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Item No. 5
Halifax Regional Council
August 3, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Phillip Townsend, Director, Infrastructure and Asset Management

DATE: July 15, 2010

SUBJECT: **The Natural Step: Best Practices Scan of Sustainability Decision
Making and Planning for the Municipal Sector**

INFORMATION REPORT

ORIGIN

This report originates from Staff.

BACKGROUND

In the early 2000's, as a precursor of the Regional Plan, a substantial community engagement process was completed which delivered a set of desired community outcomes. Since that time, the Halifax Regional Municipality (HRM) has been committed to being a Healthy, Sustainable, Vibrant Community in directing policy and decision making. Healthy, Sustainable, Vibrant Community is an overarching theme of Council Focus Areas and Community Outcomes.

In 2004, HRM started a relationship with The Natural Step. The Natural Step is a non-profit organization, founded with the vision of creating a sustainable society. For two decades, The Natural Step has been at the forefront of international research and dialogue about sustainable development. They have developed a proven, science based model that helps communities and businesses better understand and integrate environmental, social, and economic considerations. Founded in 1989 by Dr. Karl-Henrik Robèrt in Sweden, The Natural Step has expanded to eleven countries with a list of partners that includes some of the world's leading brands.

In 2005, The Natural Step delivered a Corporate Sustainability Analysis that provided HRM staff with the following priorities to focus on:

- Green Buildings
- Green Procurement
- Green Corporate Culture

HRM remains a member of The Natural Step Exchange. The Natural Step Exchange is a network for leaders and practitioners who want to learn, share and connect with others while accelerating change toward a sustainable Canada and provides opportunities to:

- Learn from a rich selection of resources;
- Share stories, best practices, lessons learned, successes and challenges;
- Connect and forge new relationships with others moving toward sustainability;
- Collaborate to craft solutions and explore new sustainability horizons in Canada.

DISCUSSION

Recently, The Natural Step shared a report titled “Best Practices Scan of Sustainability Decision Making and Planning for the Municipal Sector” (attached), which was prepared for the City of Saskatoon. The report overviews a summary of best practices on integrating sustainability into governance.

Corrections to the report are as follows:

- Page 5: The department is headed by me, Richard MacLellan. The department was formerly headed by Stephen King, a former General Manager of Parks and Natural Services. Mr. King retired in 2008.
- Page 7: HRM has not completed a State of the Environment Report. This is a desired outcome from the Sustainable Transition Team to complement the corporate reporting format spearheaded by Michael Pappas and BPIM.

BUDGET IMPLICATIONS

This report provides no implications to the HRM operating or project budgets.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

There was no community engagement related to this report.

ATTACHMENTS

Best Practices Scan of Sustainability Decision Making and Planning for the Municipal Sector

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Richard MacLellan, Manager, SEMO, 490-6056



Best Practices Scan of Sustainability Decision-Making and Planning for the Municipal Sector

Summary Report
May 2009

Prepared by
Pong Leung of The Natural Step Canada
Design by Sean Rioux

Background

Under the Federal Gas Tax Agreement, municipalities are required to develop an Integrated Community Sustainability Plan (ICSP) to accelerate the shift in local planning and decision making toward a more long-term, coherent and participatory approach. An ICSP is a strategic business plan for the community that identifies short, medium, and long term actions for implementation, tracks and monitors progress, and is reviewed and revised regularly.

In preparation for the development of its ICSP, the City of Saskatoon, Canada asked The Natural Step to perform a scan of the best practices of leading municipalities with respect to integrating sustainability into governance and decision making.

This document contains excerpts from The Natural Step's Best Practices Report.

Approach and Process

The work was guided by two well researched and proven frameworks for sustainability, strategic planning and governance. The first is Doppelt's Wheel of Change, which outlines best practices in sustainability and governance¹. The second is the Framework for Strategic Sustainable Development, commonly known as The Natural Step Framework www.thenaturalstep.org/en/canada/applying-framework.

For the external scan, three municipalities were selected based on their successful work with integrating sustainability into decision making and governance systems. These were:

- Halifax Regional Municipality (Nova Scotia)
- The District of North Vancouver (British Columbia)
- The Region of York (Ontario)

Key staff in these municipalities were asked to fill out a questionnaire, which was followed by interviews to learn more about their work.

