

A decorative graphic consisting of several overlapping, curved, fan-like shapes that radiate from a central point on the left. The shapes are colored in a gradient from light green to dark blue, with the largest and most prominent shape being a vibrant green.

# OUR ENVIRONMENTAL RESPONSIBILITY

From Understanding to Action

Environmental review report, March 2022

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# Introduction

Between July and November 2021, we carried out an environmental review to look at where we are in terms of our environmental responsibility as an organisation (beyond our sector-facing work) and where we want to be in the short to longer term.

In November 2021, we published [Our Environmental Responsibility: from Understanding to Action](#), a summary of the key outcomes of this review. It sets out:

- where we are in our environmental journey
- what we know about our environmental impacts and carbon footprint
- our commitment to plan, act and change

## This follow-up report sets out:

the **review process** we went through to better understand our environmental impacts, practice and performance

**review findings** and key facts and figures which lie behind the 2019/20 environmental snapshot

key **insights** we gained along the way

“We learned a lot through the environmental review process – not only about our organisation’s environmental impacts, but also about what it takes to drive change, and how and where to focus our efforts in driving this change. In sharing this process, including the findings and the insights we have gained along the way, it is our hope that others can benefit too.”

Andrew Ellerby, Senior Manager, Environmental Responsibility

# Review Process

## Why we did it?

Since 2012, with support and guidance from Julie's Bicycle, we have worked to build and nurture environmental understanding and action within the creative and cultural sector. Now, with [Environmental Responsibility](#) as one of the four [Investment Principles](#) in our [2020-30 strategy](#), we are expanding our environmental ambitions for the organisations and people we fund and the wider sector.

As an organisation, we have also been doing our own environmental reporting in line with [Greening Government Commitments](#). In 2021, we prepared the first [delivery plan for the 2020-30 strategy](#), which included a commitment to undertaking an organisation-wide environmental review and to developing a new environmental policy and action plan. It was also the year the UK hosted COP26, the global climate summit. With this in mind, alongside the growth in our expectations of the sector that we support we knew it was time to do more and strengthen our own organisational approach to Environmental Responsibility.

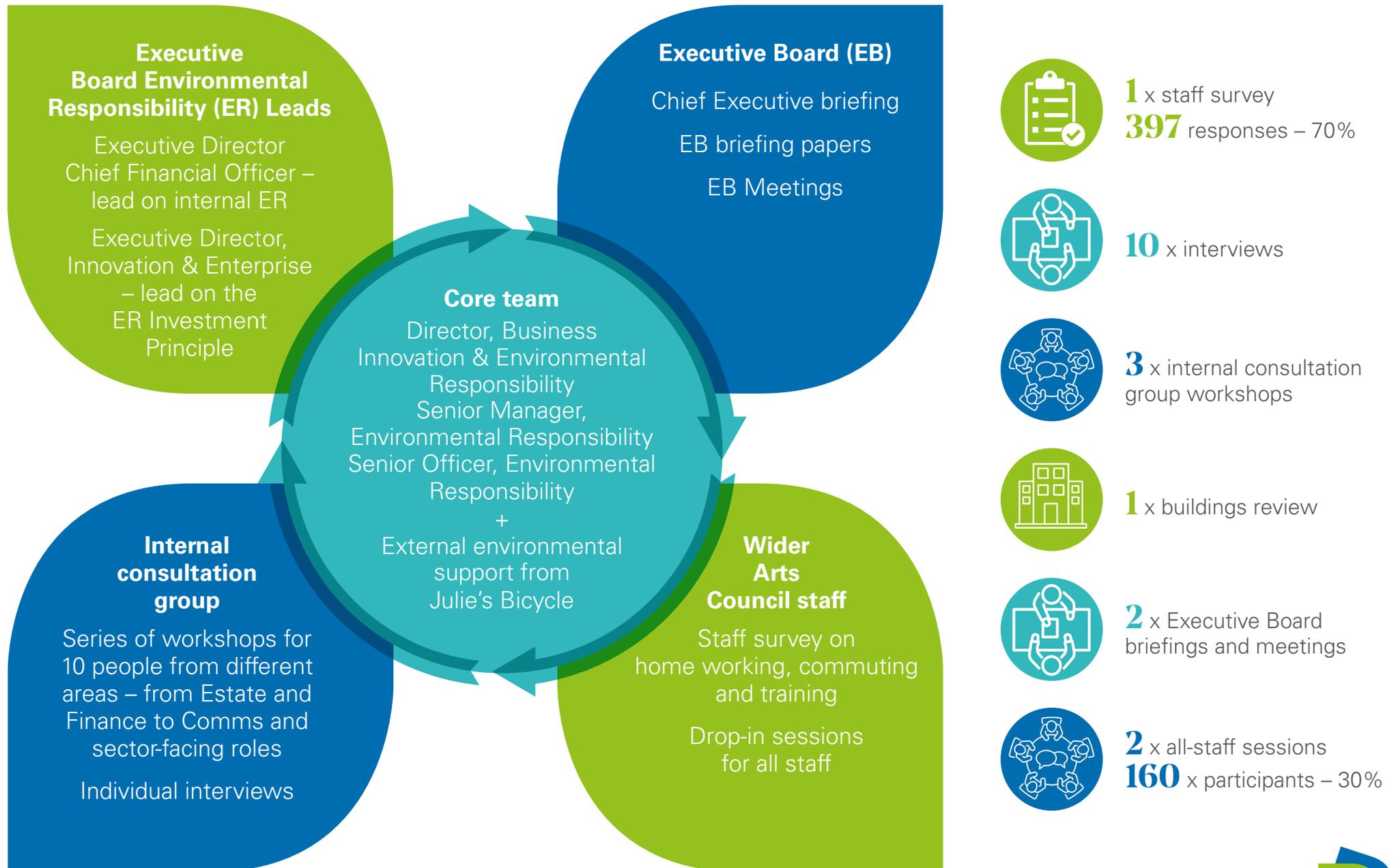
**We wanted to establish a new set of environmental commitments and a plan of action to meet them. To do this we first needed a better understanding of our starting point. We did this through an internal review with the aim of:**

