

**2006 Sustainable Development
Action Plan Progress Report**

HM Revenue and Customs
With SDC Commentary
November 2007

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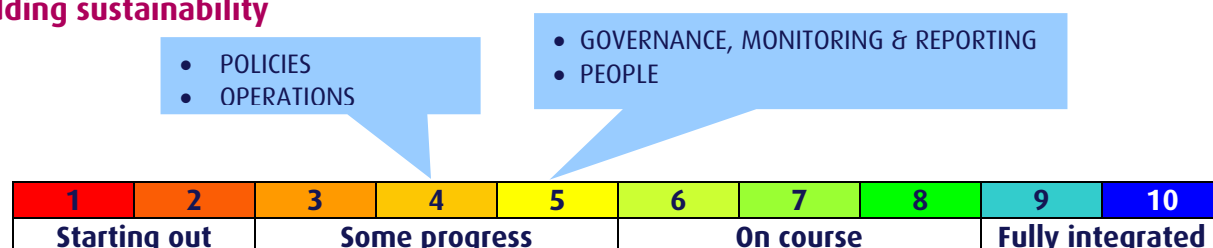
HMRC'S SELF-ASSESSMENT SUMMARY

This is a summary of HMRC's progress report; the full version begins on page 8.

HM Revenue & Customs (HMRC) is the government department responsible for ensuring that the correct tax and benefits are paid and received at the right time. The department also has a key role in enforcing border and frontier protection, and administers environmental taxes.

Progress against actions: 63% of actions were reported as complete or on target

Embedding sustainability



Procurement – Flexible Framework



SDC'S SUMMARY COMMENTS

This is a summary of SDC's commentary; the full version begins on page 4.

HMRC has made fair progress against the actions in its SDAP, on embedding sustainability across the organisation and on sustainable procurement.

Strengths:

- Clear evidence of how it has made some progress on embedding SD into its operations, people and policies
- Five business units acted as pioneers to embed SD and corporate responsibility into all their business practices.

Weaknesses:

- Lack of evidence to support the selected Flexible Framework levels on sustainable procurement
- Little information on how it communicated and engaged with staff to embed sustainability
- Sustainable development often portrayed as being only about the environment
- Poor coverage of the Environmental Management System.

Challenges for next year's SDAP progress report:

- Report rationale for the impact levels assigned to actions
- Provide more detailed information against all criteria to illustrate the level of progress reported in the sections on embedding SD and sustainable procurement
- Overcoming resource barriers to delivering SD across the organisation
- Show more clearly how the governance systems differentiate between sustainable development priorities from corporate responsibility (CR). While CR promotes responsible organisational behaviour, SD priorities drive government to be more sustainable.

INTRODUCTION

Government has made it clear that it wants the public sector to be a leading exponent of sustainable development (SD). The UK SD strategy, *Securing the Future*,¹ requires all central government Departments and their Executive Agencies (EAs) to produce Sustainable Development Action Plans (SDAPs) and report progress on them regularly. An SDAP sets out the strategic actions that the organisation intends to take to integrate sustainable development into its decision-making and everyday operations. It thereby helps the organisation make its required contribution to the delivery of the Government's commitments and goals set out in *Securing the Future*.

Securing the Future also empowers the Sustainable Development Commission (SDC) to act as the Government's watchdog for sustainable development. This includes "scrutinising and reporting on Government's performance on sustainable development".

Most Departments published their first SDAP in 2006. These plans contained commitments for 2006/07, and the SDC is now reporting on progress made by Departments against those commitments.

The purpose of progress reporting is three-fold:

1. To see what progress had been made against the first plans
2. To encourage Departments and others to evaluate the quality, purpose and contribution of their SDAPs, as well as the individual actions and policies, in regards to the UK's SD goals
3. To strengthen the quality of future SDAPs and reporting by identifying strengths, weaknesses and priority areas for improvement.

To help Departments and EAs produce quality progress reports, the SDC designed a self-assessment guidance tool. The tool covers the following areas:

- **Progress against actions:** Report progress against 2006/07 commitments and against any

significant actions that did not feature in the original SDAP

- Consider the impact of actions and the contribution these actions would make to the SD "shared priorities for immediate action"² (from here on referred to as the "SD shared priorities")
- **Embedding sustainability:** Consider how well SD had been embedded into policies, people, operations and reporting mechanisms
- **Procurement:** Gauge progress on sustainable procurement against the criteria in the Flexible Framework³ or a suitable alternative
- **Taking stock:** Identify what had helped and hindered the organisation in delivering its SDAP.

This report comprises the SDC's commentary, followed by HM Revenue & Customs' (HMRC's) full progress report.⁴

The SDC's commentary evaluates the progress reported by HMRC, as well as the quality of its self-assessment.⁵ All ratings/levels reported are the organisation's own judgement of performance, and there was no process of external verification by the SDC.

The commentary does not review the content of the original SDAP. As such, comments should not be taken as an endorsement of actions and policies pursued. The SDC has already commented on Departments' first SDAPs and provided summarised assessments in the 2006 report *Off the Starting Block*.⁶

² The SD shared priorities for immediate action, as outlined in *Securing the Future*, are: sustainable consumption and production, climate change and energy, natural resource protection and environmental enhancement, and sustainable communities.

³ *Procuring the Future*, Defra, June 2006 – see Section 2 for more details.

⁴ Reported progress against: *Delivering Sustainable Development: HM Revenue & Customs Action Plan*, HMRC, 2006.

⁵ Please see SDAP Progress Report methodology paper – www.sd-commission.org.uk.

⁶ *Off the Starting Block*, Sustainable Development Commission, November 2006.

¹ *Securing the Future – Delivering the UK Sustainable Development Strategy*, HM Government, March 2005.

SDC'S COMMENTARY

Progress against actions

HMRC reported that it had made fair progress against the actions in its SDAP.

- 63% were complete or on target
- It considered that its actions as a whole would make a fair contribution to the SD shared priorities
- More than half of its high impact actions were complete or on target.
- Evidence was reported against each of its actions, and this was readily available in all cases

However:

- It is disappointing that only 9% of the actions were actually complete
- The evidence provided did not always relate to the action specifically. The SDC would like to see more detail of relevance in future reporting
- A number of actions reported as being "on target" were overdue. These should have been reported as 'behind target', with an explanation of why this was the case and whether it was recoverable, or as "complete"
- HMRC did not provide the rationale for any of the impact levels selected. **The SDC would like to see evidence of how HMRC is assessing the impacts of its actions in future progress reporting**
- Where actions were reported as behind target, HMRC did not always say why this was the case, or how this would be addressed.

HMRC may have found it difficult to report progress as many of its actions were not clearly defined in its SDAP (for example target dates were not always defined). SMARTer⁷ actions would allow better and

⁷ SMART – Specific, Measurable, Achievable, Realistic and Time-related.

more accurate progress to be reported in the future.

