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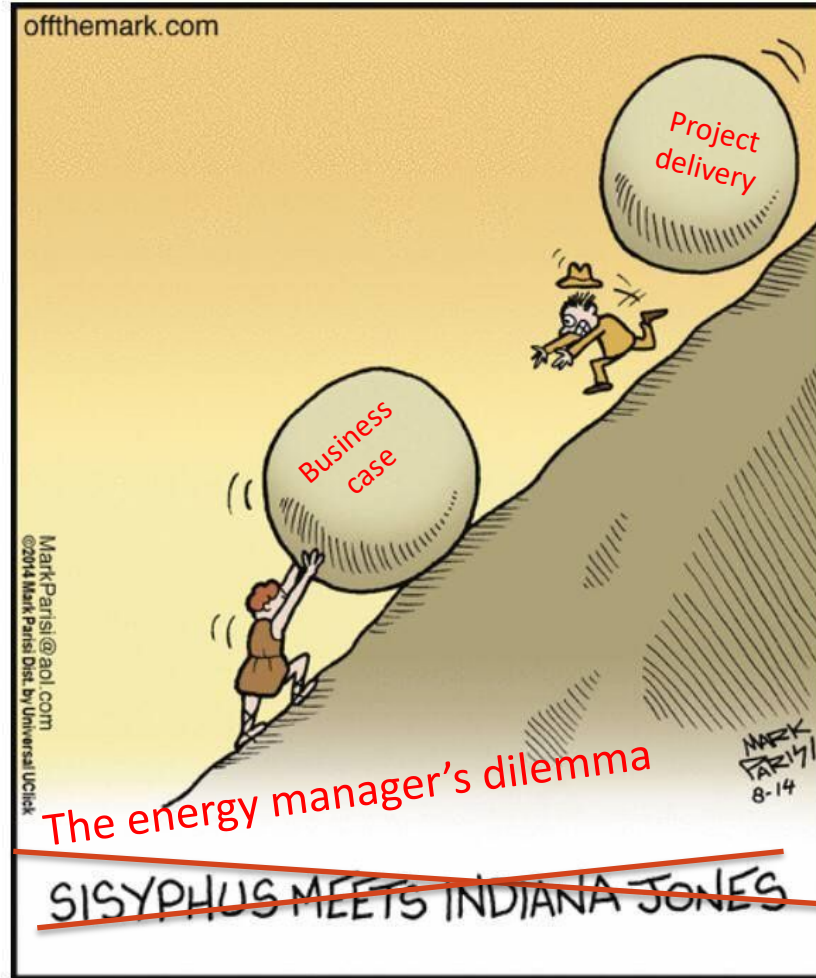
Building business cases: Looking beyond energy



Building business cases:
Looking beyond energy

James Tiernan,
Group Energy & Environment
Manager

Unite Students



- Who are Unite Students
- Responsible business at Unite Students
- Utilities & Environment Strategy
- Challenges we encountered
- Lessons learned





