 2011, p. 2). For example, social accounting still has to address the issue of sustainability within the public sphere. Addressing this issue of sustainability and social accounting is seen as one of the key challenges for public management in the future. Indeed, it may be a fundamental enabler of supporting and changing public procurement toward a more effective and sustainable model (Ball and Osborne, 2011).

Sustainability accounting can also play a role in a number of key areas relating to public service procurement decisions. These can include “encouraging stronger connections between strategic and project level accounting and accountabilities, better links among accounting and accountability methodologies, more effective inclusion of usually disadvantaged voices, improved means of combining formal and traditional sources of data and insight, and more successful combinations of anticipation and adaptation”

(Gibson, 2006a, p. 260). According to Citroni and Nicoletta (2011, p. 26) sustainability measurement and reporting becomes a crucial element of participatory governance by:

- Reducing relevant information gaps between the organisation and its stakeholders
- Making public the organisational commitment towards goals agreed with concerned stakeholders
- Creating opportunities to set strategic goals with the co-operation of stakeholders
- Evaluating the performance in meeting agreed goals with the active participation of concerned stakeholders
- Creating a fertile ground for the planning of improvement projects with concerned stakeholders

Private sector social accounting is done with the aim of showing that companies are not just about economic outputs. Public sector (or not-for-profit) social accounting is undertaken with the rationale of showing social and environmental value in economic terms. Both phenomenon could be attributed to the increasing distance between individuals and organisations, and the neo-liberal focus on markets and economics (Gray et al., 2011). Public, third and private sector organisations all essentially attempt to justify their actions and reason for being. Interestingly, Gray et al. (2011) argue that in much of the literature this link is not specifically addressed.

Working in the public and third sectors may offer the most opportunity for imaginative and experimental developments in social accounting. Away from the power of the private sector to determine what is researched and to what extent change occurs from the research, actively working with value based organisations such as a social enterprise offers “considerable promise” (Gray et al., 2011, p. 16). Many of the ingredients for change to new models of sustainable development will lie in value-based organisations, social enterprises, NGOs and community businesses (Gray et al., 2011; Sadler and Rogerson, 2011). Much of the research into sustainability of supply chains focuses on inter-organisational relationships in the private sector. Very few studies specifically address the sustainability implications of procurement and partnerships between public sector and small businesses (Walker and Preuss, 2008).

However, researching the sustainable development agenda within the public sphere is not a straightforward issue. Osborn (2011) estimates that there are approximately 661,000 on-record national and sub-national governments worldwide⁵. This has implications for the use of sustainable development indicators, as there are many

⁵ This figure does not take into account over 500,000 villages in countries such as China, where status as local self-governments is not officially agreed (Osborne 2011).

differences in terminology and in local political priorities and agendas. Even if one removes the specific subject of sustainability from the debate and focuses simply on the overall planning and monitoring of performance of public service procurements, there are many differences. For example, Table 2.1 shows that the UK is only one of those included in an OECD (2008) study to use financial performance as an indicator of success in public service provision.

As financial performance measurements are supplemented and merged with sustainable development indicators, more pressure and time is loaded onto service providers and decision-makers. More consideration for the dual pressures that organisations face when carrying out the mission of sustainable development and having time and resources to report on performance is required. A balance between the policy outcomes and “housekeeping” in public sector organisation sustainability accounts is also desirable (Ball and Grubnic, 2007).

Table 2.1 Performance indicators used by selected governments to measure the performance of public-private partnerships

	Victoria, Australia	Brazil	France	Hungary	UK
Efficiency measures defined in terms of inputs and outputs	X	X		X	X
Effectiveness measures in terms of outcomes	X	X	X	X	X
Service quality measures	X	X	X	X	X
Financial performance measures	(1)				X
Process and activity measures	X	X		X	X

1. Contracts in Victoria do not include financial performance measures but government monitors financial performance. Source of table: OECD (2008, p. 81)

The planning, monitoring and reporting of sustainable procurement are key mechanisms in this process, and this is discussed in the next section.

2.1.3 Monitoring and reporting of sustainable procurement

As private and third sector organisations take on responsibility for delivery of public services, regulation is needed to facilitate this role. This redesign of government has been one direct cause of the rise in demand for sustainability monitoring and reporting when procuring services. The greater the distance between government and essential services,

the greater the need for accountability and reporting (Mintzberg, 1996; Power, 1997). Stage five of the procurement milestones identified by Clement et al. (2007) forms the basis for both assessing the sustainable impact of a procurement and for ensuring future procurements are equally or increasingly sustainable.

Kemp et al. (2005) consider the shifting nature of government and governance to have been a factor in the change in decision-making models and processes. As the centrally controlled public sector is replaced by outsourced service delivery and cooperative networks, power is now held more equally by a series of interconnected actors. This power can take the form of knowledge, finance or entitlements. This gives greater autonomy for these actors to behave, self-regulate and make decisions how they see fit. Box 2.2 shows the opposing models of government and how they influence the decision-making and accounting processes.

Box 2.2 Description of Governing and Governance	
<p>Governing The act of purposefully steering, guiding, controlling, and managing society from a more centralised system of government</p>	<p>Governance Offering space for greater choice in how one is allowed to act. The interactions are based on deliberation, negotiation, self-regulation, and authoritative choice, as opposed to central control.</p>
(Kemp et al. 2005)	

Of interest to the sustainable development agenda and to this thesis is how, and the extent to which, actors in a more governance-based approach adhere to collective decisions.

Governance structures can (Kemp et al., 2005):

- Support negotiation processes for establishing and acting on sustainable development goals
- Determine sustainable development objectives at various levels
- Provide and shape drivers for sustainable development
- Set standards for sustainable development
- Monitor compliance of sustainable development indicators and objectives

The sustainable development agenda is widely known to be a contemporary area of importance for government, as discussed in Chapter 1. The model of public services currently allows choice in how public sector organisations turn sustainability programmatic discourses into actionable plans and processes. Bebbington (2009, p. 191) recognises that systems of governance for sustainability contain three elements:

- Specification of the problem to be addressed;
- A sense of what 'better' outcome is being sought;
- Mix of various governing techniques that come together to allow the now to become the desired future.

This requires coordination of many different, and sometimes competing, institutions. It is a strategy that relies on individual perceptions of what sustainable development should look like, as well as choosing the right indicators and objectives. Post-normal sustainability technology can address this gap between sustainability discourses and implementation of policy and principles. It can do this by enlisting multiple stakeholders with different perspectives and capacities to co-produce sustainable development knowledge (Frame and Brown, 2008; Frame and Cavanagh, 2009). This thesis tests if post-normal sustainability technology can effectively be applied during the procurement process, and if knowledge of sustainability is developed and wide enough in government bodies responsible for service delivery.

The modernising government agenda requires hybridisation of expertise and organisational forms. That is to say that, as sustainable development principles and practices are encouraged, areas of government and associated processes that were traditionally separate are now being fused together (Kurunmaki and Miller, 2006). Every government department now has to consider the sustainability of its operations and services. For example, a sports and leisure department of local government now has to account for the social, environmental and health impacts of the services.

Thomson et al. (2014) identify three levels of hybridisation that accounting can contribute to in the sustainable development agenda:

- Hybridisation of sustainable programmatic discourse with other programmatic discourses
- Hybridisation of non-local mediating instruments and local practices
- Hybridisation between different domains in local organisations

Accounting is recognised as one of the mediating instruments needed to embed sustainability programmatic discourse in a local public sector context (Ball and Grubnic 2007; Broadbent and Guthrie 1992; Thomson 2013). The accountability framework, as explained in Section 2.1.1, shows how public sector organisations are forced to change in accordance with shifts in societal and governmental demands. These changes come from a "disturbance", which can be (Bebbington, 2007, p. 227):

1. Structural changes in laws or fiscal policies of governments
2. Changes in expectations of financial stakeholders and capital markets
3. Changes in relationships with stakeholders, such as consumers, producers or employees
4. Changes in societal expectations about certain events and/or behaviours

These disturbances are all from the external environment of a public sector organisation and can all be linked to the current sustainable development agenda. The Procurement Reform (Scotland) Bill, for example, is legislation by the Scottish Government (the principal in this case) that will change the way public sector organisations (the agents) purchase, contract and tender for goods and services. The Procurement Reform (Scotland) Bill is also driven by greater need for increased social and environmental value in an ever-decreasing budget for public spending. Taxpayers, as financial stakeholders of public sector organisations, still expect public services to be delivered in a sustainable manner despite the current UK trend of public sector cutbacks. Societal expectations about sustainable development are constantly shifting too.

The change in relationship with stakeholders is also creating transformation for public sector organisations in terms of sustainable development. As public services are increasingly contracted out to private and third sector organisations (Ball and Grubnic, 2007; Paton, 2003), public sector organisations direct control of the social and environmental impacts and outcomes of services is diminished. The state is consequently committed to an indirect, supervisory role in which goals are set in advance, with accountability systems put in place to measure progress and success (Hood, 1995; Power, 1997).

This further pushes the need for the planning and reporting stages of procurement (stages one, two and five of the procurement milestones) to be understood and applied by decision-makers in public procurement, in order to react to the disturbances of points 1 and 2 above. There is a recognised need for public sector accountability to go beyond that of the private sector, focusing on a diverse group of stakeholders instead of profit and shareholder value (Rixon and Ellwood, 2011). This all contributes to the creation of an ever-increasing cycle of sustainability monitoring and reporting in public procurement. However, the extent to which public sector decision-makers are able to react to this cycle of planning and reporting is unclear. This thesis empirically scrutinises how effectively sustainability accounting tools can address planning and monitoring for sustainability in a public procurement context.

This increasing demand for monitoring and reporting creates an obligation on public sector procurers across all areas of service delivery to become management accountants (Kinder, 2011; Kurunmaki and Miller, 2006). As the sustainable development agenda increases, service procurers have to “re-think, re-describe and re-organise their work processes so as to align them with the wider political ideals” (Kurunmaki and Miller, 2006, p. 93). This then creates hybrid forms of expertise (Kurunmaki and Miller, 2006) and changes in professional identity (Kinder, 2011). Yet, there is a lack of knowledge regarding the extent to which these hybridisations have created more informed sustainability expertise within public sector procurement decision-making structures. This is another area of research that this thesis investigates (see Section 6.3).

Shifts in the way in which public sector organisations are expected to monitor and report on procurement require both internal change and improved relationships with external stakeholders. Unfortunately organisations tend to be resistant to change (Laughlin, 1991), particularly in the public sector. Kemp et al. (2005) argue that policy integration through structural measures can only have limited improvements within government organisations. Improvements can be made when these structural measures are tied to accounting systems “that impose a sustainability-oriented framework for justification and make institutional behaviour more transparent” (Kemp et al., 2005, p. 20). However, often these improvements are case-specific. General sustainable development embedding needs more process related tools (Kemp et al., 2005). This thesis explores this argument specifically in relation to public sector procurement of services and the early and latter stages of the procurement milestones. The conceptual reasoning is explored further in Section 2.3.

For effective planning and reporting of sustainable development to take place in a meaningful manner in procurement, it may be left to the public sector to lead the way. The public sector in western economies accounts for around 40% of economic activity (Ball and Grubnic 2007; Farneti et al. 2011). In Scotland 23% of total employment is accounted for by the public sector (The Scottish Government, 2013a). Many previous studies into sustainability accounting have looked at the corporate sector, with a focus on for-profit organisations and systems (Ball and Grubnic, 2007; Ball and Osborne, 2011). However, the public sector clearly has a significant role to play in social, environmental and economic impacts and improvements (Farneti et al., 2011). Indeed, Ball and Grubnic (2007, p. 243) argue, “the huge potential of the public sector for advancing the [sustainability] agenda is

often overlooked". This thesis uses public sector and third sector partnerships for service delivery as a test case for examining and applying a different approach to sustainability planning and reporting in procurement.

As opposed to for-profit organisations, public sector organisations have a mission and purpose to create social value, often through the delivery of public policy (Ball and Grubnic, 2007; Thomson et al., 2014). Public sector organisations therefore have a greater responsibility to engage with the sustainability agenda, as set by national governments and international agreements, than their private sector counterparts. Indeed, Ball and Grubnic (2007) claim that the public sector is responsible for approximately 50% of the actions required at the Rio Summit 1992. They are the organisations that are obliged to translate the high level demands of sustainable development into practical policies and programmes, and are also responsible "for moving the sustainable development agenda forward" (Ball and Grubnic, 2007, p. 252). However, DEFRA (2006, p. 1) reflect that "too often the business side of government - the service provision, the purchasing, the employment - fails to reflect the policy goals of government".

It can be reasonably predicted that public sector organisations will change in response to a disturbance such as the Procurement Reform (Scotland) Bill. When the directives change "one would expect to see different accountabilities being created" (Bebbington, 2007, p. 230). This includes the accounts of actions, such as the procuring and contracting of public services by other organisations. These accounts are required to engage a variety of stakeholders. Figure 2.2 shows what Kinder (2011) calls the roundedness of accountability. This is one of three aspects necessary for what Kinder titles "situatedness". Situatedness is the attempt to ensure that all stakeholder considerations and voices are included in sustainable development accounts or accountabilities. As well as roundedness, the other two aspects of situatedness are space and heritage, and risk.

Roundedness indicates the different stakeholders that public sector organisations and public service providers are accountable to. In the case of sustainable procurement, upward accounts are those that seek to prove the procurement decision has alignment to the higher-level sustainable development agenda. This can be compliance with legislation, such as the Procurement Reform (Scotland) Bill or Climate Change (Scotland) Act 2009. Downward accounts are engagement with users of goods and services or stakeholders affected by actions and programmes associated with the procurement. This could be a local community that makes use of a recycling service, for example. Horizontal inter-

organisation accounting is when partners need to align sustainable development strategies and outcomes. This could be a local authority and a social enterprise agreeing sustainable development objectives when a tender is accepted for public service delivery. Horizontal intra-organisation is an internal accountability that looks at the processes and actions in relation to sustainable development, and how embedded sustainable thinking might be in the organisation. This could be a public sector organisation reviewing its own procurement planning to ensure it aligns with the sustainable development agenda, or monitoring its procurement sustainability outcomes at end of a procurement milestone cycle. The importance of each aspect of the roundedness model varies by context, including specific cases and location.

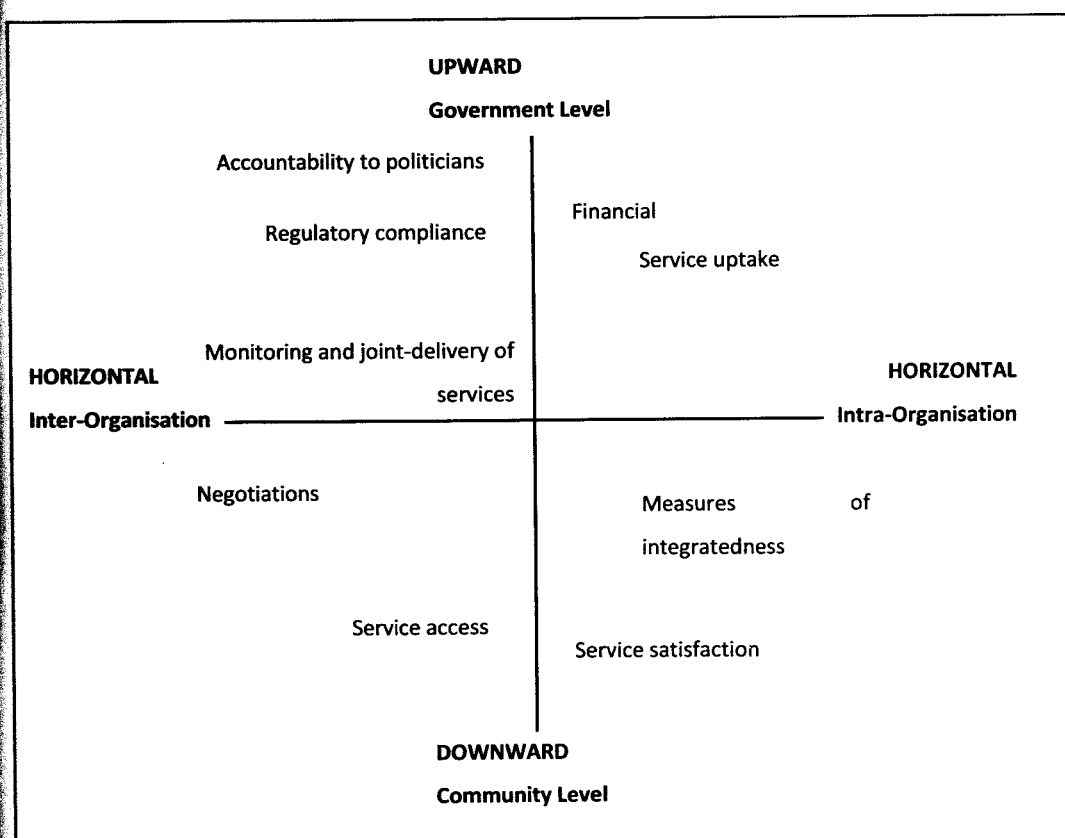


Figure 2.2 Degrees of Accounting and Accountability for Public Services (adapted from Kinder, 2011)

Space and heritage is another aspect of the Kinder (2011) illustration of situatedness. This alludes to the idea that any organisational accountability has many centres of control. This can be nationally, regionally, across governance boundaries, or internally in a public sector organisation. Investment in public services can come from multiple partners. Accountability

can therefore be necessary to demonstrate performance, with the performance objectives perhaps differing depending on each partner's priorities. The space and heritage concept also demonstrates where sustainability accounting can be a tool for identifying areas in which procurement of a specific service can bring sustainable development benefits to other areas of an organisation or partnership. For example, investment in leisure and sports can bring about health and social benefits. These benefits are not always explicit, so the use of monitoring and reporting mechanism can help show the links.

Risk is the third facet of the Kinder's (2011) situatedness conditions in Figure 2.2. Procurement of services involves risk to others. This risk could stem from poor planning resulting in the wrong services being procured; the wrong people targeted for use; or the wrong performance indicators. In devolved model of public services, the people making the procurement decisions are often detached from the risk personally and do not have to suffer the consequences of any misjudgements (Beck, 1992; Kinder, 2011; Paton, 2003; Power, 1997). A better understanding of cause and effect in the management structures of organisations would help to reduce the chance of this risk (Kinder, 2011). This includes the use of sustainable development accounting tools for managers of services in public sector organisations to plan sustainable procurement. There is also the danger, however, that using accounting tools for risk management can help actors avoid blame, as they hide behind prescribed systems and targets (Kinder, 2011; Paton, 2003; Power, 1997). As service managers and procurers can never be truly detached and neutral to the various agendas and forces they are subject to in the 360-degree accountability model, there needs to be better support and guidance tools available to them. This chapter will go on to look at ways of accounting for sustainable development and conclude with an exploration of the potential for change in the field.

2.2 Developing approaches for planning and monitoring sustainable public procurement

The previous section explored the changing nature of the public sector and the increasing need for planning and monitoring of procurement of public services, particularly in a sustainable development context. It highlighted that, whilst common problems exist across sectors, the public sector and third sector are potentially best placed to lead the way in strengthening the sustainability of public service procurement. This potential is explored in

this thesis. The previous section also touched upon some of the problems associated with both the drive towards sustainable development and the pressure to report on performance. It covered issues such as embedding sustainability into the planning and monitoring of public procurements; and overcoming the problem of decision-makers effectively understanding the issues in order to make sustainable procurement decisions. This thesis empirically explores these issues. This section investigates the literature to map out some possible solutions to these difficulties.

Ball and Grubnic (2007) assert that sustainability accounting in public sector organisations could provide the basis for structured information on what the organisation is contributing towards sustainable development. Whilst these disclosures are desirable, a crucial factor of public sector organisation sustainability accounting will be the "development of tangible measures to guide, encourage and legitimise practice" (Ball and Grubnic, 2007, p. 253). In order to make the right decisions with regard to sustainable procurement, actors must have the knowledge and the theoretical backing to make choices that involve compromises, whether real or perceived. As mentioned in Section 2.1, every decision is made based on criteria or objectives from somewhere. These can be explicitly expressed through legislation, for example. They can also be ambiguous, unspoken social values. In a deliberative process, such as that of using tool for sustainable procurement decisions, these purposes are built into the design of the instrument (Gibson et al., 2005).

A post-normal science approach to this problem, as explored in Chapter 1, aims to develop peer communities of knowledge and understanding that can simultaneously provide context and justification for sustainable decision-making. Normal science has a positivist philosophy of universal, objective and context free knowledge. However, this doesn't deal with real world contexts, with social actors, and organisational or political forces. Policy approaches that prescribe and normalise practices can be accused of being too close to social control and undemocratic interventions, and, by definition, unsustainable (Frame and Brown, 2008). Sustainability tools could and should help decision-makers to realise unsustainable decisions and recognise the inherent social bias in their decisions. This can then support more "broad-based 'rational' decision-making in a means end sense" (Bebbington et al., 2007, p. 234).

Effective measures can influence discourses and give credence to sustainable decisions, no matter how controversial they may seem, and thus deserve researcher attention. Researchers need "to provide more by the way of a theoretical background to

inform the development of emerging frameworks for sustainability accounting and accountability” (Ball and Grubnic, 2007, p. 255). There appears to be general consensus that sustainable development needs to use a criteria based model of evaluation and decision making in order to progress (for example, Ball and Grubnic, 2007; Bebbington and Thomson, 2007; Bebbington et al., 2007; Gibson et al., 2005; Gibson, 2006a; Gray, 2010).

The questions, therefore, are which criteria are the ones that matter, how are they selected, and what is the best way to present them? These questions are tackled in this thesis, as they have a direct relevance to the sustainable planning, target setting and monitoring for procurement. Much research focuses on discovering the criteria for sustainable development. Yet, there is lack of literature exploring the selection of criteria by decision-makers, and the importance of presentation of the concepts in order to inform, transform and educate. There is also an important role for researchers to engage with institutions of government and accounting, in order to legitimise emerging frameworks (Ball and Grubnic, 2007; Bebbington et al., 2007; Gibson, 2006b; Kemp et al., 2005). Section 2.2.1 first examines the approaches of post-normal sustainability tools. Section 2.2.2 explores different frameworks by examining approaches that take sustainability beyond the traditional three pillars. Section 2.2.3 then goes on to compare and contrast methods of flexible sustainability choices.

2.2.1 Post-normal sustainability technologies

As explored in this thesis already, an inherent ‘wicked’ problem of sustainability exists, in which the complexity of sustainability presents problems for decision-makers tasked with delivering sustainable discourses. This gap between sustainability discourses and the implementation of sustainability principles can be addressed by applying post-normal science to sustainability technology (Frame and Brown, 2008; Frame and Cavanagh, 2009). Post-normal sustainability technology enlists multiple stakeholders with different perspectives and capacities to co-produce sustainability knowledge. By extending the peer community into non-experts and openly negotiating complex issues, this technology redirects the agenda and creation of sustainability discourses onto relevant stakeholders (Frame and Brown, 2008).

The strength of this approach lies in its messiness or clumsiness (Bebbington, 2009; Frame and Brown, 2008; Frame and Cavanagh, 2009). Accounting for sustainability is not a discipline with clear and focused pathways. Bebbington (2009, p. 189) considers “attempts

to account for sustainable development performance is likely to be incomplete, putative and experimental and require considerable patience on behalf of researchers". By embracing a messy solution to a messy problem, more creative and effective solutions can be found. Indeed, Frame and Brown (2008, p. 228) argue that post-normal sustainability technology can even lead to new forms of "messy governance". This thesis seeks to examine these claims by creating and testing a post-normal sustainability technology in a local government procurement setting.

Bebbington (2009) identifies three types of expertise needed for a post-normal approach to be effective:

1. **Contributory expertise:** bringing understanding from different sciences. This can include those affected by the problem.
2. **Interactional expertise:** expertise in how bringing together those with contributory expertise can be an effective blending of cross disciplines.
3. **Public expertise:** incorporating values into the problem area to help engage the peer community. This creates boundary organisations (mediators between the institutions of science and politics).

By bringing together these experts into a decision-making process, the gaps between the varying levels of expertise are reduced (Bebbington, 2009; Frame and Brown, 2008). There is a potential for greater democratic participation, feedback loops and contextualised recognition of the sustainability agenda at both local and global level (Frame and Brown, 2008). This thesis examines a newly created post-normal sustainability technology in action in a public procurement setting and the results of bringing different expertise, including third sector stakeholders, together.

One of the first post-normal sustainability technologies to be recognised by researchers was the development of full-cost accounting. This was established to take into account the external impacts of organisational activities (Bebbington et al., 2007). These impacts included environmental, social, economic and health impacts. In the procurement field, life-cycle costing is the term often used for this technique (Clement et al., 2007). However, the method has been criticised as narrow in scope and not without limitations. This critique includes (Fraser, 2012):

- Constraints of what can be compared, contrasted and benchmarked: how can an organisation know if they are being (un)sustainable?
- Data limitations: without access to meaningful data, assessment cannot be made.
- Reliance on accounting and other expertise: if an organisation has no access to expertise and other resources, then assessment will be inaccurate or non-existent.

- **Monetisation of impacts:** quantifying impacts and applying monetary values is a contested science.
- **Social impacts:** what metrics should be used for measuring social impacts?

In summary, the application of full cost accounting can suffer from the same problems that decision-makers face when applying sustainable discourses: how can an accounting tool address the wicked problems of understanding and recognising what is sustainable behaviour in a field that is ideologically diverse and uncertain? This has implications for decision-makers attempting to follow the procurement milestones (see Figure 1.1).

Xing et al. (2009) argue tools such as full cost accounting require development of more transparent and dialogic approaches. They developed a full cost accounting tool to be used as a learning tool. As well as helping to make sustainable decisions, the tool is aimed at helping to answer the fundamental question of *what* needs to be measured. Bebbington et al. (2007, p. 234) also recognise the requirement for “more dialogic rather than highly technocratic models and processes”. Post-normal sustainability technologies can engage actors in sustainability issues by creating new understandings through discussion and action. Indeed, Frame and Brown (2008) assert that sustainability can be learned through action, and actioned through learning. In this approach, the “complexity and uncertainty become useful for leveraging the necessary interaction around the definition of sustainability issues” (Frame and Brown, 2008, p. 228). This can then produce new and creative knowledge sets for sustainability (Bebbington, 2009).

In a post-normal science approach, stakeholder engagement is crucial for sustainable decision-making and for achieving credible sustainability assessments. Disturbances and embracing of the complexity of sustainability can be an asset rather than a hindrance towards sustainability. There is a need, however, for any post-normal sustainability technology to facilitate this discussion and understanding of sustainability. The work of Xing et al. (2009) showed that by consolidating a set of sustainable indicators and allowing stakeholders to validate them, integrated sustainable decisions were possible. Currently, many sustainability tools cannot be said to be integrative, as they fail to merge social and economic issues with environmental matters (Xing et al., 2009). The next section explores methods of addressing this issue when creating a post-normal sustainability technology.

2.2 Beyond the three pillars of sustainability

One emerging framework that seeks to be integrative, and requires legitimisation in an institutional context by researchers, is a move beyond the so-called “three pillars” of sustainability. The three pillars are social, environmental and economic interests and initiatives. These have been traditionally used as they present the sustainable development agenda in a relatively simplified manner, and can be used as convenient categories for laying out indicators of sustainability in any accounting and accountability tools (Gibson et al., 2005). However, sustainability accounting and accountability needs to ensure that social, economic and ecological factors are not treated as separate entities, which can often be the case with the three pillars approach.

The current state of practice tends to be the moulding together of social, environmental and economic accounting, with ineffective integration of the three (Gibson, 2006a). This is often referred to as triple bottom line accounting, or some variant. Despite acknowledgement that the triple bottom line is not the same as sustainability (Bebbington, 2007; Kemp et al., 2005; Gibson, 2006b; Neumayer, 2010), many organisations use the term sustainability to label reports or strategies (Buhr, 2007), or indeed procurements.

In this way of thinking, integration is seen as key to sustainable development (Bebbington, 2007; Bebbington, O’Dwyer, et al., 2007; Gibson, 2006a; Gibson et al., 2005; Kemp et al., 2005). Any social, economic or ecological gains should be “mutually reinforcing” in the eyes of those planning, evaluating and implementing policy (Gibson, 2006a, p. 260). By extension, any methodologies for planning and reporting on sustainable development must be designed in a manner that encourages integration of sustainable development objectives. If the three pillars are dealt with as separate entities, it causes problems when trying to later integrate them. Bebbington et al. (2007, p. 345) contend, “although sustainability is often considered to be a ‘three-legged stool’, or conceptualised in business terms as the ‘triple bottom line’ [...] sustainable development is not a simple sum or balancing of three accounts”. Neumayer's (2010) theories of weak and strong sustainability also caution against this approach, as aspects of sustainability can be substituted to detrimental overall effect.

Classic sustainability models, such as the Venn diagram in Figure 2.3, show the social, environmental and economic as overlapping and linked entities. These are useful but still reinforce the separation of the three pillars. Not enough attention is given to the interdependent nature of social, environmental and economic systems (Kemp et al., 2005).

This is especially true of practical applications, such as models of accounting and accountability. Often these instruments seek balance and fair treatment of each pillar, but in fact the aim should be to make choices that create long-term and strong systems as a whole (Kemp et al., 2005).

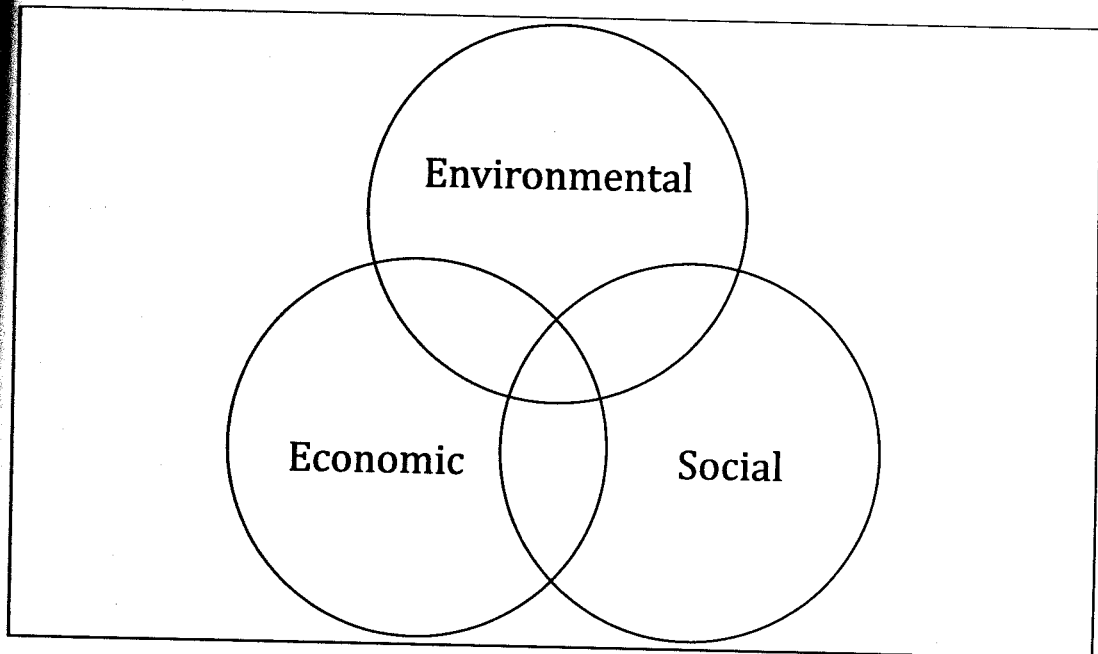


Figure 2.3 Classic Model of Sustainability

Gibson et al. (2005) claim that the traditional three pillars approach to sustainability when planning and monitoring for sustainability:

- Encourages conflicts and competing objectives, particularly between economic and socio-ecological priorities
- Categorises sustainability criteria instead of linking and integrating, reinforcing the general misunderstanding of any practitioners
- Creates a need for additional criteria and assessments to accommodate cross pillar gaps and issues (e.g. cultural or health objectives)

This may be a valid argument, but if a basic grasp of sustainability principles is still yet to be achieved by practitioners and decision-makers can a more integrated approach actually help translate the sustainability agenda? This thesis investigates this, as part of the overall research aim of determining if sustainability can be embedded into public sector procurement decision-making.

Bebbington et al. (2007, p. 345) highlight two distinct aspects of sustainability accounting and accountability:

- Ecological space and the carrying capacity of ecosystems
- A commitment to equity on both an intra- and inter-generational basis.

By focusing sustainability on these two aspects, it becomes a much more radical and challenging concept than the traditional focus on the three pillars (Bebbington et al., 2007). In a similar take on the subject, Gibson et al. (2005) argue that any set of sustainability criteria must have two roles. The first is that each criterion must highlight crucial areas of damage avoidance and where enhancements should be pursued. Secondly, the criteria together should encourage and facilitate recognition of the positive linkages, interdependencies and connections between ecological and social systems.

These approaches have potential for more resistance to change (Bebbington et al., 2007). The three pillars approach is now entrenched in organisational and theoretical thinking regarding sustainability and thus a shift in mind-set will be difficult. This can be where mediating instruments can be of use. Tools such as sustainability assessments, if designed correctly, can provide an integrated, clear and locally adjustable basis for sustainable decision making (Kemp et al., 2005). This concept of locally based decision making for sustainable development is further explained in Section 2.3. According to Gibson et al. (2005) the key benefits of building integrated sustainability criteria into a decision making tool are:

- Focus
- Mitigation and enhancement opportunities
- Allowance for uncertainties that occur from a “soft” evidence approach
- Encouragement of public engagement rather than emphasis on technical expertise
- Flexible adjustment of sustainable development choices, rather than firm rules

In order to realise these benefits, Gibson (2006a) highlights eight integrative criteria for sustainability assessments (see Box 2.3). These eight criteria attempt to bring all elements of sustainability together, so that any assessment of sustainability should, by default, encourage the practitioner to consider all aspects holistically. For example, the first criterion, *socio-economic system integrity*, seeks to emphasise the relationship between social systems and the natural world. This has links to strong sustainability, as defined by Neumayer (2010), in which effective social systems cannot function without resilient ecological systems.

The second criterion, *livelihood sufficiency and opportunity*, draws from the Brundtland Reports description of sustainability, in which economic and social

development are carried out within the carrying capacity of the planet's natural resources (United Nations World Commission on Environment and Development, 1987). The third and fourth criteria, *intragenerational equity* and *intergenerational equity*, respectively, also have their roots in the Brundtland Report, with a focus on current and future sharing of resources for the benefit of both people and planet.

Box 2.3 Integrative generic criteria for sustainability assessments

- 1. Socio-ecological system integrity:** Build human-ecological relations to establish and maintain the long-term integrity of socio-biophysical systems and protect the irreplaceable life support functions upon which human as well as ecological well being depends.
- 2. Livelihood sufficiency and opportunity:** Ensure that everyone and every community has enough for a decent life and that everyone has opportunities to seek improvements in ways that do not compromise future generations possibilities for sufficiency and opportunity.
- 3. Intragenerational equity:** Ensure that sufficiency and effective choices for all are pursued in ways that reduce dangerous gaps in sufficiency and opportunity (and health, security, social recognition, political influence, etc.) between the rich and the poor.
- 4. Intergenerational equity:** Favour present options and actions that are most likely to preserve or enhance the opportunities and capabilities of future generations to live sustainably.
- 5. Resource maintenance and efficiency:** Provide a larger base for ensuring sustainable livelihoods for all while reducing threats to the long-term integrity of socio-ecological systems by reducing extractive damage, avoiding waste and cutting overall material and energy use per unit of benefit.
- 6. Socio-ecological civility and democratic governance:** Build the capacity, motivation and habitual inclination of individuals, communities and other collective decision-making bodies to apply sustainability requirements through more open and better informed deliberations, greater attention to fostering reciprocal awareness and collective responsibility, and more integrated use of administrative, market, customary and personal decision-making practices.
- 7. Precaution and adaptation:** Respect uncertainty, avoid even poorly understood risks of serious or irreversible damage to the foundations for sustainability, plan to learn, design for surprise, and manage for adaptation.
- 8. Immediate and long-term integration:** Apply all principles of sustainability at once, seeking mutually supportive benefits and multiple gains.

(Gibson, 2006a, p. 270)

Resource maintenance and efficiency, the fifth criterion, aims to ensure resources are used efficiently, including energy and materials. This is done so with a focus on the socio-ecological impacts and benefits that a positive change in behaviours can have. Sustainability assessments such as Strategic Environmental Assessment already aim to embed ecological concerns into decision-making (Therivel, 2004), but the links to social issues may not always be explicit. The sixth criterion, *Socio-ecological civility and democratic governance*, shifts the focus of the assessment to ensuring that all stakeholders in society are part of decision-making processes. This is done so by being better informed about sustainable choices and taking a collective responsibility for sustainability. The

seventh criterion in Box 2.3, *precaution and adaptation*, encourages those assessing for sustainability to carry out due diligence on the risks of decisions and actions. It also encourages better understanding, planning and design to accommodate for those risks. The final criterion, *immediate and long-term integration*, has an overall purpose of bringing together all aspects of sustainability so that positive outcomes stem from interlinked impacts.

Moving beyond the three pillars requires more flexibility and regard for the context of the sustainability assessment. The next section of this chapter examines the concept of sustainability choice spaces, which seek to provide solutions to these issues.

2.2.3 Sustainability choice spaces

Research on sustainability assessment has often focused on filling gaps in knowledge and technology, but has not considered widely enough the practicalities of implementation in the decision-making process (Binder et al., 2010; Morse et al., 2001; Seuring and Muller, 2008). Conflicting goals and already embedded systems and behaviours make any sustainability assessment tools difficult to use by policy-makers and decision-makers (Wiek and Binder, 2005; Morse et al., 2001; Seuring and Muller, 2008). This section examines approaches that have been developed in attempts to solve these problems.

A possible solution to the problem of scale and region of sustainable decision-making is the concept of sustainability choice space. Sustainability choice space allows flexibility in policy design and decisions based upon different options. In the context of a specific policy "choice space must be constructed using information derived from stakeholders to identify the dimensions of sustainability" (Potschin and Haines-Young 2008, p427). This is a multidisciplinary approach that moves beyond traditional scientific methods of formulating a hypothesis and testing it and more towards a post-normal scientific approach. The context of any sustainability decision means that there are different pathways, all of which can be in line with sustainable development principles in their own circumstances. This also means there are a variety of ways to design and strengthen the governance of sustainability planning and monitoring (Kemp et al., 2005). This is an approach that lies within the sphere of post-normal sustainability technology, based on "assumptions of unpredictability, incomplete control, and plurality of legitimate perspectives" (Frame and Brown, 2008, p. 226).

Sustainability choice space is one term used for an approach to sustainable development that uses different criteria to determine options and room for manoeuvre in policy making and application. Bossel (1999) advocated sustainability accessibility space. This was conceptualised in order to help policy-makers narrow down the scope of total future possibilities. Decision options are reduced by constraints that limit societal development. Not everything is possible in physical and ecological laws, and not everything is desirable for societal goals. Using these constraints, it is then easier to narrow down appropriate and realistic options for sustainability policy and related decisions. In a similar vein, trade-off evolution space was developed to assess the sustainability of land use. Decisions are made using a set of "acceptable" policy options within a framework (Paracchini et al., 2008, 2011). Another model, sustainability solution space, seeks to show the linkages between sustainability indicators. This allows decision-makers to visualise and understand sustainability conflicts and trade-offs that may occur with any course of action (Binder et al., 2012).

Decision-makers and other stakeholders need to remember that "what is needed, appropriate and workable always depends heavily on the context" (Kemp et al., 2005, p. 15). In the public sector there exists a balance between local solutions and innovation, and central control and monitoring (Kurunmaki and Miller, 2006). Kinder (2011) argues that sustainability planning and monitoring undertaken by public service professionals, including procurement decision-makers, is best suited to local contexts. A post-normal science perspective advocates this approach. Frame and Brown (2008, p. 236) argue that sustainability technology needs to be:

- Critical
- Issues driven
- Participant oriented
- Subjective
- Exploratory
- Uncertain

The hybridisation of practices and processes relating to sustainable development means that procurement decision-makers are absolutely crucial to the change to a more sustainable public sector service model.

A choice space approach can offer greater potential for learning; a resource base for adaptation and reorganisation; and greater localised approaches to sustainable development (Kemp et al., 2005). This thesis explores this contention and uses the

conceptual approaches of sustainability choice space (see Section 5.2). Sustainability planning and monitoring, by design, should encourage integration of global and local concerns (Gibson et al., 2005; Gibson, 2006a; Kemp et al., 2005). An accounting mechanism that guides decision and facilitates acceptance or rejection of sustainability requirements must show regard for the time and place of the assessment and recognise the stakeholders that will be affected by the decision (Kemp et al., 2005).

A dogmatic, single vision of sustainability can be counterproductive, destroying local characteristics and autonomy (Bebbington, 2009; Gibson et al., 2005). Waiting to be told what to measure or account for by commissioners or policy makers is a bad strategy and can be seen as undemocratic (Frame and Brown, 2008). The sustainable development agenda may not always fit with the picture of social, environmental or economic value of an individual public sector organisation or third sector organisation (Petrie, 2010). The aim, therefore, should be for “locally suited options that are globally sustainable” (Kemp et al., 2005, p. 15). This approach involves a careful balance of local global objectives. A local approach to sustainable procurement can enthuse stakeholders and build a greater understanding of the issues, whilst at the same time tapping into local knowledge systems (Kemp et al., 2005). At the same time, sustainable procurement still needs to be considered at multiple scales in order for it to be strong (Gibson, 2006b; Kemp et al., 2005; Potschin and Haines-Young, 2008; Sieber et al., 2008).

Public sector management also varies depending on the setting (Hood, 1995). For example, a local authority in a predominantly rural setting will have different sustainable procurement priorities from a counterpart in an urban setting. Both of these organisations will also have different procurement agendas from the national government, despite some common obligations through various sustainability discourses. Within this setting of public procurement reforms, the challenge is to account for sustainability of one publicly procured product or service area. Gibson et al. (2005) argue that an approach that only looks at sustainable development from a localised perspective is unfeasible due to the multiple scales needed to represent sustainability. However, the problem is also not solved by global approaches, as no single actor is able to confidently create a set of rules that will satisfy all aspects of sustainability in every geographical location.

Bebbington (2007) suggests solutions to the problem of geographical scope in sustainability accounting. These solutions go beyond trying to create a sustainability profile of an individual organisation in terms of global sustainability, which would be unrealistic

and unrepresentative of global ecological and social systems. Instead, Bebbington suggests that the sustainability account is approached in more regionalised manner. Ecological impact is assessed within the ecological carrying capacity of the area of operation. For example, the sustainability account may be within the context of the local government region in which a public service takes place. The sustainability profile is carried out as part of a regional sustainability account, focusing on the social sustainability of the region. This approach could apply for procurement within a public sector organisation. The regionalised focus would create a range of procurement decisions that are considered together in order to develop a more wider-reaching plan and monitoring system for sustainable procurement of services.

A recommendation by Bebbington (2007) for future research is for academics to provide accounts for groups of organisations using this regional approach. This methodology would especially make sense in the context of procurement of public services. Often several organisations are responsible for one area of service delivery in a region. One illustration of this is waste management and recycling. There are many examples worldwide of recycling being undertaken by a collaborative mix of public, private and third sector organisations within a political region (Semple and Turley, 2013). By grouping the sustainable procurement accounts of the organisations, a more transparent and robust profile of the ecological and social carrying capacity of the operation could be created. There would also be the advantage of grouping resources in order to carry out the accounts and reports. What is not clear is if this approach would make a difference in persuading those responsible for governing a specific region to prioritise sustainability in procurement decisions. This thesis does not provide accounts for groups of organisations, but does explore the sustainability of procured public services within a specific region (see Chapter 3 for methodological approach).

It has been earlier established that sustainability should be about integration of the three pillars and mutually positive gains. However, at this stage no practical options for planning and monitoring procurement can be expected to offer all the benefits (Kemp et al., 2005). Trade-offs, both positive and negative, will need to be faced (Kemp et al., 2005). Any sustainable procurement planning and monitoring tool will need to recognise this and adopt a gradual approach to strong sustainable decision-making over a longer time period. It is not clear what these trade-offs may be, and indeed they will vary from place to place. This is where a post-normal sustainability technology could be of value, providing a

dynamic and fluid approach to sustainable decision-making. This thesis explores what gradual approaches and early gains can be made within public services in Scotland and what the trade-offs may be.

The precautionary approach to sustainable development is also relevant here. Complex socio-ecological systems, in addition to shifting economic patterns, make prediction of impacts extremely difficult (Kemp et al., 2005). Deciding on one fixed path is high risk. The creation of broader, easier to grasp options is better than relying on specialist experience (Kemp et al., 2005). If every player can contribute to the sustainable development agenda, it is more likely that the principles will become embedded in everyday systems and behaviours. This thinking is backed-up by those advocating a post-normal science approach to sustainability accounting (Bebbington, 2009; Bebbington et al., 2007; Frame and Brown, 2008; Frame and Cavanagh, 2009). Flexibility and adaptation to sustainable development as it evolves can become easier in such an embedded system. This links to theories of hybridisation, in which stakeholders have to become well versed in sustainability accounting and management (Kurunmaki and Miller, 2006). This is an easier transition to make if the tools offer simple choices, with alternatives and back-ups (Kemp et al., 2005). Post-normal sustainability technologies, such as those developed by Xing et al. (2009), might facilitate such hybridisation. The extent to which participants in public service procurement are open to this approach is investigated in this thesis.

Neoinstitutional theory questions how the institutional environment shapes, mediates and channels social choices (Larrinaga-Gonzalez, 2007). An institutional environment is the field of organisations that collectively form an area of institutional life. These organisational fields have a common system and interactions with each other. For example, social choices of individuals within the energy industry would be shaped by the institutional environment created by the field of organisations that make up the energy sector in an economy (Larrinaga-Gonzalez, 2007). Larrinaga-Gonzalez (2007) also notes the emergence of organisational fields in the area of sustainability reporting. This can be detected through observation of the increase in interactions between organisations; an increase in the information sharing; and the development of a mutual awareness that they are involved in a common debate.

There are increasing numbers of interactions between government agencies, businesses, NGOs and international bodies when it comes to the sustainable development agenda (Larrinaga-Gonzalez, 2007). This may bode well for the future in terms of

sustainability accounting and accountability. As they work together a better consensus of sustainable development principles will emerge, as will more transparent comparability. Each can drive the others towards change and keep others continually accountable. However, institutional theorists argue that institutions are less likely to change than other structures. This thesis discovers if an institution such as a local council and all the linked stakeholders and service providers can make this change, using procurement of services to test this. Can an accountability or assessment tool shape, mediate and channel the procurement choices made so that they become more sustainable? Can local or regional commonalities, such as local sustainability interest, the need to report impacts and value for money, and the legislative effects of the sustainability agenda help to form a picture of what sustainability should look like? The next section analyses the use of planning and monitoring tools as instruments of education and change.

2.3 Sustainable planning and monitoring tools as instruments of change

The first section of this chapter looked at the context of the drive for sustainable procurement and the need for planning and monitoring tools. This was followed by the exploration of some of the various approaches to sustainability accounting. This has all been viewed through a post-normal science lens, in which decision-making approaches match the complexity of the problem. This section looks at if and how sustainability accounting might facilitate change. It first discusses the problem of criteria selection and how to merge global issues with local concerns when making decisions for procurement. The capacity of organisations to change processes and engage with sustainable procurement is then explored. Finally, the potential of accounting mechanisms to help facilitate this change is reviewed.

Section 2.1.3 explored the role of sustainability planning and monitoring instruments as translation tools for non-experts in sustainability. This is particularly the case when applied to decision-making contexts. Those working towards sustainable development tend to believe that it is achievable and desirable to create criteria for sustainable decision-making (Pope et al., 2004; Gibson et al., 2005). The use of sustainable criteria for procurement facilitates open decision-making, which includes more effective participation, and more informed and accountable decision processes. It also creates

better-educated and experienced sustainable decision makers, who are able to learn from mistakes (Gibson et al., 2005).

However, the process of planning and monitoring for sustainability is also problematic. Whilst the sustainable procurement milestones (see Figure 1.1) are all theoretically possible, with many advances in frameworks and solutions being taken forward all the time, the real world is not so simple. Societies have many complex and non-linear systems and processes. Simply setting objectives and assuming they will succeed is, in reality, not possible (Gibson et al., 2005). Vested interests, competing agendas and differing priorities of stakeholders all have a part to play in decision-making for sustainable procurement. Even in localised communities, social and physical issues may be contested, with the context subject to variation (Bebbington, 2009; Bebbington et al., 2007). These differing values also mean that monitoring and reporting systems will always be "contested, provisional and imperfect" (Kinder, 2011, p. 147). In the long term a solution to balancing all the objectives of sustainable development may be possible. However for the immediate future, conflicts and divergences are likely (Gibson et al., 2005). Post-normal sustainability technology embraces these conflicts and turns them into strengths, by integrating research and context to create new understandings and engagements (Frame and Brown, 2008).

Section 2.3.1 looks at the problem of criteria selection. How can an accounting tool assist in delivering an approach to sustainable procurement decision-making if it is still unclear what sustainability means to society? Section 2.3.2 then goes on to examine the current literature regarding the capacity of organisations to adapt the sustainability agenda. Finally, 2.3.3 summarises the potential of sustainability accounting tools as mediating machines and presents assumptions of what a toolkit for sustainable procurement should be able to achieve.