Embedding sustainability

HMRC reported "some progress" for embedding SD into *people, policies, operations and governance, monitoring and reporting.*

The SDC feels that HMRC reported good progress on embedding SD into *policies*. Progress reported included:

- Hosted a summit for 100 top leaders to discuss joining up policy goals under the SD umbrella.
- Supporting the Government's environmental taxation Strategy, by administering and collecting the taxes and duties from, for example, the landfill tax, climate change levy, and aggregates levy.
- Completed a number of Regulatory Impact Assessments (RIAs), for example on company car taxation and land remediation relief. However, HMRC only reported examples where environmental issues had been considered. This could indicate that only environmental impacts were assessed, rather than SD impacts. **HMRC needs to demonstrate that it is also thinking about the social and economic impacts of its policies.**

As HMRC's role is to administer taxation policy, **the SDC would also like to have seen evidence of how the department had influenced the development of this policy, in order to ensure that sustainable development had been considered in the policy making process.**

HMRC provided comments to support its rating for embedding SD into *people*, for example:

- SD was linked into HMRC's core values

- The five business units acted as pioneers to embed SD and corporate responsibility into all their business practices. This included working with the local community to overcome ethnic barriers, and working with a university to produce environmental savings.
- Had an induction programme for all new staff covering SD principles and encouraging staff to adopt sustainable working practices
- SD was included in the performance indicators for staff in roles with strong SD links
- All leadership development candidates attended a SD/ Corporate Responsibility master-class

However, while HMRC reported that there was a communications plan in place for SD and CR, it did not provide details of what this included or progress made to date. **The SDC would expect to see more detailed evidence of how HMRC is engaging with its staff on sustainable development, and for this activity to fully reflect SD and not just environmental issues.**

HMRC reported that it was phasing out volunteering and fundraising activity which did not link to its business activity. The SDC looks forward to seeing how sustainable development is embedded into the activities HMRC chooses to support.

Evidence was reported against the criteria for embedding SD into *operations*, in particular:

- HMRC's Corporate Responsibility unit coordinates activity to meet the Government's SD targets
- It reduced water consumption by over 15% since 2004/05; and reduced road travel by over 6 million miles from 2002-06
- Its PFI contractor let a new grounds maintenance contract, which included requirements to support and promote local wildlife and habitats.

- It piloted a waste recycling scheme, and will roll this out in 2007/08
- It developed a sustainable procurement strategy.

However, it is disappointing that HMRC's environmental management system (EMS) only covered 10% of its staff. **The SDC would encourage HMRC to improve its EMS coverage as a priority.** HMRC also reported that it was falling behind on energy targets. The SDC welcomes the fact that this was recognised by the department, and that it is working to find ways to improve performance.

On *governance, monitoring and reporting* HMRC provided some detail on the systems in place:

- HMRC Board and its Executive Committee took responsibility for SD and CR and discussed it twice during 2006/07
- A Board Champion was assigned for SD and CR
- The central SD Team met with key stakeholders and monitored progress against the SDAP
- The CR Steering Group (a sub Committee of the Board) set the direction for SD activity and monitored progress. An SD Operating Committee reported to the CRSG.
- HMRC reported that the key messages from the progress report will be fed to a new CR and Diversity Committee.

The SDC would like to see how, although not reflected in the governance arrangements, SD is seen as the overarching objective, with CR being a part of this, not vice versa.

Further, HMRC reported that Internal Audit reviewed SD activity at the beginning and end of 2006, and focussed on the need for better management information systems. The SDC feels that this is a good example of best practice. However, HMRC did not report whether or how it had started to address

this. **The SDC would encourage HMRC to now prioritise the development of improved management information systems.**

Procurement

HMRC reported progress on sustainable procurement against the Flexible Framework, and considered itself to be at the 'embed' level for all themes. However, evidence was not provided to fully support the levels chosen, with the exception of *measurements and results*. Based on the information provided, the SDC considers that 'foundation' may have been a more appropriate level for all other themes.

For example, on *people*, more work is needed by HMRC to make sustainable procurement a fundamental part of training. While it reported that all procurement staff had 'access' to online training and workshops, it is not clear whether they had actually received basic training on the principles of sustainable procurement, or how HMRC had actively promoted training to ensure its staff had the necessary knowledge and skills. Further, HMRC reported that many of its staff were newly recruited and untrained in this area. This suggests that HMRC had not yet embedded sustainable procurement principles into the induction process for new procurement staff, as required at the 'foundation' level of the Flexible Framework.

On the *engaging suppliers* theme, HMRC only identified barriers to progress, rather than reporting progress made against the criteria of the Framework. The SDC would expect to see evidence of a detailed supplier spend analysis and programme of engagement at the 'embed' level. It is also not clear whether HMRC had met the criteria against the 'foundation' level, by identifying suppliers with the highest sustainability impact.

On *procurement process*, it was positive that HMRC had asked Internal Audit to review its Sustainable Procurement Strategy, and that they concluded that it was effective, that it included SD targets and sustainable procurement aims, and that it linked to *Securing the Future*. However, it was not clear whether HMRC had completed an expenditure analysis and identified key sustainability impacts. This is key to any further progression. Further, HMRC did not report whether procurers had adopted Quick Wins and whole life costing.

Overall, while some positive steps were reported, HMRC has much scope for improvement on sustainable procurement. The SDC welcomes the fact that it has identified barriers and areas for improvement on all themes.

Taking stock

HMRC reported that the following had helped it to deliver its SDAP:

- Senior level commitment
- Strategic leadership from its newly established Corporate Responsibility Steering Group
- A new Sustainable Operating Committee to raise the profile of SD and ensure delivery
- Work of the five pioneer business units, to embed SD into business activities, created enthusiasm for SD. The SDC would like to see how the process is being rolled out to other business units from now on.

However, PFI arrangements significantly limited the Estates Team's ability to improve the energy consumption of its buildings, and IT complications restricted overnight switch off of computer base stations. Further, HMRC reported that a lack of resources devoted to SD in the organisation had hindered the delivery of the SDAP. The SDC would encourage HMRC to regard sustainable development as its key organising principle

and to explore more fully how short term investment might provide considerable long-term savings and other benefits.

HMRC also commented that the reporting burden from SDAPs and the Sustainable Development in Government (SDiG) report was another barrier to progress. The SDC is keen to work with Government to explore how the burden of SD reporting can be reduced.

Summing up

Overall the SDC feels that HMRC has made fair progress against the actions in its SDAP, on embedding sustainability and on sustainable procurement.

The progress report itself was well written and covered all of the areas outlined in the SDC's Guidance Tool. However, detail was lacking or unclear against some actions, and there were gaps in the evidence provided in the sustainable procurement section.

**2006 Sustainable Development
Action Plan Progress Report**

**HM Revenue and Customs'
Self-Assessment
May 2007**

1 EMBEDDING SUSTAINABILITY

HMRC was asked to consider whether the activities arising from its SDAP enabled it to capture the opportunities of sustainable development for its customers, partners and staff and, if so, how.

Regarding the work programme outlined in its SDAP, and based on progress towards actions, HMRC rated itself out of 10 for its

performance on embedding sustainable development in its:

- Policies
- People
- Operations (i.e. operations policy)
- Governance, monitoring and reporting.