HOME FOR SUCCESS

WORK
TOGETHER

BE
BETTER

DO WHAT'S
RIGHT

SEE IT
THROUGH

HAVE
FUN




FTSE4Good



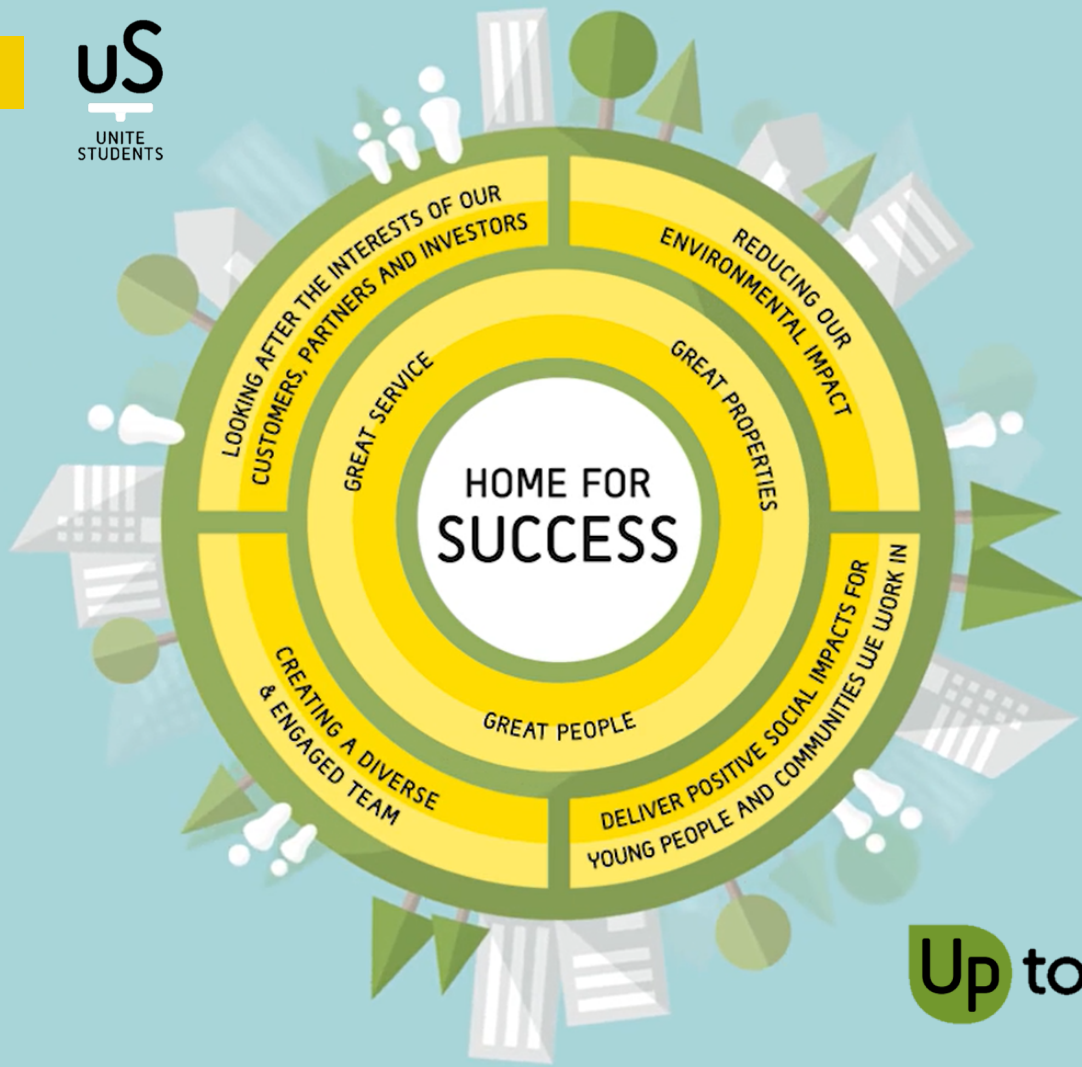
G R E S B

INNOVATION GATEWAY

Founded by  RBS

WHY...?

- Brand purpose
- Stakeholder expectation:
 - Students
 - Universities
 - Employees
 - Investors
- Efficiency & resilience
- Risk management
- Recruitment & retention
- The right thing to do



Up to uS

UTILITIES & ENVIRONMENT

UNITE
STUDENTS

Aiming to maximise the business benefits from reducing our environmental impacts (**energy & carbon, water, and resource use & waste**), and encourage responsible behaviour in our students, employees and suppliers.



EFFICIENT BUILDINGS



Improving the environmental performance of our properties and reducing the impact of new construction activity.

RESPONSIBLE BEHAVIOUR



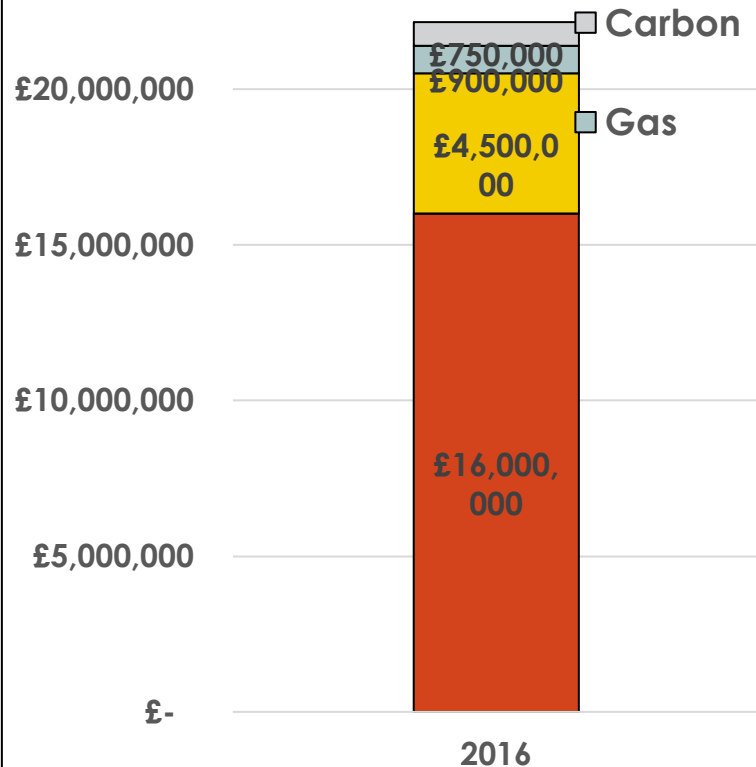
Enabling and encouraging lasting responsible living and working habits in our customers, employees and suppliers.

