

# **Report on performance between 2004-2008 against the Government's sustainable operations targets**

## **Introduction**

This report summarises HM Revenue & Customs (HMRC) performance against the Government's sustainable development targets. The data included is for HMRC and the Valuation Office who are our Executive Agency. It provides a brief description of the issues we have faced in working towards the targets, as well as outlining the plans we are putting in place to improve our performance.

As one of the four largest central government departments, we are serious about reducing our environmental impacts. Whilst we acknowledge that we have more work to do in terms of reducing our carbon emissions, we are confident that the work that is already underway, together with the steps we will be taking over the next 12 months, will put us in a strong position to meet targets and enable us to make a significant contribution to the Government's sustainable development strategy.

## **Climate Change and Energy**

### **Carbon emissions from offices**

- Reverse the current upward trend in carbon emissions by April 2007.
- Reduce carbon emissions by 12.5 per cent by 2010-11, relative to 2005-6 levels.
- Reduce carbon emissions by 30 per cent by 2020, relative to 2005-6 levels.

### **Performance**

- In 2005-06 HMRC's total carbon emissions from offices was 47,868 tonnes of carbon. (This differs from our previously reported figure due to changes in emission calculations).
- In 2006-07 HMRC's total carbon emissions from offices was 43,390 tonnes of carbon. This represents a decrease of 9 per cent, relative to the baseline year.
- In 2007-08 HMRC's total carbon emissions from offices was 50,173 tonnes of carbon. Our carbon emission baseline was changed to 2005-06 due to gaps in our data. This represents an increase of 4.8 per cent, relative to the baseline year.

### **Where we are**

- During November 2007-February 2008 a carbon management diagnostic of our estate and IT operations was conducted to identify carbon reduction opportunities that will enable us to meet our targets. Major actions are well underway. We are developing a sustainable IT strategy, which includes actions to enable us to switch off computer base units overnight, as well as a number of other initiatives to reduce IT related energy. We will also be developing a carbon management reduction programme for the estate, which will include actions to reduce wasted energy through heating and lighting. This will require more energy efficient equipment, lighting and plant, as well as more sustainable energy management practices.
- HMRC's Estates Consolidation and Workforce Change Programmes will lead to an overall reduction in energy use as we vacate buildings and optimise the space in our estate. However we need to ensure that our contractors employ

and sustain efficient management practices and replace plant and other equipment with energy efficient products.

#### **Ideas underway**

- Options for increasing efficiency and reducing the carbon output of IT through improved equipment and the adoption of more sustainable working practices are currently being examined by our Information Management Services (IMS). Switching off computer base units overnight and energy efficiency improvements in data centres will be amongst the areas that will be addressed over the next 12 months.
- Shared saving schemes as an incentive to Private Finance Initiative (PFI) providers to deliver building related improvements to reduce energy use – monetary savings are shared between HMRC and PFI provider.
- A new carbon management programme is being developed within Estates which will focus on making the most significant reductions in our top 20 high energy consumption buildings which represents 50 per cent of our energy usage and cost, the results of which will be monitored by the Performance management Committee.
- Ongoing communications to raise awareness and change the behaviours of managers and staff will continue to be an integral part of plans to improve Departmental performance against the energy targets.

#### **Carbon emissions from road vehicles**

- Reduce carbon emissions from road vehicles used for Government administrative operations by 15 per cent by 2010-11, relative to 2005-2006 levels.

#### **Performance**

- In 2005-06 HMRC's total CO2 emissions from road vehicles related to business travel was 26,658 tonnes of CO2.
- In 2006-07 HMRC's total CO2 emissions from road vehicles related to business travel was 25,797, a reduction of 3 per cent against the baseline year of 2005-06.
- In 2007-08 HMRC's total CO2 emissions from road vehicles related to business travel was 21,827, a reduction of 18 per cent against the baseline year of 2005-06.

#### **Where we are and ideas underway**

- We have been steadily reducing the number of vehicles in the Departmental fleet. We've reduced the fleet by 1393 vehicles since 2005-06. All replacement vehicles now have either smaller, or more fuel efficient engines.
- We have reduced road travel by more than 10 million miles between 2006-07 and 2007-08.
- Internal Audit has recommended that the fleet should be further reduced.
- Measures to discourage staff travelling by car and to consider if travel is really necessary have been included in Sustainable Development (SD) guidance and within an ongoing SD communications campaign to reduce all forms of business travel.
- Use of video and telephone conferencing facilities have increased and continue to be promoted as a means of reducing business travel. We have

purchased further telephone conferencing units across the country and we are reviewing our facilities to ensure they meet the increasing business demand.