**improving understanding of our environmental impacts and performance – building on the environmental reporting we had already been doing, but going deeper and wider**

**going beyond the numbers to get a better sense of what environmental action had already been taken, what good environmental practice was already in place and where people saw opportunities for action, and;**

**establishing a solid foundation for defining objectives and targets and identifying priorities.**

## Who was involved and how?



Note: Response rates to staff surveys are based on Full Time Equivalent (FTE) staff of 578 in 2021.

## What we did when?

July	August	September	October	November
<b>Scoped and planned review</b>	Collated existing data and information	Analysed data and calculated carbon footprint	Drafted 2019-20 environmental snapshot and new environmental policy	2 staff sessions with over 300 people to share 2019-20 environmental snapshot and new environmental policy
	Reviewed findings of March 2021 survey			
	Did new survey on commuting, home working and training			
	Buildings review – 9 offices			
	Interviewed departmental representatives on environmental practice			
<b>Set up internal consultation group</b>	1st internal consultation group workshop	2nd internal consultation group workshop	3rd internal consultation group workshop	
<b>Agreed scope and plans with Executive Board ER leads</b>	Chief Executive briefing	Executive Board ER leads briefing	Executive Board briefing and meeting	
		Executive Board briefing and meeting		Published 2019/20 environmental snapshot and new environmental policy

## How we calculated impacts and carbon footprint?

We looked at the impacts associated with Arts Council England **operations and activities** – across our 9 offices and staff (541 full-time equivalent in 2019/20, 578 in 2020/21). We took 2019/20 as a more representative 'baseline' year than 2020/21, due to the Covid-19 pandemic.

We already had data on **office energy, water, paper and waste and business travel**, but wanted to develop this further. In the end we were able to quantify impacts associated with **purchased goods and services** (based on spend figures) and **staff commuting** (based on survey responses).

We were not able to quantify impacts associated with digital activities, waste electronic and electrical equipment and office visitor travel, as it wasn't possible to get sufficient data retrospectively. While we were not able to include the carbon footprint of home working energy use in our overall footprint, we did work out an indicative figure, based on a set of assumptions, for the purposes of comparison with staff commuting impacts.

We did not analyse historical data on energy, water, waste and business travel but we did refer to impact reporting from previous Annual Reports to get a sense of trends.

We didn't try to quantify the impacts associated with:

- the organisations, activities and individuals we invest in – as our national portfolio organisations already report annually on their impacts under [Arts Council's Environmental Programme](#) and group analysis results are provided each year in the annual environmental programme report;
- the Arts Council Retirement Plan – as a pension fund for employees of six organisations managed independently of Arts Council England – we have however included this in our policy and priorities going forward and;
- Arts Council Collection, as this is managed by third parties on Arts Council's behalf – this is an area we will be considering going forward.

### In scope

Arts Council England operations and activities across 9 offices and about 540 staff (full-time equivalent 2019/20)

#### And quantified in the carbon footprint

##### Areas we already reported on:

- Office energy, water, paper and waste
  - Business travel

##### Areas we hadn't yet reported on:

- Purchased goods and services
- Staff commuting

#### But not quantified in the carbon footprint

##### Due to insufficient data

- Digital e.g. digital publications, website
- Waste electronic and electrical equipment
  - Home office energy use
  - Office visitor travel

### Out of scope

Organisations, individuals and activities in which Arts Council invests

Arts Council Retirement Plan

Arts Council Collection

Accounting for our greenhouse gas emissions was done in line with [ISO 14064 Greenhouse gases — Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals](#) using data from different sources with varying levels of accuracy. We have assigned the data confidence for each impact area as low, medium and high determined by the data granularity, completeness and robustness for calculating greenhouse gas emissions.