GOOD MANAGEMENT

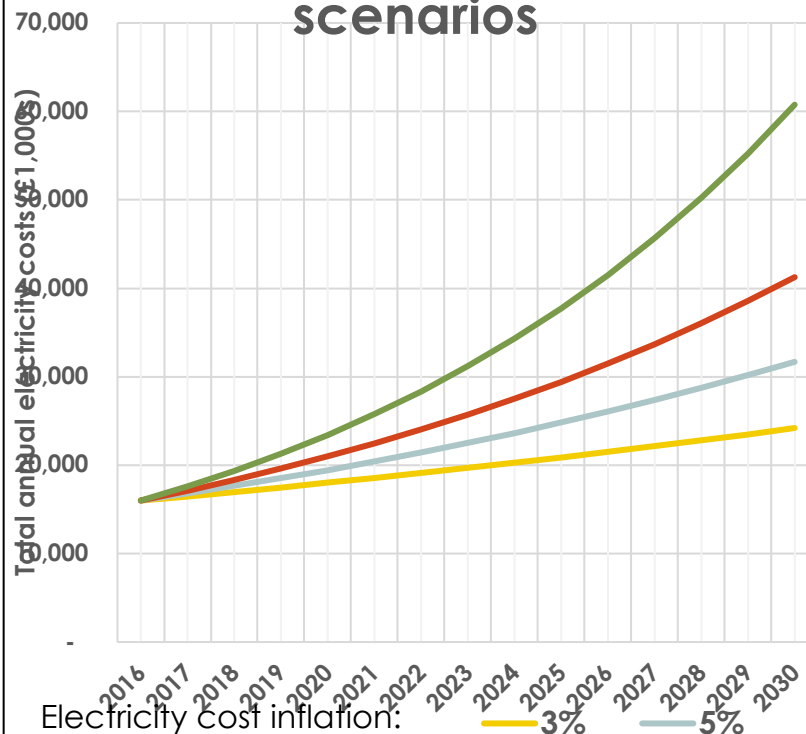


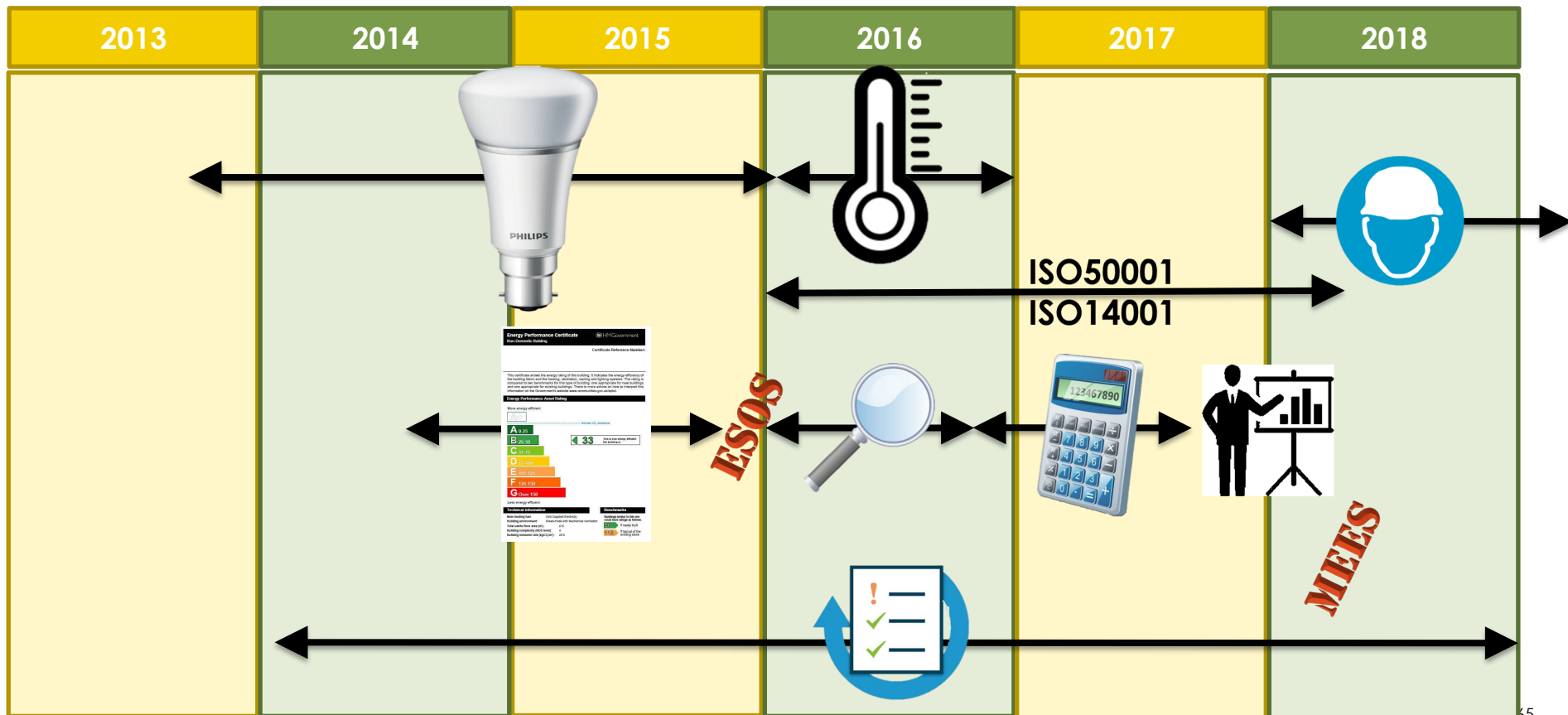
Managing our carbon and energy, and using renewable energy, onsite generation and storage.