The following scale was used:

1	2	3	4	5	6	7	8	9	10
Starting out	Some progress				On course			Fully integrated	

HMRC's response

Level: 4	Policies: Some progress	HMRC's comments in support of this rating:
Criteria: <ul style="list-style-type: none"> • Some alignment of policy with Government SD Strategy, UK Framework and related guidance • Some joining-up policy goals under the SD umbrella • Some signalling SD in external partnerships and relationships • Some embedding SD in policy approval processes / Regulatory Impact Assessments (RIAs) • Some effective stakeholder engagement • Some building SD capacity among delivery partners 		Policy development Alignment of policy with Government SD strategy Many of HMRC's policies are directly involved in having a major impact on the UK's approach to sustainable development. At the UK's ports and airports we are responsible for preventing the importation of for example wood from unsustainable forests, endangered species, firearms, class a drugs etc. We also administer and collect the taxes and duties relating to climate change levy, aggregates tax, landfill tax, as well as duties on petrol, hydrocarbons, betting and gaming, alcohol etc. The Government's environmental tax strategy is based on a combination of identifying where businesses and individuals can change their behaviour and incentivising that change through taxing activity that is not environmentally friendly. The department's work on the environmental taxes directly supports this strategy. Cont...

Criteria:

- Some alignment of policy with Government SD Strategy, UK Framework and related guidance
- Some joining-up policy goals under the SD umbrella
- Some signalling SD in external partnerships and relationships
- Some embedding SD in policy approval processes / Regulatory Impact Assessments (RIAs)
- Some effective stakeholder engagement
- Some building SD capacity among delivery partners

Landfill tax increases the price of waste disposed of at landfill, encouraging more sustainable ways of managing waste, such as reuse, recycling, or composting. It has been very successful: overall quantities of waste recorded at landfill sites registered for the tax fell from around 96 million tonnes in 1997-98 to around 72 million tonnes in 2005-06, a reduction of around 25 per cent; the UK is on track to meet its 2010 targets under the Landfill Directive for a significant reduction in the waste sent to landfill.

Climate change levy the UK 's energy tax required under the European Directive on energy products, increases the cost of energy used by business and public sectors, encouraging energy efficiency in these sectors. In doing so, the levy is successfully contributing towards the UK 's legally binding targets for greenhouse gas emissions reductions, with an independent study in 2005 concluding that the levy would deliver cumulative savings to 2005 of 16.5 million tonnes of carbon, and by 2010 would be saving around 3.5 million tonnes of carbon a year.

Aggregates levy increases the price of commercially exploited sand, rock and gravel, ensuring that the external costs associated with their extraction are reflected in the price, and encouraging the use of recycled aggregate. The levy is achieving its environmental objectives, with figures showing that primary aggregate sales have fallen since the levy's introduction and more recycled aggregate is being produced.

Cont...

<p>Criteria:</p> <ul style="list-style-type: none"> • Some alignment of policy with Government SD Strategy, UK Framework and related guidance • Some joining-up policy goals under the SD umbrella • Some signalling SD in external partnerships and relationships • Some embedding SD in policy approval processes / Regulatory Impact Assessments (RIAs) • Some effective stakeholder engagement • Some building SD capacity among delivery partners 	<p>Embedding SD in policy approval processes / Regulatory Impact Assessments</p> <p>We develop Policy using the Cabinet Office guidance - http://www.cabinetoffice.gov.uk/regulation/ria/toolkit/specific_impact_tests.asp</p> <p>The guidance enables policy-makers to consider how their proposals contribute to the five guiding principles of sustainable development to which the Government is committed.</p> <p>Examples of Impact Assessments where environmental issues have been considered include:</p> <p>Company car tax 10% Band for lower CO2 emission cars http://www.hmrc.gov.uk/ria/ria-company-cars.pdf</p> <p>Fuel scale charges for cars emitting lower CO2 emissions http://www.hmrc.gov.uk/ria/1-fuel-scale-charge.pdf.</p> <p>Land Remediation Relief (March 2007) - http://www.hmrc.gov.uk/ria/11-partial-land-remediation-relief.pdf</p> <p>Proposals to reform land remediation relief and the exemption from landfill tax for waste from the clearing of contaminated land. Relief for rebated heavy oils used to generate electricity (Dec 2005) http://www.hmrc.gov.uk/ria/ria-north-sea-taxation.pdf</p> <p>Cont...</p>
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<p>Criteria:</p> <ul style="list-style-type: none"> • Some alignment of policy with Government SD Strategy, UK Framework and related guidance • Some joining-up policy goals under the SD umbrella • Some signalling SD in external partnerships and relationships • Some embedding SD in policy approval processes / Regulatory Impact Assessments (RIAs) • Some effective stakeholder engagement • Some building SD capacity among delivery partners 	<p>Proposals to reform land remediation relief and the exemption from landfill tax for waste from the clearing of contaminated land.</p> <p>Relief for rebated heavy oils used to generate electricity (Dec 2005) http://www.hmrc.gov.uk/ria/ria-north-sea-taxation.pdf</p> <p>This is about a measure to relieve rebated heavy oils from excise duty, and in particular gas oil and fuel oil that are used for electricity generation. As supplies of electricity made by licensed suppliers are chargeable with climate change levy (CCL), most generators using coal or natural gas do not pay any form of tax on their input fuel, to avoid double taxation. However, similar classes of generators using oil pay hydrocarbon oil duty on their input fuel. Therefore, electricity generated from oil is subject to double taxation – on the input fuel (under hydrocarbon oil duty) and on the electricity output (under CCL).</p> <p>External partnerships and relationships and stakeholder engagement</p> <p>As well as developing the taxes with Treasury, we work with other government departments and agencies, the European Commission, business and environmental organisations to ensure that our management of the taxes is in tune with the Government’s strategy and that we deliver legally sound outcomes in a customer focused and cost effective manner.</p> <p>In October 2006 HMRC hosted a summit for 100 top leaders from across the public, private and voluntary sectors to address how we can work together in partnership to join up goals under the SD umbrella by scaling up achievement in the areas of employability, diversity and the environment. The report of the summit can be found at: http://www.hmrc.gov.uk/about/corporate-responsibility/summit-report.pdf</p> <p>Cont...</p>
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Criteria:

- Some alignment of policy with Government SD Strategy, UK Framework and related guidance
- Some joining-up policy goals under the SD umbrella
- Some signalling SD in external partnerships and relationships
- Some embedding SD in policy approval processes / Regulatory Impact Assessments (RIAs)
- Some effective stakeholder engagement
- Some building SD capacity among delivery partners

We work with other government departments, business, voluntary and community organisations, e.g. Business in the Community and Princes Trust in order to understand better the needs of our stakeholders; maximise performance and increase understanding of our role in society.

We have also engaged with internal policy representatives on travel, purchasing, Queens Warehouses, HR and Learning through our Sustainable Development Operating Committee to ensure that SD is being integrated and properly considered in these work areas. Examples of the results of this engagement include the publication of sustainable travel and procurement guidance and the establishment of a 'model office' at our Residential Training Centre.