2.3.1 The problem of criteria selection

In addition to sustainability being a contestable and open concept, accounting and accountability is also an interpretive art (Kinder, 2011). For example, positions such as legitimacy theory point to significant gaps between how an organisation presents itself or how it is perceived to be performing in relation to sustainable development, and how sustainable its actions and behaviours actually are (Ball, 2004; Deegan, 2006; Fraser, 2010).

A major problem of sustainability accounting and accountability is the issue of how to define what sustainability means and what matters most. Osborn (2011, p. 188) argues, "no single solution or panacea will be sufficient to guide decision-makers through the wicked and complex situations of sustainable development". This view is echoed by Bebbington et al. (2007, p. 347) who contend that until society specifies "what constitutes social or ecological sustainability, an accounting system that draws its mandate from societal rules will also fall short of a sustainable development account". This is true at a global level, where countries fail to reach agreement on sustainable development priorities. It is also the case at a community level, where there is ambiguity as to the concept of local sustainability (Rogerson et al., 2010).

Inadequacy of knowledge could be a factor in this lack of consensus on sustainability principles. A lot of the current knowledge on sustainable development is socially constructed and based upon assumptions and conventions that are created by different societies or individuals, all with competing agendas, none of which are necessarily right or wrong (Gibson et al., 2005). Consolidating all this knowledge and conflicting views into one sustainable procurement plan or defined monitoring system is problematic, with "no serious prospect of one set of core criteria winning widespread adoption" (Gibson et al., 2005, p. 93). Petrie (2010) contends that the challenge is finding a methodology that is accepted by multiple stakeholders. Chapter 6 of this thesis tests the use of such a set of sustainability criteria and the extent to which all potential users can accept it.

The findings of Thomson et al. (2014) were that there is an often-overriding focus on eco-efficiency. This is due to these elements being the most easily calculable aspects of the sustainable development agenda and discourse. Eco-efficiency tends to have recognisable causal connections and risks, as well as financial links. Accounting objects do not always include eco-effectiveness, eco-justice or social equity, which can be harder to measure. This is despite these notions of sustainable development being present in almost all definitions of sustainability, including the UK's Framework for Sustainable Development, which includes aspects such as social justice, environmental equality and well being (DEFRA, 2005). Xing et al. (2009) argue that many existing tools, including full-cost accounting, often ignore social and economic impacts and focus on solely on the environmental aspects of sustainability. The focus on select aspects of sustainability is surveyed in Chapter 6 of this thesis.

A second problem to be explored here is the notion that sustainability accounting and accountability at an organisational level has difficulty linking individual behaviours to a global ecosystem (Bebbington, 2007; Bebbington et al., 2007; Gray, 2010). This was explored in section 2.2.3. It is easier to consider the “sustainable development profile of country, region or ecosystem because sustainable development tends to describe properties of physical system in some physical space” (Bebbington, 2007, p. 234). Creating a robust sustainability profile or account of a procurement is thus problematic, leaving the accuracy of the account of sustainability open to doubt (Adams, 2004; Bebbington and Thomson, 2007; Gray, 2010).

According to Bebbington et al. (2007, p 346), if one were to account for the ecological sustainability of organisational procurement several conditions would have to be met:

- The regulatory regime in which the entity operated would have to have been developed so as to satisfy the criteria of ecological sustainability
- The rights of various individuals and entities within that ecosystem to undertake certain activities and create certain impacts would have to have been allocated in some manner
- An account of the extent to which the organisation had met its obligations to act in defined (sustainable) ways would have to be provided

Only at the third stage would it then be possible to use sustainability accounting and accountability to truly evaluate the ecological sustainability of an individual procurement. However, such a regime, as mentioned in the first condition, is not in place in any country or economy. Therefore, whilst good sustainability reporting can be admirable, it does not and cannot yet paint a true picture of the sustainability of a procurement (Bebbington et al., 2007). Post-normal science approaches seek to help towards painting this picture of sustainability, utilising a more dialogic approach that encourages feedback loops and democratic participation (Bebbington, 2009; Bebbington et al., 2007; Frame and Brown, 2008; Frame and Cavanagh, 2009). Chapter 4 of this thesis explores the current context of these conditions in a real-life setting.

The concepts of post-normal sustainability technology and sustainability choice spaces cause further issues of ambiguity. Allowing an element of flexibility and choice so as to provide locally suited options has its advantages, as mentioned in the previous section. However, this approach can also be “administratively inconvenient” (Kemp et al., 2005, p. 15). This may leave public sector procurers with choices that they are reluctant to make

(Kinder, 2011). This thesis investigates this claim by empirically studying the current practices of public service managers responsible for procuring services (Chapter 4) and testing the extent to which they feel comfortable with a more flexible set of sustainability choices (Chapter 6). If, indeed, non-experts in sustainability are expected to create hybridised systems of sustainability with other systems of governance (Miller et al., 2006; Thomson et al., 2014), it may a step too far to expect them to then make complex decisions based on dynamic criteria. In other words, can a post-normal sustainability technology have a positive effect towards embedding sustainability thinking in a public sector procurement setting?

Another difficulty of applying sustainability accounting tools for procurement relates to the social equity aspect of sustainable development. Bebbington et al. (2007) pose the question of how commitment to intra- and inter-generational equity can be expressed. Commitment to such equity can be justified from sustainable development debates about inequality, but translating this into organisational level planning and monitoring for sustainable procurement is far from easy. To give an example, many public sector and third sector organisations use social accounting tools for expressing social, environmental and economic impacts of activities⁶. In terms of sustainable development, social accounting has two basic flaws. First, whilst social accounting can show the impacts and outcomes of an action, it currently has no mechanism for considering the needs of future generations or how current activities impact on those needs. It can therefore be reasoned that social accounting fails to accommodate sustainable development. Additionally, social accounting often only provides a voice for the most powerful stakeholders or those with the strongest connections to the organisation undertaking the social account (Bebbington et al., 2007). This does not fit with the notion of equity. In summary, between the ecological and social equity aspects of sustainable development, sustainability accounts can be accused of falling short of representing sustainable development. This thesis tests this notion by examining current practices, attitudes and capacities of procurers and service providers to monitoring and reporting.

Tensions between localism and globalism will also exist. Local sustainability awareness and decisions needs to align to the larger agenda, and vice versa (Kemp et al., 2005). A policy or priority that may seem righteous or ethically driven by one party may

⁶ (Gray, 2002, p. 1) states that "social accounting is...a generic term...to cover all forms of "accounts which go beyond the economic"...-social responsibility accounting, social audits, corporate social reporting, employee and employment reporting as well as environmental accounting and reporting".

actually be in conflict with another policy or priority. This could be, for example, poverty alleviation at the expense of further resource depletion in a particular setting (Gibson et al., 2005). This tension is explored in Chapter 4 of this thesis, which studies sustainability of public procurement of services in a specific region.

Legitimacy theory suggests that organisations may report favourably on their sustainability performance, despite not always making the procurement decisions that would make them more sustainable (Bebbington, 2007; Deegan, 2006; O'Dwyer et al., 2011). There is also a danger of goal-deflection as a result of too much demand for accountability and measurement (Molnar, 2011). Accounting and accountability for the sustainable development agenda and the related programmatic discourses can stifle visibility, knowledge and techniques available for sustainable development and transformation (Gray, 2010; Thomson et al., 2014). It can also be easier and more convenient to reach a common consensus on what to measure and how to measure it, than on what the general objectives should be (Hood, 1995). Chapter 6 of this thesis investigates this claim. The next section examines the literature in relation to organisational capacity to adapt to sustainability discourses for procurement.

2.3.2 Capacity of organisations to change to the agenda

Fundamental questions need to be asked with regard to the forms of service procurement and provision. Questions such as location, scale, and process of procurement of service and the capacity of these services to react to the sustainable development agenda and accountability (Ball and Grubnic, 2007). A particularly pressing issue is whether the new forms of public management, such as service provision by third sector organisations, has the capacity to react to any new sustainable development agenda, such as the Procurement Reform (Scotland) Bill – see Section 1.2. Chapter 4 of this thesis empirically examines this capacity using a series of case studies.

Sustainable development commitment requires a big change in the public sector organisation systems and internal workings. It is one thing to create better sustainable development objectives and a subsequent increase in understanding of the objectives: these objectives must be embedded across interrelated departments and institutions. The planning processes for procurement must also be aligned with sustainability objectives (Kemp et al., 2005). This change cannot happen quickly but can be facilitated with the use of accounting mechanisms. Kemp et al. (2005, p. 17) comment that the “challenge is to

show how such a transition can be accomplished and to develop a core set of tools that would make governance for sustainability manageable". Kemp et al. (2005, p. 24) highlight four basic rules for transition management:

- Avoid being locked into sub-optimal solutions
- Embed transition policy into existing decision making frameworks, and legitimise transition management
- Take the long view of a dynamic mechanism of change
- Engage in multilevel coordination

When presenting sustainability principles in an accounting tool, Kurka and Blackwood (2013) stratify sustainability criteria and indicators into four levels. The first level is principle behind the criteria, or the rationale for inclusion. These principles could be the generic criteria suggested by Gibson (2006a) (see Box 2.3). The second level includes the criteria that justify the inclusion of the principle. The third level is made up of indicators that measure if the criteria have been met. The fourth level is the data and evidence for the indicators. This thesis explores the potential for a tool or mediating machine to manage sustainability in the setting of public service procurement and delivery. Chapter 5 discusses what such a tool could look like, whilst Chapter 6 tests the tool as a means of creating sustainability transitions within organisations. The next section summarises drivers for accounting tools for sustainable decision-making identified in the literature and considers what a tool should aspire to achieve.

2.3.3 Sustainability decision-making tools as mediating machines

In order to embed sustainability principles into procurement planning and monitoring, more process related tools are required. A set of tools could have the potential to deliver change (Power, 1997). However, this change is difficult to interpret. The definition of success and failure depends on the perspective of the observer. An organisation can view themselves as successful until this accepted wisdom is questioned (Paton, 2003). This can be the case with sustainability discourses. The sustainable development agenda, or accepted wisdom on the subject, is ever evolving and fluid. Sustainability planning and monitoring is only subject to how an organisation defines performance (Power, 1997). Organisations can thus find themselves locked into beliefs that others find unconvincing (Paton, 2003). In a multi-organisation setting such as public procurement of services, is sustainability and sustainable performance defined in the same way across all partners? This thesis investigates this through empirical research.

Kemp et al. (2005, p. 22) argue that the purpose of such a set of tools must be one of attitudes and approaches, establishing "habitual expectations and entrenched practices that would spread to choices and activities outside the realm of deliberation and approval". Sustainability planning and monitoring connects the internal organisation processes and activities to regulation and legislation. There is essentially a dual progression of internalising regulatory compliance and changing organisational culture (Power, 1997). However, in reality can a set of tools and regulation for sustainable procurement have a truly cultural and attitudinal changing effect? Fraser (2012) contends that there is a lack of exploratory and engagement research into the use of sustainability accounting tools as internal change instruments. This thesis tests to what extent sustainability can be embedded in decision-making for the procurement of public services, with the development of a post-normal sustainability technology as the exploratory and engagement instrument.

This review of literature has led to the following assumptions on what a perfect toolkit for sustainable development accounting and accountability should be able to achieve:

1. Adopt a post-normal science approach in order to create habit-changing mindsets. If a truly accurate account of sustainable procurement is impossible at a local or organisational level, then a sustainability translation tool should aspire to be an educational instrument, as well as a mechanism for monitoring and reporting. As a mediating machine, it is important that a sustainability toolkit promotes the sustainable development agenda and reinforces sustainability principles among users.
2. Move beyond the traditional "three pillars of sustainability" or triple bottom line. A mediating machine should encourage the integration of all aspects of sustainability. True sustainable development is not a simple balancing act of all these points, but a fluid, interlinked concept. A sustainability translation tool should be able to educate users of this notion for planning purposes; and at the same time facilitate sustainability reports that show this.

Much of the theory in this area of research suggests a breakdown in sustainability thinking at a middle management level when procuring goods and services. Policy that is set from central government is often aimed towards creation of sustainable models of local governance. Similarly, local communities and enterprises are involved in grassroots sustainable activities, often linked to service provision and delivery. However, there is frequently a blockage point at which sustainability policy does not reach this grassroots level in terms of support for the initiatives through procurement of goods and services

from sustainable organisations. This thesis seeks to uncover the blockages and the underlying reasons for them. Bebbington (2009, p. 191) asks: "What particular contribution may accounting and knowledge produced from accounting research play in any societal transition to sustainable development?" Is it possible that a post-normal sustainability technology can provide a solution? These questions and assumptions will be tested in the real life public procurement context in the remainder of this thesis. The next chapter, **Methodology**, explores the method used for the empirical research into the extent to which sustainability can be embedded into public sector procurement decision-making.

Chapter 3 Methodology

This chapter describes the methodology used for examining to what extent sustainability can be embedded in decision-making for public services. Chapter 1 established why this is a topic that requires research, including a consideration of contemporary political drivers such as the Procurement Reform (Scotland) Bill. Chapter 2 explored the theoretical linkages between sustainable development and public service reforms. This included the hybridisation of sustainability expertise for procurement decisions and the potential for mediating instruments to include sustainability criteria through the procurement cycle. This chapter looks at the data collection and data analysis used in achieving the aim and objectives of this thesis. The overall aim of the research is to uncover:

To what extent can sustainability be embedded in decision-making for procuring public services?

Within this research aim there are three main objectives (see Section 1.3):

Objective 1: Explore the current sustainability of public services in the context of changing sustainability discourses

Objective 2: Assess the understanding and interpretation of sustainable development by key stakeholders in public service delivery

Objective 3: Develop a framework or set of proposals for sustainability to be more effectively understood and applied in the procurement process in public sector organisations

Figure 3.1 summarises the story of the method. The context was discovered using ten case studies that uncovered ten different public service delivery stories. These were from a single local government in Scotland. These Case Studies gathered the thoughts and opinions of those engaged in public service procurement through a series of meetings, interviews and document analysis.

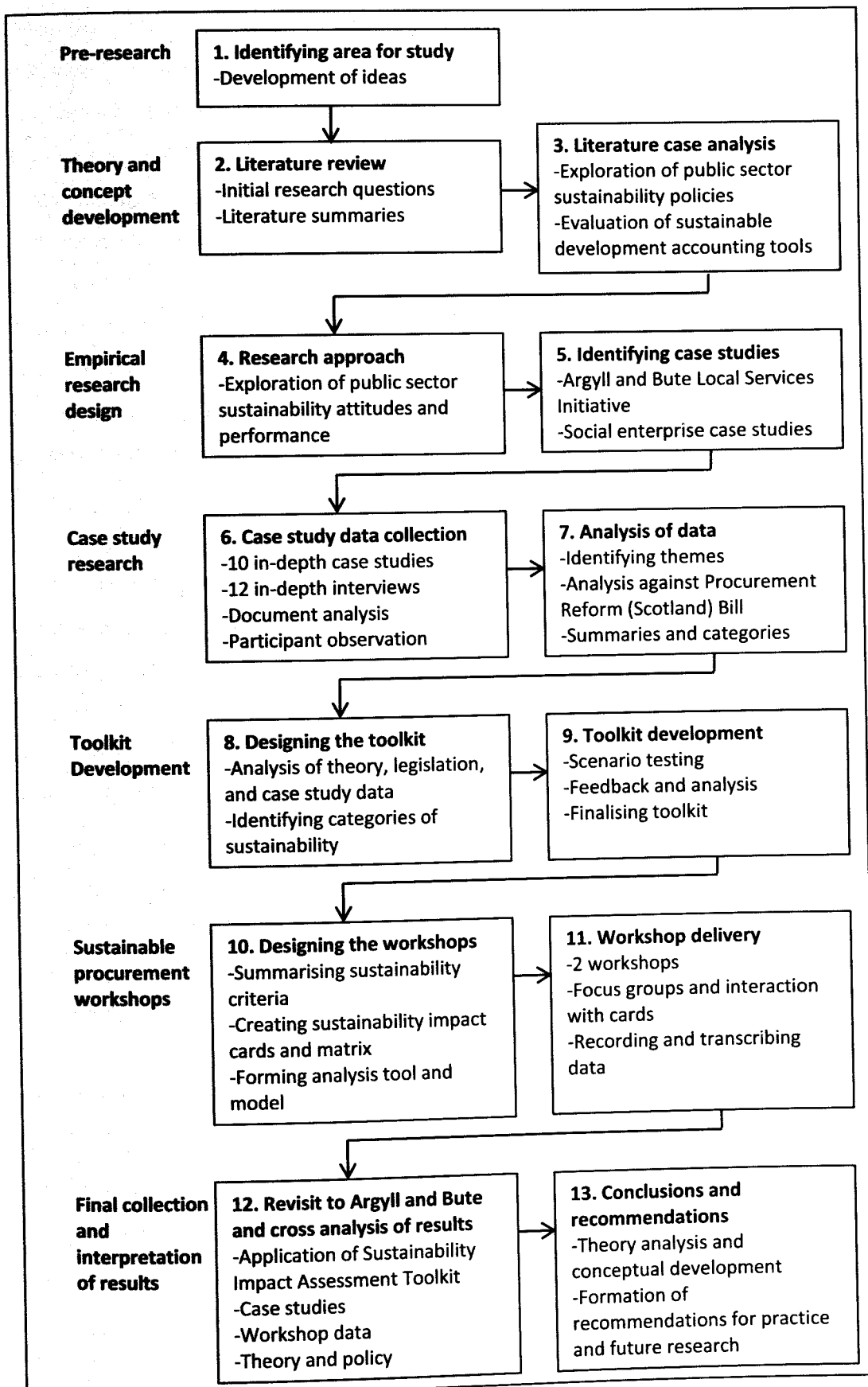


Figure 3.1 Story of the method

Once the context of sustainability in public service procurement and delivery was uncovered, a Sustainability Impact Assessment Toolkit was developed using sustainable development theory and evidence from the case studies. The Sustainability Impact Assessment Toolkit was then showcased and tested at workshops organised by this researcher. The testing was aimed at assessing current levels of sustainability knowledge and uncovering future challenges in embedding sustainability into service delivery and procurement processes. Revisiting the local government concluded the empirical research. This revisit was to determine the extent to which it was attempting to use the Sustainability Impact Assessment Toolkit to embed sustainability into service and procurement decisions. The empirical research all contributed to the creation of a set of proposals for more effective sustainability discourse translation throughout the public sector.

Section 3.1 details the process of exploring the context of behaviour change. This links to Objective 1: exploration of the current sustainability of public services in the context of changing sustainability discourses. This section describes the empirical study of a local government and the sustainability of public service procurement within the geographic region. Section 3.2 continues Chapter 3 by outlining the process of developing and testing a Sustainability Impact Assessment Toolkit, in relation to Objective 2. This Toolkit was developed as part of the analysis of empirical results and theory, with a view to assessing the understanding of sustainability among decision-makers in the public sector. This chapter finishes with Section 3.3, which explains this assessment of stakeholder understanding in a series of workshops, and follow-up research with the local government. This section also relates to Objective 2, the assessment of the understanding and interpretation of sustainable development by key stakeholders in public service procurement. Objective 3, the formulation of a framework or set of proposals for embedding sustainability into public sector organisations was achieved by analysing the empirical findings from all stages of the research, and is therefore made up of all the research stages in this chapter. The next section outlines the method undertaken for the empirical study of public services in context.

3.1 Exploring the context of sustainable public service procurement

This section provides detail of the first phase of the research, principally linked to the thesis objective of exploring the current sustainability of public services in the context of changing sustainability discourses. The results from this phase of the research also helped to inform the subsequent research and were used in data analysis relating to Objectives 2 and 3. This section describes the phases of empirical research design and case study research shown in Figure 3.1.

The sustainable development agenda continues to move forward with new legislation and directives, such as the Procurement Reform (Scotland) Bill. This has increased the requirement for research into the capacity of public sector organisations and their partners to respond through meaningful action and embedded processes (Ball and Grubnic, 2007; Bebbington, 2007; Kemp et al., 2005). In order to determine the potential for sustainable development discourses and associated actions to be built into any public sector reforms, it was important to establish what is currently happening in practice. This initial research stage therefore took place in the context of change, as suggested by Bebbington (2007). Section 3.1.1 documents the process of finding an appropriate empirical research case for achieving this. Section 3.1.2 explains and justifies the collaboration with a public service project in Argyll and Bute (Scotland) that provided the researcher with access to case study data. Subsection 3.1.3 ends the section by detailing the ten case studies of public services within Argyll and Bute that were selected for the research.

3.1.1 Setting the criteria and finding a case study

Classifying drivers and barriers to sustainable public sector service procurement is a knowledge objective. It seeks to understand the problem of embedding sustainability into public service procurement in order to help solve it. It was with this in mind that the requirements for the research were outlined. The main requirement for the research was that any study would need to be grounded in reality. Investigating sustainable public service procurement could not be done without examining existing services in their own setting. Over the last 25 years, accounting research has been encouraged to look at the role of accounting and accountability and the functions the discipline can provide in its natural settings (Smith, 2011). The same can be said for sustainability accounting research. Owen (2008), for example, encourages the transformative effect of sustainability

accounting and accountability research that blends interview, field study and desk based research.

An in-depth study into a specific public service sector or local authority was decided upon. The local authority identified was Argyll and Bute Council, a local authority based on the west coast of Scotland. This was for four main reasons. The first was that Argyll and Bute Council had a clear written and publicly available sustainability policy in place. This policy was part Argyll and Bute Council's Guiding Principles, which were created as part of a draft Climate Change Action Plan (Argyll and Bute Council, 2008) and is included in many planning and strategy documents produced by the council. The Climate Change Action Plan included a series of sustainable development principles under five headings:

- Developing, empowering and including our communities
- Protecting, enhancing and managing natural resources and environment
- Developing the economy using innovative and creative solutions
- Taking an open, honest and accountable approach
- Taking decisions that will maximise benefit and minimise impact across these areas

These headings include the social, environmental and economic aspects of sustainable development. They promote accountability and performance measurement, and emphasise enhancement over mitigation where possible. This showed that, as a local government, at a strategic level Argyll and Bute Council were engaging with the broader sustainability agenda and attempting to take part in any sustainability discourses. Any data gathered through empirical research on sustainability relating to staff attitudes and everyday processes could be analysed against these Guiding Principles.

The second reason for choosing Argyll and Bute Council was for its location, population and demographics. Based on the west coast of Scotland, Argyll and Bute had a population of 89,590 in 2012, the majority of which is rurally based (Argyll and Bute Council, 2012c). It is a small majority, however: the ratio between rural and urban based dwellings in Argyll and Bute is 52.3% and 47.7%, respectively (The Scottish Government, 2013c)⁷. Argyll and Bute Council is one of seven local governments from 32 in Scotland with this ratio within a 10% margin. This provided the research with a mix of public services spread across different geographies and administrative areas, giving the research more

⁷ This is based on 2-fold Urban/Rural categorisation from the Scottish Government Urban Rural Classification 2010-12. 6-fold Urban/Rural categorisation and 8-fold Urban/Rural categorisation detail this further, specifying different types of urban and rural geographies.

generalisability. Figure 3.2 is map of Argyll and Bute, showing the major towns, administrative areas and its location within the west coast of Scotland.

A third reason for the choice of Argyll and Bute was the investment in services per capita in the region. In 2011-12 Argyll and Bute Council had net revenue expenditure per capita of £3,034, compared to the Scottish average of £2,416 for the same period (The Scottish Government, 2013c). Argyll and Bute Council spends more on public services per head of population than 28 other local governments in Scotland, with only the Scottish Island Authorities spending more. The reasons for this include a high rural population, a higher than average percentage of areas of deprivation, and a population age profile that includes a higher than average number of pensioners (The Scottish Government, 2013c). With the need for high spending comes a vulnerability to service cuts and a greater need for services that are sustainable by every definition of the word: economically, environmentally and socially.

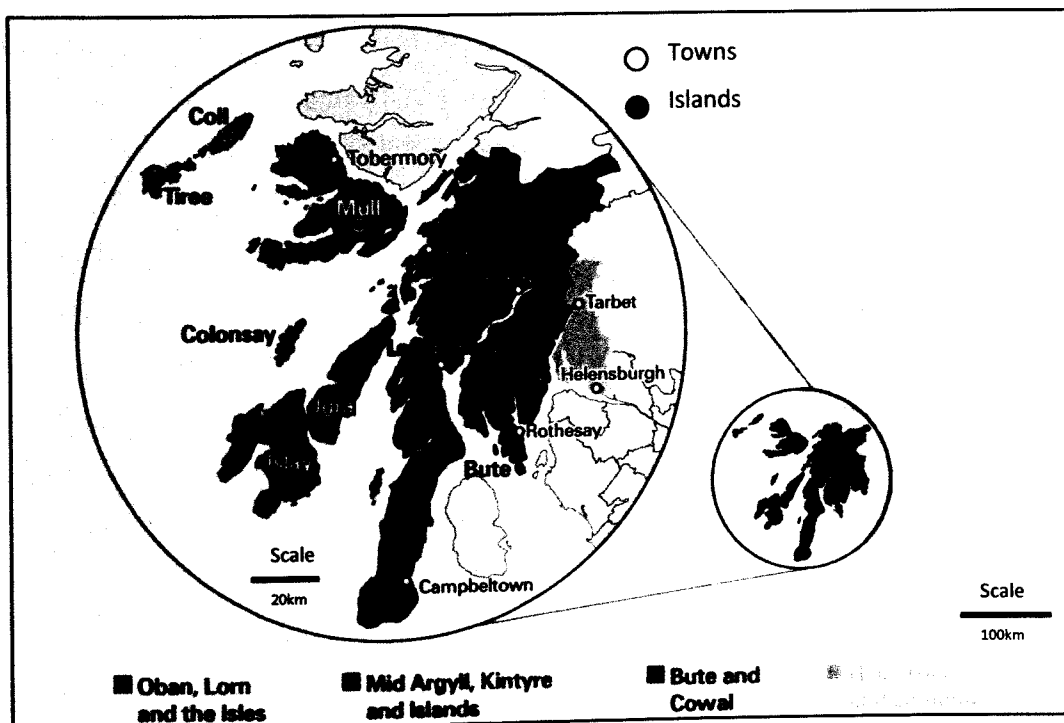


Figure 3.2 Map of the Administrative Areas of Argyll and Bute, Scotland
 Map Source: Argyll and Bute Council (2014b)

The fourth reason for choosing Argyll and Bute Council is because there are a high number of social enterprises engaged in public service delivery. Of the 91 social enterprises within Argyll and Bute that were members of the Argyll and Bute Social Enterprise Network

(ABSEN) in 2012, 37% delivered public service contracts in the geographic area (Hamilton and Cochrane, 2012). The percentage for Argyll and Bute is higher than in urban areas in Scotland. For example, in Scotland's biggest city, Glasgow, the number of social enterprises with public sector contracts in the same time period was 29% (Social Value Lab, 2013). Argyll and Bute, therefore, provided a potentially greater number of experienced study participants and richer case study data. The review of literature identified that social enterprise models of service delivery could lead the way in delivering sustainable services for communities, whilst also bridging the policy gap (Ball, 2007; Bebbington, 2007; Kemp et al., 2005; The Scottish Government, 2007). Social enterprises could be useful collaborators with public bodies in developing new ways of reporting on sustainability and meeting the policy aims of the sustainability agenda (Gray, 2002). In addition, the Procurement Reform (Scotland) Bill early stage consultation highlighted the need for greater links with social enterprise in public services to achieve greater sustainable development.

Upon further research into the social enterprise links it was discovered that Argyll and Bute Council had been involved in a collaborative project with ABSEN to look at more sustainable service procurement and delivery using a social enterprise approach. The project was titled the Argyll and Bute Local Services Initiative (from now referred to as the Local Services Initiative). The Local Services Initiative also included the National Health Service (NHS) and was sponsored by Carnegie UK. Upon contacting the project, this researcher was invited to participate in the Local Services Initiative, as the thesis research aim and objectives dovetailed with those of the Local Services Initiative. By joining the Local Services Initiative Steering Group, access to research participants and documentation was made available to this researcher. The next section will provide further detail of the Argyll and Bute Local Services Initiative and justification for the research collaboration.

3.1.2 The Argyll and Bute Local Services Initiative

As a learning project, the Argyll and Bute Local Services Initiative (Local Services Initiative) was intended to increase understanding of best practice in several key areas of public service delivery by social enterprise. One of these key areas is the role of impact measurement and demonstration of outcomes in the success of delivering sustainable public services in partnership. As the shift to participatory governance continues in the Scottish public sector, there is an ever-increasing need for both council officers and social enterprise organisations to collaborate on assessing the outcomes of a project or service.

This need is exacerbated by public sector budget cuts, which have increased pressure on local authorities to decrease costs but still deliver the same services. This in parallel to the Procurement Reform (Scotland) Bill, which will put legislative pressure on public sector bodies to ensure that all procurements, including contracting of services, will be subject to sustainability targets and guidelines.

The Local Services Initiative ran from March 2010 until March 2013, as based on three-year funding agreed by Carnegie UK and the Argyll and Bute based members of the Local Services Initiative. There were 11 key members in the final Local Services Initiative Steering Group when the research undertaken for this thesis began working with the project. They were from various sectors and fields. Table 3.1 provides the make-up of the members of the Local Services Initiative Steering Group when the project finished in March 2013.

Table 3.1 The Argyll and Bute Local Services Initiative Steering Group, March 2013

<i>Organisation</i>	<i>Description of Organisation</i>	<i>No. of representatives</i>
Argyll and Bute Council	Local Authority, responsible for public services and governance of the Argyll and Bute Region of Scotland.	3
Argyll and Bute Social Enterprise Network	Social enterprise network, offering support and mediation services to social enterprises in Argyll and Bute.	3
NHS	National Health Service, a public sector organisation in the UK responsible for medical, social and other health related care.	1
Argyll Voluntary Action	Local volunteering network. Government funded to promote, support and train volunteer groups in Argyll.	1
Carnegie UK	Scottish based charity involved in research and policy influence.	2
Highlands and Islands Enterprise	Government funded body that supports new enterprises in the Highlands and Islands region of Scotland.	1

The aims of the Local Services Initiative and the research aim of this thesis had a crossover that benefitted all parties. Figure 3.3 shows where the aims of the project met. Initial contact with one member of the Local Services Initiative Steering Group by telephone allowed both parties to establish that there was a mutual benefit from this researcher's involvement in the Local Services Initiative. The Local Services Initiative had identified the requirement of input from a dedicated researcher in order to gather data for the project. The Local Services Initiative Steering Group was formed of members who were working in full-time occupations. They lacked the time to carry out interviews and documentation

analysis necessary to uncover aspects of the public service procurement of social enterprise that could be improved upon. The thesis research required a set of case studies that could help to provide the context regarding the extent of sustainability policy implementation at public sector decision-making level. The thesis research therefore gained access to data otherwise more difficult or impossible to reach, and the Local Services Initiative benefited from an academic perspective and input into its own research findings.

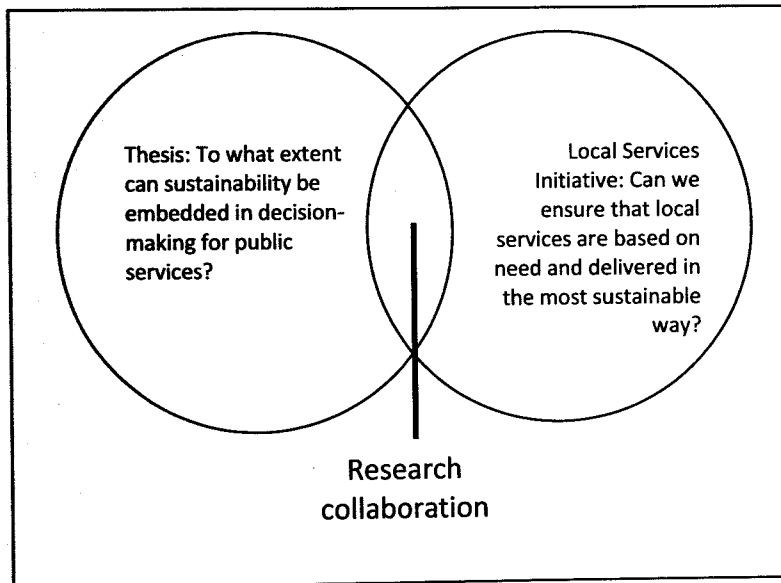


Figure 3.3 Thesis and Argyll and Bute Local Services Initiative Research aims

The aims of the Local Services Initiative that fitted with this thesis were to:

- Identify key success factors for social enterprise delivery of public services.
- Create a set of recommendations that empower the public sector and social enterprises to better procure and deliver local services in Argyll and Bute.
- Provide an evidence base with which to influence key policy makers and decision makers.

These aims were a mix of knowledge and attitudinal objectives (identifying key success factors for a more sustainable way to procure and deliver public services, and influencing key decision-makers); and skills objectives (creating recommendations and processes for more sustainable decision-making for service procurement in Argyll and Bute). This confirmed that the use of Argyll and Bute Council as a case study and the Local Services Initiative as the vehicle for gathering data would help meet the research aim and objectives

of this thesis. During this phase of discussions with the Local Services Initiative Steering Group it was planned that this research approach would:

- Add to the existing literature and knowledge of sustainability accounting and accountability
- Contribute methodologically to the field of sustainability accounting and accountability
- Lead to improved understanding of sustainable development in Argyll and Bute Council and partner organisations
- Develop capacity to deliver and procure more sustainable public services in Argyll and Bute

The use of SMART goals also helped to confirm this. Table 3.2 shows the SMART goals for the thesis aim in relation to the Argyll and Bute Council case study. The collaboration with the Local Services Initiative specifically opened up the research to an accessible set of data rich case studies. The merits of the collaboration were also measurable in terms of time scale of the research and access to the right case studies (social enterprises delivering public services). The collaboration ensured the research was achievable, as the Local Services Initiative Steering Group were able to arrange access to all necessary participants and documentation. The dovetailing research aims confirmed that the research was taking place in a local authority with strategic desire for sustainability. The time frame of the Local Services Initiative was within the period of research planned for this thesis.

This researcher's status as a doctoral researcher was overt to the rest of the Local Services Initiative Steering Group. This researcher designed and carried out the empirical research. This included analysis of the discussions at Local Services Initiative Steering Group meetings. This analysis then formed the basis of the selection of Case Studies for the empirical research. These Case Studies were selected as a representative mix of social enterprises delivering public services through procurement contracts (this is explained in further detail in Section 3.1.3). This researcher then designed, carried out and transcribed interviews with participants relating to the Case Studies. The interviews were designed to gather relevant data for both this thesis and the Local Services Initiative Aims. Documentation analysis also formed this part of building the case study data. This researcher then analysed all the data, considering the implications for both research projects. The analysis for the Local Services Initiative was used by the Steering Group to write a report of the project.

Table 3.2 SMART Goals for Local Services Initiative research collaboration

SMART Condition	Description of SMART condition	SMART Condition for Research Objective
Specific	<i>What: What did I want to accomplish?</i>	To what extent can sustainability be embedded in decision-making for public services?
	<i>Why: Specific reasons, purpose or benefits of accomplishing the goal.</i>	Links to the overall thesis aim; contributes to theoretical knowledge; can provide solutions in social setting in which the research takes place.
	<i>Who: Who needed to be involved?</i>	Needed a public sector body (e.g. local government, health board etc.) tasked with implementing sustainability policy. Argyll and Bute Council are a local government with a desire to make the transition to sustainable models of service procurement. Evidence of this includes written strategic aims and policy, and the commitment to the Local Services Initiative Project.
	<i>Where: Identification of a location.</i>	Needed to be accessible to researcher geographically for travel to interview locations and meetings. Scotland based was essential. Argyll and Bute was within accessible travelling distance from Glasgow.
	<i>Which: Identification of requirements and constraints.</i>	Needed access to staff and documentation, and buy-in from key members of organisation(s). Argyll and Bute Council and the Local Services Initiative Steering Group provided this. Study is specific to one local government and thus could suffer from accusations of a lack of generalisability.
Measurable	<i>Criteria for completion of research objective.</i>	Time- the Local Services Initiative project was within the PhD empirical research timescale of November 2011 and August 2013. Amount of data needed within case study- was determined by mix of respondents and availability of data. The social enterprise focus allowed researcher to choose a representative mix of sustainable services. Performance indicators- Triangulation with literature and theory helped to determine the success of data collection. Collaboration with the Local Services Initiative Steering Group helped with this.
Achievable	<i>Ensuring the objective can be accomplished.</i>	Studying one local government makes the objective manageable and more focused. It also kept it within a specific geographic region. Focusing on services delivered by social enterprises also kept the research manageable.
Relevant	<i>The research objective must be in line with the mission of the case study organisation.</i>	The research required a local government with a desire to make the transition to sustainable service procurement. The Local Services Initiative project and the social enterprise partnerships showed that Argyll and Bute council were already looking to be more sustainable in procurement.
Time	<i>The goals must have a target frame.</i>	The research was undertaken within the PhD empirical research timescale of November 2011 and August 2013. The Local Services Initiative project was also due to finish in March 2013.

Table 3.3 shows the dates and locations of the meetings with the Local Services Initiative Steering Group. The first meeting this researcher had with the Local Services Initiative Steering Group was on 5-6th December 2011 at a Local Services Initiative 'Away Day' in Inveraray, Argyll. The Away Days were one or two day meetings in which the steering group would come together face-to-face and discuss the project. It was at these Away Days that this researcher was able to propose the research strategy and outcomes that the thesis required. The other members of Steering Group were able to agree that the Local Services Initiative could benefit from the thesis research. Appendix A provides more details of the purpose and researcher role of each Steering Group meeting over the course of this researcher's involvement in Local Services Initiative.

Table 3.3 Meetings with Argyll and Bute Local Services Initiative Steering Group

<i>Meeting</i>	<i>Date</i>	<i>Location</i>
1	5 Dec- 6 Dec 2011	Loch Fyne Hotel, Inveraray
2	31 Jan 2012	Teleconference
3	14 Feb 2012	Loch Fyne Hotel, Inveraray
4	20 Mar 2012	Teleconference
5	23 May 2012	Teleconference
6	June 11- June 12 2012	Loch Fyne Hotel, Inveraray
7	24 July 2012	Argyll and Bute Council Offices, Helensburgh
8	27 July 2012	Community Hall, Auchindrain
9	7 Aug 2012	Social Value Lab, Nelson Mandela Place, Glasgow
10	14 Aug 2012	Portavadie Marina, Portavadie
11	15 Aug 2012	Argyll and Bute Council Offices, Helensburgh
12	23 Aug 2012	Loch Fyne Hotel, Inveraray
13	14 Sep 2012	Social Firms Scotland Office, Glasgow
14	16 Oct 2012	Portavadie Marina, Portavadie
15	29 Oct- 30 Oct 2012	Loch Fyne Hotel, Inveraray
16	12 Dec 2012	Ramada Hotel, Glasgow Airport
17	27 March 2013	Argyll and Bute Council Head Offices, Lochgilphead

During the course of the Local Services Initiative Steering Group meetings between 5th December 2011 and 20th March 2012 this researcher was able to gather and analyse data from ten Case Studies. This data set met the thesis objective of exploring the current sustainability of public services in the context of changing sustainability discourses, as part of the overall aim to discover the extent to which sustainability can be embedded in decision-making for public services. The next subsection will detail the case study approach adopted for the study of Argyll and Bute Council and the data that such an approach was able to gain.

3.1.3 Selecting ten public service Case Studies

This section details the selection of ten Case Studies of public services within Argyll and Bute. The case study research had an objective of exploring the current sustainability of public services in the context of changing sustainability discourses, as part of the overall aim to discover the extent to which sustainability can be embedded in decision-making for public services. The case study of Argyll and Bute Council was also used for data collection and analysis when approaching Objectives 2 and 3 of the thesis (see Sections 3.2 and 3.3).

Ten public services procured externally within Argyll and Bute were chosen for the different stages of development and maturity of the social enterprises delivering services. Table 3.4 shows the public services involved in the study. The ten public services were also selected for their potential to show various successes and failures of attempting to procure sustainable public service delivery in partnership. By identifying the barriers and drivers of sustainable service delivery, and by extension sustainable procurement, any future solutions could be developed with these issues in mind.

DEFRA (2006) argue that public services often fail to deliver on the sustainability policy goals set at government level. In order to learn whether Argyll and Bute Council's high-level engagements with the sustainability agenda were being realised on the business side of local government, current practices and decision-making regarding public services within the council would have to be explored. This was achieved through an in-depth study of the complex social interactions and attitudes of those involved in the social setting of Argyll and Bute's public service sector.

The case study approach examined "a contemporary phenomenon in its real life context" (Yin, 2009, p. 18). The literature review identified sustainability of public services as requiring further research. According to Yin (2009), case studies are appropriate when there is no clear boundary between context and phenomenon, such as in this case of exploring why sustainability discourses are not reaching the business level of public service procurement. Gable (1994) states that case studies are relevant when the objective is to understand contemporary issues and not to control variables or behaviours. Case studies allow for blending of different result sets (Bryman, 2004; Yin, 1981), which presents further flexibility for data analysis.

Table 3.4 Case Study Services (in order of length of operation as social enterprise model)

<i>Case Study</i>	<i>Description of Service</i>	<i>Employees (Volunteers)</i>	<i>Length of Operation</i>	<i>Relevance to study</i>
1	Leisure facility run using a social enterprise model, with council funding. Previously a council run facility.	28 (8)	21 years	Current contract ending in near future. Evidence or guidance for sustainability outcomes could be key to securing favourable terms in new contract.
2	Social enterprise with Council contract to provide collection and processing of recyclable waste. Social mission to employ people with special and social needs.	22 (0)	14 years	Delivers wider outcomes but needs a mechanism to prove this. Council requires evidence and guidance on sustainability value for future decision-making on contract and performance.
3	Social enterprise that provides adventure sports, outdoor nursery, adventure clubs and environmental engagement. Mix of income from council and private contracts.	9 (0)	4 years	Originally a council run service, transferred to a social enterprise model. Much of the business model is based on achieving positive health, environment and social impacts.
4	Social enterprise with Council contract to provide collection and processing of recyclable waste.	8 (3)	2 years	Original contract did not provide security and certainty: now has a formal contract and greater support from the council. Provides information as to why the sustainable development agenda was followed in this instance.
5	Social enterprise that finds alternative respite care for patients. Public sector contract, with scope for increasing income streams.	2 (0)	2 years	Business model is based on achieving positive health, and social impacts. Identified need to align sustainability impacts with future contracts and income generation.
6	Social enterprise delivering adult care home services. Emerged from previous council run service.	40 (0)	2 years	Measurement and guidance for social value could strengthen case for continuation of the service in light of cuts to funding.
7	Council managed services for social care, delivered by social enterprises and volunteer groups on contract basis.	Various social enterprises under Council contracts	2 years (initial change of process in 2011)	Recent change to procurement process has been implemented. Now procured using outcomes-based approach. Can be studied as an example of a successfully embedded policy agenda into everyday processes.

<i>Case Study</i>	<i>Description of Service</i>	<i>Employees (Volunteers)</i>	<i>Length of Operation</i>	<i>Relevance to study</i>
8	Social enterprise with Council contract to provide collection and processing of recyclable waste.	0 (2)	1 year	Public sector funding was withdrawn and contract lost, yet fits criteria for sustainable procurement. Provides information on why sustainability agenda did not apply.
9	Arts management company set up as a social enterprise. Emerged from council run services in the arts.	0 (3)	0 years	Yet to launch fully, but could use assessment of potential impact for strengthening case for funding and contracts. Example of predictive potential of sustainability accounting.
10	Social enterprise set up to sustainably maintain, enhance and promote the coast and countryside.	0 (2)	0 years	Needs to align the aims and objectives of the project with tangible sustainability impacts and outcomes in order to generate funding.

As well as the corporate level commitment to sustainability, Argyll and Bute Council has a relatively evenly spread geographical mix of urban and rural service needs, high spend per capita on public services, and strong links to social enterprise for public service delivery. The type of public services used in the study was narrowed down to those delivered by social enterprises. Argyll and Bute use other Third Sector approaches to public service procurement, but this research focused on social enterprise models in order to make the data more manageable and comparable. Social enterprises are also, by definition, often a model of sustainability (for example, Citroni and Nicolella, 2011; Molnar, 2011; Nicholls, 2006, 2009). It may be easier to pinpoint the blockages to sustainability within the business side of local government when examining organisations that already aspire to sustainable development, such as social enterprises.

The ten Case Studies were at varying stages of development and longevity. Case studies 9 and 10 were at early proposal stage and may need to carry out predictive sustainability impact accounting or accountability, particularly with a view to gaining funding or contracts. Case study 8 was in operation but at a very early start-up stage. The initial sustainability impacts and outcomes of the social enterprise approach to service delivery in Case Study 8 are yet to be fully obvious, but may still need to be assessed for continued funding and contracts. Case Studies 4, 5, 6, are established providers of public service, but require expansion and diversification of income sources beyond the public sector procurement contract. Existing contracts and potential new procurements may require evidence of sustainable impacts for funding to be secured. Case Studies 2 and 3 are

organisations that are long established and have, through income diversity, moved beyond complete reliance on the public sector contract for financial security. These organisations are now full partners of the public sector, but are still required to prove positive sustainable impacts as part of the participatory governance model. Finally, Case Studies 1 and 7 are public services that require or have carried out a change in operation to better deliver a sustainable service. This change is also aimed at achieving easier identification and measurement of sustainable impacts and outcomes.

The next section details the process of gathering data from the case study of Argyll and Bute Council.

3.1.4 Gathering data of the ten public services

This section documents the data collection methods for the case study of Argyll and Bute Council. The data collection methods were all utilised with the same purpose of fulfilling the research objective of classifying the drivers and barriers to sustainable public service procurement. Data was gathered using three main research strategies: in-depth interviews, documentation analysis and participant observation. This section explains the process of each of these methods and the case study services they related to.

In-depth interviews

Interviews took place with managers of social enterprise providing services and Council Officers responsible for procurements, contracts and support offered to the social enterprise. This was in order to gain a perspective into participatory government from both sides of the story. In some cases the Council Officer interviewed was responsible for more than one of the social enterprises delivering services in this study. Therefore, there were a total of eleven in-depth interviews. Five of these were with Council Service Managers and six were with Social Enterprise Managers. Table 3.5 shows the Case Study organisations, the date the interview was conducted, whether the interviewee was from the council or the social enterprise providing the service, the number of interviewees, and the interview format.

Case Studies 1 and 10 are absent from Table 3.4. This is because the Case Study 1 did a presentation to the Local Services Initiative Steering Group on December 5th 2011 on the drivers, barriers and success factors for sustainable services. The organisation also had a wealth of documentation available (see section on documentation analysis). Case Study

10 is a social enterprise at an extremely early stage. There were no key members available to interview. However, members of the Local Services Initiative Steering Group were involved from the social enterprise and Council sides of the public service proposal and tender process, so it was decided that documentation analysis and participant observation provided adequate data. Despite not yet trading as a social enterprise, Case Study 10 was still important. The proposed project mission (protection of the coast and countryside of Argyll and Bute) was all sustainability orientated. Any progress, or lack of, could be seen as evidence of the business level commitment of the Council to its corporate sustainability principles.

Table 3.5 Interviews recorded during the initial phase of the Sustainability Impact Assessment
Sustainability Impact Assessment Toolkit Development

<i>Interview date</i>	<i>Case Study</i>	<i>Interviewee (No. of interviewees)</i>	<i>Interview format</i>
3 May 2012	1 and 3	Council Service Manager (1)	Face to face
8 May 2012	2, 4 and 8	Council Service Managers (2)	Face to face
9 May 2012	9	Council Service Manager (1)	Face to face
16 May 2012	9	Social Enterprise Managers (2)	Face to face
16 May 2012	3	Social Enterprise Manager (1)	Face to face
22 May 2012	6	Council Service Manager (1)	Face to face
23 May 2012	5	Social Enterprise Manager (1)	Face to face
24 May 2012	7	Council Service Manager (1)	Face to face
31 May 2012	4	Social Enterprise Manager (1)	Telephone
31 May 2012	8	Social Enterprise Manager (1)	Telephone
31 May 2012	2	Social Enterprise Manager (1)	Face to face

The interviews took place in May 2012. Participants were asked to talk about their experiences of public service procurement and the sustainability agenda (see Box 3.1). The face-to-face interviews took place in the offices of Argyll and Bute Council and the social enterprises in various locations across Argyll and Bute. Telephone interviews were conducted from Argyll College in Dunoon, who offered the researcher use of telephone conferencing facilities. Interviews tended to last one hour in length. All interviewees were cooperative and open to the questions asked of them. Informed consent was sought and gained in accordance with University of Strathclyde ethics policy (see Appendix D). The interviews were audio recorded using an iPhone. Notes were taken during the interview, with a summary of the notes written shortly afterwards. Transcriptions of the audio recordings were also created (these are included in this thesis). The transcriptions and the summary notes were used to theme the interview findings. Subsequent documentation

analysis also informed this process. Overviews of the discussions were sent to the respondents for validation.

Box 3.1 Interview themes for the case study interviews in Argyll and Bute

1. Knowledge and experience of service partnerships (approx. 15 mins.)

- How do social enterprise partnerships contribute to delivery of services in Argyll and Bute?
- How does this relate to similar services delivered in house (or compared to previous service delivery) before a social enterprise became involved?
- What is your understanding of the Councils policy or strategy on social enterprise delivery of services?

2. Contributions of service partnerships to sustainability (approx. 20 mins.)

- How do you think social enterprises delivering public services contribute towards local community sustainability?
 - Socially
 - Environmentally
 - Economically
- What do you consider to be the most important impacts/ achievements / outcomes provided by social enterprises under council contracts?
- What would be the social/environmental impact on Argyll and Bute if the budget was cut and/or services were lost to the area?

