



mch

Corporate Social Responsibility Report

2009-10

www.mchpositiveimpact.com

**increasing your organisation's positive impact through staff
development and management consultancy support.**

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Registered in England and Wales no. 54455273



About *mch*

mch is a staff development and management consultancy firm that assists charities, not-for-profits and social enterprises to increase their positive impact. We assist clients to:

- Clarify their overarching vision and mission
- Develop strategic and business plans
- Ensure they have the right number of people with the right skills to achieve their vision
- Foster an appropriate culture
- Develop routes to financial sustainability
- Evaluate their work and conduct feasibility studies

Located in Bath, South West England, we have clients throughout the UK and have advised organisations situated overseas.

Previous clients have ranged from large not-for-profit organisations, with a turnover in the millions, to social enterprise start-ups that have yet to generate any income. Furthermore, we have assisted trusts to improve the effectiveness of their donations. Consequently, we have an excellent working knowledge of the sector from both a donor and a recipient perspective.

About this report

This Corporate Social Responsibility (CSR) report is intended for those with an interest in our approach to social responsibility. It describes how we try to manage our CSR responsibilities as an integral part of our business.

CSR involves operating a business in a manner that meets the ethical, legal, commercial and public expectations that society has of business. It also provides a framework to ensure that a company's economic activity and development is sustainable.

Within the context of CSR, we monitor our client, supplier, employee, community and environmental impact using key performance indicators. Where possible, these indicators are compared with external benchmarks so our performance can be directly compared.

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Highlights

Within the context of CSR, we monitor our environmental impact, client, supplier and employee relations and our community involvement.

Environmental Impact

- *mch* produced an estimated 2,156 kg of carbon dioxide per employee, although 1,080kg of this was off-set, leading to a net value of 1,076kg.
 - Analysis of the Financial Services sector (the closest comparable sector for which data exists) shows average carbon dioxide emissions per employee of 4,844 kg, although with off-sets the average falls to 1,377 kg
- Initiatives used to reduce our environmental impact include:
 - Use of public transport
 - 86% of *mch* travel was conducted by public transport (train or bus)
 - Buying supplies locally
 - 59% of *mch* supplies were bought locally, with travel to and from the supplier being on foot

Stakeholders

- 100% of clients were satisfied or very satisfied with our services
- 93% of supplier invoices were paid on time
- 108 hours per employee were invested in staff training

Community Involvement

- The equivalent of 3% of pre-tax profits were donated to charitable causes
 - This compares with a figure of 0.25% of pre-tax profits for the top 300 UK organisations for charitable giving (by amount).
- Each employee volunteered 90 hours of their work time to community activities
 - This compares with an average of 12 hours per employee for organisations with a volunteering scheme



Business Description

Our Vision, Mission and Values

mch's vision is:

'To increase the positive impact of charities, not-for-profits and social enterprises.'

We aim to achieve this vision through our mission, which is:

'To assist clients with discreet management and leadership issues and to develop genuine relationships so clients benefit from our advice on an ongoing basis.'

mch has three core values:

Quality

We take pride in our work and are proud of the standards we maintain. A consequence of this value is that we only take on work when we believe we have the expertise and time to do an outstanding job.

Integrity

In our view, integrity involves being true to oneself and to the client. In this respect, we only take on work if we believe it will make a sustained, lasting and distinctive improvement to the client.

Balance

We are mindful of the fact that our consultants and client members have a life outside work. Consequently, we endeavour to operate in a way which allows individuals to balance the needs and rewards of family, friends, hobbies, volunteering, individual time and work.

Through our vision, mission and values, we endeavour to bring the best of *mch* to clients and demonstrate a genuine care and concern for both the organisation and its people. We maintain this concern even when we are not actively working with them.



Structure

mch was founded by Dr Mark Hughes in 2005. Mark is currently our sole full-time consultant, although we have associate arrangements with other consultants and trainers. *mch* is a private company limited by shares. There are currently only two shareholders, Mark Hughes and his wife Sophie. *mch* is registered in England and Wales as M.C. Hughes Consulting Limited and its registration number is 5455273.