### Impact areas quantified for 2019/20

Impact area	Emissions scope	Data source	Data confidence
<b>Office energy</b> gas and electricity use	1 – direct 2 – purchased energy	kilowatt hours of gas and electricity – taken from quarterly reporting based on landlord service charges billing or energy suppliers' invoicing	Medium
<b>Office water</b> water in and out	3 – other indirect	cubic metres of water (assuming volumes in equalled volumes out) – taken from quarterly reporting based on landlord service charge billing or water company invoicing	Low-Medium
<b>Office waste</b> waste to landfill and to recycling or energy from waste facilities	3 – other indirect	tonnes of waste generated – taken from quarterly reporting based on landlord service charge billing or waste service company invoicing	Low
<b>Office paper</b>	3 – other indirect	reams of paper (500 sheets of A4 per ream) – taken from annual records on reams of paper ordered via stationery suppliers	Low-Medium
<b>Business travel</b> car, rail and air	3 – other indirect	distances and mode travelled – taken from quarterly reporting based on car user expense claims and travel agent air and rail travel records	Medium-High
<b>Staff commuting</b> bike or foot, car, public transport	3 – other indirect	distances and mode travelled and frequency of travel to work – based on responses from 340 people to staff survey questions on commuting	Low-Medium
<b>Purchased goods and services</b>	3 – other indirect	£ spent across 1) premises 2) supplies and services 3) professional fees and 4) travel and subsistence – detailed spend records from financial accounts For category 4) expenditure on air, road and rail was excluded – as records of travel modes and distances are a better basis for calculating emissions	Medium-High

The government's [2019 conversion factors](#) were applied in all but one impact area – purchased goods and services. For this impact area, we had to refer to the 2009 conversion factors provided in Annex E: Supply-chain emissions of the government's [Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance](#) as there is no more recent freely and publicly available set of factors. However, the conversion factors used were adjusted for inflation.

# Review findings

## Environmental impacts

We established a relatively comprehensive carbon footprint for 2019/20. Overall, we drew the following conclusions from the results:

- We need to, and can best focus on, office energy use and business travel as significant sources of impact, and ones over which we have most direct control and influence.
- Staff commuting impacts (pre-pandemic) were significant (estimated to be higher than business travel) and as we move to hybrid working (post-pandemic) this is an area of impact that we need to give more focus to, albeit one over which we do not have direct control.
- We have considerable purchasing power. The choices we make in terms of what we spend our money on can make a big difference environmentally, and socially, but this is an area over which we have less direct control and influence and for which we will need more meaningful indicators to track impacts and progress.

## Environmental commitments and priorities

Based on the review findings, we defined a set of new commitments and targets, notably by 2023/24:

- we will have reduced office energy use emissions and business travel emissions by 25% compared with 2019/20, and;
- have a clearly defined pathway to net zero in line with the UK's net zero strategy

We also identified six priority areas to focus on going forward.

people



place



travel



technology



procurement



pension





**2019/20 impacts**  
**Offices and travel**  
**730 tonnes CO<sub>2</sub>e**

**33%**

**Business travel**

2 million miles =  
 244 tonnes CO<sub>2</sub>e



**39%**

**Staff commuting**

2.5 million miles =  
 284 tonnes CO<sub>2</sub>e



**7%**

**Gas**

271,123 kWh =  
 50 tonnes CO<sub>2</sub>e



**18%**

**Electricity**

476,030 kWh =  
 132 tonnes CO<sub>2</sub>e



**1%**

**Water**

18,244 cubic  
 metres =  
 10 tonnes CO<sub>2</sub>e



**1%**

**Waste**

322 tonnes =  
 7 tonnes CO<sub>2</sub>e



**<1%**

**Paper**

3.4 tonnes =  
 3 tonnes CO<sub>2</sub>e



**2019/20 impacts**  
**Purchased goods and services**  
**1,200 tonnes CO<sub>2</sub>e**

**24%**

**Premises**

2.5 million spend =  
 286 tonnes CO<sub>2</sub>e

**42%**

**Supplies & services**

2.8 million spend =  
 500 tonnes CO<sub>2</sub>e

**18%**

**Accommodation  
 & subsistence**

£0.6 million spend =  
 211 tonnes CO<sub>2</sub>e

**17%**

**Professional fees**

£1.4 million spend =  
 203 tonnes CO<sub>2</sub>e

**Offices and travel + purchased goods and services**

1,930 tonnes CO<sub>2</sub>e



## People

### Key findings

- Staff don't rate Arts Council very highly in terms of leading by example on Environmental Responsibility (ER).
- We have made good progress in establishing more ER roles and responsibilities, especially over the last year. We now need to focus on developing environmental skills and confidence amongst staff with an ER remit and increasing ownership beyond the core ER team and Estate and Facilities Department.
- People want to get more involved in taking environmental action at work, but lack time, knowledge and opportunity.
- There is a high level of interest in developing environmental skills and knowledge.
- Travel impacts and responsible investment of pension funds are hot topics.

### March 2021 survey – overall 80% response rate

- Average rating of **2.5/10** on how well we lead by example on ER
- **70%** aware of our environmental policy
- Only **18%** look at annual reporting on our environmental impacts
- **70%** want more information about environmental impacts
- **63%** want more involvement in taking environmental action
- Top three areas to focus on
  - **77%** – local-led initiatives reflecting the needs of each office
  - **65%** – paper-free office
  - **61%** – travel policy

### July 2021 survey – overall 70% response rate

- **65%** – high to very high level of interest in developing their knowledge of sector environmental responsibility
- **64%** – high to very high level of interest in developing environmental skills specific to their roles
- **59%** – high to very high level of interest in doing internal environmental workshops



