Overview

1. This is HEFCE’s corporate social responsibility (CSR) report for 2008-09. It demonstrates our commitment to CSR and highlights progress towards achieving the objectives and targets contained in our CSR policy in the areas of: business ethics; managing our environmental impacts; procurement; our people; activity in the community; and working with the sector.

2. We have maintained our certification to ISO14001 and our ‘Investors in People’ status and have achieved the Carbon Trust Standard. We were ranked first in both the environment and corporate responsibility index of Universities that Count. This uses Business in the Community’s indices to assess the extent to which environmental and social issues are integrated into an organisation’s strategy, practices and performance. In May 2008 we were ‘Recognised for Excellence’ by the European Foundation for Quality Management Excellence Model with a score of five stars – the highest level available under the award.
3. Our environmental performance indicators demonstrate that:

- we have increased our energy efficiency per m\(^2\) by **6 per cent** against a baseline year of 2002-03
- **52 per cent** of our staff regularly commute to work by sustainable modes of transport
- we have reduced water consumption by **71 per cent** against a baseline year of 2004-05
- we have reduced our waste arisings by **23 per cent** against a baseline year of 2004-05 and are now recycling **50 per cent** of our waste.

4. We have not performed as well as we would have liked in reducing our carbon emissions from energy use and business travel and are not currently on track to meet our targets in these areas. We will take further action to improve our performance in all areas.

5. We have adopted a set of sustainable procurement principles and are currently reviewing our procurement strategy to ensure that they are embedded throughout. We are developing a people strategy, which will explicitly outline our
approach to people within the organisation and be clear about how our management of our people resource is key to our achievement of our strategic objectives. Our volunteering policy supports colleagues to flex their working hours to undertake voluntary work and staff continue to organise voluntary fundraising activities.

6. We have embedded our approach to sustainable development throughout our strategic plan and are committed to promoting equality and diversity within the staff and student bodies in higher education.

Introduction

7. Corporate social responsibility (CSR) for HEFCE means that we take account of the impacts of our activities on the environment, society and the economy. Our CSR policy for 2008-14\(^1\) sets out our overall aims, objectives and targets to continue our efforts in relation to CSR. It covers operations at our offices, plus the influence we have on the sector through our policies and services. ‘HEFCE CSR action plan 2008-2010’\(^2\) sets out the actions we plan to undertake by March 2010 to meet the objectives and targets in this policy.

8. This is our CSR report for 2008-09. It details the actions we have taken in relation to our objectives to make progress towards our targets.

About HEFCE

9. 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.

10. We employ 242 staff (full-time equivalent), the majority at our main office, Northavon House (NAH) in Bristol, which is leased from the University of the West of England. A small number of staff are based at Centre Point (CP), our central London office, which primarily consists of meeting space and a ‘hot desk’ area.

\(^1\) The policy is available at www.hefce.ac.uk under About us/Corporate Social Responsibility.
\(^2\) The action plan is available at www.hefce.ac.uk under About us/Corporate Social Responsibility.
Business ethics

Why is this important?

Business ethics are central to our commitment to CSR and operation as a public body. It is essential that our staff act ethically, fairly and in the public interest at all times and behave with integrity and honesty in all our activities and relationships with others.

What have we done?

11. We have a strong ethical culture at HEFCE. In 2008 an Ethics Review was undertaken on HEFCE’s ethical culture by academics based at the University of Leeds. It concluded that HEFCE’s published documents on ethics are fit for purpose, with no important ethical principles missing. The review also stated that interviews with staff provided ‘an overwhelmingly positive impression of a strong ethical culture’.
Managing our environmental impacts

Why is this important?

Climate change is today’s greatest environmental challenge. The Intergovernmental Panel on Climate Change estimates that the global average temperature will increase by 2-3°C this century. This is largely due to increases of greenhouse gases, including carbon dioxide (CO₂), in our atmosphere, much of which comes from burning fossil fuels for energy and transport. These temperature increases are likely to result in an increased frequency and severity of extreme weather events such as droughts, storms and flooding. Sea level rise from the melting of large ice sheets could put an additional 7-15 million people at risk of coastal flooding and many ecosystems will be unable to adapt to the increase in temperature.