Clients

We work exclusively with charities, not-for-profits and social enterprises (The Third Sector). We work across the whole spectrum of Third Sector areas and indicative clients include:

- A not-for-profit library
- An inner-city youth project
- A health related social enterprise
- A coaching and mentoring charity for the socially excluded
- A Christian trust

Corporate Governance

Corporate governance is designed to ensure we meet our legal and strategic responsibilities. From a legal and financial liability perspective, insurance has been taken out to cover the following issues: professional indemnity and public liability.

Regulatory Compliance

mch has complied with all relevant legislation under the Companies Act 2007. It has also paid all PAYE, National Insurance and other taxes due.

Investments

mch's company pension scheme represents its only current investment. Bromige Limited, an independent financial advisory which specialises in ethical investments, was contracted to identify the most suitable socially responsible pension fund. A fund was duly chosen which only invests in companies which have a commitment to a truly sustainable society.

Managing Our Environmental Impact

Key Performance Indicators and Benchmarks

Carbon Dioxide Emissions

Carbon dioxide is emitted into the atmosphere by all main forms of transportation and in the production of goods and services. There is general consensus that increased carbon dioxide emissions are responsible for global warming and that global warming is harmful to the environmental and social well-being of the planet. (1)

- *mch* produced an estimated 2,156kg of carbon dioxide/employee during 2009/10
 - Analysis of the Financial Services sector (the closest comparable sector for which data exists) shows an average of 4,844kg of carbon dioxide/employee/year (2)

Existing Initiatives to Reduce Environmental Impact

We have developed a number of initiatives to reduce our carbon dioxide emissions and thus our environmental impact. These include:

- Use of public transport
 - 86% of *mch* travel was conducted by public transport (bus or train). Proportionately, public transport produces far less carbon dioxide than car or air travel.
- Buying supplies locally
 - 59% of *mch* supplies were bought locally, with travel to and from the supplier being on foot.
- Minimising the number of supply deliveries
 - For supplies that were delivered, attempts were made to reduce the number of deliveries by purchasing multiple products within each order
- Maximising paper usage
 - *mch* uses non-confidential scrap paper for draft copies, thus ensuring both sides of a page are used.
- Using utilities only when needed
 - The lights, computers and printers in *mch*'s offices are switched off upon finishing work
- Sustainable resources and recycling
 - *mch* uses paper from sustainable sources for its working documents
 - *mch* recycles non-confidential documents, its printer cartridges and old mobile phones. Recycling the latter also raises money for charity.

Our policies to reduce our environmental impact compare favourably with the statistic that only 36% of small businesses take action or expect to take action to reduce their environmental impact. (3)

Comparisons with Previous Years

Key Performance Indicator	2005/6	2006/7	2007/8	2008/9	2009/10
Carbon Dioxide Emissions	1,273 kg	1,502 kg	1,741 kg	626 kg	2,156 kg

Initiative*	Output/Practice	2005/6	2006/7	2007/8	2008/9	2009/10
Using public transport	% of travel by train or bus	94%	91%	64%	98%	86%
Buying supplies locally	% of supplies bought locally with travel to and from supplier being on foot	69%	29%	63%	41%	59%
Minimising the number of remote supply orders	# of supplies per batch when purchased remotely	2.2	5.1	4.2	3.2	3.0
Maximising paper use	Using both sides of a page for working drafts	Practice implemented	Practice maintained	Practice maintained	Practice maintained	Practice maintained
Using utilities only when needed	Switching off electronic equipment upon finishing work	Practice implemented	Practice maintained	Practice maintained	Practice maintained	Practice maintained
Recycling	Using recycled paper	Practice implemented	Recycled paper or paper from sustainable forests is now used	Practice maintained	Practice maintained	Practice maintained
	Recycling non-confidential documents and printer cartridges	Practice implemented	Practice maintained	Practice maintained	Practice maintained	Practice maintained
Usage of renewable energy	Source 100% of electricity from renewable sources		Practice implemented	Practice maintained	Practice ended	-

*For further information into why certain practices were implemented, altered or ended, please see *mch's* earlier CSR reports, which can be found at the resource section of its website.