Building SD capacity

As well as developing training and guidance on sustainable development, we have been working to support the creation of business and policy driven processes and actions in line with the Government's SD agenda. We recognise that centrally co-ordinated activity alone will not bring about sustainable business practices and performance. It has to be really embedded in the way we operate and conduct our activities as a Department. As such the CR unit has been working with HR, Estates, IMS, Commercial Directorate and pioneer business areas to promote CR and SD and ensure that sustainability is adopted and integrated into business procedures.

Level: 5	People: Some progress	HMRC's comments in support of this rating:
	<p>Criteria:</p> <p>SD is partially reflected in:</p> <ul style="list-style-type: none"> • Core vision and values • Training and development (e.g. core skills, induction, leadership development) • Performance management (e.g. competency framework) • Recruitment • Career planning and placements • Internal communications • Volunteering • Fund raising. 	<p>SDAP – People</p> <p>SD is linked into HMRC's core values:</p> <ul style="list-style-type: none"> Being professional and helpful Acting with integrity and fairness Improving the customer experience Achieving success by appreciating differences and working together <p>through the HMRC Corporate Responsibility Strategic Framework, which can be found at: http://www.hmrc.gov.uk/about/corporate-responsibility/cr-strategy-plans.pdf The strategic framework sets out the rationale, direction, focus and benefits of HMRC's SD activity.</p> <p>Pioneers – during 06/07 five business units volunteered to embed SD and CR activity into all their business practices. They set SD / CR objectives for their work with their communities, their customers, their staff and the environment. As an example our Tax Credit Office is using its staff from different ethnic backgrounds to help residents on a deprived estate in Preston to understand tax credits, liaising with a local college on simplifying its forms and leaflets, producing literature in different languages, working with university students on making environmental savings at its major offices, expanding its recycling programme.</p> <p>Training and development was highlighted in a 06/07 review of cross cutting policies requiring a stronger injection of SD and CR. Actions taken as a result include: our Induction programme for all new entrants covering SD principles and encouraging staff to adopt sustainable working practices; all leadership development candidates attending a SD / CR masterclass; and</p>

<p>Criteria:</p> <p>SD is partially reflected in:</p> <ul style="list-style-type: none"> • Core vision and values • Training and development (e.g. core skills, induction, leadership development) • Performance management (e.g. competency framework) • Recruitment • Career planning and placements • Internal communications • Volunteering <p>Fund raising</p>	<p>Training and development (cont)</p> <p>opportunities offered to our most senior leaders to take part in community awareness programmes. Our young members of staff are offered the opportunity to take part on the Prince's Trust programme– a personal development programme aimed at building confidence and motivation through community involvement</p> <p>Our junior grades have been joining Spring School – a programme to develop and motivate aspiring managers to 'Make a difference' in HMRC.</p> <p>Our residential training centre at Lawress Hall took up the challenge to embrace SD into all its activities thereby setting an example to all attendees and insisting that they abide by SD rules during their stay</p> <p>SD and CR were built into the framework for our 06/07 planning round. The Department's plan and associated business unit plans feed directly into our performance management process. Where appropriate, SD has been included in the performance indicators for staff in roles with strong SD links.</p> <p>Our recruitment process encourages applications from minority groups through targeted advertising, workplace adjustments for special needs, family friendly policies e.g. term time working, home working.</p> <p>Career planning and placements will where possible minimise the impact on the environment. We offered internal development programmes for all grades and the opportunity to study for professional qualifications. Almost all of our posts are offered are suitable for part time working. Priority for placements is given to people without jobs. As the Dept continues to downsize we are offering junior staff in areas of office closures, with limited opportunities to move to other offices, assistance with retraining for public sectors careers in teaching. Nursing etc</p> <p>Cont...</p>
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<p>Criteria:</p> <p>SD is partially reflected in:</p> <ul style="list-style-type: none"> • Core vision and values • Training and development (e.g. core skills, induction, leadership development) • Performance management (e.g. competency framework) • Recruitment • Career planning and placements • Internal communications • Volunteering • Fund raising 	<p>Our internal communications have undergone an overhaul during 06/07. Almost all of our SD guidance has been updated and some is being revised again to reflect the changing culture.</p> <p>A SD / CR communications plan is now in place. In Feb 07 we produced a wrap around for our in house newspaper on what HMRC has done and is doing for the environment, with a centre page poster to reinforce the messages</p> <p>We have encouraged staff to discuss SD issues through our intranet 'question of the week' and by putting the Board's SD champion in the 'hotseat'</p> <p>Volunteering activity which does not link to business benefits is being phased out in favour of activity which does. Current volunteering policy, which is about to change, allows matched paid / unpaid time off at the discretion of the manager. Special leave is also allowed for school governors and magistrates</p> <p>Fund raising is carried out at a local level and like volunteering is being focussed on causes with links to business activity</p> <p>Diversity - We have developed a Diversity and Equality Action Plan - http://intranet.active.hmrci/hrlg/hrl/hrg5/hrg5_4.htm and a Gender Equality scheme - http://intranet.active.hmrci/hrlg/hrl/hrg5/hrg5_11.htm</p>
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Level: 4	Operations: Some progress	HMRC's comments in support of this rating:
	<p>Criteria:</p> <p>Some structure around the Framework for Sustainable Development on the Government Estate including elements such as:</p> <ul style="list-style-type: none"> • Management systems (e.g. EMS) • Energy, water, waste (resource efficiency, recycling etc.) • Travel • Sustainable procurement (e.g. efficient, green, fair, local, healthy) • Construction and refurbishment. • Biodiversity • Positive social and community impact. 	<p>The Corporate Responsibility Unit co-ordinates activity to meet Government SD targets, liaising with key stakeholders such as Commercial Directorate for sustainable procurement and travel issues; Information Management Systems for energy issues relating to IT use and Estates for building related activities that impact on Government targets, e.g. energy, water and waste management. The day to day management and operation of our buildings is with a number of PFI contractors who are managed by our Estates business unit.</p> <p>Management systems - we currently maintain one ISO 14001 EMS, which covers approximately 10% of our staff. We have been developing a centralised approach to managing our significant environmental impacts and our longer term plans are to develop a corporate environmental management system. Difficulties with our PFI contract and finance issues prevent us from extending ISO 14001 to other areas of our estate.</p> <p>Energy, water, waste We are falling behind on our energy targets. Our Internal Audit Unit is working with Estates to address the difficulties with our PFI. Shared savings schemes are being explored along with actions for cutting the energy usage from our IT equipment.</p> <p>Figures for water usage for 2006/07 show that we have reduced consumption by over 15% since the baseline year 2004/05.</p> <p>In 06/07 we piloted a full recycling scheme at eleven sites. It is now in the process of being rolled out across our estate in 07/08.</p> <p>Cont...</p>

