

Corporate social responsibility report

2010-11



Overview

1. This is HEFCE's fourth annual corporate social responsibility (CSR) report. It shows our commitment to CSR and highlights progress in the 2010-11 financial year towards achieving the objectives and targets contained in our CSR policy. The areas covered are:
 - business ethics
 - environmental impacts
 - procurement
 - people
 - community
 - working with the higher education sector.
2. In March 2011 we achieved recertification to ISO14001 and we are preparing to renew the Carbon Trust Standard.
3. Our environmental performance indicators show that:
 - a. We have reduced our total carbon emissions (from energy use and business travel) by 13 per cent since our baseline year of 2002-03, and by 23 per cent since a peak in 2004-05.
 - b. We have reduced carbon emissions from business travel by 42.6 per cent (relative to 2002-03 levels), which significantly exceeds both our 2010-11 and 2013-14 targets. However, we are not on track to meet our targets to reduce carbon emissions from energy use which have increased by 6.9 per cent (relative to our 2002-03 levels).
 - c. An increased number of our staff commute to work by sustainable modes of transport, which now stands at 55 per cent of the workforce.
 - d. We have reduced waste arisings by 6.1 per cent, exceeding our 2010-11 target (relative to 2004-05 levels).
 - e. We are recycling 85 per cent of our waste, exceeding our 2010-11 target by 25 per cent and the 2013-14 target by 20 per cent.
 - f. We have reduced water consumption by 61 per cent since 2004-05. While this is a significant reduction it is below our ambitious target of a 70 per cent reduction in water consumption by 2010-11 relative to a 2004-05 baseline.
4. We are working to improve our performance in all areas, but need to perform much better in terms of carbon reduction from energy. This will include improving our understanding of where and how energy is consumed so we can take action to further reduce consumption. We recently reviewed our CSR policy and targets in the light of new government targets, and will publish a new one in autumn 2011.
5. We have a set of sustainable procurement principles and have developed a sustainable procurement policy which will be adopted by autumn 2011.
6. Our People Strategy articulates aims, responsibilities and key improvement activities in relation to our approach to people within the organisation. We were ranked in the top 100 companies in the Sunday Times' 'Best Places to Work in the Public Sector and Charities' list, published in March 2011. Staff participate in a variety of volunteer work, and we have a policy that aims to encourage further volunteering and support for colleagues to flex their working hours in order to undertake volunteering.

About HEFCE

HEFCE distributes public money for teaching and research to universities and colleges. Working in partnership, we promote and fund high-quality cost-effective teaching and research, meeting the diverse needs of students, the economy and society. We employ 247 staff (full-time equivalent year ended 31 March 2011), who are mostly based at our main office, Northavon House in Bristol. A few employees are based at Centre Point, our central London office, which primarily consists of meeting space and a 'hot desk' area.

Introduction

7. Corporate social responsibility (CSR) for HEFCE means that we take into account the impacts of our activities on the environment, society and the economy. Our CSR policy for 2008-14¹ describes our overall aims, objectives and targets, and covers our operations at two levels:

- the way we manage our staff and our offices
- the indirect influence we have on the higher education sector through our policies and services.

8. 'HEFCE CSR action plan 2010-2012' sets out the actions we planned to undertake by March 2012 to meet our policy objectives and targets. We are currently reviewing our CSR policy and targets in the light of new government targets and will publish a new policy in autumn 2011.

9. This, our fourth CSR report, details the actions we have taken in relation to our objectives to make progress towards our targets. We report on progress in 2010-11 against our targets using a 'traffic light' system where the activities are classed as 'green', 'amber' or 'red'².

10. For the first time HEFCE's 2010-11 annual report and accounts³ include a sustainability report. This includes progress against the targets set out in our CSR policy and our environmental performance indicators with data on carbon dioxide emissions, office energy consumption, water consumption, waste disposed to landfill and recycling.

¹ www.hefce.ac.uk/aboutus/environ

² Under this system:

- 'green' indicates that progress is being made according to plan and that the activity overall is expected to deliver on time, within budget and to an appropriate quality
- 'amber' indicates that there have been some difficulties with the activity but that remedial action is planned or in place
- 'red' indicates that there have been significant difficulties and delivery of the activity is unlikely.

³ HEFCE's annual accounts are available at www.hefce.ac.uk/aboutus/accounts

Business ethics

11. It is essential that our staff act ethically, fairly, and in the public interest. They should behave with integrity and honesty in all our activities and relationships with others. Business ethics are central to our commitment to CSR and operation as a public body, and we continue to have a strong ethical culture at HEFCE.

