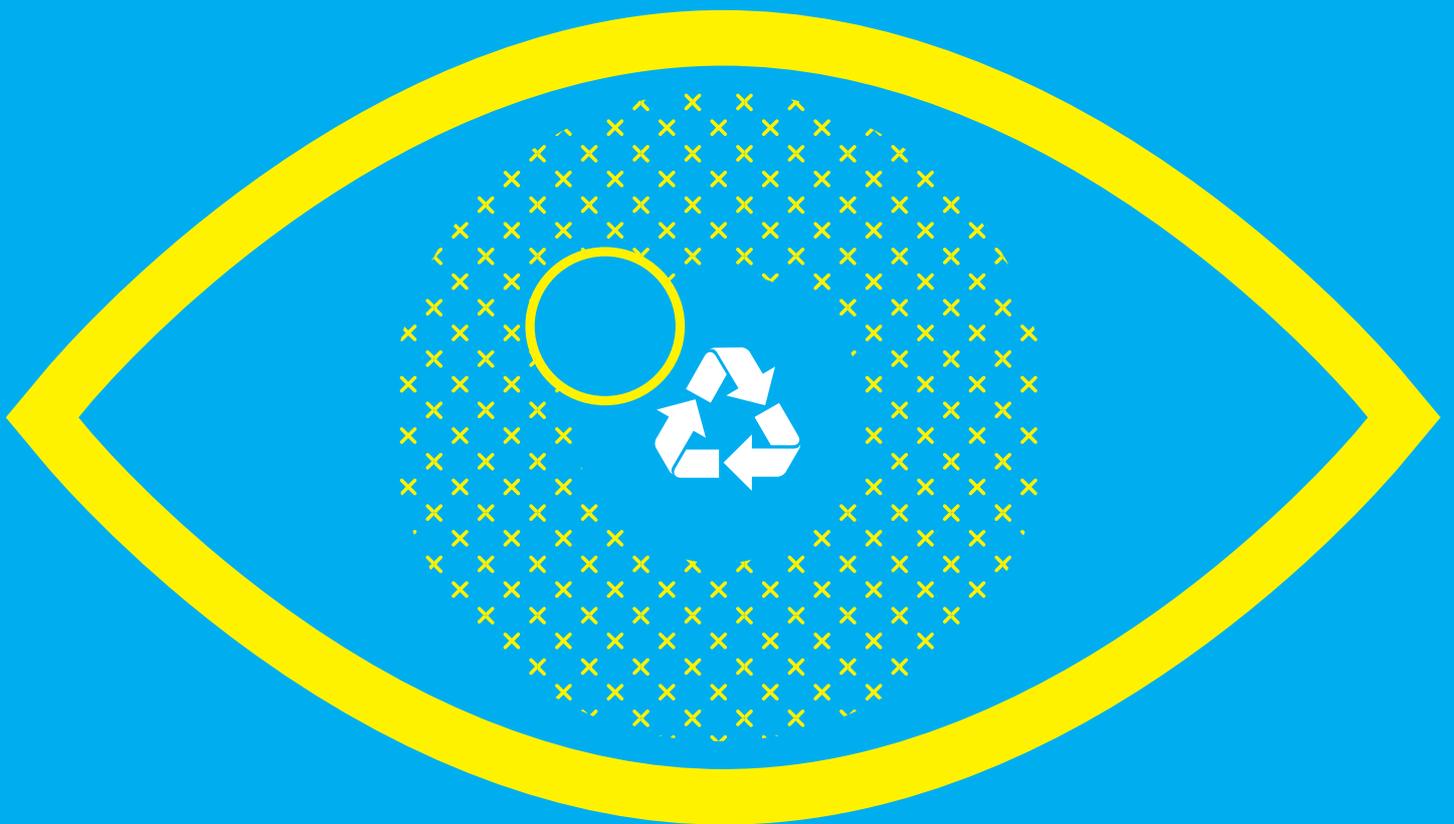


Sustainability in facilities management:

A holistic view



active
workplace solutions

for workplaces that work

INTRODUCTION

The ecological threats to the planet's survival are well-documented. The Met Office recently warned that global average temperatures could increase by 1.5°C within the next four years, effectively hitting the threshold set by the Paris climate change agreement in 2015. Scientists claim that any further increase in average temperatures could have wide and catastrophic consequences, including longer heatwaves, severe droughts, deadly floods, an increase in volatile weather and wildfires, and unmanageable mass migration.