### **Carbon neutral**

- Central Government's office estate to be carbon neutral by 2012.

### **Where we are**

- Participating in Defra's centrally administered scheme to offset the carbon emissions of our air travel.
- We are currently sourcing 88 per cent of our energy from renewable sources, vastly exceeding the 10 per cent target.

### **Ideas underway**

- The Department's Estates managers and PFI contractors are exploring how we can source more of our energy requirements from renewable energy that is generated on our estate. Measures currently being considered include: the employment of micro generation to provide energy from low carbon sources, such as mini turbines, solar panels etc. We are also working with Defra on a project to use bio-fuelled boilers in parts of our estate, where it may be feasible.
- We are concentrating our efforts on reducing as much energy use as possible during the next 12 months before considering extending carbon offsetting arrangements to road and rail travel in the future.
- We are developing a supplier engagement programme to ensure that our suppliers are aware of our sustainability agenda and are actively improving the environmental footprint of the goods and services procured through departmental contracts.
- We have actively engaged in the Department for Energy and Climate Change's consultation exercise on the Government's mandatory Carbon Reduction Commitment scheme, which will commence in 2010. The implementation of the scheme will mean that we will be obliged to purchase carbon credits equivalent to the energy that we use, the purpose of which is to encourage organisations to reduce their energy use.
- A programme to assess the energy efficiency ratings of our buildings with public access is currently underway in line with the requirements of the Energy Performance in Buildings Directive. Display Energy Certificates will be placed in all appropriate buildings by the end of February 2009.

### **Energy efficiency**

- Departments to increase their energy efficiency per m<sup>3</sup> by 15 per cent by 2010, relative to the baseline year of 2005-06.
- Departments to increase their energy efficiency per m<sup>3</sup> by 30 per cent by 2020, relative to the baseline year of 2005-06.

### **Performance**

- In 2006-07 energy efficiency reduced by 11 per cent against the baseline year of 2005-06.
- In 2007-08 energy efficiency reduced by a further 12 per cent, against the baseline year.

### **Where we are and ideas underway**

Whilst we are disappointed that we have not made as much progress in this area as we would like, significant new plans and strategies are in place which should enable us to reduce our energy consumption in line with Government targets.

- Work is well underway to reduce IT related energy and carbon which will focus on switching off computer base units overnight and improving the efficiency of our data large centres. This should lead to substantial improvements in energy efficiency.
- Opportunities to implement measures to improve energy efficiency, such as installing lighting sensors and thermostatic controls, and improving boiler efficiency, will be included in all major refurbishment projects.
- A carbon reduction programme is being developed by Estates and Support Services which will focus on making the most significant reductions in our top 20 high energy consumption buildings which represents over 50 per cent of our energy usage and cost.
- Estates management will investigate shared saving schemes with our PFI contractors, as a means of improving overall efficiency of our buildings.
- We plan to build on campaigns such as 'Lights out London', mobilising contractors and staff to switch off lights and other equipment when not in use.
- We continue to work with the Office of Government Commerce (OGC) on their energy efficiency programme, to improve the efficiency and effectiveness of corporate estate management.
- We will be aiming to achieve the Carbon Trust Standard in 2009-10 by demonstrating a real reduction in energy use and sustainable energy management.

## **Sustainable consumption and production**

### **Waste arisings**

- Departments to reduce their waste arisings by 5 per cent by 2010, relative to 2004-2005 levels.
- Departments to reduce their waste arisings by 25 per cent by 2020, relative to 2004-2005 levels.

### **Performance**

- In 2004-05 we generated 70,315 tonnes of waste.
- In 2005-06 we generated 51,804 tonnes of waste.
- In 2006-07 we generated 68,275 tonnes of waste.
- In 2007-08 we generated 39,473 tonnes of waste, a reduction of 44 per cent relative to the baseline year of 2004-05.