Finite (non-renewable) resources are those not considered renewable within human timescales (for example coal, oil). The direct effects of using these resources unnecessarily include the reduction of ultimate levels of a finite stock which may affect the ability of future generations to survive and prosper. Indirect effects are generated by the extraction, processing and delivery activities associated with the delivery of the resource to the final user. These effects can be the same for renewable resources if they are consumed at a rate more than the regeneration rate (for example crops, wood).

We are a national organisation and the nature of our work means that staff do a significant amount of travelling to visit institutions and attend events and meetings.

What have we done?

12. We are certified to ISO14001, an international environmental management system standard, which enables us to ensure that our key environmental impacts are identified and well managed and that we comply with all relevant environmental legislation.
13. Our environmental targets and progress against them are shown in Table 1. We report on progress against the activities using a ‘traffic light’ system where the activities are classed as green, amber or red.  

Carbon emissions from energy use

14. We have achieved the Carbon Trust Standard, which certifies that an organisation has reduced its carbon footprint and is committed to making further reductions year on year. Our carbon emissions from energy use in 2008-09 (355 tonnes) were slightly higher than our baseline year of 2002-03, at 350 tonnes (see Figure 1). However, carbon emissions from energy use have decreased by 10 per cent since a peak in 2004-05. At Northavon House we have reduced our electricity consumption by 5 per cent over the past year and by 18 per cent over the past two years. Our gas consumption increased by 10 per cent this year but when the figures are adjusted for degree days this is equivalent to an 8 per cent decrease in usage due to the cold winter. We have achieved these improvements through initiatives such as:

- upgrading the heating and air conditioning system: this included replacing the boilers with more energy-efficient models, replacing the chillers with a more energy-efficient model, replacing the thermostatic radiator valves on all radiators, installing a building management system and upgrading the controls
- installing new light fittings and sensors throughout the building, with the exception of the meeting rooms: the sensors detect presence and adjust the level of lighting according to the light levels at desk height.

3 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.

4 Degree-day figures quantify how hot or cold the weather has been and allow you to account properly for the effect of weather on energy consumption. For more details, see www.carbontrust.co.uk under Resources/Degree Days.
15. Electricity consumption at our London office has increased significantly over the past year (56 per cent). We have been unable to explain this increase but plan to improve monitoring to investigate the reasons. Consumption at our London office was a relatively small proportion of the total, approximately 10 per cent (54,287 kWh) of our overall electricity consumption.

16. We purchase ‘green’ electricity where it provides value for money because we feel this helps to stimulate the market for electricity generation from renewable sources. We have renewable energy contracts for both our offices.

**Figure 1**

PI1 Total energy related emissions from HEFCE offices

*Carbon emissions from business travel*

17. Carbon emissions from business travel have decreased by **4 per cent** over the past year but remain slightly higher than our baseline year. Staff are encouraged to travel by public transport unless there are reasons why this is not practicable or if there are other circumstances that impede efficiency or effectiveness. We have video-conference facilities available in both offices, which reduce travel between these offices. We continue to promote the use of video and telephone conferencing and are trialling the use of desk-based conferencing.
18. We run several initiatives to encourage staff to travel to work by sustainable means and the success of these is shown through **52 per cent** of staff regularly commuting by these means. These include:

- a salary sacrifice scheme for bike purchase
- cycle sheds and shower and changing facilities
- free cycle training and ‘Doctor Bike’ maintenance sessions to help staff ensure that their bikes are roadworthy

---

*Sustainable modes of commuting include walking, cycling, public transport and car share.*
• interest-free loans for staff to purchase bus and train season tickets
• a car share database to assist staff in finding car share partners
• three dedicated car share parking spaces at the Bristol Office.