Key Performance Indicators and Utilisation

Travel accounts for the majority of *mch*'s carbon dioxide emissions and the amount of travel conducted is largely driven by the amount of work conducted. In consulting and staff development, workload is generally measured by employee utilisation. Utilisation is simply the number of hours of client work conducted, divided by the total number of hours the employee works. Such an adjustment leads to the following results:

	Year				
Performance Indicator	2005/6	2006/7	2007/8	2008/9	2009/10
Total Carbon Dioxide Emissions	1,273 kg	1,502 kg	1,741 kg	626 kg	2,156 kg
Utilisation	58%	50%	65%	26%	47%
Emissions due to office	611 kg	611 kg	159 kg	175 kg	190 kg
Emissions due to travel	662 kg	891 kg	1581 kg	451 kg	1966 kg
Travel emissions per unit of utilisation	11.4 kg	18.0 kg	24.2 kg	17.6 kg	42.1 kg

Comment Relating to Environmental Impact and New Initiative

The primary reason for the high carbon dioxide emissions in 2009/10 was a London – Amman return flight, which was conducted in relation to *mch*'s *pro bono* activities. It is estimated that this one return flight contributed 1,305 kg of carbon dioxide, approximately 60% of *mch*'s emissions for the whole year. While the flight was essential, it illustrates how easily *mch*'s existing initiatives can be undone by air travel.

Consequently, *mch* implemented a new initiative this year;

- **Carbon dioxide emissions from all *mch* air travel are to be off-set, to the nearest tonne**

Off-setting involved making a payment to Atmosfair, a not-for-profit organisation which develops and funds emission saving projects, including solar and hydroelectric initiatives. Its projects are subject to the rules and procedures set out in the Clean Development Mechanism of the Kyoto protocol and controlled by United Nations accredited organisations. More information on this area can be found at www.atmosfair.com

Stakeholder Relations

Employees

Overview

mch recognises that the quality of service we provide to our clients is directly linked to the skills and experience of our employees. This is why training and personal development is a key strategic priority. In addition to their skills and qualifications, we also believe that employees with high energy and enthusiasm deliver better results. Consequently, we try to operate a flexible and genuine balance between an employee’s work and the rest of their life. In practice, this takes the form of keeping the number of weekends worked to a minimum. We have set a target that no consultant will work more than 5% of weekends during any given year.

Key Performance Indicators and Benchmarks

Training and Personal Development

- The total amount of training and personal development over the last year = 108 hours/employee
 - This compares favourably with the statistic that only 51% of small businesses had arranged or delivered any staff training during the course of the year (3). It also compares well with the 50 best companies to work for in the UK. They averaged 60 hours/employee of formal training (4).

Balancing Work with the Rest of Life

- % of weekends worked in 2009/10 = 7%
 - This is higher than the internal benchmark set of 5%

Comparisons with Previous Years

Initiative	Benchmark Set	2005/6 Result	2006/7 Result	2007/8 Result	2008/9 Result	2009/10 Result
Devote time to personal development	-	122 hours/employee	90 hours/employee	72 hours/employee	190 hours/employee	108 hours/employee
Minimise the number of weekends worked	Less than 5% of weekend days worked	2%	8%	7%	2%	7%
Flexible Working	Allow all employees to practice flexible working					Implemented

Commitment made in 2008/9 for 2009/10

mch is committed to allowing its employees flexible working practices where possible. To this end, the organisation is committed to allowing lead consultant Mark Hughes to reduce his work load from 5 days/week to 4.5 days/week so that he can play an active part in caring for his young family.

Result:

Commitment met.

Future Commitments/Amendments

mch plans to maintain its commitment to staff training and development and flexible working. However, *mch* is increasingly aware of its inability to completely control the number of weekends worked by its employees. While the degree of weekend working will remain a consideration when deciding whether to take on a piece of work, the reality is that some selected engagements will necessitate weekend working. Furthermore, the requirements for weekend working are likely to continue to vary from year to year and so *mch* cannot realistically set an accurate target. Consequently, it is proposed that a new policy is implemented in which it is ensured that days *in lieu* are given for any weekend working. While this policy already operates on an *ad hoc* basis, it will be formalised in 2010/11 and employees will be encouraged to take their time *in lieu* entitlements.

Clients

Overview

As part of our CSR, we measure client satisfaction with our work, together with their views on how well *mch* performed in relation to certain competencies. To encourage clients to be completely candid, feedback can be given anonymously and several clients are asked for feedback at the same time, making it impossible to attribute feedback to a particular client. Furthermore, feedback is requested from a cross-section of people within all the clients we have worked with.