12. We have begun an internal review of our ethical policies and guidance for staff which will draw on the work of the 2008 ethical review by University of Leeds academics, as well as evolving ethical standards. Also we recently participated in an Institute of Chartered Accountants in England and Wales (ICAEW) sponsored research project carried out by the University of Leeds on how 'integrity' is promoted in organisations. We will consider the report when it is published next year.

Managing our environmental impacts

13. Climate change remains one of the greatest environmental challenges facing the world. HEFCE continues to be committed to reducing our environmental footprint. We must play our part in helping protect the planet's natural resources for future generations, and scientific evidence shows that society as a whole needs to move more quickly and more effectively to do this.

14. Our prime management tool for managing our environmental impacts is our certification to ISO14001. This is an international environmental management system standard. It enables us to ensure that our key environmental impacts are identified and well managed, and that we comply with all relevant environmental legislation.



15. As an organisation we focus on four key environmental areas:

- reducing carbon emissions from energy use and business travel
- encouraging our staff to commute by sustainable modes of transport
- reducing waste through reuse and recycling
- conserving water.

West of England Carbon Challenge (WECC)

HEFCE is a member of the West of England Carbon Challenge (WECC), a pioneering network of 80 businesses and public sector organisations representing 77,000 staff, coming together across Bristol and Bath to reduce carbon emissions. The initiative was launched in 2009 by Forum for the Future as part of the 'Sustainable Bristol City Region Programme'. Ideas and experiences are shared among members to build on best practice throughout the region to address climate change and the efficiencies and financial savings associated with reducing carbon emissions.

Carbon emissions from energy use

Target: Reduce carbon emissions from energy use by 12.5 per cent relative to 2002-03 by 2010-11

Progress: Carbon emissions from energy use have increased by 6.9 per cent

Target: Increase energy efficiency per m² by 15 per cent relative to 2002-03 by 2010-11

Progress: Energy efficiency has reduced by 14.6 per cent

16. We achieved the Carbon Trust Standard for reducing our carbon emissions by 11 per cent between 2007 and 2008, and will be seeking recertification in 2011. The Carbon Trust Standard certifies that an organisation has reduced its carbon emissions and is committed to making further reductions. We have reduced our total carbon emissions (from energy use and business travel) by 13 per cent since our baseline year of 2002-03, and by 23 per cent since a peak in 2004-05 (Table 1).



17. Our carbon emissions from energy use have not decreased since our baseline year of 2002-03, but have reduced since a peak in 2004-05 by 5 per cent. Emissions from electricity use have increased over the past year at both Northavon House (7.4 per cent) and Centre Point (20 per cent) despite activity to reduce them. While a smart meter has been installed at Centre Point (so that more frequent readings can be obtained) and meter readings have been taken more frequently at Northavon House (to help us analyse the pattern of use), more needs to be done to understand where energy is consumed, so consumption can be reduced further. We remain committed to continuing to reduce emissions, and our CSR action plan for 2010-12 sets out our intentions in this area.

18. Our gas consumption has decreased by 3 per cent over the past year. We use degree-day adjustments⁴, based on published monthly data from our regional weather stations, for internal management information. Our emissions from gas use in 2002-03 were in excess of eight tonnes higher than expected when degree days were taken into account. In 2009-10 however they were more than six tonnes lower than the degree days analysis suggested they would be. This suggests that we are almost twice as efficient (173 per cent) in terms of the gas emissions we generate than in 2002-03.

⁴ A degree day is a single number that quantifies how hot or cold the weather has been for a certain region over a month (or week). The colder the weather in a given month the higher the degree day value. This number helps us account properly for the effect of weather on energy consumption (for example, it allows you to take account of the weather when you compare your energy usage from one year to the next). See www.carbontrust.co.uk/cut-carbon-reduce-costs/calculate/energy-metering-monitoring/pages/degree-days.aspx.

19. Work to manage our emissions from energy use has included replacing windows to gain better insulation, ventilation and light penetration, upgrading the heating and air conditioning system, installing new sensor-controlled light fittings and rationalising IT equipment. One of the principles of our IT strategy is to develop environmentally responsible approaches to the provision of information systems and services, which means the environmental impact will be considered when recommending and implementing new systems and services. We are currently looking to reduce energy consumption through virtualisation and reduced heat generation in our server room.

20. We currently have 100 per cent 'green' electricity contracts for both our offices. We purchase green electricity when it provides value for money, as this will stimulate the market for electricity generation from renewable sources. However, if it does not offer value for money, we believe it is preferable to invest in energy-efficiency projects to reduce consumption rather than pay a large premium for a green energy tariff.