3. Challenges/opportunities for service delivery partnerships (approx. 20 mins.)

- What are the key challenges for delivering public services through social enterprise? (Can you provide some examples of the drivers and barriers that specific projects have faced?)
- What are the potential issues/risks?
- What is good, what is bad, what could have been done better with regards to service delivery by social enterprise?
- How would you identify weaknesses with social enterprise partnerships in terms of performance and service delivery?
- What are the opportunities for growth in social enterprise delivery of services? (*Follow up: Any opportunities missed?*)

4. The role of impact measurement (approx. 20 mins.)

- How important is impact measurement as part of the overall delivery of public services?
- How could the process of social and environmental impact measurement be made more effective?
- What benefits might a more collaborative approach to impact measurement produce?

5. Closing questions (10 mins)

- What lessons have you learned in dealings with social enterprise partners in the provision of services? What would your advice be to others in a similar situation to yourself?
- In a perfect world, with no barriers and issues, what would sustainable delivery of public services look like in Argyll and Bute?

Note: The interview themes and questions were created as a guide to ensuring the interviews covered similar themes on the sustainability of service delivery. Questions were asked in different ways dependent on the type of service, and if the interview was with a Council Service Manager or a Social Enterprise Manager.

The interview structure was based on the required data for answering the research objective. Box 3.1 shows the interview themes that were designed prior to the start of the series of interviews and the interview guide used by this researcher when conducting the interviews. The themes were based on the review of literature findings. The Local Services Initiative Steering Group meetings also helped to inform some of the interview structure, as this researcher was able to take field notes and observations on some of the potential issues for public service sustainability.

Interviews undertaken for the ten Case Studies were often more along the lines of “guided conversations” (Yin, 2009). Interviews in this case were semi-structured with themes guided by the researcher. This had the advantage of keeping direct focus on the issues (Yin, 2009), such as sustainability knowledge and attitudes, current commitment and ability to implement sustainability policy, and future challenges for sustainable public service procurement. The gentle guiding of themes left scope for complementary issues to emerge (Bryman, 2004), essential for the learning and exploration element of the study. Due to the multiple case study approach, semi-structured interviews increased comparability, adding greater credence to the results set. Interviews provided subsequent explanations for patterns that emerged, offering context and insight into results of the other research methods and strategies (Yin, 2009).

Documentation analysis

Through the interactions with Local Services Initiative and during the process of interviewing participants from public services in Argyll and Bute, access to documentation was gained. These documents included:

- Argyll and Bute Council Corporate Plan 2013-2017 (Argyll and Bute Council, 2012a)
- Argyll and Bute Council Equality Impact Assessments Budget Proposals 2011 (Argyll and Bute Council, 2011)
- Argyll and Bute Council Procurement Manual 2012 (Argyll and Bute Council, 2012b)
- Social enterprise Missions and Aims
- Social enterprise Business Plans

The document analysis was a key element of gathering data to uncover the current sustainability discourses and extent to which they are carried out a business level of local government. The documentation could be triangulated with the data from the interviews

and the findings from the review of literature to build a picture of the underlying context for the state of sustainability engagement within local government.

In particular the document analysis was used for Case Studies 1 and 10, the two services that were not interviewed. Case Study 1 was at a stage of having to begin a new contract to provide services for the first time in 21 years, whilst Case Study 10 was looking to gain its first public service contract. The documentation was able to give a good picture of the state of the services and the future shape of them going forward. Assumptions could be made about the commitment to sustainability on the part of Argyll and Bute Council based on such documents.

Observation and field notes

Throughout the course of the Local Services Initiative meetings (see Appendix A) observations and field notes were collected. These helped form the picture of public services and sustainability in Argyll and Bute. Documented observations and field notes provided a reflective account through which interpretations and assumptions of the state service procurement could be made. These also informed the strategy for next steps of the research, which looked at ways of informing how the issues could be solved.

The collection and analysis of data regarding the context of public sector sustainability performance informed the next stage of the research. Through active participation in the social setting resulting from Local Services Initiative, the research became more action based. The action element was the development of a Sustainability Impact Assessment Toolkit for sustainable public sector service procurement. This had the aim of providing solutions to issues that Argyll and Bute Council faced regarding sustainable public service procurement, whilst at the same time offering an advancement of knowledge or theory on the subject (Coghlan and Brannick, 2005). The next section describes the methodological development of this Sustainability Impact Assessment Toolkit, or mediating instrument, for use in sustainable service procurement and delivery.

3.2 Development of a Sustainability Impact Assessment Toolkit

This section details the purpose and process of creating a Sustainability Impact Assessment Toolkit for translating sustainability policy into public service processes and decision-making. This part of the research was undertaken with the aim of meeting Objective 2 of

this thesis: Assess the understanding and interpretation of sustainable development by key decision-makers in public service procurement. The Sustainability Impact Assessment Toolkit was also used to contribute to Objective 3: Develop a framework or set of proposals for sustainability to be more effectively embedded within public sector decision-making for procurement.

As the discussions with the Local Services Initiative developed and analysis of the initial findings was fed back to the Steering Group, it was agreed by all parties that this project was an opportunity to develop the understanding of sustainability of those procuring and delivering services in Argyll and Bute. This could be done through creating a guidance document, or 'Sustainability Impact Assessment Toolkit'. This would have the aim of uncovering and increasing the understanding of sustainable development of those involved in procuring and delivering services. Argyll and Bute Council had attempted to create a Sustainability Impact Assessment Toolkit in 2007 but it did not get past draft stage. The Local Services Initiative Steering Group felt that with the upcoming Procurement Reform (Scotland) Bill, it was a good time to create a new Sustainability Impact Assessment Toolkit.

The aims of the Local Services Initiative and observations gathered during the first series of meetings (see Appendix A) demonstrated that the organisations involved in the Local Services Initiative were committed to improving the sustainability of public services (and local communities in general) in Argyll and Bute. The context of the public services was explored through the Case Study of ten public services delivered by social enterprises in Argyll and Bute. These findings were analysed and fed back to the Local Services Initiative Steering group. During this phase of discussions with the Local Services Initiative Steering Group it was planned that this research approach would:

- Add to the existing literature and knowledge of sustainability accounting and accountability
- Contribute methodologically to the field of sustainability accounting and accountability
- Lead to improved understanding of sustainable development in Argyll and Bute Council and partner organisations
- Develop capacity to procure more sustainable public services in Argyll and Bute

The Sustainability Impact Assessment Toolkit was created with three key principles driving and guiding the development stages. These are detailed in Table 3.6.

Table 3.6 Three key principles of the Sustainability Impact Assessment Toolkit

Goal	Research input
1. Use a variety of sources to create a relevant tool	-Analysis of legislation, specifically the Procurement Reform (Scotland) Bill -Use of Argyll and Bute Council guiding principles from corporate plan -Analysis and use of relevant theory and literature review findings -Analysis and use of case studies from Argyll and Bute
2. Consider current and future challenges for public/ third sector partnerships and how the toolkit can help to manage these	-Analysis and use of case studies from Argyll and Bute: includes interviews and document analysis -Literature review findings
3. Identifying where there are practical issues that need to be addressed and resolved (e.g. ease of use, training, responsibility for information gathering, or stakeholder engagement)	-Analysis and use of case studies from Argyll and Bute: includes working with Local Services Initiative Steering Group -Literature review findings

The Sustainability Impact Assessment Toolkit was designed using a variety of sources. These sources included legislation and policy, Case Study findings from Argyll and Bute, and sustainability theory and principles. The Sustainability Impact Assessment Toolkit was also devised to address or highlight some of the systemic issues for embedding sustainability into everyday practices. These issues were identified from the Case Studies and review of literature. Finally, the Sustainability Impact Assessment Toolkit aims to help with the practical aspects of embedding sustainability discourses into public sector decision-making, such as training staff or engaging stakeholders.

The process and experience of developing the Sustainability Impact Assessment Toolkit for sustainability translation is a key research finding of this thesis. The results of these findings are documented in Chapter 5. This Section shows the methodological justification, the timeline of the development, and the details of those involved in the development and pilot testing of the Sustainability Impact Assessment Toolkit.

3.2.1 Action research for sustainability accounting and accountability

According to Adams and McNicholas (2007, p. 387) the action research method is “a powerful means of improving and enhancing practice as well as bridging the theory-practice gap, as the action/solutions are the result of the combined efforts, expertise and knowledge of both the practitioners and researchers”. As a result of the engagement with

the Local Services Initiative, the action research employed has several key benefits for this thesis (Bryman, 2004, p. 338):

- **Increased understanding:** the researcher had the benefit of seeing the perspective of the respondent and so better understood the language or context of the answers given
- **Less intrusive:** the naturalistic emphasis aided the process, with the respondents comfortable in their own surroundings and comfortable with the researcher's presence
- **Ethical advantages:** the case study was completely open and employed no underhand methods
- **Specific focus to research:** the researcher was not engaging in either purely ethnographic research nor approaching the interview with little prior knowledge or contact with the respondents

Figure 3.1 showed the story of the method. The development of the Sustainability Impact Assessment Toolkit is explained in further depth in this section. The data gathered during the initial case study phase of the research was fed back to stakeholders in the Local Services Initiative Steering Group and subsequently analysed. This analysis looked at contributions to knowledge and what the results would mean in practice for those procuring and delivering services in Argyll and Bute. From this process emerged the planned action to develop a Sustainability Impact Assessment Toolkit to gather further insights into sustainability practices and attitudes, and perhaps assist Argyll and Bute Council in sustainable procurement in future. This researcher undertook the action through the Sustainability Impact Assessment Toolkit development. Evaluation and further data gathering was carried out in order to test the Sustainability Impact Assessment Toolkit's value to theory and practice (this is detailed in Section 3.3).

The action research approach is predominantly focussed upon a Local Government and social enterprise network in one specific region of Scotland. The generalisation of this single study into a wider phenomenon is therefore open to debate (Bryman and Bell, 2007; Fendler, 2006). However, the cyclical process of testing and experimentation during the research process, as shown in Figure 3.1, can offset this concern.

Validation of the findings and knowledge produced is also important in action research, as the researcher is more closely involved in the social setting than in other research approaches. This can lead to issues of value neutrality, passiveness, and objectivity (Bryman, 2004; Bryman and Bell, 2007; Yin, 2009). A challenge of action research identified by Coghlan and Brannick (2005) is the ability of the researcher to take part in a situation and subsequently step back from the action and assess any outcomes.

This study uses consultation sessions and workshops during the Sustainability Impact Assessment Toolkit development to offset this problem. Local knowledge from the action research can be integrated with other knowledge and findings to form more general statements and theories, which can then be tested in future research. Burns (2007) argues that a twin track approach should be applied to researching the sustainability of organisations which:

- Uses knowledge and research to further the growth and success of the organisations
- Learns from the practices of organisations in order to encourage the lessons to be integrated into further research and policy

This is in line with the predominant aim of the research, which is to examine the potential for more sustainable public services and related procurement processes. Whilst there is a need to look at what is happening now, the data is also used to examine what could (and should) happen in the future.

The results of the case study analysis, continued engagement with the Local Services Initiative Steering Group, and context of the Procurement Reform (Scotland) Bill ensured that the action research had the necessary elements of description and explanation (Yin, 2009). Action research also requires an element of pre-understanding of the context of the organisations being investigated (Coghlan and Brannick, 2005). This sits with the overall approach of thesis, which has adopted the theory of Bebbington (2007), that research into accounting and accountability for sustainable development requires contextual exploration before any action and reflection can take place.

The aims and objectives of this thesis are closely related to the typical action research purpose of solving a problem at the same time as contributing to understanding (Coghlan and Brannick, 2005; Greenwood and Levin, 1998). The understanding and theoretical reflection can be undertaken retrospectively, allowing both the researcher and the organisation to learn from the study (Coghlan and Brannick, 2005). This overall approach to the thesis is consistent with the findings of Miles and Huberman (1984) who observe that areas such as organisational studies and policy analysis have seen a shift towards using both exploratory and confirmatory approaches.

3.2.2 Stages of the Sustainability Impact Assessment Toolkit development

This section features the development of the Sustainability Impact Assessment Toolkit as:

- As a method of sustainability accounting research
- A potential tool for translating sustainability discourses in a public sector decision-making environment

Table 3.7 shows the stages of developing the Sustainability Impact Assessment Toolkit. The Sustainability Impact Assessment Toolkit was developed over a timeline that follows the typical action research sequence, as described by Coghlan and Brannick (2005). Table 3.7 shows how a process of reflection, planning, action, and testing occurred during the Sustainability Impact Assessment Toolkit development. It outlines the stage of Sustainability Impact Assessment Toolkit development, the dates and timescale of each development, and why each development took place. The process takes into account the initial reflection from the results of the case study of Argyll and Bute Council's public services and the reflection from using the Sustainability Impact Assessment Toolkit in workshops.

This section details the participants that were involved in the creation and development stage of the Sustainability Impact Assessment Toolkit. The Sustainability Impact Assessment Toolkit testing and reflection included utilising key members of Argyll and Bute Council and members of the Local Services Initiative Steering Group, as well as participants from outwith Argyll and Bute. Section 3.3 describes workshops that were held after the Sustainability Impact Assessment Toolkit was developed. Within Section 3.3 the details of the participants and their backgrounds with regards public services and sustainability are described.

Three sets of participants supported the development of the Sustainability Impact Assessment Toolkit. The first was the Local Services Initiative Steering Group. They were a source of initial data for: the underlying rationale for the Sustainability Impact Assessment Toolkit; the specific needs that Argyll and Bute Council and any service partners may need from the Sustainability Impact Assessment Toolkit; and the sustainability discourses that required translating. The Local Services Initiative Steering Group involvement in this phase of the Sustainability Impact Assessment Toolkit development was from February 2012 to July 2012. The Local Services Initiative Away Days were used to update the Steering Group on the development process of the Sustainability Impact Assessment Toolkit. Communication by email and telephone with individual members of the Steering Group also took place.

Table 3.7 Stages of Sustainability Impact Assessment Toolkit development on the Action Research Cycle

Sustainability Impact Assessment Toolkit development stage	Date(s) of developments	Reason for development	Cyclical stage of action research
1. Proposal for Sustainability Impact Assessment Toolkit	Feb 2012 – May 2012	Need informed by theory (e.g. mediating machines); identified as desirable by Local Services Initiative Steering Group	Reflection
2. Establishing what the Sustainability Impact Assessment Toolkit would contain	June 2012 – July 2012	Determining use of the Sustainability Impact Assessment Toolkit: who when, why and how. Information from Local Services Initiative Steering Group; case study analysis; ideas from theory and literature.	Planning
3. Creating and developing Version 1 of Sustainability Impact Assessment Toolkit	June 2012 – Aug 2012	Needed to create a first version for feedback.	Acting
4. Sustainability Impact Assessment Toolkit feedback session	7 th Aug 2012	Meeting with Social Value Lab to get outside feedback on the Sustainability Impact Assessment Toolkit. Areas of legality, wording of issues and general usability of Sustainability Impact Assessment Toolkit were discussed.	Reflection
5. Creating and developing Version 2 of Sustainability Impact Assessment Toolkit ¹	Aug 2012	Changes based on 7 th August feedback.	Acting
6. Testing the Sustainability Impact Assessment Toolkit with users	Sept 2012 – Oct 2012	Needed to pilot test the Sustainability Impact Assessment Toolkit. Tested with University of Strathclyde MSc Students.	Testing and Reflection
7. Considering a complimentary method to the Sustainability Impact Assessment Toolkit	Nov 2012 – Dec 2012	Need established from pilot test reflection for training method to compliment the Sustainability Impact Assessment Toolkit.	Planning
8. Creating and developing a training tool ²	Dec 2012 – April 2013	Sustainability Impact Cards developed for testing in workshops.	Acting
9. Workshop delivery	May 2013 and Oct 2013	Sustainability Impact Assessment Toolkit training version tested in workshops	Acting, Testing and Reflection
10. Evaluation of Sustainability Impact Assessment Toolkit	Oct 2013 – Dec 2013	Evaluation of Sustainability Impact Assessment Toolkit as a change tool; and as a method of data collection.	Reflection
11. Revisit to Argyll and Bute	Aug 2014	Examination of application of the Sustainability Impact Assessment Toolkit by Argyll and Bute Council	Reflection

¹Version 2 of the Sustainability Impact Assessment Toolkit is shown in Appendix E.

²Sustainability Impact Cards are shown in Section 3.3 and Appendix B.

The Social Value Lab was also able to provide assistance on the Sustainability Impact Assessment Toolkit development at an early stage. Box 3.2 explains what the Social Value Lab is and the purpose of the organisation. The Social Value Lab offered its services to the Local Services Initiative as a third party assessor of the full Argyll and Bute Local Services

Initiative. This was aimed at showing the value of the project to the funding bodies, Carnegie UK and Argyll and Bute Council. As part of the time allocated to the Local Services Initiative, the Social Value Lab were able to offer this researcher evaluation of the first Sustainability Impact Assessment Toolkit draft. A meeting took place on 7th August 2012 at the Social Value Lab offices in Glasgow, with this researcher and the Director of the Social Value Lab, Rick Rijdsijk, in attendance. The meeting was not audio recorded, but notes and observations recorded and suggested changes to the Sustainability Impact Assessment Toolkit documented.

The participation in the Sustainability Impact Assessment Toolkit development from the Social Value Lab was able to provide a broader perspective on the Sustainability Impact Assessment Toolkit as translation tool for the sustainability agenda. A criticism of action research is the danger that a researcher can become too immersed in the social setting of the study. The research had so far only gathered empirical data from within Argyll and Bute. By gaining a perspective on the sustainability requirements for public service procurement and delivery from the Social Value Lab, the thesis research increased validity and generalisability.

Box 3.2 The Social Value Lab

The Social Value Lab is a social-purpose organisation that provides research, consultancy and business support to other organisations. Formed in June 2011, the Social Value Lab has a specialist team of 40. The mission of the Social Value Lab is to take a collaborative approach, working with the organisations they are carrying out support for as opposed to working in a detached manner. The Social Value Lab is a specialist in Social Impact Measurement. This includes planning, measuring and valuing sustainable outcomes (Social Value Lab, 2014).

The third set of stakeholders to participate in the development of the Sustainability Impact Assessment Toolkit was a class of Students from the University of Strathclyde. The Sustainability Impact Assessment Toolkit was pilot tested with 21 students as an assignment. This was part of a module entitled Sustainability and Strategic Environmental Assessment, part of postgraduate level degree programmes of the Department of Civil and Environmental Engineering, University of Strathclyde. The students formed groups of 4-6. The groups were assigned a scenario in which they were either a local authority or a social enterprise involved in the negotiation of a public service contract. They were asked to use the Sustainability Impact Assessment Toolkit to aid in the decision from sustainability perspective. Appendix F shows the assignment outline. The students were asked to

critically reflect on the experience of using the Sustainability Impact Assessment Toolkit. The students were also given permission to make any changes to the Sustainability Impact Assessment Toolkit, as they saw fit. This would provide data on the user friendliness of the Sustainability Impact Assessment Toolkit and how successfully any sustainability indicators had been translated.

The empirical results of the Sustainability Impact Assessment Toolkit development are detailed in Chapter 5. At this stage of the research, it was decided that the Sustainability Impact Assessment Toolkit needed to be supported with a different approach to translating the sustainability agenda for those involved in service procurement. It was also realised that a Sustainability Impact Assessment Toolkit could be a useful research device for gauging what procurement decision-makers and those involved in service delivery already feel is important for sustainability. However, in its current form the Sustainability Impact Assessment Toolkit was only a paper-based document. Feedback and examples of other research informed an approach in which the Sustainability Impact Assessment Toolkit was developed into an interactive set of indicators for use in workshops. Section 3.3 outlines this stage of the research, showing how an extended version of the Sustainability Impact Assessment Toolkit was tested.

3.3 From Toolkit to Sustainability Impact Cards

This thesis has the overall aim of exploring to what extent sustainability can be embedded in decision-making for public services. This section details the process of using and reflecting on the Sustainability Impact Assessment Toolkit as a mediating machine for translating sustainability discourses. This contributes to research Objective 2 of this thesis: Assess the understanding and interpretation of sustainable development by key stakeholders in public service delivery. Workshops were held to gather data that contributed to Objective 3: Develop a framework or set of proposals for sustainability to be more effectively embedded within public sector procurement. This phase of the research was undertaken to:

- Add to the existing literature and knowledge of sustainability accounting and accountability
- Uncover the current understanding of sustainable development within key stakeholders in public service delivery
- Test and develop a methodological tool for use in the field of sustainability accounting and accountability

Table 3.7 shows this stage of the Sustainability Impact Assessment Toolkit expansion. The pilot testing with students detailed in Section 3.2.2 identified that in order for the Sustainability Impact Assessment Toolkit to be useful as a tool for both identifying existing knowledge of sustainability and training users in sustainability principles, it would need a complimentary format. Sustainability Impact Cards were developed for use in a more interactive manner. Details of Sustainability Impact Cards are in Appendix B. A physical set of the cards can also be found attached to this thesis. The workshop findings are analysed Chapter 6 of this thesis.

This section details the development of the sustainability impact cards. The section then goes on to show the content, participants and data collection of two workshops carried out to test the Sustainability Impact Assessment Toolkit as a learning and data-gathering instrument. The next section features the development of the sustainability impact cards.

3.3.1 Developing the Sustainability Impact Cards

The testing of the first version of the Sustainability Impact Assessment Toolkit identified that there needed to be a stronger introduction to the document. The sustainability principles, toolkit structure and links to other assessments, policy and legislation needed to be clearer for users. A set of 34 cards based on the Sustainability Impact Assessment Toolkit was created in order to help solve these issues. This section explains the rationale for the cards approach and describes and shows the cards that were created.

The main purpose of creating cards based on the Sustainability Impact Assessment Toolkit is that they can be used to train users by introducing them to sustainability discourses and principles. The training that the pilot testing of the Sustainability Impact Assessment Toolkit identified as necessary was:

- **Basic sustainability principles:** users will have differing ranges of experience and knowledge of sustainability. Asking users to sort through a set of cards describing the variety of sustainability options open to them could increase understanding
- **Sustainability as a fluid, evolving concept:** there is no one definition or answer to sustainability. The cards demonstrate a wide range of ways of increasing sustainability of a procurement decision
- **Sustainability choices:** every decision on sustainable procurement will take place in a different setting and context. The cards demonstrate to the users that some aspects can be prioritised where the situation requires it

- Consensus on sustainability: in any decision on sustainability the choices made may not satisfy everyone. The cards demonstrate the need for dialogue with all stakeholders
- Accountability of sustainability: decisions on sustainability may require evidence and reporting of performance. The cards help users to consider the aspects that may be more problematic than others in this respect



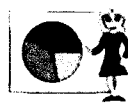
Figure 3.4 shows a snapshot of the 34 cards. The cards were developed to be approximately playing card size (2 x 3 inches). This would allow potential users to easily access them for consultations, training, or to help to make decisions. The cards all had pictures relating to the sustainability impact. The rationale behind the pictures is that they make it easier for the users to compare sustainability priorities and to see trends in the decisions they were making in a group environment.



Figure 3.4 Sustainability Impact Cards

Table 3.8 shows three examples of the Sustainability Impact Cards. The cards were developed from the sustainability criteria in the Sustainability Impact Assessment Toolkit. The cards each state the example best practice, as stated in the Sustainability Impact Assessment Toolkit (see Appendix E). This was done so that users of the cards would be encouraged to consider the best possible option when making decisions on priorities for sustainability.

Table 3.8 Examples of Sustainability Impact Cards

Original Sustainability Impact Assessment Toolkit version	Sustainability Impact Card
<p>How will the procurement encourage the growth of local social enterprises?</p>	<p>Supports the growth of social enterprise</p> 
<p>How will the procurement reduce the environmental impact of any materials used?</p>	<p>Materials used are from sustainable sources, including locally sourced, ecologically maintainable stocks</p> 
<p>Has the local community been consulted at planning stage?</p>	<p>Consultation has been actively carried out with local communities and stakeholders</p> 

Note: Cards are not actual size. Pictures and font have been altered to allow fit into text of this thesis. See Appendix B for all 34 cards. The original Sustainability Impact Assessment Toolkit versions can be found in Chapter 5, and in Appendix E.

Workshops were designed to facilitate discussion on the issues of sustainability priorities and evidence, at the same time as contributing to shaping the development of the Sustainability Impact Assessment Toolkit and the Sustainability Impact Cards. The results were analysed using the literature review and the Argyll and Bute Case Study findings. The next section explains the approach to the workshops.

3.3.2 Delivering the Sustainability workshops

The workshops were undertaken in order to test the Sustainability Impact Assessment Toolkit as a mediating instrument for sustainability policy. A selection of potential users from the public, private, social and academic sectors took part in the first workshop. This was part of a wider event relating to sustainable procurement, in which Barbara Morton of the Procurement Reform (Scotland) Bill Consultation Committee delivered a keynote speech. The second workshop was carried out with Masters students from a variety of backgrounds. The Sustainability Impact Cards were used for this testing. The origin of each sustainability indicator related to the Procurement Reform (Scotland) Bill Consultation. Therefore, this was a good opportunity to gain feedback on the proposed reforms from those likely to be affected by the legislation. The feedback from these sessions is valuable when analysed against the findings of the Argyll and Bute Case Studies. The Case Studies uncovered a snapshot of what is currently happening in public sector procurement in relation to sustainability. The workshops were used to gauge opinions on how any changes could be integrated into procurement processes.

The workshops were also used to test the cards as a device for training users on the sustainability concepts of the Procurement Reform (Scotland) Bill. The cards were used as an introductory tool for those unfamiliar with sustainability concepts, and acted as a gateway into the Sustainability Impact Assessment Toolkit itself. Users were forced to consider what the sustainability agenda currently looks like at local, national and international level and decide what aspects of sustainability they themselves would prioritise. The workshop participants were asked to work in groups to place the cards onto a matrix that ordered them in terms of importance and difficulty of evidence. This matrix is shown in Figure 3.5.

The findings of the Case Studies in Argyll and Bute showed that there was an inconsistency as to which aspects of sustainability were considered of most priority in procurement decisions. The Sustainability Impact Cards and matrix could be used within individual organisations, including public sector bodies, and community consultation sessions to determine which areas of sustainability matter most in a specific context. Any inconsistencies could be explained or perhaps reduced through the use of the Sustainability Impact Cards and Sustainability Impact Assessment Toolkit. For example, a decision to use a limited budget to fund a recycling project but reject funding for a music project may

require justification. If it could be shown that a consensus among stakeholders was that cultural aspects of sustainability are considered less important than reuse and saving of materials and resources, then this justification could be achieved.

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			
	Average			
	Hardest			

Figure 3.5 Sustainability Impact Card Workshop Matrix

In order to meet the dual objectives of uncovering the understanding of sustainability of public services practitioners, and testing a new methodology for doing so, two workshops were delivered. This section continues by detailing each workshop in turn.

Workshop 1: 1st May 2013

The first workshop was delivered as part of Engage with Strathclyde, a weeklong event during which the University of Strathclyde holds a series of conferences and workshops aimed at linking industry with academia. As part of Engage with Strathclyde, this researcher co-organised a one day conference entitled *Sustainable Procurement, Construction and Carbon Accounting: Maximising Environmental, Social and Economic Value*. The conference took place on Wednesday 1st May 2013 in the University of Strathclyde.

The conference attracted 45 delegates, including representatives from Local Government (including Argyll and Bute Council), social enterprise, Executive Agencies, Private Sector and Academia (including students). Appendix G shows the original programme from the event. The conference began at 9.30am with a session of three keynote speakers, including a member of the Procurement Reform (Scotland) Bill Consultation Committee. After a lunch and networking break, the afternoon sessions commenced at 1.45pm a series of parallel workshops. This included the workshop on the Sustainability Impact Assessment Toolkit. Table 3.9 outlines the workshop groups. The workshop totalled 18 people, including a key member of the Procurement Reform (Scotland) Bill consultation committee and a member of Argyll and Bute Council's procurement team.

Table 3.9 Workshop 1 Group Profiles

Group	Participants' employment (Sector, Country)
1	<ol style="list-style-type: none"> 1. Building and Construction Services, Scotland 2. University commercial services, Scotland 3. Social enterprise network, Scotland 4. Sustainability Consultancy, UK
2	<ol style="list-style-type: none"> 1. Local authority, Scotland 2. Building construction and management, Scotland 3. University commercial services, Scotland 4. Government economic investment agency, Scotland
3	<ol style="list-style-type: none"> 1. Local authority, Scotland 2. Construction and asset management, UK 3. Local authority, Scotland 4. Doctoral Researcher, Scotland 5. University Senior Lecturer, Scotland
4	<ol style="list-style-type: none"> 1. Sustainability Consultancy, UK 2. Sustainability Consultancy, International 3. Transportation planning, Scotland 4. University procurement, Scotland 5. University Procurement, Scotland

The workshop commenced with a 10-minute presentation on the Sustainability Impact Assessment Toolkit by this researcher. This included the context of the toolkit and rationale behind its content and structure. This short presentation, in conjunction with the morning presentations, informed the participants as to the background of sustainability in public procurement. Workshop participants were informed of the purpose of the workshop in this introductory presentation. They were told that the workshop aimed to test the

Sustainability Impact Assessment Toolkit as a learning tool and as a means of gathering data on sustainability understanding and priorities among practitioners.

The participants were asked to give their informed consent that the group feedback session would be audio recorded (the transcript for this is included in this thesis). Participants were separated into four pre-assigned groups. These were based on the delegate information provided upon registration for the conference. Factors such as which sector the participant worked in and job role were taken into account. The groups were assigned so that a mix of different sectors was present in each one. This was done to reflect the real-life experiences of public service procurement under a participatory governance model. Many services are delivered by different organisations, from different sectors, in conjunction with each other. Sustainability indicators and priorities need to be agreed upon by all decision-makers.

Each group was then provided with the same set of instructions. Figure 3.6 shows the instructions given to the groups. They were asked to place the Sustainability Impact Cards (see Appendix B) on the matrix to reflect what they felt were the priority indicators for sustainability. The visually showcased what they felt as a group were the most to least important sustainability impacts. Groups were also asked to consider and discuss the difficulty of measuring and proving sustainability impacts, and place the cards accordingly on the matrix. The groups were given a blank card, in which they had the option to add another sustainability impact to the toolkit. Finally, the groups were asked to present to the rest of the workshop on some of the key discussion points from their activity.

This approach was undertaken for two main reasons. The first was that the matrix and cards allowed for quantifiable comparison of sustainability priorities between different groups. Each position on the matrix could be scored and compared and collated to form a picture of what sustainability impacts are priorities. The recording of the group discussions provided the underlying reasons and assumptions for these priorities. Chapter 6 of this thesis shows the analysis of these findings. The breakdown of the placement of the indicators by the groups is shown in full in Appendices J and I. Figure 3.7 shows an example of a matrix from Workshop 1 with the cards placed by Group 3.

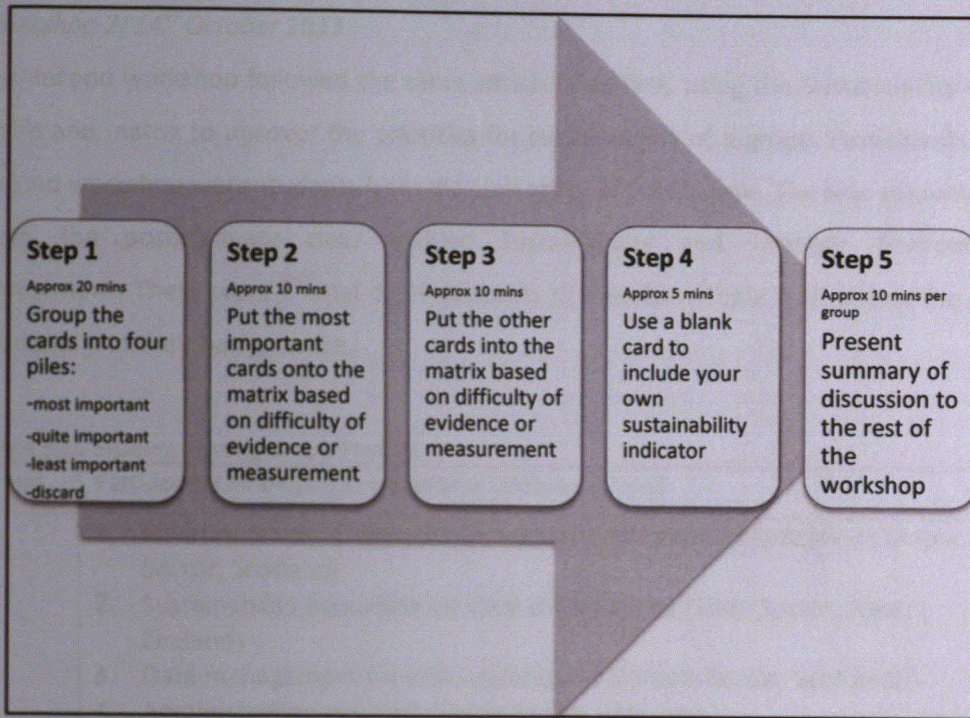


Figure 3.6 Workshop Instructions to Groups

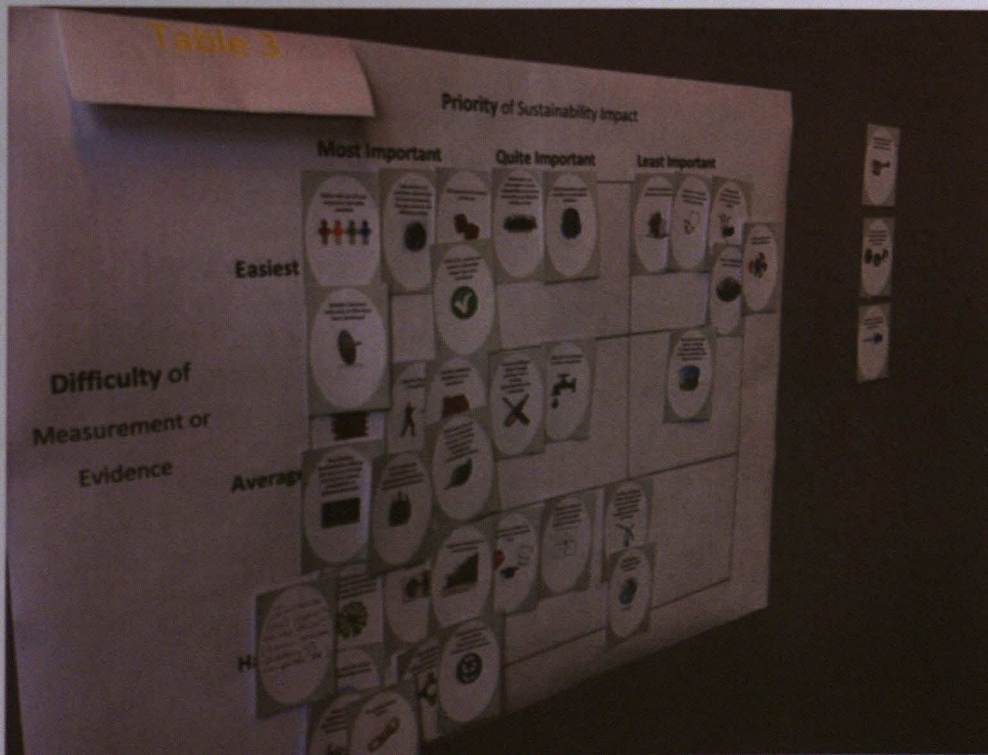


Figure 3.7 Workshop 1, Group 3 matrix with Sustainability Impact Cards

Workshop 2: 14th October 2013

The second workshop followed the same structure as first, using the Sustainability Impact Cards and matrix to uncover the priorities for sustainability of a group. Participants in the second workshop were students from the University of Strathclyde. The MSc students were from the postgraduate class entitled Sustainability and Strategic Environmental Assessment. There were a total of 26 students in the class. Table 3.10 shows the mix of students and their backgrounds.

Table 3.10 Student Testing Group Profiles

Group	Participants employment experience (<i>Sector, Country</i>)
1	<ol style="list-style-type: none"> 1. Environmental air pollution monitoring and permit applications (Public Sector, Scotland) 2. Sustainability education for local communities (Third Sector, New Zealand) 3. Data management for utilities company (Private Sector, Scotland) 4. Administration assistant (Public Sector, Lithuania) 5. Sustainability education for local communities (Public Sector, Scotland) 6. Manufacturing projects (Private Sector, Nigeria)
2	<ol style="list-style-type: none"> 1. Environmental Health Officer (Public Sector, Scotland) 2. Environmental Health Operative (Public Sector, Scotland) 3. Environmental Health Operative (Public Sector, Scotland) 4. No previous work experience 5. No Previous work experience 6. Retail assistant (Private Sector, Scotland)
3	<ol style="list-style-type: none"> 1. Retail assistant (Private Sector, Scotland) 2. Catering supervisor (Private Sector, Scotland) 3. No previous work experience 4. No previous work experience 5. Telephone banking advisor (Private Sector, Scotland) 6. Retail and banking (Private Sector, Scotland) 7. No previous work experience 8. No previous work experience
4	<ol style="list-style-type: none"> 1. Energy regulation and policy (Public Sector, Spain) 2. Project Engineer (Private Sector, Spain) 3. Small business owner (Private Sector, Scotland) 4. Procurement manager (Private Sector, Greece/Saudi Arabia) 5. Energy advisor (Public Sector, China) 6. No previous work experience

The workshop took place on Monday 14th October 2013 between 3pm and 5pm. A lecture on the Sustainability Impact Assessment Toolkit had taken place previously on Monday 7th October 2013, so the students were briefed on the subject matter and purpose of the

session. This session was not audio recorded. The student feedback was written in note form and the sustainability priorities of each group documented. This session was carried out to test how the toolkit may be used in an organisational setting. For example, if a procurement team or a team of service managers in the council were to use the Sustainability Impact Assessment Toolkit, there would likely be no audio recording.

As was the case in Workshop 1, there is a mix of public, private and third sector experience, as well as academic input. This reflects the mix that would be present in any procurement decisions and contract processes in the public sector setting, such as Argyll and Bute Council. Whilst the procurement decision would ultimately lie with the customer (the Council), any assessment relating to sustainability would be undertaken with input and guidance from all parties.

The workshops add to the analysis of the context of what is happening now (explored in the Case Studies), by exploring what *could* be in terms of sustainability within public sector decision-making. If sustainability is to be embedded into procurement decisions, an empirical understanding of the future drivers and barriers was necessary.

3.3.3 Analysing the Sustainability Workshops

This section outlines the system used to analyse the workshops results. There were two different sets of data from the workshops:

- Feedback and discussion from the participants
- Placement of the Sustainability Impact Cards on the matrix

The feedback and discussion from Workshop 1 was transcribed and analysed against the literature findings and results of the case studies. Once the material was familiar, emergent themes and dominant issues were identified. The data was then further analysed according to these themes, which also centred on the research objectives and cross-referenced with issues that emerged from the literature review and case study research in Argyll and Bute. The themes are not distinct and all formed the basis for cross-referencing of results. This enabled patterns to emerge and contribute to the completion of the thesis objectives. Yin (2009) recommends the use of themes and information arrays in order to channel the data analysis process, developing a framework that allows integration of information from other sources too.

Within each theme the results are a mix of both qualitative and quantitative data. The semi-structured nature of workshop discussions, alongside use of cards on the matrix,

provides workshop findings predominantly qualitative in nature, although left scope for 'harder' data through analysis of the placement of the cards. Each matrix square was given a score, which was used to aggregate the scores of the Sustainability Impact Cards. Figure 3.8 shows the matrix scoring, which ranged from nine to zero. The most important and easiest to measure sustainability impacts scored nine, whilst cards considered the least important and difficult to evidence scored one. Cards that were discarded scored zero. Average scores were determined by compiling all the scores for all the cards across all groups and both workshops (see Chapter 6 and Appendices I and J).

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	9	6	3
	Average	8	5	2
	Hardest	7	4	1

Figure 3.8 Sustainability Impact Card Workshop Matrix Scoring

Note: Sustainability Impact Cards that were discarded by groups and not placed on the matrix scored zero.

Comparison of the placement of cards provided rich data, as different groups prioritised different Sustainability Impact Cards. The scoring of the cards provided an additional analysis of the results and helped provide an overview of the most and least important and measurable sustainability impacts. Users of the cards were invited to use the blank cards to add their own sustainability impacts. This was in line with the practice of sustainability choice space, in which decision-makers can include more localised impacts. The

combination of the group feedback and the scoring of the cards provided a picture of the potential for sustainability to become embedded into procurement decisions. It also tested the Sustainability Impact Cards as a method of training and engagement of decision-makers on sustainability discourses. The next section shows the revisit to Argyll and Bute Council as a final part of the empirical research of this thesis.

3.4 Revisiting Argyll and Bute Public Services

This section outlines the revisit to Argyll and Bute as part of the empirical research for this thesis. This part of the empirical research was undertaken with a particular focus on research Objective 3, which was to develop a framework or set of proposals for sustainability to be more effectively embedded within public sector organisations. All aspects of the empirical research detailed in this chapter of the thesis contributed to this objective. However, in order to fully meet the aim of the research, which is to examine the extent to which sustainability can be embedded in decision-making for public services, it was necessary to look at the future plans of Argyll and Bute Council in relation to sustainability agenda in the Scottish public sector.

This thesis, in conjunction with the Argyll and Bute Local Services Initiative, first examined the context of the Procurement Reform (Scotland) Bill using ten case studies of social enterprises delivering public services. These results then led to the development and testing of a Sustainability Impact Assessment Toolkit, which included the creation of Sustainability Impact Cards. The final stage of this research was to investigate the extent to which Argyll and Bute Council would use the Sustainability Impact Assessment Toolkit, or any other mediating machine, for embedding sustainability into procurement decisions and practices.

The Local Services Initiative ran until March 2013 (see Section 3.1.2), with the public release of the project report in June 2013 (Argyll and Bute Local Services Initiative, 2013). It was planned that the release of the report would provide the momentum to conduct a Sustainable Procurement Workshop within Argyll and Bute Council, using the same structure as those in Section 3.3.1. This would provide data on the potential for the Sustainability Impact Assessment Toolkit to embed sustainability into Argyll and Bute Council's decision-making. Events in Argyll and Bute Council unfortunately prevented this research direction.

From May 2012 until early 2014, Argyll and Bute Council had increasingly problematic divisions and disagreements between Councillors and Officers (McIvor, 2013). This resulted in great deal of political upheaval internally within Argyll and Bute Council during the latter stages of this thesis research. The internal situation within the council prevented a workshop with all relevant council stakeholders. The council was revisited instead through a member of the Local Services Initiative Steering Group from Argyll and Bute Council. In August 2014 this researcher engaged in a telephone conversation the Council Officer, who provided an update of the Sustainability Impact Assessment Toolkit and the Council reaction to the Procurement Reform (Scotland) Bill. Notes of the conversation were taken. The Council records relating to the Sustainability Impact Assessment Toolkit, from an Argyll and Bute Strategic Management Team / Corporate Improvement Board On 24th March 2014, were also provided by email to this researcher. These findings were analysed against the literature and the previous empirical research findings (see Section 6.4), completing the action research cycle by reflecting and evaluating the results of the action, with a view to recommending future actions (Coghlan and Brannick, 2005). The next chapter begins this thesis' examination of the current state of sustainability in public sector service delivery by reviewing the ten Case Study findings.

Chapter 4 Classifying the drivers and barriers to sustainable public service procurement

This chapter discusses the results from empirical research related to Objective 1, which is to explore the current sustainability of public services in the context of changing sustainability discourses. This is part of the overall thesis aim to examine the extent to which sustainability can be embedded in decision-making for public services. The chapter explores current business level engagement with the sustainability agenda in public service procurement and delivery. This is done in the setting of Argyll and Bute, using ten case study public services.

The findings from the ten case studies in Argyll and Bute (see Table 4.1) were analysed using the six main reforms proposed in the Procurement Reform (Scotland) Bill (see Section 1.2). The case studies all provide a public service through a social enterprise approach, with social enterprise the dominant model. The Procurement Reform (Scotland) Bill is aimed at creating a more sustainable process of public service procurement. It encourages the public, private and third sectors take a more “outcomes based and person centred” approach to procurement (The Scottish Government, 2012a, p. 7).

Table 4.1 Case studies and descriptions of services

Case Study	Description of Service	Employees (Volunteers)
1	Leisure facility run using a social enterprise model, with Council funding.	28 (8)
2	Social enterprise with Council contract to collect and recycle waste.	22 (0)
3	Social enterprise providing outdoor sport, with Council and private contracts.	9 (0)
4	Social enterprise with Council contract to collect and recycle waste.	1 (3)
5	Social enterprise that finds respite care for patients, public sector contracts.	2 (0)
6	Social enterprise delivering adult care home services, previous council service.	40 (0)
7	Council managed services for social care, delivered by social enterprises.	Various
8	Social enterprise with Council contract to collect and recycle waste.	0 (2)
9	Social enterprise arts management company, previous council service.	0 (3)
10	Social enterprise set up to maintain and enhance the coast and countryside.	0 (2)

A theme running through the literature is that public services at a business (or local) level do not carry out the high-level sustainability agenda. By analysing the results against the

Procurement Reform (Scotland) Bill, the current extent to which public service managers engage with the sustainability debate could be contextualised. The contents of the **Procurement Reform (Scotland) Bill** represent the aim for sustainable development through public service change. This can be seen as a benchmark for where the Scottish Government has decided that sustainable development needs to be heading. Examining where public services are in relation to this benchmark standard allows those responsible for carrying out the reforms - or acting on the sustainability discourses - to identify and plan the necessary changes. This contextualisation is recommended by Bebbington (2007) as a necessary step towards creating change in sustainability accounting and accountability.

The chapter is structured according to the six areas of procurement reform (see Box 1.1). Section 4.1 considers the degree to which current procurement processes are transparent, streamlined, proportionate, standardised and business-friendly. Section 4.2 reflects on whether the current procurement processes are making it easy for social enterprises to access public service contracts. Section 4.3 reviews if methods of public service procurement encourage innovation and growth. Section 4.4 examines how much public service procurement process account for social and environmental issues of sustainability. Section 4.5 analyses how poor performance of public services is currently considered and managed. Section 4.6 then considers how sustainable procurement is currently applied and complied with. Section 4.7 concludes this chapter with an overview of the findings and consideration of the actions that are required as a result.

4.1 Public procurement processes

Part I of the **Procurement Reform (Scotland) Bill** Consultation introduces a new general duty on public bodies to ensure that “public procurement processes are transparent, streamlined, proportionate, standardised and business-friendly” (The Scottish Government, 2012a, p. 14). This section uses these five criteria for public procurement processes that the **Procurement Reform (Scotland) Bill** is proposing as best practice to examine the current processes uncovered by the ten case studies. This includes examining if the process is more straightforward “to do business with the public sector” for social enterprises and other organisations with sustainability at their core (The Scottish Government, 2012a, p. 14).

The Procurement Reform (Scotland) Bill Consultation paper recognises that, in spite of common principles and guidance, there is no “general rule that obliges all public bodies to conduct procurement in an effective, transparent and proportionate manner” (The Scottish Government, 2012a, p. 16). The Consultation proposes a statutory duty for public sector bodies to manage procurement in a transparent manner.

A particular issue highlighted by the Procurement Reform (Scotland) Bill Consultation paper is that the pre-qualification questionnaire (PQQ)⁸ used for public sector procurement creates unnecessary work on the part of both supplier and the public body themselves (The Scottish Government, 2012a, p. 16). There are concerns of:

- The same or very similar questions being asked of suppliers in different formats
- Suppliers asked to supply the same information multiple times
- Lack of consistency in the questions asked
- Disproportionate pre-qualification requirements

The analysis of the case studies aims to highlight these issues in practice. The social enterprise manager from Case Study 4 reflected that the process prevents easy information gathering: *“At the moment a funding application takes ages because we have to pull all this from different places. So at the moment, that’s definitely a weakness”*. Case Study 4 had transferred from a Council run service to a social enterprise four years previously. This had resulted in the service manager being required to bid for different service contracts as they became available. The process was deemed to be difficult to adapt to: *“They’re just saying we want this, we want that. But they don’t tell us how”*.

This was an experience that new social enterprises delivering services also experienced. Case Study 9 found that as any PQQ or funding application went through the various Council departments for approval, they became subject to information duplication and inconsistency. One person may approve the bid, but another would *“start asking awkward questions at the last minute”*. The social enterprise manager from Case Study 9 argued, *“There has to be proper system set aside”* in order to achieve the necessary consistency for a transparent process. *“They have to put in place processes that serve the people, not expecting people to serve the processes.”*

⁸ In order to select suitable organisations for tender “the Scottish public sector’s standard Pre-Qualification Questionnaire (sPQQ) template should be used to assist in supplier selection. These questions should not be amended, however questions can be deleted if not required and additional questions added provided that they are relevant to the subject matter of the contract” (The Scottish Government, 2014a, p. 1). The sPQQ template can be found on the Scottish Government website (The Scottish Government, 2014a).

The literature suggests that partnership approaches with organisations such as social enterprise can actually be the cause of the lack of transparency and consistency of contractual processes. Citroni and Nicoletta (2011) argue that the increased need for accountability from participatory governance creates overburden of information demands and increased bureaucracy. Confusion can also arise as to who is responsible for the accountability. Is it the social enterprise that is bidding for the contract? Or is it the public sector body that is, in principle, supposed to report to stakeholders on sustainability performance and other pre-qualification criteria? Ball and Osborne (2011) argue that addressing this issue may be a fundamental enabler of supporting and changing public services toward a more effective and sustainable model. The Local Services Initiative Steering Group agreed that if a clear set of guidelines was produced and made available to all stakeholders then the inconsistency and repetition that often occurs with the procurement process could be reduced.

