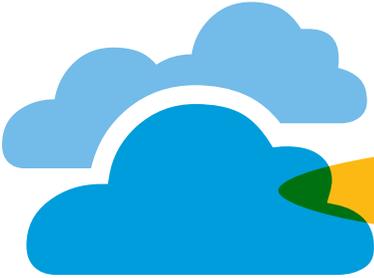


# Our Contribution

A report on The Crown Estate's  
Total Contribution to the UK



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# About The Crown Estate

**The Crown Estate is one of the UK's largest, most diverse and most successful property businesses, managing assets ranging across commercial and residential real estate, agricultural land, parkland and forestry, along with over half the foreshore and almost the entire seabed around the UK.**

Established by Parliament, the organisation's role is to optimise long-term returns from its portfolio by taking a sustainable approach to business. This has served it well, and over the last ten years it has returned nearly £2 billion profits to the Treasury, for the benefit of the nation.

The diverse nature of the portfolio provides an exciting challenge: one where The Crown Estate is constantly balancing old and new, looking at a broad range of investment opportunities, while also recognising its stewardship responsibility for some of the UK's most important natural resources.

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# Introduction

**The Crown Estate has a commercial mandate to enhance the value and optimise the returns from its assets, with regard to good management. In 2011/12 we delivered £240.2 million profit to the Treasury, but we also contribute to the UK in many other ways. In terms of headcount we are a relatively modest business, but with a UK wide remit and a significant reach and influence. In this, our first 'Total Contribution' report, we start the process of demonstrating the true value that we deliver to the UK and its growth agenda.**

We pride ourselves on being innovators in sustainability. Although other companies have produced similar studies in the past, they have rarely attempted to pull together their social, economic and environmental indicators into one report as we are seeking to do here.

Reporting on Total Contribution is a reasonably new concept and guidance is limited. Therefore, we have relied on expert external advice to help us develop a robust and methodical approach. This is our first attempt and we are aware that more refinement is needed and data sources need to improve. So as well as establishing fundamental principles of transparency to guide our reporting we have made the methodology available and we encourage suggestions for improvement.

It is no surprise that the majority of the contribution we highlight is derived from customer activity on our portfolios. We make it clear in the report where value is directly attributed to us or to others and explore our role as a landlord and the responsibility and influence that this brings.



Building upon our core values of Commercialism, Integrity and Stewardship, we first began to incorporate sustainability formally into our Annual Report in 2002. Total Contribution is the next step on our journey to become a more sustainable business. Through this we attempt to express the value derived from our actions; for people, communities and the planet. As members of the International Integrated Reporting Council (IIRC) pilot programme we will take what we are learning here and incorporate it into our year end annual reporting.

A handwritten signature in black ink, which appears to read 'Alison Nimmo'. The signature is written in a cursive style and is positioned above a horizontal line.

**Alison Nimmo CBE**  
Chief executive

# What is Total Contribution?

**Total Contribution is a way of demonstrating the value we deliver to the UK beyond the direct net revenue surplus (profit) we make to the Treasury. To do this we have selected a range of indicators across economic, environmental and social areas, and have explored value in more detail through four case studies.**

## Transparency

To ensure the most rigorous results we have adopted a conservative practice to quantify and value our contribution and have established three fundamental transparency principles; Credit, Confidence and Net contribution.

### Credit

We have been clear about the amount of credit that we may claim and have separated contributions into the following segments:

- Direct contributions – activities carried out by us.
- Indirect contributions – activities commissioned by us but carried out within our supply chain.
- Enabled contributions – activities carried out on our portfolios by our customers.

Our next step in developing our approach will be to more fully explore our role in the Indirect and Enabled segments and to break down the associated credit that could be attributed to our activities.

### Confidence

It is not practical, or even possible in some cases, to capture first hand (primary) data for every indicator. We have therefore used recognised methodologies, models and academic research to estimate results where necessary.