<p>Criteria:</p> <p>Some structure around the Framework for Sustainable Development on the Government Estate including elements such as:</p> <ul style="list-style-type: none"> • Management systems (e.g. EMS) • Energy, water, waste (resource efficiency, recycling etc.) • Travel • Sustainable procurement (e.g. efficient, green, fair, local, healthy) • Construction and refurbishment. • Biodiversity • Positive social and community impact 	<p>We have engaged a contractor to ensure that all office furniture resulting from office closures is recycled and we have also introduced a doubled sided printing policy, where printers allow and cut back significant on our paper usage.</p> <p>Travel – We reduced road travel by more than six million miles during 2002 – 06. We have 169 fewer vehicles in the fleet and Internal Audit have conducted a review of car use within the Department, which will lead to efficiencies and further reductions.</p> <p>Sustainable procurement – We have developed our sustainable procurement strategy and take sustainable development criteria into account at the start of all procurement exercises. Internal Audit (IA) reviewed the Strategy earlier this year and were satisfied that sustainable development was fully integrated into procurement processes and given appropriate weighting. IA were impressed that the Procurement Strategy ‘provides the clear and logical reasons for such a strategy, the background, including links to the Government’s overarching view “Securing the Future” and how Commercial will adopt a proactive approach and encourage customers to use recyclable and sustainable materials.’ From a sample review of contracts including Capita Health Solutions for Occupational health and screening services; Lloyds TSB Autolease for Car hire and Delta Power Group for Cutter maintenance, IA concluded that an effective sustainable procurement policy is in place; and the sample test found compliance with the requirements in the policy.</p> <p>Construction and refurbishment – Sustainability criteria is included in our guidance for all our capital works projects. We have had no new builds during the last year.</p> <p>Cont...</p>
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<p>Criteria:</p> <p>Some structure around the Framework for Sustainable Development on the Government Estate including elements such as:</p> <ul style="list-style-type: none"> • Management systems (e.g. EMS) • Energy, water, waste (resource efficiency, recycling etc.) • Travel • Sustainable procurement (e.g. efficient, green, fair, local, healthy) • Construction and refurbishment. • Biodiversity • Positive social and community impact. 	<p>Biodiversity – Our PFI contractor has recently let a new grounds maintenance contract, which includes requirements to support and promote local wildlife and habitats. Whilst we do not have SSSIs on the estate, our PFI contractor intends to carry out further work next year to assess our impacts on SSSIs located near our estate.</p> <p>Positive social and community Impact – As mentioned above we are recycling office furniture into the community. The same applies to office supplies. Our SD / CR pioneer business are all involved in community activity. Where possible during 06/07 this has been focussed on our marginalised customers e.g. people who for whatever reason find it difficult to engage with us. As well as volunteering and fund raising our move to on line tax returns, and more electronic communications are minimising paper usage. Our call centres have been used for Children in Need and our local radio broadcasters, our road shows, stands at local fairs, local discussion forums and visual impairment unit all contribute to helping local communities engage on tax and customs issues.</p>
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Level: 5	Governance, Monitoring and Reporting: Some progress	HMRC's comments in support of this rating:
	<p>HMRC scored itself based on how it felt it is progressing on creating and embedding the appropriate mechanisms and processes to record and report progress of SDAPs, and sustainable development generally.</p> <p>This was a subjective assessment, with no pre-defined criteria.</p>	<p><u>Governance</u> – HMRC Board and its Executive Committee has taken responsibility for SD and CR and discussed it twice during 2006/07. Mike Hanson (Director General Corporate Services) was the Board's champion for SD and CR. This role past to Chris Hopson (Director Communications & marketing) in October 2006.</p> <p>The CR Steering Group, which was a sub Committee of the Board set the direction for SD activity and monitored progress. Reporting to the CRSG was the SD Operating Committee. Membership of the SDOC comprised key representatives from lead SD business areas e.g. Estates, IT, Commerce etc.</p> <p><u>Monitoring and Reporting</u> – Internal Audit reviewed SD activity at the beginning and the end of 2006. In its last report it focussed on the need for better management information systems.</p> <p>High level SD and CR activity has been included in HMRC's 06/07 Annual Report and in its CR Review 06/07 which forms an annex to the Annual report and will be published in June 07. The key messages from this report on the SDAP will be feed to a new CR and Diversity Committee. Progress made by the five pioneer business units in embedding SD and CR will also be reported to this new committee.</p> <p><u>Day to day activity</u> - During the last year the central SD Team met with key stakeholders and monitored progress against the SDAP. The feeling is that there should be scope to reduce the burden of reporting for both SDAPs and SOGE in different time frames. We would be keen to discuss this with SDC during the coming months.</p>

2 PROCUREMENT

Procurement is an area of key importance to delivering sustainable development. Sustainable procurement (policy, processes and operations) should be embedded into all areas of organisations, and should be incorporated in the whole SDAP process.

The Flexible Framework (detailed in *Procuring the Future*⁸) identifies 5 key themes which are, in effect, the key behavioural and operational change

programmes that need to be delivered in each public sector organisation to deliver sustainable procurement. For each theme, compliance criteria for five levels are detailed.

For each theme in the Flexible Framework, HMRC identified the level it has reached, and provided information in support of this self-assessment.

⁸ *Procuring the Future*, The Sustainable Procurement Task Force National Action Plan. Defra, June 2006.

HMRC's response

PEOPLE	
Level 2: EMBED	
<p>Criteria: All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles</p>	<p>HMRC's comments: Good aspects – Procurement staff have access to online training, as well as procurement experts; workshops to debate and discuss topical issues and promote learning. SD is included in induction and provision of training/development opportunities are provided. Barriers – Transition of the former two departments; heavy business as usual commitment has meant a heavy workload for procurement staff over the last year. Related issues have been the review of systems and procedures; centralisation of procurement activity to one site with many staff newly recruited and untrained and inexperienced.</p>

POLICY, STRATEGY & COMMUNICATIONS	
Level 2: EMBED	
<p>Criteria: Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.</p>	<p>HMRC's comments: Good points – established basic guidance, assessment tool and procurement strategy. We now need to consider the relevance, proportionality and communication visible internally to stakeholders and externally to suppliers.</p>

PROCUREMENT PROCESS

Level 2: EMBED

Criteria:

Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation. Sustainability is considered at an early stage in the procurement process of most adopted contracts. Whole-life-cost analysis adopted

HMRC's comments:

Good points – We asked Internal Audit (IA) to review our procurement strategy and verify that sustainable development criteria is included in all new contracts. IA examined a sample of contracts and concluded that the Department has an effective Sustainable Procurement Strategy in place, which includes sustainable development targets, sustainable procurement aims and links to 'Securing the Future'.

Barriers – poor Management Information and lack of detailed guidance and training on calculating whole life costs and unavailability of a merged contracts list. The implementation of ERP system will improve availability of management information.

ENGAGING SUPPLIERS

Level 2: EMBED

Criteria:

Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior management involvement.

HMRC's comments:

Barriers – unavailability of Management Information. Many staff are newly recruited and therefore inexperienced in contract management. Contract management was traditionally handled by the business and Commercial had a lesser role.

MEASUREMENTS & RESULTS

Level 2: EMBED

Criteria:

Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.

HMRC's comments:

Good points – Internal Audit commended Commercial Directorate's appraisal of sustainability impacts of procurement activity. Commercial Directorate are working towards more transparency, which will enable better risk management.

Barriers – lack of clarity and ownership of reporting responsibilities within HMRC, buy in from business areas, areas of un-controlled activities are not being captured, lack of transparency with risk management.