Waste management

19. We continue to reduce the amount of waste we produce, alongside increasing the proportion we recycle. We have reduced our total waste arisings by 23 per cent since our baseline year and this year recycled 50 per cent of our waste. Following a successful pilot initiative we have removed individuals’ waste bins and installed an increased number of recycling banks alongside a limited number of general waste bins. We have recycling schemes for: paper; cardboard; plastic bottles, bottle tops and cups; glass; cans; computing equipment; toners; and print cartridges. We aim to reduce and reuse our waste where possible through initiatives such as setting high-volume printers and photocopiers to print double-sided and purchasing glasses for staff to use instead of plastic cups. We are investigating the use of print management software to reduce the volume of printed material.
Procurement

Why is this important?

Procurement is in a unique position to influence developments in the CSR area, given the key strategic role it plays in relationships not only with suppliers but also, where HEFCE is concerned, with higher education institutions, central government departments, and other stakeholders.

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

What have we done?

20. We have adopted a set of sustainable procurement principles and are currently reviewing our procurement strategy to ensure that they are embedded throughout. We have a sustainable and socially responsible procurement policy which includes CSR being one of our selection criteria when tendering for goods and services. We make our suppliers aware of our commitment to CSR and where possible work with them to help meet this commitment. For example, we recently agreed with our catering company to vary the contract to provide tap water in jugs with glasses rather than bottled water.

21. We support the principles of fair trade and this year moved to fair trade tea and coffee for meetings at our London office (fair trade products were already in use at our Bristol office). A ‘fair trade cupboard’ is operated at our Bristol office for staff to buy fair trade products.
Table 2: Progress against our procurement targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Progress</th>
<th>Performance against target</th>
</tr>
</thead>
<tbody>
<tr>
<td>To achieve level two or above across all five themes of the Sustainable Procurement Action Plan Flexible Framework by 2014(^6).</td>
<td>A recent assessment of our performance against the Flexible Framework shows that we have a mixture of level 1 and level 2. We are on track to deliver to target by 2014</td>
<td>GREEN</td>
</tr>
<tr>
<td>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% of our contracts (by number) by 2010.</td>
<td>We have enhanced the procurement guide to educate staff with regard to our CSR policy, its impact on tendering and how we inform suppliers. The next phase is to increase contract management activities to ensure compliance.</td>
<td>GREEN</td>
</tr>
</tbody>
</table>

\(^6\) Set out in `Procuring the Future – The Sustainable Procurement Task Force National Action Plan`, which is available at [www.defra.gov.uk/sustainable/government/under Publications/National Archives/2006](http://www.defra.gov.uk/sustainable/government/under Publications/National Archives/2006). The Flexible Framework identifies five key themes: people; policy, strategy and communications; procurement process; engaging suppliers; and measurement and results. These are in effect the key behavioural and operational change programmes that need to be delivered in each public sector organisation to deliver sustainable procurement.
Our people

Why is this important?

We recognise that the greatest resource we have is our staff. Talented and committed individuals are the key to our CSR efforts. Colleagues are encouraged to feed back on our CSR initiatives and to suggest new ideas. We would like to thank all our staff for their continuing support and efforts to improve our CSR performance.

What have we done?

22. We recognise that our continuing success depends on our ability to adapt to changing circumstances and continuously improve what we do. Since 2000 we have been using the European Foundation for Quality Management (EFQM) Excellence Model as a basis for identifying our strengths and areas for improvement. In May 2008 we were ‘Recognised for Excellence’ by EFQM and awarded five stars – the highest level available. The lead EFQM assessor commented that HEFCE ‘is an impressive, well-managed organisation packed with enthusiastic and knowledgeable staff’.

23. We believe it is important for our effectiveness that we develop and reward high performance within a supportive learning culture. In our view, such a culture is best nurtured by a relatively flat structure and a non-bureaucratic style, where there is high respect for individual needs and diversity. We believe that the corporate leadership and management style need to be participative and sensitive to the different needs of staff, always with an emphasis on sound relationships and integrity. We recognise that different people are motivated by different things and we are continuing to develop our framework of financial and non-financial rewards, including pay, personal development and respecting the need for work-life balance.