We have indicated the source of each indicator and therefore the level of confidence of the data in the supporting methodology document available at <http://www.thecrownestate.co.uk/totalcontribution/>. We have split the confidence of data into three broad areas:

- Primary data, e.g. derived from information disclosed by The Crown Estate.
- Estimates based on direct measurement, subject to certain assumptions or models, e.g. statistics from government/industry.
- Assessments based on estimated data subject to certain assumptions or models.

### Net contribution

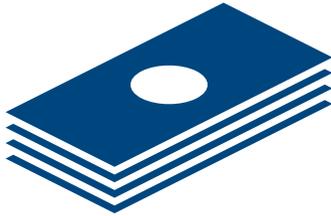
Although we aim to capture both positive and negative outcomes from the activities across our portfolio, and to report the resulting net contribution, we acknowledge that in this first baseline report this has not always been possible. As we develop better systems to capture data we intend to investigate more deeply the range of potentially negative outcomes and provide a more balanced report on our performance.

## Key findings

These key findings show a combined total of our Direct contribution, the Indirect contribution of our supply chain and the contribution of activities carried out on our portfolios by others (Enabled).

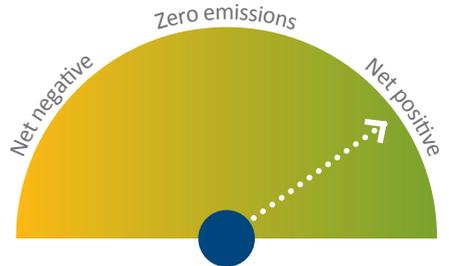
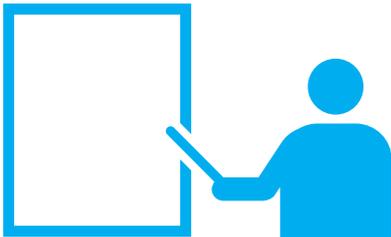


**94,000**  
jobs supported



**£5,233m**  
gross value added contribution  
to the UK economy

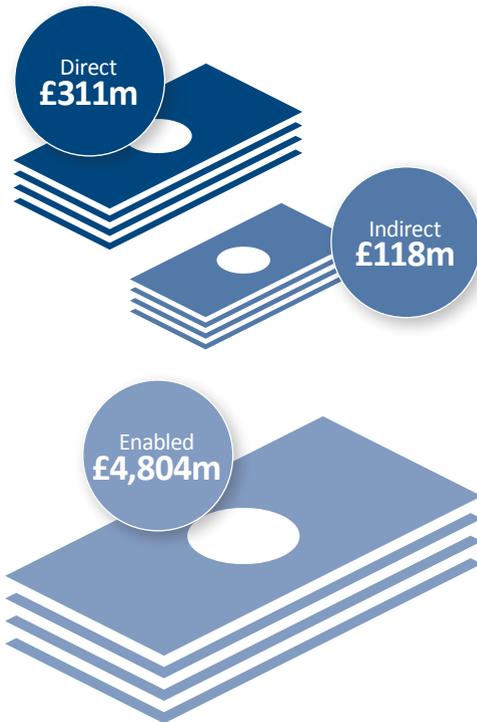
**8,900**  
students and other visitors  
involved in educational  
events we supported



**4m tCO<sub>2</sub>e**  
net emissions averted  
through activity on our portfolio  
(more emissions sequestered  
through forestry and avoided by  
low carbon energy generation  
than produced)

## Economic Contribution

**Our net income surplus (profit) goes to the Treasury for the benefit of the nation, but there are other ways in which we deliver an economic contribution to the UK.**



### Our contribution to the UK economy

Our Direct Gross Value Added (GVA)<sup>1</sup> (£311 million) is a measure of the impact on the economy of our in-house activities. It is calculated as our turnover (£360 million)<sup>2</sup> minus the cost of goods and services we purchase (£49 million).

Our Indirect GVA is a measure of the impact on the economy of our supply chain. It is calculated by breaking down how much we spend by the type of supplier and then multiplying this by average GVA ratios. Roughly two thirds of the Indirect contribution comes from our urban portfolio's supply chain. To understand this better we have agreed to participate in the production of a report by London First that will examine the economic contribution of London's developers to the UK economy.