3 TAKING STOCK

SDC asked HMRC a series of questions designed to reflect on the success, barriers and progress of its SDAP, and to identify what helped or hindered. HMRC's responses to these questions are detailed below.

1. What has helped your organisation to deliver its SDAP? e.g. capacity, funding, culture, leadership, policies, procedures and/or organisational arrangements.

HMRC has secured top level commitment for the delivery of its SDAP. Board level representation is provided by the Director of the Communications and Marketing, who champions Sustainable Development across the Department. We have established a Corporate Responsibility Steering Group (CRSG), which provides strategic leadership for the Departments corporate responsibility agenda, including sustainable development. We set up a Sustainable Operating Committee in 2006 to raise the profile of SD and ensure that key sections and business areas take responsibility for specific parts of the SDAP. The work of the five pioneer business units to embed CR and SD into all their business activities has engendered enthusiasm in the business for SD activity.

2. What has hindered the delivery of your SDAP? e.g., capacity, funding, culture, leadership, policies, procedures and/or organisational arrangements.

Our PFI arrangements have significantly hindered the ability of our Estates team to make serious progress on the energy consumption of our buildings. The complications of the roll out of our new computer system, integrating the old Inland revenue and Customs systems, has restricted the overnight switch off of computer base stations. Finance has also been a stumbling block as has the lack of central resource in the SD i.e. 2.5 staff for an organisation of almost 100,000. A recent internal audit review confirmed the need for resource levels to be reviewed.

3. What information do you hold and collect relating to the sustainable development impact of your organisation's overall policies/projects/activities? e.g., Regulatory Impact Assessments (RIAs).

Policies

RIAs are published on the Department's internet site – <http://www.hmrc.gov.uk/ria/index.htm#full> and include analysis of the economic, social and environmental impacts. The new impact assessment tool developed by the Cabinet Office, which includes a checklist for policy makers to consider how their proposals contribute to the five guiding principles of sustainable development, will be fully incorporated into our policy development guidance and procedures later this year. See earlier Policy development section on Page 5 for examples.

Projects

Our PFI contractors are obliged to conduct BREEAM assessments for all major refurbishments and new builds.

Day to day activities

Sustainable development guidance has been made available to all staff, promoting the need for more sustainable behaviour in the working environment, e.g. using fewer resources – printing less, turning equipment off when not in use, travelling less and opting for telephone and video conferencing instead.

4. Were there any key updates/changes to your 2005/06 SDAP? Please briefly list.

Three of our policy objectives were reviewed in August by our Customs and Frontiers Team and have been amended to provide a more relevant focus for the work that is underway in this area and the results that have been achieved. We have reported on the new objectives and updated the table of actions accordingly.

4 PROGRESS AGAINST ACTIONS

The tables that follow report HMRC's progress against specific actions in its 2006 SDAP. The table was designed by the SDC as part of the self-assessment tool for departments, and encourages critical assessment of the value of each action, as well as the progress achieved.

Progress is represented using a RAG+ Analysis (red, amber, green, +blue) (column E), and provides a subjective indication of the completion of an action towards its stated objectives:

- **Complete** indicates that an action is complete, and the associated output/outcomes fully realised
- **On target** indicates the action is incomplete in one or more aspects, but is still on target
- **Recoverable** indicates that an action is behind target, but recoverable
- **Behind target** indicates that an action is far behind target and that recovery is unlikely.

Column F details evidence to verify the reported progress made, such as:

- Published strategies, policies, Bills, guidance, literature
- Objective performance measures, indicators and associated sources of data
- Reports of events, particularly outcomes and next steps
- Auditable correspondence
- Auditable activities.

In column G, HMRC reported whether this evidence is readily available for scrutiny by the SDC.

While each action is important in itself, the aim of the SDAP is to help organisations fulfil their contributions to the government's wider sustainable development priorities for

immediate action, as set out in its 2005 strategy, *Securing the Future*⁹. These are:

- Sustainable consumption and production
- Climate change and energy
- Natural resource protection and environmental enhancement
- Sustainable communities.

Column H contains HMRC's critical assessment of how each action impacts on these priority areas, using a scale of 1-4 (see table below).

Column H Level	Contribution of action to one or more of the priority areas
1	Zero or small
2	Fair
3	Good
4	Outstanding

⁹ *Securing the Future – Delivering the UK Sustainable Development Strategy*, HM Government, March 2005.

HM Revenue and Customs's self-assessment of progress towards SDAP actions

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
1	Produce and implement a sustainable procurement strategy, which ensures that whole life costs, energy efficiency and waste management are taken into account for all contract specifications and negotiations.	Strategy produced and agreed by 31 March 06.	Commercial Team	On target	Strategy devised and published. Standard environmental clause devised for inclusion in all contracts and guidance on evaluation to include sustainable development criteria. Recent internal audit proved that SD is included in the sample of contracts reviewed.	Yes on the internet	3	The delay in publication of the government response to the taskforce report has meant that some actions were put on hold pending the outcome.

2	<p>Review the SD content of existing major PFI contracts, e.g. Mapeley, Fujitsu, CAP Gemini etc. to ensure they incorporate sustainable procurement objectives.</p> <p>www.sd-commission.org.uk</p>	By 31 March 2007	Estates and Support Services/Information Management Services/Commercial Directorate	Recoverable	<p>Internal Audit reviewed the main PFI contract with Mapeley as part of their review of Estates and Corporate Responsibility. This was completed within a revised deadline of 31 March. The environmental responsibilities of our main estates PFI contract are contained in a dedicated schedule within the contract documentation. They include supporting the Department's performance in line with Government targets on energy, water and waste management. There are no formal environmental commitments within the Departments IT contracts, but energy efficiency is being treated as more of a priority and roll outs of new equipment are all based on improved energy efficiency features.</p> <p>Commercial Directorate takes SD into account with all new contracts.</p>	Yes. This is held in contract documentation	3	<p>We have revisited the provision within the main estates contract for financial penalties to be awarded against Mapeley if they fail to meet their environmental commitments. This has recently been brought to their attention in order to underline the urgent need for more progress on energy efficiency and recycling. Shared savings initiatives are now being given more serious consideration in order to achieve energy reductions and deploy micro generation on the estate. A number of discussions with IMS have taken place regarding the need to include energy efficiency in all contractual changes and operational decisions.</p>
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A Ref	B Action	C Target	D Responsibility	E Progress (RAG analysis)	F Evidence/crosscheck used to measure action	G Readily available?	H Impact (1-4)	I Comments
3	Reduce paper consumption through e-business channels, forms rationalisation and re-usage, i.e. reduce forms through encouraging on-line returns, reusing A4 paper in printers.	Quarterly meetings with key business heads. Paper usage assessed at 31 August 06.	Business Heads/Knowledge, Analysis and Information/Communications and Marketing/Products and Process Groups	On target	Data received from Commercial Directorate shows that we have reduced desktop copier paper usage by 15.4% since 2005/6 and printed publications from 11,500 tonnes down to 10,500 tonnes. Through intranet guidance and communications campaigns staff have been encouraged to print less and to make use of the duplex facility available on most of our printers (though intranet and one HMRC articles). Increase in number of customers filing their tax returns on line.	Yes	2	