24. In July 2008 we received confirmation that we had retained our ‘Investors in People’ status. The assessor felt that the Council demonstrated ‘an ethos of inclusion, consultation, support, development, encouragement, empowerment and a
high level of commitment to all staff’. We have now retained the standard for over 10 years which we believe is an endorsement of our continuous commitment to involving and developing our staff in a way that underpins our strategic plan and performance management system. Details of our approach to pay and remuneration, personal development, staff well-being and work-life balance are contained in ‘HEFCE corporate social responsibility report 2007-08’.

25. We are developing a people strategy, which will explicitly outline our approach to people within the organisation and be clear about how our management of our people resource is key to our achievement of our strategic objectives. The aims of this strategy have been agreed and we have begun to consult with colleagues across the organisation in developing a shared understanding about responsibilities for delivering these aims.

26. Our new equality and diversity targets were agreed by the Board in December 2008 in line with our aspirations for a more diverse workforce. We are committed to publicly reporting progress against these targets annually. In addition, we maintained our status as a member of the Two Ticks disability scheme for recruitment purposes and have set up an internal Diversity Action Group, which advises on equality issues and helps to raise the profile of equality and diversity across HEFCE. We held a Diversity Month in October 2008, which consisted of various events, films and training to raise awareness of some key issues.

27. We run an ongoing awareness-raising campaign to encourage staff to contribute to our CSR initiatives. This includes a CSR section on our intranet, posters, a CSR notice board, a stand at our annual staff conference, staff briefings and staff induction. We held a CSR Week in June 2008 which included a number of events to raise staff awareness and we intend to make this an annual event.

Table 3: Progress against our people targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Progress</th>
<th>Performance against target</th>
</tr>
</thead>
<tbody>
<tr>
<td>To continue to measure the well-being of our staff through the staff survey, ensuring that we continue to match or exceed the external benchmark on staff satisfaction.</td>
<td>Our 2008 staff survey results show high levels of satisfaction among employees on a range of questions relating to well-being. For example, 80% of respondents agreed or tended to agree that they were satisfied with HEFCE as an organisation to work for. This compares favourably with an external benchmark of 76%.</td>
<td>GREEN</td>
</tr>
</tbody>
</table>

7 Available at www.hefce.ac.uk under About us/Corporate Social Responsibility.

In the community

Why is this important?
As a public body, HEFCE is working for the public good. Our mission includes a role to promote and fund high-quality, cost-effective teaching and research, meeting the diverse needs of students, the economy and society. It is also about undertaking initiatives aimed at helping local communities, the communities in which our staff belong.

It is not just the local community that benefits. Fundraising and volunteering also help our staff to broaden their own experience and skills, which helps us to recruit and retain the best people.

What have we done?

28. We have a policy that aims to encourage further volunteering and support colleagues to flex their working hours to undertake voluntary work. Staff currently participate in a range of volunteering opportunities including being a school governor, a ‘reading buddy’ at a local school and a charity trustee.

29. Staff continue to organise voluntary fundraising activities. In 2008-09, over £900 was raised by the Facilities Management Team for Tommy’s, a charity that funds medical research into pregnancy problems and provides information on having a healthy pregnancy. In addition, the Sports and Social Club held events that raised over £800 for Comic Relief, Children in Need and Jeans for Genes. A Christmas charity raffle raised £354 for the Red Cross appeal for the cholera outbreak in Zimbabwe.

30. We are part of the ‘Give As you Earn’ scheme which enables our staff to give to charity direct from pay, tax-free.
Shelley Hollingsworth, Publications and e-Communications Manager

I volunteer as a ‘reading buddy’ at Lockleaze Primary School

This means that I listen to a pupil read on a one-to-one basis. It is a year’s commitment, and you stay with the same pupil throughout. To do it I take a long lunchtime every Thursday during term time, and I make up the time at the end of the working day. I sit with John for 30 minutes and we take it in turns to read a book that he has chosen.