2016 Utilities Costs



BAU electricity use cost scenarios



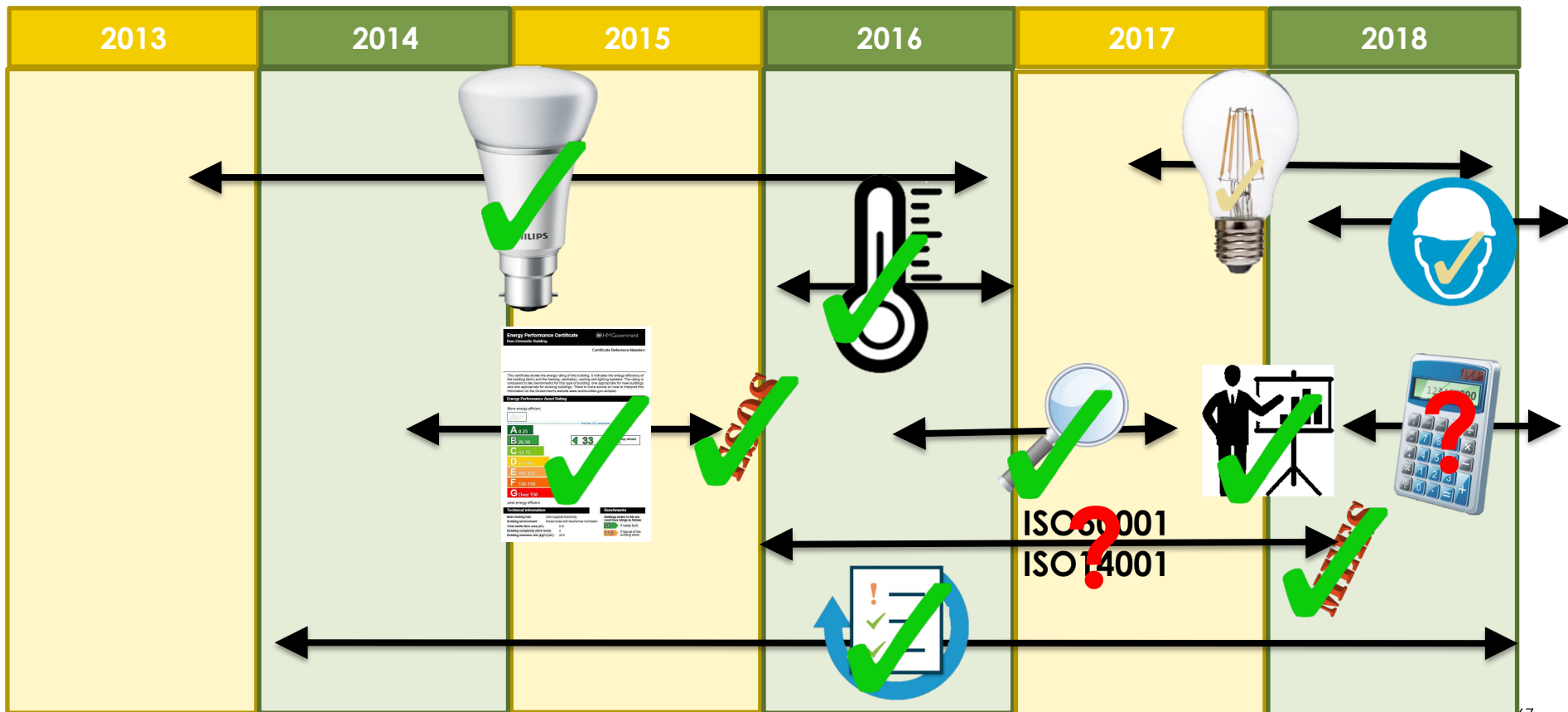




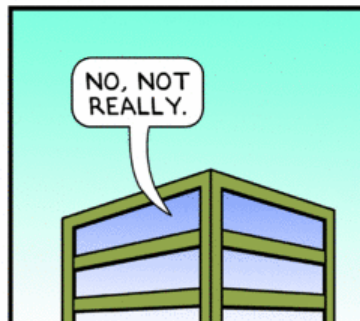
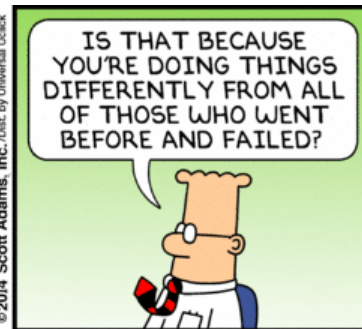
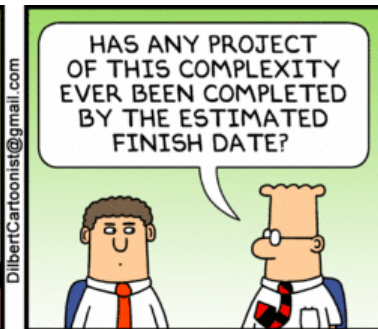
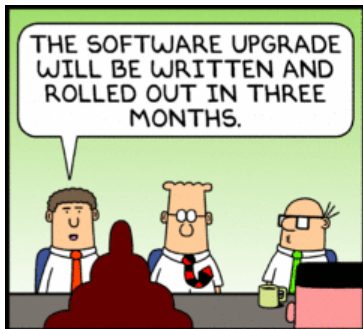
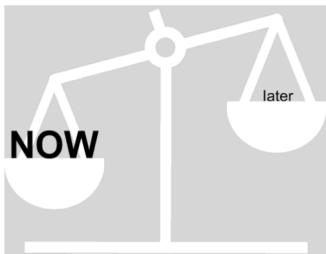
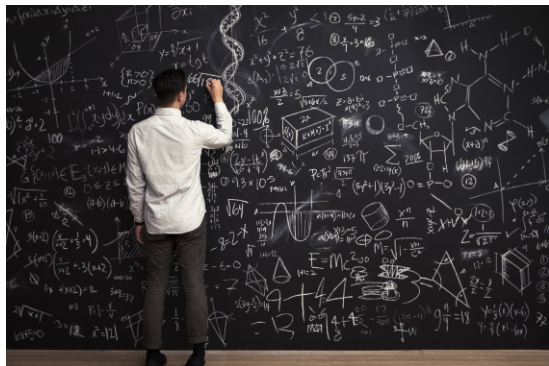
**“No plan survives first
contact with the enemy.”**

*Field Marshal Helmuth Karl Bernhard Graf von Moltke
(von Moltke the Elder), 1800-1891*