Business and industry is one of the biggest contributing factors to this climate change by creating harmful CO₂ emissions and high levels of pollution and damaging much of the planet's vital ecosystem. According to the UK Green Building Council, the built environment contributes approximately 40 per cent of the UK's total carbon footprint. Almost half of this comes from the energy that buildings use and the country's infrastructure.

As a key component of the built environment and the services that help maintain and run the infrastructure, the facilities management industry has a critical role to play in meeting these important environmental challenges. The FM function has responsibility for the systems and processes that determine areas such as energy and utilities performance as well as waste management and recycling practices.

All this can be described as "sustainability". There is a tendency to assume, however, that sustainability is simply about being "green". In reality, the concept stretches way beyond good environmental practice. When the term was first introduced by the UN's Brundtland Report in 1987, key social issues such as poverty reduction, gender equality and wealth redistribution were included in the overarching goal of environmental conservation. The authors of the report stated that reversing climate change was impossible without first addressing the social conditions that had led to the problem. The British Institute of Facilities Management's own view of sustainability was set out in 2003 as an umbrella term used for activities centred on the environment, social responsibility and economic management.

This report will look at how the facilities management sector can impact wider environmental, social and economic goals, and build a holistic strategic picture of sustainability.



The built environment
contributes approximately
40% of the UK's total
carbon footprint

Facilities management has strong ties to the sustainability agenda in two fundamental ways. At a basic level, the function is responsible for the running and management of a building's systems. This includes HVAC, energy supply, fire safety and protection, IT and communications, lighting, refrigeration, security, water, drainage and plumbing, and more. As the FM profession has evolved, however, its remit has grown. As evidenced by the BIFM's recent decision to change its name to the Institute of Workplace and Facilities Management, a resolution that began with the Manifesto for Change and formally passed at the institute's 2018 AGM, facilities managers are increasingly responsible for not only the building's infrastructure, amenities and services but now the workplace too. This means the workplace's design, and the employees' interaction and relationship to the space. It is a development that has all sorts of big and important implications for facilities management practitioners. It means they have a crucial role to play in the happiness, wellbeing and productivity of people.

So, what does this have to do with sustainability? By gaining responsibility for the design and management of the workplace, facilities managers can play a

leading role in encouraging and executing behavioural change within an organisation. A critical part of sustainability strategy is to ensure that the workforce understands the organisation's energy and environmental objectives. For example, investing in technologies and systems to reduce the energy that heating systems use is futile if employees open windows as they please.