## Place

### Key findings

- Our ability to track and improve the environmental performance of our nine offices varies depending on the lease and the landlord.
- Energy use and performance varies greatly across offices. We have a good understanding of energy use overall, but not much detail on what it is used for e.g. heating, cooling, IT equipment.
- Water and waste monitoring and management is more challenging than energy, as these services are, more often than not, landlord-managed.
- Nearly all general office waste is recycled or incinerated. We recycle other waste streams such as office equipment, but were not able to get sufficient data on this retrospectively to report on associated impacts.
- We have made most progress with our West Midlands office (the third biggest and the one over which we have most control) focusing on energy, and, relocating our South West office to a building with strong environmental credentials.
- With a number of planned office moves we have the opportunity to push for strong environmental credentials and 'greener' leases.
- We need to work with central government services on green energy procurement options and office relocation decision-making.
- As we move to hybrid working, we need look at both office and home working impacts. The main environmental trade-off between home and office working is between reduced travel and additional heating. Offices tend to be more energy efficient, in particular for heating, and additional electricity use for home working is low. Our estimates show that the impact of home heating during winter is likely to outweigh that of staff commuting.

### 9 leased offices across England

- 4,500 square metres in total
- All in multi-tenanted buildings

'Excellent' BREEAM Sustainability Assessment Method rating for 2 office buildings - the South West and North West office buildings

8 Energy Performance Certificates: 1 A, 1 B, 1 C, 4 D's and 1 F

30% decrease in energy use 2016/17-2019/20

8% decrease in office space over same period

Taking the average intensity across 9 offices, we compare well against benchmarks on gas, but less well on electricity. Office by office, however, there is a wide range of intensities.

kilowatt hours per square metre per year				
	CIBSE* Guide F 2012 Naturally ventilated open plan office		Julie's Bicycle Office Benchmark 2016	Arts Council average across 9 offices
	Good	Typical		
Gas	70	151	73	60.2
Electricity	54	85	114	128

\*CIBSE – Chartered Institute of Building Services Engineers

### Home working:

- 65% said homes would not have been heated if they hadn't been working from home
- 64% heated the whole home, not only a specific space
- 84% use gas heating



## Place

Office energy 2019/20	kWh	tonnes CO <sub>2</sub> e
Electricity	476,030	132
Gas	271,123	50
	<b>747,153</b>	<b>182</b>

Office energy use of **747,153 kilowatt hours** – equivalent to the energy use of 50 average UK households – generated **182 tonnes CO<sub>2</sub>e**.

- We use more electricity than gas.
- Some offices have either no gas use or very low gas use. For one of our smaller offices we didn't get any gas use data from the landlord that year.
- Electricity is becoming less carbon intensive as the amount of renewables in the electricity mix increases.
- Energy prices are increasing significantly overall.

Office energy use of **747,153 kilowatt hours** – equivalent to the energy use of 50 average UK households – generated **182 tonnes CO<sub>2</sub>e**. We use more electricity than gas. Some offices have either no gas use or very low gas use and there have been issues with gas meters. Electricity is more carbon intensive and expensive. However, electricity is becoming less carbon intensive as the amount of renewables in the electricity mix increases. Energy prices are rapidly rising.

Office water 2019/20	cubic metres	tonnes CO <sub>2</sub> e
Water use	9,122	3.1
Waste water	9,122	6.5
	<b>18,244</b>	<b>9.6</b>

- We used about 9,000 cubic metres of water.
- We assumed waste water volumes to be the same as water use volumes, giving a total of 18,000 cubic metres.
- Waste water treatment is more carbon intensive than water supply.
- The associated footprint of water use and waste water was **10 tonnes CO<sub>2</sub>e**.
- There was a water metering issue for one office, which means water use was overestimated for one office. This however will have made very little difference to the total carbon footprint.

Office paper 2019/20	tonnes	tonnes CO <sub>2</sub> e
Recycled A4 and A3	3.4	2.7

- We purchased **3.4 tonnes of recycled paper**.
- The associated carbon footprint was **2.7 tonnes CO<sub>2</sub>e**.
- Even though recycled paper is less carbon intensive than virgin, making and transporting it is still relatively carbon intensive.



## Place

Office waste 2019/20	tonnes	tonnes CO <sub>2</sub> e
Landfill	0.2	0.1
Non-landfill	322.1	6.9
	322.3	7

- We generated **322 tonnes of waste**. Less than 1% was landfilled and the rest was recycled or incinerated with energy recovery.
- The total associated footprint was **7 tonnes CO<sub>2</sub>e**.
- Landfill is far more carbon intensive than recycling and incineration.
- We don't know how much non-landfill waste was recycled and how much incinerated, but both have the same carbon intensity, so we could still calculate the footprint.
- CO<sub>2</sub>e is a measure of climate change impact only, so in this case doesn't reflect other issues such as air pollution caused by incineration.

Staff commuting	Additional heating for home working
284 tonnes CO <sub>2</sub> e	387 tonnes CO <sub>2</sub> e
2.5 million miles <ul style="list-style-type: none"> <li>• 72% by public transport</li> <li>• 19% by car</li> <li>• 7% by mixed modes</li> <li>• 3% by bike/foot</li> </ul>	Assuming <ul style="list-style-type: none"> <li>• 120 kWh per day</li> <li>• 50 days a year</li> <li>• 351 staff – 65% of FTE</li> </ul>

- The key things to know when comparing home and office working is how far people commute and by what means, and the type and amount of additional heating they use when home working.
- 2021 survey responses provide a good basis for calculating staff commuting emissions and gave us some insights into home working.
- There were insufficient to calculate home working energy use. So we made a set of assumptions to establish an indicative figure for energy use for heating (additional electricity use for home working is generally very low). This showed the **impact of additional heating for home working to be higher than the staff commuting impact**.