Challenges encountered

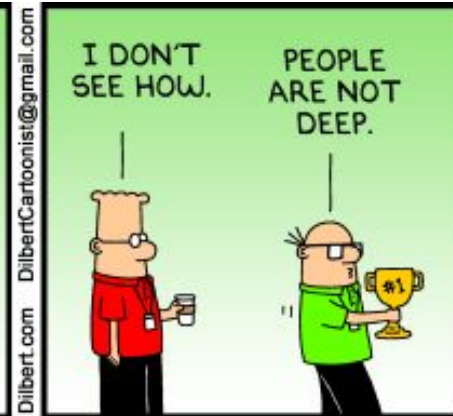
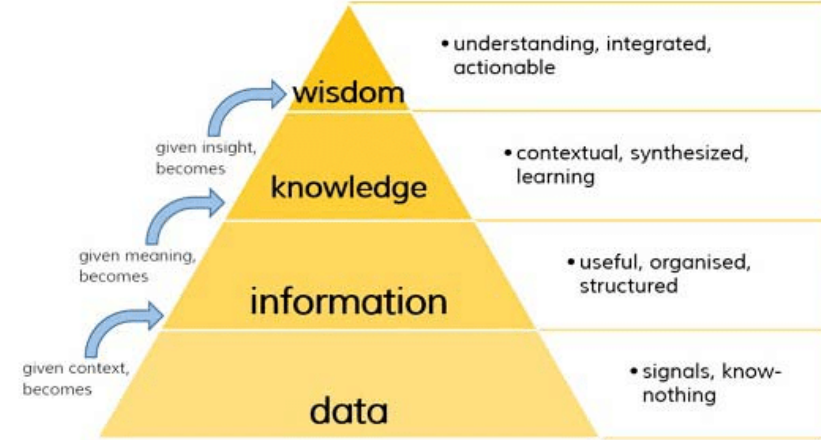


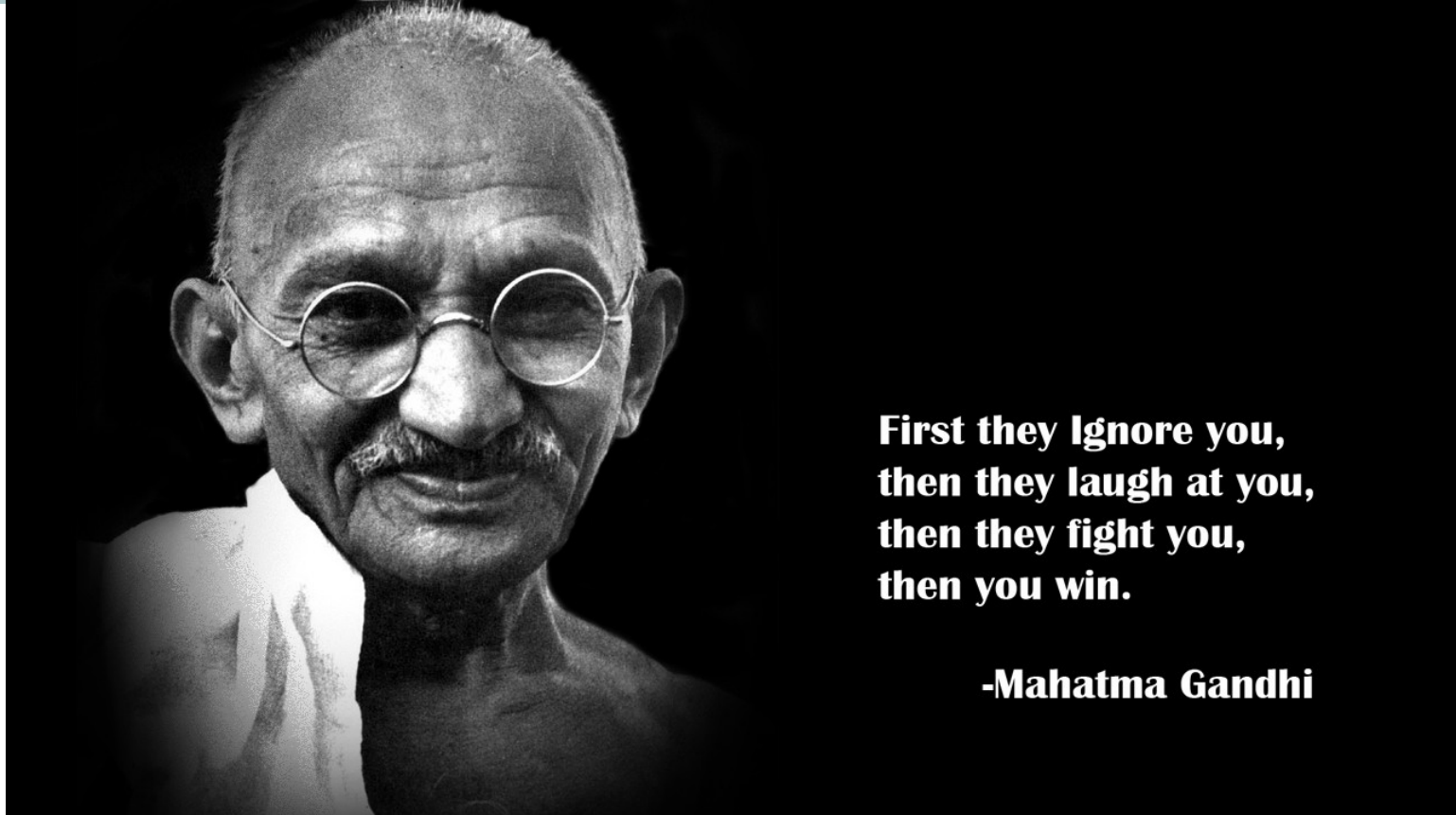
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Key lessons