I wanted to do it because I wanted to help support a young person who was lacking in confidence, and who may not have had the opportunities that I enjoyed when I was small. This particular scheme suits me because the aim is not to focus on specific attainment such as level of vocabulary, but to encourage the child’s confidence and enjoyment of reading through, for example, discussing the characters in the book or asking them to consider what comes next.

It has been really satisfying to see John become more confident in his reading, and the teacher has said he has improved in other areas too. I feel this experience has benefited me as I have gained an insight into how things have changed since I was in the state education system. Also it is a complete break from work, giving me a new perspective when I am back at my desk in the afternoon.

Matt Edwards, Higher Education Policy Adviser

I volunteer as a triathlon and athletics coach

I spend between three and seven hours a week coaching adults and children, of all abilities. This is mainly done through Bristol and District Triathletes, one of the largest clubs in the country.

My time is split between coaching large groups of up to 30 adults, and individual coaching, guiding people towards specific races. This includes giving advice and instruction on fitness training, nutrition, psychology, equipment, tactics, stress management and, importantly, long-term athletic development.

A small but growing number of the people I coach have disabilities of various kinds, including one individual who is classified as blind.

I find this voluntary work to be hugely rewarding – it is not an altruistic activity in my experience, it is very much something from which each party gains a great deal.

In May 2009 I agreed with HEFCE that I would make a small reduction to my working hours to enable me to spend more time on this area of my life, and I have found that my motivation and productivity at work have increased as a result.
Rachel Knight, Analyst

I volunteer as a leader of a local brownie unit

This usually takes about three to four hours of my time per week in the evenings.

Brownies is for girls aged between seven and 10. I organise weekly meetings for the girls to take part in various activities such as challenges, games, and crafts. The activities are usually ones that the Brownies have suggested themselves.

As the guider in charge I am responsible for ensuring the safe running of the group. I have a team of leaders who help run the group organising many of the activities. Occasionally I volunteer some of my time at the weekends to take the girls on trips or on Brownie Pack Holiday.

I have been a member of Girlguiding UK since I was a Brownie myself aged seven. It's great to give something back to an organisation which I have gained so much from.

Being a leader is really rewarding because you get to see young people enjoying events and activities that you’ve organised and watch them grow in confidence and ability as time goes on. Volunteering for Girlguiding UK has provided me with skills, training and experience that I can use at work and in my personal life and I have made many new friends along the way.

Lesley Waldron, Higher Education Policy Adviser

I volunteer as a helpline counsellor for the National Association for Children of Alcoholics

This is a small, Bristol-based charity offering a free helpline and information services to children and adults affected by growing up in families where one or both parents are alcohol-dependent.

Many of the callers have suffered some kind of abuse. Others might just be coming to terms with the impact of growing up in these dysfunctional families as they start families of their own, or as they find themselves caring for increasingly frail parents. Callers’ ages range from eight or nine up to late middle age. Some just want to talk, others want to find out about local services and so my work varies from listening, to researching services and sending information.

I got involved with the charity 14 years ago when I was a student looking to get more out of my free time and inspired by the Chief Executive’s passionate plea for help at a Student Community Action event. I now spend at least one evening a week on the helpline and take part in various fundraising events.

The calls are challenging, distressing and sometimes very hard to deal with, but there are times when you feel like you make a real difference to an individual who may not have anywhere else to turn.
Working with the sector

Why is this important?

CSR is about more than what we do in our own operations. We also work in partnership to influence the higher education sector. We want to make sustainable development a central part of our strategy for the future development of the higher education sector.

Our vision is that: ‘Within the next 10 years, the higher education sector in this country will be recognised as a major contributor to society’s efforts to achieve sustainability – through the skills and knowledge that its graduates learn and put into practice, its research and exchange of knowledge through business, community and public policy engagement, and through its own strategies and operations.’

What have we done?