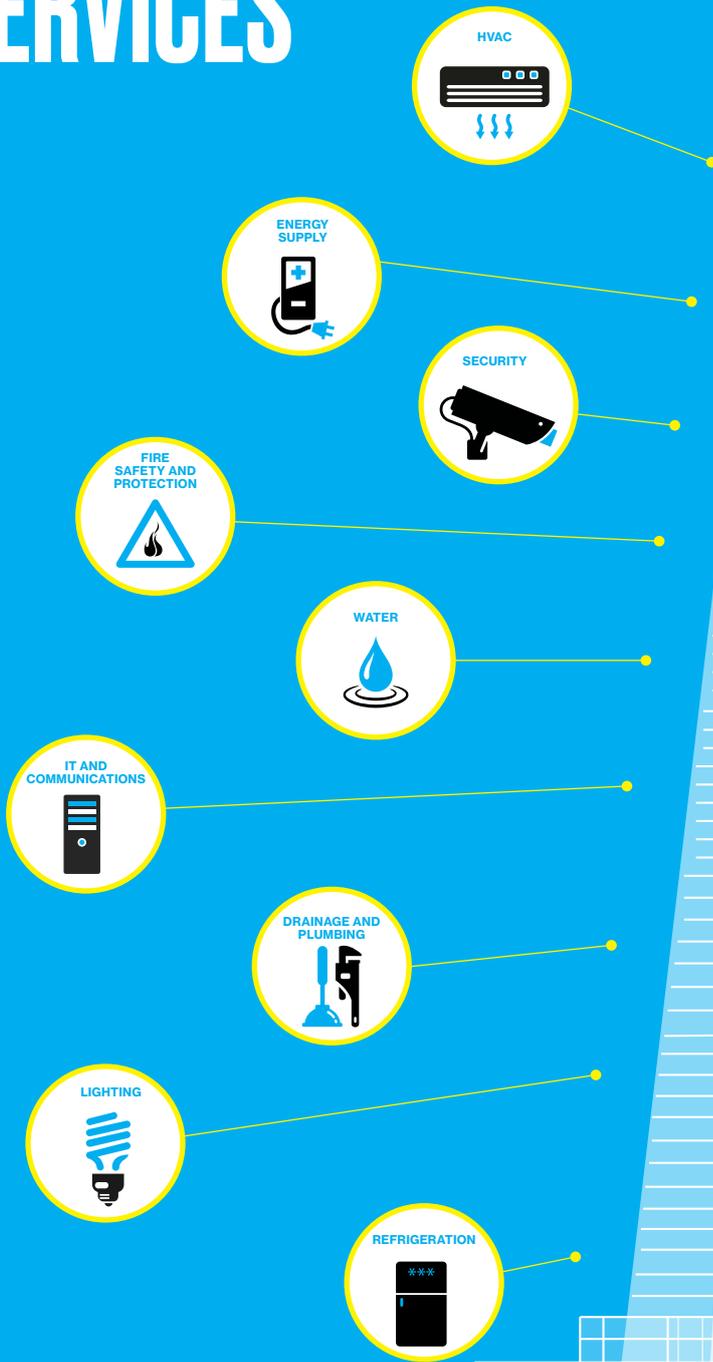
Today, it is impossible to divorce facilities management from energy management. Organisations that want to be sustainable must exploit the clear synergies between the two disciplines.



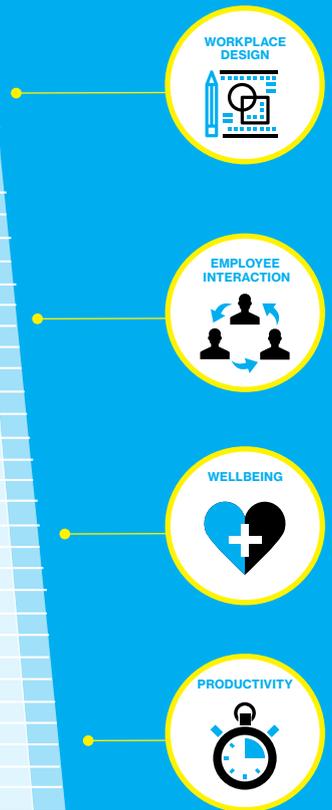
Environmental sustainability

Active helped Virgin Media refurbish its Swansea workspace

SERVICES



STRATEGY



A brief history of sustainability



■ Following the publication of the UN-commissioned Brundtland Report in 1987, the history of sustainability, as well as its connection to industry and the built environment, has been punctuated by a series of key events. Signed in 1997 after five years of negotiations, the Kyoto Protocol mandated country-by-country reductions in greenhouse-gas emissions. The agreement pledged to stabilise greenhouse-gas concentrations “at a level that would prevent dangerous anthropogenic interference with the climate system”, eventually coming into full force in 2005. The Kyoto Protocol not only ratified a global-wide acceptance that human activity contributed to harmful rises in CO₂ emissions but has also provided the basis for the majority of government laws and initiatives related to energy and environmental conservation since.