Our Enabled GVA<sup>3</sup> is the impact of our customers on the economy. This is calculated by analysing our portfolio by the area taken up by different activities (e.g. retail, farming etc) and then multiplying this by average GVA ratios.



**£726,000**  
Direct contribution  
to the UK economy  
per Crown Estate  
employee

<sup>1</sup> GVA is an economic term which measures the contribution of a business, organisation, sector or even a region to the national economy.

<sup>2</sup> Revenue (£340.7 million) + Interest (£11.6 million) + Joint Venture Income (£7.6 million) = Turnover (£359.9 million), rounded up to £360 million.

<sup>3</sup> Enabled GVA covers all of urban, but only partial coverage on other portfolios as the necessary data was not available.

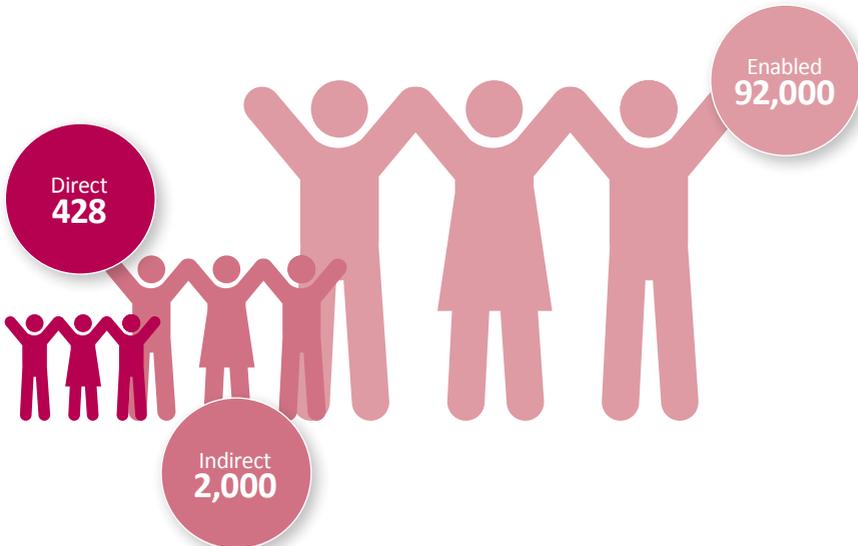


## As an indication of scale, 92,000 Enabled FTE jobs is the same size as the population of Hartlepool

### Employment

As well as the 428 full-time equivalent (FTE) people who work directly for The Crown Estate, we supported a further 2,000 FTE jobs through our supply chain, such as contractors and consultants. Over half of these were connected to major construction projects on our urban portfolio. The actual number of people employed was higher than the FTE number reported here as many jobs are part-time or temporary.

The 92,000 Enabled FTE jobs is the number assumed to be delivered by our customers. It is calculated based upon the same modelling and case studies that are used for the Enabled GVA.

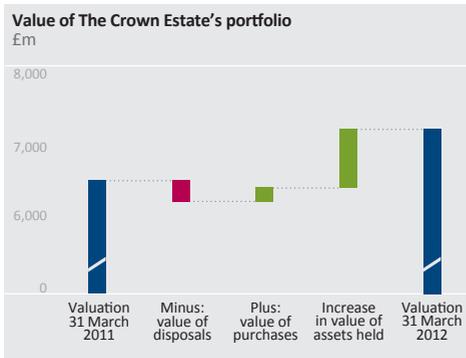


## Economic Contribution continued

### Investment

The value of The Crown Estate's portfolio increased from £6.7 billion in March 2011, to £7.2 billion in March 2012. During the year, we disposed of properties worth £577 million and made purchases worth £282 million. There was also an increase of £812 million in the value of assets held, which reflects general market movements, investment in the estate and tactical asset management that we undertake to enhance the value of our portfolio.

Our total return (being our capital growth, net capital receipts and net income as a percentage of capital employed) was 16.8 per cent for the year ended 31 March 2012. This compared favourably to our industry wide bespoke benchmark<sup>4</sup> of 9.5 per cent.