Key Performance Indicators

Customer Satisfaction

- 100% of clients in 2009/10 were either satisfied or very satisfied with our work
- Since beginning operations in 2005, 93% of clients have been satisfied or very satisfied with our work, 7% of clients have been neutral and no clients have been dissatisfied or very dissatisfied

Specific Competencies for 2009/10

- 100% of clients either strongly agreed or agreed that *mch* was quick to understand their organisation and the issues associated with the work
- 100% of clients either strongly agreed or agreed that *mch* was good value for money

No external benchmarks were able to be obtained.

Comparisons with Previous Years

Indicator	2005/6	2006/7	2007/8	2008/9	2009/10
% of Clients that are either satisfied or very satisfied	80%	100%	88%	100%	100%
# Clients that are either satisfied or very satisfied	4	8	7	7	7
# Clients that are neutral	1	0	1	0	0
# Clients that are either dissatisfied or very dissatisfied	0	0	0	0	0

Comment

The low number of responses for each year means that a single response can have a dramatic impact on the overall percentages. Consequently, we believe that overarching client satisfaction for all clients to date, is the most meaningful and reliable indicator.

Suppliers

Key Performance Indicators

Ensuring suppliers know the importance of their own CSR in retaining *mch*'s custom

- To date, our bank, pension fund, mobile phone company and utility provider have been informed as to the importance of their CSR performance in retaining *mch*'s custom.

Respecting the financial needs of suppliers

- 14 invoices were issued to *mch* in 2009/10 (the rest of payments were made either by direct debit or at point of sale). The average time between *mch* receiving an invoice and the resulting funds leaving our account was 10 days. Only one of the 14 invoices was paid late (after 30 days). Unfortunately, this was due to the fact that *mch* could not pay a contractor until it was itself paid by the client.

No external benchmarks for either performance indicator could be found.

Community Involvement

mch supports a range of community groups, both through donations and the involvement of our employee.

Corporate Donations

mch has donated money to a number of charities. These include:

- Bristol Community Family Trust (which aims to prevent family breakdown through relationship education and mentoring)
- The Guidepost Trust (which provides services to people with dementia, mental health problems and learning disabilities)
- M.E. Research UK
- Dogs Trust

Key Performance Indicators and Benchmarks

Value of Donations

- We donated £219 to charity this year, which equates to 3% of pre-tax profits
- This compares favourably with average UK company donations of 0.24% of pre-tax profits (5)

Comparisons with Previous Years

Direct Financial Donations	2005/6	2006/7	2007/8	2008/9	2009/10
Donations made direct from <i>mch</i> (£)	255	272	276	290	219
Donations made through work conducted with associates (£)	467	0	0	0	0
Total Financial Donations (£)	721	272	276	300	219

Commitment made in 2008/9 to 2009/10

To donate £300 to charitable causes.

Result:

Commitment not met. *mch* plans to involve its stakeholders more in its charitable donations in 2010/11 in order to increase the opportunities for it to donate.

Volunteering

Overview

mch realises that donating time can be more valuable than money. Consequently, we have volunteered our time to a wide range of projects. This year the bulk of our volunteering time was spent mentoring a young entrepreneur in Jordan to develop his business as a means of helping his community out of poverty.

Key Performance Indicators and Benchmarks

Company time spent volunteering

- *mch* gave 90 community hours per employee
 - This compares with an estimated 30 hours per year for every employee that participates in an employer volunteering scheme and 12 hours per year per employee for an organisation that has a volunteering scheme. (6)

References

1. IPCC Fourth Assessment Report: Climate Change 2007. See: http://www.ipcc.ch/publications_and_data/publications_and_data_reports.shtml#1 for more details.
Date Accessed: 30/11/10
2. The carbon dioxide emissions per employee were obtained from the Corporate Social Responsibility Reports of the following banks: HSBC (CSR Report 2009), Barclays (CSR Report 2009) and LloydsTSB (CSR Report 2009). The individual values were combined and then averaged.
3. Annual Small Business Survey 2004/5, Small Business Service, Department of Trade and Industry.
4. Great Place to Work Institute UK, 2010 UK's Best Workplaces Publication, 20th May 2010
5. The Guide to UK Company Giving 2009/10, 7th edition, John Smyth, published by the Directory of Social Change.
6. Home Office Citizenship Survey 2005.