¹ Doppelt, Bob (2003) *Leading Change Toward Sustainability: A Change-Management Guide for Business, Government and Civil Society*. Greenleaf Publishing.

This section provides a summary of best practices for integrating sustainability into decision making and governance.

The best practices are presented in a loose chronological order to help provide guidance to the reader; however, they should not be considered steps in a process.

- The first four best practices speak more to leadership commitment and elements that need to be in place to successfully integrate sustainability into governance systems.
- The next four speak more to engaging the rest of the organization in the sustainability efforts and integrating sustainability into governance systems.
- The last two speak to engaging the broader community and the process of continuous learning.

Best Practice #1: Create a shared understanding of sustainability that can be integrated into the long term goals of the community.

- In the early 2000's, HRM identified "a Healthy, Sustainable, Vibrant" community as one of its four major corporate themes. They felt that using an independent group like The Natural Step (TNS) and its Sustainability Principles was helpful because of its tried and proven rigour to help build a common understanding of sustainability.
- Prior to 2006, the Region of York produced a long term vision document, *Vision 2026: Towards a Sustainable Community*, that outlines the sustainability vision for the community and signals the commitment of the organization. In addition to staff dialogues, the Region held a multi-stakeholder sustainability symposium with 120 community leaders to learn about and explore sustainability from a broader community context. This was done to include the public in the dialogue, and a Towards Sustainability Advi-

sory Group was established to provide ongoing input from community leaders. The Region also spent considerable effort in engaging Council to raise awareness and its understanding of sustainability. This included discussing sustainability in reports to Council, and showing how it would help address key issues within the Region, (e.g. in the context of ongoing growth management). It was important to increase awareness and understanding of sustainability among all three stakeholders (i.e. the public, Council and staff) at the same time because engaging one makes it easier to engage the others.

- At DNV, Council adopted The Natural Step Framework as a policy to guide long-term strategic planning in 2004. This provided a strong policy to help with decision making and planning and sent a signal in terms of leadership and intention. They also identified a vision to "become one of the most sustainable communities in the world by 2020". The TNS Framework was considered useful, but alone was not sufficient in their context. Specifically, they found that they needed to put sustainability into the context, language and culture of DNV, and they worked quite hard on that aspect of it. It was important to have a "foundation" (e.g. having a vision, mission, values) to build upon where sustainability could be integrated, rather than having sustainability treated as "another issue" to deal with. To assist with this, they engaged the organization in developing a set of core values.

* Please note that interviewees noted the importance of not only having a shared with 'definition of sustainability, but, more importantly, providing the training, decision-making support and incentives for people to take meaningful steps to apply that definition to their work. Otherwise people may be confused by or even resistant to sustainability because they don't know how it relates to their jobs.

Best Practice #2: Establish sustainability as a corporate strategic priority, meaning it is a priority of the Council / CAO, signaling that all departmental business plans need to reflect how they address it.

- At HRM, Environmental Sustainability has been identified as a one of six corporate strategic priority areas set by the Chief Administrative Officer (CAO), meaning that all departmental business plans need to explain how they are helping to achieve it in support of the Regional Council's priorities. This is critical because it sends a message to the entire organization that sustainability is important and that resources should be dedicated to it.
- At the Region of York, in 2006, Council adopted a sustainability strategy with over 100 actions. All strategies and documents are analyzed from a sustainability perspective to develop a series of sustainability principles for major plans. Plans need to demonstrate how they are complying with these principles in order to be in line with the community's longer term sustainability vision, including the transportation master plan, water master plan and so on. Staff reports to Council also include their progress on sustainability.
- At DNV, strong emphasis has been placed on having sustainability integrated into everyone's job and woven into the corporate culture (i.e. "the way we do business") rather than having it be a standalone issue that is part of only one or a few people's jobs. Key to this was senior level support and messages from the Mayor and senior management to reinforce that sustainability is part of everyone's job. The "foundation", from above, acts as a guide to help people integrate sustainability into corporate work plans.

Each of the municipalities who took part in the surveys and interviews also took steps to understand sustainability in the context of their own operations by creating corporate action plans in order to better understand sustainability and demonstrate a leadership role to the rest of the community. This is further elaborated upon in the following sections.

Best Practice #3: Constantly and persistently communicate the sustainability need, vision, strategies, priorities, etc.