Carbon emissions from business travel

Target: Reduce carbon emissions from business travel by 5 per cent relative to 2002-03 by 2010-11

Progress: We have reduced emissions significantly from business travel by 42.6 per cent

21. As a national organisation HEFCE used to require staff to do a significant amount of travelling to visit institutions and attend events and meetings. While there remains an important need to travel, staff are encouraged to consider alternative means of communication to reduce this need. Public transport is now the norm when staff do need to travel. This shift has been a major contributor to our target.

Promoting sustainable travel

We run a range of initiatives to encourage travel to work by sustainable means.

Staff have access to:

- a salary sacrifice scheme for bike purchase
- cycle sheds, showers, lockers and changing facilities
- free cycle training and maintenance sessions to help staff keep their bikes roadworthy
- bicycle equipment and spares available to enable simple repairs
- four additional dedicated car share parking spaces at the Bristol office bring the total number of spaces to seven
- 'commuter buddy' scheme
- interest-free loans for staff to purchase bus and train season tickets.

**Table 1: HEFCE's annual total carbon emissions, 2002 to 2011
(in tonnes of CO₂)**

Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Emissions from energy use	350	382	394	390	387	346	355	351	374
Emissions from business travel	242	237	270	263	262	256	246	165	139
Total emissions	592	619	664	653	649	602	601	516	513



Commuting

Target: To have 50 per cent of staff regularly commuting to work by sustainable modes of transport by 2010-11

Progress: Fifty-five per cent of staff regularly commute to work by sustainable modes of transport

22. The success of our initiatives to encourage staff to travel to work by sustainable means is reflected in the 55 per cent of staff regularly commuting by sustainable methods, which include walking, cycling, public transport and car sharing. In addition our summer CSR series of events contribute to staff engagement through a variety of activities, and HEFCE continues to provide good facilities to encourage cycling to work. It is hoped that the installation of an additional bicycle shed at the entrance to HEFCE will further encourage staff to travel more sustainably, but importantly we hope it will provide an example of good practice to visitors and the higher education sector.



Waste management

Target: Reduce waste arisings by 5 per cent, relative to 2004-05 levels by 2010-11

Progress: We have reduced waste arisings by 6.1 per cent relative to 2004-05

Target: To be recycling 60 per cent of our waste arisings by 2010-11

Progress: We are recycling 85 per cent of our waste

23. We have recycling schemes for: paper, cardboard, plastic bottles and tops, glass, cans, computing equipment, batteries, metal furniture, fluorescent tubes, organic material, mobile phones, clothes and shoes, and toner and printer cartridges.

24. We continue to aim to reduce and reuse our waste where possible, and recycling has been made easy at HEFCE. The cooperation of all staff is key to achieving our objectives in this area. As well as removing individual waste bins and installing convenient 'recycling points', we have replaced the use of plastic cups and bottled water, with glasses and jugs for chilled water from our energy-efficient hydro-taps. Use of paper towels has been greatly reduced with the installation of efficient hand dryers. Almost all corporate publications are now available via our web-site rather than as paper copy, and we continually try to cut down our use of paper in general by:

- reducing the number of printers and other equipment, and replacing with fewer multi-function printers
- ensuring that printing is double sided by default
- using software such as 'equitrac'.

Consequently our use of paper has fallen by a third (from 1.5 million sheets to 1 million sheets) between 2009 and 2010.



Conserving water

Target: : Reduce water consumption by 70 per cent relative to 2004-05 levels by 2010-11

Progress: We have reduced our water consumption by 61.4 per cent in 2010-11

25. Since 2004-05 we have achieved a reduction in water consumption through initiatives such as installing flow restrictors on taps, installing low-volume toilet cisterns as part of a refurbishment of our cloakrooms, the identification and fixing of a leak, and introducing flush controls on urinals.

26. Our water consumption has decreased by 1.4 per cent over the past year. As stated in the previous annual report, we believe the reasons for higher water consumption since 2008-09 (when water consumption was at an all-time low) is due to an increase in the number of staff cycling to work and using the gym resulting in an increased number of showers taken on-site. However, we do encourage staff to use minimal water when taking showers.

27. Our water consumption per staff member is 6.94 m³, which is excessive compared with the government benchmark of between 4 m³ and 6 m³ per FTE⁵. The best practice benchmark is less than 4 m³ per FTE. We will continue to identify ways to significantly reduce water usage and investigate why we do not meet these good practice benchmarks. Reasons may include staff using showers in the building, as mentioned in the previous paragraph, and an increased use of water by dishwashers: By removing plastic cups we have increased the number of drinking vessels that require washing up. Using a dishwasher is more efficient than individuals washing their own containers, and so we have installed extra dishwashers.