## Travel

### Key findings

- We calculated the impact of staff commuting for the first time, based on survey responses about commuting habits in 2019/20. Results showed staff commuting is higher impact than business travel – 284 tonnes CO<sub>2</sub>e for commuting vs. 244 tonnes CO<sub>2</sub>e for business travel. While both are indirect or scope 3 emissions, we have more control and influence over business travel.
- Business travel mileage already showed a downward trend before the pandemic. While we cannot directly link cause and effect, it is likely that the introduction of new online collaboration tools pre-pandemic contributed at least in part to this trend.
- The majority of business travel is by train. Train travel has the lowest carbon intensity of the three travel modes used.
- Cost and time factors are a barrier to train travel for longer business travel journeys, as it usually costs more and takes more time than domestic flights.
- As we move now to hybrid working, we need to first focus on travelling less for internal meetings i.e. travel between our offices across England. We must then consider what we can do to promote more sustainable travel for the purposes of relationship management with the organisations and individuals we support.
- 15% of miles travelled by car generated 39% of the business travel footprint. 19% of miles travelled to work by car generated 50% of the staff commuting footprint. We need to do more to promote and support the use of low and zero emission vehicles.

23% decrease in business travel miles 2016/17-2019/20

This downward trend was seen across car, rail and air travel and despite a 10% increase in FTE

<b>Business travel 2019/20</b>	<b>1,993,547 miles</b>		<b>244 tonnes CO<sub>2</sub>e</b>	
Car	307,481 miles	15%	95 tonnes CO <sub>2</sub> e	39%
Rail	1,526,460 miles	77%	101 tonnes CO <sub>2</sub> e	41%
Air	159,606 miles	8%	48 tonnes CO <sub>2</sub> e	20%

<b>Air travel 2019/20</b>	<b>159,606 miles</b>		<b>48 tonnes CO<sub>2</sub>e</b>	
Domestic	8,377	5%	3 tonnes CO <sub>2</sub> e	7%
Short-haul	50,833	32%	13 tonnes CO <sub>2</sub> e	27%
Long-haul	100,396	63%	32 tonnes CO <sub>2</sub> e	66%

<b>Staff commuting 2019/20</b>	<b>2,492,309 miles</b>		<b>284 tonnes CO<sub>2</sub>e</b>	
Bike or foot	64,899	3%		0%
Public transport	1,790,607	72%	119 tonnes CO <sub>2</sub> e	42%
Car	469,738	19%	142 tonnes CO <sub>2</sub> e	50%
Mixed travel modes	167,066	7%	24 tonnes CO <sub>2</sub> e	8%

Commuting impacts – based on 340 survey responses, scaled up to 540 FTE.

### In 2019/20:

- 37% commuted 5 days a week
- On average people commuted 96 miles per week
- 50% had a commute of 0.5 – 1 hour and 29% commuted over an hour



## Technology and digital

### Key findings

- Technology has helped to reduce some impacts e.g. reductions in paper use, pre-pandemic, corresponded with the replacement of individual printers with a few multi-functional devices (MFDs).
- We are moving to more energy efficient devices and services. Over the last few years we have been replacing desktop computers with tablets and laptops, a lower energy solution. For offices, we are moving from our nine Local Area Networks (LANs) to direct internet connections, also a lower energy solution. We are also moving digital systems, tools and data storage to cloud services – usually more energy efficient and many of which run on renewables (generated on-site or purchased from third parties).
- The downside of this technology shift is the volume of e-waste generated. While we dispose of our e-waste using certified Waste Electronic and Electrical Equipment (WEEE) service providers, to date the WEEE records provided haven't provided the kind of information needed to monitor volumes and associated impacts.
- We must develop our understanding of the impacts of technology, digital services and solutions, and the equipment on which they run. This could range from monitoring how much office energy is used for IT, to reporting on e-waste impacts and finding out more about what our digital service providers are doing on energy and environment. This will help inform our decisions about what action we should be taking.

While we don't have much information on technology and digital impacts, what we do know gives some indication of the scale and type of impacts.

### Devices:

- 575 tablets and 98 laptops – these have replaced desktop computers and monitors over the last few years
- 156 monitors – this will increase as each docking station should have a monitor when staff return to the office
- 357 mobile phones – many of which are due to be upgraded
- Each office has at least 1 MFD – they print on demand and double-sided by default
- Old devices in good condition are reconditioned. In 2020 we reconditioned 100 tablets, about 75 of which were donated to a school in a disadvantaged neighbourhood that needed IT equipment

### Systems and networks:

- A range of digital systems and tools – some locally hosted, some already in the cloud, and some which will move from local hosting to the cloud
- 2 local servers and one at a data centre which runs on green tariff electricity
- 9 Local Area Networks (LANs) – as we move from LANs to direct internet connections the network equipment will have to be decommissioned

