



***mch***

# **Corporate Social Responsibility Report**

**2010-11**

[www.mchpositiveimpact.com](http://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 810kg of carbon dioxide per employee, although 232kg of this was off-set, leading to a net value of 578kg.
  - Analysis of the Financial Services sector (the closest comparable sector for which data exists) shows average carbon dioxide emissions per employee of 4,976kg, although with off-sets the average falls to 1,333kg
- A key initiative used to reduce our environmental impact involved using public transport as much as possible
  - 80% of *mch* travel was conducted by public transport (train or bus)

### Stakeholders

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

### Community Involvement

- The equivalent of 18% 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 13 hours of their work time to community activities
  - This compares with an average of 12 hours per employee for organisations with a volunteering scheme

\*This figure is an estimate as *mch*'s accounts for 2010-11 were not finalised when this report was produced.



## ***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 810kg of carbon dioxide/employee during 2010/11 before offset measures were applied. After offset measures were applied, this figure was reduced to 578kg
  - Analysis of the Financial Services sector (the closest comparable sector for which data exists) shows an average of 4,976kg of carbon dioxide/employee/year although with off-sets the average falls to 1,333kg (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
  - 80% of *mch* travel was conducted by public transport (bus or train) and then on foot or by bicycle. Proportionately, public transport produces far less carbon dioxide than car or air travel.
- Buying supplies locally
  - 38% 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	2010/11
Carbon Dioxide Emissions	1,273 kg	1,502 kg	1,741 kg	626 kg	2,156 kg – <b>Off set to 1,156kg</b>	810 kg – <b>Off set to 578kg</b>

Initiative*	Output/Practice	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11
Using public transport	% of travel by train or bus	94%	91%	64%	98%	86%	80%
Reducing impact of air travel	Off settings carbon emissions associated with air travel					Practice implemented	Practice maintained
Buying supplies locally	% of supplies bought locally with travel to and from supplier being on foot	69%	29%	63%	41%	59%	Practice ended
Minimising the number of remote supply orders	# of supplies per batch when purchased remotely	2.2	5.1	4.2	3.2	3.0	1.6
Maximising paper use	Using both sides of a page for working drafts	Practice implemented	Practice maintained	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	Practice maintained
Recycling	Using recycled paper	Practice implemented	Recycled paper or paper from sustainable forests is now used	Practice maintained	Practice maintained	Practice maintained	Practice maintained
	Recycling non-confidential documents and printer cartridges	Practice implemented	Practice maintained	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:

Performance Indicator	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11
Total Carbon Dioxide Emissions	1,273 kg	1,502 kg	1,741 kg	626 kg	2,156 kg	810 kg
Utilisation	58%	50%	65%	26%	47%	40%
Emissions due to office	611 kg	611 kg	159 kg	175 kg	190 kg	156 kg
Emissions due to travel	662 kg	891 kg	1581 kg	451 kg	1966 kg	654 kg
Emissions due to travel after off-setting for plane travel	662 kg	891 kg	1581 kg	451 kg	966 kg	422 kg
Travel emissions per unit of utilisation	11.4 kg	18.0 kg	24.2 kg	17.6 kg	42.1 kg	16.5 kg
Travel emissions per unit of utilisation after off sets	11.4 kg	18.0 kg	24.2 kg	17.6 kg	22.8 kg	10.7 kg

## Comments Relating to Environmental Impact

### Sourcing Goods Locally

The initiative to buy goods locally, with travel to and from the store being on foot or by bicycle was ended in 2010-11. This was because *mch*'s new rural office location (*mch* moved offices in February 2011) greatly limits the ability to purchase office products by this method.

### Carbon Dioxide Emissions from Travel

*mch* believes its current reporting downplays its contribution to reducing carbon emissions from travel. This is because upon completing a train journey, it does not consider the subsequent journey to the final destination as a separate one, unless it is conducted by taxi. In 2010/11, *mch* staff did not take a single taxi journey in relation to their work. All travel between stations and final destinations was conducted on foot or by bicycle.

## Stakeholder Relations

### Employees

#### Overview

mch recognises that the quality of service we provide to our clients is directly linked to the skills, motivation 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.

#### Key Performance Indicator and Benchmarks

##### Training and Personal Development

- The total amount of training and personal development over the last year = 59 hours/employee
  - This compares favourably with the statistic that only 60% of small businesses had arranged or delivered any staff training during the course of the year (4). It also compares well with the 50 best companies to work for in the UK. They averaged 60 hours/employee of formal training (5).

#### Comparisons with Previous Years

Initiative	Benchmark Set	2005/6 Result	2006/7 Result	2007/8 Result	2008/9 Result	2009/10 Result	20010/11 Result
Devote time to personal development	-	122 hours/employee	90 hours/employee	72 hours/employee	190 hours/employee	108 hours/employee	59 hours/employee
Minimise the number of weekends worked	Less than 5% of weekend days worked	2%	8%	7%	2%	7%	Practice ended
Compensate for weekend working	Formally provide days <i>in lieu</i> for weekends worked					Commitment to implement	Practice not implemented
Flexible Working	Allow all employees to practice flexible working					Implemented	Practice maintained

## Comments in Relation to Employee Relations

At the end of *mch*'s 2009-10 year and after five years of trading, *mch* was increasingly aware of its inability to control the number of weekends worked by its employees. Consequently, while the degree of weekend working remains 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.