In 2008, the UK government launched the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme, a mandatory cap-and-trade scheme that was designed to incentivise companies to improve energy efficiency by rewarding energy savings. Tied to this scheme was the Climate Change Act 2008, a legally-binding government target to save 4.4 million tonnes of CO₂ by 2020, bringing the UK’s carbon emissions back down to 1990 levels. However, the CRC Energy Efficiency Scheme has been beset by problems and

“Architecture and Urbanism play a significant role in the consumption and distribution of resources in space. The design of the built environment plays a vital role in achieving equitable and sustainable consumption. Carbon emissions directly depend on how we design our cities and buildings. In order to sustain ourselves through the climate change crises, we need to design our buildings and cities with sustainable and equitable carbon footprints.”^[2]

— **Vandana (Van) Baweja** (School of Architecture), University of Florida

criticisms, including claims that its rules were too complex to understand and too expensive to administer.^[1]

According to professional services firm PwC, more than half of the global population live in urban areas, with a staggering 1.5 million new people moving into urban areas every week. This migration will place huge demands on infrastructure, services, job creation, the climate and the environment.^[3]

In the UK, 80 per cent of the buildings that will be occupied in 2050 have already been built, which means it is imperative that the built environment is resilient to future climate challenges. The UK, however,

is strong in the areas that can mitigate any impact, including urban planning, buildings design, intelligent building management, monitoring and control systems, heating and cooling, intelligent materials and industrial processes and equipment.^[4]

1 <https://www.i-fm.net/news/crc-a-better-alternative>

2 <https://dcp.ufl.edu/sustainability/sustainability-and-the-built-environment/the-significance-of-sustainability-to-the-built-environment/>

3 <https://www.pwc.co.uk/issues/megatrends/rapid-urbanisation.html>

4 <https://dcp.ufl.edu/sustainability/sustainability-and-the-built-environment/the-significance-of-sustainability-to-the-built-environment/>

■ The British Institute of Facilities Management (BIFM) considers sustainability to be 1 of 10 functional areas within its FM Professional Standards framework. The institute lists four key competencies that facilities managers must develop in this area:

1. To recognise and address the importance of sustainability and environmental issues and how facilities management impacts on these issues
2. To develop and implement policies that protect the environment, support corporate social responsibility and improve awareness
3. To review policies to reflect changes in legislation
4. To analyse and improve energy and utility efficiency ^[5]

The BIFM also splits sustainability into two sub-categories: energy management and environmental management. As facilities managers advance through the institute's professional standards, the more strategic their tasks and objectives with regards to sustainability become. In the case of energy management, for example, a support level requirement is to collect data on energy and water usage. Meanwhile, a manager level requirement is to audit energy and water usage and promote their efficient use, and a strategic level requirement is to influence on energy and water management strategy and evaluate its impact. ^[6]

In recent years, the BIFM's members have made it clear that sustainability is now a fundamental part of their role. More than a third of those surveyed in the 2017 BIFM Sustainability Survey said that they consider sustainability to be “extremely important”, which also represented an increase in percentage points from the previous year's results. The main reasons respondents gave for its importance were “good resource and cost management”, “customer

expectations” and “legislative compliance”. At a roundtable to discuss the results of the BIFM survey, working group chairman Greg Davies, head of service development of compliance specialist Assurity Consulting, said the increase in the overall importance of sustainability to FM may reflect the success of the past few years' harvesting “low-hanging fruit”. ^[7]

5 <https://www.bifm.org.uk/bifm/professionaldevelopment/prostandards/fmfunctionalareas/sustainabilityfm>

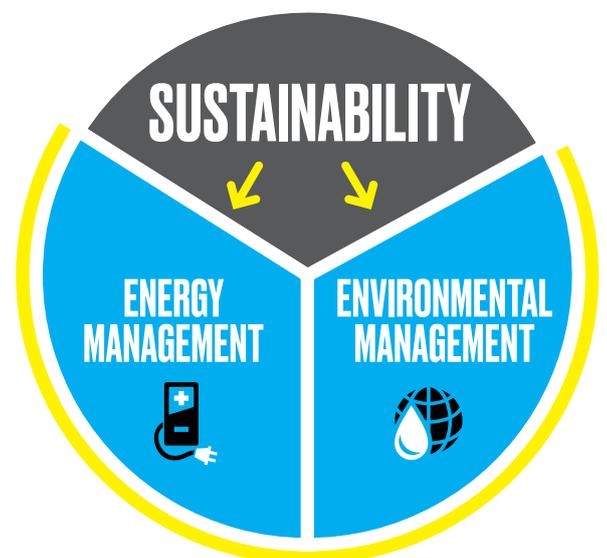
6 <https://www.bifm.org.uk/bifm/professionaldevelopment/prostandards/fmfunctionalareas/sustainabilityfm>

7 <https://www.bifm.org.uk/bifm/knowledge/research/FM-Sustainability>

A core competency

The increase in the overall importance of sustainability to FM may reflect the success of the past few years' harvesting ‘low-hanging fruit’.