Ultimately, communication is linked very closely to senior commitment, both by Council and Senior Management. All survey and interview participants commented on the importance of knowing that "the top" sees sustainability as important, in particular via actions that demonstrate this.

- HRM has created visible ways to communicate the "why" and "how" of sustainability. For example, HRM uses its "Naturally Green" brand to communicate its sustainability initiatives. A number of newspaper special features each year, websites, newsletters, public workshops, T.V. and radio ads are branded through Naturally Green. In addition to media-related communication, the sustainability message was also communicated in other highly visible ways, for example, the CAO's Award of Excellence (a very visible and prestigious event) was given to three people for their sustainability work. The top priorities identified in their corporate sustainability analysis (see below) were constantly communicated to and by leadership and staff via newsletters, internal websites, and conversations to keep people engaged. It was important to focus on only a few priorities, because having too many makes it difficult to communicate.
- At DNV, there is a constant need to communicate the rationale and strategies for sustainability to Council. For example, staff reports to Council often try to connect to sustainability objectives. They discuss sustainability-related topics during "policy nights" (time for open dialogues with Council about policy). These discussions include the corporate sustainability plan, sustainability at the municipal level, new ways to report and communicate, official community plan review, etc.
- At the Region of York, to communicate the importance of sustainability and show leadership support, the CAO weaves sustainability into his presentations and discussions. Having corporate leaders on Council and staff is critical.

Best Practice #4: Establish the sustainability initiative within a part of the organization that has credibility with the rest of the organization to lead it, so the sustainability initiative is not seen as “one department telling another what to do”.

- At HRM, the development of the corporate analysis was coordinated out of the Sustainable Environment Management Office (SEMO) which serves as a coordination body for HRM’s sustainability initiatives. This office was set up on behalf of the CAO to provide corporate leadership and direction on environment and sustainability related policy, strategy and meaningful actions, including an integrated systems approach to clean air, land, water and energy issues. It is headed by a former GM of Parks and Natural Services who has credibility with departmental staff, and headquartered in the Infrastructure and Asset Management Department. It frequently reports to both the deputy CAO and Council on sustainability matters, although it officially reports to the director of the department.
- At DNV, responsibility for their corporate sustainability initiative currently resides in the CAO’s office with the Manager of Corporate Planning and Projects, because the DNV sees sustainability as part of its corporate long-term strategy and integrated into all functions of the municipality. Cross division leadership and coordination is done at the highest level within the Senior Management Team.
- At the Region of York, the coordination of the sustainability project is steered by both the office of the CAO and the planning department, who in turn report to the Senior Management Team. There is also a cross-departmental technical group who coordinate the many activities across the organization.

Best Practice #5: Conduct a corporate-wide sustainability analysis to identify key priorities and cross-cutting

themes that act as a focus for multi-departmental initiatives.

- In 2004, HRM performed a corporate-wide sustainability analysis to identify gaps and opportunities at the municipality. 25 managers from 13 departments were involved in the analysis to learn about use of energy, water, land, materials, transportation and about social sustainability. A total of 14 different recommendations were identified, and staff prioritized three key recommendations around procurement, buildings and corporate culture. The top priorities were constantly communicated to and by leadership and staff via newsletters, internal websites, conversations and so on to keep people engaged. It was important to focus on only a few priorities, because having too many priorities makes it difficult to communicate.
- At DNV, one of the key early steps was to develop a framework where the organization could simply understand all the activities it was working on and how each was helping the municipality to meet its sustainability objective, because they have a rich staff history and experience in sustainability. Subsequently, they have performed a corporate sustainability analysis using The Natural Step Framework to better understand their current performance and how current initiatives help them meet their objectives. The baseline analysis was used to help generate actions and identify priorities and recommendations for Council. In addition, the DNV continues to perform more specific analyses such as energy audits, a water balance audit and a pilot green building program analysis that complement and dig deeper than the broader baseline analysis.
- In the Region of York, in 2006, over 90 members of its management team including the CAO and senior managers participated in a sustainability think tank to deepen their understanding of sustainability and to explore how the region could become a more sustainable community. This was also complemented by additional training sessions.

Best Practice #6: Establish teams consisting of people across the organization and from different levels of management to support the analysis and its implementation.

