

1996
2006



enhancing... improving... cleaning... restoring...
changing... tackling... protecting... reducing...
creating a better place... influencing...
inspiring... advising... managing... adapting...

Our spending affects the environment

**Environment Agency annual performance statement 2005/06
from our Environmental Accounting System**

We are The Environment Agency. It's our job to look after your environment and make it **a better place** - for you, and for future generations.

Your environment is the air you breathe, the water you drink and the ground you walk on. Working with business, Government and society as a whole, we are making your environment cleaner and healthier.

The Environment Agency. Out there, making your environment a better place.

Published by:

Environment Agency
Rio House
Waterside Drive, Aztec West
Almondsbury, Bristol BS32 4UD
Tel: 0870 8506506
Email: enquiries@environment-agency.gov.uk
www.environment-agency.gov.uk

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Our spending affects the Environment

Environment Agency annual performance statement 2005/06 from our Environmental Accounting System

As the Environment Agency it is our job to look after your environment and make it a better place for today's, and future generations. As we go about our work to protect and improve the environment, we are committed to reducing any harmful effects we may cause. One way we do this is by using our Environmental Accounting System (EAS) to monitor our financial costs relating to our environmental footprint. This allows us to manage both our environmental costs and impacts effectively and to report on our performance. It is good business practice and it helps reduce our 'footprint' and so protect the environment.

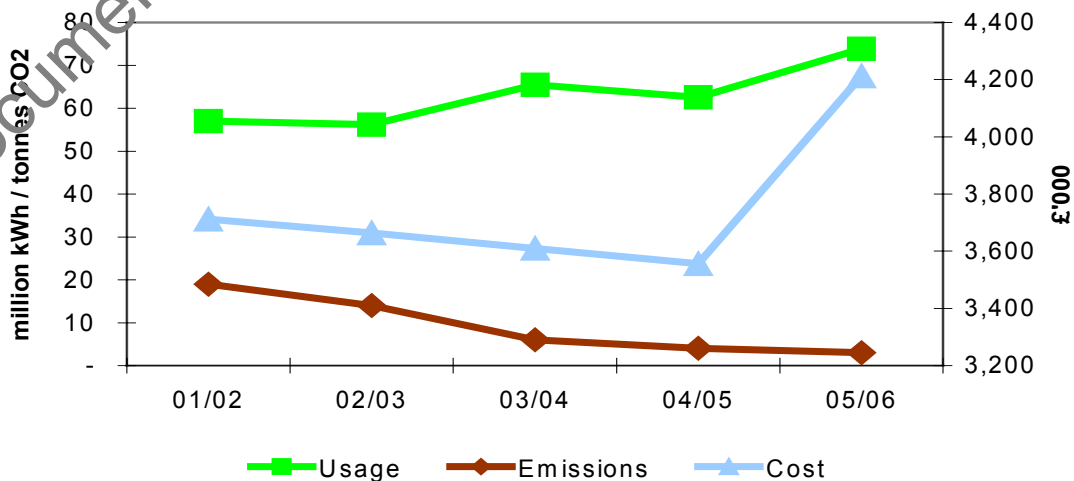
Our EAS collects costs and physical quantities on:

- electricity, gas and water consumption
- transport and vehicle hire usage
- purchase and maintenance of plant & equipment
- lease and maintenance of cars
- travel costs to do our work
- business materials such as paper
- engineering and materials such as sand and steel

“Our financial and people information management system enables us to collect and process data right down to individual site level.”

We call this expenditure Internal Environmentally Significant Expenditure (IESE) Our three most significant costs and/or environmental impacts are energy, water and travel.

Energy usage costs and emissions 2001-06



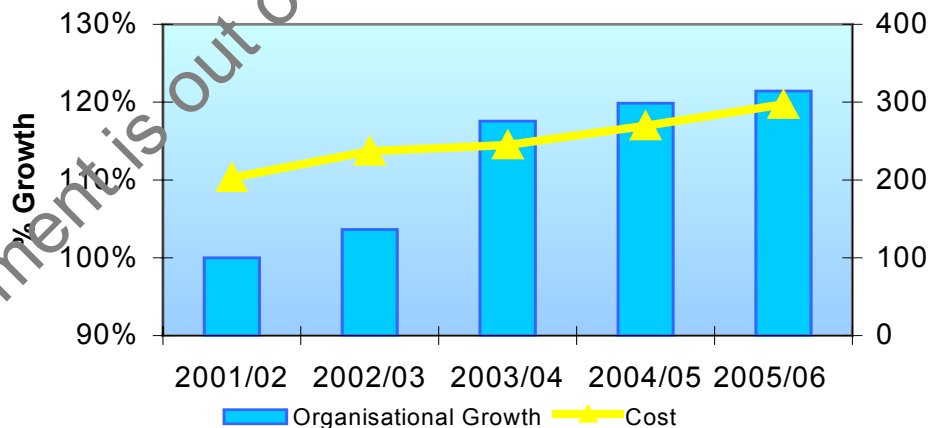
Over the last five years total usage and costs have risen, but on the plus side:

- Consumption of electricity and gas per full time equivalent employee (FTE) has fallen by **28%**
- the calculated CO₂ emissions relating to the use of this energy has fallen by **84%**
- buildings energy costs per m² have fallen by **43%**
- and costs per full time equivalent employee (FTE) by **36%**
- **100%** of electricity procured for sites owned by us is now green
- **83%** of all energy procurement for the Agency is green compared with 4% in 2001

Water

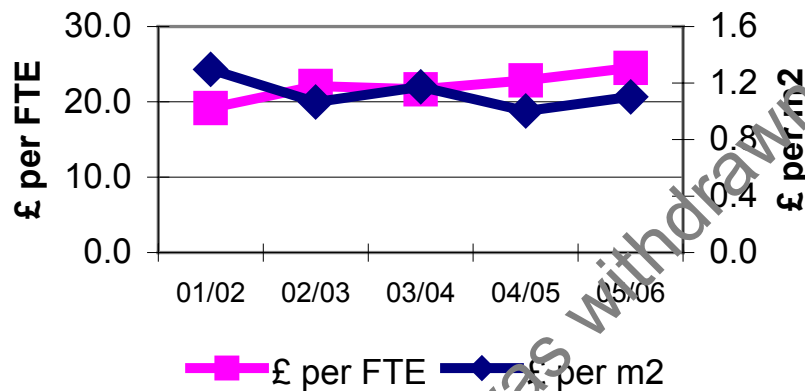
In total our water costs have increased by 22% over the last 5 years, but this compares with an increase in buildings' area of 28% and staff increases of 15% over the same period. Our total spend on water is £297k. In that period the cost per m² has fallen.

Water costs measured against organisational growth (Cost in £'000)



The Government's Watermark Project surveyed 1000 public offices and derived a typical practice figure of 9.3m³ water consumed per FTE. We have met our target to achieve a reduction in water use to a maximum of 5.4m³ per FTE (Full Time Equivalent Employee) by March 2006. This figure is in line with the requirements necessary to maintain ISO14001 & EMAS registrations and a best practice figure of 6.4 m³ per FTE.

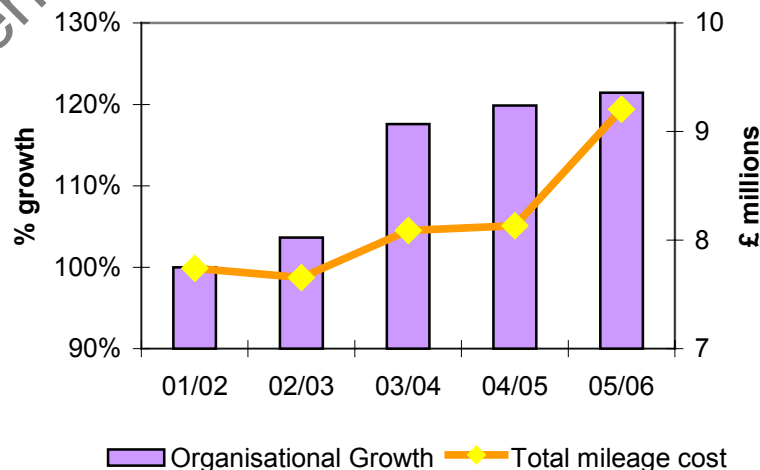
Water costs per FTE and per m2



Travel

The cost of mileage plus train travel has risen by 19% over the last five years to £9.35million. During the same period, the organisation has grown by 23%. The Agency has many targets and initiatives aimed at reducing unnecessary journeys and making all travel as green as possible, but unlike energy and water costs which can be negotiated and controlled to some degree, the reduction of mileage costs can only be achieved with the effort of every individual.