31. We have embedded our approach to sustainable development and equality and diversity throughout our strategic plan and have key performance targets in these areas9. We published a 2008 update to our sustainable development strategy and action plan10 which sets out our approach to promoting the sustainable development agenda in the higher education sector. In partnership with Universities UK and GuildHE we are developing a carbon reduction strategy for the higher education sector and we will be consulting on plans to link future capital funding to carbon reduction in 2010.

32. We are committed to promoting equality and diversity within the staff and student bodies in higher education. This commitment underpins all of our strategic aims. Our equality scheme11 explains how we meet our statutory duties to promote race, disability and gender equality, and our commitment to equality and diversity is supported by our work in equal opportunities monitoring and publications on equality and diversity. We work in partnership with the Equality Challenge Unit12 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 policy making and invite disabled people annually to participate in the policy-making process.

33. We recognise that all our policies could 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 this assessment online. Through this assessment process we aim to identify potential negative impacts, take mitigating actions where possible and appropriate and, most importantly, to use opportunities to positively promote sustainable development and equality and diversity.
Monitoring and review

Why is this important?
We believe that it is important to continually monitor and evaluate what we do to improve our CSR performance. We are committed to reporting publicly on our performance and benchmark ourselves to judge the effect of our initiatives.

What have we done?

34. CSR within HEFCE is overseen by a CSR Steering Group which reports directly to our Chief Executive’s Group (CEG). Progress is reported quarterly to CEG and our Board through the monitoring of our operating plan and subsequently on our web-site. Performance against this operating plan is published as part of the management commentary to our annual report and accounts14.

35. Universities that Count uses 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 and it allows us to benchmark our performance. We participated in the corporate responsibility index for the first time in 2009 and were ranked first with a score of **84.7 per cent**. This compares well with a higher education sector average of **67 per cent** and a corporate average of **83 per cent**. We are using the feedback report to identify areas for improvement and work to increase our score next year. We will make our next submission in March 2010.

36. We are continually looking for ways to improve the quality of our data and have committed to more regularly monitoring performance. Our data at the half-year and year-end points is subject to an internal review for accuracy and sense. Some CSR data relies on assumptions, and is therefore accurate within a margin of error. Assumptions are made in estimating commuting and business travel, total waste arisings, and in some of the raw data used to calculate recycled waste. Data gathering, analysis and processing are subject to a comprehensive external review every three years. The most recent was undertaken in early 2009 by Entec and has informed the calculation of this year’s environmental performance indicators.

14 Available at www.hefce.ac.uk under About Us/Annual accounts.
## Environmental performance indicators

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>08-09</td>
</tr>
<tr>
<td><strong>Carbon emissions from energy use and travel</strong></td>
<td></td>
</tr>
<tr>
<td>1 Emissions from energy use at HEFCE’s offices (both NAH and CP)</td>
<td>tonne</td>
</tr>
<tr>
<td>1a Total energy consumption (NAH and CP)</td>
<td>MWh</td>
</tr>
<tr>
<td>1b Total energy consumption per floor area</td>
<td>MWh/m²</td>
</tr>
<tr>
<td><strong>Emissions from business travel</strong></td>
<td>tonne</td>
</tr>
<tr>
<td>2a Emissions from commuting</td>
<td>tonne</td>
</tr>
<tr>
<td>2b Percentage of staff regularly commuting to work by sustainable modes of transport</td>
<td>% total</td>
</tr>
<tr>
<td><strong>Waste disposal emissions</strong></td>
<td></td>
</tr>
<tr>
<td>3 Total waste disposed</td>
<td>tonne</td>
</tr>
<tr>
<td>3a Waste to landfill</td>
<td>tonne</td>
</tr>
<tr>
<td>3b Waste recycled</td>
<td>tonne</td>
</tr>
<tr>
<td>% total</td>
<td>50.4</td>
</tr>
<tr>
<td><strong>Water consumption</strong></td>
<td></td>
</tr>
<tr>
<td>4 Water usage per staff member</td>
<td>m³</td>
</tr>
<tr>
<td>4a Water consumption</td>
<td>m³</td>
</tr>
</tbody>
</table>