— **Greg Davies**, Head of Service Development, Assurity Consulting





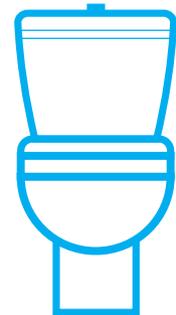
Developing a sustainable strategy

There are a number of actions facilities managers can take to make tangible improvements to energy and environmental performance. Dr Matthew Tucker, now a reader in Facilities Management in the Department of the Built Environment at Liverpool John Moores University, suggests a series of practical steps that can make a genuine operational difference. These include: sustainable cleaning and reduced water usage such as automated toilets; sustainable catering such as the use of locally grown food; sustainable travel such as car-sharing initiatives; space management policies such as hot-desking; and energy-saving M&E strategies such as implementing shut-down periods. ^[8]

However, many of these actions cost a great deal of money that the organisation may not be willing to spend. When Davies points to the success of low-hanging fruit, he is referring to businesses' willingness to invest in areas that are proven to positively impact the bottom line. The facilities management department should, therefore, aim to build a business case around any investment in sustainability technology or programmes.

By definition, however, making a case for sustainability must stretch beyond simple financial value. In its 2015 Sustainability in FM Report, the institute writes:

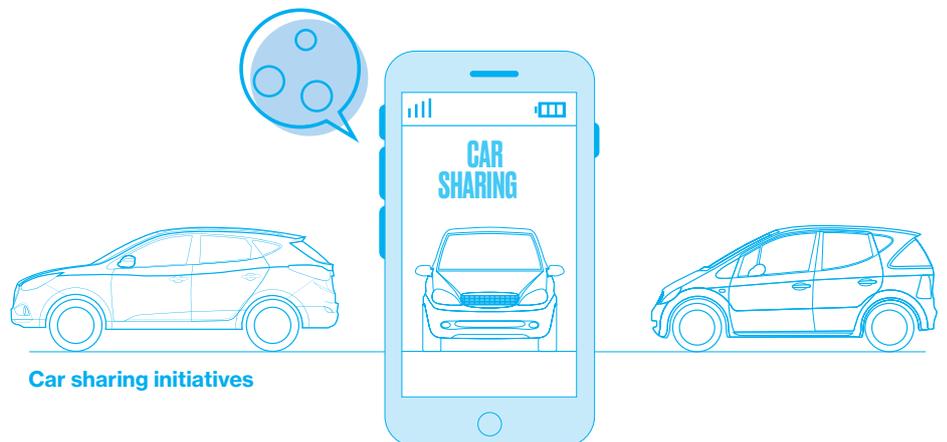
The adoption of sustainable business models requires organisations to move away from making investment decisions based solely upon narrow metrics of value, i.e. the financial or economic bottom line. Instead sustainable businesses focus on creating long term value for their key stakeholders, e.g. consumers, employees and investors, by including a consideration of environmental and social impacts in combination with the traditional economic measures... ^[9]



Automated toilets



Locally grown food



Car sharing initiatives

8 Tucker, M., Sustainable facilities management, in Total Sustainability in the Built Environment, A. Cotgrave and M. Riley, Editors. 2013, Basingstoke: Palgrave Macmillan
 9 http://www.sustainabilityexchange.ac.uk/files/sustainability-survey-2015-web_1.pdf

“Facilities managers are at the forefront of behavioural change and in a position to influence the behaviour of individuals working in business, government departments and public services within the facilities they manage.”

