



Lend Lease – approach to climate change adaptation

SUMMARY

INTRODUCTION

Lead Lease have developed a five-stage Climate Change Adaptation Framework to make sure that climate change risks are considered at all relevant decision-points in the development process. Over the past couple of years, Lend Lease have proactively engaged with this emerging area by engaging across the business as well as with external experts from academia. They are working to embed their approach within the company via their Environmental Management System and risk management processes.

KEY MESSAGES

- The way that property businesses interact with the impacts of climate change is a complex and rapidly changing area of theory and practice.
- New and unfamiliar types of information mean that external expertise is important, however, the chosen approach can be designed around existing systems, processes and structures

ABOUT THE ORGANISATION

Lend Lease is one of the world's leading fully integrated property solutions providers. Their activities span the whole property value chain from investment management, development and construction to asset and property management.

IN DETAIL

BUSINESS DRIVERS

- Lend lease recognised that the impacts of climate change posed risks to their business.
- They are also influenced by planning policy, where there is some mention of the need to prepare for flood and other climate risks. Lend Lease therefore decided that being proactive in this area would be beneficial to the business.

METHODS AND RESOURCES

- In 2008 Lend Lease held a workshop with consultants exploring how to look at climate change risks, which involved a range of people from their asset management, property management, investment and development businesses.
- From this they developed Climate Change Adaptation Framework
- Following this they went back and carried out more dialogue with the business and trialled the framework across all development projects. The findings from this were fed back to the consultant who amended and improved the framework accordingly.
- In light of the rapidly changing theory on adaptation and to make sure what they were saying was rigorous and future proofed, a team of experts from UCL's Environmental Institute were asked for feedback on the framework individually and at a round table event hosted by Lend Lease.
- The next natural step for the company was to incorporate policies and procedures derived from the framework into their Environmental Management System. This has already been done for their development and asset management businesses.

KEY PLAYERS

Internal:

- Key investment, asset management, development employees and sustainability managers.
- Consultant Jones Lang LaSalle

External:

- Yvonne Rydin, Professor of Planning, Environment and Public Policy, Director of UCL Environment Institute and her colleagues with climate change adaptation expertise.

KEY CLIMATE RISKS

- Flood risk
- Heat stress
- Subsidence or unstable land
- Water stress and weathering

OUTPUT / ACTIONS

The Framework covers issues around flood risk, heat stress, biodiversity, subsidence or unstable land, water stress weathering, infrastructure and insurance.

The Framework is devised along five key stages, which align with the key development stages in order to make sure that key decisions are made at the right time. The stages are as follows:

- making the business case
- initial scheme or master-plan stage
- planning, outline and design
- tendering and delivery of project
- operation

The Framework sets out requirements for each stage and guidance on how these requirements should be met. There are links to external guidance e.g. EA flood maps, UKCP09 projections, insurance industry guidance on strategic planning and flood risk, Defra, floodline, UK heat wave plan and ABI documents.

Each project needs to outline how it is meeting the requirements of the Framework. This is then signed off by the Head of Sustainability as part of the company's 'investment paper process'.

FURTHER ACTION

- The aim is to roll out the requirements of the Framework to all relevant offices, assets and construction sites.
- Lend Lease are working to embed into the requirements into their Environmental Management System , to which they were certified for their development and investment & asset management business to ISO 14001 in 2011. This has already been done for development and asset management businesses with other businesses to follow.

ANALYSIS

CONSTRAINTS

- Climate change adaptation is just one issue of many that the company needs to consider and embed therefore competing for limited resources.
- The property industry would benefit from a common approach to climate change adaptation. For example, a set of sector-level principles or guidance that was agreed on by those in the property industry would help to drive the agenda forward.

ENABLERS

Aspects of the work, which were thought to contribute to its value were:

- The involvement of the UCL researchers, who are right at the forefront of the field.
- Strong positive engagement from participants across the business.
- A focus on the risks to business, including linking the issues to specific projects that are already underway. For example flood mapping exercises that have been carried out were useful for demonstration.

TRANSFERABLE LESSONS LEARNED

Advice to others embarking on adaptation: "This is still an emerging area – have a flexible approach, which can then be tailored to a particular project later on"

CASE STUDY PROFILE	LOCATION	UK
	SCOPE	Sector
	SECTOR (BASED ON SIC 2007 CODE)	Real estate activities
	DATE	April 2011
	BUSINESS AREAS	Premises
	CLIMATE CHANGE/ weather event focus	HOTTER, DRIER SUMMERS
		MILDER, WETTER WINTERS
		MORE HEAVY RAIN
		Heatwave
		Drought
		Flood
CONTACT DETAILS	<u>Janet Kidner, Head of Sustainability</u>	
REFERENCES, WEB LINKS ETC	<u>Climate change on the Lend Lease website</u>	