The empirical research uncovered some conflicting findings. In some service areas the most effective methods of accountability were perceived to be the most informal ones. For example, the social enterprise in Case Study 9, having gone through several procurement processes, found that talking to Councillors away from the tendering process was very useful: *"They said: we're going to ask stupid questions, because you'll get asked this. It was great, and it made you go away and think: well I need the answer to that question. That was an excellent process."* (Social Enterprise Manager: Case Study 9). Entering into informal dialogue before dealing in questionnaires, information requests and pre-qualification requirements provides both parties with the chance to assess the forthcoming process and enter PQQs with better knowledge of what is expected. This would also ensure that a failed bid would be better received and the reasons for the failure understood by the social enterprise.

However, this would not help to create a system that is more standardised, proportionate and consistent. In the example of Case Study 9 it was a group of councillors that took it upon themselves to make enquiries into the service in a manner that satisfied both parties. This enquiry had come about because the process was going in circles. Molnar (2011) argues that accounting must be unambiguous, with explicit goals and targets. If a transparent and sustainable approach is to be created for public services, it needs to come from general guidance that is applied throughout the organisation.

A recurring issue to emerge in the Case Studies was a lack of standardisation across different service departments. All the public services were on different lengths and terms of contract (see Table 4.2). The social enterprises on longer contracts were able to strategically plan for the longer term, take out business loans, and offer more sustainable employment opportunities. Other social enterprises were forced to work from contract to contract, unsure of long term security of income. In addition to varying contract lengths and terms, many social enterprises felt they were given different performance metrics and KPI's by the council departments. Some said they were judged on service quantity and numbers of people with access to the service. Others felt they were judged on the amount of the money they could save the council. Some claimed they had no guidance as to performance targets at all. For example, Case Study 1 had carried out a full social impact study of its service as a pre-emptive means of contract negotiation with the Council. However, they had no forward support on what they would be judged upon.

Table 4.2 Case study contract length

Case Study	Length of Contract
1	21 years
2	1 year
3	2 years
4	1 year
5	1 year
6	2 years
7	3 year contracts
8	No fixed contract
9	No contract
10	No contract

The Council service manager in Case Study 7 had made changes in order to make the procurement process more transparent and business-friendly. This was not in anticipation of the Procurement Reform (Scotland) Bill, but because it was felt that the internal system was stifling innovation and sustainable services:

"There were a range of different funding streams and application processes that different groups could go through. So it was just a minefield for anyone to negotiate. Some of the processes were, in my view, quite bureaucratic and cumbersome on both the applicant and on the council in terms of evaluation."
 (Council Service Manager: Case Study 7)

The process of procurement in this case was actually turned around so that the targets were set according to that the external organisations had the capacity to deliver. The social

enterprises bidding for the service contracts were asked to outline what sustainability outcomes and impacts they could achieve. The procurement process then became *“much more outcome focused”* (Council Service Manager: Case Study 7). The tenders and funding bids were then considered against the criteria that the social enterprises themselves had created. The Council said to each social enterprise looking to deliver a service: *“you identify the outcomes you are going to achieve, the differences you’re going to make in families lives and we will evaluate you against those”* (Council Service Manager: Case Study 6). The Council Service Manager for Case Study 5 maintained *“organisations, I think, are becoming more aware of what’s expected of them now to adhere to council outcomes”*. However, several of the social enterprises did not feel that procurement had become more outcomes focused. For example, the Social Enterprise Manager for Case Study 4 claimed that: *“They weren’t really asking for what we deemed as information, if you like. They weren’t asking us to produce anything formally for quite a lot of the process”*.

Transparency of service contracting and procurement was something that the Local Service Initiative Steering Group identified as essential. Proposals for more sustainable services included more open discussion and transparency, and less inconsistent communication from both public sector bodies and those delivering services. It was raised on more than one Local Services Initiative meeting that often public sector bodies failed to communicate strategy and policy directions with external service partners, such as social enterprises. The Steering Group also recognised that the same external service partners didn’t appreciate or understand the public sector processes, systems and management structures.

Authors such as Mintzberg (1996) and Power (1997) argue that this increased distance between government and services at ground level increases the need for a system of accountability. There are more interconnected actors in the process of delivering public services (Kemp et al., 2005), creating information gaps and losses. This has been evidenced in the empirical findings. There is often a lack of transparency and standardisation. This comes from a distance between those in government creating the strategy for service delivery across the Argyll and Bute region and those in the community looking to improve the social, environmental and economic outcomes for stakeholders.

Overall the findings show the application process for service contracts or funding support for services in Argyll and Bute suffers from a lack of transparency and

standardisation. This creates a situation in which the service partner has to rewrite applications, with multiple information requests and similar questions asked.

4.2 Access to public sector contracts for social enterprise

Part II of the Procurement Reform (Scotland) Bill Consultation has the aim of “making it easier for business, particularly newer businesses, SMEs and the social enterprise, to access public contract opportunities and sub-contracting requirements” (The Scottish Government, 2012a, p. 20). This includes ensuring that size is not a barrier for obtaining contracts for service delivery. The procurement process should encourage the management and development of suppliers, including social enterprises.

The Procurement Reform (Scotland) Bill Consultation states that small business and third sector organisations should not be discriminated against in the procurement process. In some of the case study examples, the opposite was perceived to be the case by the social enterprise managers. The Social Enterprise Manager of Case Study 9, a social enterprise still bidding for its first public service contract, felt that the informal, community based nature of the operation was to its detriment: *“The council doesn’t accept that you don’t have to have an office; that this will run out of someone’s house. They can’t see that, they don’t see how things work. That seems a risk”*. The Procurement Reform (Scotland) Bill Consultation instructs that a public body should consider (The Scottish Government, 2012a, p. 22):

- For each and every requirement how the specification of requirements may impact on the ability of newer businesses, SMEs and third sector organisations to compete; and
- How, in conducting the procurement process, it might act to facilitate access by newer businesses, SMEs and third sector organisations.

This would appear not to be the case in the instance of Case Study 9. Whilst the feeling of discrimination may come from frustration at the wider procurement process, this frustration can be taken as evidence that Argyll and Bute have not acted to facilitate access to tenders and procurement opportunities for the new social enterprise.

Larger, private sector organisations were often able to obtain longer-term contracts. Community based, social enterprises were often left with uncertainty due to year-on-year contracts. This creates stability for the larger businesses that the social enterprises do not have. The private businesses are able to bring in lawyers and dedicated

procurement and tendering teams to bid for the contracts. For example, there were perceived differences between the contracts for recycling in the Argyll and Bute area for Case Study 2 and a larger private sector operator:

"Because the contract with [private sector organisation] is a PPF and is a 20-year contract [...], any time the council wants to go to [private sector organisation] to negotiate contracts, [private sector organisation] take their litigation lawyer with them. Any change to that contract, which is on a very solid, 20-year basis, the council doesn't hold the cards on that. Whereas if you're operating on an SLA, you really don't have a leg to stand on." (Social Enterprise Manager, Case Study 2)

The PPF referred to in the interview excerpt is the Performance Planning Framework. This sets KPI's for public sector organisations, such as Argyll and Bute Council, to report back to the Scottish Government. Launched in its current form in April 2012, it aims to ensure that public spend achieves certain targets and these achievements are reported through an audit process (Heads of Planning Scotland, 2012). Argyll and Bute Council have their own Performance Planning Framework based on this (Argyll and Bute Planning Service, 2013). The private sector organisation in question was able to gain a contract bound to the PPF. This provided stability as long as they met the basic requirements of the amenity services they were contracted to provide. The Council Service Managers also seemed to have a different attitude the private sector organisations, insisting that "one of the things with [private sector organisation] is we have got quite a business-like arrangement or relationship" (Council Service Manager: Case Studies 2, 4, and 8).

On the other hand, the social enterprises in Case Studies 2, 4 and 8 did not have contracts that were based on meeting service targets. The SLA referred to by Case Study 2 is a Service Level Agreement. An SLA is "a negotiated agreement between two parties - the customer and the service provider - whether as a legally binding formal contract or more informally" (The Scottish Government, 2011c). In this case, the SLA was of the informal nature. The contracts could be stopped at any time, unlike the contract that the private sector business was operating under. This had caused tensions and a relationship breakdown between the Council and social enterprise service providers. The Social Enterprise Manager for Case Study 8 felt that stopping the SLA "is an easy target to jump off, as distinct from the Council's in-house costings". In other words, the repercussions were felt by the social enterprise, at a distance from the Council, making it easier for the decision to be made. The Council Service Manager for Case Studies 2, 4 and 8 was of the

opinion that social enterprise approaches can be *“about people and everybody knows each other, and it can all get quite personal, when actually it is founded in business”*. Social enterprises are often driven by people with local knowledge and abilities to provide the core services, but without experience and skills in negotiation and contract management.

“There are definitely lessons to be learned from the private sector on that process. I think quite often organisations are very driven because of their passion in terms of their social or environmental objectives, and that business approach isn’t in at the very start.” (Social Enterprise Manager: Case Study 2)

The contract short term contracts and uncertainty leaves many of the social enterprises in the empirical study unable to strategically plan for the long term. Access to capital loans, attracting skilled employees and generating business is made more difficult with year-to-year contracts. All the Case Study organisations had short term, 1-2 year contracts, with the exception of Case Study 1, who had a 21-year contract that had been created in the early 1990s. The Council staff on the Local Services Initiative Steering Group wanted to see the public sector provide longer contracts, as they recognised the value of the social enterprise approach in terms of sustainability. Despite this, the current economic situation of the public sector, with budget cutbacks, was felt to be restrictive. However, the Council Service Manager for Case Study 7 was able to change the system to allow for three-year contracts. By making a *“commitment [...] to revamp how we went about operating the grant system or funding system for third sector groups”*, the process of procurement in this department was able to offer more secure contracts.

There are positive examples of public sector supporting small, local businesses in the case studies. All of the interviewees from within Argyll and Bute Council appreciated that many public services would not exist without the community-based social enterprises. One example was the Council Service Manager for Case Studies 2, 4, and 8, who appreciated that the targets would not be met for waste reduction and recycling would not be met without the social enterprise involvement: *“[Argyll and Bute] council couldn’t achieve all these figures without the third sector support. They really are of value to us”*. In addition, most of the testimonies from respondents on the social enterprise side of the services acknowledged the support of the public sector when delivering the services. For example, the social enterprise manager for Case Study 3 expressed that *“The council...if you develop the right sort of relationship with them, they can be very supportive”*. Argyll

and Bute employ a team of Social Enterprise Officers with a purpose of engaging with the sector and keeping strong partnership links.

The Local Service Initiative Steering Group acknowledged that the private sector has little interest in tendering for public services in a geographic area as sparsely populated as Argyll and Bute. The profit-making opportunities are not substantial enough. Therefore social enterprise and other third sector organisations are essential for public service delivery across the region. This fits with the findings of Citroni and Nicoletta (2011), Kurunmaki and Miller (2006), and Molnar (2011), among others, that social enterprises are maintaining the services and engagement with communities in a fragmented public service landscape.

4.3 Using public procurement to encourage innovation and growth

The third part of the Procurement Reform (Scotland) Bill Consultation relates to the “smarter use of public procurement to encourage innovation and growth” (The Scottish Government, 2012a, p. 27). This includes using the innovation of suppliers of services to grow the economy in a sustainable manner. The Consultation states that “it is a commonly held perception that the value of innovation in procurement as an enabler of sustainable economic growth is yet to be fully utilised” (The Scottish Government, 2012a, p. 27). The Procurement Reform (Scotland) Bill Consultation identifies community benefits through procurement that should be aspired to. These are (Graham, 2012, p. 6):

- Targeted Recruitment and Training (providing employment and training opportunities)
- SME development
- Social enterprise development
- Community consultation
- Environmental improvements
- Education/community engagement

The Case Studies showed that Argyll and Bute Council are already making attempts to do this. All the council service managers interviewed were aware of and appreciated the socio-ecological benefits for the region of social enterprise approach to service delivery:

“There are lots of other services that can be better done by social enterprise groups. Those are both in terms of general community capacity building- which I think the social enterprise is much better at than the council- and in certain targeted niche services where social enterprise groups have skills and expertise that we don’t have.” (Council Service Manager: Case Studies 1 and 3)

"We are supporting what I think the social enterprise has always been very good at and that is creativity and innovation." (Council Service Manager: Case Study 7)

Despite some of the negative issues that these Case Studies highlight, there seems to be a mutual acknowledgment between the social enterprise and public sector in Argyll and Bute that they need each other. The council without social enterprise groups would be unable to deliver essential services that provide social, environmental and economic benefits to the area. The social enterprises without council support would not be able to generate the funding, harness the expertise and mobilise the community in the way that they do. One service manager summed it up thus: *"I think we need a mixed economy"*. This fits with theoretical arguments that in an age of fragmented and dispersed public sector services, it is the social enterprise sector that may be responsible for the continuation of social and environmental welfare systems (Citroni and Nicolella, 2011; Kurunmaki and Miller, 2006; Molnar, 2011). The public service model is now very much locked into a network of partnership models and is therefore crucial for future sustainability of services.

There is a thread running through all social enterprise delivery of services that they have an ability to translate aspects of the sustainability agenda set at governmental level and put them into meaningful action 'on the ground', so to speak. Simultaneously, they are able to tap into the community needs and wants, delivering what is relevant in terms of sustainability at a local scale. An example of this is Case Studies 2, 4, and 8, all of which are recycling organisations in the region. As well as helping the council to meet legislative obligations for waste delivery (for example, Zero Waste Scotland targets), they are able to undertake specific actions that increase the social equity and long term ecological sustainability of the localities. Business activities such as remanufacture of goods for social housing, employment of people with disability and long-term unemployment, and production of biodiesel all compliment the core service of recycling collection and processing, as per the council contract. They are also, through geographic and social proximity, able to increase the rate of recycling:

"They're all fairly high profile in their areas and in a way that's what you want, because you want them to sell messages about recycling and waste minimisation. You want them known in the local communities. Folk are not scared to ask them: how do I recycle this? Can I recycle that?" (Council Service Manager: Case Studies 2, 4, and 8)

Social enterprises are often able to mobilise and gather community support and enthusiasm for necessary services that may otherwise not be provided. In two of the three recycling Case Studies, recycling would not exist in the areas of operation without community intervention. The remoteness of the rural areas means that it is unprofitable for private business to undertake recycling services, and problematic for the local authority to fund a full operation in a time of budget cuts. Local community groups stepped in and took on the service, purely out of concern for local sustainable development. The venture ensures that local waste streams do not all go to landfill, and creates some local employment and up-skilling of workers. This gap between private and public sector is often where the social enterprise can be of most value, with the motive to fulfill services born from an ethical concern (Ball and Grubnic, 2007).

The value of social enterprise within local communities is recognised by Local Authorities. Discussions with council service managers reflect this:

“Sustainability [...] and the strong business case isn’t just about unit costs etc., it’s back to that element of impact that social enterprise organisations can have on the ground so that they really do add value.” (Council Service Manager: Case Studies 1 and 3)

“We’re getting good value for money, we’re getting a good service provided for the sub sector. It has improved...I think the services are better because the third sector know, and have a better understanding of the market place I think now, in terms of what’s expected of them as a provider of service.” (Council Service Manager: Case Study 5)

“I think the organic kind of growth from social enterprise, as opposed to arms-length organisations, is a much more sustainable way of doing things.” (Council Service Manager: Case Study 7)

Perhaps the biggest driver and advantage of the approach is that many services can be continued that may not have been otherwise. Taking a different approach from the centrally controlled model of service delivery can alleviate the threat of closure or reduction in certain services. Sometimes this was planned ahead, other times this was a recourse action.

“Leaving the council setup was definitely the right thing to do with it. And it’s also been able to have a much bigger impact as well.” (Social Enterprise Manager: Case Study 3)

“There are lots of other services that can be better done by social enterprise groups. Those are both in terms of general community capacity building- which I think the social enterprise is much better at than the council- and in certain

targeted niche services where social enterprise groups have skills and expertise that we don't have.” (Council Service Manager: Case Study 7)

“I think it's very important to have a really diverse – a variety of methods of delivery and provision” (Council Service Manager: Case Study 9)

The services are able to be more flexible and sensitive to community and general sustainability needs:

“It's giving the opportunity for people to suggest ways that suit the outcomes of what they're looking for. The social benefit of that would be you're getting to the outcome that you want, but through more creative and a better-suited way” (Social Enterprise Manager: Case Study 5)

“We actually have a massive investment in partnership with a range of social enterprise organisations, not-for-profit organisations and some for-profit organisations. So we already run a very mixed economy of care.” (Council Service Manager: Case Study 7)

The community approach also forms organisational missions that are not simply profit oriented. Whilst there is benefit of being able to generate more profit and receive funding from other income streams, there is also a continued mindfulness of why the services exist in the first place. The social enterprises judge their own performance on their mission and the achievement of social and environmental outcomes.

“It's also important the organisation doesn't lose sight of why it exists. So, keeping the clients or services users as the main focus and not being distracted off to create something else.” (Social Enterprise Manager: Case Study 3)

“Remain focused on the need. Stay on mission.” (Social Enterprise Manager: Case Study 3)

“We have to think ‘hang on, let's remember what we're about here’. If we were just another business, well what's the point of us being here? We've got all our social aims. So that's our biggest challenge at the moment.” (Social Enterprise Manager: Case Study 1)

The challenge for future continuation of services is for the procurement process to capture this mission and values oriented approach.

4.4 Accounting for sustainability issues through public procurement

The fourth part of the Procurement Reform (Scotland) Bill Consultation relates to “taking account of social and environmental sustainability issues through public procurement” (The

Scottish Government, 2012a, p. 28). Procurement is regarded as a key area for promoting sustainable development, with a duty placed upon public bodies to use accounting and accountability to lead the way. Theoretical arguments are that it is public sector bodies who will be tasked with implementing the global sustainability agenda at a local level and encouraging other sectors to follow (Ball and Grubnic, 2007; Kemp et al., 2005). An issue with this however, is that there are blockages in this process. Whilst the sustainability agenda is being encouraged through legislation, such as the Procurement Reform (Scotland) Bill, everyday actions and dealings do not reflect this.

According to sustainability discourses and directives, such as the Procurement Reform (Scotland) Bill Consultation, it is no longer enough for a Local Authority to deliver services simply based on cost and compliance (Broadbent and Guthrie, 1992; Kurunmaki and Miller, 2006, 2010) or economic efficiency (Ball and Osborne, 2011). They now must consider the 'added value' of the public spend. In other words, the social and environmental outcomes must be considered. Local social enterprise groups are able to translate the sustainability agenda that Local Authorities are directed to enforce.

Some social enterprise managers in the Case Studies felt that social and environmental sustainability issues were not being taken into account when service performance was being reviewed:

"We tried to prove the social impact of [Case Study 4] and what it was doing, but it seemed quite clear that the social and employment impacts weren't really of interest to the council." (Social Enterprise Manager: Case study 4)

"There was no value at all put on the social accounting [...] it was purely financial." (Social Enterprise Manager: Case study 8)

"The one thing in the meetings that we did go to, that was never mentioned, was whether it was actually good for the kids to do this. It was all about: 'is there any risk attached to this?' Well, yes of course there is: 'oh, we don't like that'. What was the word they used? It's not 'robust'." (Social Enterprise Manager: Case study 9)

"The secondary benefits of our approach, the spin-offs and added extras...councilors funders etc. find it difficult to grasp." (Social Enterprise Manager: Case Study 7)

Many of the Council service managers also confessed that they were not willing or able to take into account the social and environmental sustainability of the services they were responsible for. Finance and certain performance metrics were the main focus of the

service reviews. Sustainability does form part of the mix of criteria for procurement of services, but only a small fragment of an overall suite of considerations:

"We don't really do a holistic socio-economic analysis at all [...] Sustainability is important but its only one part of an overall suite of criteria and weightings that we apply on a project-by-project basis." (Council Service Manager: Case Studies 2, 4, and 8)

"We get too driven by costs and that kind of stuff and not enough on...it doesn't even have to cost more money, there just needs to be more focus on the social side." (Council Service Manager: Case Studies 1 and 3)

Social enterprise can fill gaps in services where there has historically not been public service provision for a community or societal need. In the current age of public sector cutbacks and a shrinking state, there are an increasing number of social enterprises emerging from the fragments of a discontinued service. Case Studies 4, 7, 8, and 9 all were previously council run services. The reasons for the transfer to a social enterprise model of service delivery vary. Some have done so because a social enterprise model of service delivery is closer to the community and opens up avenues of additional income generation and funding:

"It's incredibly low risk, because what they're doing is getting the same, or actually something better, for a lot less money. And it can only grow. The demand for what we provide has always been for greater than what we can provide. This would be an ideal way of doing that." (Social Enterprise Manager: Case Study 9)

However, others have had their hand forced:

"If we'd still been part of the council we wouldn't be here. It's not a statutory service; there are budgets under pressure so it would have gone." (Social Enterprise Manager: Case Study 3)

This determination to continue services, and in a way that increases local sustainable development, is key to the social enterprise service delivery models. Kemp et al. (2005) assert that locally suited options for sustainability can enthuse stakeholders into understanding and taking action on the issues. The empirical findings show that the loss, or threatened loss, of services that contribute to local socio-economic and ecological well-being generates this increased community action and understanding. Indeed one social enterprise manager stated:

"We believe that if the problem is in the community, the solution is in the community. Don't look at the community as a problem. Look at what the

strengths and solutions are right here. We are an asset-based enterprise. It's all about seeing what you've got in the community and using it." (Social Enterprise Manager: Case Study 7)

Local government managers also echo these sentiments:

"We couldn't achieve all these figures without the social enterprise support. They really are of value to us." (Council Service Manager: Case Studies 2, 4, and 8)

Communities are able to mobilise in order to ensure intra-generational and inter-generational equity in terms of opportunities for and access to essential services. Without this community approach, many of the geographic areas included in the Case Studies would not be developing sustainably.

"They can do hearts and minds, particularly in local communities that the council doesn't do, and perhaps even by re-badging. I probably changed my attitude to a degree, having looked more into what the organisations are doing, because they're able to badge things in a different way that can go down well in local communities" (Council Service Manager: Case Studies 2, 4, and 8)

As explored in the Literature Review chapter, the model of service delivery in many countries, including Scotland, is changing from central control and management to one of participatory governance and outsourcing of services. It is debatable, however, the extent to which this approach is successful, particularly from a sustainable development perspective. Does the delivery of services by social enterprise organisations still provide what communities need both in terms of social equity and ecological security?

One concern is whether service delivery by the social enterprise creates issues of representativeness (Citroni and Nicolella, 2011). Citroni and Nicolella (2011) acknowledge that social enterprise approaches to service delivery can be less representative of society in general than services delivered by government. This is because some social enterprise organisations are pursuing niche causes, with funding and income often only coming from sources that demand particular results or performance. This was a part of the rationale for the procurement process changes of Case Study 6. The services were *"tailored to individual needs and circumstances of the service user and the clients [...] rather than [the public sector body] saying "we want you to provide X, Y and Z"*. Due to a closeness to communities that public sector bodies do not always have, social enterprise organisations can reinforce community or stakeholder desires and needs (Molnar, 2011). They fill gaps in

a fragmented public service model, keep local governments accountable in terms of sustainable development, and link sustainability governance to local communities (Citroni and Nicolella, 2011; Gibson, 2006a; Kurunmaki and Miller, 2006; Molnar, 2011).

Both local governments and their service partners, such as social enterprises, require tools to determine the sustainability of the operation. This is from a performance perspective and for future decision-making, both of which are crucial for continuing investment in services. Social enterprise organisations need to prove to stakeholders the positive sustainable impacts they have. Similarly, service managers within councils also need evidence of this to meet government targets and argue the case for continued funding for services.

"They're doing the impact and helping the community- but there's got to be the performance management. For them and for what are we getting from that? What's the return that we're all getting? Most importantly, what's the return that the local community's getting?" (Service Manager: Case Studies 2, 4, and 8)

"[The social impact] is saving money in other parts of the council's budget. They need to see the bigger picture in that respect." (Social Enterprise Manager: Case Study 1)

"That's probably one of our biggest challenges. That's going to become more and more crucial as time goes on. Its all very well saying 'well, look at the impact it has on wee Jimmy there', but they want more than that." (Social Enterprise Manager: Case Study 3)

The problem for all involved is agreeing on what is needed and in what format. This links to Bebbington (2007) who contests that until a consensus is reached on what a sustainability account looks like, it will be impossible for an organisation to individually demonstrate sustainability performance. As has been discovered above, the notions of sustainability and what should be aspired to in terms of sustainable development differ even within one local authority. Box 4.1 shows this further, with the differing standards across one Council, and even across the same Council departments causing issues for consistent sustainable decision-making.

One of the early Local Services Initiative Steering Group suggestions was that the social enterprises *"Must be able to demonstrate impact: What are investors getting for their money? - Is organisation helping Council/Scottish Government meet their targets?"* (Local Services Initiative Steering Group Ideas Session: 5th-6th December 2011). Two basic things need to be in place for greater sustainability accountability to happen. First, the

Council and Scottish Government targets or performance requirements must be explicit for the social enterprises. Second, the social enterprises need to be able to express their sustainability impacts in a way that the council managers and government can relate to their own internal performance targets.

Box 4.1 Key drivers for improved sustainability accountability in service delivery

"We have to challenge ourselves: are we busy fools or are we...what are we actually achieving? [...] We assess business cases on impact, affordability, deliverability and risk. In terms of impact, each project is different and you can assess impact in different ways." (Council Service Manager: Case Studies 2, 4, and 8)

"All the areas seem to work quite differently. And the budgets are all different, with everything run quite differently. So it's very difficult for a project that's covering the whole of Argyll and Bute to implement one thing the whole way through, because you have to run it by all the different areas and check that they're ok with that." (Council Service Manager: Case Study 5)

"There are so many pressures. You've got funding applications, funding claims, reporting, evidence gathering, and development of the organisation. So you get pulled in lots of directions as well." (Social Enterprise Manager: Case Study 4)

"Everyone is asking for outcome focus now." (Social Enterprise Manager: Case Study 6)

If one is to revisit 360 Degrees of Accounting and Accountability for Public Services model in Figure 2.2 (Kinder, 2011), it is apparent that the case study findings fit with this multi-directional pressure to demonstrate performance. This roundedness of accountability creates the issues that the above interview statements allude to. Many of the criteria that council service managers and social enterprise managers are required to report on are *upward* in nature. Financial value, regulatory compliance, accountability to politicians, and service uptake were mentioned in all interviews in some form or another. This could range from the number of people using a service such as respite care or leisure to facilities. Or the tonnage of recyclates collected in a geographic area in relation to the financial value of the contract and the statutory targets set by Zero Waste Scotland.

Monitoring and joint delivery of services, and negotiations is another aspect of accountability roundedness that comes up in many of the case studies. This inter-organisational aspect of accountability is often a problem, as there can be unclear objectives and performance indicators on both sides.

"Tonnage figures were given to justify the funding. But everyone realised they weren't realistic [...] I think the argument was that if we're providing that service, we're doing the bring sites, the kerbsides, we do all that, then we are doing that service contract anyway." (Social Enterprise Manager: Case Study 2)

There is need for transparency and greater integration of sustainability into the contracts and processes. When negotiations take place between the public sector bodies and social enterprises, a greater balance is required between the quantifiable, numerical targets and the other socio-ecological and socio-economic performance outcomes that can be produced by the service delivery.

"We don't really do a holistic socio-economic analysis at all [...] Sustainability is important but its only one part of an overall suite of criteria and weightings that we apply on a project-by-project basis." (Council Service Manager: Case Studies 2, 4, and 8)

This lack of consideration for socio-ecological impact was confirmed by the social enterprises. For example, the Social Enterprise Manager for Case Study 8 felt that conducting a sustainability impact assessment of the service was futile:

"We didn't properly quantify it ourselves, because we were discouraged from doing so. We said, "If we were able to put a value on it, would you consider it?" And they were very adamant that it was their accounts department that were driving this and it's just not part of their terminology or their thinking at all. So they said, "There is no point you trying to do it, don't waste your time." (Social Enterprise Manager: Case Study 2)

The social enterprise also recognise that the council are under pressures too. Intra-organisational accountability requirements are increasing in a time of budgetary cuts and service reforms.

"At the end of the day, if this isn't run like a business then it's not going to be here to achieve those social objectives [...] The change in council management meant the social aspect was not as important. Not that they didn't care, but their argument was that this has got to make economic sense or we're not interested." (Social Enterprise Manager: Case Study 2)

The *downward* reporting requirements include service access and service satisfaction. These are measurements that the council is required to consider, with access a bigger

concern. The equality impact has to be assessed for every service procured. This assessment seeks to ensure that every person in the region has the same or equal access to the same or similar services. For example, if one town has a swimming pool, there needs to be provision for all similar sized towns to have a swimming pool (or ease of access to a nearby pool) too. Whilst an Equality Impact Assessment Toolkit is widely used for all service assessments, sustainability does not have to be assessed as a statutory condition of the decision-making process. However, the evidence shows that from both sides of service procurement and provision there is a pressing need for greater clarity and understanding of the sustainability impacts and outcomes.

4.5 Dealing with inappropriate conduct and poor performing suppliers

Part V of the Procurement Reform (Scotland) Bill Consultation is about “dealing with inappropriate conduct and poor performing suppliers” (The Scottish Government, 2012a, p. 35). This part of the consultation puts the emphasis on suppliers to carry out production and services in a sustainable and ethical manner. Part of this proposal is that organisations are excluded from the procurement process where they have “failed to perform a contract satisfactorily” (The Scottish Government, 2012a, p. 35).

The service managers in the Case Studies were all keen that performance measures were put in place and that contracts were adhered to a more transparent manner. For example, there was a drive to move away from a culture where social enterprise groups simply expected funding to keep coming year-on-year in a business as usual scenario. Service managers were keen to point out that in a time of shrinking budgets, the organisations delivering services need to always be looking at how they can offer more and increase performance:

“There has to be that contractual framework. So you want it to be virtuous- they’re doing the impact and helping the community- but there’s got to be the performance management.” (Council Service Manager: Case Studies 2, 4, and 8)

“There was an issue that it was the same old, same old. So it was the same faces, getting the same money, for the same thing. Where was innovation? Where was change? And where were we supporting them to provide different models of service delivery through different models of funding? And where was the opportunity for new business? New people, new ideas and not just a closed shop.” (Council Service Manager: Case Study 6)

This is a contested aspect of service procurement. Many of the social enterprises involved feel that their performance is more than acceptable and that the council can place unreasonable demands on them. There was a thread running through many of the interviews with social enterprise managers that the work they do doesn't "fit in square boxes" (Social Enterprise Manager: Case Study 9). Often the social enterprise approach to services can lead to intangible benefits and outcomes, some of which would make it very hard to apply a quantifiable performance measurement system.

"The council measures us just now: they ask for the number of overnight breaks that are booked. But I don't think that's a true reflection of the work we do." (Social Enterprise Manager: Case Study 5)

"I know when we do our project proposals and project evaluations, we're doing finances, we're doing numbers, [...] but there's lots and lots of stuff in between that we're not capturing." (Council Service Manager: Case Study 7)

"What I like about the contractual arrangements we've got there, is that there's a real stake in the local third sector organisation delivering i.e. if they don't deliver they get hit by a penalty, if they do deliver they get a gain." (Council Service Manager Case Studies 2, 4, and 8)

4.6 Application and compliance

Part VI of the Procurement Reform (Scotland) Bill Consultation outlines a strategy for "application and compliance" (The Scottish Government, 2012a, p. 37). This part of the consultation document examines the proposals in relation to other legislation, such as EU Directives on tendering. Compliance with EU Directives is already an issue with many public sector processes. The Case Studies undertaken here are no different.

Many of the reforms already attempted by Argyll and Bute Council have seen blockage points due to EU tendering legislation, or at least the perception that these directives would prevent the changes taking place. For example, Case Study 6 demonstrates an attempt to switch the procurement process to a more outcomes-based approach. Within this reform it was identified that three-year contracts would be better than one-year contracts, as this would allow the social enterprise organisations a less uncertain position in which to strategically plan. However, three-year contracts of certain financial amount broke the barrier for requiring a full tendering process. This prevented the deliberate allocation of service contracts to local community based organisations.

"There is a massive benefit to groups if they know their funding is secure for three years. And actually there is quite a big advantage to the council if we

know that contract is in place for three years [...] However, what we'd missed through the process- what we thought we were ok on but it turned out we weren't- was the level of funding that three requests took some groups into created problems with EU tendering legislation [...] When we actually looked at the numbers coming in we realised we're on dodgy ground here." (Council Service Manager: Case Study 7)

The Procurement Reform (Scotland) Act will not be enacted until 2015 for the same reasons of procurement and tendering legalities. The Scottish Government is conducting a study in 2014 to make sure the proposals that emerged from the Procurement Reform (Scotland) Bill fit with EU law and regulations (The Scottish Government, 2014b).

Any kind of procurement reform, it seems, involves an element of risk. The Procurement Reform (Scotland) Bill Consultation states that the Bill has "to ensure that the Procurement Reform Bill is effective in changing procurement practice while avoiding unnecessary additional costs and risks" (The Scottish Government, 2012a, p. 39). Risks in a public service procurement setting can be the incorrect or ineffective performance indicators used, or the wrong service models for the wrong communities (Kinder, 2011). This has been demonstrated by some of the Case Studies above. For example, the indicators of performance are not always appropriate to account for the wider benefits of the services. Also, the models of service delivery in which there are public sector, social enterprise and private sector mixes are not always successful in rural areas such as Argyll and Bute.

"By going down this line: ok you have to take a bit of a risk, but we're risk averse in this council." (Social Enterprise Manager: Case Study 9)

The perception from some of the social enterprises is that the risk of trying a social enterprise approach was one that the council was not always willing to indulge. This is both a personal risk for the service managers and organisational risk for the council. To a certain extent, some decision makers were in a no-win situation. If the risk of transferring a service to social enterprise model did not pay off and the service collapsed completely it would look bad for the council. If they did not transfer the service and the financial cuts meant that it had to stop or become a very reduced service, it would also be a politically bad outcome.

The council service managers are aware of the risks of reforms and different approaches to service delivery. For example, in the context of reforms to the process of contracting out services, one Council Service Manager recognised that "if it went wrong

there was a big risk for me because a lot of people knew I was doing it" (Council Service Manager: Case Study 7). There is also the risk that different senior managers will see things differently, as *"there's always a risk in leadership. You can agree something with one head of service but the commitment needs to be sustained throughout. You need the whole organisation to back you"* (Council Service Manager: Case Study 7). In a large, often fragmented organisation such as a Local Authority, gaining a consensus from different internal sources can be difficult.

Funding was another risk identified by all the Case Studies. Both the Council Service Managers and the Social Enterprise Managers worried that the uncertain funding outlook meant that any strategic planning was risky.

"A one-year contract doesn't give us that stability that we need." (Social Enterprise Manager: Case Study 1)

Greater understanding of wider sustainability issues and guidance in facilitating them could be of use in the context of risk. Finance still seems to dominate the decision processes, even in instances where a social enterprise approach may save money and bring in additional income, or where cuts to budgets have not been too severe.

The consultation states the "need to consider the coverage of the Procurement Reform Bill in relation to the types of contract and categories of public body to which general provisions will apply" (The Scottish Government, 2012a, p. 37). This is an issue that came up in most of the Case Studies.

For example, Case Study 2 was subject to a very short notice change to contractual terms of the service delivery. The funding was cut by 26% without any prior negotiation or reasoning. The social enterprise manager of Case Study 2 found that the *"total lack of communication"* was a counterproductive experience. The social enterprise *"got a phone call [...] we then tried to fight and get in touch with the council. We tried to get the right department and it was weeks before we were told anything"*. This example also highlights the inconsistency of the processes too. A large private company that delivered complimentary services and worked with Case Study 2 were protected from contract changes by stronger negotiated contractual terms during the original tender process (see Section 4.2). The smaller social enterprise was not able to engage in legal contests. This was something that the social enterprise manager felt was to their disadvantage: *"I think when we were hit by the cuts, it was all the softer targets that took the hit"* (Social Enterprise Manager: Case Study 2).

4.7 Summary and conclusions

The interviews and other documentation analysis highlighted several key issues with this approach in regard to sustainability at a community level. One of the overriding issues, which came up in almost all the case studies, was that social enterprise is best placed to deliver sustainable public services due to their closeness and relationships with the communities in which they serve.

The extent to which public sector bodies providing the contracts and procuring the services from social enterprises use sustainability criteria as performance indicators is more open to question, however. The procurement of services can allow public sector bodies to hide behind numbers and budgetary requirements. Are the service managers within public sector organisations able and willing to prioritise sustainability above financial criteria for decision-making? The evidence shows that council service managers are clearly aware of the sustainability benefits of social enterprises. But are the sustainability benefits of the social enterprise approach to service delivery being translated into systems and processes?

Overall, it seems that the Procurement Reform (Scotland) Bill will need to be integrated into the processes that currently exist in Argyll and Bute Council. The Case Studies show that many of the proposals for procurement reform are necessary for greater sustainability of public services. This is despite Argyll and Bute Council already adopting a social enterprise approach to service delivery in many areas. A key thread running through the findings is the need for understanding, communication, and transparency of the procurement process for services. Social enterprises and council managers do not always have the same aims and priorities when they work together. A tool that brings together the potential outcomes and priorities for the service and shows the purpose of the procurement in a clear way is required.

As the findings above show, the current procurement processes for public services delivered by social enterprise are both inconsistent and fail to account for sustainability. Managers of services from within the council and in the social enterprises recognise that change is needed. The Procurement Reform (Scotland) Bill will be of use in driving any reforms towards a more sustainable and transparent model. However, these top-level commitments to sustainable public services also require translated into actionable process. The Local Services Initiative Steering Group felt that the Procurement Reform (Scotland) Bill was a piece of legislation that could provide justification for any internal reforms in this area. The Procurement Reform (Scotland) Bill is the "hat peg" that any recommendations

and suggestions for sustainability improvements could be hung onto in order to get high-level support and interest.

The theory of accounting and accountability tools as mediating machines fits with this aspect of the research findings. There needs to be a clear accounting tool that educates, encourages and empowers those involved in the procurement process to put a greater emphasis on the sustainability aspects of the service delivery. Many of the complaints about the current contractual processes could be solved with a transparent tool that shows and justifies the reasons for the decisions reached.

Any mediating machine would be required to ensure that all the right sustainability questions were asked. If sustainable development is to be embedded into the thinking of all stakeholders involved in service procurement and delivery, a mediating machine must be formed in way that encourages critical thought and questioning of all procurements from a sustainability perspective. This will enable the council service managers to understand the local sustainable development potential. In parallel, it will make the social enterprises bidding for the contracts think about what they need to either do better or evidence better. Most of the social enterprises keep some record of sustainable impacts and outcomes, but lack *“any mechanism to bring all that together.”* (Social Enterprise Manager: Case Study 4). For example, Case Study 5 completed a social impact study with the Scottish Government (The Scottish Government, 2011b, 2011a), who *“evaluated [...] the benefits, the difficulties, and created a kind of toolkit for creating a PSP⁹ and how to do it. [...] But I’ve not heard anything further”* (Social Enterprise Manager: Case Study 5). Other organisations, such as Case Study 1, began the process of developing social impact studies, but the *“value of the time and financial resources was questioned”* (Social Enterprise Manager: Case Study 1).

Between the evidence presented here, the meetings with the Local Services Initiative Steering Group and the political driver of the Procurement Reform (Scotland) Bill, it was decided that a new toolkit is required for the procurement of services by Argyll and Bute Council. Chapter 5 will detail the development of this toolkit.

⁹ The Scottish Government define a Public Social Partnership as a *“strategic partnering arrangement which involves the third sector earlier and more deeply in the design and commissioning of public services”* (The Scottish Government, 2011a, p. 4).

Chapter 5 Creating the first draft of the Sustainability Impact Assessment Toolkit

This chapter details the process of creating a first draft Sustainability Impact Assessment Toolkit for use in public sector procurement. The first draft was created using theoretical principles of sustainable development and empirical results from a case study of public service delivery in local government. This first version of the Sustainability Impact Assessment Toolkit was then developed into an interactive tool. The results of the testing of this final version are detailed in Chapter 6 of this thesis.

The version of the Sustainability Impact Assessment Toolkit documented in this chapter is based on the results of the empirical research analysed in Chapter 4. The research showed evidence of the need for a consistent approach to sustainability in public service contracts by examining ten case studies of public service delivery by social enterprise. These cases studies were analysed using the Procurement Reform (Scotland) Bill as benchmark for sustainable service outsourcing and delivery. The findings showed that there is a lack of consistency in procurement processes and an overall failure to implement the sustainability agenda at a business level in public service delivery. These outcomes underline the need for a mediating machine to ensure that the sustainability agenda, including the Procurement Reform (Scotland) Bill, is translated and implemented at a service delivery level.

The empirical research uncovered anecdotally that a member of Argyll and Bute Council had developed a Sustainability Impact Assessment Toolkit in-house. However, this document was never used and was not available to Council Officers and any service providers. A Local Services Initiative Steering Committee Member commented: *"The Sustainability impact Assessment Toolkit was devised, I think about 6-7 years ago. And it kind of sits there. I think there was training done on it initially, but we suspect that it's not being used"*.

Section 5.1 outlines the rationale for the Sustainability Impact Assessment Toolkit, in relation to sustainability policy, the empirical research findings of Chapter 4 of this thesis

and sustainability theory. It describes the principles and function of the Sustainability Impact Assessment Toolkit. This includes the approach to sustainability assessment that the toolkit is based upon. Section 5.2 then shows the rationale behind each sustainability theme and discusses the sustainability objectives and indicators used for the Sustainability Impact Assessment Toolkit. Section 5.3 finishes the chapter with a summary and a link to Chapter 6.

5.1 Design of the Sustainability Impact Assessment Toolkit

The Sustainability Impact Assessment Toolkit is designed as a mediating instrument that translates sustainability principles for those involved at the business level of public sector procurement and service delivery. This need was confirmed in Chapter 4 through the empirical research in Argyll and Bute. Case Study findings are used in this chapter to back up the choice of objectives and indicators for the Sustainability Impact Assessment Toolkit. In addition to the empirical findings, there are three categories of sustainability policy and discourse that the Sustainability Impact Assessment Toolkit translates:

- The Procurement Reform (Scotland) Bill, based on the Consultation Paper (The Scottish Government, 2012a)
- Argyll and Bute Council Guiding Principles
- Key sustainability theory and concepts

The Sustainability Impact Assessment Toolkit is structured according to Gibson's (2006) suggestion for sustainability assessment design of beyond the so-called three pillars of sustainability. In order to ensure commonly ignored aspects of sustainability are brought to the attention and consideration of decision-makers within the public service sphere, the social, environmental and economic aspects of sustainability are redefined into the following objectives:

- Livelihood sufficiency and opportunity
- Intragenerational equity
- Intergenerational equity
- Socio-ecological factors
- Resource maintenance and efficiency
- Civil society and democratic governance
- Precaution and adaptation

These objectives are the first level of the Sustainability Impact Assessment Toolkit (Kurka and Blackwood, 2013). Gibson (2006) argues that incorporating all aspects of sustainability

and ensuring that none are ignored is a major challenge of sustainability assessment design. A package of linked features that crosses the generic categories of social, environmental and economic is the recommendation by Gibson (2006). The Sustainability Impact Assessment Toolkit has been developed with this approach in mind.

A proposal by Kemp et al. (2005) for what a set of sustainability tools could look like is shown in Table 5.1. A mediating machine should embrace the problems identified in Section 2.3 with sustainable development and accounting for sustainability. Gibson et al. (2005) propose some important considerations. It is good to be cautious when it comes to deciding on objectives: too much prescription can lead to wrong choices, with the wrong indicators and evaluatory frameworks. It is good to recommend rather than enforce general rules: this can lead to better informed and knowledgeable decisions, as actors seek to decide for themselves what is sustainable. It is good to promote understanding for context and circumstances: localised decisions can still meet global objectives when undertaken in an informed manner. It is good to treat sustainable development accounting and accountability as an evolving, fluid concept: only in the long run, when knowledge, buy-in and consensus has been increased will it be possible to evaluate sustainable development at various levels.

In order to guide public services towards a more sustainable model, it is important that those involved in their design, procurement and delivery maximise positive sustainability opportunities. This means that mitigating unsustainable aspects of service delivery is not enough. There must be attention paid to ensuring that any procurement for services takes into account as many sustainable development directions as possible (Gibson, 2006a; O'Dwyer et al., 2011). This includes those aspects of sustainability that can be neglected in procurement decisions, such as biodiversity (Bos-Brouwers, 2009), or stakeholder consensus (Gibson, 2006a). In order to achieve this, it is not enough to see sustainability as three separate, but interlinked pillars: social, economic and environmental. Viewing sustainability in this way often leads to separate consideration of the issues, with an attempt to integrate them at a later stage (Bebbington, 2007; Gibson et al., 2005; Gibson, 2006a; Kemp et al., 2005).

The interlinked nature of the impacts that a public service can have has been seen in the case studies researched in this thesis. For example, Case Study 2 has a primary organisational mission to:

"Relieve poverty among the residents of "the Operating Area" and in particular individuals suffering from mental/physical disability, illness or impairment, and To promote and/or provide training in skills of all kinds, particularly such skills as will assist residents of the Operating Area in obtaining paid employment" (see Appendix H for full mission).

However, the income generating function of the business is to recycle waste in the local area. The income is reinvested in further training for people, and to increase the outreach of the recycling collections. The employment of people with disabilities also provides grant income, which is crucial for the financial bottom line of the enterprise. The social and ecological outcomes provided by Case Study 2 are more than just interlinked: they are fully integrated. It is providing social, economic and environmental benefits, but each could not happen without the other.

Table 5.1 Process-related tools for embedding sustainability into organisations

Tool	Purpose and justification for tool
Shared sustainability objectives	The sustainable development debate has progressed far enough that shared goals and objectives can be developed. These can regionally, nationally or locally based depending on the context.
Sustainability-based criteria for planning and approval of significant undertakings	Whilst environmental assessments (e.g. EIA or SEA) are commonplace in many planning decisions, the tests need to evolve to include wider sustainability objectives. This evolution should include better processes for decision-making at local level too.
Specified rules for making trade-offs and compromises	Explicit rules and processes need to be developed in this area. This includes rules for compensations and substitutions for negative effects, and net gain and loss calculations involving aggregation.
Widely accepted indicators of needs for action and progress towards sustainability	If carefully chosen and focused, these indicators can act as influential agents of education, empowerment and agitation.

(Kemp et al. 2005)

The Sustainability Impact Assessment Toolkit contains key sustainability principles that attempt to link the social, environmental and economic aspects of sustainability. It facilitates assessment of sustainable approaches to public services and associated procurements by bringing together evidence for this into one place. The Sustainability Impact Assessment Toolkit is also developed as a mediating machine for translating

sustainability policy into actionable processes. It therefore needs to educate users in sustainability principles. The Sustainability Impact Assessment Toolkit has three key design features that have been considered to help meet these functions. These are listed and described in Box 5.1.

Design Principle 1 is that users are not to be prescribed sustainability, but are encouraged to consider what it means to them and how the sustainability impact affects the particular situation they are in. This is an approach that has worked for Stubbs and Cocklin (2008). They argue that “the aim is not to convert them to any particular viewpoint but rather to help them understand and articulate all the sides of the sustainability debate” (Stubbs and Cocklin, 2008, p. 217).

Design Principle 2 is that there should be flexibility within decision making for each sustainability objective. This is backed up by Potschin and Haines-Young (2008, p. 432) who maintain that “different types of limit can be envisaged, depending on how society wants to cope with the risks associated with loss of function or benefit”.

Box 5.1 Key design features of the Sustainability Impact Assessment Toolkit

<i>Design Principle 1</i>	<i>Design Principle 2</i>	<i>Design Principle 3</i>
<i>Key sustainability impacts written in question form</i>	<i>Include minimum and preferred standard of each sustainability impact</i>	<i>Include space for evidence for each impact</i>
The user of the Sustainability Impact Assessment Toolkit considers the specific impact in relation to the public service they are procuring. The question format should embed sustainability thinking into users over time. Questioning the sustainability of every process would ideally become the norm.	In order to help guide the user, a minimum and preferred standard of sustainability should be shown for each impact. These minimum and preferred standards represent mitigation and enhancement, respectively.	Many public services may already have evidence or reporting for specific sustainability impacts that can be used as part of wider evidence of sustainability. These may have been developed for external funding bodies; for specific environmental or social legislation that required to be met; or to inform service users of the wider value of the service.

Design Principle 3 is that the Sustainability Impact Assessment Toolkit was designed not to add to the already increasing demands for accountability and audit (Power, 1997). It is not meant to replace other methods of assessment, but to consolidate them so that the social, environmental and economic aspects of sustainability are better linked together.

The next section of this chapter outlines the sustainability objectives and indicators, showing the source of each indicator and the rationale behind the inclusion of the indicator.

5.2 Sustainability objectives and indicators

This section details the sustainability objectives the Sustainability Impact Assessment Toolkit is based upon. These are: Livelihood sufficiency and opportunity; Intragenerational equity; Intergenerational equity; Socio-ecological factors; Resource maintenance and efficiency; Civil society and democratic governance; Precaution and adaptation. Within each of these objectives, the theoretical and policy origins of the indicators of sustainability are detailed.