In view of these realities, it was proposed that during 2010/11 a new policy would be implemented to provide days *in lieu* for any weekend working. While such a policy has operated on an *ad hoc* basis since *mch* was founded in 2005, it was felt that there could be benefits in formalising time *in lieu* entitlements.

Implementation of a formal time *in lieu* policy did not occur this year. The reason for this is that 2010/11 was a very significant year for *mch*'s sole full-time employee, as it encompassed becoming a father for a second time and moving house. Such events delayed the formalisation process, however *mch* is confident that its informal procedures ensured its employee was given adequate time off to attend to the major events that arose.

## 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. Where appropriate, feedback is requested from a cross-section of client staff.

### Key Performance Indicators

#### Customer Satisfaction

- 100% of clients in 2010/11 were either satisfied or very satisfied with our work
- Since beginning operations in 2005, 95% of clients have been satisfied or very satisfied with our work, 5% of clients have been neutral and no clients have been dissatisfied or very dissatisfied

#### Specific Competencies for 2010/11

- 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	2010/11
% of Clients that are either satisfied or very satisfied	80%	100%	88%	100%	100%	100%
# Clients that are either satisfied or very satisfied	4	8	7	7	7	7
# Clients that are neutral	1	0	1	0	0	0
# Clients that are either dissatisfied or very dissatisfied	0	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. It should be noted that the low number of responses is more an indication of the relatively small number of clients *mch* works with than the response rate, which currently stands at 66%.

## ***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

- 6 invoices were issued to *mch* in 2010/11 (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 7 days. None of the six invoices were paid late (after 30 days).

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)
- The Royal British Legion

### Key Performance Indicators and Benchmarks

#### Value of Donations

- We donated £185 to charity this year, which equates to an estimated 18% of pre-tax profits\*
- This compares favourably with average UK company donations of 0.24% of pre-tax profits (6)

### Comparisons with Previous Years

Direct Financial Donations	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11
Donations made direct from <i>mch</i> (£)	255	272	276	290	219	185
Donations made through work conducted with associates (£)	467	0	0	0	0	0
<b>Total Financial Donations (£)</b>	<b>721</b>	<b>272</b>	<b>276</b>	<b>300</b>	<b>219</b>	<b>185</b>

### Commitments made in 2009/10 for 2010/11

To donate £300 to charitable causes and to involve stakeholders more in order to increase donation opportunities.

#### Result:

Commitments not met. However, *mch* has increased its direct debit giving by over 50% for 2011/12 to ensure that a minimum of £180 is given to charity over the next 12 months.

\*This figure is an estimate as *mch*'s accounts for 2010-11 were not finalised when this report was produced

## 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. This voluntary role was conducted through the mentoring charity Mowgli ([www.mowgli.org.uk](http://www.mowgli.org.uk)). Additional *pro bono* time was spent assisting at a local nursery school.

### Key Performance Indicator and Benchmarks

Company time spent volunteering

- *mch* gave 13 community hours per employee over the last 12 months
  - This compares with data which suggests that only 39% of people currently volunteer formally at least once over a 12 month period. (7)

### Comparisons with Previous Years

Volunteering	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11
Number of hours given	28	17.5	23.75	7.85	90	13

### Comment

The amount of time *mch*'s Director, Mark Hughes gave to the mentoring relationship outlined above was significantly reduced this year relative to last year. In part, this reflected the natural development of the mentoring relationship as it transitioned to a more 'maintenance based' phase. Personal commitments (the birth of a second child and moving house) also played a part in Mark not seeking many additional *pro bono* opportunities.

## References

1. IPCC Fourth Assessment Report: Climate Change 2007. See: [http://www.ipcc.ch/publications\\_and\\_data/publications\\_and\\_data\\_reports.shtml#1](http://www.ipcc.ch/publications_and_data/publications_and_data_reports.shtml#1) for more details.  
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2. The carbon dioxide emissions per employee were obtained from the Corporate Social Responsibility Reports of the following banks: HSBC (Sustainability Report 2010), Barclays (Citizenship Report 2010) and LloydsTSB (Responsible Business Report 2010). The individual values were combined and then averaged.
3. Annual Small Business Survey 2004/5, Small Business Service, Department of Trade and Industry. Although *mch* was not able to obtain the source document, analysis by Lloyds TSB Commercial in 2010/11 suggests there has been little change in the percentage of small businesses taking action to reduce their environmental impact with only 38% of businesses stating that they proactively analysed their operations for environmental impact (c.f. Small Business Survey figure of 36%). Reference to the Lloyds TSB Commercial analysis was obtained from the following website: <http://www.inspiresme.co.uk/news/green/test-news-item-01311/> Date Accessed:17/10/11
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