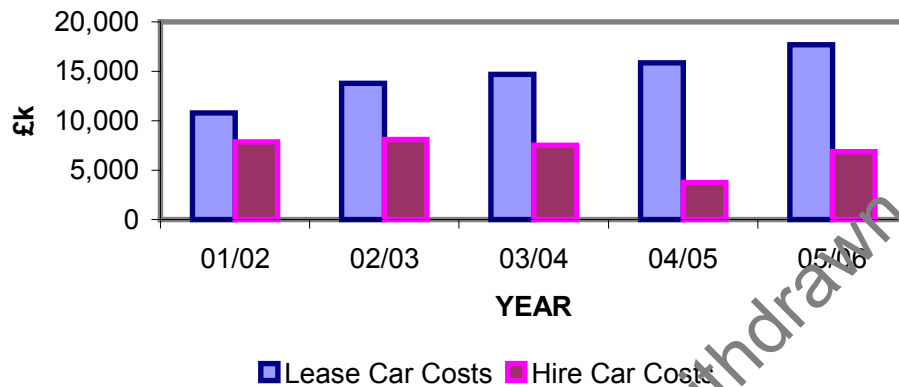
Costs of total mileage in £million



'Total mileage' includes lease mileage, non-lease mileage, and train travel costs

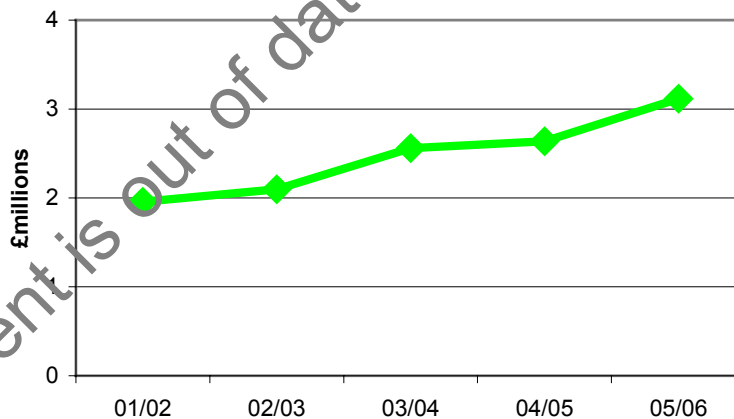
Teleconference costs have risen from £440k last year to £1.3 million this, and we will continue to monitor this over the coming years, looking for a trend towards 'electronic' meetings.

Costs of lease vs hire cars (£'000)



Lease car costs have risen in the last five years by 64% to **£17.7million**, whereas hire costs have fallen by 13% in the same period. The new Agency 'transport hierarchy' initiative hopes to reduce hire costs over the coming years.

Train Travel costs



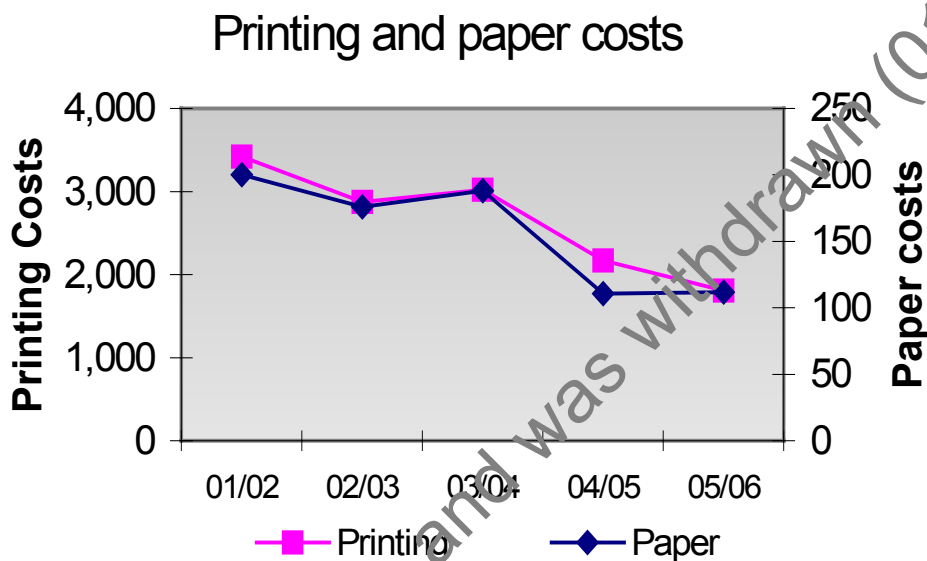
Spending on train travel has increased over the last 5 years by 67%. This compares with an increase in fares of 6.3% in real terms over the same period.¹ Although the costs of travel are increasing, we know that by using train travel, we are reducing emissions.