- At HRM, to support the development of actions in the key priority areas, a cross-departmental Sustainability Transition Team of 20 was created including members of senior management, middle management, and “rising stars” in the organization. This has helped to facilitate faster decision making, cross pollinate information and knowledge, and support and promote sustainability throughout the Corporation.
- At DNV, to perform the corporate sustainability analysis and action plan, cross-division project teams were established with 45 people in the organization, including senior staff and managers in all divisions and departments. These people went through training, both on-line and in-person (three workshops), and also worked on the analysis and action plan. A “core team” of 17 people did further work to go deeper in the analysis work. Beyond this project, cross-division leadership and coordination is done at the higher level, i.e. within the Senior Management Team. Cross-divisional teams were found more useful when there was a project to support their work.
- At York, the coordination of the sustainability project is steered by both the office of the CAO and the planning department, who in turn report to the Senior Management Team (SMT). There is also a cross-departmental technical group who coordinate the many activities across the organization.

Best Practice #7: Establish a sustainability training program to help people understand what sustainability is, why it is important and how to integrate it into their work.

- Recently at HRM, 200-300 people from several departments participated in a series of training sessions to further integrate sustainability into HRM’s corporate culture, including both in-person workshops and online training. A common language around sustainability was mentioned as an important outcome of the training. All sessions provided training at the introduc-

tory level, mainly via online learning. This is followed by training more tailored to staff members’ functions. (e.g. green procurement training was provided to all procurement staff in the form of workshops, webinars, and informal “lunch and learns”. Procurement department training has contributed to empowering staff to seek out information on eco-labels, ask related questions of vendors, and look for more sustainable options.

- At the DNV, as part of the suggested next steps from the corporate sustainability analysis and action plan for their sustainability initiative, they will be recommending a broader training program to raise awareness.
- As part of the strategy to create a corporate culture around sustainability the Region of York has launched a broad employee training program on sustainability. So far, 120 staff have taken the 1.5 day course, and another 120 are planning to in the future. This course was developed in conjunction with York University, with help from The Natural Step.

Best Practice #8: Integrate sustainability into policies and procedures so that sustainability becomes “the way things are done”.

- Currently, HRM is developing, piloting and refining a “sustainability filter” to integrate sustainability into ongoing decision-making that can be applied to different types and scales of decisions within HRM. The fundamental purpose of the filter is to provide a science-based, easy-to-use and understand tool / protocol to help assess the sustainability of major corporate decisions, actions, purchases, etc. This tool is being developed via pilot initiatives throughout HRM to make sure that it is a tool that reflects the needs of the municipality. Pilot projects exist with capital projects, cleaning supplies, and so on. The goal is to develop one tool that can be used in all situations. In addition, their procurement policy, which currently clearly directs and empowers the municipality to procure goods and services in a sustainable manner, will be updated this year to include more current guidance and relevant language regarding sustainability.

- The Region of York has been increasingly integrating sustainability into annual business plans of 15 to 16 business units. Sustainability targets will also be incorporated into performance agreements of senior staff.
- At DNV, to help with prioritizing and decision making, they have developed a simple tool to act as a decision-making filter that asks the user to explain how the action helps the municipality achieve its sustainability vision. They have used this tool to scan over 300 proposed actions and have narrowed them down into 16 priority actions to move forward. They will continue to develop additional filters to help in decision making. They are exploring strategic planning and reporting software to help link their high-level vision and foundation pieces to departmental business plans via policy goals and measures.

Best Practice #9: Connect with stakeholders outside of the municipality to create a critical mass of people engaged in sustainability.

- In 2007, HRM joined 13 other municipalities, organizations and businesses from across Atlantic Canada in the Atlantic Canada Sustainability Initiative (ACSI). HRM was a founding member of this collaborative initiative, which was launched to help build a critical mass towards local and regional sustainability by establishing a sustainability learning community throughout the Atlantic region. As well, the procurement department often works with and empowers vendors to help with identifying solutions and options, by asking relevant questions and being open to new possibilities. They also collaborate with the provincial procurement department to develop joint product specifications for janitorial products and services. This met resistance at first from suppliers, but then the “market adjusted”. This approach ensures consistency and fairness in expectations of the market.
- In 2006, the Region of York held a multi-stakeholder sustainability symposium with 120 community leaders

to learn about and explore sustainability from a broader sustainability context. This was done to include the public in the dialogue. A Towards Sustainability Advisory Group was established to provide ongoing input from community leaders.