⁵ <http://sd.defra.gov.uk/gov/green-government/commitments/>

Procurement

Target: To achieve level 2 or above across all five themes of the Department for Environment, Food and Rural Affairs' Sustainable Procurement Action Plan Flexible Framework by 2014

Progress: We have achieved level 1 and have achieved some elements of levels 2 and 3. We are on track to deliver to target by 2014

Target: To inform our suppliers of our CSR policy and our expectations of them in relation to this, and for this information to be contained in 95 per cent of our contracts (by number) by 2010

Progress: We have achieved the target, with 95 per cent of our contracts making suppliers aware of our CSR policy and expectations

28. Procurement is uniquely able to influence developments in CSR, because it has a key strategic role in relationships with suppliers. Where HEFCE is concerned, its procurement practices have a wider impact than that: they affect the behaviours of higher education institutions (HEIs), central government departments, and other stakeholders.

29. Good procurement practice not only delivers value for money from non-pay spend, but also improvements in areas such as human rights, greenhouse gas emissions, community relations and product recycling.

30. Since April 2010 86 per cent of the invitations to tender we have issued have included a link to our CSR policy and targets. Since then all our invitations to tender now do so, barring exceptional circumstances. Since July 2009 we have adopted the practice of asking suppliers whether they have a CSR policy and how they feel they might be able to enhance our CSR efforts through use of their services. However, our choice of suppliers is increasingly restricted to those that form part of central government frameworks: we know that CSR issues are included in the over-arching framework agreements, but there is not always an opportunity to choose suppliers based on our own targets.

31. We have adopted a set of sustainable procurement principles and developed a sustainable procurement policy which will be published in autumn 2011. The policy includes CSR as a standard evaluation criterion when tendering for goods and services. We have made changes to the advice in our Procurement Guide to reinforce the need to consider CSR when issuing invitations to tender.

32. We continue to include CSR efforts in the review of relevant contracts such as that for rail travel. Through the use of a central government contract we have eliminated the need for daily courier delivery for train tickets and now print these in-house. We now have an e-tendering system which eliminates the need for postal submissions, couriers, paper and printing.

Biodiversity at HEFCE

A popular event for CSR week was the Global Bee Project workshop which encouraged people to make bee homes to take home, and encouraged staff to look at biodiversity issues. This activity helped publicise the start of a small wildlife garden at HEFCE, which is managed by a group of staff who are interested in gardening and wildlife.



33. Since 2009 we have been providing funding for a Sustainable Procurement Centre of Excellence (SPCE). This intends to make demonstrable changes to the way HEIs embed sustainable procurement into their standard procedures, practices and policies. The centre aims to: build capacity in sustainable procurement; develop capability in influencing supply chains; develop measurement and monitoring tools; and communicate a full understanding of environmental impacts in the specification, production, delivery, utilisation and disposal of goods and services purchased by the higher education sector.

34. One of the key metrics for the success of the SPCE is the increase in CSR procurement efficiencies reported by the higher education sector. In the academic year 2008-09, 24 HEIs reported CSR efficiencies of £3.1 million. In 2009-10, 37 HEIs reported efficiencies of £4.5 million, an increase of 45 per cent. In 2008-09 sustainability accounted for 3.23 per cent of total efficiencies reported to HEFCE by HEIs. In 2009-10 it rose to 3.73 per cent.

People

Target: To continue to measure the engagement and well-being of our staff through the staff survey, ensuring that we continue to compare results against external benchmarks; our peer benchmark organisations (other mid-sized organisations accredited with 1 star by Best Companies™) and our stretch benchmark organisations (other mid-sized organisations accredited with 2 stars by Best Companies™)

Progress: HEFCE retained the Best Companies' 1 Star Accreditation for 'first class' employee engagement, and was ranked in the top 100 Public and Charity organisations in 'The Sunday Times 100 Best Companies to Work For' list in March 2011. Of the 900 organisations who applied from all sectors, just under half received accreditation: 220 of these achieved 1 star status ('first class'), 140 achieved 2 star status ('outstanding'), and 50 achieved 3 star status ('extraordinary')

35. Our target has been changed as we no longer conduct an in-house staff survey. 'The Sunday Times 100 Best Companies to Work For' survey enables us to survey against some standard workplace factors and to benchmark against the performance of similar organisations.