**First they Ignore you,
then they laugh at you,
then they fight you,
then you win.**

-Mahatma Gandhi



the energyst event
17-18 April 2018

Building business cases: Looking beyond energy

18th April, 2018
Graham Randles
NEF Consulting

ABOUT US...

NEF **CONSULTING**

A social enterprise founded by the New Economics Foundation. We prove and improve social, economic and environmental impact, putting people and the planet at the heart of decision-making.

NEW **ECONOMICS** **FOUNDATION**

The UK's only people-powered think tank has pioneered ideas and practices such as co-production, local money flow analysis, social return on investment, ethical investment and social auditing.



Nowadays people know the price of everything
and the value of nothing.

(Oscar Wilde)

izquotes.com

The Picture of Dorian Gray (1890), Oscar Wilde

De La Rue?



1. Financial measurement:
limited measure of value



2. We allocate resources only
to the things we can measure



3: Stakeholders are left out of
decision making



Public Services (Social Value) Act 2012



Public Services (Social Value) Act 2012

(3) The authority must consider

- (a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area and
- (b) how, in conducting the process of procurement, it might act with a view to securing that improvement.



**Business
case for
measuring
social
impact**

Robust outcomes-based measurement can
prove and **improve**

External- **Prove** impact to clients,
Government and other stakeholders

Internal- **Improve** impact to increase
benefits created

Overall, create **greater resilience and
sustainability** of projects and investments



Defining social impact

Because social impact is about people, when we talk about social impact we mean all the ways your organisation (or project/activity)...