- At DNV, they are currently preparing for a review of their official community plan (OCP) in the form of an ICSP, and hope to start with the development of a community vision in the spring. Currently they are working with group of 30 community leaders to give advice to help develop the process for the OCP review process. In addition, cross divisional multi-disciplinary teams will be established to undertake planning analysis and policy development and gear up for the public engagement process.

Best Practice #10: Report on progress and learn from the journey.

- The Region of York has a report card, *Vision 2026: Towards a Sustainable Region*, which measures and demonstrates progress towards their sustainability goals to help them celebrate success around sustainability and to inform a continuous improvement process. As well, they have invited a number of outside organizations (e.g. York University, The Natural Step, local stakeholders, etc.), to review their sustainability work to see if they have missed something and to continually improve their work.
- To measure and report progress, HRM uses a wide range of tools such as their *State of the Environment (Sustainability) Performance Report* and ecological footprint reporting, They also participate in national surveys such as the Corporate Knights National Sustainable Cities Survey.
- At DNV, one of the key lessons shared is that there is no prescribed path for the sustainability journey and that you learn along the way.

Discussion on Common Barriers

This section provided a summary of common barriers that are often encountered by municipalities looking to integrate sustainability into decision-making and governance.

- The presence of skeptics about the need for sustainability in an organization may act as a barrier, in particular if they are in senior positions. To overcome this, there needs to be lots of discussion to understand what people's concerns are and to address them.
- The relative lack of understanding of the more integrated, more complex nature of sustainability. This reinforces the importance of training, education and awareness building.
- The perception that sustainability is "another thing that I need to do" rather than seeing it as an integrated part of the way that the municipality does business. This speaks to the importance of leadership commitment and integrating sustainability into policies and procedures to provide rewards and incentives to pursue sustainability.

Discussion on Lessons Learned

This section provided a summary of the lessons learned by municipal officials based on their experiences with integrating sustainability into decision making and governance.

- It is a journey that you can't specifically prescribe and a path that takes many turns, but overall the main thing is to feel that it is going in the direction you want to go. It is really a lesson in adaptive management and is sometimes messy. We are all learning along the way.
- The importance of communicating specific benefits to people, community, and council. This must be done simply and in a manner that individuals can easily relate to. Explain what the problem is and how it can be solved in a manner that will make their lives more 'full'. Visually

communicating things is also important.

- Need champions from council, staff and community levels. Senior leadership is critical.
- You do need a good foundation (i.e. current vision, mission, current set of broad corporate goals), because it is much easier to layer richer ideas on top of that.
- While taking a broad approach in building the corporate culture, and encouraging bottom-up generated growth and change, the organization must identify priorities and ensure that resources are allocated appropriately to ensure larger opportunities are captured. Stay focused on key priorities.
- You have to keep communicating on sustainability and need to be very persistent and keep peeling down to deeper levels of understanding. This holds true for all stakeholders.
- Initiatives need to be action oriented, so don't get caught debating the rhetoric. A helpful method is to approach it from the business case perspective for sustainability, i.e. sustainability will help us make better business decisions.
- Sustainability can provide a greater profile for the community. This helps the municipality with its visibility and promotion and gives a much deserved pat on the back to councilors. Ultimately it helps them to better compete on a national and global stage.

Conclusion

This report is an excerpt from The Natural Step's Best Practices Scan of Sustainability Decision-Making and Planning Report, originally prepared for The City of Saskatoon to support their ICSP process. For more information on the municipalities described in the Best Practices section, please visit the links below.

District of North Vancouver

www.district.north-van.bc.ca/

www.thenaturalstep.org/en/district-north-vancouver-bc

Halifax Regional Municipality

www.halifax.ca/

www.thenaturalstep.org/en/city-halifax-ns

Region of York

www.york.ca/





the NATURAL STEP

The Natural Step Canada is a national not-for-profit organization that provides training, coaching and advice on how to advance the practice of sustainability. Our mission is to connect every leader in Canada with the inspiration and education they need to integrate economic, environmental and social priorities into their planning and decision making. We offer a clear, compelling, science-based understanding of sustainability and a practical strategic planning framework to help organizations make the choices that will move them toward sustainability.

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