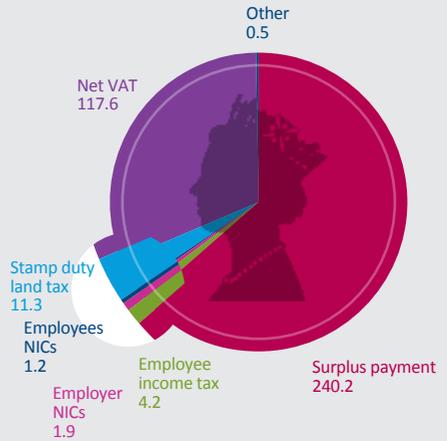
**The overall increase  
in the value of  
our assets held in  
2011/12 was £812m**

## Contribution to the Treasury

The importance of our value creation activities is highlighted by the fact that the majority (64 per cent) of our Direct contribution is made up of the £240.2 million net income surplus (profit) we paid to the Treasury for the benefit of the nation. To calculate the full Direct contribution to the Treasury we have also included taxes paid by employees (Income Tax and employee National Insurance) and taxes paid by The Crown Estate (employer National Insurance, VAT, stamp duty land tax, and other taxes such as landfill, climate change levy and so on).

Our total Indirect contribution to the Treasury is estimated to be £66 million. This is made up of VAT payments (£49.3 million) and Income Tax and National Insurance Contributions (£16.3 million) made by The Crown Estate's supply chain.

Breakdown by component  
£m



## Regent Street and Quadrant 3

Quadrant 3 is one of a phased series of redevelopment projects as part of the £1 billion investment programme in the Regent Street vision strategy. This will expand the available office space on, and adjacent to, Regent Street and consolidate and expand retail space to a smaller number of stores with larger available floor space.

As part of this programme, a contribution of £1.75 million to street improvements on Regent Street and Piccadilly Circus has been made<sup>5</sup>. The newly pedestrianised Glasshouse Street hosts the US food store Whole Foods and our improvements on Sherwood Street have created the largest new public space in the West End since the redevelopment of Trafalgar Square.

As part of long-term efforts to minimise traffic and air pollution on Regent Street, 28 of 118 stores have signed up to consolidate deliveries using warehousing facilities at Enfield. Delivery trips have been reduced by 70–80 per cent in these 28 stores and are now made by an electric van to reduce CO<sub>2</sub> emissions.

<sup>5</sup> A further £1.75 million contribution was made by The Crown Estate on behalf of the St James's portfolio for the works to Piccadilly, St James's Street and Pall Mall.

## Sustainability

18,581 square metres of new Grade A office space on Regent Street features cutting-edge technology to minimise energy consumption and has attracted global corporate tenants. Quadrant 3 achieved BREEAM 'Excellent', establishing it as a leading sustainable building in the West End. In addition, it also incorporated the following aspects during the construction phase:

- A combined cooling, heating and power (CCHP) unit and a molten carbonate fuel cell as a central energy centre for four buildings.
- VOC free, formaldehyde free and petrochemical free paint was used within all the office, apartments and toilet areas.
- A concrete mix that was designed to reduce the carbon footprint by 1,200 tonnes.
- Recycled plastic bottles were used for protection on all floors.
- Rainwater harvesting was installed to save water.
- We exceeded the 'exemplary' waste target set by the Building Research Establishment of 10 m<sup>3</sup> per 100 m<sup>3</sup>.
- One of the greatest achievements was over 2.2 million hours worked without a reportable accident. This was achieved by setting up a 'safety leadership team' whose motto was 'everyone looks after everyone else'.

## Community benefit

As a function of the agreement with Westminster Council on the Quadrant 3 development, we have established and have further developed a Workplace Co-ordinator scheme, which brokered 118 permanent employment contracts in and around Regent Street, in London's West End during 2011/12.

- We can estimate that the total economic value accrued to these 118 individuals is £539,000. This is calculated from the difference between benefit payments and salaries gained through employment.
- For the State, the reduction in benefit payments and increase in tax/National Insurance gains creates cost savings of £560,000.