36. Accreditation in the Best Companies survey was based solely on the analysis of staff responses to the following eight key workplace factors⁶:

Leadership – How employees feel about the head of the organisation, senior managers, and the organisation's values and principles

My Manager – How employees feel about and communicate with their direct manager

Personal Growth – What employees feel about training and their future prospects

Wellbeing – How employees feel about stress, pressure at work, and work-life balance

⁶ http://business.timesonline.co.uk/tol/business/career_and_jobs/best_100_companies/best_100_tables/

My Team – Employees’ feelings towards their immediate colleagues and how well they work together

Giving Something Back – The extent to which employees feel their organisation has a positive impact on society

My Company – The level of engagement employees have for their job and organisation

Fair Deal – How happy employees are with their pay and benefits.

37. We continue to retain our ‘Investors in People’ status. Colleagues are encouraged to feed back on our CSR initiatives and to suggest ideas. This can be done through the CSR Implementation Group, and there are opportunities at the annual summer CSR events. We acknowledge the continuing support and efforts of our staff to improve our CSR performance, and recognise that staff are talented, committed and our greatest resource. We update the HEFCE Board annually on progress towards the aims of our People Strategy⁷.

38. The HR function was reviewed in 2010 which included the People Strategy and an exploration of HEFCE’s culture. We are continuing to develop our high performance culture – in particular to explore how better to enable people to work to the best of their ability, for the good of the organisation, while providing an authentic and satisfactory experience.

39. HEFCE promotes staff well-being by ensuring they have the appropriate knowledge, skills and technology to do their jobs, and work in a safe and healthy environment. Last year we launched a ‘Dignity at Work’ policy to further support staff by underpinning our aspiration to provide a work environment that is free from bullying, harassment and discrimination.

Implementing our people strategy

Our People Strategy, developed in consultation with staff, articulates aims, responsibilities and key improvement activities related to:

- a culture that embodies the public service ethos
- focusing human resources advice and change on delivering HEFCE strategy
- attracting and retaining high-calibre people
- exploring people’s full potential
- encouraging creativity and innovation
- supporting people’s well-being in a healthy working environment
- valuing diversity.

⁷ The 2011 report is at www.hefce.ac.uk/pubs/board/2011/139/b35.pdf

40. HEFCE seeks to ensure a healthy workplace for staff. All employees are eligible to use an on-site gym for a small membership fee to cover the cost of fitness training, assessment and maintenance of equipment. There is also a confidential employee assistance service available for all staff and their partners, which provides help with a range of issues such as bereavement, relationships, and legal and financial problems.

41. At HEFCE sickness absence remains relatively low, which may be an indication of staff satisfaction and well-being. We have been awarded a Healthy@Work Gold Award by South Gloucestershire Council in recognition of our 'commitment to actively encourage a healthy workplace environment for employees'.

42. In the most recent Best Companies employee survey, 26 per cent of respondents reported that they experienced stress-related symptoms because of their job in the past 12 months. This is a slight increase on a previous survey. The pattern of results differs between groups within HEFCE, so this is being followed up on a team by team basis.

43. We will be in a better position to achieve our aims as an organisation if we have a more diverse staff, and our commitment to this is set out in detail in our Equality Scheme⁸. We have been making steady progress towards achieving the diversity targets on gender, ethnicity and disability we agreed in 2008. However, if the recent pattern of leavers and starters continues, we will not achieve the second target for 'at least 27 per cent of employees at pay bands 1-8 to be men' by 2013.

44. In support of this, the HEFCE Board⁹ has agreed a set of realistic, but demanding, equality and diversity targets for HEFCE. In summary, by March 2013 we are aiming for:

- at least 40 per cent of employees at pay bands 10 and above to be women
- at least 29 per cent of employees at pay bands 1-9 to be men
- the average annual proportion of employees with a disability to be at least 4 per cent
- the average annual proportion of employees from an ethnic minority to be at least 6 per cent.

45. The first target has been revised upwards from its original level due to our making good progress in the proportion of women at pay band 9 and above. We recognise that, going forward, reducing staff numbers and the Government's recruitment controls will make it harder for us to achieve our ambition to have a more diverse staff profile. Our targets, which only cover some aspects of diversity, will become even more challenging to achieve in the timeframe.

46. The organisation is looking at the possibility of offering work placements to under-represented groups, and the HR team is exploring the potential for making greater use of sandwich students, interns and apprentices across HEFCE.

47. There is work being undertaken to improve the rate of disclosure by staff of disability. We are aiming to foster a culture that enables people to feel confident and comfortable about doing so.

48. Our Dignity at Work policy prioritises the well-being of people in an inclusive work culture that values diversity and is free from bullying, harassment and discrimination. We promote staff well-being by ensuring that they have the appropriate knowledge, skills and technology to do their jobs, and work in a safe and healthy environment.