### Services:

- Website – hosted by a company which purchases renewable energy credits for the electricity used at the hosting site
- Publications – all now predominantly digital



## Procurement

### Key findings

- 2021 was the first time we calculated our procurement footprint. It was challenging, even though we used the 'simplest' approach i.e. taking expenditure across different categories of goods and services and applying emission conversion factors which are publicly available (e.g. 0.36 kg CO<sub>2</sub>e per £ spent on printing and publishing). We could not have done it the first time without external support.
- The footprint was a useful initial exercise. Going forward, we will also need other indicators e.g. on how our procurement spend contributes to environmental value.
- As an ALB, we need to demonstrate value for money, as well as environmental and social value through our procurement choices. This can be challenging, as environmental and social costs are generally not yet well reflected in the price of goods and services.
- Our procurement impact is dominated by services not goods.
- For many goods and services, e.g. IT, stationery, facilities management, we choose from preferred government suppliers. We need to work with Crown Commercial Services to better understand environmental options and communicate these to Arts Council staff.
- In strengthening environmental value for more 'decentralised' procurement, there are two areas to focus on:
  - 1) services with the biggest areas of spend such as real estate and ICT services and
  - 2) goods and services for which staff have more direct choice e.g. publications, catering – for this we need this we need to develop more internal training, guidance and internal process.

### Procurement emissions

	spend	tonnes CO <sub>2</sub> e	% of total
Supplies and services	~£2.8 million	500.6	42%
Premises	~£2.5 million	286.6	24%
Accommodation and subsistence	~£0.6 million	211.5	18%
Professional fees	~£1.4 million	203.1	17%
	<b>~£7.2 million</b>	<b>1,200.8</b>	

	spend	tonnes CO <sub>2</sub> e	kg CO <sub>2</sub> e per £
Legal, consultancy and other business activities	2,404,973	0.14	343
Real estate activities	2,169,445	0.10	208
Computer services	1,224,187	0.16	196
Accommodation	396,592	0.40	157
Other service activities	608,423	0.26	156
Office machinery and computers	109,009	0.43	46
Printing and publishing	74,004	0.29	22
Arts and cultural events	87,317	0.22	20
Post and telecommunications	57,747	0.33	19
Radio, television and communications	32,202	0.38	12
Machinery and equipment	13,523	0.56	8
Renting of machinery	28,046	0.26	7
Furniture, other manufactured goods, recycling	9,122	0.39	4
Pulp and paper products	5,151	0.62	3
	<b>7,219,741</b>	<b>1,201</b>	

## Pension

### Key findings

- The question of how pension funds are invested generated a lot of discussion and interest during the internal consultation workshops and staff sessions completed during the review.
- To understand what we should prioritise in terms of investing in environmentally responsible activities and divesting from environmentally harmful activities, it is important to understand first that our main pension fund is managed and administered independently of Arts Council England – it is not Arts Council England’s money and investment but that of its employees, past and present.
- Over the last few years, responsible investment, investing in companies with strong environmental and social governance (ESG), and the risks of investing in activities and companies tied to fossil fuels and/or vulnerable to climate change impacts, has become increasingly important. Arts Council Retirement Plan trustees have been doing ESG training and the amount of money in the Plan going into responsible investment funds has increased.
- Further increases in environmentally responsible investment would most likely mean increased pension contributions.
- One of the most important actions Arts Council England can take is to raise awareness with employees around responsible investment and divestment issues and options for pension funds.

How the Arts Council Retirement Plan works:

- Most Arts Council England employees, past and present, are members of the Arts Council Retirement Plan (1994).
- A total of five employers participate in the plan, all of which are arts, cultural and creative bodies.
  - Arts Council England
  - Arts Council of Wales
  - Tŷ Cerdd Music Centre Wales
  - Creative Scotland
  - Crafts Council
- The fund is overseen by a Board of Trustees, and administered by a specialised pension services provider, independently of the boards of Arts Council England and the five other participants.
- Arts Council England is represented on the board by its Chief Financial Officer. Its Chief Financial Accountant represents all active members and a retired employee represents retired members.
- The trustees’ overall aim is to ensure there is enough money in the plan to pay pensions and other benefits to members.

£177 million – total investment value of (in March 2020)

70% of the total fund is from Arts Council England employee contributions

In 2019/20 10% of the total fund was invested in a fund focused on companies performing well on environmental, social and governance and preparing for climate change adaptation.