Improves people's lives

Better health

Increased employability

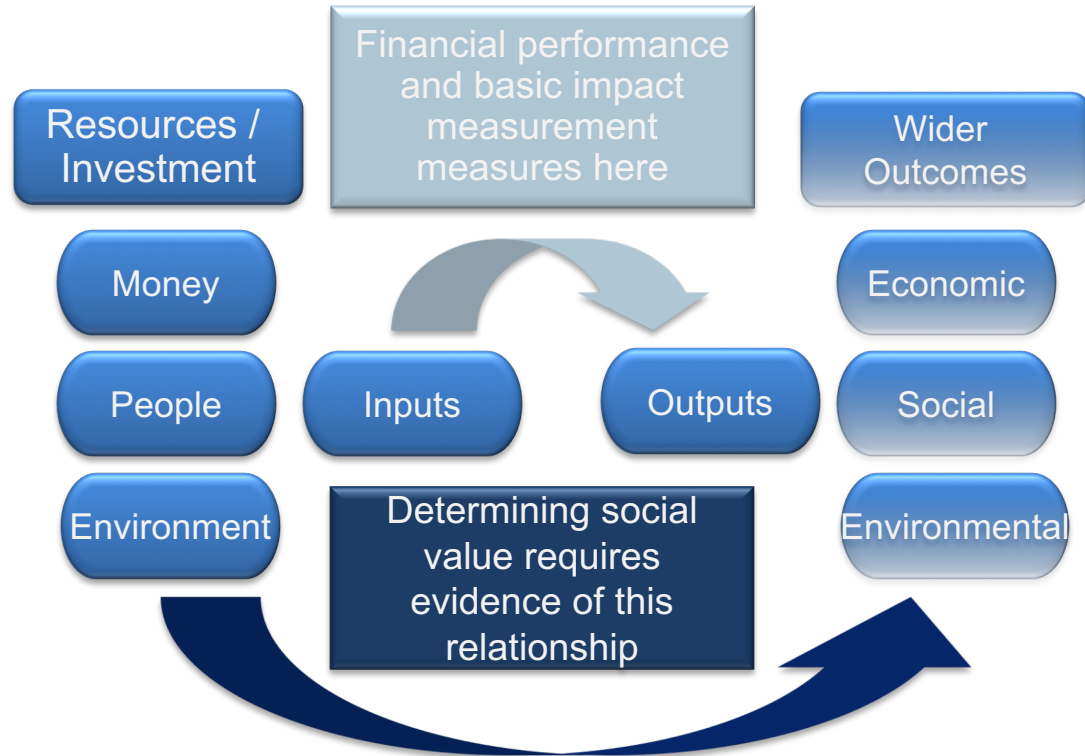
More qualifications

Increased sense of community

Increased income

Greater self-confidence

Why we need to measure outcomes



Approaches to measurement

- Social Return On Investment (SROI)
 - Well-being economics
 - Environmental economics
- Local economic multiplier (LM3)
 - Origins in local economic development
 - Applications in business reporting, commissioning, procurement



How can SROI help us?

SROI is a way of understanding how effectively money is spent. How to make money go as far as possible:

$$\text{SROI} = \frac{[\text{Value of outcomes}]}{[\text{Investment}]}$$

- It considers triple-bottom-line benefits and investments (economic, social, environmental)
- It is an *outcomes* based evaluation
- It measures change that matters to stakeholders
- It can be *evaluative* or *forecast*

www.nefconsulting.com



Core concepts

- Value market and non-market outcomes in common currency
- Additionality
- Net Benefits
- Displacement
- Research, assumptions and proxies
- Transparency
- Consultation

LM3 (Local Multiplier 3) – The local economic multiplier

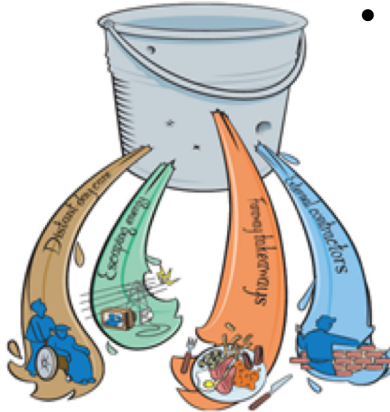


**Need to make money
work harder locally**

- Tourists
- Welfare benefit
- Business investors
- Export earnings

The problem in economically disadvantaged communities is not necessarily that too little money flows into a community. Rather it is what consumers, public services & businesses do with that money.

Too often it is spent on services with no local presence, and so immediately leaves the area



LM3 (Local Multiplier 3) – The local economic multiplier

- Purpose: to measure the impact of spending locally
- Can be applied at local (self-defined) and regional level
