

Costing for sustainability – a practical training session

Date: 12th October 2009

Venue: CIRIA

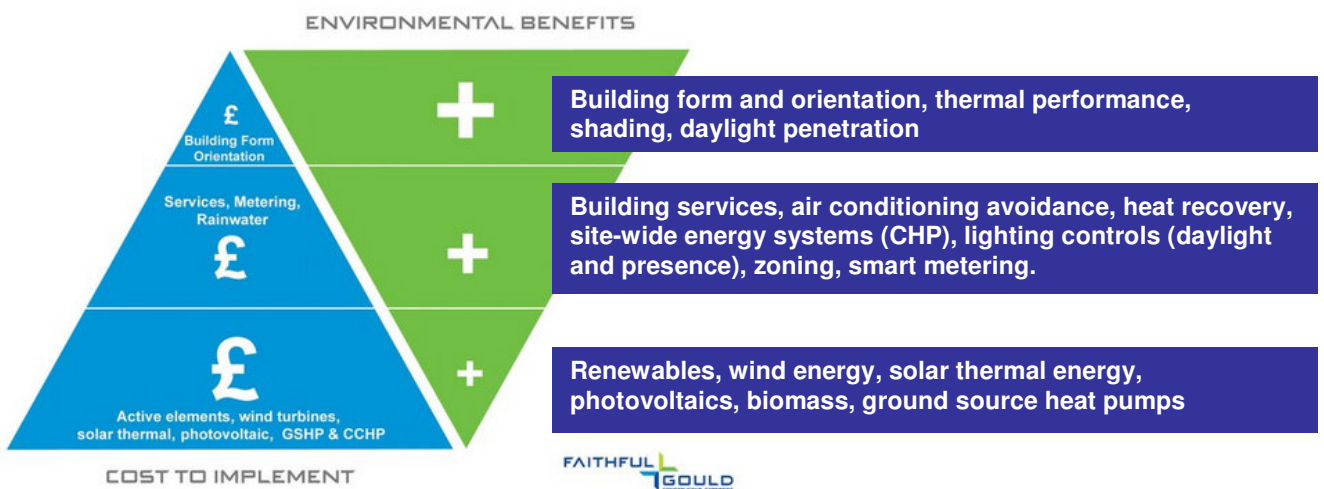
Agenda and key learning points



Time	Subject
13.30	Registration & Coffee
13.45	<p>Welcome & Introduction</p> <p>The case for a Whole Life Approach A brief introduction to the main drivers behind taking a whole life approach to budgeting</p> <p>Chair: Tim Watkinson, SHINE and NE SHA</p>
14.00	<p>Budgeting for sustainability An overview of budgeting for sustainability including; how to conduct a sustainability option appraisal, and an explanation of whole life cost implications of different design changes.</p> <p>Speaker: Sean Lockie, Faithful & Gould</p>
14.25	<p>The principles of costing for sustainability This interactive session will help delegates to analyse the whole life cost implications of different sustainability options through the application of key high-level principles.</p> <p>Modelling sustainability costs The second part of this interactive session will introduce delegates to Faithful+Gould's software for working out cost and carbon savings from different approaches to low carbon design. This exercise builds upon the principles applied in part 1.</p>
15.35	Coffee
15.50	<p>Whole life costing in action An opportunity to learn from SHINE exemplar projects where whole life costing has been applied to realise savings and other more sustainable outcomes. This session will use real life examples of costings and will help clients to understand their implications and what further information they may need to ensure effective and sustainable decisions. A group exercise will provide an opportunity for discussion during this session.</p> <p>Speaker: Jon Bootland, Sustainable Development Foundation</p>
16.35	<p>The costs of achieving high BREEAM standards An opportunity to hear about the cost areas affected when delivering a building to higher BREEAM standards. What kind of capital cost increases can be incurred, what are the whole life benefits and how have others justified this additional capital expenditure?</p> <p>Speaker: David Leonard, BRE</p>
17.15	<p>Applying Whole Life Costing Discussion and opportunity for further questions on how a whole life costing approach could be applied to schemes.</p>
17.30	Close

Key learning points for delegates

- A whole life approach is vital in ensuring the best value for money from a project, and in future proofing your decisions.
- When using whole life costing, it is best to use the agreed data structure set out in the *Standardized method of life cycle costing for construction procurement* (a supplement to ISO 15686-5). Using this structure will ensure that costings are comparable and include essential elements. A delegate suggested that clients must specifically ask their supply chain for costs of changes to clinical service provision – this would be an element within the operational costs but would benefit from being explicitly required. A separate guide will be issued by BSI for costing on existing assets in Winter 2010.
- Early intervention is essential in maximising the benefit gained from your money. Often the biggest whole life cost savings can be made by influencing the site selection, the orientation of the building, the plan and including other passive measures in the design (as shown in Faithful+Gould's carbon hierarchy below).
- Having a detailed discussion over the whole life costs of different options early in a project is not only valuable but essential in managing risks.
- And to ensure the long-term value of your project, you must have an estates strategy that includes sustainability.
- It is important – and will become even more so given the public spending forecasts – to understand what can be done within budget and what will finance itself. Whole life costing and tools such as the Faithful+Gould [Carbon Calculator](#) can help with this understanding.
- There is no generic 'right' answer for how to achieve best sustainability benefit for your money for all schemes. It will depend on the specific circumstances of your case. Using cost significant modelling will help to prioritise the different options.
- When costing and designing schemes we need to ensure that we are costing options that are all future proof – that use sound science to estimate temperature and other climate-related tolerances, and that will meet future standards and regulations (for instance the current review of Part L suggests that a 25% improvement on carbon emissions will be required in the revised standard in October 2010).
- There are multiple costs to be considered in budgeting for sustainability. CO₂ and water are the easiest to consider as they are directly quantifiable, but the value of the social benefits and biodiversity should also be considered.
- BREEAM Healthcare needs to be seen as an opportunity rather than a cost – it is the base case now and therefore cannot be seen as an extra cost.



The Carbon Hierarchy