

IMS

30 July 2004

Institute Members in Scotland

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Dear Sir

CONSULTATION -TAKING IT ON: DEVELOPING UK SUSTAINABLE DEVELOPMENT STRATEGY TOGETHER

On behalf of The Institute of Chartered Accountants in England and Wales (ICAEW) Members' in Scotland Group please find comments in respect of the above consultation document.

Context

Scotland has a relatively small population (circa £5m) with respect to its geographical area. It has a diverse range of community profiles at a regional level which have specific needs.

Integrated Strategic Framework

We consider it should be a key requirement that there is a clear cross cutting, locally focused strategic plan(s) to underpin the objectives, so that there will be sufficient focus and prioritisation for delivery of a rolling programme that take account of items included in point 8.

General Comments

1. The Institute Members in Scotland (IMS) Group wholeheartedly supports the development and implementation of a strategy for sustainable development for the *Scottish Executive* that is shared with the UK Government and the other devolved bodies.

2. We broadly support the content and structure of the strategy and the use of the principles listed in the consultation paper as a practical way forward.
3. We suggest that Scotland integrates its three principles described on page 16 of the paper with the UK principles in order to have common and practical basis for congruency in implementation.
4. We were happy to see that the consultation paper notes the importance of economic wealth in sustainable development and the contribution that business makes to sustainable development.
5. The principle of “Creating an open and supportive economic system to create conditions in which trade can flourish and competitiveness can encourage growth and greater resource efficiency” is a sensible way to include the above point and we believe it is essential that this continues to receive a high profile in the sustainable development strategy.

Comments on Section 12: The business contribution to sustainable development

6. The Institute Members in Scotland Group has welcomed the Government’s proposals for a statutory Operating and Financial Review (OFR) as a sensible framework for listed companies to consider environmental and social aspects of their business.
7. The Institute Members in Scotland Group through the ICAEW is developing further guidance for businesses to report and consider sustainable development. We will be happy to enter into further discussion in this area.
8. The Institute Members in Scotland Group through the ICAEW has been extensively involved in policy and implementation of programmes to encourage enterprise, including in areas of severe poverty. From that extensive experience, and the views of our members, we suggest the following:
 - a. Public sector support for businesses needs to better co-ordinate with private sector business support services. Only through the inclusion of the private sector can business develop and support sustained economic development.
 - b. In particular, publicly funded business support services should seek to broker out services, via private sector providers, wherever possible. This will distort markets less and better aid development of sustained business growth.
 - c. In particularly poor areas of the country, our members have experienced the mixed success of programmes to encourage enterprise. We therefore stress the importance of partnership with business, and lesson learning. Effective programmes need to be replicated, bad programmes need to be re-evaluated or dropped.

- d. The above points highlight important lessons and we believe it would be beneficial for these to be reflected in the strategy.

ICAEW Members in Scotland

In 2001, the ICAEW established the ICAEW Members in Scotland Group to conduct the normal functions of participation and representation of its members available to ICAEW Members elsewhere in the UK. The Group represents over 1,200 Chartered Accountants, 75% of which work in Scottish business organisations covering financial services, oil, media and the public sector. The Group can draw on the extensive resources of the ICAEW a professional body of 125,000 members world wide.

The Group welcomes circulation of Scottish Executive consultations to allow these members to contribute to policy thinking. We hope that the comments on sustainability development are helpful.

Yours faithfully



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Executive

On behalf of Institute Members in Scotland

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