A Ref	B Action	C Target	D Responsibility	E Progress (RAG analysis)	F Evidence/crosscheck used to measure action	G Readily available?	H Impact (1-4)	I Comments
4	<p>Raise awareness of the need to reduce waste and to increase recycling levels</p> <ul style="list-style-type: none"> • Completion of SD in Government questionnaire • Paper to Operations Committee <p>Meet target of recycling 75% office waste</p>	<p>- 31 July 06</p> <p>- 31 May 06</p> <p>- 31 Dec 06</p>	Estates and Support Services	Recoverable	<p>We have used the intranet and our one HMRC publication to raise awareness of recycling.</p> <p>Have a number of recycling schemes in place including paper recycling at most sites.</p> <p>Currently trialling recycling of paper, cans, glass and plastic at 11 of our sites.</p> <p>The Paper was not put to the Operations Committee.</p>	Yes	2	<p>In 2005/6 we achieved 13% recycling as a proportion of total waste arisings. Up 10.2% on the previous year.</p> <p><i>We are currently gathering information on waste arisings and recycling levels for 2006/07.</i></p> <p>The paper to Operations Committee was deemed to be unnecessary as communications on the disposal of paper waste are being managed by Estates as part of their recycling and waste management strategy.</p>

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
5	Work with the Carbon Trust and PFI contractors to raise awareness and reduce carbon emissions by 5%	By 31 December 2006	Estates and Business Heads	On target	Meetings have taken place with the Carbon Trust to discuss what they can do to assist with developing our carbon management programme. Estates and Corporate Responsibility units agreed that the work already underway matched what CT's consultants could offer and was more cost effective.	Minutes available.	1	The CRU has been engaged in regular meetings with Estates and PFI contractors to underline the importance of raising awareness amongst staff and contractors to reduce carbon emissions.
6	Review energy consumption	July 2006	Estates and Business heads	Recoverable	Our latest energy figures for 2006/07 show that we have reduced consumption by 4.4% . This means we have met the first of the Government's targets on carbon emissions, to reverse the upward trend by April 2007.		2	HMRC's energy consumption increased by 16% in 2005/06, relative to 2000/01. Major contributory factors: increased use of IT and a lack of financial incentives in our estates PFI

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
								contracts to implement energy efficiency measures. The Estates Consolidation Programme will lead to an overall reduction in energy use, although not necessarily an increase in energy efficiency.
7	To increase energy efficiency of buildings by 5%	31 December 2006	Estates and Business heads	Recoverable	In 2005/6 energy efficiency reduced by 23% relative to the baseline year. A recent comparison of energy efficiency in 2005/06 and 2006/07 is showing energy efficiency has increased by 3.6%.	Yes	2	Whilst we have failed our target increase of 5% we are at least moving in the right direction now and we will be striving to improve on this during the current year.

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
8	Appoint regional staff environmental managers	By July 2006	Estates and Business heads	Behind target	A limited number of business areas have appointed an environmental manager. These include our residential training centre and our Tax Credits office. Pressure to reduce budgets and staff resources means that we have been unable to appoint environmental managers in every business area/location.	Yes	2	We will continue to review the scope for increasing regional environmental management resources. Senior Responsible Managers, located in all our sites have been identified as potential candidates to underline the need for proactive environmental management communications. Energy efficiency road shows run by our PFI contractors will also be held later this year to signify the importance of environmentally responsible behaviour.
9	Develop Sustainable Fleet Management	Ongoing	National Fleet Management Unit	On target	Fleet Management strategy produced (currently in draft).	Yes for draft strategy	2	The Fleet Management strategy is currently in draft form but it will

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
	Strategy			On target				include the following Key objectives: 1. Aligning the fleet (due to separate contracts being in place before HMRC integration. 2. To reduce costs and achieve year on year savings 3. To reduce vehicle related CO2 emissions by 15% by 2010/11 against a 2005/6 baseline.
10	Reduce road transport CO2 emissions by 10% through: Reductions in business mileage	31 December 2006	Estates/Commercial Directorate/National Fleet Management Unit/ Communications/ T&S Policy		Fleet Management Strategy produced (currently in draft). Travel intranet site contains information on sustainable	Yes for draft strategy	2	In 2005/6 we had 169 fewer vehicles in the Departmental fleet. All replacement vehicles have either smaller engines or are diesel.

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
	Improved fuel efficiency Greater use of video/telephone conferencing				<p>travel and encourages the use of public transport as well as greater use of video/telephone conferencing.</p> <p>Between 2003/04 and 2005/06 we reduced road transport CO2 emissions by 8.5%. <i>Data for 2006/7 not yet known – awaiting feedback from National Fleet team which we will get mid June.</i></p>			Commercial Directorate has been reviewing the video and audio conferencing facilities that exist on the estate with a view to promoting their use more actively. Direct links to booking these facilities will be added to the Travel intranet site. Travel and Subsistence policy have been developing a template to capture information on the location of staff using video and telephone conferencing facilities so that we can calculate the CO2 emission being saved by not having to travel to meetings.

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
11	Work with IMS on campaign to switch off PC base stations overnight: Feasibility assessment Complete programmes 10% energy savings	July 2006	IMS/Communications	Behind target	Over 100,000 computers in the Department. A number of meetings have been held with IMS to address this issue, but there has been some reluctance to allow total base station switch off for business reasons. This issue is currently being pursued and IMS are exploring the feasibility of employing Night Watchman software for some areas and enabling some staff to switch base units off. Pilot business unit trialling switch off.	Yes	2	We have been unable to progress this issue within the 2006/07 SDAP and will carry this over to next years Plan as considered a significant factor in the increase in our CO2 emissions.

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
12	Promote HMRC's work on policy for the Climate Change Levy. Review of the Levy, in terms of its environmental and administrative effectiveness.	Ongoing	Environmental and Transport taxes	On target	HMRC internet site used to publicise information on the Climate Change Levy. This includes information on what is included and how to register.	Yes	2	
13	To fulfil our Service Level Agreements in respect of customs regimes of environmental impact	Annual Assessment of achievement of SLAs	Customs and International	Recoverable	Reports from PSA reporter that all of the SLAs relating to regimes of environmental impact are on target to be met apart from the transfrontier shipment of waste regime showing some slippage that is being addressed.	Yes	2	
14	To detect and deter the illegal international trade in endangered species.	Maintain seizure levels	Customs and International	On target	a) Specialised Detection team based at Heathrow acts as national centre of operational expertise providing advice	Yes	2	

					<p>and guidance on species identification.</p> <p>b) Suitable profiles in place on CHIEF automated cargo clearance system.</p> <p>c) Short narratives and seizure stats in HMRC's Annual Report show a small increase in the number of seizures, with trends broadly constant over time.</p> <p>d) One major development this year was to support the formal establishment of the police led National Wildlife Crime Unit.</p>			
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15	To protect the ozone layer by preventing the illicit import and export of substances which deplete it.	Ongoing Respond to profile hits; detain any suspect consignments; seizure any goods that are in breach.	Customs and International	On target	Low levels of import and export activity identified.	Yes	2	
16	Review current estates management strategy in line with the Workforce Change Programme	Ongoing	Estates/Workforce Change Programme	Recoverable	The Estates Consolidation Programme was developed as part of the Estates strategy, to ensure that our built estate continues to meet business needs. Impacts of the reductions that are being made to the size of the estate are managed by Workforce change and sustainability criteria is considered for all proposed changes, which have to be approved at ministerial level.	Yes	3	We will continue to monitor Impact Assessments to ensure that SD is being given appropriate consideration.