⁸ For more information see www.hefce.ac.uk/lgm/divers/scheme

⁹ The full Board paper is at www.hefce.ac.uk/pubs/board/2011/139/b35.pdf

49. As an example of our actions we are committed to the ‘Positive about disabled people’ scheme. We are also working towards improving staff disability disclosure rates, through making the definitions more helpful and inspiring confidence that we will use the information to make ‘reasonable adjustments’ and anticipatory measures.

50. We hold an annual CSR event which is supported by senior management to raise staff awareness of issues at work and home, and to celebrate our success in achieving some of our CSR objectives at HEFCE. We look at CSR themes through events, activities and information. In recent years this has been run over a week in June, but in 2011 we ran a CSR month in July, with each week in the month having a theme; this allowed for more activities spread over a week, and more opportunities for staff to attend. One example was a sustainable transport day, including a sustainable commuters’ breakfast, displays of information on commuting options including cycle maps, bus timetables, and a lunchtime bike ride. For the first time we had a biodiversity event which included making homes for bees and creating a bee-friendly garden. Our ongoing awareness-raising campaign includes a CSR section on our intranet, posters, notice board, staff briefings and presentations for new staff.



Fundraising

In 2010-11 the Sports and Social Committee (SSC) has organised cake sales, pub quizzes, football tournaments, alcohol and tea tastings, and sports trips. It has raised over £600 for our nominated charity, the Julian Trust, and £1,000 for national events such as Comic and Sports Relief, and Children in Need.

Community

51. HEFCE has a mission to promote and fund high-quality, cost-effective teaching and research, meeting the diverse needs of students, the economy and society. It is a public body working for the public good. Importantly CSR is also about developing and involving staff, and undertaking initiatives aimed at helping local communities too.

52. We have a policy that aims to celebrate and promote volunteering, and support colleagues to ‘flex’ their working hours to be able to undertake voluntary work. We promote opportunities to staff through, for example, sharing experiences in our HR bulletins and by having access to the University of the West of England volunteering programme. Staff participate in a wide range of volunteering opportunities; some are described under ‘Volunteer profiles’ below.

53. Staff can give to charity tax free and direct from pay through a HEFCE ‘Give As You Earn’ scheme. Members of the HEFCE Sports and Social Committee are active fundraisers too.

54. However, it is not just the local community that benefits. Volunteering and fundraising also help our staff to broaden their own experience and skills, which helps us to recruit and retain the best people.

Promoting diversity

HEFCE maintains that we would benefit from a greater range of staff perspectives and styles, not least because it would enrich our decision making and help us to better understand the potential impacts of what we do. We will be in a better position to achieve our aims as an organisation if we have a more diverse staff. Our internal Diversity Action Group provides advice on equality issues and helps to raise the profile of equality and diversity across HEFCE. In 2010 we established a Diversity Steering Group, which is made up primarily of members of the senior management team and which will be used to drive the equality agenda forward.

Working with the higher education sector

55. In addition to considering CSR in our own operations we work in partnership to influence the higher education sector. We have made sustainable development a central part of our strategy for the future development of the higher education sector so that it is recognised as a major contributor to society's efforts to achieve sustainability. The sector contributes through: the skills and knowledge of its graduates; its research and exchange of knowledge through business, community and public policy engagement; and through its own strategies and operations. We are committed to promoting equality and diversity within staff and student organisations in higher education. This commitment underpins all of our strategic aims.

56. The Equality Act 2010 brings together existing legislation, harmonising the differences and strengthening certain aspects. It also brings with it additional responsibilities for public sector bodies such as a new socio-economic duty, and these will need to be reflected in our Equality Scheme.

57. We are consulting on a new Equality Scheme 2011-2014, in line with our duty within the Equality Act 2010 that requires us to fundamentally review and re-issue our equality scheme every three years. We continue to work in partnership with the Equality Challenge Unit¹⁰ to support institutions to meet the needs of all of their staff and students. In addition, we are committed to ensuring that the voices of disabled people are heard in all areas of HEFCE policymaking, and invite disabled people to participate in the policy-making process.

58. Our sustainable development strategy and action plan¹¹ sets out our approach to promoting the sustainable development agenda in the higher education sector. In 2010 we published a carbon reduction target and strategy for higher education in England¹² in partnership with Universities UK and GuildHE. This includes a sector-level target for carbon reduction and a strategy to support the sector to reduce

¹⁰ For more information see www.ecu.ac.uk

¹¹ 'Sustainable development in higher education: 2008 update to strategic statement and action plan' (HEFCE 2009/03).