¹ SOURCE: Strategic Rail Authority 2005

Printing

We closely monitor our expenditure on business materials. Printing costs have steadily fallen **by 47%** over the last 5 years. This is a result of our policy to only publish for a clearly defined audience where there is a requirement for a document. Managers filter all requests, and, wherever possible PDFs are used rather than printed material.

The cost of paper consumption has decreased in the same period by **44%**.



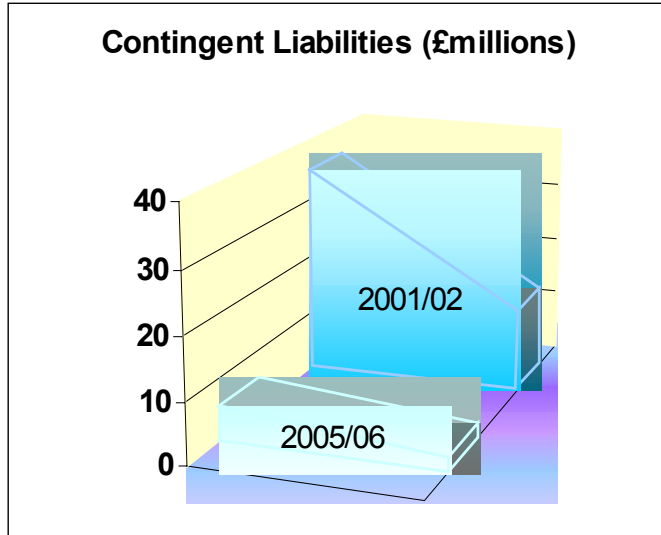
Buildings and land

We own some 15,300 hectares of land including 286 built properties. In March 2001 a review of our land identified possible historical contamination at 198 of our land holdings. In financial terms this represented a possible contingent liability of £14m - £35m.

Since then we have been working to identify and assess the extent of contamination and the financial risk. Our approach to this work involves four phases:

- Desk study reviews
- Visual inspections
- Intrusive investigation
- Remediation

This is in line with the UK framework for risk assessment and risk management. The diagram on the following page illustrates the reduction in our contingent liability.



With the progress of work undertaken in 2005/06 the estimated contingent liability has been reduced to £2m - £5.3m.

Revenue savings

Our environmental accounting work has enabled us to produce case studies and reports for 2005/2006 to demonstrate:

- 43% buildings energy cost/m² **reduction** across the EA with 84% **fewer** CO² emissions by moving to 'green' electricity sources over the last five years,
- 26% total cost **reduction** in non-lease mileage, and 12.6% **reduction** in hire car costs across the EA over the last five years
- 47% and 44% **savings** in printing and paper costs over the last five years,

These have resulted in **cost savings of over £2m** during which time the organisation has grown 21%.

So, what does all this cost us?

Costs are incurred as a result of our internal environmental management activities. Although the organisation has grown by 21% over the last five years, the corporate cost have increased by less than 2% over the same period.

	01/02 (£k)	02/03 (£k)	03/04 (£k)	04/05 (£k)	05/06 (£k)
Direct Internal Environmental Management Salary Costs	377	402	446	503	469
Environmental Report production costs	43	33	24	0	0
Costs of external EMS training provision and consultancy	54	32	25	25	12
Total	474	467	495	528	481

We also invest in internal projects and initiatives to help reduce our harm on the environment. We began to collect information on these in 2000. We estimate the savings in the areas of energy and water since then to be in the region of **£1million**.

Initiatives include:

- Capped external lights
- Plastic recycling
- Can crushers
- solar panels

- low energy bulbs
- double glazing
- recycled carpets
- building management systems
- waterless urinals

Local water saving initiatives costing £67,000 have brought estimated savings of £76,000 and 23,000m³ in water consumption over the last five years.

Local energy investments since 2000/01 have been in the region of £800,000, bringing financial savings of £957,000 and energy savings of over 16 million kWh.

Would you like to know more?

We do environmental accounting because it helps us fulfil a number of our statutory duties and because it makes good business sense. Our work supports our corporate strategy by contributing to our strategy themes of creating a 'greener business world' and making 'wiser, sustainable use of natural resources'.

If you would like to know more please look at our web pages www.environment-agency.gov.uk/environmentalaccounting


**Would you like to find out more about us,
or about your environment?**

**Then call us on
08708 506 506** (Mon-Fri 8-6)

**email
enquiries@environment-agency.gov.uk**

**or visit our website
www.environment-agency.gov.uk**

incident hotline 0800 80 70 60 (24hrs)
floodline 0845 988 1188

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