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
17	Review sustainable development assessments related to construction and refurbishment projects	Ongoing	Estates	Recoverable	No new builds have taken place this year and no BREEAM assessments have been conducted.	Yes	2	We have some concerns that our PFI contractors have not conducted any BREEAM assessments this year. We will be investigating this in conjunction with Estates in the coming months.
18	To protect natural habitats and promote biodiversity – Identify key habitats in need of protection	Ongoing -30 Sept 2006	Estates	Recoverable	We have no SSSI sites.	Yes	2	Our main PFI contractor plans to conduct a full audit of the estate in 2007/08 to identify areas of the estate with the greatest scope for supporting local wildlife and habitats. We are particularly keen to ensure that any of our estate bordering on or with proximity to SSSIs are managed with particular sensitivity to the natural environment. Grounds maintenance is

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
								managed with appropriate regard for the local environment – no peat is used on any part of the estate, indigenous plants and trees are the preferred option and pruning regimes that support local bird and wildlife have been promoted amongst contractors.
19	Improve the condition of the historic estate – liaise with PFI contractors on listed buildings	Ongoing	Estates	On target	Estates and PFI contractors have liaised with English Heritage and contributed to the Biennial Report on the Historic Estate. Our listed buildings have been managed in line with requirements.	Yes	1	Ongoing.

A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
20	Reduce water consumption to 7.7m3 per person per year and 7m3 per person for all new builds		Estates	On target	Our water consumption previously reported for 2005/06 met the 7.7m3 per person per year target. We have had no new builds so have not attempted the second part of this action.	Yes	2	There have been no new builds this year. We have been proactively managing our water metered sites during the previous year and our latest water usage data for 2006/07 shows that we have reduced consumption by over 15% since the baseline year 2004/05. Other initiatives have also been undertaken e.g. our staff college has stopped providing complimentary bottled water in bedrooms.

21	Phase out bottled water in all buildings	Ongoing	Estates	On target	Estates are currently developing communications on the phasing out of bottled water and will be taking steps to monitor the change in water use during the next few months.	Yes	1	A contract has been let for installing point of use water and work is expected to start in the near future.
22	Consultants to survey sites for water use. Implement all recommendations	31 October 2006	Estates	On target	This is an ongoing exercise. All our water metered sites are managed and monitored by ADSM. They have been proactive in locating and fixing leaks, reducing the size of meters and installing low cost measures to conserve water.	Yes	2	Ongoing.
23	Complete Environmental Impact Assessment	31 March 2006	Estates	Complete	Completed. See Business case for Point of use water.	Yes	2	
24	Take account of the estate's impact	October 2006	Estates		<i>Awaiting response from Estates</i>			This is a duplicate action and has been answered at 23.

25	HR to incorporate SD into impact assessments for all office closures; and to encourage diversity, wellbeing, work life balance, community involvement with business benefits for HMRC staff	Examine business case guidance by 31 March 06. Ongoing	Workforce Change Programme / HR	Complete	Sustainable Development criteria is now fully incorporated into Workforce Change Impact Assessments and Urban Reviews. Consultation exercises take place for every proposal to relocate work or close offices. Impact assessments now incorporate consideration of staff, daily travel, staff diversity, potential effects on local businesses of withdrawing from particular offices, etc. Sustainable Development principles have been built into all review processes.	Yes	2	
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26	Develop a proactive closer working programme with marginalized customers through working in partnership with	Launch programme October 2006	Business Heads and Customer Units	Recoverable	Marginalised customer programme being developed across HMRC through work of customer units, CR unit and pioneer business units. Voluntary and community groups involved through the Voluntary and Community	Yes	2	
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A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
	environmental, voluntary and community organisations, and to feed learning back to HMRC customer units. Hold meetings with Business Heads to discuss pilots/ideas.				Sector Advisory Group. We are building a stronger partnership with the VCS, enabling them to input into our high-level policies and strategies, which have an impact on the people that they represent. Last year we allocated £2 million of Grant in Aid funding to voluntary organisations to support their work with our 'hard to reach' customers. Our Flagship programme is currently under development.			

27	Set up an SD Operating Committee to drive forward this Action Plan	First meeting of Steering Group May 2006	SD Team	Complete	SD Operating Committee set up covering all business areas Meetings held on 29 th June, 10 th August and 2 nd November 2006	Yes – minutes of meeting are held	3	The SD Operating Committee was reviewed at the start of 2007. It was agreed to hold smaller meetings involving SDOC representatives from key areas where progress is essential in order to raise the Departments performance against Government targets. Regular meetings have been held with Estates, IMS and Commercial Directorate SDOC representatives to this end.
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A	B	C	D	E	F	G	H	I
Ref	Action	Target	Responsibility	Progress (RAG analysis)	Evidence/crosscheck used to measure action	Readily available?	Impact (1-4)	Comments
28	<p>Enhance SD communications to demonstrate HMRC's environmental commitment:</p> <ul style="list-style-type: none"> Produce communications strategy Plan a programme of SD publicity for 06/07 Meetings with consultants and HR&L to update the e learning package – Sustain It Advice and guidance issued on incorporating SD into induction and training packages 	<p>- May 2006</p> <p>- Early 2006</p> <p>30 April 2006</p> <p>July 2006</p>	SD Team/ Communications / HR Team	On target	<p>Communications strategy has been produced</p> <p>January 2007 edition of oneHMRC. Wrap around cover featuring a poster and achievements of HMRC along with suggested actions that staff can take to make a difference</p> <p>A number of meetings were held with consultants to update the e</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>3</p> <p>3</p> <p>2</p> <p>2</p>	<p>Sustain It has been updated.</p> <p>SD Guidance has been included in the Department's Induction training material</p>

					learning package. Material was reviewed and updated last year.			
29	Incorporate SD into business planning processes and guidance – review and refresh current planning guidance	31 December 2006	SD Team / Finance	On target	Corporate Responsibility is built into business planning. Produced new CR pages for HMRC internet site. In process of revamping CR intranet site.	Yes	2	

HMRC response signed by:

SD Reporting Officer: Geraldine Gallan, SD Policy Manager, 31/05/07

SD Responsible Officer: Maureen Pamplin, Head of Corporate Responsibility Unit, 31/05/07

SDC review and commentary:

Commentary by: Moumita Chakrabarti and Farooq Ullah, Watchdog Team

Peer reviewed by: Claire Monkhouse, Watchdog Team

Authorised by: Becky Willis, SDC Commissioner

Sign-off date: 21/11/07