¹² www.hefce.ac.uk/pubs/hefce/2010/10_01/

emissions. Institutions are required to have carbon management plans and performance in reducing emissions is a factor in capital allocations through the Capital Investment Framework 2 (CIF 2). All but eight English universities met all the requirements of CIF 2 in 2011. Institutions are required to make their carbon targets publicly available and to have the plans signed off by the governing body. We are providing £10 million of funding for a new round of the Revolving Green Fund (RGF 2) in 2011, which will help to develop further carbon reduction initiatives and build on the success of RGF 1.

59. All our policies have potential sustainable development impacts, both positive and negative. We assess the impacts of all our policies, initiatives and significant projects for sustainable development, equality and diversity, and regulatory burden, and publish the outcomes of these assessments¹³. This assessment process enables us to identify potential negative impacts, take mitigating actions where possible and appropriate, and to use opportunities to positively promote sustainable development and equality and diversity.

Volunteer profiles

Patrick Winch and Sophie Mason

The Easton Arts Trail is organised by volunteers from the local community who work throughout the year to coordinate an annual community event that celebrates the quality and diversity of the creative talent in Easton. HEFCE staff volunteers include Patrick Winch, treasurer and membership coordinator, and Sophie Mason who coordinated the 2011 Arts Trail PR and communication activity

Anna Sherratt

Anna Sherratt is a trustee of St Werburghs City Farm, a well known inner city charity providing educational, recreational and environmental services and resources within a working farm. She provides advice on issues including staff recruitment, risk assessment and engaging the local community'

Rachel Hall

Rachel Hall is a volunteer with 'Contact the Elderly' which works on a simple but effective idea. One Sunday afternoon a month, a group of older people meet for a tea party in the home of a volunteer host. For many of the older people this is one of the few chances they have to socialise, with limited access to public transport and few visitors. There is lots of fun and laughter, and the afternoons are really important to members. The charity relies on volunteer drivers, hosts and coordinators to make this happen.

¹³ For more information see www.hefce.ac.uk/aboutus/sia

Monitoring and review

60. It is important to continually monitor and evaluate what we do to improve our CSR performance, and we report publicly on our performance, and benchmark ourselves to judge the effect of our initiatives.

61. A CSR Steering Group reports to our Executive Group on our CSR activity. Progress is reported every four months to our Executive Group and Board through the monitoring of our operating plan and subsequently on our web-site. A sustainability report is included in our annual report and accounts.

62. In 2009-10 we participated in the Universities that Count scheme, which used Business in the Community's corporate responsibility and environment indices to assess the extent to which environmental and social issues are integrated into an institution's strategy, practices and performance. We achieved the Gold standard with a score of 90.8 per cent, an improvement on our score of 84.7 per cent and Silver standard in the previous year. The scheme did not take place in 2010-11.

63. Where there have been significant improvements in accuracy in primary data and changes to conversion factors we restate data for earlier years. For 2010-11 we restated our waste and scope 3 emissions data for the previous year. We calculate total greenhouse gas emissions (GHGE) following guidance published by the Department for the Environment and Rural Affairs, using current conversion factors for the reporting year and conversion factors applicable in the baseline year where different. Grid rolling averages are used to calculate GHGE from electricity consumption data. The CSR Steering Group aims to increase data accuracy and reduce assumptions every year; all our data assumptions are highlighted in this report. In 2010-11 we applied assumptions to our energy, waste and business travel primary data leading to estimated error margins of less than 10 per cent. These arise from cost proxy estimates on 30 per cent of our business travel emissions; sample estimates on our landfill waste disposal; and estimates of water and heating oil consumption at our London office.

64. Our data at the half-year and year-end points are reviewed internally for accuracy and sense. Data gathering, analysis and processing are subject to a comprehensive external review every three years. The most recent external review was undertaken in early 2009 by Entec, and has informed the calculation of this year's environmental performance indicators. A further review will be conducted in 2012.

Annex A

Environmental performance indicators

	Units	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	
Carbon emissions from energy use and travel											
1	Emissions from energy use at HEFCE's offices (Northavon House and Centre Point)	tonne	374	351	355	346	387	390	394	382	350
1a	Total energy consumption (Northavon House and Centre Point)	MWh	913	884	891	866	942	949	954	947	886
1b	Total energy consumption per m ² floor area	MWh/m ²	0.47	0.42	0.44	0.40	0.41	0.44	0.44	0.43	0.41
2	Emissions from business travel	tonne	139	165	246	256	262	263	270	237	242
2a	Emissions from commuting	tonne	291	273	349	350	261	275	206	181	181
2b	Percentage of staff regularly commuting to work by sustainable modes of transport	% total	55	54	52	51	36	37	35	33	33
Waste disposal emissions											
3	Total waste disposed	tonne	48.1	33.1	54.0	57.6	50.0	58.4	51.2	83.6	104.8
3a	Waste to landfill	tonne	7.2	6.0	23.6	40.4	32.4	38.4	34.0	66.4	86.8
3b	Waste recycled	tonne	40.9	27.1	30.6	17.2	17.6	20.0	17.2	17.2	18.0
		% total	85.0	81.9	56.7	29.9	35.2	34.2	33.6	20.6	17.2
Water consumption											
4	Water usage per staff member	m ³	6.94	6.93	5.40	5.98	6.53	14.74	16.84	12.20	11.80
4a	Water consumption	m ³	1,720	1,744	1,311	1,468	1,573	3,583	4,459	3,115	2,848
Staff numbers											
		FTE	248	252	243	245	241	243	265	255	241