- Measures how money is spent and re-spent locally to 3 rounds of spending to determine local economic impact
- Can be applied to local authorities, businesses, projects, planning


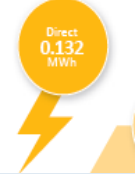






John Lewis Partnership (2011) – Our social & economic contribution

- Average John Lewis shop contributes £9.1m and average Waitrose contributes £1.7m to local economy
- Annual profit-sharing results in £40 - £50 million into local economies
- In Leicester 32% of Partner wages spent in the city centre

The Crown Estate – Total Contribution

www.thecrownestate.co.uk/our-business/total-contribution/

| | ECONOMIC | SOCIAL | ENVIRONMENTAL |
|----------|---|---|---|
| DIRECT |  <p>Direct £311m</p> | <p>Over £40m of personal wellbeing calculated from visits on our portfolio</p> |  <p>Direct 0.132 MWh</p> |
| INDIRECT |  <p>Indirect 2,000</p> |  |  <p>Indirect 63,000 tCO₂e</p> |
| ENABLED | <p>Estimated £1.1m contribution from placing 118 people in permanent employment</p> | <p>8,900 students and other visitors involved in educational events supported by us</p> |  <p>Enabled 5,000,000 tCO₂e</p> |

CASE STUDY: BEAULY-DENNY OVERHEAD LINE

Balfour Beatty Power T&D is estimated to have supported the following economic and social value through the design and build of this overhead line in partnership with SSE

NEARLY
£42M

million in GVA has
been generated from
an expenditure of

£114.7M



AROUND

840

LOCAL FTE
JOBS WERE
SAFEGUARDED OR
CREATED THROUGH
THE SUPPLY CHAIN
AS OF MARCH 2014

AROUND
£448,000



IN SOCIAL VALUE
WAS SUPPORTED
THROUGH SEVEN
GRADUATE ROLES



BB INVESTED IN
TRAINEESHIPS FOR

2

WORK
EXPERIENCE FOR

6

OVER
£733,000

IN LOCAL
WORKFORCE
TRAINING WAS
PROVIDED





THANK YOU!

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<http://www.neweconomics.org>

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