### **Where we are and ideas underway**

- We have been exploring how we can reduce the amount of paper we use, which is the largest component of our waste. As we reduce our paper waste this will have a knock on effect on reducing other stationery resources such as toner cartridges.
- We have had concerns about the accuracy of our waste management data and have been working with our PFI contractors to agree new auditable processes that will enable us to monitor our waste on a regular basis.
- We are planning to monitor general copier paper use by building, with a view to influencing and managing a reduction. We are also examining our forms and print runs to establish where we can cut paper consumption.
- Consolidation of printers and a roll out of double sided printers will form part of our sustainable IT strategy. Encouraging staff to print less, combined with the provision of facilities to print double sided, should enable us to reduce printing by up to 50 per cent.

## **Recycling**

- Departments to increase their recycling figures to 40 per cent of their waste arisings by 2010.
- Departments to increase their recycling figures to 75 per cent of their waste arisings by 2020.

## **Performance**

- In 2004-05 HMRC recycled 12 per cent of our total waste arisings.
- In 2005-06 and 2006-07 HMRC recycled 13 per cent of our total waste arisings.
- In 2007-08 HMRC recycled 36 per cent of our waste arisings.

## **Where we are and ideas underway**

- Paper recycling schemes are in place for most HMRC buildings.
- Full recycling arrangements for plastics, cans, paper, glass and batteries will be rolled out across the Estate during 2008 and 2009.
- Arrangements to recycle our IT consumables, such as toner cartridges, CDs, floppy discs etc are all in place. Polylopes introduced this year as part of departmental security measures are all recyclable. Details of these schemes and the benefits of recycling are communicated to our managers and staff through our Corporate Responsibility and Diversity intranet site which was launched in November 2008.

## **Natural resource protection**

### **Biodiversity**

- Departments to meet or exceed the aim of having 95 of Sites of Special Scientific Interest (SSSIs) in sole ownership or control in target condition by 2010.

### **Performance**

There are no SSSIs on the HMRC estate

### **Ideas underway**

- We will be working with our estates PFI contractors to audit our sites and identify opportunities to enhance the natural environment in our estate and encourage biodiversity and wildlife where possible.

## **Water Consumption**

- Reduce water consumption by 25 per cent on the office and non-office estate by 2010, relative to 2004-2005 levels.
- Reduce water consumption to an average of 3m<sup>3</sup> per person/year for all new office builds or major office refurbishments.

### **Performance against targets**

- In 2004-05 HMRC's total water consumption in office buildings was 901,500 cubic metres. (This differs from the previously reported figure due to inaccurate metering).
- In 2005-06 HMRC's total water consumption in office buildings was 760,584 cubic metres, a 16 per cent reduction relative to the baseline year of 2004-05
- In 2006-07 HMRC's total water consumption in office buildings was 683,956 cubic metres, a 24 per cent reduction relative to the baseline year of 2004-5.
- In 2007-08 HMRC's total water consumption in office buildings was 758,022 cubic metres, a 16 per cent reduction relative to the baseline year of 2004-05.

## **Where we are and ideas underway**

- There has recently been a change in contractors managing our estate and new plans are being drawn up to manage our water consumption down in line with Government targets and to repair leaks and implement low cost water saving initiatives across the estate.
- We have switched from bottled water to plumbed in drinking water in all our offices.
- Estates will consider grey water schemes for all new builds.
- Saving water has featured and will continue to feature in our staff awareness campaigns. Our new intranet site includes articles on how to reduce water consumption both at home and in the office.

**Sustainable Procurement Policy Framework:**

**A. Compliance with OGC/Defra environmental issues in purchasing**

This is incorporated in to our Sustainable Procurement Strategy

**B. Compliance with OGC's achieving excellence in construction (CMS) guidance**

Estates and Support Services follow this guidance

**C. Compliance with 2007 'Quick Wins' product standards**

The Department has confirmed compliance with the Quick Wins. We will be developing arrangements to audit this compliance over the coming year. Where we identify areas of concern we will either address this with our contractors or raise any more fundamental problems regarding Quick Win criteria with OGC.

**D. Compliance with timber guidance on Proforest.net**

We comply with the Government's sustainable timber guidance.

**E. Capability and capacity of staff to deliver**

We will keep this under review as we monitor our progress during the coming year. We are keen to ensure that all key operational staff are appropriately trained.