# Review Insights

Insights gained	Looking forward
<p data-bbox="143 427 1030 533"><b>Understanding the different levels of control and influence we have over the sources of our impacts really helps to inform priorities and actions</b></p> <p data-bbox="143 563 327 592">For example:</p> <ul data-bbox="143 616 1052 1283" style="list-style-type: none"><li data-bbox="143 616 1052 756">• All our nine offices are leased, most in multi-tenanted buildings. What we can do in each one depends on the type and length of the lease, collaboration with the landlord, and in some cases also other tenants.</li><li data-bbox="143 788 1052 1075">• As an ALB we need to follow a range of central government policies and procedures e.g.:<ul data-bbox="181 879 1052 1075" style="list-style-type: none"><li data-bbox="181 879 1052 948">– our choice of new office locations needs approval from the Government Property Agency</li><li data-bbox="181 967 1052 1075">– for certain goods and services – from stationery and furniture to facilities management and banking – we use government approved suppliers or service providers</li></ul></li><li data-bbox="143 1107 1052 1283">• We are one of six arts, cultural and creative bodies participating in the Arts Council Retirement Plan. Our CFO represents the interests of our employees' (past, present and future) on the Board of Trustees, which is independent of Arts Council England.</li></ul>	<p data-bbox="1149 427 1375 456"><b>For our offices:</b></p> <ul data-bbox="1149 480 2029 730" style="list-style-type: none"><li data-bbox="1149 480 2029 549">• prioritise buildings over which we have most control and in which we are planning to stay a lot longer</li><li data-bbox="1149 568 2029 636">• develop collaboration with landlords, a number of which are already demonstrating strong environmental commitment</li><li data-bbox="1149 655 2029 730">• build strong environmental criteria into decision-making around upcoming office relocations</li></ul> <p data-bbox="1149 804 1406 833"><b>On procurement:</b></p> <ul data-bbox="1149 857 2056 1139" style="list-style-type: none"><li data-bbox="1149 857 2056 925">• work with central government services to better understand 'green' options and what 'green' choices we can make</li><li data-bbox="1149 944 2056 1013">• raise staff awareness around 'green' options and choices within existing centralised supply and service contracts</li><li data-bbox="1149 1032 2056 1139">• develop internal guidance on how decentralised procurement choices can contribute to environmental, social and financial value</li></ul> <p data-bbox="1149 1219 2056 1359">For our pension fund, one of the most important things we can do is to raise awareness with members – i.e. employees whose money is in the fund – around responsible investment and divestment, as ultimately they are the levers for change.</p>

## Insights gained

### **Quantifying environmental impacts is really important, but you also need to go beyond the numbers to build understanding and inform action.**

Even though we did a lot of work on the numbers and had some external support, there were some impacts we weren't able to quantify. There were also some impacts which were a lot easier to quantify than others e.g. those associated with paper use vs. purchased goods and services.

Combining the quantitative information we had with the findings of the surveys, interviews and workshops we did, helped us build a more complete picture of our impacts, performance, practice and action and provided a solid foundation for defining priorities, objectives and targets.

### **As we move to hybrid working, it's not so much a question of whether homeworking or office working is more or less environmentally impactful. It's a question of what can we do to minimise the impact of both.**

We had assumed home working would be less impactful than office working. However, estimates done during the review indicated that, overall, the impact of additional home heating with fossil fuels during winter months would outweigh the impact of travelling to the office – a particularly topical finding in light of the current energy price crisis.

### **A meaningful, credible action plan and net zero pathway takes time and consultation, especially for a large organisation like Arts Council England**

Initially we thought we could come up with a detailed net zero action plan over the course of a few months. As we progressed with the review, we realised that while we could identify priorities and set objectives and targets, we would need more time for internal consultation and engagement to define the specific actions we could take, and the resources which would be required.

## Looking forward

We need to ensure we have the capacity and processes in place to maintain and build on the level of understanding we have gained through the environmental review.

Developing environmental understanding – through awareness-raising, training and skills development – is one of the most important things we can do to build capacity and empower people across the organisation to take action.

Reducing the impacts of our offices and office working was already a clear priority. We can see now, in particular given the move to hybrid working, that we also need to take action to raise awareness around the impacts of commuting and home working and to engage with staff on steps to 'greener' home working.

We have identified a clear set of priorities, objectives and targets and developed 'a plan for a plan'. We have also identified people in different departments to take on the role of priority leads. The next step is working with the priority leads to develop our actions through a process of internal consultation and engagement.

# Conclusions

**Our Environmental Responsibility Investment Principle covers three steps, three steps that we are now also applying to ourselves**

## Understand the data

Through the environmental review we have collected good quality data and improved our understanding of our environmental impacts. We have found out about staff opinions on ER, and learnt about the practices and processes in place in the organisation. We have identified where and how we need to strengthen our approach to environmental responsibility. To find out more about what people think and what practice and process is already in place, and; to identify where and how we need to strengthen our approach to environmental responsibility.

## Plan, action and change

The understanding we now have is a solid foundation to plan, action and change. We have defined a new set of environmental commitments and a process to develop an initial action plan across our six priority areas:

- People
- Place
- Travel
- Technology and digital
- Procurement
- Pensions

We have assigned people internally to take a lead on each priority area, working closely with the core ER team who in turn are liaising with the ER leads on our Executive Board. We aim to have a full action plan in place later in Spring 2022 and to report on our 2021/22 impacts by summer 2022.

## Influence, educate and advocate

The review has provided a range of opportunities for internal environmental awareness-raising and engagement. We now understand, better than ever, where and how we can best focus our efforts to influence, educate and advocate for environmental responsibility both internally and with those who work for and with us.