5.2.1 Livelihood sufficiency and opportunity

Livelihood sufficiency and opportunity sustainability objective aims to “ensure that everyone and every community has enough for a decent life and that everyone has opportunities to seek improvements in ways that do not compromise future generations’ possibilities for sufficiency and opportunity” (Gibson, 2006a, p. 270). This theoretical concept fits with the principles of Argyll and Bute Council and high-level government objectives within Scotland. It also has a global context. Many international examples of policy and guidelines follow the same principle of current equity of resources without compromising future generations ability to enjoy the same access to those resources.

The first sustainability indicator included in the Sustainability Impact Assessment Toolkit asks how the procurement of the public service will improve employment opportunities for Argyll and Bute residents. This strongly links to the social and economic aspect of sustainable development, helping to strengthen the human elements of sustainable development as part of the procurement. This is a particular aspect of procurement reform in Scotland that is seen as important. The case study organisations in Chapter 4 all have missions that linked to employment and economic regeneration.

Table 5.2 Sustainability Indicator 1- Employment Opportunities

Sustainability Indicator 1	Sustainability discourses translated
How will the procurement improve employment opportunities for Argyll and Bute residents?	"Smart use of public procurement, in order to promote jobs and growth; [...] boost training and apprenticeship opportunities." (The Scottish Government, 2012a)
	"Encourage new kinds of industry to the area to sustain employment" (Argyll and Bute Council Guiding Principles)
	"The unemployment level of an industrialized region is used as an indicator of the global ability to generate and operate an effectively functioning human system." (Bossel, 1999, p. 75)
	"Inclusion of all types of workers (with social problems, mental incapacity)" (Salazar-Ordonez and Buitrago-Suescun, 2010, p. 5)
	"Policy makers are under increasing pressure to deliver policies that not only foster employment and growth but also are environmentally sustainable." (Loayza et al., 2011, p. 1)
	"Social entrepreneurship is also well-established as playing an important role in the provision of public goods [...] and employment." (Nicholls, 2009, p. 755)

Sustainability Indicator 2 asks how the procurement will help increase job skills in the geographic region. Creating employment with a potential for improving education and training opportunities is an important part of livelihood sufficiency and opportunity. This can have an overall regenerative effect on a region, with social improvements and a potential move towards more ecologically sustainable industry and lifestyles. Skills development and increasing the employability of the local community members was a pattern within the case studies in Argyll and Bute. For example, Case Study 1 had a successful record of employees moving on from trainee or entry-level positions to skilled roles or management positions.

Table 5.3 Sustainability Indicator 2- Job Skills

Sustainability Indicator 2	Sustainability discourses translated
How will the procurement help increase job skills in the Argyll and Bute region?	"Boost training and apprenticeship opportunities" (The Scottish Government, 2012a)
	"Access to education, training" (Argyll and Bute Council Guiding Principles)
	"Support for improving the quality of life for employees (housing, education and training)" (Salazar-Ordonez and Buitrago-Suescun, 2010, p. 5)
	"Social entrepreneurship is also well-established as playing an important role in the provision of public goods [...] and employment." (Nicholls, 2009, p. 755)

Sustainability Indicator 3 encourages the use of social enterprise in the procurement process. Social enterprises are typically close to the communities in which they operate, and are seen as a more sustainable way of operating. It is for this reason that the

Procurement Reform (Scotland) Bill is looking to direct public sector contracts towards the third sector, with a focus on social enterprises. The case studies identified a need for those involved in public sector procurement decisions to recognise and account for the advantages of a social enterprise approach to service delivery.

Table 5.4 Sustainability Indicator 3- Growth of social enterprises

Sustainability Indicator 3	Sustainability discourses translated
How will the procurement encourage the growth of local social enterprises?	"Help Scottish firms, particularly third sector organisations, compete effectively for contracts" (The Scottish Government, 2012a)
	"Work with partners to find local solutions to develop and sustain the economy" (Argyll and Bute Council Guiding Principles)
	"Social enterprises embrace both social and environmental values, which they are likely to express through a range of good management practices" (Van Der Horst, 2008, p. 173)
	"Some specific policy measures [for social enterprise development] that could be supported by governments at all levels include [...] developing public procurement measures that include socio-environmental criteria." (Noya, 2009, p. 18)

Sustainability Indicator 4 encourages local economic development through the use of local business in the procurement supply chain. Local government is seen as a driver of local business, both in the theory and in government strategy. In Argyll and Bute, the number of people employed in the public sector (36%) is the higher than the Scottish national average (31%) (Argyll and Bute Council, 2014b) and it is recognised in the case studies that it could also be the major driver of local business too. The Social Enterprise Manager of Case Study 3 argued that the approach to services developed with Argyll and Bute Council has enabled them to "make links with partners" that they otherwise "wouldn't be able to do" (Social Enterprise Manager: Case Study 3). This has "opened up other opportunities to us, which then has a knock on effect on the outcomes we're trying to do and the benefits to local people" (Social Enterprise Manager: Case Study 3).

Sustainability Indicator 5 focuses on improvements to local infrastructure and amenities. This is an important aspect of sustainability, as it can allow local economies to develop and become sustainable in a way that protects the local ecology and empowers local citizens. This was an important factor for many of the case study organisations. They were all seeking to use local amenities, and work in partnership with the public and private sectors to develop these amenities into long-term facilities that would be used for economic, educational, and cultural and leisure activities. Case Study 1 had developed the local leisure facility from simply a swimming pool into a complex that provided a multitude

of sports, health and cultural provision. Case Study 2 had developed a previously derelict site into a recycling facility and was seeking to further regenerate this site for educational and other business purposes. All organisations required the support of the council to do this, so decision-making of key council members was crucial for the sustainability of local social enterprises.

Table 5.5 Sustainability Indicator 4- Growth of Local Business

Sustainability Indicator 4	Sustainability discourses translated
How will the procurement encourage the growth of local business?	"Help Scottish firms, particularly third sector organisations, compete effectively for contracts" (The Scottish Government, 2012a)
	"Work with partners to find local solutions to develop and sustain the economy" (Argyll and Bute Council Guiding Principles)
	"A significant barrier for the communication of smaller enterprises was linked to the lack of codified rules – a model of guidelines – appropriated and contextualized to their features, for an easy drafting of the sustainability report." (Borga et al., 2009, p. 165) "It is local government that has the capacity to mobilise and reconcile competing interests within the community. It remains the primary focus of community level politics, which provides a focus for making choices between 'development' and ecological and social sustainability" (Ball, 2004, p. 1012)

Table 5.6 Sustainability Indicator 5- Improve Local Town Centres

Sustainability Indicator 5	Sustainability discourses translated
How will the procurement generate improvements to local town and village centres?	"Our approach [is] to support our most disadvantaged communities to become sustainable and promote well-being. Public procurement has a contribution to make to both of these." (The Scottish Government, 2012a, p. 30)
	"Develop the local economy with minimum impact on the environment." (Argyll and Bute Council Guiding Principles)
	"Both the protection of amenities and creation of new and better services for more people require innovation in institutions of governance and socio-technical systems." (Kemp et al., 2005, p. 14)

Sustainability Indicator 6 reflects the role of arts, culture and tourism as necessary human components of sustainability. The case studies found that in a rural area such as Argyll and Bute, arts, culture and tourism is an aspect of sustainability that means a lot to the local population, and is therefore also a politically important issue. Case Study 9 found that their approach to public services for music provision was supported at local stakeholder level and at a higher political level. The issue they felt was preventing the venture from getting the support it needed from the public sector was that the middle management within the Council were not recognising the importance of the service. Arts and culture is a particular aspect of sustainability discourses that may require highlighting, perhaps above many

other more publicised elements such as ecological sustainability and socio-economic development.

Table 5.7 Sustainability Indicator 6- Regeneration Through Arts, Culture and Tourism

Sustainability Indicator 6	Sustainability discourses translated
How will the procurement support regeneration and wealth creation through the arts, culture and tourism?	"Encouraging a broad consideration of sustainability in contracting, for example by using community benefit clauses to provide training opportunities for local people, or by reserving contracts for supported businesses." (The Scottish Government, 2012a, p. 31)
	"Develop the local economy with minimum impact on the environment" (Argyll and Bute Council Guiding Principles)
	"We must include the systems that constitute society, as well as the systems on which human society depends. A useful distinction of subsystems is the following: Individual development ([including] leisure and recreation, arts)." (Bossel, 1999, p. 17) The European Union SEA Directive "clearly includes some social factors such as human health and cultural heritage, and economic factors such as material assets" (Therivel, 2004, p. 24)

5.2.2 Intragenerational equity

This second sustainability objective on Intragenerational Equity has the aim to "ensure that everyone and every community has enough for a decent life and that every- one has opportunities to seek improvements in ways that do not compromise future generations' possibilities for sufficiency and opportunity" (Gibson, 2006a, p. 270). This principle is echoed in high-level sustainability discourses, from the UN's Brundtland Commission to Scottish Government policies.

Sustainability Indicator 7 aims to promote the overall health of the communities in which the procurement is taking place. This contribution can range from preventative measures against health degradation to procurement that positively impacts on health of the local population. All of the case studies felt that they provided a sustainability impact that benefited public health in some manner. Case Study 6, for instance, has an explicit mission to enhance the mental health of elderly and cared for members of the community by planning and providing trips away from home.

Sustainability Indicator 8 looks to reduce health inequalities. Sustainability principles in both policy and theory encourage equal access to resources. They also require that health not be negatively affected by any ecological or socio-economic forces, such as pollution, malnourishment or lack of access to medicines. Case Study 1 has helped to ensure that the local population had access to a variety of sports and activity. It was felt by the social enterprise managers of this facility that the health benefits were not fully

acknowledged when the new procurement process for the service delivery was being discussed.

Table 5.8 Sustainability Indicator 7- Health and Well-being Contributions

Sustainability Indicator 7	Sustainability discourses translated
How will the procurement contribute to the health and well being of the local community?	Good procurement is vital for "health and education services" (p. 8), "community health" (p. 8), and "health improvement" (p. 29) (The Scottish Government, 2012a)
	"Promote [...] health and well-being" (Argyll and Bute Council Guiding Principles)
	The European Union SEA Directive "clearly includes some social factors such as human health and cultural heritage, and economic factors such as material assets" (Therivel, 2004, p. 24). "International Association for Impact Assessment believes the assessment of the environmental, social, economic, cultural and health implications for proposals to be a critical contribution to sound decision-making processes, and to equitable and sustainable development" (Vanclay, 2003, p. 12).

Table 5.9 Sustainability Indicator 8- Health Equalities

Sustainability Indicator 8	Sustainability discourses translated
How will the procurement overcome health inequalities?	Good procurement is vital for "health and education services" (p. 8), "community health" (p. 8), and "health improvement" (p. 29) (The Scottish Government, 2012a)
	"Promote [...] health and well-being" (Argyll and Bute Council Guiding Principles) "We need to make sure that the way we deliver services does not have an adverse impact on people from different equality groups, both customers and employees." (Argyll and Bute Council, 2014)
	The European Union SEA Directive "clearly includes some social factors such as human health and cultural heritage, and economic factors such as material assets" (Therivel, 2004, p. 24). "People have a right to live and work in an environment which is conducive to good health and to a good quality of life and which enables the development of human and social potential" (Vanclay, 2003, p. 9)

Increased lifestyle choices are the aim of Sustainability Indicator 9. These include the ability of people to choose employment, health and other related options. This is a core ideal of any equality and sustainability policy and theory. The social enterprises in the case studies all aimed to contribute to this in the communities in which they operate. Case Study 2, for example, had trained and up skilled several employees from long-term unemployment or full time care to the point where the employees could be released from care and become independent. It was felt that this was an important social and economic benefit of the social enterprise approach to recycling that needed to be recognised for any future procurement.

Table 5.10 Sustainability Indicator 9- Increased Lifestyle Choices

Sustainability Indicator 9	Sustainability discourses translated
How will the procurement increase lifestyle choices for local residents?	"A proposed overarching duty on public bodies to act in a way that promotes social, economic and environmental well-being through procurement activity and to be able to evidence this behaviour." (The Scottish Government, 2012a, p. 28)
	"Assessing the potential impact on the protected characteristics helps us to consider relevant evidence and decide whether particular groups may be disproportionately affected by decisions; or whether more could be done to foster good relations." (Argyll and Bute Council, 2014)
	"Social dimensions of the environment – specifically but not exclusively peace, the quality of social relationships, freedom from fear, and belongingness – are important aspects of people’s health and quality of life." (Vanclay, 2003, p. 9) "People have a right to be involved in the decision making about the planned interventions that will affect their lives." (Vanclay, 2003, p. 9)

Table 5.11 Sustainability Indicator 10- Local Resource Savings and Efficiency Gains

Sustainability Indicator 10	Sustainability discourses translated
How will the procurement ensure that any resource savings and efficiency gains stay in the local community where the saving is made?	"Public procurement has a contribution to make to [sustainability and well-being] through: encouraging a broad consideration of sustainability in contracting, for example using community benefit clauses to provide training opportunities for local people." (The Scottish Government, 2012a, p. 31)
	"Impact assessment is an effective way of improving policy development and service delivery, ensuring that you consider the needs and experiences of customers and of employees." (Argyll and Bute Council, 2014)
	"Development projects should be broadly acceptable to the members of those communities likely to benefit from, or be affected by, the planned intervention." (Vanclay, 2003, p. 9)

Sustainability Indicator 10 is included to help a decision-maker consider the local benefits to any procurement decision. This can include when the procurement may be undertaken with an organisation outside of the community, such as a large national or international company. The use of a community benefit clause or similar type of directive in the procurement can ensure a positive effect for the local area. In the example of Case Study 2, Argyll and Bute Council actively encouraged the partnership of a large private organisation with a local social enterprise. This helped to keep local employment and other associated benefits, and helped secure outside investment in local infrastructure. This approach has not been repeated in any other services, so requires encouragement.

5.2.3 Intergenerational equity

The third sustainability objective, on intergenerational equity, is to “favour present options and actions that are most likely to preserve or enhance the opportunities and capabilities of future generations to live sustainably” (Gibson, 2006a, p. 270). This is a core principle of the Brundtland Commission and many subsequent international sustainability policies (United Nations World Commission on Environment and Development, 1987).

Sustainability Indicator 11 encourages the procurement decision to take into account the longevity of the service and the impact of the current resource use for future generations. There is a concern within all managers of the case study services- both from the council and the social enterprises- that the capacity of the services to continue is always under threat. This is mainly due to budget restraints. It was acknowledged by some of the Local Services Initiative Steering Group that once a service is discontinued, it becomes even more difficult to find the resources to bring it back.

Table 5.12 Sustainability Indicator 11- Resource Availability for Future Generations

Sustainability Indicator 11	Sustainability discourses translated
How will the procurement ensure that resources and services are available for future generations?	“Take every opportunity that we can to enable sustainable economic growth, not only looking at what we can do now, but by making the right decisions that will serve the people of Scotland well for the future.” (The Scottish Government, 2012a, p. 3)
	“Safeguard and enhance the natural and historic environment and biodiversity” (Argyll and Bute Council Corporate Strategy)
	“Development activities or planned interventions should be managed so that the needs of the present generation are met without compromising the ability of future generations to meet their own needs.” (Vanclay, 2003, p. 10)

Table 5.13 Sustainability Indicator 12- Sustainable Adaptation

Sustainability Indicator 12	Sustainability discourses translated
How will the procurement assist the communities of Argyll and Bute to adapt to social, environmental and economic changes?	“Procurement policy can shape our future resource use and needs by, for example, triggering demand for refurbished and recycled materials.” (The Scottish Government, 2012a, p. 8)
	“Develop the local economy with minimum impact on the environment” (Argyll and Bute Council Corporate Strategy)
	“Sustainable development implies constant evolutionary, self-organizing and adaptive change. For this the widest possible spectrum of adaptive responses to new challenges should be available for potential adoption.” (Bossel, 1999, p. 6)

Sustainability Indicator 12 is included to contribute to the adaptation of new challenges within the geographic area. This may include ensuring that new employment and economic regeneration is undertaken in the most ecologically beneficial way possible. The case

studies showed that Argyll and Bute Council are undertaking a social enterprise partnership approach to public service delivery for this reason. However, those implementing the strategy require guidance and encouragement to continue this direction.

5.2.4 Socio-ecological factors

This section, Socio-ecological factors, concerns efforts to “build human-ecological relations to establish and maintain the long-term integrity of socio-biophysical systems and protect the irreplaceable life support functions upon which human as well as ecological well-being depends” (Gibson, 2006a, p. 270).

Sustainability Indicator 13 is designed to encourage any use of land in manner that ensures ecological and social compatibility with the local culture. The case study research identified that this was an important factor for local communities. This was especially so in a rural area such as Argyll and Bute. Case Study 10 was a social enterprise with the mission of protecting and enhancing the coast and countryside of the region. The venture was still in its infancy and was seeking to ensure the sustainability value to funders and the Council.

Table 5.14 Sustainability Indicator 13- Locally Compatible Land Use

Sustainability Indicator 13	Sustainability discourses translated
How will the procurement use land efficiently and in a way that is compatible with the local context?	“Procurement may be used in a way to steer the market in a more environmentally and socially responsible direction and thus contribute more generally to sustainable development.” (The Scottish Government, 2012a, p. 29)
	“Safeguard and enhance the natural and historic environment and biodiversity; Protect and manage the landscape and natural habitats.” (Argyll and Bute Council Corporate Strategy)
	“Environmental objects such as land or climatic stability can be transported across a boundary into the territory of an economy with the help of new accounting and other technical and legal practices.” (Lohmann, 2009, p. 500)

Sustainability Indicator 14 has the purpose of highlighting any procurement’s contribution the greenspace of the geographic region. Similarly to sustainable land use, greenspace development is an important factor in biodiversity enhancement. It is also an significant element of human well-being, both physically and mentally (Kessel et al., 2009; Maas et al., 2006). The Social Enterprise Manager for Case Study 3 stressed the importance of greenspace and land for their business and sustainability: “we use the outdoors for personal social development of people. Our motto is ‘inspiring life through adventure’, it’s all using the outdoors but as a vehicle for those different things”.

Table 5.15 Sustainability Indicator 14- Contribution to Green Spaces

Sustainability Indicator 14	Sustainability discourses translated
How will the procurement contribute to Argyll and Bute's rural and urban green spaces?	"Procurement may be used in a way to steer the market in a more environmentally and socially responsible direction and thus contribute more generally to sustainable development." (The Scottish Government, 2012a, p. 29)
	"Safeguard and enhance the natural and historic environment and biodiversity; Protect and manage the landscape and natural habitats." (Argyll and Bute Council Corporate Strategy)
	"Environmental objects such as land or climatic stability can be transported across a boundary into the territory of an economy with the help of new accounting and other technical and legal practices." (Lohmann, 2009, p. 500)

Table 5.16 Sustainability Indicator 15- Protection of Nature and Biodiversity

Sustainability Indicator 15	Sustainability discourses translated
How will the procurement protect nature and biodiversity?	"Procurement may be used in a way to steer the market in a more environmentally and socially responsible direction and thus contribute more generally to sustainable development." (The Scottish Government, 2012a, p. 29)
	"Safeguard and enhance the natural and historic environment and biodiversity; Protect and manage the landscape and natural habitats." (Argyll and Bute Council Corporate Strategy)
	Sustainability concerns an organization's impacts on living and non-living natural systems, including ecosystems, land, air, and water. [...] In addition, they cover performance related to biodiversity, environmental compliance, and other relevant information such as environmental expenditure and the impacts of products and services." (GRI, 2011, p. 27)

Sustainability Indicator 15 supports the procurement decision maker to make a choice that helps protect nature and biodiversity. Case Study 10 was seeking to set up a trust that had a remit to provide "outdoor access, marine and coastal, built environment and biodiversity projects". It was recognised that biodiversity was a crucial component of any public service that had a mission to protect and enhance the local outdoor environment, even if this was for other purposes, such as tourism and business.

5.2.5 Resource maintenance and efficiency

This sustainability objective of resource maintenance and efficiency aims to "provide a larger base for ensuring sustainable livelihoods for all while reducing threats to the long-term integrity of socio-ecological systems by reducing extractive damage, avoiding waste and cutting overall material and energy use per unit of benefit" (Gibson, 2006a, p. 271).

Table 5.17 Sustainability Indicator 16- Minimising Use of Energy

Sustainability Indicator 16	Sustainability discourses translated
How will the procurement minimise the use of energy?	"Procurement is also key to making sure we use energy and materials as efficiently as possible." (The Scottish Government, 2012a, p. 8)
	"Minimise demand on environmental resources, e.g. material and energy" (Argyll and Bute Council Corporate Strategy)
	"Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste)." (GRI, 2011, p. 27)

Table 5.18 Sustainability Indicator 17- Using Renewable Energy Sources

Sustainability Indicator 17	Sustainability discourses translated
Will the procured service or product make use of renewable energy sources?	"Encouraging investment in renewable technologies." (The Scottish Government, 2012a, p. 11)
	"Minimise demand on environmental resources, e.g. material and energy" (Argyll and Bute Council Corporate Strategy)
	"Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives." (GRI, 2011, p. 28)

Sustainability Indicators 16 and 17 concern the minimisation of energy use and the sourcing of energy from renewable sources, respectively. This fits with global sustainability policy, such as GRI (2011), and national sustainability goals, including the Climate Change (Scotland) Act (The Scottish Government, 2009). Case Study 2 is reducing energy through the core service of recycling collection and processing. The enterprise undertook a trial of running vehicles on locally produced biofuel from used cooking oil, with job creation and environmental benefits. However, the Council Manager responsible for the budget of Case Study 2 stated, "sustainability is important but its only one part of an overall suite of criteria and weightings that we apply on a project-by-project basis". This underlines the importance of a mediating machine such as the Sustainability Impact Assessment Toolkit in translating the agenda to the managers of such budgets.

Table 5.19 Sustainability Indicator 18- Minimise Greenhouse Gas Emissions

Sustainability Indicator 18	Sustainability discourses translated
How will the procurement minimise the greenhouse gas emissions generated?	"Encourages Scottish Public bodies to publish an annual 'sustainability report' comprising a table of financial and non-financial information covering the organisations emissions, waste, water and any other finite resource consumption." (The Scottish Government, 2012a, p. 33)
	"When necessary to compromise, choose what will result in the least adverse impact" (Argyll and Bute Council Corporate Strategy)
	"Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste)." (GRI, 2011, p. 27)

Sustainability Indicator 18 is: How will the procurement minimise the greenhouse gas emissions generated? It was developed with the intention of ensuring procurement that minimises the greenhouse gas emissions resulting from the product or service. Similarly to the reduction in energy use, this links to global and national policies, such as GRI Guidelines (GRI, 2011) or the Climate Change (Scotland) Act (The Scottish Government, 2009). The case studies of the three recycling organisations (Case Studies 2, 4, and 8) demonstrated that contributions to reductions in greenhouse gas emissions were not being accounted for in any procurement process. This was despite the availability of waste tonnage figures and greenhouse gas emissions conversion factors. This was both a failing of the enterprise managers themselves and the Council that requires addressing.

Table 5.20 Sustainability Indicator 19- Minimise Water Consumption

Sustainability Indicator 19	Sustainability discourses translated
How will the procurement minimise water consumption?	"Encourages Scottish Public bodies to publish an annual 'sustainability report' comprising a table of financial and non-financial information covering the organisations emissions, waste, water and any other finite resource consumption." (The Scottish Government, 2012a, p. 33)
	"Minimise demand on environmental resources, eg material and energy." (Argyll and Bute Council Corporate Strategy)
	"Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste)." (GRI, 2011, p. 27)

Water consumption is the focus of Sustainability Indicator 19. This is an issue of sustainability recognised as a crucial element of natural resource reduction (DEFRA, 2006; GRI, 2011; Lamberton, 2000; Gray, 2010; Bebbington, 2001; Gond et al., 2012; The Scottish Government, 2012a). Water consumption and any mention of water use or water footprints was something that was notable by its absence in the case study research. Whilst Argyll and Bute is a water abundant geographic area, the cost of local water infrastructure and the water footprint of goods procured from other regions needs to be taken into account. This could also strengthen the case for the sustainability of services and help to ensure future funding.

Sustainability Indicators 20 and 21 concern the reduction of waste and the environmental impact of materials used. Whether procuring a product or service, consideration must be given to the environmental impact of the activity and the waste that may be created. All of the social enterprises in the case studies in some manner gave due consideration to the source of materials used and promoted the recycling of those

materials: *“they’re all fairly high profile in their areas and in a way that’s what you want, because you want them to sell messages about recycling and waste minimisation”* (Council Service Manager: Case Study 2,4, and 8).

Table 5.21 Sustainability Indicator 20- Promotion of Waste Minimisation

Sustainability Indicator 20	Sustainability discourses translated
How will the procurement promote waste minimisation during its use?	“Driving innovation by encouraging better use of resources in line with the waste hierarchy through increased resource efficiency and encouraging investment in renewable technologies.” (The Scottish Government, 2012a, p. 11)
	“Adopt a ‘reduce, re-use, recycle’ approach (Argyll and Bute Council Corporate Strategy)
	“Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste).” (GRI, 2011, p. 27)

Table 5.22 Sustainability Indicator 21- Reduce Environmental Impact of Materials Used

Sustainability Indicator 21	Sustainability discourses translated
How will the procurement reduce the environmental impact of any materials used?	“Consider the potential equalities and environmental impacts of any proposals and if an Equalities Impact Assessment, Privacy Impact Assessment and/or a Strategic Environmental Assessment will be required.” (The Scottish Government, 2012a, p. 14)
	“Carry out an impact assessment at the planning stage” (Argyll and Bute Council Corporate Strategy)
	“Environmental Indicators cover performance related to inputs (e.g., material, energy, water) and outputs (e.g., emissions, effluents, waste).” (GRI, 2011, p. 27)

Sustainability Indicator 22 is about socially responsible procurement. As well as environmentally responsible sourcing of materials, social responsibility is a key sustainability principle when purchasing goods and services (The Scottish Government, 2012a; Salazar-Ordóñez and Buitrago-Suescun, 2010; GRI, 2011; Moon et al., 2011). Many of the social enterprises in the case studies employed people with disabilities and positions of disadvantage in the labour market. Some felt that this was not taken into account when tendering contracts: *“It’s giving jobs, it’s keeping the money- and bringing the money- back into the area. [...] We have to show facts and figures, and the council don’t. That’s an argument I used when the cuts came in”* (Social Enterprise Manager Case Study 2).

Table 5.23 Sustainability Indicator 22- Materials from a Socially Responsible Source

Sustainability Indicator 22	Sustainability discourses translated
How will the procurement ensure that any materials used are from a socially responsible source?	"Promoting compliance with social and labour rights, e.g. fair and ethical trading." (The Scottish Government, 2012a, p. 13)
	"Work with partners to find local solutions to develop and sustain the economy (Argyll and Bute Council Corporate Strategy)
	"Transformation of materials is the source of many environmental and social problems." (Salazar-Ordonez and Buitrago-Suescun, 2010, p. 2)
	"Percentage of materials used that are recycled input materials." (GRI, 2011, p. 28)

Table 5.24 Sustainability Indicator 23- Mitigation of Transport Impacts

Sustainability Indicator 23	Sustainability discourses translated
How will transport impacts be mitigated as part of procurement strategy?	"Procurement may be used in a way to steer the market in a more environmentally and socially responsible direction and thus contribute more generally to sustainable development." (The Scottish Government, 2012a, p. 29)
	"Minimise demand on environmental resources, e.g. material and energy" (Argyll and Bute Council Corporate Strategy)
	"Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce." (GRI, 2011, p. 29)

Sustainability Indicator 23 is aimed at encouraging consideration for transport impacts. Transport is another key component of sustainable approach to any operation, including public services (Bebbington, 2001; DEFRA, 2006; Ball, 2004; GRI, 2011; The Scottish Government, 2012a). It was also another issue that was not mentioned in much of the case study research in Argyll and Bute. A local approach to service delivery potentially has positive reductions in transportation emissions in a large geographic area such as Argyll and Bute.

5.2.6 Civil society and democratic governance

Civil society and democratic governance as sustainability objective aims to:

"Build the capacity, motivation and habitual inclination of individuals, communities and other collective decision-making bodies to apply sustainability requirements through more open and better informed deliberations, greater attention to fostering reciprocal awareness and collective responsibility, and more integrated use of administrative, market, customary and personal decision-making practices" (Gibson, 2006a, p. 271).

Sustainability Indicators 24 and 25 encourages the procurement manager to consider the consultation and communication with local community stakeholders. Consultation and

communication are key elements of democratic governance in sustainability issues (GRI, 2011; Gibson, 2006a; Kemp et al., 2005; The Scottish Government, 2012a; Therivel, 2004). The closeness to communities that social enterprises enjoy can be a crucial factor to make sure as many stakeholders as possible are involved in decisions, delivery and impacts of services. The Council Manager for Case Study 6 contended, "there are lots of other services that can be better done by third sector groups [...] in terms of general community capacity building- which I think the third sector is much better at than the council".

Table 5.25 Sustainability Indicator 24- Community Consultation

Sustainability Indicator 24	Sustainability discourses translated
Has the local community been consulted at planning stage?	"The duty might extend beyond the conduct of individual procurement exercises and into the public body's broader approach to procurement and the extent to which it is effective in relation to transparency, governance and capability issues." (The Scottish Government, 2012a, p. 15)
	"Include and involve communities in the decisions that affect them" (Argyll and Bute Council Corporate Strategy)
	"Timely and effective consultation with workers and other relevant parties, where practicable (such as with governmental authorities), helps to minimize any adverse impacts from operating changes on workers and related communities." (GRI, 2011, p. 10)

Sustainability Indicator 26 is aimed at encouraging those responsible for the procurement to consider the effect on the wider understanding of sustainability in the local area. It is as important to encourage and increase the capacity of all stakeholders to take ownership of local and global sustainability issues (The Scottish Government, 2012a; Kemp et al., 2005). It is also a key component of the Argyll and Bute Council Corporate Strategy. Whilst council staff from the case studies recognise that the social enterprise approach to service delivery achieves this, there will be no binding or legislative demand to factor it into any procurement decisions until the finalisation of the Procurement Reform (Scotland) Bill becomes live.

Table 5.26 Sustainability Indicator 25- informing the Local Community

Sustainability Indicator 25	Sustainability discourses translated
How will stakeholders in local communities be informed of the sustainability impact of the procurement?	"Scottish Public bodies to publish an annual 'sustainability report' comprising a table of financial and non-financial information covering the organisations emissions, waste, water and any other finite resource consumption." (The Scottish Government, 2012a, p. 33)
	"Include and involve communities in the decisions that affect them" (Argyll and Bute Council Corporate Strategy)
	"Broad based local community consultation committees and processes that include vulnerable groups." (GRI, 2011, p. 3)

Table 5.27 Sustainability Indicator 26- Strengthening Understanding of Sustainability

Sustainability Indicator 26	Sustainability discourses translated
How will the sustainability impact of the procurement strengthen the understanding of sustainable issues in the area?	"Scottish Public bodies to publish an annual 'sustainability report' comprising a table of financial and non-financial information covering the organisations emissions, waste, water and any other finite resource consumption." (The Scottish Government, 2012a, p. 33)
	"Include and involve communities in the decisions that affect them" (Argyll and Bute Council Corporate Strategy)
	"Approaches designed to recognise local specificity can mobilise and foster local knowledge, building greater understanding of, and commitment to, sustainability objectives." (Kemp et al., 2005, p. 15)

5.2.7 Precaution and adaptation

This objective has been included with the purpose of teaching decision makers to "respect uncertainty, avoid even poorly understood risks of serious or irreversible damage to the foundations for sustainability, plan to learn, design for surprise, and manage for adaptation" (Gibson, 2006a, p. 271). This fits with the aims of Argyll and Bute Council to plan accordingly for best impacts and to learn from processes. It also aligns with higher-level policy, such as the need to conduct impact assessments such as Strategic Environmental Assessment (SEA), Environmental Impact Assessment (EIA) or Social Impact Assessment (SIA).

Sustainability Indicators 27 and 28 are included to help make sure the procurement process has included thought towards unexpected outcomes and backup options. Sustainability is based on a set of variables that cannot all be predicted, so it is important that decisions are made using as much evidence and scenario planning as possible. A theme of the case studies in Argyll and Bute is that the Council were often forced to choose a direction for service delivery based on cost and budget. This was contrary to the aims of social enterprises already delivering services, or in the process of tendering to deliver services.

Table 5.28 Sustainability Indicator 27- Dealing with Unexpected Outcomes

Sustainability Indicator 27	Sustainability discourses translated
Where information may be incomplete or unavailable, how has the procurement decision to deal with unexpected outcomes?	"Consider the potential equalities and environmental impacts of any proposals and if an Equalities Impact Assessment, Privacy Impact Assessment and/or a Strategic Environmental Assessment will be required." (The Scottish Government, 2012a, p. 14)
	"Learn from our experiences, good and bad." (Argyll and Bute Council Corporate Strategy)
	"We must be able to recognize the presence or absence of sustainability, or of threats to sustainability, in the systems under our stewardship. We need proper indicators to provide this information, to tell us where we stand with respect to the goal of sustainability." (Bossel, 1999, p. 1)

Table 5.29 Sustainability Indicator 28- Consideration of Alternative Actions

Sustainability Indicator 28	Sustainability discourses translated
How has the procurement decision considered back-up alternatives?	"Consider the potential equalities and environmental impacts of any proposals and if an Equalities Impact Assessment, Privacy Impact Assessment and/or a Strategic Environmental Assessment will be required." (The Scottish Government, 2012a, p. 14)
	"When necessary to compromise, choose what will result in the least adverse impact; Carry out an impact assessment at the planning stage" (Argyll and Bute Council Corporate Strategy)
	"Comparative evaluation of alternatives may be required." (Gibson, 2006a, p. 340) "Expert opinions often vary markedly from local community opinion about likely social impacts and the desirability of alternatives." (Vanclay, 2002, p. 184)

Table 5.30 Sustainability Indicator 29- Planning for Monitoring and Reporting

Sustainability Indicator 29	Sustainability discourses translated
How has the future monitoring and reporting of the positive and negative impact of the procurement been planned for?	"Scottish Public bodies to publish an annual 'sustainability report' comprising a table of financial and non-financial information covering the organisations emissions, waste, water and any other finite resource consumption."
	"Ensure good governance" (Argyll and Bute Council Corporate Strategy)
	"Project developers engaged in leading practice in impact assessment implement on-going social monitoring and management programmes, and community feedback mechanisms." (Esteves et al., 2012, p. 37)

Sustainability Indicator 29 recognises the need for on-going performance and impact monitoring as part of any sustainable strategy. This may include setting up key performance indicators and transparent systems of reporting (Esteves et al., 2012; Gond et al., 2012). Despite the fact that this evidence gathering and reporting may put "so many pressures" (Social Enterprise Manager, Case Study 3) onto organisations delivering services,

many recognise and accept that “everyone is asking for outcome focus now” (Council Manager, Case Study 6).

5.2.8 Sustainability choice space

Section 2.2.2 explored the concept of sustainability choice spaces as a solution to delivering relevant, localised sustainable solutions in communities. Much research has been carried out on the concepts and knowledge of flexible sustainable solutions but little has been done in practical field-based testing (Binder et al., 2010, 2012). The findings from the Case Studies show that there are different solutions across the Argyll and Bute geographic and political area that require flexible sustainability choices.

For example, Case Studies 4 and 8 are social enterprises engaged in recycling on islands with low populations. A private sector model would never be a profitable option, yet the public sector framework for procurement prevents it from being value for money for funding either. The current, community run ventures that mix funding, some income generation and reliance on volunteers creates a sustainable solution that works in this case. There are many positive sustainability outcomes from these Case Studies, such as employment, increased community awareness of recycling and other environmental issues, and improved community linkages.

A space in any assessment for creative solutions, such as in the example of Case Studies 4 and 8, would allow decision-makers to come up with unique sustainable options. The Sustainability Impact Assessment Toolkit therefore encourages the user to adopt this Choice Space approach to sustainability by creating sustainability impacts that are applicable in a local context.

5.3 Summary and Conclusions

This chapter documents the attempt to create a Sustainability Impact Assessment Toolkit for use in public service procurement decision-making. The review of literature identified that there is a gap at service delivery management level in the understanding of and implementation of the sustainability agenda. The empirical research in Argyll and Bute showed a similar trend. Whilst Argyll and Bute Council have sustainability aspirations in the form of various policies and structures, such as the links with social enterprise and third sector organisations, there is no mechanism to provide managers of services guidance and

assurance that sustainable approaches to procurement are linked to a bigger agenda. The research and development of the sustainability criteria uncovered that there is policy, theoretical and community-based backing for most decisions with regards sustainability.

The development of the Sustainability Impact Assessment Toolkit was done so with several guiding principles. Section 2.3.3 suggested the creation of any mediating machine for sustainability should:

- Encourage greater integration of the traditional three aspects of sustainability: social, environmental and economic
- Educate users, as well as guide them, in any sustainable development principles

The Sustainability Impact Assessment Toolkit in Appendix E aims to achieve these principles in two distinct ways. First, it uses the themes of Gibson (2006a) to form the criteria behind the indicators. These criteria all have underlying link that guides the user towards integration of the three pillars. The indicators then help the user to determine if the decision will help meet the criteria. The Sustainability Impact Assessment Toolkit encourages the user to consider the evidence for the indicator, using a variety of sources that may be at the disposal of a public sector decision-maker (these are listed in the full version of the Sustainability Impact Assessment Toolkit in Appendix E). Secondly, the Sustainability Impact Assessment Toolkit aims to educate the user in sustainability principles and impacts. The presentation of the indicators in question form is designed to make the user consider each action and consequence.

The next phase of the development of the Sustainability Impact Assessment Toolkit was to test these principles in order to uncover the potential for it to be a tool for helping to embed sustainability into public service decision-making. The next Chapter details the pilot testing of the Sustainability Impact Assessment Toolkit and subsequent use in workshops for sustainable procurement and decision-making.

Chapter 6 Testing the Sustainability Impact Assessment Toolkit

This chapter reflects on the potential of a Sustainability Impact Assessment Toolkit to solve some of the issues identified in the literature and in the case study findings of Chapter 4. It brings together the context of sustainable public service delivery and the action of developing the Sustainability Impact Assessment Toolkit and uses workshops to reflect on the potential for pushing sustainable public services in the future.

Section 6.1 begins the chapter by outlining the findings of a pilot test of the Sustainability Impact Assessment Toolkit as an aid to sustainable service procurement. The next section, Section 6.2, then shows the evolution of the Sustainability Impact Assessment Toolkit into a set of Sustainability Impact Cards for helping to train users in sustainability concepts. These cards were tested in two workshops, which are analysed in Section 6.3. Section 6.4 documents a revisit to Argyll and Bute to determine where the Sustainability Impact Assessment Toolkit will fit into the public sector processes. The findings are then summarised in Section 6.5.

6.1 Pilot-testing the Sustainability Impact Assessment Toolkit

This section details the testing of the first version of Sustainability Impact Assessment Toolkit. The main purpose of the exercise was to ensure that the Sustainability Impact Assessment Toolkit was understandable and contributed to understanding of sustainability issues. The test groups were made up of early stage postgraduate degree students in sustainability subjects from the University of Strathclyde's department of Civil and Environmental Engineering (see Section 3.2.2 for details). The respondents were presented with a scenario based upon the real life case studies in Argyll and Bute. The scenario involved the re-contracting of a public service (see Appendix F). They were asked to use the Sustainability Impact Assessment Toolkit as a guide to making a decision.

This section references the research of Adams and McNicholas (2007) for the analysis and presentation of results. Adams and McNicholas (2007) undertook an action research study that examined the processes of creating corporate reports on sustainability. Using feedback from participants they were able to create a guideline for incorporating sustainability issues into decision-making. The guideline created by Adams and McNicholas (2007) was shaped by user feedback and a review of documentation. The process of testing and shaping the Sustainability Impact Assessment Toolkit follows a similar course.

6.1.1 Purpose of the pilot testing

This testing had the main purpose of assessing the design principles of the Sustainability Impact Assessment Toolkit, as detailed in Box 5.1 in the previous chapter. These design principals are:

- Key sustainability impacts written in question form
- Include minimum and preferred standard of each sustainability impact
- Include space for evidence for each impact.

The testing looked to uncover the extent to which these principles were effective in developing the users understanding of sustainability in relation to the procurement decision. The Sustainability Impact Assessment Toolkit could be redesigned or tweaked if the feedback demanded it so.

The success in linking the social, economic and ecological aspects of sustainability was another area of interest. The 'beyond the pillars' approach to the Sustainability Impact Assessment Toolkit was a way of laying out sustainability principles that perhaps many users had not seen before. This ranges from users experienced in sustainability principles, to those being introduced to the concepts.

A third area of significance for the testing was the extent to which the Sustainability Impact Assessment Toolkit enables the decision-maker to integrate any existing or specially created scoring or weighting system. Many public procurement decisions need to show evidence of having scored a contract application to show why a decision has been reached. The test groups were asked to use any scoring systems they found, or create their own, to test if it integrates effectively with the Sustainability Impact Assessment Toolkit.

6.1.2 Results of the pilot testing

The feedback from the five student test groups, totalling 21 people, is summarised in Table 6.1. Appendix E shows the changes to the Sustainability Impact Assessment Toolkit based on the feedback. The first theme to emerge was that the use of the *Minimum Standard* and *Preferred Standard* was too narrow in focus. The Sustainability Impact Assessment Toolkit is aimed at promoting sustainability in a way that encourages the decision-maker to consider local sustainable issues, in a holistic manner (Gibson, 2006a; Kemp et al., 2005; Bebbington et al., 2007; The Scottish Government, 2012a). The original wording of the standards and the guidance was perceived to be too narrow and unrealistic for real-life situations. If the toolkit is to act as a post-normal sustainability technology, it needs to embrace the co-production of knowledge and understanding by all stakeholders in the decision-making process (Frame and Brown, 2008). The wording of the standards was changed to *Example Minimum Standard* and *Example Preferred Standard*. The guidance notes were changed to ensure users are more explicitly aware that standards can be changed: they can be edited to reflect what would be considered minimum or preferred standards in the context of their own procurement. These changes better reflect the principles of sustainability choice space that have been applied to the Sustainability Impact Assessment Toolkit. This was backed up with the change of the *Comments* column to *Your Standard*.

The second theme concerned the 'beyond the pillars' approach to sustainability that is used to structure the Sustainability Impact Assessment Toolkit. It was felt by some respondents that the linking of different sustainability factors into single indicators, such as social and ecological factors, could actually conceal failures to be sustainable. If a decision was strong socially, but less strong ecologically, the latter might not be recognised as such under a more linked indicator. Issues specific to social, environmental or economic outcomes were only apparent when examined in isolation. Some of the indicators were reworded in order to make the sustainability issues more explicit. The guidance notes were also updated to ensure users better understand the principles behind the structure of the Sustainability Impact Assessment Toolkit (see Appendix E for amended version of the Sustainability Impact Assessment Toolkit).

The third theme to arise from the testing was the possible integration of the Sustainability Impact Assessment Toolkit with a weighting system for decision-making. It was observed that, despite the inclusion of multiple sustainability issues in the decision

process, the final decision would ultimately come to down to any scoring system that a procurement decision-maker would use. The Sustainability Impact Assessment Toolkit has been created in order to help guide decisions. It is envisaged that it could be integrated into a scoring system for procurements. As a mediating instrument, it translates the agenda from sources such as GRI Guidelines and Scottish Government policy, making it easier to attach weights and scores to the indicators. With this in mind, no changes have been made based on this feedback. If a scoring system were required, it would be up to the users to determine their own sustainability priorities, in line with a post-normal science approach.

Table 6.1 Testing of the Sustainability Impact Assessment Toolkit: Feedback from student test groups

Feedback theme	Feedback quotes	Action regarding Sustainability Impact Assessment Toolkit
The 'Minimum Standard' and 'Preferred Standard' were considered to be over-prescriptive and potentially too narrow.	"Without considering aspects beyond the outlines it is possible to make fundamentally flawed decisions" "Minimum/preferred standards lacked realistic range: Sustainability issues are not black and white"	-The minimum and preferred standards were reworded to be 'Example Minimum Standard' and 'Example Preferred Standard'. This highlights that the toolkit is encouraging best practice, but is not being prescriptive. -The 'Comments' column was changed to 'Your Standard' in order to encourage the user to look at sustainability beyond the example standards.
The 'Beyond the Pillars' approach was perceived to allow certain aspects of sustainability to be neglected.	"It provided a sustainable blanket under which the areas where X fell short were able to hide. It was only through individual economic, social and environmental assessments that we were able to identify these failings."	-The guidance notes were changed to give a more detailed explanation of the 'Beyond the Pillars' approach to sustainability. -Some of the Sustainability Indicators were reworded to make the sustainability issues more explicit.
Existing scoring and tendering process might still overrule any sustainability assessments.	"When the time came for final review we felt the weighting would be the only element of the checklist considered, further concealing individual issues."	-No changes based on this finding. -The Sustainability Impact Assessment Toolkit is aimed at different decision-makers, so they will ultimately decide any weighting carried by the indicators.
The Sustainability Impact Assessment Toolkit needs to be complimented by other methods of impact assessment.	"Though the checklist was a fantastic starting point for thought, the use of additional tools was imperative to get an understanding of the most important elements of the procurement decision."	-No changes based on this finding. -The Sustainability Impact Assessment Toolkit was always designed to be a mechanism that brings together different evidence and guide decision-makers. The use of additional tools was therefore encouraged in the original guidance notes.

The final theme to emerge from this testing of the Sustainability Impact Assessment Toolkit is the need to bring in other assessment methods and results to complete any decision. This was designed into the tool from the start. The section for evidence encourages the decision-maker to include any other supporting documentation. No changes were made to the Sustainability Impact Assessment Toolkit based on this feedback.

Overall the findings from the testing with students highlighted that the Sustainability Impact Assessment Toolkit required some additions. These additions would ensure that it was understandable and achieved the aim of translating sustainability discourses. It was apparent that, despite a verbal explanation of the task and written guidance, the users did not fully understand the concepts of the Sustainability Impact Assessment Toolkit. They also found it difficult to prioritise the indicators and evidence needs on first use. As a post-normal sustainability technology it would require additional means of facilitating a 'messier' approach to decision-making and governance.

It was decided that a training version of the Sustainability Impact Assessment Toolkit was required. This would act as an introduction to the sustainability principles, which would benefit both non-experts and those with some background to social, environmental or other related assessments. This could also be used for consultation, solving some of the issues of narrowness and over-prescription that the indicators may create. Section 3.3.1 explains in detail the rationale for creating 34 Sustainability Impact Cards and the process of developing them. The next section analyses the results of the workshops that were delivered to assess the potential of sustainability to be embedded into procurement decisions for public services.

6.2 Sustainable Procurement Workshops

This section outlines the analysis of the workshops that were undertaken to assess the potential for sustainable procurement to become embedded in decision-making for public services. The workshops used the Sustainability Impact Cards to facilitate discussion and gather data on the sustainability understanding and priorities of participants. The workshops also offered an opportunity to test the principles of the Sustainability Impact Assessment Toolkit and the Sustainability Impact Cards. Could such a tool be effective as a post-normal sustainability technology for engaging people in the sustainable development debate, as well as a mediating machine for embedding sustainability policy into public

sector decision-making? The workshop structure and profiles of the participants is detailed in Section 3.3.1.

The Case Studies showed that understanding and accountability for sustainability impacts and outcomes is something that many organisations, not least social enterprises, find difficult to realise. For example, the social enterprise manager of Case Study 3 was aware that measuring the sustainability impacts of the venture was something that needed to be done to continue attracting funding. This particular case study had positive results across many different sustainability impacts. However, the respondent in question was also aware that there was little capacity for them to gather and showcase this evidence. This is typical of many organisations in the social enterprise sector and normally stems from a lack of resources, such as time, in-house knowledge of methodologies, or financial capacity to outsource any impact measurement (Molnar, 2011; Paton, 2003).

Difficulty of evidencing impacts is therefore something that can have an influence on decisions on how public sector organisations receive and spend budgets. Social enterprises, by the nature of their funding models and missions, need to show alignment with sustainable development. Public sector decision-makers are under their own pressures to deliver value for money when spending public money. Therefore, the use of public money to achieve a social or environmental mission goes beyond financial measurements and often evidence of impacts and outcomes is required to justify spending. This evidence can be projected or retrospective. The next section details the results of the workshops.

This section on the results of the sustainable procurement workshops is structured by emergent theme. The first theme is the varying priorities and opinions on what sustainability should look like. The second theme to emerge from the workshops is the barriers to more sustainable procurement. The next theme to be analysed is the apparent desire for change by decision-makers and practitioners. The final theme of this section is the implications of the findings for the development of the Sustainability Impact Assessment Toolkit.

6.2.1 Sustainability: a matter of opinion?

The first theme to emerge from the workshop findings is that the aspects of sustainability that people consider to be important differ. Bebbington et al. (2007, p.347) contend that until society specifies “what constitutes social or ecological sustainability, an accounting

system that draws its mandate from societal rules will also fall short of a sustainable development account". Osborn (2011) argues that sustainable development is an issue that is too complex for a single resolution to the problem. These theories were echoed in the workshop findings. To enable discussion, the groups of participants were asked to examine the Sustainability Impact Cards and place them in the priority and difficulty of evidence boxes on the matrix where they felt the cards belonged. This produced varying results. Figure 6.1 shows the full placement pattern of all the cards on the matrix from both workshops. Appendices I and J show the variation of each Sustainability Impact Card placement on the matrix by the eight groups.