— **University of Reading's** Innovation Construction Research Centre

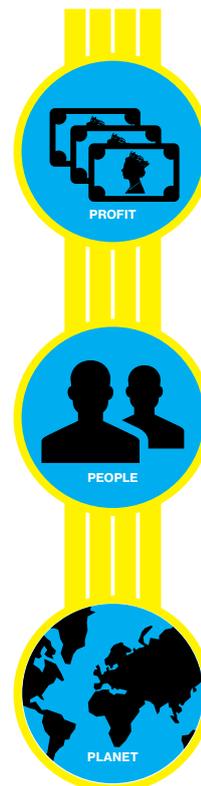
Changing behaviours

Buy-in, however, doesn't just take place at the top; facilities managers must also garner buy-in for sustainability initiatives from the rest of the organisation's workforce. According to the University of Reading's Innovation Construction Research Centre, “Facilities managers are at the forefront of behavioural change and in a position to influence the behaviour of individuals working in business, government departments and public services within the facilities they manage.” ^[10]

In a journal paper discussing the challenge and opportunity of focussing on pro-environmental behaviour and occupancy of sustainable buildings, Dr Marcella Ucci, a senior lecturer at UCL's Institute for Environmental Design and Engineering, writes: “While a number of technological and design solutions can be exploited to deliver low- or zero-impact buildings, the role of occupant behaviour in the building's performance is often considered in an implicit or simplistic manner.” ^[11]

For example, a waste management strategy around recycling and landfill diversion is useless if employees ignore new waste management policies. Essentially, as champions of sustainability in the workplace, facilities managers can ensure that teams understand and adhere to new sustainable policies.

The triple bottom line



Social value

In 1994, business writer John Elkington coined the term “triple bottom line”. He argued that modern companies should focus their attention on three distinct areas of value, also termed ‘the three Ps’: profit, people and planet.

The BIFM's 2016 Sustainability Survey recognised that this three-pronged outlook was taking hold in the facilities management sector. “More recently,” the report reads, “a wider view of sustainability appears to have been taken, incorporating social value, agile working and wellbeing, recent regulation on minimum wage, social value and modern slavery.”

The Public Services (Social Value) Act, which came into force in January 2014, requires those who commission public services to consider how they can also secure wider social, economic and environmental benefits. The legislation recommends that procurement professionals think about how the services they will buy could secure benefits for the local area or stakeholders including local provider communities. ^[12]

¹⁰ <https://www.reading.ac.uk/icrc/Projects/icrc-projects-05-Sustainability-in-facilities-management.aspx>

¹¹ <https://link.springer.com/article/10.1057/rfp.2010.11>

¹² <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

By its nature, the outsourced facilities management sector delivers a large bulk of public services and central and local government contracts. As a service-based industry, it also touches huge numbers of people, organisations and communities. According to the FM Social Value Framework, an initiative formed by energy consultancy firm Acclaro Advisory and multiple FM service providers in response to the Social Value Act, the FM sector can create social value through employment, education and upskilling. The report states that common programmes target particular social groups, such as ex-offenders, veterans and young people. ^[13]

In 2013, the Royal Institution of Chartered Surveyors (RICS) launched its first case study series to showcase the very best practice of strategic FM. In 2017, the organisation launched its fifth series, entitled 'The Social Impact of FM'. The objective of this latest report was to gain a better understanding of the social aspects of the facilities management profession. "Facilities management is ideally placed to drive significant social value; the variety of roles allied with the diversity of our people offer significant employment, training and community engagement opportunities that are unique to our sector," writes Rory Murphy, a board member of the RICS Professional Group for FM. ^[14]

In one case study, international facilities servicer provider ISS explains its decision to sign the Armed Forces Covenant, a promise that the people who served in the military be treated fairly and supported through services policy and projects. ^[15] Statistics show that ex-military personnel are nearly twice as likely to be unemployed than the general population. ISS's aim is to create a clear pathway for those leaving the Armed Forces into a career in facilities management. This is achieved through a five-stage programme that includes: insight,

**Engie's
commitment to
provide**

130
local
apprenticeships to
be created

500
days of work
experience

**VETS has plans to
recruit more than 1,000
ex-service personnel**

1,000



training, preparation, getting them job ready, and finding employment. ISS is also a founding partner of the Veterans Employment Transition Support (VETS) programme, a corporate-led social enterprise that encourages collaboration between charities and businesses to improve employment outcomes for veterans. VETS, now in its second year, has plans to recruit more than 1,000 ex-service personnel in 2018.