# Glossary

## Arms length body (ALB)

Public bodies which operate at varying degrees of independence from the government  
Arts Council England is one of 37 ALBs reporting into the Department of Culture, Media and Sport – this means we work to principles, policies and standards which apply to public service bodies

## Let's Create and Environmental Responsibility

Arts Council England's 2020-2030 strategy for culture and creativity  
Sets out three outcomes and four Investment Principles (IP), one of which is Environmental Responsibility (ER)  
Three elements underpinning the ER IP:

- understand the data
- plan, action and change
- influence, educate and advocate

## Executive Board

Arts Council England's Executive Board is chaired by the Chief Executive and comprises of two Deputy Chief Executives, Chief Financial Officer (CFO), Chief Operating Officer and two Executive Directors  
The CFO leads on Environmental Responsibility (ER) internally and the Executive Director, Enterprise and Innovation on the ER IP

## Greening Government Commitments

Set out high level targets for central government departments and their agencies – including ALBs such as Arts Council England – to reduce their environmental impacts as well as standards on reporting on key sustainability areas

## Government environmental reporting guidelines

Guidelines to help organisations report on their environmental impacts – including their climate change impact via greenhouse gas accounting or carbon footprinting – covering both reporting required by regulation and voluntary reporting

## Net zero

What the science says is needed to limit global temperature rise to 1.5 degrees Celsius i.e. reduce greenhouse gas emissions to as close to zero as possible by 2050, with the small amount of remaining emissions absorbed through natural carbon sinks like forests, and new technologies such as carbon capture  
In 2019, the UK government set a Net Zero 2050 target (achieving net zero emissions by 2050 compared with 1990) – via a revision to the UK Climate Change Act and, in October 2021, published its [Net Zero strategy](#)

## Greenhouse gases (GHGs)

A GHG traps heat in the atmosphere contributing to global heating and climate change

Carbon dioxide is the GHG most talked about – it makes up about 75% of all GHGs. The other GHGs are methane, nitrous oxide and fluorinated or F-gases (such as refrigerants)

Different activities generate different GHGs e.g. deforestation releases carbon dioxide, landfill waste generates methane

Some activities emit more than one GHG e.g. for cars, burning fossil fuel generates carbon dioxide and fuel combustion generates nitrous oxide

Different GHGs trap different levels of heat and last for different lengths of time e.g. methane is 25 times more impactful than carbon dioxide, but less long-lived

## Carbon footprint and conversion factors

A measure of the climate impact of different activities expressed as CO<sub>2</sub> (carbon dioxide only) or CO<sub>2</sub>e (if other greenhouse gas emissions are accounted for)

Impact is calculated by multiplying a unit of volume or weight by a conversion factor based on carbon intensity of what is being consumed or wasted e.g.

- 1 kilowatt hour (kWh) electricity use = X kg CO<sub>2</sub>e
- 1 tonne landfill waste = X kg CO<sub>2</sub>e

UK Government GHG Conversion Factors for Company Reporting are published annually. Arts Council's 2019-20 carbon footprint was calculated using 2019 government factors

## Carbon dioxide equivalent (CO<sub>2</sub>e)

A measure used to compare the emissions from various GHGs on the basis of their global warming potential i.e. the amount of warming one tonne of a GHG would create over 100 years relative to one tonne of carbon dioxide

For example, the global warming potential for methane is 25, so one tonne of methane is the equivalent of 25 tonnes of carbon dioxide

## Scope 1, 2 and 3 emissions

Three types or scopes of GHG emissions which can be accounted for when calculating a carbon footprint:

- **Scope 1 direct** – emissions from 'owned or operated assets' e.g. gas boilers, company-owned vehicles, generators
- **Scope 2 energy indirect** – emissions from energy you buy (that is generated elsewhere) – purchased electricity, heat, steam and cooling
- **Scope 3 other indirect** – emissions from everything else – business travel, purchased goods and services, food and drink, waste disposal, etc.

Arts Council England's 2019-20 footprint covers scopes 1, 2 and 3 emissions

# Further Information

## [Arts Council England Environmental Programme](#)

Overview and outcomes of Arts Council England's programme to build environmental understanding and support environmental action across the arts and cultural organisations

## [Our Environmental Responsibility: from Understanding to Action, Arts Council England](#), November 2021

Summary of Arts Council England's environmental impacts and carbon footprint, what we've been doing to change over the last couple of years and our environmental commitments, targets and priorities for the next few years

[ISO 14064-1 2018: Greenhouse gases – Part 1](#): Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

## [Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, HM Government](#), March 2019

## [Greening Government Commitments](#)

[UK Government GHG Conversion Factors for Company Reporting, Full Set for Advanced Users, Department for Business, Energy and Industrial Strategy, Department for Environment and Rural Affairs](#), 2019

[Guide to energy performance certificates for non-dwellings, Department for Communities and Local Government](#), 2017

## [Crown Commercial Service Carbon Net Zero resources](#)

Includes podcasts on transport decarbonisation, how ICT hosting can reduce carbon footprints and guidance on green salary sacrifice schemes

## [Buildings Research Establishment Environmental Assessment Methodology](#)

[Guide F Energy efficiency in buildings, Chartered Institute of Building Services Engineers](#), 2012

[Julie's Bicycle Benchmarks: Offices, 2nd Edition](#), 2015

[Typical domestic consumption values for gas and electricity, OFGEM](#), 2020

[Is home working good for the planet? Catherine Bottrill](#), 2020

[Home Working Emissions White Paper, Ecoact](#), 2020

[Environmental Sustainability in the Digital Age of Culture, Julie's Bicycle](#), 2020

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