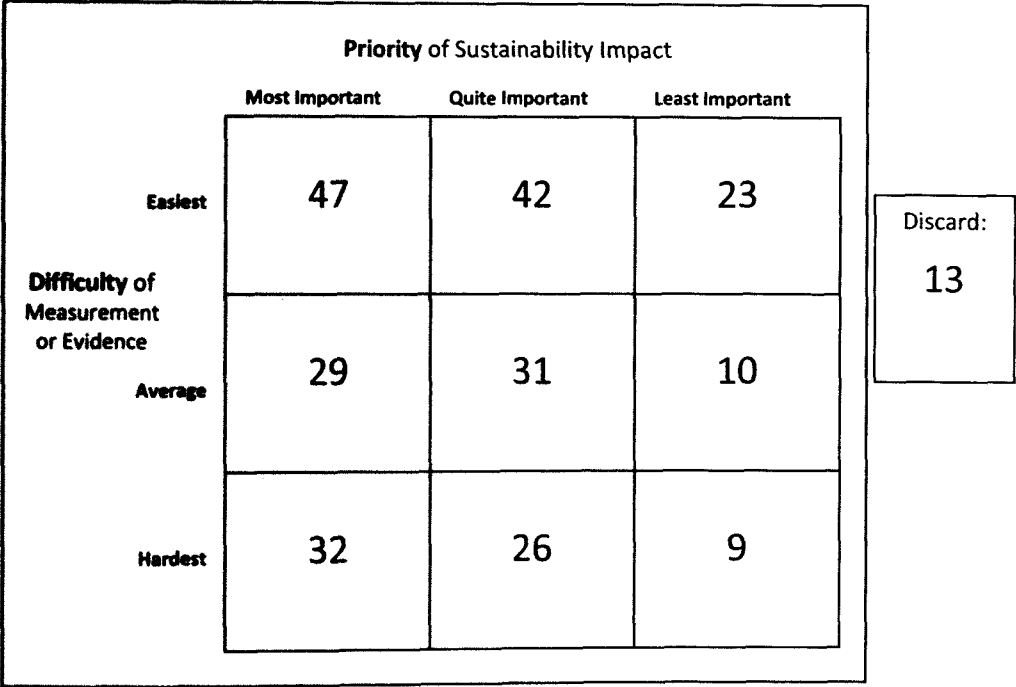


Figure 6.1 Placement quantities of all cards from Workshops 1 and 2

More cards were placed towards the *most important* and *easiest* corner of the matrix than in the corner with *least important* and *hardest*. Participants, in general, felt confident in being able to measure a high number of impacts. Hood (1995) argues that it can easier to reach a consensus on measurement than on what the overall objectives should be. Another possibility is that as public sector staff and those from other sectors hybridise expertise in accounting and reporting on all aspects of performance (Kurunmaki and Miller, 2006; Thomson et al., 2014), so they become confident in the measurement of sustainability. Another explanation may simply be that participants do not fully understand the

complexities of sustainability and how to properly achieve and demonstrate sustainable behaviours. This could stem from goal deflection (Molnar, 2011) or legitimising behaviours, in which organisations are drawn to report favourably on their own performance (Bebbington, 2007; Deegan, 2006; O'Dwyer et al., 2011).

The combined results of both workshops showed that the eight groups spread each Sustainability Impact Card across the matrix in an average of 4.3 squares per card. The highest possible variability was eight (if a particular card was placed in a different square by all eight groups) and the lowest possible variability was one (if each group had placed a particular card in the same square). Five cards had lowest variability of placement, being placed in three squares across the eight groups. These cards are shown in Table 6.2.

Table 6.2 Sustainability Impact Cards with lowest variability scores

Sustainability Impact Card	Card Description	Variability Score
Card 11	Helps ensure that current resources and services are enhanced for future generations	3
Card 13	Any building developments enhance the land, e.g. through use of green spaces, remediation of contaminated land	3
Card 24	Consultation has been actively carried out with local communities and stakeholders	3
Card 26	Stakeholders are encouraged to access sustainability assessment and evidence of decision making process	3
Card 28	Will strengthen community understanding of social and environmental issues	3

These five cards were the ones that had the most common consensus in terms of importance and difficulty of measuring. For example, Sustainability Impact Card 11 ("Helps ensure that current resources and services are enhanced for future generations") was considered to be one of the most important impacts. Figure 6.2 shows that six out of the eight groups placed it as a Most Important sustainability impact. However, it was also generally considered to be an extremely difficult impact to directly evidence in any procurement decision.

The card with the highest spread of variability across the eight groups was Sustainability Impact Card 23 ("Uses local supply chains"). Figure 6.3 shows that there was little agreement on the importance of the impact and how easy it is the evidence. Further findings in Section 6.2.3 show that an unclear understanding of the legality of using local supply chains is a possible factor in this.

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			
	Average		W1-G2	
	Hardest	W1-G1 W1-G3 W1-G4 W2-G1 W2-G2 W2-G4	W2-G3	

Figure 6.2 Placement on Matrix of Sustainability Impact Card 11 "Helps ensure that current resources and services are enhanced for future generations"

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G2	W2-G4	W1-G4
	Average	W2-G1	W1-G1 W2-G2 W2-G3	
	Hardest	W1-G3		

Figure 6.3 Placement on Matrix of Sustainability Impact Card 23 "Uses local supply chains"

Note: The card placements are shown on the matrix according to the groups that placed in them in the boxes. They are coded according to workshop and group number. For example, Group 1 from Workshop 1 is W1-G1, Group 2 is W1-G2, and so on.

One surprising spread of card placements, both in terms of priority and measurement difficulty, was in relation to greenhouse gas (GHG) emissions. For example, Figure 6.4 shows the placement across the two workshops of the cards containing the sustainability impact of reducing GHG emissions. Sustainability discourses for a number of years have placed a large importance on the reduction of the GHG emissions. This importance has been linked to its perception as one of the easier aspects of sustainability to evidence due to the quantifiable nature of GHG in relation to energy consumption and resource use (Thomson, 2007). However, the workshop results show that there is split in opinion both the importance of GHG emissions and ease of measurement of any reduction.

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W2-G1 W2-G3 W2-G4	W1-G1 W1-G2	
	Average			
	Hardest	W1-G4	W1-G3 W2-G2	

Figure 6.4 Placement on Matrix of Sustainability Impact Card 18 “Will lead to a reduction in GHG emissions”

Note: The card placements are shown on the matrix according to the groups that placed in them in the boxes. They are coded according to workshop and group number. For example, Group 1 from Workshop 1 is W1-G1, Group 2 is W1-G2, and so on.

Figure 6.5 shows that the importance placed on water consumption also showed a similar inconsistency. Water use was considered to be a most important priority by three groups, whilst two felt that it was one of least important sustainability impacts. All agreed that water consumption was an easier impact to measure. Water and GHG emissions are both subject to the same conditions of evidencing. They are quantifiable, are linked to direct and

indirect consumption in any supply chain, and have been dominant subjects of many sustainability discourses in recent years. Yet the workshop results show that not every stakeholder in a procurement decision considers them to be equally important for sustainability.

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G4 W2-G2 W2-G3	W1-G2 W2-G1	W1-G1 W2-G4
	Average		W1-G3	
	Hardest			

Figure 6.5 Placement on Matrix of Sustainability Impact Card 19 “Will lead to a decrease in water consumption”

Note: The card placements are shown on the matrix according to the groups that placed in them in the boxes. They are coded according to workshop and group number. For example, Group 1 from Workshop 1 is W1-G1, Group 2 is W1-G2, and so on.

The average findings were analysed according to the scoring system detailed in the Methodology in Section 3.3.2. Table 6.3 shows the ten highest scoring Sustainability Impact Cards. The highest scoring cards from all the groups across the two sessions can be linked to similar themes:

1. Stakeholder consultation and performance indicators
2. Adaptation and mitigation
3. Use of energy, land and materials
4. Support for local enterprise

These themes focus on reporting on sustainable plans and performance, ecological resilience, and local economic development. It could be argued this is symptomatic of the

current state of sustainability knowledge and priorities. Much of the legislation and guidance emphasises the carbon reduction targets that public and private sector organisations are obliged to meet, such as those in the Climate Change (Scotland) Act 2009.

Table 6.3 Ten highest scoring Sustainability Impact Cards Workshop 1 and 2

Sustainability Impact Card Number and Description	Score
24. Consultation has been actively carried out with local communities and stakeholders	7.625
17. Will help increase the amount of energy from renewable sources	7.25
32. Suitable outcomes indicators or KPIs have been developed	7.125
27. Provides capacity to mitigate changes, such as security of energy supply and reduced inward resource flow, to the area	7.125
16. Production of goods or delivery of services is carried out with minimum energy use	7.125
21. Materials used are from sustainable sources, including locally sourced, ecologically maintainable stocks	7.125
12. Socio-Ecological adaptation, diversity, flexibility and reversibility has been considered	7.0
20. Designed to ensure reuse and/or remanufacture of resources and materials	7.0
13. Any building developments enhance the land, e.g. through use of green spaces, remediation of contaminated land	6.875
18. Will lead to a reduction in GHG emissions	6.75

Note: The average score was determined by assigning each square in the matrix a score. The highest score was 9, for highest priority and easiest to measure. The lowest score was 1, for lowest priority and hardest to measure. The average is across all eight groups and both workshops. Section 3.3.2 explains the scoring system. See Appendix I for all matrix locations of cards, and Appendix J for the full list of average scores.

The value for money agenda for public spending has also been a key policy of recent times, reinforcing both the economic aspects of sustainability, and the audit culture identified by those such as Power (1997). The Procurement Reform (Scotland) Bill Consultation has brought about a renewed focus on the health, social and cultural aspects of sustainability. However, as the findings in Section 4.4 show, the social, health and cultural agenda has still has not become as widely acknowledged at the business level of public sector procurement as carbon reduction and economic recovery.

Another factor that may have contributed to high scoring of the impacts in Table 6.3 is that they are easier to evidence. Thomson et al. (2014) found that eco-efficiency, such as the use of resources, is among the most easily calculable aspects of the sustainable development agenda and discourse. Eco-efficiency tends to have recognisable causal connections and risks, as well as financial links. Accounting objects do not always include

eco-effectiveness, eco-justice or social equity, which can be harder to measure. This could explain the more typical lower scores for health, cultural and social related factors. It is also easier to evidence that stakeholders have been consulted and that support for certain enterprises has been provided (financial or other resources are accountable).

In general, health, social and cultural impacts scored lowest in terms of priority and ease of measurement (the ten lowest scoring impacts are shown in Table 6.4). This is consistent with the current agenda for carbon reductions and economic value from public spend. As also touched upon above, the difficulty of measuring social, health and cultural impacts will have an impact on their score in the matrix. One workshop participant stated in the feedback session: "Things like added value to health and social care may be hard to measure, whereas things like reduction in water consumption, [...] there are tools available for measuring these sort of things". Many of the groups felt health issues are fundamentally important and at "the crux of society". Yet the difficulty in connecting any procurement spending with positive health or social outcomes is very difficult. The social enterprise manager from Case Study 5 in Argyll and Bute echoed this problem. They were able to conduct snapshot studies of positive social and health impacts. However, the organisation lacked the capability to evidence it properly to the public funding for the service: "since we did the forecasting on Social Return on Investment, we don't have any other way of recording [our impacts]".

Despite some consistent themes in the top scoring sustainability indicators, the lowest scoring cards showed some very mixed results. Perhaps a surprising inclusion in the lowest scoring impacts was two from the *Precaution and Adaptation* section of the Sustainability Impact Assessment Toolkit. Although impacts relating to consultation and KPIs sit high on the agenda (see Table 6.4 and Appendix G), two other related impacts scored very low. Encouraging local community stakeholders to respond to a decision and putting in place contingency plans were both in the lowest scoring ten impacts.

The discussions on performance measurement and stakeholder engagement in the workshops helped to explain some of the thinking. The groups generally agreed that these were important actions in any procurement process. But, these actions would also require additional time and resources. Respondents in both workshops saw consulting and involving communities as something they had to do, perhaps as a box-ticking exercise. One respondent in Workshop 1 reasoned: "You can say you encouraged but did they actually do it, did it matter? The key one is the consultation was actually undertaken". The review of

literature uncovered the pressures on public sector organisations to involve a wider set of stakeholders in decision-making, forcing public sector employees to rethink and reshape their accountability tools (Bebbington, 2007; Rixon and Ellwood, 2011; Hood, 1995; Power, 1997; Kurunmaki and Miller, 2006). Based on the workshops discussions and the findings from the Case Studies, it seems that a method of truly incorporating stakeholder views and values is yet to emerge at a mainstream level.

Table 6.4 Ten lowest scoring Sustainability Impact Cards Workshop 1 and 2

Sustainability Impact Card	Score
10. Improvement of amenities and services for local community, through resource and efficiency savings	5.375
22. Uses materials from local suppliers, including social enterprises	5.125
25. Local community stakeholders are encouraged to respond to the procurement decision	4.125
15. Access to quality green space is improved	3.75
9. Increases opportunities for choice of healthcare, security, education and employment	3.75
8. Increases access to and improve quality of health and social care	3.375
31. Contingency plans put in place as part of procurement process	3.375
5. Improves local town centres, including heritage of buildings, access to amenities, and range of services	3
14. Culturally important amenities are enhanced	2.25
6. Enhances and improves local arts, culture and tourism activity	1.875

Note: The average score was determined by assigning each square in the matrix a score. The highest score was 9, for highest priority and easiest to measure. The lowest score was 1, for lowest priority and hardest to measure. The average is across all eight groups and both workshops. Section 3.3.2 explains the scoring system. See Appendix I for all matrix locations of cards, and Appendix J for the full list of average scores.

The respondents themselves recognised that sustainability is often a subjective concept. The groups were asked to summarise the discussions and why they placed the impacts where they did on the matrix. One group in Workshop 1 argued, “It all comes down to differences of opinion” and that “it’s all in the perspective to what you’re actually buying”. Gibson et al. (2005) maintain that an approach to sustainability needs to examine the problem from multiple scales in order to balance the local and global contexts. However, Gibson et al. (2005) go on to contend that no single actor is able to confidently create a set of rules that will satisfy all aspects of sustainable development in every geographical location.

A Workshop 1 respondent expressed the opinion that “what one person thinks is important is not necessarily what another thinks is important”. This is the classic problem of creating sustainability strategies and implementing them at the business level: how do you ensure that all stakeholders are satisfied? Another group member in Workshop 1 reflected:

“Somebody in the group would argue a case for each one, if we tried to throw one out. The assessment very much depends on personal priorities and background, as well as the context element. Because of this we thought that anything that involves using this would need to have very robust evidence, so that any decisions made on this was verifiable.”

Sustainable development accounting and accountability is only subject to how an organisation or individual defines performance (Power, 1997). The performance indicators need to be agreed and the acceptable evidence for that performance defined. Whilst Bebbington (2007) or Osborn (2011) argue that no methodology or solutions are currently able to do this, it is still important to ensure that dialogue takes place.

The workshops showed that this dialogue could at least go towards helping to shape a consensus. A fundamental area of reform to the procurement process in Argyll and Bute argued for by the Local Services Initiative Steering Group was an increase in open dialogue and communication between all parties. It was felt by the Steering Group that the public sector and external organisations delivering the services often failed to fully understand the priorities, values and constraints faced by each other. A main issue in the Case Studies was the perceived differences in the way each party was expected to operate. For instance, members of the Council felt that “there’s got to be the performance management” (Council Service Manager: Case Studies 2, 4, and 8). Conversely, social enterprises felt that this would be difficult to achieve whilst procurement processes were inconsistent and “all the areas seem to work quite differently” (Social Enterprise Manager: Case Study 9). Differences and similarities in what is important for sustainable development could be uncovered when using a mediating instrument. A Workshop 1 group felt that the Sustainability Impact Assessment Toolkit could be useful “as a first starting point [...] for opening up that discussion and debate”.

Three groups made use of the Sustainability Choice Space cards, which allowed them to create their own indicators. All the Sustainability Choice Space cards were from Workshop 1. Figure 6.6 shows the Sustainability Choice Space cards on the matrix.

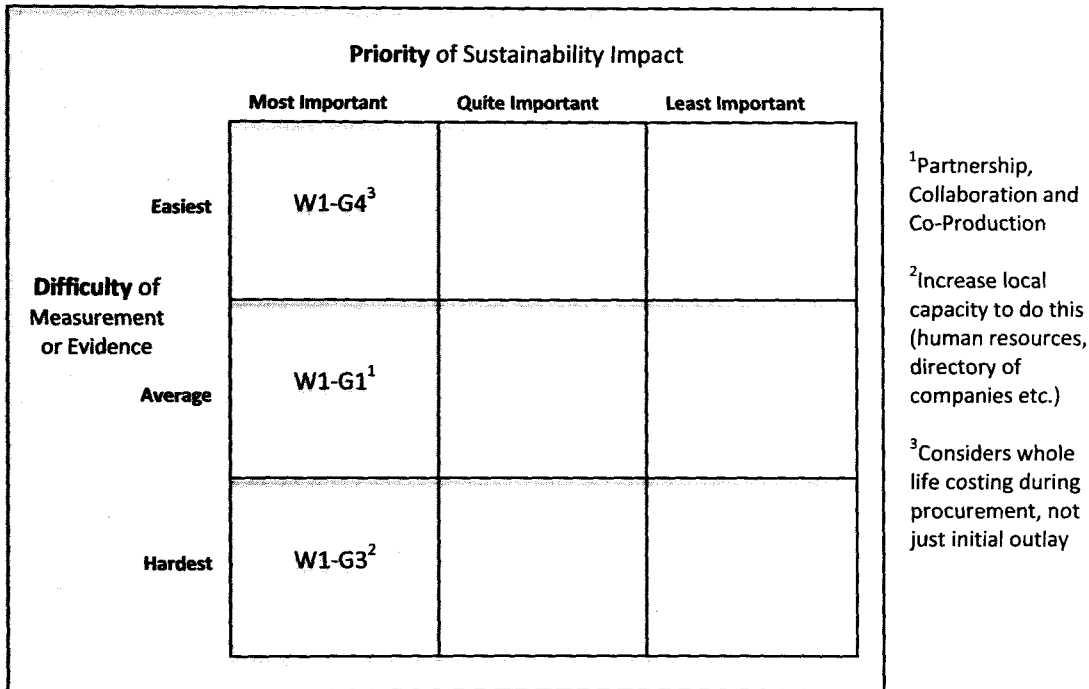


Figure 6.6 Placement on Matrix of Sustainability Impact Card 34 “Sustainability Choice Space”

Note: Only three groups used the sustainability choice space card. These were all from Workshop 1.

The first Sustainability Choice Space card, interestingly, echoed the aims of the Local Services Initiative (this card was not from the group that contained the Local Services Initiative member). Co-production and collaboration was a main aim of the Local Services Initiative. This is a direction for sustainability that is seen by many as achievable in a local context. The second choice space card continues this theme with a call for local capacity for procurement avenues to be increased through better structures and linkages. The third Sustainability Choice Space card looked at whole life costing of the procurement¹⁰. Interestingly, the whole life costing card was considered to be easiest to evidence. Perhaps this is because methodologies and tools already exist for this technique. Also, co-production and local procurement is still an uncertain area of wider public procurement. This uncertainty of local supply chains in sustainable procurement is explored further in the next sections of this chapter.

¹⁰ Whole life costing is a tool used mainly in the construction industry to consider the value and lifespan of materials used for the whole commercial life of a building.

6.2.2 Risk: precautionary instincts prevail

As already identified in Section 6.2.1, participants in the two workshops were drawn towards the impacts that fell under the *Precaution and Adaptation* section of the Sustainability Impact Assessment Toolkit. Consultation with local communities and stakeholders, and the identification of suitable outcomes indicators or key performance indicators (KPIs) were two of the top three scoring indicators across the workshops. The three highest scoring and lowest scoring impacts from Workshop 1 are shown in Figure 6.7, with the Workshop 2 results in Figure 6.8.

The highest scoring impact in terms of priority and ability to evidence from Workshop 1 was the consideration of socio-ecological adaptation, diversity, flexibility and reversibility. This requires that decision-makers consider unexpected outcomes in instances where information may be incomplete. Consultation with communities and stakeholders was also considered to be priority and one that is easily evidenced. The use of risk assessments for decisions relating to procurement scored highly in Workshop 1 (11th out of the 34 cards). This consensus that precaution and adaptation are priorities is perhaps symptomatic of the audit society (Power, 1997). Kinder (2011) argues that public sector decision-makers can often use systems of accounting and performance indication as shields against the effects of the decision and any associated blame. They are able to hide behind prescribed targets, which can show success at an accounting level, even if certain stakeholders may disagree (Kinder, 2011; Paton, 2003; Power, 1997).

This is perhaps considered more important in light of the differing priorities for sustainable development. If it is impossible to reach a consensus on sustainable development (Bebbington, 2007; Osborn, 2011) and thus please all stakeholders in a society, is it then safer to follow a self-prescribed target and ensure that is met? Self-preservation is a common occurrence, including in the sectors of the economy that made up the participants in the two workshops. The Council Manager from Case Study 2, 4, and 8 stated that they were always cautious in their investments: "we assess business cases on impact, affordability, deliverability and risk. In terms of impact, each project is different and you can assess impact in different ways". Workshop participants all had concerns of risk and legality. Some sustainable practices, such as use of local suppliers, were instinctively seen as "aspirational" or "added value", but not aspects of a contract or tender criteria they would be comfortable including as essential. This instinct to reduce the

possibility that decisions are open to criticism or legal challenge could lead to risk reducing behaviour.

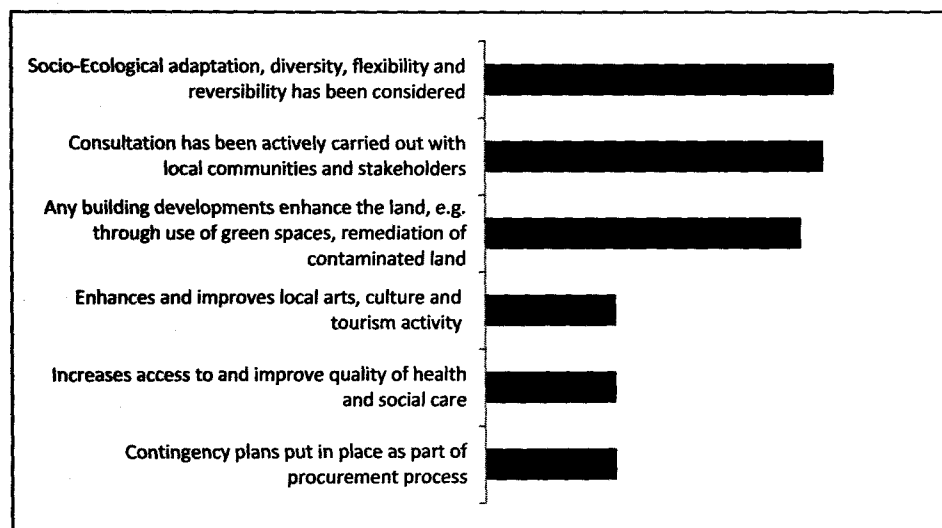


Figure 6.7 Workshop 1 three highest and lowest placed Sustainability Impacts

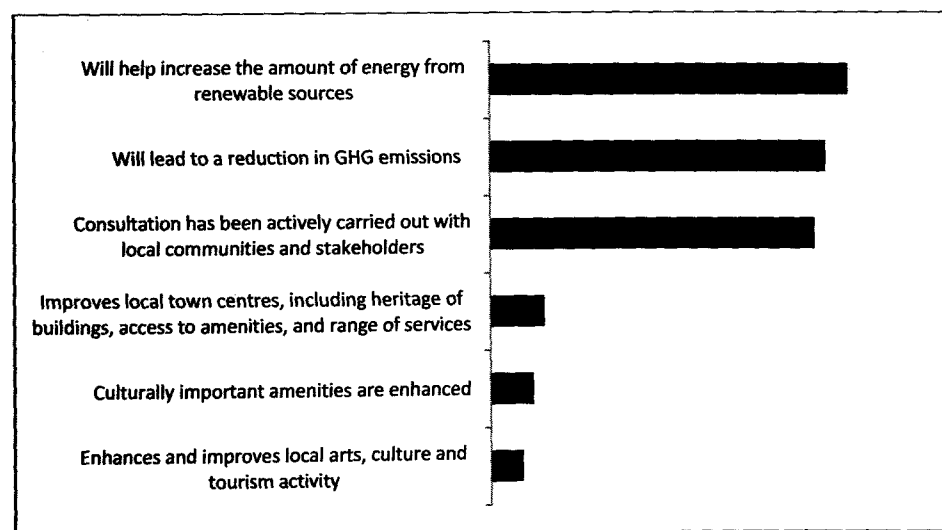


Figure 6.8 Workshop 2 three highest and lowest placed Sustainability Impacts

Note: The average score was determined by assigning each square in the matrix a score. The highest score was 9, for highest priority and easiest to measure. The lowest score was 1, for lowest priority and hardest to measure. The average is across all groups and both workshops. Section 3.3.2 explains the scoring system. See Appendix G for all matrix locations of cards, and Appendix H for the full list of average scores.

As long as certain aspects of sustainability are seen as risky, such as prioritising local suppliers over bigger companies, then those tasked with implementing policy could shy

away from these decisions. The Council Service Manager in Case Study 7 admitted that the new direction taken in procuring services according to outcomes and targets defined by the social enterprises and community groups themselves was a risk. The respondent stated that “if it went wrong there was a big risk for me because a lot of people knew I was doing it. I’d stood up on stage and made commitments that had gone back to very serious people”.

The inclusion of contingency plans as a sustainable practice was a divisive Sustainability Impact Card. Public sector employees tended to veer towards the use of contingency plans and alternative options. As the organisation making the procurement, they are required to consider how to ensure the tendering process is transparent and results in the correct choice. In the event of a close decision in a tendering or contracting process, the public sector body can “refer back to the quality assessment” (Workshop 1 Participant). Private sector and social enterprise participants were more of the opinion that “you don’t normally go into a project with an alternative project” (Workshop 1 Participant). The resource constraints of considering options that may not be needed is not common practice in private and social enterprises. This has implications for sustainable development, as adaptation, mitigation and enhancement requires some element of scenario planning. It is perhaps for this reason that many policies and theories recognise that the public sector need to take the lead on sustainable development (DEFRA, 2006; The Scottish Government, 2009; Thomson et al., 2014; Ball and Grubnic, 2007; Ball and Osborne, 2011; Gray et al., 2011).

Nevertheless, Gray et al. (2011) consider that the ingredients for change lies in value-based, community organisations such as social enterprises. Indeed, the workshops and Case Studies both showed that private and social enterprises are both able to enjoy a greater degree of flexibility and less feeling of risk when actually implementing sustainable policies. For example, a participant from Workshop 1 who was from public sector employment explained that community benefits are hard to build into public procurement: “if I was private sector, then great, I would be able to do that”. The Case Studies also showed the same pattern. Case Study 3 was previously a council run service that was able to deliver more sustainability impacts after transferring to a social enterprise model.

“Before we were quite restricted who we could work with, what age groups and what-not, whereas now that’s up to the board to set the agenda there. We’ve also been able to make links with partners who within the council we wouldn’t be able to do.” (Social Enterprise Manager: Case Study 3)

The use of better translation or mediating instruments can help public sector managers to more confidently implement aspects of sustainability that they may feel are a risk. The Local Services Initiative Steering Group felt that Council employees needed to feel empowered to embrace risk. Kemp et al. (2005) argue that deciding and acting on one fixed path for a project is more risky for sustainable development than having the flexibility to choose from a variety of options. It is important, therefore, that any mediating instrument helps to empower the user to take more risk.

6.2.3 Legality of sustainable approaches: a real or perceived barrier?

The results analysis of the Workshops and Case Studies identified legality as an issue for implementing much of the recommendations and guidance for sustainable approaches to procurement. The context of changing legal requirements is one area that Bebbington (2007) recommends for research into sustainability accounting and accountability. In order to appreciate the potential for transition to a sustainable model of procurement, the way in which practitioners perceive and understand legislation needs to be explored. The Sustainability Impact Cards and contents of the Sustainability Impact Assessment Toolkit are based on the Procurement Reform (Scotland) Bill (see Chapter 5).

In the context of sustainable procurement, the main legal barrier discussed in the workshops was compliance with EU procurement law. A Workshop 1 participant maintained that the impacts and sustainable development principles cited by the Sustainability Impact Cards were nice in principal, but would be problematic to implement:

“Great, lets put things in place to improve the local landscape, more jobs and keeping money within Scotland. But, certainly EU legislation doesn't allow us to do that.” (Workshop 1 Participant)

Another Workshop 1 participant *“wouldn't suggest using [the Sustainability impact Assessment Toolkit] at this moment in time because it isn't legal, the questions and scope that is there”*. A large shift in the way sustainability policy is implemented, including legislation such as the Procurement Reform (Scotland) Bill, is required. Public sector employees have been used to discourses regarding open procurement and tendering that threaten penalties if the process is not adhered to. This openness of procurement includes offering opportunities for organisations from across the EU to tender to deliver services in Scotland.

The Procurement Reform (Scotland) Bill Consultation actually includes a section that attempts to alleviate the perception of EU tendering laws as barriers to local procurement. Whilst the reform proposed includes making sure that any focus on local social enterprise and SMEs is within legal boundaries, the paper states that “very few cases currently come before the Courts in relation to compliance with EU procurement law” (The Scottish Government, 2012a, p. 40). The procurement reform consultation considers following a similar process of dispute remedy as the EU tendering legislation. This remedies process allows organisations that have not been successful to challenge the procurement process. However, the costs of challenging this process would often outweigh the benefit, hence the fact of very few cases being taken to court. Procurement Reform (Scotland) Act implementation was postponed by Scottish Government in 2014 until 2015. This was in order to clarify the legal implications of the reforms in relation to EU tendering laws. Section 6.3 further examines this development.

The Case Studies showed that there is often a feeling of grievance about the procurement process. Several of the case study organisations expressed that they had been at a disadvantage in the procurement process through lack of resources, including legal backing. The social enterprise manager for Case Study 2 compared their contract negotiation process with that of the larger national company who shared the market with them in Argyll and Bute: “Any time the council wants to go to [private sector company] to negotiate contracts, [private sector company] take their litigation lawyer with them. Or they take the lawyer that handles their contracts and procurements”. The larger, private sector organisation had a longer term, more watertight contract in comparison to the social enterprise, something that the social enterprise manager felt they could learn lessons from.

The consultation paper calls for an “alternative means of dispute resolution, including arbitration and mediation, where appropriate” (The Scottish Government, 2012a, p. 41). It is here where a mediating instrument such as the Sustainability Impact Assessment Toolkit could be of value. Transparency of decision-making and help with guidance towards community benefits could help reduce the challenges to the procurement process. The Local Services Initiative Steering Group championed such an approach. They felt that there needed to be a more defined set of rules against which decisions could be made more consistently. This would reduce any feelings of injustice on the part of unsuccessful organisations.

6.2.4 Sustainable procurement: A desire for change

Despite the perceived barriers identified from the Workshops and Case Studies, the thesis research identified that there is a definite desire for changes that would facilitate a move towards a more sustainable model of public service procurement and delivery. The Local Services Initiative Steering Group was formed as a coalition of social enterprises and public sector organisations in order to help drive change in Argyll and Bute. On a parallel time scale, the Procurement Reform (Scotland) Bill was being created and consulted on. The Workshop findings echoed this trend, with a clear thirst for a shift to sustainable procurement. Those involved in the procurement processes were seeking empowerment and flexibility from the barriers (whether real or perceived) to becoming more sustainable. Ball and Grubnic (2007) argue that public tasks are driven by societal need or desire to do the right thing and that the people in public sector organisations have a more ethical motive to fulfil tasks. The Workshop findings showed this to be true of all sectors. Everyone was interested in achieving greater positive sustainability impacts. Where the differences lay was in which impacts they felt needed to be prioritised. As Section 6.2.1 shows, there are great differences in specific aspects of sustainability that people feel are important and measurable.

There was an enthusiasm within some of the groups about the impacts that they felt were achievable and could make a positive impact in communities. However, there was still the feeling that many of the impacts would need to be built into public sector processes gradually:

“There’s a whole pile of [impacts] quite easily you could do that are straightforward, and then there’s some aspirational things that you could be working towards” (Workshop 1: Group 2 Participant)

Many of the public sector employees felt that, like with the legality aspects of community benefits, private organisations had more flexibility to implement sustainable development. Whilst public sector organisations are expected to lead the way in sustainable development, it is private organisations that are perceived to have the greater capacity to react and adapt to community needs. The literature found that traditional models of accounting and accountability make it more difficult for public sector bodies to implement measures of performance management when trying to apply sustainability across organisational boundaries. The new participatory governance regime means that public sector bodies need to simultaneously transform internal practices, whilst ensuring that

partners and those they are procuring from act in a sustainable manner (Citroni and Nicoletta, 2011; Kurunmaki and Miller, 2010). The case study findings backed this up. Many of the public sector managers in Argyll and Bute felt that they were often bound by the systems and processes they were working in. They also needed to be accountable for the public spend on outsourced services, ensuring that social enterprises were delivering on their contracts.

Despite this, an advantage of the social enterprise approach to services was that there was more flexibility to offer a different ways of working within communities. The workshop discussions found that, in general, employees of all sectors are looking to be as creative as they can with the structures they are in. There was a theme within the workshops that people are finding ways to be sustainable, even if it means going down different routes. A Workshop 1 participant suggested that "we'll not achieve [sustainability] through a procurement exercise but could we achieve that through some other means?". Another Workshop 1 respondent argued that a first ingredient to change is to consider "in light of the current constraints we have, what are the things that we *can* target now?". Gray et al. (2011) argue that public and third sector organisations may produce the most imaginative and experimental sustainable accounting methods. It may be the case that imaginative and experimental accounting methods come from necessity. Sustainability can currently only be introduced and expanded in certain systems through an unorthodox channel.

The Council Manager from Case Study 7 took such an approach to changing the accountability model of the services he was responsible for. Changing the criteria by which services were procured, the council department was able to ensure that community sustainability was the focus. The procurement was undertaken based on the outcomes the organisation bidding for the service contract said they could deliver. This was a new approach, but still within the bounds of the existing procurement processes: "*The outcomes based approach is something we're all wrestling with across council services and it's a journey we're on*" (Council Service Manager Case Study 7).

Overall, the workshops showed that the Procurement Reform (Scotland) Bill and any associated decision-making processes would be met with some trepidation due to legal issues. Those involved in procurement processes felt that the proposed legislation of procurement reforms for sustainability sat uneasily with current procurement laws relating to open tendering. The next section empirically examines a real-life attempt to begin to

loosen the constraints (real or perceived) by introducing the Sustainability Impact Assessment Toolkit for educating and encouraging sustainability in decision-making.

6.3 Argyll and Bute Revisited

This section shows the revisit to Argyll and Bute, the setting for the case study research of this thesis. The Sustainability Impact Assessment Toolkit detailed in Chapter 5 was submitted to Argyll and Bute Council in January 2014 as part of the Local Services Initiative project action points. Sustainability workshops within Argyll and Bute Council were also proposed, but, as outlined in Section 3.4, the upheaval within the Council prevented any such workshops taking place. On 24th March 2014 the Sustainability Impact Assessment Toolkit was accepted as an official document within Argyll and Bute Council (see Appendix K for full minutes of this meeting). This section examines how it is to be used and the future potential for sustainability of public services as a result.

In the Strategic Management Team / Corporate Improvement Board meeting minutes of 24th March 2014, it is stated that:

“The new toolkit should be used when developing new policies or strategies; reviewing current policies, strategies or services; and planning new projects. It will be integral to the approach that we take to ensuring the sustainability of service redesign in relation to the service prioritisation process” (Argyll and Bute Council Corporate Improvement Board, March 2014).

The first thing to note is the word *should* in the minutes. When first introduced as a working tool within the Council, there was no statutory or regulatory requirement within Argyll and Bute Council’s frameworks to use the Sustainability Impact Assessment Toolkit. This essentially means that sustainability would continue to be, as one Workshop 1 participant put it, “added value” as opposed to core to any decision. By way of comparison, a similar assessment used by Argyll and Bute Council is the Equality Impact Assessment Toolkit. The guidance for the Equality Impact Assessment includes the following:

“We have a legal responsibility, under the Equality Act 2010, to promote equality of opportunity. When developing, changing or reviewing plans, policies and proposals officers are required to assess the impact.” (Argyll and Bute Council, 2014a)

Compared to the wording in Argyll and Bute Council’s regulations for the Equality Impact Assessment Toolkit, it is clear that the use of the Sustainability Impact Assessment Toolkit

is not compulsory. Officers “are required” to use the Equality Impact Assessment Toolkit (Argyll and Bute Council, 2014a).

Upon further discussion and research some of the reasons for this emerged. The Argyll and Bute Council Strategic Management Team / Corporate Improvement Board go on in the minutes from 24th March 2014 to say:

“Once approved the toolkit will be available on ‘The Hub’ and guidance and advice in completing the assessments will be available from the Improvement and Organisational Development team.” (Argyll and Bute Council Corporate Improvement Board, March 2014).

The Sustainability Impact Assessment Toolkit has been approved in principal at a strategic level. However, the same issues that have been apparent in the workshops described in this chapter have emerged in this case. The main concern is legality. More specifically, there is a perceived problem of legality within EU tendering legislation of procurement that focuses on local, sustainable suppliers. This is something that the legal team within Argyll and Bute Council have been examining before the Sustainability Impact Assessment Toolkit is promoted on the Council’s online ‘Hub’.

At the same time as Argyll and Bute Council were exploring where the Sustainability Impact Assessment Toolkit fits within the procurement frameworks, the Scottish Government were carrying out the same exercise. At the time of writing, the Scottish Government had delayed the introduction of the Procurement Reform (Scotland) Bill into a full act of parliament until an unspecified time in 2015. This was because:

“The work to develop the Regulations and Guidance will be aligned to the work on the development of Regulations to transpose the EU Procurement Directives. The new Regulations are expected to be in place towards the end of 2015.” (The Scottish Government, 2014b, p. 1)

The Scottish Government had been unable to align the procurement reforms with the wider procurement laws by the time the consultation had finished and the Bill became a full Act of parliament. If sustainability discourses at a top level do indeed reflect the direction of sustainable actions at a business level, then the apparent ambiguity in terms of where sustainable procurement can sit within other legal frameworks is a good example of this in practice. Argyll and Bute Council are less likely to fully enforce the use of a toolkit for sustainable procurement if it is based on legislation that is yet to be confirmed as legally compliant.

The discussion with Argyll and Bute on the use of the toolkit confirmed that in the six months since the approval at board level, it had been used rarely. The Council Officer approached said *“I haven't had any enquiries about using the toolkit so I would not be able to comment on how people are finding it”*. However, Argyll and Bute Council were still aiming to ensure its use:

“We are still pushing forward the Local Services Initiative report action plan and are looking to move on to the next step of developing training for using the toolkit and sharing it with our partners. If required training will be developed and made to available to officers”. (Council Member of Local Services Initiative Steering Group, August 2014)

Despite many barriers, and some case study examples that show progress is required to meet the Procurement Reform (Scotland) Act standards, sustainability of public services still appears to be an aspiration of Argyll and Bute Council. It would seem from the research findings that this is driven by a mixture of pragmatic attempts to stay ahead of current and forthcoming legislation, and a genuine desire to make the local services in Argyll and Bute sustainable and more effective for all stakeholders. The next section summarises the results of this chapter and considers the implications of the results in relation to the empirical research of this thesis as a whole.

6.4 Summary of results

This section summarises the results of Chapter 6, bringing together the findings from the workshops and the subsequent revisit to Argyll and Bute. This chapter first showed the results of the testing of the original version of the Sustainability Impact Assessment Toolkit. The toolkit was deemed to be a useful starting point for sustainability discourses to be applied to everyday decision-making, but perhaps users required a more thorough introduction to the ideas of greater integration of sustainability pillars and the resulting use of a greater number of sustainability indicators. As a post-normal sustainability technology, something more was required for the toolkit to be a heuristic instrument that brings stakeholders together and provides insights into sustainability in context. This led to the creation of the sustainability impact cards and workshops. These were created to gain feedback on the effectiveness of the sustainability cards as a training tool and to further determine the potential for sustainability to be embedded into procurement processes and decisions.

The workshops showed that sustainability is still a concept that is yet to be agreed upon at societal level. This includes specific aspects of sustainability that one might assume are universally considered to be important, such as aspects of healthcare and use of local materials and suppliers. This has implications for creating a consensus on sustainability within societies. It needs to be decided if a prescriptive approach to sustainability, in which policy level decisions are prescribed to all decision-makers, is to be enacted through legislation such as the Procurement Reform (Scotland) Bill. Alternatively, guidance could be given, but with flexibility and trust given to decision-makers that they will choose what is right within the context of the decision. At present, it seems that many people involved in sustainability discourses at all levels are unsure of what direction procurement reforms will take. Will they have the flexibility to make the decisions that are needed in a localised setting, or will the decisions made be in conflict with the greater sustainability agenda and other legislation? Furthermore, what role does post-normal sustainability technology, such as the toolkit developed for this thesis, have to play?

The findings of workshops showed a consistent thread between business level, local government level and central government level in terms of attempts to implement sustainability into decision-making for public service delivery and procurement. At every level there is a strong desire for changing to a model of service delivery that has mutual sustainability benefits for all stakeholders. This ranges from local social enterprises delivering public services, to an example of a local authority attempting to better support this model of service delivery through a Local Services Initiative, and then to the Scottish Government creating legislation to further encourage this approach.

However, at every level there are also the same issues of making sustainability work in an environment where barriers can exist in all attempts at change. The workshop results showed the same concerns of legality regards sustainable procurement to apply at a working level as much as at a policy level. A solution to this is still being found. The research findings also show that sustainability will continue to be a fluid, evolving concept with no one set of priorities. Priorities will always differ depending on the specific situation. This is consistent with much of the literature, in particular the post-normal science theoretical standpoint. Perhaps the most troubling aspect of this finding is that until a greater consensus is reached in terms of what sustainability could and should look like, all attempts at creating guidance, legislation and integration with other practices will always remain an ongoing challenge. Could a 'clumsy' solution be the answer to this problem?

Gray (2010) argues that academic attempts to study, research and influence sustainability accounting and accountability are unlikely to reflect the issues. However, researchers can help public sector organisations make advances, stay engaged, retain organisational legitimacy, and feel supported that sustainability accounting and accountability is not too radical a concept in instances where it is not widely accepted (Ball and Grubnic, 2007). Sustainable development accountability frameworks developed by researchers can also help by gaining community or stakeholder perspectives, and strengthening relationships and contributions in communities that live within the limits of ecological and social systems (Ball and Grubnic, 2007; Bebbington, 2009; Fraser, 2012). The next chapter forms conclusions and recommendations for creating the conditions for sustainable policies to be embedded in public sector decision-making.

Chapter 7 Conclusions and Recommendations

Sustainability as a concept is still finding its place in different sectors and spheres of society. Governments and their subsidiary organisations are expected to lead the way in developing new pathways to sustainability. One of the biggest challenges is ensuring that the policies of governments are understood and implemented by those at the so-called business-level of the public sector (DEFRA, 2006). The purpose of this thesis was to understand the extent to which sustainability can be embedded in decision-making for public service procurement. The thesis adopted a post-normal science approach to this aim, looking at how 'messy' solutions to a 'messy' problem could help to create new sustainable understandings and engagements (Bebbington et al. 2007; Bebbington, 2009; Frame and Brown, 2008; Frame and Cavanagh, 2009). The thesis used ten public sector procurements of services in Scotland as case studies. This thesis also developed a Sustainability Impact Assessment Toolkit for use by a local government in Scotland. The toolkit was tested in workshops, followed by an assessment of the planned use of the toolkit by the same local authority. This enabled the wider implications of providing translating tools for sustainability accounting and accountability to be examined. The research undertaken in this thesis took place at the same time as the conception, consultation and passing of the Procurement Reform (Scotland) Bill. This provided appropriate context for the findings of this thesis.

Section 7.1 presents a summary of key findings, Section 7.2 provides recommendations for future practice, and Section 7.3 proposes areas for future research that directly relates to the thesis outcomes.

7.1 Summary of key findings

This section sets out the key findings derived from this thesis. The results of this thesis in Chapters 4-6 highlighted that areas of public sector procurement processes operate in a manner that are not always in line with the sustainable development goals set at national

and international level. The investigation also uncovered some of the reasons behind the lack of sustainable behaviours and attitudes within public sector procurement operations.

The thesis finds that there still exists a gap between policy level sustainability discourses and implementation of any sustainable development in procurement decision-making at a local government level. Those public sector procurers tasked with applying sustainability policies and programmes are required to become experts in sustainable development, as well as any associated sustainability performance management and accountability methods (Kurunmaki, 2004; Kurunmaki and Miller, 2010; Miller et al., 2006; Thomson et al., 2014). Yet, there are apparent misperceptions within middle management levels of public sector organisations with regards to implementation of sustainable development policies. This is a potentially damaging situation. Those tasked with implementing high-level strategies, and thus leading the way with sustainable procurement, can be those currently with the least capacity to do so. The modernising government agenda, identified in studies by Kurunmaki and Miller (2006) and Thomson et al. (2014), relies on hybridisation of expertise and organisational form. This is not evident when it comes to knowledge and capacity for sustainability of public sector procurements. Sustainability discourses would appear to be filtering down from a policy level in a vague and unworkable way for many decision-makers in local authorities.

Those involved in procurement from all sectors felt that many of the sustainable development goals set to them in sustainability discourses and from legislation such as the Procurement Reform (Scotland) Bill were not feasible in a real world setting. They were seen as added value or nice extras, but not as core to the procurement processes. This could cause problems for the effective implementation of any existing or future procurement legislation aimed at improving sustainability. If sustainability is to truly become embedded into procurement processes within the public sector and beyond, it needs to be a core part of the thinking and behaviours associated with every project or action. When sustainability is only seen as additional value then it will invariably always be implemented in a weak manner. Perhaps the original change of name from the "Sustainable Procurement Bill" to the current designation of "Procurement Reform (Scotland) Bill", which was seen by many as taking sustainability from the core of procurement reforms, was a foreshadowing of this danger.

Even if the capacity or understanding is not always there, the general feeling among all practitioners is that everyone desires improved sustainable impacts and

outcomes. The case studies in Argyll and Bute showed that decision-makers shared the same desires and aspirations to include sustainability in procurement planning as those operating at a community level, delivering the services. Some decision-makers had taken personal career risks to try to improve the sustainability of procurement processes in their areas. This was backed up by the workshop findings, with all stakeholders across different sectors keen to implement sustainable procurement as much as possible. As a local government, Argyll and Bute Council also showed a desire to embed sustainability first by creating a Local Services Initiative to uncover more effective ways to deliver sustainable procurement of services, and later by approving the use of a mediating instrument developed during this research.

Despite the potential ambiguity of procurement reform and other sustainability discourses, the process of developing the Sustainability Impact Assessment Toolkit allowed for increased understanding of the blockage points for sustainable decision-making. This is in line with the principles of post-normal science approaches. In addition to helping to make sustainable decisions, a post-normal sustainability technology should create new understandings for all involved on sustainability in context. The approach to the development of the Sustainability Impact Assessment Toolkit was evaluated in relation to the findings of the case studies, which set the context for a mediating machine. The case studies showed that often there was sustainable service delivery already taking place. Where a service was not sustainable currently, there was a strong desire to ensure that it would transform to a sustainable model in the future. What many decision-makers within Argyll and Bute lacked was the capacity to show that their procurements of those services were in line with the sustainability agenda, and thus a legitimate part of any wider decision-making process. Sustainability still does not sit at the core of choices and actions in public procurement. Decision-makers seem to feel that sustainability is something that can be brought into the procurement mix if and when other statutory conditions have first been met. Perhaps the priorities of sustainability planning and monitoring for procurement are set by these constraints, and will continue to be until each restraint is loosened.

Those on the Local Services Initiative Steering Group described the Procurement Reform (Scotland) Bill as a hat peg to hang any internal reforms within Argyll and Bute Council, including the Sustainability Impact Assessment Toolkit, onto. It is perhaps here that forms of sustainability accounting and accountability can be useful. By providing written consent and the means to bring together strategy and impacts in an evidence based

manner, sustainable approaches to procurement can be taken with less perceived risk. Ball and Grubnic (2007) contend that researchers can help public sector organisations make advances, stay engaged, retain organisational legitimacy, and feel supported that sustainability accounting and accountability is not too radical a concept in instances where it is not widely accepted. The literature also uncovered that there are conflicts between economic efficiency and new, sustainable forms of public governance. These conflicts are still apparent and require a shift in behaviours and mind-sets. They also offer an opportunity for change and adaptation that was previously more difficult under older models of public services. As the models become more complex and involve more procurement decision-makers and stakeholders, the importance of a post-normal sustainability technology becomes heightened. Bringing together multiple stakeholders and embracing the fact that they will all have an inherent bias and subjectivity is a healthy approach. Frame and Brown (2008) argue that engagement between public, private and civil partners is essential for the sustainable self-governance of communities. Post-normal sustainability technology that encourages this engagement is a crucial part of this process.

These opportunities require more facilitation and joined-up ways of thinking. This thesis has extended our knowledge of government as a coordinator and legitimiser of sustainable development through the act of product and service procurement. It is the public sector that controls the contract process for services and who set the performance management demands. Unfortunately, as has been highlighted in this thesis, contractual terms are often unclear and ever shifting. It is the finding of this thesis that this is due to a lack of understanding and structures on the part of those public sector managers tasked with coordinating the services. Hybridisation has created expectations on procurement managers to be sustainability experts, resulting in more need for mediating instruments.