Annex B

Performance against targets

We report on progress using a 'traffic light' system where the activities are classed as 'green', 'amber' or 'red'. Under this system:

- 'green' indicates that progress is being made according to plan and that the activity overall is expected to deliver on time, within budget and to an appropriate quality
- 'amber' indicates that there have been some difficulties with the activity but that remedial action is planned or in place
- 'red' indicates that there have been significant difficulties, and delivery of the activity is unlikely.

	2010-11 target	2013-14 target	Baseline position	2010-11 actual	Progress	Performance against 2010-11 target
Carbon emissions	To reduce carbon emissions from energy use by 12.5 per cent relative to 2002-03	To reduce carbon emissions from energy use by 17 per cent relative to 2002-03	350 tonnes	374 tonnes	Increased by 6.9 per cent	RED
	To increase energy efficiency per m ² by 15 per cent relative to 2002-03	To increase energy efficiency per m ² by 20 per cent relative to 2002-03	0.41 MWh m ²	0.47 MWh	Reduced by 14.6 per cent	RED
	To reduce carbon emissions from business travel by 5 per cent relative to 2002-03	To reduce carbon emissions from business travel by 10 per cent relative to 2002-03	242 tonnes	139 tonnes	Reduced by 42.6 per cent	GREEN
Commuting	To have 50 per cent of staff regularly commuting to work by sustainable modes of transport ¹⁴	To have 55 per cent of staff regularly commuting to work by sustainable modes of transport	33 per cent in 2002-03	55 per cent	Have exceeded 2010-11 target by 5 per cent and met 2013-14 target	GREEN
	Reduce waste arisings by 5 per cent, relative to 2004-05 levels	Reduce waste arisings by 10 per cent, relative to 2004-05 levels	51.2 tonnes	48.1 tonnes	Reduced by 6.1 per cent	GREEN
Waste	To be recycling 60 per cent of our waste arisings	To be recycling 65 per cent of our waste arisings	33.6 per cent in 2004-05	85.0 per cent	Have exceeded our 2013-14 target by 20 per cent	GREEN
	Reduce water consumption by 70 per cent relative to 2004-05 levels	Reduce water consumption by 75 per cent relative to 2004-05 levels	4,459 m ³	1,720 m ³	Reduced by 61 per cent	AMBER

¹⁴ Sustainable modes of commuting include walking, cycling, public transport and car share

Target	Progress	Performance against target
<p>Procurement</p> <p>To achieve level 2 or above across all five themes of the Sustainable Procurement Action Plan Flexible Framework by 2014.</p>	<p>We have achieved level 1 and have some elements of levels 2 and 3. We are on track to deliver to target by 2014.</p>	<p>GREEN</p>
<p>Procurement</p> <p>To inform our suppliers of our CSR policy and our expectations of them in relation to this, and for this information to be contained in 95 per cent of our contracts (by number) by 2010.</p>	<p>In 2010-11 we conducted 46 tenders. We were able to include our CSR policy expectations in 44 thereby achieving our 95 per cent target.</p>	<p>GREEN</p>
<p>Our people</p> <p>To continue to measure the engagement and well-being of our staff through the staff survey, ensuring that we continue to compare results against external benchmarks; our peer benchmark organisations (other mid-sized organisations accredited with 1 star by Best Companies™) and our stretch benchmark organisations (other mid-sized organisations accredited with 2 stars by Best Companies™).</p>	<p>HEFCE retained the Best Companies' 1 Star Accreditation for 'first class' employee engagement, and was ranked in the top 100 Public and Charity organisations in 'The Sunday Times 100 Best Companies to Work For' list in March 2011. Of the 900 organisations who applied from all sectors, just under half received accreditation: 220 of these achieved 1 star status ('first class'), 140 achieved 2 star status ('outstanding'), and 50 achieved 3 star status ('extraordinary').</p>	<p>GREEN</p>