In i-FM's Workplace Futures 2018 White Paper, Jamie Quinn, corporate social responsibility director for Engie UK & Ireland, explains: "The last 5-10 years have seen some significant changes in the expectations of stakeholders. In particular, 'big business' is becoming an active player in global issues such as climate change and social inequalities. This means that businesses are more focused on how services are delivered, rather

than simply looking for the cheapest commodity option." ^[16]

In Engie's case, the service provider has an FM and energy management contract with Wakefield Council, in Yorkshire, covering 500 buildings and more than 100 schools. This contract features a commitment to create 130 local apprenticeships, 500 days of work experience and 60 per cent of procurement with local SME companies. ^[17]

13 <https://www.acclaro-advisory.com/the-social-value-project>
 14 <http://www.i-fm.net/documents/files/RICS%20Case%20Studies%205.pdf>
 15 <https://www.gov.uk/government/policies/armed-forces-covenant>
 16 <https://www.i-fm.net/documents/files/pages/i-FM%20Whitepaper%20WF18.pdf>
 17 <https://www.i-fm.net/documents/files/pages/i-FM%20Whitepaper%20WF18.pdf>



Financial responsibility

■ Carillion's liquidation at the start of 2018 escalated already tense discussions around the commoditisation of FM service. For many, the service provider's collapse was the inevitable consequence of irresponsible delivery and procurement practices from the supplier and its public sector customers, and indicative of a market that has become overly commoditised. In an article on i-FM, Martin Pickard, managing director of The FM Guru Consultancy and board member of IFMA UK, blamed Carillion's woes on a long-standing aggressive commercial policy that chased revenue at the expense of profit and service, which played into the hands of a public sector procurement policy that was more focused on price than on service or commercial sustainability. ^[18]

Social value is tied closely to the concept of financial sustainability. Carillion's collapse not only put public service contracts at jeopardy but also threatened tens of thousands of jobs including Carillion's workforce and subcontractor staff. In front of the Public Administration and Constitutional Affairs Committee in May, Mitie CEO Phil Bentley recommended that cost should not be conflated with value, urging greater oversight from the Crown Commercial Service into providing a 'non-executive' overview of government contracting departments. ^[19]

Procurement plays a crucial role in successful facilities management delivery. To that end, RICS launched its Professional Statement for "Procurement of Facility Management" on 25 July 2018. This landmark standard sets out mandatory requirements aimed at any property professionals involved in a facilities management process. This includes property managers, directors of estates, heads of FM, consultants, RICS regulated firms acting for a landlord and FM suppliers procuring services from sub-contractors. The professional statement discusses facilities management procurement routes and processes open to organisations and provides information and guidance on the various factors that need to be taken into consideration throughout a procurement process. This includes activities and key decisions during planning, procurement and post-procurement. ^[20]

18 <https://www.i-fm.net/news/the-demise-of-carillion-and-what-it-means>

19 <https://news.mitie.com/news/phil-bentley-mitie-ceo-makes-recommendations-for-improved-government-outsourcing>

20 <http://www.rics.org/uk/knowledge/professional-guidance/professional-statements/procurement-of-facility-management/>

21 <http://www.fm-world.co.uk/features/feature-articles/going-beyond-green/>

CONCLUSION

To truly develop a successful sustainability strategy, facilities managers must adopt a holistic view of the built environment. This should include environmental, social and financial objectives tied to the decision-making process when designing and delivering the built environment or procuring goods and services.

FM has the power to contribute towards social, economic and political betterment. To do so the industry needs to be more explicit in the value it offers. Professionals from across the built environment sector, not to mention the procurement and accounting functions, have to work together to build an environment that will foster openness and honesty.

As Sunil Shah, managing director of Acclaro Advisory says, the fundamental question for FM professionals is: is it possible to switch sustainability from a bolt-on activity delivered by frontline staff to a business model that integrates sustainability at its core?

At the 2018 RICS Strategic FM Conference, Charlotte Österman, senior sustainability advisor at Vinci Facilities, recalled a famous quote by Professor Jeremy Moon, a director of the International Centre for CSR at Nottingham University Business School: "It is not what you do with your profits; it is how you make your profits, how you actually do business at a day-to-day level."

If the world is to meet these critical environmental and social challenges, sustainability must become a part of its fabric – and facilities managers can be its champions.



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