This thesis can serve as a basis for future studies on what conceptually a toolkit for sustainability can be. It attempts to bring together new post-normal science approaches to sustainable development, such as going beyond the pillars and allowing sustainability choice space (Binder et al., 2012; Gibson, 2006a; Kemp et al., 2005; Potschin and Haines-Young, 2008). Some aspects of this were more successful than others. The Sustainability Impact Assessment Toolkit was able to make users consider better the linkages and cause and effects of sustainability impacts when planning for sustainable procurement. This is something that the literature and case studies identified as a problematic aspect of sustainability accounting and accountability.

Despite the increase in research in the area of sustainability accounting, there are still relatively few action research approaches in the literature. One of the first to emerge was a study by Adams and McNicholas (2007), who took an action research approach to developing a sustainability report for a state owned organisation in Australia. Like the approach undertaken by Adams and McNicholas (2007), this research has been able to work with an organisation on an internal project. This has resulted in depth of data, insights and contributions to knowledge that interviews alone would not have been able to gather.

Similarly, interviews alone could not have contributed to assisting in making the changes needed to processes of public service procurement in the research setting. The creation of the Sustainability Impact Assessment Toolkit can begin the process of embedding a new sustainability guideline, in this instance the Procurement Reform (Scotland) Bill. This can bring a greater awareness of sustainability issues to procurement strategies and decision-making, potentially changing the values of those accounting for sustainability in Local Authorities and partner organisations.

However, the multiple criteria approach used in the toolkit may be too much for some to grasp. Many procurement practitioners are just beginning to understand that social and environmental considerations are important aspects of sustainable development. To move the agenda forward, or to shape it using another accounting method, a more gradual approach may be needed. It is perhaps even open to question whether a Sustainability Impact Assessment Toolkit that meets all demands is truly possible. It is argued in the literature that a common consensus on what sustainable development should look like has yet to be reached at societal level (Bebbington, 2007; Gibson, 2006a; Hood, 1995; Kinder, 2011). It is feasible that a Sustainability Impact Assessment Toolkit is best deployed as a vehicle for gathering information on what this consensus could look like. Prescribing sustainability criteria for procurement is always going to be difficult without first making more efforts to establish what it looks like.

The case studies showed that those working to deliver local services at ground level know what sustainable development should be for their communities. A Sustainability Impact Assessment Toolkit needs to help them realise this sustainable development vision by ensuring the procurers of public services coordinate them properly. A mediating machine is therefore useful in this respect. It can be the performance checklist that legitimises the innovations and actions of community organisations in the eyes of procurement managers.

Systematically, those involved in public sector procurement are not yet free of an economically dominated mind-set. In other words, the cost of procurement still overrides the other aspects of sustainability when comes to assessing the value of spending. The nature of many public sector organisation reporting and accounting mechanisms is that they encourage objectives, key performance indicators and quantification of performance results. This is in contrast to the way that sustainable development needs to be approached. There is no target or end-goal for sustainable development. It is an open-ended aspiration within which there will always be issues and needs for change (Kemp et al., 2005). Criteria will need to move on and evolve as experience and knowledge of sustainable development increases. Revisions, re-formulations and re-categorisations of objectives and indicators will be needed (Gibson et al., 2005). A mediating instrument such as the Sustainability Impact Assessment Toolkit will require such fluidity.

Whilst Argyll and Bute Council have taken the step to approve the use of the Sustainability Impact Assessment Toolkit for procurement, it will need to be used for facilitating local sustainability impacts that are considered important in context, not prescribing an overall brand of sustainability that does not fit. Only specific sustainable development issues can be tackled and solved at once, therefore any alignment to the sustainable development agenda by public sector organisations needs to be seen as just one step in a bigger journey and not the culmination. Public sector organisations need to be confident that local decisions made and the subsequent impacts will eventually contribute to sustainable development on a global scale (Gibson et al., 2005). Whilst the wisdom and guidance of any central government can always be challenged, this transition process of embedding sustainability into established thinking needs the cooperation of many different players working together. This is not easy, so government still has a large part to play (Kemp et al., 2005). A combination of firm legislation and mediating instruments that help to enact it will be key.

The thesis has made several contributions to the current literature, demonstrating empirically why sustainable development has still not been able to reach properly into the business-level of public sector procurement. This thesis also adds to a growing body literature on sustainability accounting and accountability in relation to public services. There is recognition in the literature that this is a crucial time for sustainability accounting, as the discipline becomes mainstream. Capacity of individuals and organisations to change systems and behaviours, and a lack of consensus on what sustainable development should

look like could see wrong or misguided processes put in place and unsustainable decisions being made. These decisions could be irreversible. For example, the case study findings show that the loss of a critical local service can be difficult to recover from at a community level. Even the case studies in which communities have carried on a public service as a social enterprise require substantial support from the public sector in order to continue operating. This support is increasingly harder for the procurers of services in the public sector to provide, particularly when they feel restricted by procurement legislation rather than empowered by it.

This thesis has also shown that sustainability accounting research can have an impact on the knowledge and understanding of an organisation. This study has resulted in a local government embracing a post-normal sustainability technology. Researchers are often required to be active creators of the types of sustainability approaches they wish to understand (Bebbington, 2009). The construction of tools and accounts can have as much impact on sustainability understanding and knowledge as the accounts themselves (Fraser, 2012). The process of creating the Sustainability Impact Assessment Toolkit saw a change in mind-sets and thinking towards sustainability as the action research progressed. Academics engaging with practice in real world setting can indeed have an enabling effect. The next section provides recommendations for future practice.

7.2 Recommendations for future practice

The findings of this thesis have several practical implications with regards sustainability accounting and accountability. The use of a focused sustainability accounting and accountability mechanism can be a worthwhile instrument for translating sustainability discourses. These support structures need to go further than just written guidance and 'tick-box' exercises, however. There was a thread running through the case study and workshop results in which respondents were aware of the need to act more sustainably, and indeed wanted to. The stopping point was that they often lacked the crucial skills, knowledge or perceived freedom to do so. More effective translation of high level policies and theoretical aims relating to sustainable development into workable processes and tasks is crucial to provide the knowledge and empowerment needed to act in more sustainable manner.

Scotland has plans to be one of the most environmentally friendly economies in the world (Howell et al., 2014) and aims to be a leader in sustainable procurement, including through support for social enterprise (The Scottish Government, 2007). It is therefore important to review the potential implications for sustainable development by reaching out to those who will be undertaking the policies. Legislation such as the Procurement Reform (Scotland) Bill has been developed in an attempt to ensure that the sustainable development agenda stays on the radar of public sector procurers. However, this legislation is only as effective as the interpretation and implementation of it. The sustainability agenda and discourses that are agreed at policy level and carried out at community level need to be translated for procurement decision-makers before they can be understood. They need to be understood before they can be implemented. The main recommendation of this thesis is that improved support structures for public procurers who are non-experts in sustainability principles and actions are provided.

True understanding is needed if sustainability issues are required to enable procurement decision-makers to make informed choices. It is recognised that there is no consensus on what sustainability looks like (Bebbington, 2007; Gibson, 2006a; Hood, 1995; Kinder, 2011). The findings show that in many cases public sector procurers need to decide what to prioritise in terms of sustainable directions. A deeper knowledge of the implications in terms of sustainability of a course of action or decision would help to ensure that decisions are better aligned to sustainability at a local and global level. A greater level of training and education in relation to the reasons behind policy and legislation such as the Procurement Reform (Scotland) Bill would help to do this.

The research in this thesis extends our understanding of the gap that exists between sustainability policy and sustainable action at community level. The results confirm the literature findings that social enterprises have increased in scale and exist often to fill service gaps that public sector has been unable or unwilling to fill. The importance of social enterprises and other third sector organisations to sustainable development is increasing. However, the support and accounting mechanisms that previous research identified as essential to maintaining these high quality and sustainable services do not seem to have an effect on contractual decisions for public services. Financial factors are still the dominant driver in procurement of services. The Local Services Initiative Steering Group recognised the need for a collaborative approach to skills development and knowledge transfer between social enterprises and public sector bodies. Sustainable procurement

could follow from these collaborations, as an increased understanding of the sustainability priorities on both sides could result. However, these collaborations need structures that can facilitate the involvement of the public sector.

The research identified that procurement practitioners should adopt post-normal sustainability technology in order to advance sustainable development knowledge and understanding. Collaborations and the accountability mechanisms used to make decisions and measure performance need to be shaped by the practitioners using them. This will allow public sector procurers to feel part of sustainability discourses and shape the agenda they are expected to lead the way on. A mediating instrument should therefore provide the capacity for contributions to the sustainable development agenda, as well as the means to follow it. The use of the Sustainability Impact Cards and workshops showed that debate on sustainable development at different levels could bring new insights, such as early identification of the clash between sustainable procurement principles and open tendering laws. Further debate and training on the nature of sustainability could also provide those tasked with implementing sustainable development policy with increased knowledge, ownership and buy-in.

7.3 Recommendations for future research

Determining the extent to which sustainability can be embedded into public sector procurement processes requires a review of the current state of sustainable development thinking and actions within public sector contracting and procurements. In Scotland, the Procurement Reform (Scotland) Bill has been developed to create legislative guidance towards increased socio-ecological and socio-economic improvements through procurement. This legislation is coming from a consultation stage, so this thesis examined the current procurement behaviours and attitudes to sustainable procurement prior to the Bill being passed through the Scottish Parliament. Some of the same potential issues of the procurement reforms identified in this thesis were also recognised by the Scottish Government.

Future research would test this further by examining the effects of the legislation in the build up to its full enactment in 2015, and then beyond. The public sector will have a legislative duty to adhere to the sustainability discourses included in the Procurement Reform (Scotland) Act. At the time of this thesis, there were vague targets and policies,

such as the Argyll and Bute Council Strategic Plan. But, little additional guidance exists for practitioners and decision-makers. Will a more specific legislation increase the capacity of procurement decision-makers to act sustainably? Or will it simply add to the apparent confusion around where sustainability can fit into the other legislative guidelines that public sector procurers must follow? How will other public sector bodies react to procurement reforms in comparison to Argyll and Bute Council?

Any further research could revisit Argyll and Bute to investigate if and how the Sustainability Impact Assessment Toolkit is being implemented. Is it a statutory document used to link the sustainability agenda to business level procurement decisions? Have the sustainability indicators evolved through use and feedback? A revisit to Argyll and Bute could explore if the case study services analysed in this thesis are still continuing and if they are benefitting from a more sustainability focused procurement and contracting process. The reasons for a positive or negative result in this future study would determine if any sustainability guidance, such as the Sustainability Impact Assessment Toolkit, was an effective mediating machine. A set of the Sustainability Impact Cards and instructions on how to use them has been provided to Argyll and Bute through the Local Services Initiative. Have the cards been used for training purposes? Has their use in a local government context uncovered any other uses for the cards, such as for community consultation and identification of any additional sustainability indicators?

This thesis focussed the Case Study research in one region of Scotland. Future research could expand on this and look at national or international trends. Are sustainable procurement laws and guidance more effective in other regions of Scotland or in other international governments? Are there other public sector organisations exploring what sustainability means to them and how the broader sustainability agenda can be better aligned with localised practices for procurement? Sustainability discourses can vary across different economic regions, but will the methods of applying them for procurement vary in the same manner?

Overall, this thesis concludes that embedding sustainability into everyday, business level procurement practices in the public sector is still some way from happening. If the public sector is to pioneer sustainable procurement then deeper investigations into the causes and solutions for this lack of sustainable decision-making needs to happen. By adopting a post-normal science approach, this thesis was able to uncover that public sector decision-makers still lack the requisite knowledge and empowerment to confidently make

sustainable development happen in procurement processes. The biggest enabler would be to clarify where sustainability sits within the other legislation and obligations of procurement decision-makers. The fears expressed by participants in this research have echoed the issues that the Scottish Government has had in enacting the Procurement Reform (Scotland) Act. The development and use of a sustainability tool and workshops was able to uncover where these barriers lay. However, the adoption of a post-normal sustainability technology, in the form of the Sustainability Impact Assessment Toolkit, by Argyll and Bute Council shows that they consider such a mediating machine to have potential to enable them to make sustainability a more embedded part of their procurement processes. Perhaps the most inspiring finding was that throughout all the results, the desire for a more sustainable way of working is already embedded.

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Appendix A Researcher Meetings with Argyll and Bute Local Services Initiative

This table shows the meetings of the Argyll and Bute Local Services Initiative that this researcher attended. The confidential discussions and outcomes of these meetings were recorded in field notes. The meetings also contributed to the development of the Case Study research and Sustainability Impact Assessment Toolkit. Section 3.1.2 describes the collaboration with the Argyll and Bute Local Services Initiative, including the complimentary research aims.

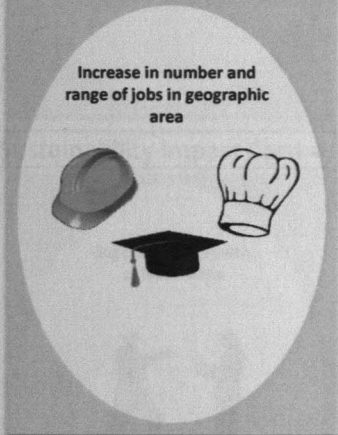
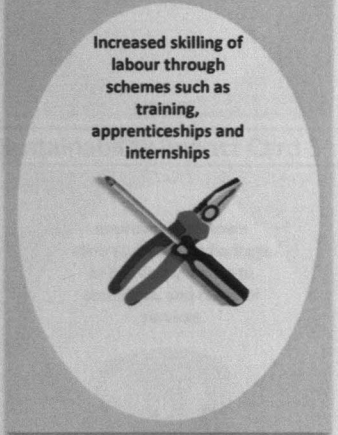
Date	Meeting Purpose	Location	Researcher Role
5 Dec-6 Dec 2011	Local Services Initiative Away Day -Update on the project and establishment of next steps. -Decisions needed on how to approach the case study/learning element of the project. -To bring an academic approach to the project.	Loch Fyne Hotel, Inveraray	Researcher's first Local Services Initiative meeting. Was updated on the project aims and work undertaken so far. Undertook discussions on where the doctoral research project could be mutually beneficial. Considered role of sustainability accounting and accountability within the local services initiative aims.
31 Jan 2012	-To propose selection of case studies for interview. -To propose the themes for the interviews.	Teleconference	Ensured that case studies fit both the Local Services Initiative aims and doctoral research aims. Took lead on developing interview structure and themes to be covered.
14 Feb 2012	Local Services Initiative Away Day -Update on project. -Finalise selection of case study organisations -Finalise interview structure and themes. -Proposal to create a Sustainability Impact Assessment Toolkit for sustainability for use by council and social enterprise.	Loch Fyne Hotel, Inveraray	Agreed with case study organisations. Proposed interview themes, ensuring that they met requirements of both the doctoral research and the Local Services Initiative aims. Considered requirements of a potential Sustainability Impact Assessment Toolkit for sustainability and took lead role in development.
20 Mar 2012	-Proposal of dates for interviews. -Establishing ethical considerations for interviews.	Teleconference	Ensured availability for interviews and prepared research ethics forms.
23 May 2012	-Update on interview progress -Report on preliminary interview analysis -Update on Sustainability Impact Assessment Toolkit development	Teleconference	Updated steering group on interviews undertaken so far and initial findings. Discussed Sustainability Impact Assessment Toolkit and links to interviews and Procurement Reform (Scotland) Bill.


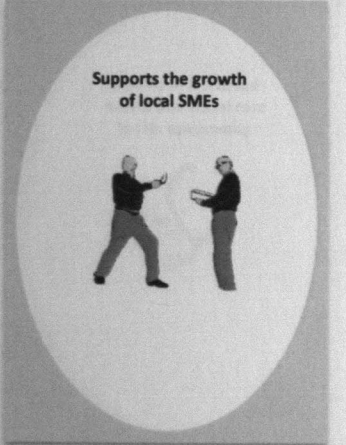
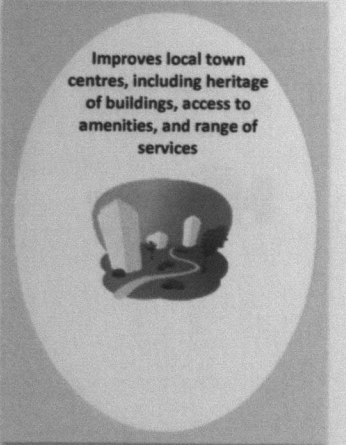
June 11- June 12 2012	-Presentation of interview findings to steering group -Group discussion of results in relation to the Local Services Initiative aims and objectives -Consideration of how to use the results for the Local Services Initiative report	Loch Fyne Hotel, Inveraray	Presented initial interview analysis to the group. Discussed Sustainability Impact Assessment Toolkit further, in terms of where it fits with Argyll and Bute Council's Guiding Principles. Participated in discussion on the desired legacy of Local Services Initiative project.
24 July 2012	-Meeting Argyll and Bute Council Social Enterprise Team and Argyll and Bute Council Procurement Team -Discussion of needs of the Procurement Team, towards meeting requirements of Procurement Reform (Scotland) Bill	Argyll and Bute Council Offices, Helensburgh	Liaising with Argyll and Bute Council on the requirements of the Sustainability Impact Assessment Sustainability Impact Assessment Toolkit. This included: who would use it? In what types of procurement? Would it be reported or scored? Any legal concerns?
27 July 2012	-Meeting to continue looking at interview data and picking out learning for use in Local Services Initiative report or engagement with Council departments.	Community Hall, Auchindrain	Working with the Steering Group to look at the aspects of the interview results that relate to the wider Local Services Initiative aims and objectives.
7 Aug 2012	-Meeting with Social Value Lab to go over Sustainability Impact Assessment Toolkit -Areas of legality, wording of issues and general usability of Sustainability Impact Assessment Toolkit were discussed	Social Value Lab, Nelson Mandela Place, Glasgow	Liaising with the social value lab team to determine the changes for the updated version of the Sustainability Impact Assessment Toolkit.
14 Aug 2012	-Local Services Initiative Meeting with steering group members from the social enterprise sector -To discuss the findings and learning so far from the social enterprise perspective	Portavadie Marina, Portavadie	Presenting the findings from interviews and observations. Guiding the discussion and gaining feedback on the results and what they mean in relation for sustainable procurement of public services for social enterprises.
15 Aug 2012	-Local Services Initiative Meeting with steering group members from the public sector -To discuss the findings and learning so far from the social enterprise perspective	Argyll and Bute Council Offices, Helensburgh	Presenting the findings from interviews and observations. Guiding the discussion and gaining feedback on the results and what they mean in relation for sustainable procurement of public services for public sector bodies.
23 Aug 2012	Local Services Initiative Away Day -To bring the team together to begin to draft a Local Services Initiative report.	Loch Fyne Hotel, Inveraray	Part of the team writing the report. Also able discuss the next steps of the Sustainability Impact Assessment Toolkit with the members of the steering group.
14 Sep 2012	Meeting with Pauline Graham, Consultation Committee	Social Firms Scotland Office,	Gained detailed information on the forthcoming Procurement Reform

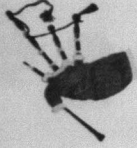


	member for Procurement Reform (Scotland) Bill	Glasgow	(Scotland) Bill. Showcased the working version of the Toolkit.
16 Oct 2012	Local Services Initiative Away Day -Steering group continued to draft the Local Services Initiative report	Portavadie Marina, Portavadie	Participated in writing up the case studies for the Local Services Initiative report.
29 Oct- 30 Oct 2012	Local Services Initiative Away Day -Finalising first draft of the Local Services Initiative report	Loch Fyne Hotel, Inveraray	Participated in writing up the case studies for the Local Services Initiative report; and helped to format and structure the report.
12 Dec 2012	Local Services Initiative Steering Group Meeting -Discussion on the next steps for Local Services Initiative and the Local Services Initiative legacy -Sustainability Impact Assessment Toolkit identified as one of the main legacy items to come from the project	Ramada Hotel, Glasgow Airport	Provided update on the Sustainability Impact Assessment Toolkit after testing with students at University of Strathclyde (see Section 3.3).
27 March 2013	Local Services Initiative Away Day -Deciding on roll-out strategy for Local Services Initiative report -How to ensure legacy? -Sustainability Impact Assessment Toolkit to be promoted within Council	Argyll and Bute Council Head Offices, Kilmory House, Lochgilphead	Part of discussion on Local Services Initiative Legacy. Began to determine how the Sustainability Impact Assessment Toolkit would be showcased and used as an educational tool.

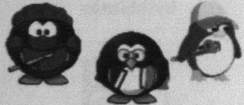


Appendix B Sustainability Impact Cards




This Appendix shows each Sustainability Impact Card and the original example best practice from the Sustainability Impact Assessment Toolkit the card was based upon. The images on the cards were taken from open source clip art at openclipart.org. The cards were used in Workshops 1 and 2 (see Section 3.3.1) and were later given to Argyll and Bute Council for in-house training purposes (see Section 6.5).



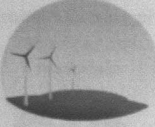
Sustainability Impact Assessment Toolkit Indicator	Sustainability Impact Card 1
<p>How will the procurement improve employment opportunities for Argyll and Bute residents?</p>	 <p>Increase in number and range of jobs in geographic area</p>
Sustainability Impact Assessment Toolkit Indicator	Sustainability Impact Card 2
<p>How will the procurement help increase job skills in the Argyll and Bute region?</p>	 <p>Increased skilling of labour through schemes such as training, apprenticeships and internships</p>




<p>Sustainability Impact Assessment Toolkit Indicator</p>	<p>Sustainability Impact Card 3</p>
<p>How will the procurement encourage the growth of local social enterprises?</p>	 <p>Supports the growth of social enterprise</p> <p>COMMUNITY</p>
<p>Sustainability Impact Assessment Toolkit Indicator</p>	<p>Sustainability Impact Card 4</p>
<p>How will the procurement encourage the growth of local business?</p>	 <p>Supports the growth of local SMEs</p>
<p>Sustainability Impact Assessment Toolkit Indicator</p>	<p>Sustainability Impact Card 5</p>
<p>How will the procurement generate improvements to local town and village centres?</p>	 <p>Improves local town centres, including heritage of buildings, access to amenities, and range of services</p>

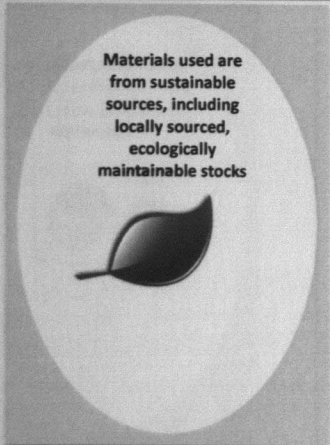
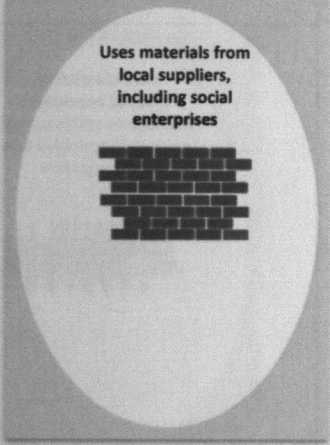
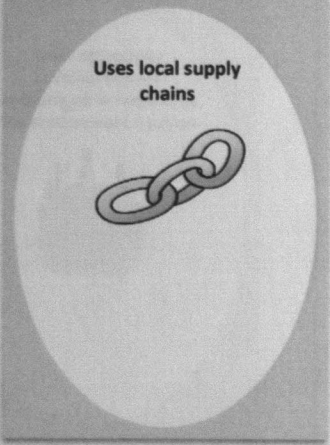
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement support regeneration and wealth creation through the arts, culture and tourism?</p>	<p>Sustainability Impact Card 6</p> <p>Enhances and improves local arts, culture and tourism activity</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement contribute to the health and well being of the local community?</p>	<p>Sustainability Impact Card 7</p> <p>Results in increased health and social care in the community</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement overcome health inequalities?</p>	<p>Sustainability Impact Card 8</p> <p>Increases access to and improve quality of health and social care</p> <p>HOSPITAL </p>

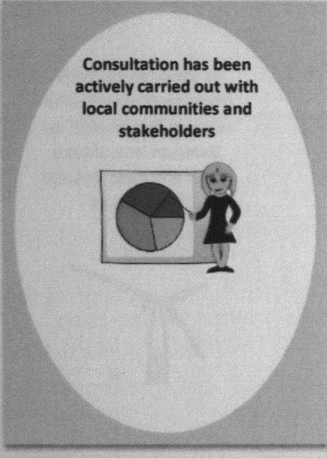
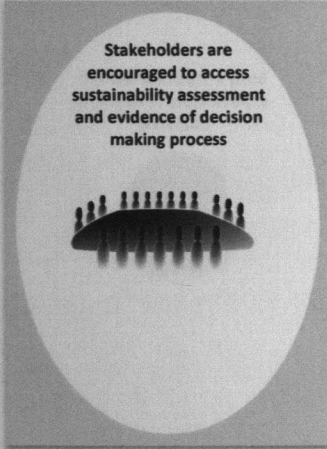
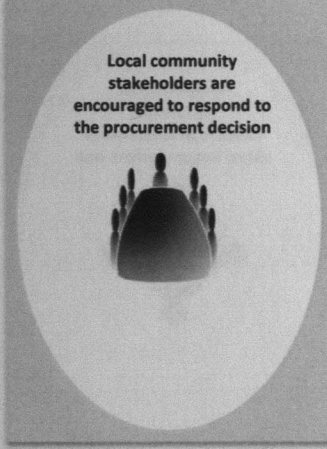
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement increase lifestyle choices for local residents?</p>	<p>Sustainability Impact Card 9</p> <p>Increases opportunities for choice of healthcare, security, education and employment</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement ensure that any resource savings and efficiency gains stay in the local community where the saving is made?</p>	<p>Sustainability Impact Card 10</p> <p>Improvement of amenities and services for local community, through resource and efficiency savings</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement ensure that resources and services are available for future generations?</p>	<p>Sustainability Impact Card 11</p> <p>Helps ensure that current resources and services are enhanced for future generations</p> 

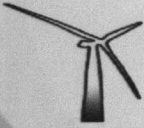
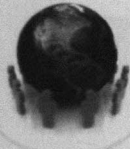
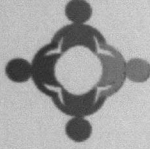
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement assist the communities of Argyll and Bute to adapt to social, environmental and economic changes?</p> <p>How will the procurement protect nature and biodiversity?</p>	<p>Sustainability Impact Card 12</p> <p>Socio-Ecological adaptation, diversity, flexibility and reversibility has been considered</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement use land efficiently and in a way that is compatible with the local context?</p>	<p>Sustainability Impact Card 13</p> <p>Any building developments enhance the land, e.g. through use of green spaces, remediation of contaminated land</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement use land efficiently and in a way that is compatible with the local context?</p>	<p>Sustainability Impact Card 14</p> <p>Culturally important amenities are enhanced</p> 

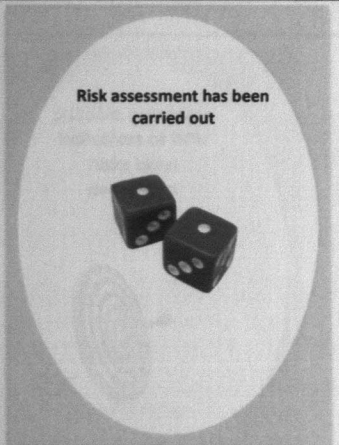
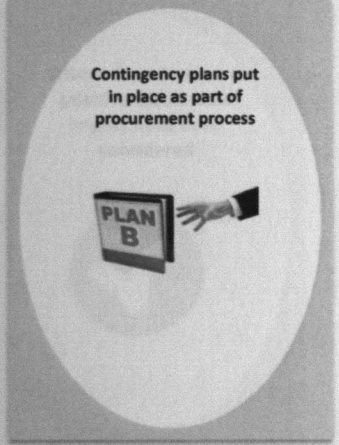
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement contribute to Argyll and Bute's rural and urban green spaces?</p>	<p>Sustainability Impact Card 15</p> <p>Access to quality green space is improved</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement minimise the use of energy?</p>	<p>Sustainability Impact Card 16</p> <p>Production of goods or delivery of services is carried out with minimum energy use</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>Will the procured service or product make use of renewable energy sources?</p>	<p>Sustainability Impact Card 17</p> <p>Will help increase the amount of energy from renewable sources</p> 

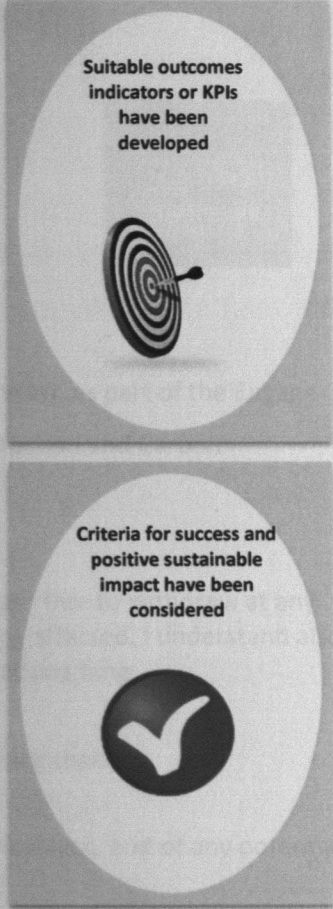
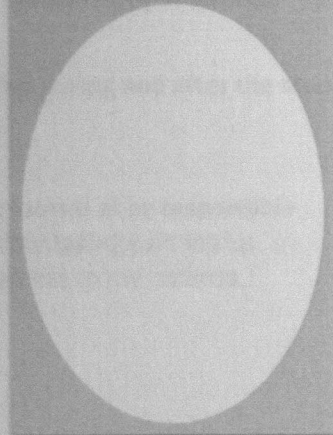
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement minimise the greenhouse gas emissions generated?</p>	<p>Sustainability Impact Card 18</p> <p>Will lead to a reduction in GHG emissions</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement minimise water consumption?</p>	<p>Sustainability Impact Card 19</p> <p>Will lead to a decrease in water consumption</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement promote waste minimisation during its use?</p>	<p>Sustainability Impact Card 20</p> <p>Designed to ensure reuse and/or remanufacture of resources and materials</p> 

<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement reduce the environmental impact of any materials used?</p>	<p>Sustainability Impact Card 21</p> <p>Materials used are from sustainable sources, including locally sourced, ecologically maintainable stocks</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will the procurement ensure that any materials used are from a socially responsible source?</p>	<p>Sustainability Impact Card 22</p> <p>Uses materials from local suppliers, including social enterprises</p> 
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How will transport impacts be mitigated as part of procurement strategy?</p>	<p>Sustainability Impact Card 23</p> <p>Uses local supply chains</p> 

Sustainability Impact Assessment Toolkit Indicator	Sustainability Impact Card 24
<p>Has the local community been consulted at planning stage?</p>	 <p>Consultation has been actively carried out with local communities and stakeholders</p>
Sustainability Impact Assessment Toolkit Indicator	Sustainability Impact Card 25 and 26
<p>How will stakeholders in local communities be informed of the sustainability impact of the procurement?</p> <p><i>Note: two cards were used for this indicator because it was felt that both accessing and responding to the procurement were crucial and complimentary actions in facilitating civil society and democratic governance.</i></p>	 <p>Stakeholders are encouraged to access sustainability assessment and evidence of decision making process</p>  <p>Local community stakeholders are encouraged to respond to the procurement decision</p>

Sustainability Impact Assessment Toolkit Indicator	Sustainability Impact Card 27
<p>How will the procurement assist the communities of Argyll and Bute to adapt to social, environmental and economic changes?</p>	<p>Provides capacity to mitigate changes, such as security of energy supply and reduced inward resource flow, to the area</p> 
Sustainability Impact Assessment Toolkit Indicator	Sustainability Impact Card 28 and 29
<p>How will the sustainability impact of the procurement strengthen the understanding of sustainable issues in the area?</p> <p><i>Note: two cards were used for this indicator because leading by example is a facilitator of creating a better understanding of sustainability issues.</i></p>	<p>Will demonstrate a good example of sustainability principles</p>  <p>Will strengthen community understanding of social and environmental issues</p> 

<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>Where information may be incomplete or unavailable, how has the procurement decision to deal with unexpected outcomes?</p>	<p>Sustainability Impact Card 30</p>  <p>Risk assessment has been carried out</p>
<p>Sustainability Impact Assessment Toolkit Indicator</p> <p>How has the procurement decision considered back-up alternatives?</p>	<p>Sustainability Impact Card 31</p>  <p>Contingency plans put in place as part of procurement process</p>

<p>Sustainability Impact Assessment Toolkit Indicator</p>	<p>Sustainability Impact Card 32 and 33</p>
<p>How has the future monitoring and reporting of the positive and negative impact of the procurement been planned for?</p> <p><i>Note: two cards were used for this indicator because KPIs and success can be considered in different ways. KPIs and outcomes are results directly expected from an action or decision. Success and positive sustainable impacts in this case have been considered as the accomplishment of a wider sustainable goal.</i></p>	 <p>Suitable outcomes indicators or KPIs have been developed</p> <p>Criteria for success and positive sustainable impact have been considered</p>
<p>Sustainability Impact Assessment Toolkit Indicator</p>	<p>Sustainability Impact Card 34</p>
<p>Sustainability Choice Space</p> <p><i>Note: this card was left blank and users were encouraged to create their own sustainability impact. This allows for specific, local sustainability to be included in any sustainability guidance.</i></p>	

Appendix C Example Consent form for Sustainable Procurement Workshop

Consent Form



Sustainability Impact Assessment Toolkit Workshop

This recorded discussion session is being undertaken by John Watt, as part of the Engage with Strathclyde event titled Sustainable Procurement, Construction and Carbon Accounting.

1. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason, and without my care being affected. I understand also that I can ask to have my data withdrawn from the study at any time.
2. I understand that by signing this consent form I am indicating that: -
 - a. I am aware of what my participation in the study involves, and of any potential risk; and
 - b. All my questions concerning the study have been satisfactorily answered.
3. I understand that confidentiality and anonymity are assured during and after the study has been completed.
4. I understand that data collected during the study, may be looked at by responsible individuals from the research team where it is relevant to my taking part in this research. I give permission for these individuals to have access to my records.
5. I agree to take part in the Study.

Name of Participant (Print)

Date

Signature

Appendix D Example Consent form for Local Services Initiative Interviews

Consent Form

Argyll and Bute Local Services Initiative Interviews



This interview is being undertaken by John Watt as part of the Local Service Initiative Project.

- I confirm that I have read and understand the information sheet dated March 2012 for the study and have had the opportunity to ask questions.
- I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason, and without my care being affected. I understand also that I can ask to have my data withdrawn from the study at any time.
- I understand that by signing this consent form I am indicating that: -
 - I am aware of what my participation in the study involves, and of any potential risk; and
 - All my questions concerning the study have been satisfactorily answered.
- I understand that confidentiality and anonymity are assured during and after the study has been completed.
- I understand that data collected during the study, may be looked at by responsible individuals from the research team where it is relevant to my taking part in this research. I give permission for these individuals to have access to my records.
- I agree to take part in the Study.

Name of Participant (Print)

Date

Signature

Appendix E Sustainability Impact Assessment Toolkit

This version of the Sustainability Impact Assessment Toolkit is the final version that emerged from the consultation with the Local Services Initiative Steering Group and pilot testing.

What is the Sustainability Impact Assessment Toolkit?

Function and purpose of the toolkit

The Sustainability Impact Assessment Toolkit provides guidance for the assessment of procurement options in order to ensure sustainable goods and services. The toolkit shows how each procurement decision can be assessed for sustainability. Argyll and Bute Council needs to ensure that the decisions made today will not adversely impact on the future of communities, the economy or the environment. As part of its duty to pursue Best Value, the Council needs to demonstrate a contribution to sustainable development, now and in the long term. This toolkit provides

- A checklist which should be completed with procurement applications
- Minimum standards which proposals need to meet, as well as preferred standards
- Guidance on what evidence needs to be submitted along with the checklist

The Sustainability Impact Assessment Toolkit does not create a new policy. It is based upon a mix of the Guiding Principles from Argyll and Bute Council's Corporate Plan 2010-2013 and the forthcoming Procurement Reform Bill. This bill will provide the basis for more sustainable public services and greater transparency of decision-making. The toolkit also draws upon current thinking in terms of sustainable development and greater integration of social, environmental and economic planning.

What is sustainability assessment?

Sustainability assessment can act as a guide towards better decision-making on all aspects of an operation, including procurement of goods and services. Sustainability assessment examines the social, environmental and economic impacts of a particular decision or development. The balance between positive and negative impacts thus is made clearer and evidenced accordingly. The links between global, national and local sustainability concerns can also be understood and demonstrated.

How to carry out the sustainability assessment

When is a sustainability assessment required?

With the introduction of the forthcoming Procurement Reform Bill, sustainability will be a central issue in the spending of public funds. Subsequent demands for greater transparency of decision-making processes mean that evidence for consideration of social, environmental and economic factors will be required for all procurement.

Sustainability Assessment should also be undertaken by officers, supervisors and managers who are:

- Developing new policies or strategies
- Reviewing current policies or strategies

- Planning new projects
- Reviewing current services

How this toolkit will help you

Part 3 of this toolkit includes a checklist that should be used to carry out the assessment. The checklist can be used alongside any other documentation and assessments to support your procurement decision.

Section 4 provides notes to help approach the questions in the checklist. It also provides guidance for any supporting evidence and documentation that may be needed. The policies, legislation and principles that form the checklist questions are also outlined in this section.

How to answer the assessment questions

Sustainability Assessment Checklist

The Sustainability Assessment Checklist questions are a combination of wider sustainability issues, linked to global and national policies and targets, and local issues. The scale, complexity and value of the procurement will determine the level of detail needed. Larger procurements and contracts may need a full assessment and report, with evidence for each relevant point on the checklist. Smaller procurements may be able to consider each point without the need for evidence.

Not all criteria on the checklist will be relevant to all procurements. If a point on the checklist is not relevant, please indicate in the comments column. An explanation as to why the point is not relevant may be required, particularly for larger procurements.

Each checkpoint on the assessment form has a minimum and preferred standard. This is for guidance in making the correct procurement decision. If a procurement does not meet the minimum standard please explain why this is so in the comments column. Short-term compromises are acceptable if they can be justified with proof of an eventual gain.

Sustainability Choice Space

A Sustainable Choice Space is also provided as part of the assessment. This provides room for manoeuvre in any procurement decisions and local strategies. The Sustainability Choice Space allows the procurement officer to add any additional sustainability criteria or to emphasise the importance of a particular aspect of the listed sustainability criteria in the procurement decision.

The Sustainability Choice Space must be based upon information and criteria resulting from consultation with stakeholders and members of the affected communities. The diverse nature of the communities in the region means that priority issues can vary. The Sustainability Choice Space allows for local sustainability issues in Argyll and Bute to be considered and acted upon.

How the toolkit links to other assessments

Some procurement already requires, or makes use of, other assessments. One such example is Equalities Impact Assessment already used by Argyll and Bute Council. Other assessments that may be relevant to this process include:

- Social Accounting and Audit (SAA)
- Social return on Investment (SROI)
- Strategic Environmental Assessment (SEA)
- Environmental Impact Assessment
- Health Impact Assessment
- Volunteering Impact
- Social Impact measurement for Local Economies (SIMPLE)

Information from any additional assessments can be used to complete the relevant areas of the checklist. Additional assessments do not have to be carried out as part of this sustainability assessment. The toolkit is designed to provide documented verification that each area of sustainability has been given due consideration in the procurement process.

How the toolkit links to other plans and policies

The checklist questions are based upon Argyll and Bute policies and guidance. In addition, national policies are also taken into account.

Sustainability Impact Assessment Toolkit

Name of function or project				
Description of procurement				
Value of procurement (£)				
Type of assessment	Full		Outline	
Name of Lead Officer(s) completing assessment				
Date(s) of assessment				
Name(s) of other parties involved in the assessment				
Brief description of other parties involvement in assessment				
The following other assessments have also been completed				
	Social Accounting and Audit (SAA)			
	Social return on Investment (SROI)			
	Strategic Environmental Assessment (SEA)			
	Environmental Impact Assessment			
	Health Impact Assessment			
	Volunteering Impact			
	Social Impact measurement for Local Economies (SIMPLE)			
	Consultations: surveys, focus groups, interviews, user feedback (including complaints made), Citizens' Panel			
	Consultant reports			
	Other (please specify)			

Sustainability assessment checklist: Livelihood sufficiency and opportunity

Sustainability Indicators	Example minimum standard	Example preferred standard	Your standard	Note your evidence
Employment				
How will the procurement improve employment opportunities for Argyll and Bute residents?	No job losses in the area as a result of procurement.	Procurement results in an increase in number and range of jobs in area.		
How will the procurement help increase job skills in the Argyll and Bute region?	Contributions made towards employment, training, education and voluntary placements.	Exceeds minimum contributions to skilling of labour through schemes such as provision of mentoring agreement with schools and colleges; provides employment for priority groups (e.g. long-term unemployed, people with learning disability, people with mental health issues).		
Enterprise				
How will the procurement encourage the growth of local social enterprises?	Procurement options have been communicated and discussed with regional social enterprise network.	Procurement supports the growth of social enterprise.		

How will the procurement encourage the growth of local SMEs?	Procurement will not harm local SMEs ability to compete in Argyll and Bute.	Procurement supports the growth of local SMEs.		
Town centres and local services				
How will the procurement generate improvements to local town and village centres?	Procurement will not affect amenities in town centres or result in loss of small business units.	Procurement improves local town centres, including heritage of buildings, access to amenities, and range of services.		
Arts, culture and tourism				
How will the procurement support regeneration and wealth creation through the arts, culture and tourism?	Procurement will not negatively affect arts, culture and tourism activity.	Procurement helps enhance and improve local arts, culture and tourism activity.		

Sustainability assessment checklist: Intragenerational equity

Sustainability Indicators	Example minimum standard	Example preferred standard	Your standard	Note your evidence
Health and well being				
How will the procurement contribute to the health and well being of the local community?	Procurement will not negatively affect health in Argyll and Bute.	Procurement will result in increased health and social care in the community.		
How will the procurement overcome health inequalities?	Procurement will not negatively affect access to health and social care in the community.	Procurement will increase access to and improve quality of health and social care.		

Choice and opportunity				
How will the procurement increase lifestyle choices for local residents?	Opportunities for choice of healthcare, security, education and employment are not diminished.	Opportunities for choice of healthcare, security, education and employment are increased.		
Resource distribution				
How will the procurement ensure that any resource savings and efficiency gains stay in the local community where the saving is made?	Resource savings and efficiency savings will not be at expense of local community options and choice of services.	Resource savings and efficiency savings will be used to improve amenities and services for local community.		

Sustainability assessment checklist: Intergenerational equity

Sustainability Indicators	Example minimum standard	Example preferred standard	Your standard	Note your evidence
Resource exploitation				
How will the procurement ensure that resources and services are available for future generations?	Procurement helps ensure that current resources and services will be preserved for future generations.	Procurement helps ensure that current resources and services are enhanced for future generations.		
Adaptation				
How will the procurement assist the communities of Argyll and Bute to adapt to social, environmental and economic changes?	Procurement provides capacity and qualities to adapt to changes, such as security of energy supply and reduced inward flow of resources to the area.	Procurement provides capacity and qualities to mitigate changes, such as security of energy supply and reduced inward flow of resources to the area.		

Sustainability assessment checklist: Socio-ecological factors

Sustainability Indicators	Example minimum standard	Example preferred standard	Your standard	Note your evidence
Using land efficiently				
Will the procurement use land efficiently and in a way that is compatible with the local context?	Any building developments are on brownfield land. Culturally important amenities are protected.	Any building developments enhance the land, for example through use of green spaces, remediation of contaminated land. Culturally important amenities are enhanced.		
How will the procurement contribute to Argyll and Bute's rural and urban green spaces?	No net loss of publicly accessible open space.	Access to quality green space is improved.		
Biodiversity				
How will the procurement protect nature and biodiversity?				

Sustainability assessment checklist: Resource maintenance and efficiency

Sustainability Indicators	Example minimum standard	Example preferred standard	Your standard	Note your evidence
Energy use				
How will the procurement minimise the use of energy?	Production of goods or delivery of services is carried out with attention paid to energy efficiency.	Production of goods or delivery of services is carried out with minimum energy use.		

Will the procured service or product make use of renewable energy sources?	Procured service or product is not detrimental to use of renewable energy sources.	Procured service or product will increase the use of renewable energy sources.		
Reducing greenhouse gas emissions				
How will the procurement minimise the greenhouse gas emissions generated?	Procurement will not lead to an increase in GHG emissions.	Procurement will lead to a reduction in GHG emissions.		
Water				
How will the procurement minimise water consumption?	Procurement will not lead to an increase in water consumption.	Procurement will lead to a decrease in water consumption.		
Waste minimisation				
How will the procurement promote waste minimisation during its use?	Procurement will not lead to additional waste going to landfill.	Procurement will be designed to ensure reuse and/or remanufacture of resources and materials.		
Materials				
How will the procurement reduce the environmental impact of any materials used?	Materials used are from accredited sustainable sources, where possible.	Materials used are from accredited sustainable sources, including locally sourced, ecologically maintainable stocks.		
How will the procurement ensure that any materials used are from a socially responsible source?	Procurement product or service uses materials from fair trade or equivalent suppliers.	Procurement product or service uses materials from local suppliers, including social enterprises.		

Transport impacts				
How will transport impacts be mitigated as part of procurement strategy?	Procurement makes use of existing logistics for transportation needs.	Procurement uses local supply chains in order to minimise impacts.		

Sustainability assessment checklist: Civil society and democratic governance

Sustainability Indicators	Example minimum standard	Example preferred standard	Your standard	Note your evidence
Consultation				
Has the local community been consulted at planning stage?	Local community has access to information. Local stakeholders are able to access the relevant decision making body.	Consultation has been actively carried out with local communities and stakeholders. Local stakeholders are encouraged to respond to the procurement decision through a democratic network of community groups and networks.		
Understanding of sustainability impact				
How will stakeholders in local communities be informed of the sustainability impact of the procurement?	Local stakeholders will be able to access the sustainability assessment and evidence of the decision making process.	Local stakeholders are encouraged to access the sustainability assessment and evidence of the decision making process through community groups and networks.		

<p>How will the sustainability impact of the procurement strengthen the understanding of sustainable issues in the area?</p>	<p>Procurement will demonstrate compliance to sustainability principles within Council and to relevant stakeholders.</p>	<p>Procurement will demonstrate a good example of sustainability principles within Council and to the wider community.</p> <p>Procurement, in its function or service, will strengthen local community understanding of social and environmental issues.</p>		
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Sustainability assessment checklist: Precaution and adaptation

Sustainability Indicators	Example minimum standard	Example preferred standard	Your standard	Note your evidence
Precautionary principle				
<p>Where information may be incomplete or unavailable, how has the procurement decision to deal with unexpected outcomes?</p>	<p>Procurement decision has considered unpredictability of social, environmental and economic factors.</p>	<p>Procurement decision has accounted for future adaptation, diversity, flexibility and reversibility with regards social, environmental and economic factors.</p>		
<p>How has the procurement decision considered back-up alternatives?</p>	<p>Risk assessment has been carried out as part of procurement process.</p>	<p>Risk assessment has been carried out and availability and practicality of back-up options has been fully researched.</p> <p>Contingency plans put in place as part of</p>		

		procurement process.		
Monitoring				
How has the future monitoring and reporting of the positive and negative impact of the procurement been planned for?	Criteria for success and positive sustainable impact have been considered and documented.	Criteria for success and positive sustainable impact have been considered. Suitable outcomes indicators or KPIs have been developed. An accessible, transparent reporting mechanism implemented.		

Sustainability assessment checklist: Sustainability Choice Space

Sustainability Indicators	Example minimum standard	Example preferred standard	Your standard	Note your evidence

Notes to help completion of toolkit

The toolkit is based upon a combination of Argyll and Bute Council Guiding Principles, the potential legislation arising from The Procurement Reform Bill Consultation Paper and generic criteria for sustainability assessments.

Argyll and Bute Council Guiding Principles

There is a diversity of services and therefore the Guiding Principles have been developed so that they can be applied to impact differently on each service. All five Guiding Principles should be applied if a policy or function is to be sustainable. They will help the Council to achieve an effective balance between the needs of our communities and the development of the economy with minimum impact on the environment. The Guiding Principles are shown in bold with further explanation below each one.

Developing, empowering and including our communities

- Ensure that all members of the community are included by developing the skills that help to fulfil their aspirations and ambitions and improve self-esteem;
- Ensure that no-one is discriminated against on grounds of gender, race, disability, age, belief (religious or political) or sexual orientation;
- Promote social justice and inclusion, health and well-being;
- Ensure that all individuals or communities have access to employment, housing, education, training and other opportunities.

Protecting, enhancing and managing natural resources and environment

- Adopt a 'reduce, re-use, recycle' approach;
- Minimise demand on environmental resources, e.g. material and energy;
- Make more use of energy from renewable sources, e.g. wind, wave, solar, bio-mass;
- Safeguard and enhance the natural and historic environment and biodiversity;
- Protect and manage the landscape and natural habitats.

Developing the economy using innovative and creative solutions

- Work with partners to find local solutions to develop and sustain the economy;
- Develop the local economy with minimum impact on the environment;
- Encourage new kinds of industry to the area to sustain employment;
- Integrate transport systems to support the economy and community.

Taking an open, honest and accountable approach

- Ensure good governance;
- Learn from our experiences, good and bad.

Taking decisions that will maximise benefit and minimise impact across these areas

- Carry out an impact assessment at the planning stage;
- Include and involve communities in the decisions that affect them;
- Include whole-life costing in the decision-making process (e.g. what will the long-term maintenance and energy costs be?);
- Be an advocate for Argyll and Bute - try to work to change circumstances that have an adverse impact;
- When necessary to compromise, choose what will result in the least adverse impact.

The Procurement Reform Bill

The public sector is in a position to contribute to and influence the Scottish economy towards a more sustainable model. The Procurement Reform Bill aims to ensure that public bodies steer the market in a more socially and environmentally responsible direction.

Core generic criteria for sustainability assessments

In order to ensure the more effective integration sustainable procurement into Argyll and Bute Council, the social, environmental and economic criteria and elements of sustainability have been merged rather than seen as separate entities.

Contacts

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Appendix F Instructions for Student Pilot Testing of Sustainability Impact Assessment Toolkit

This Appendix shows the instructions for the Pilot Testing of the Sustainability Impact Assessment Toolkit. The instructions were given to the student groups involved in the testing. Details of this process are provided in Section 3.2.2.

Information for all participants

This is a group task, requiring teams of 3-4 people. As a team you will carry out a sustainability assessment from one of two perspectives: a local authority assessing the value of a service they have outsourced; or a social enterprise attempting to show the value of their operation to a local authority. You will be asked to form groups in class and will be assigned one of roles.

As the sustainability report is aimed at decision makers at a high level in a local authority, it should be no longer than 2000 words (not including appendices). The report should be well referenced and include the following:

- An executive summary (not included in the word count)
- Introduction
- A description of the methods and sources of data collection/analysis used, including justifications of the methods as a way to address the problem
- Presentation of the completed assessment criteria
- Reflections on the process (including such considerations such as value judgements, potential for bias and challenge of providing measurable evidence)
- Recommendations and conclusions

Information on each role

Local Authority Role

Local authorities in Scotland are increasingly looking for new solutions for delivery of public services. Examples of public services are recycling and waste collection, leisure and sport facilities and social care. They aim to make both economic savings and ensure service delivery is socially and environmentally beneficial to the communities they serve.

Many public services are now outsourced to social enterprises. This creates more community-based organisations running essential services and can vastly increase the positive sustainable impacts of services. However, outsourcing also creates pressure on local authorities and the social enterprises running the services to prove these impacts in evidence based way.

The demand to evidence social and environmental impact is further expanded with the introduction of the Procurement Reform Bill, which will come into force in 2013. This bill will provide a legislative framework to ensure that economic impact of public sector spending (currently totalling £9bn annually in Scotland) is maximised in terms of environmental sustainability, social responsibility and innovation of goods and services.

The Sustainable Procurement Bill will affect all public spending, including the outsourcing of public services to social enterprises. With this in mind, a Sustainability Impact Assessment Toolkit has been developed to ensure that decision making for procurement is transparent, consistent, and in line with principles of sustainable development. The toolkit you will be using in this scenario testing is a prototype developed within the David Livingstone Centre for Sustainability, in conjunction with Argyll and Bute Council (a Scottish local authority), a regional social enterprise network and members of the Sustainable Procurement Bill steering committee.

The Task

The local authority is operating in a time of budget reductions and cutbacks. However, the local authority also needs to ensure that local services continue in a sustainable way. You are part of the procurement team within the local authority. The head of the department has asked you to provide an assessment of the overall social, environmental and economic value provided by granting the contract to the social enterprise. This will ensure that those making the decisions during the negotiations will have all the information available to them. The Sustainability Impact Assessment Toolkit will help guide the process. Information on the social enterprise is provided below. You may also use any other sources and methodologies to add to the report, ensuring they are referenced accordingly.

Social Enterprise Role

Business Description

The social enterprise collects and processes recyclable waste through domestic kerbside, commercial business and bring-site collection services. The material is subsequently sorted and sold to the recyclates market. People with special and social needs are trained to collect waste, divide and bale the various recyclates and ensure the end product is market ready. The social enterprise has provided this service to the local authority since 1995.

Business Profile

The social enterprise provides scheduled kerbside collection for 60% of households in the area governed by the local authority (total population 90,000). The base of operation is in the largest town in the area (population 10,000), with town centre warehouse space and three vehicles a significant part of the business infrastructure. Domestic kerbside customers are provided with bags from which the recyclable waste is collected, encouraging the wider public to engage in environmentally friendly practices.

The processed recyclates are sold within a partner network, which offers the flexibility to ensure the highest price is received. The income from the sale of recyclates last year was £89,000. The income streams also include a contract with the local authority for the collection of recycled waste as part of the Area Waste Plan for the region. The contract is worth £187,500 per annum. This contract is due to be renegotiated in the near future.

New Initiatives

The social enterprise has recently engaged in the production of biofuel from waste cooking oil. This fuels the fleet of vehicles and contributes to a reduction in both costs and greenhouse gas emissions. The next phase of the operation is to take ownership of the supply chain of biofuel production in the area, from sale and collection of cooking oil to

commercialisation of the end product. A document shredding service has also brought additional income of £5,000 per annum, with a high volume industrial shredder offering added value for business customers.

Outlook

The social enterprise is looking to become more financially sustainable over the next two years. The additional revenue streams such as biofuel and shredding services aim to provide the capital to continue the employment of special needs staff. However, the threat of a reduced income from the local authority as a result of the contract renegotiations could significantly harm the long-term prospects of the social enterprise.

The Task

Your task is to produce a report showing the value to sustainability, both at a local and global level, of the social enterprise. By evaluating and demonstrating social, environmental and economic value, the social enterprise will be able to enter contract negotiations in a much stronger position. The local authority has given you a copy of their Sustainability Impact Assessment Toolkit to guide the process. Additional information is provided below. You may also use any other sources and methodologies to add to the report, ensuring they are referenced accordingly.

Additional information for groups

1. Mission Statement of the Social Enterprise

(1) To promote and preserve the natural environment for the benefit of the general public and in particular to promote, advance, manage and effect the provision, development and improvement of facilities for waste minimization, and to assist in the adoption of practices, which are directed towards reducing unnecessary depletion of natural resources and/or reducing the volume of non-recycled waste.

(2) To promote education in the field of waste management and, in particular to collate information and carry out research in that field and disseminate such information and the results of such research, all with a view to encouraging the use of more sustainable waste management practices.

(3) To relieve poverty among the residents of Kintyre ("the Operating Area") and in particular individuals suffering from mental/physical disability, illness or impairment.

(4) To promote and/or provide training in skills of all kinds, particularly such skills as will assist residents of the Operating Area in obtaining paid employment.

(5) To promote, establish and operate other schemes of a charitable nature for the benefit of the community within the Operating Area.

2. Waste recycling figures 2011

Material Recycled	Tonnage Collected
Aluminium	8.242
Steel	15.529
Paper	247.630
Cardboard	178.453
Plastic	48.149
Textiles	83.841

3. Employee statistics

Operating with a total of 31 employees. Provides 21 target employees with income of up to £16,689 and saves the public an average of £3,843 per target employee in public assistance and social service costs.

Employee Assessment	
Special Needs	10 staff
Previously benefit dependent	7 staff
Social Needs	4 staff

4. Other initiatives

- 1. Working with local school to teach children about recycling and what happens to waste after it is collected.**
- 2. Micro-scale wind turbine installed on-site providing 5,701kWh per annum power to the recycling depot.**
- 3. Pilot testing of collection of used furniture (10 tonnes collected), clothing (2 tonnes) and toys (0.5 tonnes) for resale in a local town centre shop space.**
- 4. Pilot testing of remanufacture of white goods and electronic devices for resale in a local town centre shop space.**

Appendix G Original event programme for Procurement, construction and carbon accounting: Maximising social, environmental and economic value

Wednesday 1st May 2013 (9.00 am – 4.30 pm)

This event will combine keynote presentations on topical issues in delivering sustainability in the current economic climate with practical workshops.

Keynote morning speakers

1. **The Procurement Reform Bill (Scotland), Barbara Morton, Sustainable Procurement Ltd**

This Bill will lead to new legislation affecting all areas of public, private and third sector procurement. Barbara is currently on the consultation committee for the Bill.

2. **Sustainable Strathclyde: Lessons learned for Environmental and Social Responsibility, Dean Drobot, University of Strathclyde, Energy and Environmental Manager**

- Dean will discuss the University's social and environmental aspirations and will share the approach to meeting these targets.
- Standing out from the crowd – carbon auditing and environmental credentials for business, Andrew Millson – Scottish Business in The Community

Overview of the business benefits of the SME Carbon Audit Project and having robust environmental credentials when tendering for contracts and attracting new customers.

Lunch and networking

Parallel afternoon workshops

- Sustainability Impact Assessment Toolkit: How do you know if your procurement is sustainable? Facilitator John Watt (toolkit developer).
- The workshop will help public, private and third sector organisations to measure and prove social, environmental and economic value of procurement.
- Sustainable Procurement for University framework suppliers. Facilitator Dean Drobot.
- University Estates and Procurement teams will discuss commercial advantages of supplier engagement with a focus on large construction contracts.

Who should attend?

SMEs, public, private and third sector practitioners concerned with sustainable procurement, sustainable construction or sustainable production.

Benefits of attending

- Learn how to maximise social, environmental and economic value
- Find out about forthcoming legislation from those involved in its development.

- See how the SME Carbon Audit Project has been successfully applied to help local businesses reduce energy costs and save money.
- Learn how to assess sustainability impacts.
- Discuss the challenges of designing cost effective buildings with lower whole life-cycle emissions, resource use and waste.

Programme timings

9.00-9.30 Registration
9.30-9.45 Introduction
9.45-10.25 The Sustainable Procurement Reform Bill (Barbara Morton)
10.25-10.55 Tea and coffee break
10.55-11.35 Environmental and Social Responsibility at the University of Strathclyde (Dean Drobot)
11.35-12.15 Standing out from the Crowd - carbon auditing and environmental credentials for business, Andrew Millson – Scottish Business in the Community
12.15-12.45 Q and A
12.45-13.45 Buffet lunch and networking
13.45-14.45 1st session of parallel workshops
14.45-15.15 Tea and coffee
15.15-16.30 2nd session of parallel workshop

To register for this free event, please visit the Engage with Strathclyde website (www.strath.ac.uk/engage) or the event page (www.engage.strath.ac.uk/event/60/)

For further information please contact Richard Lord (Richard.lord@strath.ac.uk) or Elsa João

- (elsa.joao@strath.ac.uk)

Appendix H Preliminary Social Accounts Study of Case Study 2

This appendix shows the social accounts study Case Study 2 undertook in 2010 as part of an attempt to show sustainability and wider economic value when going into contract negotiations with Argyll and Bute Council. Names have been changed or hidden to ensure confidentiality.

BUSINESS SUMMARY: [Case Study 2] provides waste management services and access facilities to a disadvantaged area in Argyll and Bute and by operating as a social enterprise offers employment to persons with special/social needs and learning difficulties

2010	Added Social Value	£324,469	Employee Assessment	
			Special Needs 55%	Social Needs 15%
	Inputs	£220,625	Previously benefit dependent 25%	Convicted of a crime 34.6% *
	Council Inputs (SLA)	£187,575		
	Ratio of Social Return	£1.47 : £1		
	Recycled Waste Collected	702 tonnes		
	Carbon Emissions Savings	1054 tonnes		
	Number of Target Employees	14		
	Percentage of Target Employees	70%		

*Figure includes up to six community service placements

OVERVIEW

- Consistent delivery of environmental outcomes, contributing to a 702 tonne diversion from landfill and 1054 tonne carbon emission reduction for Kintyre in 2010
- Proven success in developing social skills, confidence, self-esteem, co-ordination skills, physical fitness and independence of special needs employees
- Employees demonstrating enthusiasm and capabilities receive skills training and career development
- Provides a target employee with income of up to £16,689 and saves the public an average of £3,843 per target employee in public assistance and social service costs

TARGET EMPLOYEE STATISTICS

- 55% Special Needs
- 15% Social Disadvantage

EMPLOYEE HIGHLIGHT

Peter, who has special needs, joined [CASE STUDY 2] in 2001. Through the Hansel Workstep Programme he excelled in the tasks he was given and showed increased confidence and aptitude. He has now progressed into full, open employment, obtaining first his driving licence and then his forklift licence in the process.

Peter has at gone on to become a vital member of the team and has been able to achieve self-assurance and independence in his life both within and outside of work.

[CASE STUDY 2] aim to develop more staff like Peter in the future, with his case an example of the benefits of such an approach to employee recruitment and progression.

[CASE STUDY 2] MISSION STATEMENT

Our mission is:

(1) To promote and preserve the natural environment for the benefit of the general public and in particular to promote, advance, manage and effect the provision, development and improvement of facilities for waste minimization, and to assist in the adoption of practices, which are directed towards reducing unnecessary depletion of natural resources and/or reducing the volume of non-recycled waste.

(2) To promote education in the field of waste management and, in particular to collate information and carry out research in that field and disseminate such information and the results of such research, all with a view to encouraging the use of more sustainable waste management practices.

(3) To relieve poverty among the residents of Kintyre ("the Operating Area") and in particular individuals suffering from mental/physical disability, illness or impairment.

(4) To promote and/or provide training in skills of all kinds, particularly such skills as will assist residents of the Operating Area in obtaining paid employment.

(5) To promote, establish and operate other schemes of a charitable nature for the benefit of the community within the Operating Area.

MANAGEMENT

GENERAL MANAGER

[Case Study 2 Manager] has been in her current role as general manager since [CASE STUDY 2] restructured in 2007. Through renegotiation of contracts and the sourcing of alternative funding, [Case Study 2 Manager] has been able to make considerable efficiency savings whilst simultaneously expanding the business scope.

BUSINESS DESCRIPTION

[CASE STUDY 2] collects and processes recyclable waste through domestic kerbside, commercial business and bring-site collection services. The material is

NEW INITIATIVES

[CASE STUDY 2] have recently engaged in the production of biofuel from waste cooking oil. This fuels [CASE STUDY 2]'s vehicles and contributes to a reduction in both costs and greenhouse gas emissions. The next phase of the operation is to take ownership of the supply chain of biofuel production in the Campbeltown area, from sale and collection of cooking oil to commercialisation of the end product. A document shredding service has also brought additional income, with the high volume industrial shredder offering added value for business customers.

OUTLOOK

[CASE STUDY 2] is looking to become more

subsequently sorted and sold to the recycle market. People with special and social needs are trained to collect waste, divide and bale the various recycles and ensure the end product is market ready. [CASE STUDY 2] has provided this service to Argyll and Bute since 1995.

BUSINESS PROFILE

[CASE STUDY 2] provides scheduled kerbside collection for 60% of households in the South Kintyre area of Argyll and Bute. The base of operation is in Campbeltown, with town centre warehouse space and three vehicles a significant part of the business infrastructure. Domestic kerbside customers are provided with bags from which the recyclable waste is collected, further encouraging the wider public to engage in environmentally friendly practices. The bring-site collection covers a geographic area that spans as far as Oban and the A83 to Tarbet, with additional monthly collections in Gigha.

The processed recycles are sold within a partner network, which offers the flexibility to ensure the highest price is received. The income streams of [CASE STUDY 2] also include a service level agreement with Argyll and Bute Council for the collection of recycled waste as part of the Area Waste Plan for the region.

Social Impact Analysis- Kintyre Recycling Ltd

SOCIAL PURPOSE RESULTS

A preliminary social account study examined the outcomes of Kintyre Recycling Ltd ([CASE STUDY 2]) regarding the social, environmental and economic impacts on stakeholders. Using precedents from similar organisations and information from various secondary sources, an analysis of the added social value of [CASE STUDY 2] has been developed.

[CASE STUDY 2] provides employment and training for those with social and special needs in the Kintyre area. [CASE STUDY 2] is saving the public sector a potential minimum of £3,843 in care and assistance costs per target employee (1). This saving to the public sector was supplemented by average income tax of £2,577 per employee. As well as savings to the public, target employees gaining full time employment can increase their income by an average of £4,292 when reducing their reliance on care and assistance (2).

The environmental outcomes of the business operations amounted to a 702 tonne diversion of recyclable waste from landfill. This contributed to a reduction of over 1054.3 tonnes of CO2 emissions (3). The collection and recycle or re-use of textiles, a service which only [CASE STUDY 2] would carry out in Kintyre, is worth an additional £7996.75 to the Scottish economy in carbon credits (4).

financially sustainable over the next two years. The additional revenue streams such as biofuel and shredding services aim to provide the capital to continue the employment of special needs staff. This will remove the cost of this area of the social mission from the SLA or grant funding and continue to bring added benefits and outcomes to the Kintyre area.

STRENGTHS AND CHALLENGES

CHALLENGES

- Broaden products and services to absorb the impact of decreasing recycle prices
- Further engage the Kintyre community with environmental services and education

STRENGTHS

- No local competition due to peripheral location
- Continuity of employment of experienced staff team
- Good cross boundary working practices
- Loyal and efficient workforce
- Good community support
- Flexibility of approach and attitude

ENTERPRISE FINANCIALS

The Service Level Agreement provides income of £187,575, a significant proportion of which is reinvested in local economy through the various social outcomes of [CASE STUDY 2]. Revenue of £72,033 was generated from the sale of recyclates, income which is also retained in Kintyre. Reinvestment of the income will provide further benefits for Kintyre through employee retention and increased environmental operations such as biofuel production. The expansion of services will also enable [CASE STUDY 2] to continue to operate at current capacity in an unpredictable market for recycled goods.

SOCIAL PURPOSE ENTERPRISE INDICATORS

The employment of special and social needs workers has not caused any inefficiencies in the allocation of the strategic waste fund. The social savings and income for the employees will actually save the public purse around £3,843 per annum per employee (1). The recycling operations will keep over £200,000 in the local economy at the same time as contribute over 1054 tonnes of carbon emissions reductions.

(1)source: Wise Group

(2)source: Wise Group

(3)source: Carbon Trust

(4)source: SROI Project

SOCIAL PURPOSE RESULTS

ADDED VALUE PER PARTICIPANT

Indicator	Amount
Welfare benefits savings from employment*	£1,858
Welfare benefits savings from employment outcomes*	£1,040
Increased tax income from employment	£2,577
Increased income of participants on the Workstep programme	£1,310
Increased income of those entering employment*	£4,292
Increased employability of those not entering employment*	£661
Increased earnings potential in future arising from employment experience*	£897
Drugs and mental health outcomes*	£67
Reduced maintenance costs*	£878
Total	£13,580

*figures based on Wise Group Study

CARBON EMISSIONS SAVINGS

Material	Collected (Tonnes)	CO2 Emissions (Tonnes)*	Saving
Aluminium	8.242	49.6	
Steel	15.529	17.3	
Paper	247.63	346.6	
Cardboard	178.453	250	
Plastic	48.149	72.2	
Textiles	83.841	318.6	

*figures based on Carbon Trust Conversion factors

RETAINED INCOME FOR KINTYRE

Revenue Stream	Revenue from resale
Sale of Recyclates	£72,033
Service Level Agreement	£187,575

Appendix I Workshops 1 and 2 Sustainability Impact Card Placements on Matrix

This appendix shows the full results of the Sustainability Impact Card placements on the matrix during Workshops 1 and 2. Section 3.3 of this thesis details the workshop delivery. Section 6.2 shows the analysis of the results. Each matrix in this appendix shows the placement of one card by all groups. This shows the trends of each sustainability impact in terms of perceived priority and ease of measurement.

Sustainability Impact Card 1 Placement on Matrix

Increase in number and range of jobs in geographic area

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W2-G1 W1-G2 W2-G3	W1-G1 W2-G2	
	Average		W1-G4 W2-G4	
	Hardest		W1-G3	

Sustainability Impact Card 2 Placement on Matrix

Increased skilling of labour through schemes such as training, apprenticeships and internships

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G2	W1-G1 W2-G2 W2-G3 W2-G4	W1-G4 W2-G1
	Average		W1-G3	
	Hardest			

Sustainability Impact Card 3 Placement on Matrix

Supports the growth of social enterprise

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			
	Average	W1-G1 W2-G4	W1-G4 W2-G1 W2-G2	
	Hardest	W1-G2 W1-G3	W2-G3	

Sustainability Impact Card 4 Placement on Matrix

Supports the growth of local SMEs

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest		W1-G1 W1-G2 W2-G2	W1-G4
	Average	W1-G3 W2-G4	W2-G1 W2-G3	
	Hardest			

Sustainability Impact Card 5 Placement on Matrix

Improves local town centres, including heritage of buildings, access to amenities, and range of services

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			
	Average	W1-G2 W1-G4		W1-G3 W2-G2 W2-G4
	Hardest			W1-G1 W2-G1

Discard: W2-G3

Sustainability Impact Card 6 Placement on Matrix

Enhances and improves local arts, culture and tourism activity

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			W1-G2 W1-G3
	Average			W1-G1
	Hardest		W1-G4	W2-G1 W2-G2 W2-G4

Discard: W2-G3

Sustainability Impact Card 7 Placement on Matrix

Results in increased health and social care in the community

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest		W1-G3	
	Average	W2-G2	W1-G1	
	Hardest	W1-G2 W1-G4	W2-G1 W2-G4	

Sustainability Impact Card 8 Placement on Matrix

Increases access to and improves quality of health and social care

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			
	Average	W2-G2	W1-G2 W2-G4	W2-G1
	Hardest	W1-G1		

Discard:
W1-G3
W1-G4
W2-G3

Sustainability Impact Card 9 Placement on Matrix

Increases opportunities for choice of healthcare, security, education and employment

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			
	Average		W1-G2 W2-G1 W2-G2	
	Hardest	W1-G4 W2-G4	W1-G1	

Discard:
W1-G3
W2-G3

Sustainability Impact Card 10 Placement on Matrix

Improvement of amenities and services for local community, through resource and efficiency savings

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G3 W2-G2		
	Average		W1-G1	
	Hardest	W1-G2	W1-G4 W2-G3 W2-G4	W2-G1

Sustainability Impact Card 11 Placement on Matrix

Helps ensure that current resources and services are enhanced for future generations

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			
	Average		W1-G2	
	Hardest	W1-G1 W1-G3 W1-G4 W2-G1 W2-G2 W2-G4	W2-G3	

Sustainability Impact Card 12 Placement on Matrix

Socio-Ecological adaptation, diversity, flexibility and reversibility has been considered

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G1		
	Average	W1-G2 W1-G4 W2-G2	W2-G1	
	Hardest	W1-G3 W2-G3	W2-G4	

Sustainability Impact Card 13 Placement on Matrix

Any building developments enhance the land, e.g. through use of green spaces, remediation of contaminated land

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G4	W1-G1 W1-G2 W2-G1 W2-G2 W2-G4	
	Average	W1-G3 W2-G3		
	Hardest			

Sustainability Impact Card 14 Placement on Matrix

Culturally important amenities are enhanced

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			W1-G2 W1-G3
	Average			W2-G1
	Hardest		W1-G1 W1-G4	W2-G2 W2-G4

Discard:
W2-G3

Sustainability Impact Card 15 Placement on Matrix

Access to quality green space is improved

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest		W1-G4 W2-G2	W1-G2 W1-G3
	Average		W1-G1 W2-G4	W2-G1
	Hardest			

Discard:
W2-G3

Sustainability Impact Card 16 Placement on Matrix

Production of goods or delivery of services is carried out with minimum energy use

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G1 W2-G4	W2-G2	
	Average	W2-G1		
	Hardest	W1-G2 W1-G4 W2-G3	W1-G3	

Sustainability Impact Card 17 Placement on Matrix

Will help increase the amount of energy from renewable sources

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G4 W2-G2 W2-G3 W2-G4	W1-G2 W2-G1	W1-G1
	Average			
	Hardest	W1-G3		

Sustainability Impact Card 18 Placement on Matrix

Will lead to a reduction in GHG emissions

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W2-G1 W2-G3 W2-G4	W1-G1 W1-G2	
	Average			
	Hardest	W1-G4	W1-G3 W2-G2	

Sustainability Impact Card 19 Placement on Matrix

Will lead to a decrease in water consumption

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G4 W2-G2 W2-G3	W1-G2 W2-G1	W1-G1 W2-G4
	Average		W1-G3	
	Hardest			

Sustainability Impact Card 20 Placement on Matrix

Designed to ensure reuse and/or remanufacture of resources and materials

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G2 W1-G4 W2-G4		
	Average	W2-G3	W2-G1	W1-G1
	Hardest	W1-G3 W2-G2		

Sustainability Impact Card 21 Placement on Matrix

Materials used are from sustainable sources, including locally sourced, ecologically maintainable stocks

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G2 W2-G2 W2-G4		W1-G1
	Average	W1-G3	W2-G3	
	Hardest	W1-G4 W2-G1		

Sustainability Impact Card 22 Placement on Matrix

Uses materials from local suppliers, including social enterprises

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest		W1-G1 W1-G2 W2-G3	W1-G4
	Average	W1-G3	W2-G2 W2-G4	W2-G1
	Hardest			

Sustainability Impact Card 23 Placement on Matrix

Uses local supply chains

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G2	W2-G4	W1-G4
	Average	W2-G1	W1-G1 W2-G2 W2-G3	
	Hardest	W1-G3		

Sustainability Impact Card 24 Placement on Matrix

Consultation has been actively carried out with local communities and stakeholders

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G1 W1-G2 W2-G2 W2-G3	W1-G4 W2-G1 W2-G4	
	Average			
	Hardest	W1-G3		

Sustainability Impact Card 25 Placement on Matrix

Local community stakeholders are encouraged to respond to the procurement decision

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest		W1-G4	W2-G1 W2-G2 W2-G3
	Average	W1-G3		W1-G1
	Hardest		W1-G2 W2-G4	

Sustainability Impact Card 26 Placement on Matrix

Stakeholders are encouraged to access sustainability assessment and evidence of decision making process

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G4 W2-G4	W1-G1 W1-G3 W2-G1 W2-G3	
	Average			
	Hardest		W1-G2 W2-G2	

Sustainability Impact Card 27 Placement on Matrix

Provides capacity to mitigate changes, such as security of energy supply and reduced inward resource flow, to the area

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G2 W2-G4		
	Average	W1-G4 W2-G1 W2-G2		
	Hardest	W1-G1	W1-G3 W2-G3	

Sustainability Impact Card 28 Placement on Matrix

Will strengthen community understanding of social and environmental issues

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest			
	Average	W2-G2		
	Hardest	W1-G3 W1-G4 W2-G3	W1-G1 W1-G2 W2-G1 W2-G4	

Sustainability Impact Card 29 Placement on Matrix

Will demonstrate a good example of sustainability principles

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G2	W1-G1 W1-G3 W2-G1 W2-G2	
	Average		W1-G4	
	Hardest		W2-G3 W2-G4	

Sustainability Impact Card 30 Placement on Matrix

Risk assessment has been carried out

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G1 W1-G3 W1-G4 W2-G3		W2-G1
	Average		W2-G2	
	Hardest			

Discard: W1-G2 W2-G4

Sustainability Impact Card 31 Placement on Matrix

Contingency plans put in place as part of procurement process

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G4		W1-G1 W2-G1 W2-G4
	Average	W2-G3		
	Hardest			W2-G2

Discard: W1-G2 W1-G3

Sustainability Impact Card 32 Placement on Matrix

Suitable outcomes indicators or KPIs have been developed

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G1 W1-G3 W2-G1	W2-G4	W1-G2
	Average	W1-G4 W2-G3	W2-G2	
	Hardest			

Sustainability Impact Card 33 Placement on Matrix

Criteria for success and positive sustainable impact have been considered

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G3 W2-G1	W1-G2	W1-G1
	Average	W1-G4 W2-G3	W2-G2 W2-G4	
	Hardest			

Sustainability Impact Card 34 Placement on Matrix

Sustainability Choice Space

		Priority of Sustainability Impact		
		Most Important	Quite Important	Least Important
Difficulty of Measurement or Evidence	Easiest	W1-G4 ³		
	Average	W1-G1 ¹		
	Hardest	W1-G3 ²		

¹Partnership, Collaboration and Co-Production

²Increase local capacity to do this (human resources, directory of companies etc.)

³Considers whole life costing during procurement, not just initial outlay

Only three groups used the sustainability choice space card. These were all from Workshop 1.

Appendix J Average Scores of Sustainability Impact Cards from Workshops 1 and 2

This appendix shows the average score for the eight groups for each Sustainability Impact Card from the two workshops (with the exception of Card 34). The scores are based on the aggregated placement on the matrix. This scoring is detailed in Section 3.3. Analysis of these scores is in Section 6.2.

Variability is the number of squares on the matrix each card was spread over across all eight groups. The maximum variability score possible is eight squares, equalling the most disagreement across all eight groups. The minimum possible is one square, which would equate to complete agreement across all eight groups. The discard option has been counted as one choice too.

Sustainability Impact Card (Number and Description)	Score	Variability
1. Increase in number and range of jobs in geographic area	6.6	4
2. Increased skilling of labour through schemes such as training, apprenticeships and internships	5.5	4
3. Supports the growth of social enterprise	6.1	4
4. Supports the growth of local SMEs	5.8	4
5. Improves local town centres, including heritage of buildings, access to amenities, and range of services	3	4
6. Enhances and improves local arts, culture and tourism activity	1.8	5
7. Results in increased health and social care in the community	5.5	5
8. Increases access to and improve quality of health and social care	3.3	5
9. Increases opportunities for choice of healthcare, security, education and employment	3.7	4
10. Improvement of amenities and services for local community, through resource and efficiency savings	5.3	5
11. Helps ensure that current resources and services are enhanced for future generations	6.3	3
12. Socio-Ecological adaptation, diversity, flexibility and reversibility has been considered	7	5
13. Any building developments enhance the land, e.g. through use of green spaces, remediation of contaminated land	6.8	3
14. Culturally important amenities are enhanced	2.2	5
15. Access to quality green space is improved	3.7	5
16. Production of goods or delivery of services is carried out with minimum energy use	7.1	5
17. Will help increase the amount of energy from renewable sources	7.2	4
18. Will lead to a reduction in GHG emissions	6.7	4
19. Will lead to a decrease in water consumption	6.2	4
20. Designed to ensure reuse and/or remanufacture of resources and materials	7	5

Sustainability Impact Card (Number and Description)	Score	Variability
21. Materials used are from sustainable sources, including locally sourced, ecologically maintainable stocks	7.1	5
22. Uses materials from local suppliers, including social enterprises	5.1	5
23. Uses local supply chains	6	6
24. Consultation has been actively carried out with local communities and stakeholders	7.6	3
25. Local community stakeholders are encouraged to respond to the procurement decision	4.1	5
26. Stakeholders are encouraged to access sustainability assessment and evidence of decision making process	6.2	3
27. Provides capacity to mitigate changes, such as security of energy supply and reduced inward resource flow, to the area	7.1	4
28. Will strengthen community understanding of social and environmental issues	5.6	3
29. Will demonstrate a good example of sustainability principles	5.7	4
30. Risk assessment has been carried out	5.5	4
31. Contingency plans put in place as part of procurement process	3.3	5
32. Suitable outcomes indicators or KPIs have been developed	7.1	5
33. Criteria for success and positive sustainable impact have been considered	6.6	5

Appendix K Argyll and Bute Council Corporate Board Minutes 24th March 2014

This appendix shows the original minutes from the Argyll and Bute Council Strategic Management Team / Corporate Improvement Board on 24th March 2014 and the Argyll and Bute Council Version of the Sustainability Impact Assessment Toolkit submitted as part of this process. This meeting approved the Sustainability Impact Assessment Toolkit as an official Council document. It also outlined the plan for implementation of the Toolkit. Section 6.4 of this thesis analyses these minutes.

ARGYLL AND BUTE COUNCIL STRATEGIC MANAGEMENT TEAM / CORPORATE IMPROVEMENT BOARD CUSTOMER SERVICES 24th MARCH 2014

SUSTAINABILITY TOOLKIT

SUMMARY

- 1.1 As part of its duty to pursue Best Value, the Council needs to demonstrate a contribution to sustainable development, now and in the long term. Sustainability was part of the Corporate Improvement Programme and has now been mainstreamed. Improvement and HR working with Economic Development (Social Enterprise team) have been involved in a series of pieces of work (the ABLSI project) which has culminated in the development of a revised and updated Sustainability Assessment Toolkit.
- 1.2 Argyll and Bute Local Services Initiative (ABLSI) highlighted the importance of social impact measurement in demonstrating the added value that third sector organisations can bring to the delivery of services.
- 1.3 The revised Sustainability Impact Assessment (see Appendix 1) has been developed to guide officers and elected members in decision making in line with the ABLSI recommendations and action plan. The toolkit is appended for consideration and approval. The new toolkit should be used by the council and third sector organisations, which ensures a collective partnership approach to sustainability assessment across Argyll and Bute.

RECOMMENDATIONS

That SMT:

- Approve the revised Sustainability Impact Assessment Toolkit

DETAIL

Background

As part of our on-going commitment to continuous improvement and compliance with Best Value, Argyll and Bute Council in conjunction with ABLSI, the University of Strathclyde and the

Social Value Lab undertook a review of the Council's Sustainability Impact Assessment toolkit. A new Sustainability Impact Assessment Toolkit was developed and presented to the ABLSI Project Board for approval. This work was supported by The Carnegie Trust.

Function and purpose

The Sustainability Impact Assessment Toolkit (SIAT) provides guidance to officers and members for the assessment of service design and delivery options.

The toolkit also draws upon current research and findings on sustainable development, with a particular focus on greater integration of social, environmental and economic planning.

The toolkit includes a checklist that should be used to carry out the assessment and includes a combination of wider sustainability issues, linked to global and national policies and targets, and local issues.

Next steps

The new toolkit should be used when developing new policies or strategies; reviewing current policies, strategies or services; and planning new projects. It will be integral to the approach that we take to ensuring the sustainability of service redesign in relation to the service prioritisation process.

Once approved the toolkit will be available on 'The Hub' and guidance and advice in completing the assessments will be available from the Improvement and Organisational Development team. If required training will be developed and made to available to officers.

CONCLUSION

As part of the Council's commitment to Best Value, a review of the existing Sustainability Impact Assessment Toolkit was undertaken with a new improved toolkit developed which should be used in the decision making process when developing/reviewing policies or strategies and when planning new projects. This toolkit has been developed making best use of partnership working and funding opportunities.

IMPLICATIONS

HR POLICY	None The new toolkit should be used when developing new policies and reviewing current policies or strategies.
FINANCIAL EQUALITY	None The assessment process will help the council to meet its duties in relation to the Equality Act 2010.
LEGAL	Under the Local Government Scotland Act 2003, it is the duty of the local authority to make arrangements to secure continuous improvement in performance and to contribute to the achievement of sustainable development.
RISK	There is a risk to the council if it does not contribute towards sustainable development that complies with the duties under the Act.
CUSTOMER SERVICE	None

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Head of Improvement and HR, [Telephone Number Hidden]

[Name Hidden]

Development Projects and Renewables Manager, Economic Development, Development and Infrastructure, [Telephone Number Hidden]

For further information:

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ARGYLL AND BUTE COUNCIL

**SUSTAINABILITY IMPACT
ASSESSMENT TOOLKIT**



1 What is the Sustainability Impact Assessment Toolkit?

1.1 Function and purpose of the toolkit

The Sustainability Impact Assessment Toolkit (SIAT) provides guidance for the assessment of service redesign in order to ensure sustainable goods and services. The toolkit shows how each service redesign decision can be assessed for sustainability. Argyll and Bute Council needs to ensure that the decisions made today will not adversely impact on the future of communities, the economy or the environment. As part of its duty to pursue Best Value, the Council needs to demonstrate a contribution to sustainable development, now and in the long term.

This toolkit provides:

- A checklist which should be completed with service redesign
- Minimum standards which proposals need to meet, as well as preferred standards
- Guidance on what evidence needs to be submitted along with the checklist

The SIAT does not create a new policy. It is based upon a mix of the Guiding Principles from Argyll and Bute Council's Corporate Plan 2010-2013. The toolkit also draws upon current thinking in terms of sustainable development and greater integration of social, environmental and economic planning.

2 What is sustainability assessment?

Sustainability assessment can act as a guide towards better decision-making on all aspects of an operation. Sustainability assessment examines the social, environmental and economic impacts of a particular decision or development. The balance between positive and negative impacts thus is made clearer and evidenced accordingly. The links between global, national and local sustainability concerns can also be understood and demonstrated.

2 How to carry out the sustainability assessment

2.1 When is a sustainability assessment required?

Subsequent demands for greater transparency of decision-making processes mean that evidence for consideration of social, environmental and economic factors will be required for all service redesign.

Sustainability Assessment should be undertaken by officers, supervisors and managers who are:

- Developing new policies or strategies
- Reviewing current policies or strategies
- Planning new projects
- Reviewing current services

2.2 How this toolkit will help you

Part 3 of this toolkit includes a checklist that should be used to carry out the assessment. The checklist can be used alongside any other documentation and assessments to support your service redesign decisions.

Section 4 provides notes to help approach the questions in the checklist. It also provides guidance for any supporting evidence and documentation that may be needed. The policies, legislation and principles that form the checklist questions are also outlined in this section.

2.3 How to answer the assessment questions

Sustainability Assessment Checklist

The Sustainability Assessment Checklist questions are a combination of wider sustainability issues, linked to global and national policies and targets, and local issues. The scale, complexity and value of the service redesign will determine the level of detail needed. Major service redesign may need a full assessment and report, with evidence for each relevant point on the checklist. Smaller service redesign may be able to consider each point without the need for evidence.

Not all criteria on the checklist will be relevant to all service redesign. If a point on the checklist is not relevant, please indicate in the comments column. An explanation as to why the point is not relevant may be required, particularly for major service redesign.

Each checkpoint on the assessment form has a minimum and preferred standard. If a service redesign does not meet the minimum standard please explain why this is so in the comments column. Short-term compromises are acceptable if they can be justified with proof of an eventual gain.

2.4 How the toolkit links to other assessments

Some service redesign already requires, or makes use of, other assessments. One such example is Equalities Impact Assessment already used by Argyll and Bute Council. Other assessments that may be relevant to this process include:

- **Social Accounting and Audit (SAA)**
- **Social return on Investment (SROI)**
- **Strategic Environmental Assessment (SEA)**
- **Environmental Impact Assessment**
- **Health Impact Assessment**
- **Volunteering Impact**
- **Social Impact measurement for Local Economies (SIMPLE)**

Information from any additional assessments can be used to complete the relevant areas of the checklist. Additional assessments do not have to be carried out as part of this sustainability assessment. The toolkit is designed to provide documented verification that each area of sustainability has been given due consideration in the process.

2.5 How the toolkit links to other plans and policies

The checklist questions are based upon Argyll and Bute policies and guidance. In addition, national policies are also taken into account.

3 Sustainability Impact Assessment Toolkit

Name of function or project			
Description of service redesign			
Type of assessment	Full		Outline
Name of Lead Officer(s) completing assessment			
Date(s) of assessment			
Name(s) of other parties involved in the assessment			
Brief description of other parties involvement in assessment			
The following other assessments have also been completed			
	Social Accounting and Audit (SAA)		
	Social return on Investment (SROI)		
	Strategic Environmental Assessment (SEA)		
	Environmental Impact Assessment		
	Health Impact Assessment		
	Volunteering Impact		
	Social Impact measurement for Local Economies (SIMPLE)		
	Consultations: surveys, focus groups, interviews, user feed back (including complaints made)		
	Citizens' Panel		
	Consultant reports		
	Other (please specify)		

Note: Not all criteria on the checklist will be relevant. If a point on the checklist is not relevant, please indicate in the comments column. An explanation as to why the point is not relevant may be required.

Each checkpoint on the assessment form has a minimum and preferred standard. This is for guidance in making the correct decision. If a service design does not meet the minimum standard please explain why this is so in the comments column. Short-term compromises are acceptable if they can be justified with proof of an eventual gain.

Sustainability assessment checklist: Livelihood sufficiency and opportunity

Sustainability Issues	Minimum standard	Preferred standard	Comments	Note your evidence
Employment				
How will the service redesign improve employment opportunities for Argyll and Bute residents?	There are no job losses in the area as a result of service redesign.	The service redesign results in an increase in the number and range of jobs in the area		
How will the service redesign help increase job skills in the Argyll and Bute region?	Contributions made towards employment, training, education and voluntary placements.	Exceeds minimum contributions to skilling of labour through schemes such as provision of mentoring agreement with schools and colleges; programmes to engage with people with social and special needs.		
Enterprise				
How will the service redesign impact on local businesses?	The service redesign will not harm the local businesses ability to compete in Argyll and Bute.	The service redesign supports the growth of social enterprise.		
How will the service redesign encourage the growth of social enterprise, community organisations and local SMEs?		The service redesign makes full use of local enterprise and skills available. The service redesign provides additional benefits to local businesses, such as use of existing local supply chains.		
Town centres and local services				
How will the service redesign generate improvements to local town and village centres?	The service redesign will not affect the amenities in town centres or result in the loss of small business units.	The service redesign improves the local town centres, including the heritage of the buildings, access to amenities, and range of services.		
Arts, culture and tourism				
How will the service redesign support regeneration and wealth creation through the arts, culture and tourism?	The service redesign will not negatively affect arts, culture and tourism activity.	The service redesign helps enhance and improve local arts, culture and tourism activity.		

Sustainability assessment checklist: Intragenerational equity

Sustainability issues	Minimum standard	Preferred standard	Comments	Note your evidence
<p>Health and well being</p> <p>How will the service redesign contribute to the health and well being of the local community?</p> <p>How will the service redesign overcome health inequalities?</p>	<p>The service redesign will not negatively affect health in Argyll and Bute.</p> <p>The service redesign will not negatively affect access to health and social care in the community.</p>	<p>The service redesign will result in increased health and social care in the community.</p> <p>The service redesign will increase access to and improve quality of health and social care.</p>		
<p>Choice and opportunity</p> <p>How will the service redesign increase livelihood choices for local residents?</p>	<p>Opportunities for choice of healthcare, security, education and employment are not diminished.</p>	<p>Opportunities for choice of healthcare, security, education and employment are increased.</p> <p>Political influence of disadvantaged stakeholders in the community is increased.</p>		
<p>Resource distribution</p> <p>How will the service redesign ensure that any resource savings and efficiency gains go to those in the local communities who require it most?</p>	<p>Resource savings and efficiency gains will not ensure further advantage to the most affluent in the community.</p>	<p>Resource savings and efficiency gains will be specifically aimed at reducing the gap between rich and poor in the local communities.</p>		

Sustainability assessment checklist: Intergenerational equity

Sustainability Issues	Minimum standard	Preferred standard	Comments	Note your evidence
Resource exploitation				
How will the service redesign ensure that the capacity of resources and services are available for future generations?	The service redesign ensures that current resources and services will still be available to future generations.	The service redesign ensures that current resources and services are preserved and enhanced for future generations.		
Adaptation				
How will the service redesign assist the communities of Argyll and Bute to adapt to social, environmental and economic changes?	The service redesign provides the capacity and qualities to adapt to changes, such as security of energy supply and reduced inward flow of resources to the area.	The service redesign provides the capacity and qualities to adapt to and mitigate changes, such as security of energy supply and reduced inward flow of resources to the area.		

Sustainability assessment checklist: Socio-ecological factors

Sustainability Issues	Minimum standard	Preferred standard	Comments	Note your evidence
Using land efficiently				
Will the service redesign use land efficiently and in a way that is compatible with the local context?	Any building developments are on brownfield land.	Any building developments enhance the land, for example through use of green spaces, remediation of contaminated land.		
How will the service redesign contribute to Argyll and Bute's rural and urban green spaces?	There is not a net loss of publicly accessible open space.	There is a net gain of publicly open space. Access to quality green space is improved.		
Biodiversity				
How will the service redesign contribute to nature and biodiversity?	The service redesign meets the standards set in the Argyll and Bute Local Biodiversity Action Plan (LBAP)	The service redesign exceeds the standards set in the Argyll and Bute Local Biodiversity Action Plan 2010-2015 (LBAP)		

Sustainability assessment checklist: Resource maintenance and efficiency

Sustainability Issues	Minimum standard	Preferred standard	Comments	Note your evidence
Energy use				
How will the service redesign minimise the use of energy?	The redesigned service or product meets the minimum standards of energy efficiency in its sector.	The redesigned service or product meets the preferred standards of energy efficiency in its sector.		
Will the redesigned service or product make use of a clean source of energy?	The redesigned service or product meets the minimum standards of energy supply standards in its sector.	The redesigned service or product meets the preferred standards of energy supply standards in its sector.		
Will the procured service/ redesigned service make use of on-site renewable energy technologies?		The procured service/ redesigned service uses renewable energy on-site for its day-to-day operations.		
Reducing greenhouse gas emissions				
How will the service redesign minimise the greenhouse gas emissions generated?	The service redesign meets the minimum standards of CO ² e reduction targets in its sector.	The service redesign meets the preferred standards of CO ² e reduction targets in its sector.		
Water				
How will the service redesign minimise water consumption?	The service redesign meets the minimum standards of water minimisation targets in its sector.	The service redesign meets the preferred standards of water minimisation targets in its sector.		
Waste minimisation				
How will the service redesign promote waste minimisation during its use?		The service redesign will be designed to ensure the reuse and/or remanufacture of resources and materials.		
Materials				
How will the service redesign reduce the environmental impact of any materials used?	The materials used are from accredited sustainable sources.	The materials used are from accredited sustainable sources, including locally sourced, ecologically maintainable stocks.		
How will the service redesign ensure that any materials used are from a socially responsible source?	The service redesign uses materials from fair trade or equivalent suppliers.	The service redesign uses materials from local suppliers, including social enterprises.		
Transport impacts				
How will transport impacts be mitigated as part of procurement strategy?	The service redesign makes use of existing logistics for transportation needs.	The service redesign uses local supply chains in order to minimise impacts.		

Sustainability assessment checklist: Socio-ecological civility and democratic governance

Sustainability Issues	Minimum standard	Preferred standard	Comments	Note your evidence
Consultation				
Has the local community been consulted at planning stage?	Local community has access to information.	Consultation has been actively carried out with local communities and stakeholders.		
Has the procurement process/ service redesign ensured that social enterprises are encouraged to offer services?	Social enterprises are considered at planning stage.	Social enterprises are consulted and engaged with throughout planning stage.		
Communication and response				
How will local stakeholders be able to directly communicate and respond to the service redesign decisions?	Local stakeholders are able to access the relevant decision making body.	Local stakeholders are encouraged to respond to the service redesign decision through a democratic network of community groups and networks.		
Social and environmental impact				
How will the service redesign provide social or environmental value to Argyll and Bute?	The service redesign will not negatively affect the local community resilience, economy or environment.	The service redesign will increase the local community resilience, economy or environment.		
Understanding of sustainability impact				
How will stakeholders in local communities be informed of the sustainability impact of the service redesign?	Local stakeholders will be able to access the sustainability assessment and evidence of the decision making process.	Local stakeholders are encouraged to access the sustainability assessment and evidence of the decision making process through community groups and networks.		
How will the sustainability impact of the service redesign strengthen the understanding of sustainable issues in the area?	The service redesign will demonstrate compliance to sustainability principles within the council and to relevant stakeholders.	The service redesign will demonstrate a good example of sustainability principles within the council and to the wider community.	The procurement, in its function or service, will strengthen the local community understanding of social and environmental issues.	

4 Notes to help completion of toolkit

The toolkit is based upon a combination of Argyll and Bute Council Guiding Principles, the potential legislation arising from The Procurement Reform Bill Consultation Paper, economic development policies and generic criteria for sustainability assessments.

Argyll and Bute Council Guiding Principles

There is a diversity of services and therefore the Guiding Principles have been developed so that they can be applied to impact differently on each service. All five Guiding Principles should be applied if a policy or function is to be sustainable. They will help the Council to achieve an effective balance between the needs of our communities and the development of the economy with minimum impact on the environment. The Guiding Principles are shown in bold with further explanation below each one.

Developing, empowering and including our communities

- Ensure that all members of the community are included by developing the skills that help to fulfil their aspirations and ambitions and improve self-esteem;
- Ensure that no-one is discriminated against on grounds of gender, race, disability, age, belief (religious or political) or sexual orientation;
- Promote social justice and inclusion, health and well-being;
- Ensure that all individuals or communities have access to employment, housing, education, training and other opportunities.

Protecting, enhancing and managing natural resources and environment

- Adopt a 'reduce, re-use, recycle' approach;
- Minimise demand on environmental resources, eg material and energy;
- Make more use of energy from renewable sources, e.g. wind, wave, solar, bio-mass;
- Safeguard and enhance the natural and historic environment and biodiversity;
- Protect and manage the landscape and natural habitats.

Developing the economy using innovative and creative solutions

- Work with partners to find local solutions to develop and sustain the economy;
- Develop the local economy with minimum impact on the environment;
- Encourage new kinds of industry to the area to sustain employment;
- Integrate transport systems to support the economy and community.

Taking an open, honest and accountable approach

- Ensure good governance;
- Learn from our experiences, good and bad.

Taking decisions that will maximise benefit and minimise impact across these areas

- Carry out an impact assessment at the planning stage;
- Include and involve communities in the decisions that affect them;
- Include whole-life costing in the decision-making process (e.g. what will the long-term maintenance and energy costs be?);
- Be an advocate for Argyll and Bute - try to work to change circumstances that have an adverse impact;
- When necessary to compromise, choose what will result in the least adverse impact.

The Reform Bill

The public sector is in a position to contribute to and influence the Scottish economy towards a more sustainable model. The Reform Bill aims to ensure that public bodies steer the market in a more socially and environmentally responsible direction. The aims of the Reform Bill include:

1. Targeted Recruitment and Training (providing employment and training opportunities)
2. SME development

3. Social Enterprise development
4. Community consultation
5. Environmental improvements
6. Education/community engagement

The checklist within the toolkit has been designed to cover all of these elements of procurement reform.

5 **Contacts**

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Contents of Supplementary Disc

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