The total economic value to the individuals and nation of the programme is therefore estimated to be £1.1 million.



**Estimated £1.1m  
contribution from  
placing 118 people  
in permanent  
employment**

## Environmental Contribution

**We only have one planet and limited resources. To be sustainable we need to go beyond reducing our impact and deliver a net positive impact. Activity across our portfolio can help deliver an important contribution to UK policy and all our futures.**



Direct  
**0.132**  
MWh

Enabled  
**5,800,000**  
MWh

### Electricity generated<sup>6</sup>

We seek to work with the grain of government policy to enable the development of low carbon energy programmes on our portfolio. This includes almost the entire seabed out to the 12 nautical mile territorial limit and rights to explore and utilise certain natural resources of the UK continental shelf. Offshore wind already provides around 1.6 per cent of UK electricity production on an average day.

We enable low carbon energy development by funding and supporting developers and their supply chains as they strive to realise the potential of electricity generation. We have committed to an investment of £100 million into Round 3 of the offshore wind programme and we make a return from this investment when projects get built and are operating. We add additional value by applying our UK-wide perspective to strategic issues.



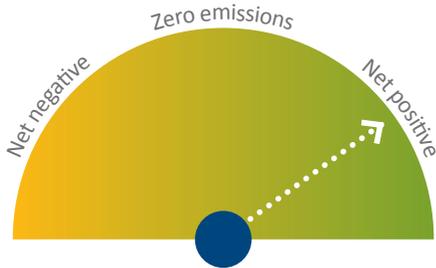
**Offshore wind  
already provides  
around 1.6% of UK  
electricity production  
on an average day**

<sup>6</sup> To give an idea of scale, 1 MWh can on average sustain 1,000 houses for 1 hour.

## Greenhouse gas emissions

### Net emissions

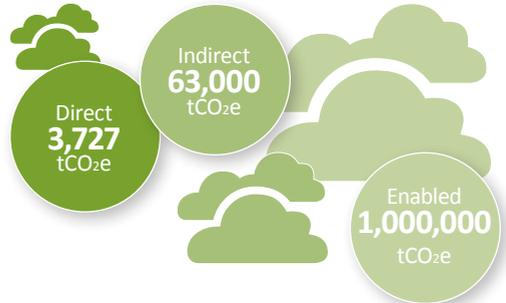
Across our portfolio there are activities carried out directly by us and by others that produce greenhouse gas emissions. Emissions are also absorbed through sequestration by plants and trees and avoided by low carbon energy solutions across our portfolio. When the produced, sequestered and avoided emissions are summed together, the result is a net positive outcome, where almost 4 million tCO<sub>2</sub>e are averted.



We are clear that the majority of this net positive result is created by others. We are committed to continuing to reduce our own direct emissions and expanding our role of enabling positive activity across our portfolio.



**99.6%**  
of the greenhouse gas  
emissions produced from  
activity on our portfolio  
result from the activity  
of our customers



### Greenhouse gas produced (tCO<sub>2</sub>e)

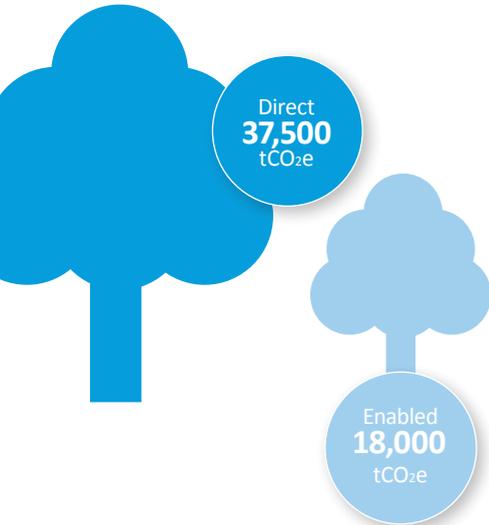
Over the year 99.6 per cent of greenhouse gas emissions produced from activity on our portfolio resulted from the activity of our customers. Non-Direct emissions were estimated based upon how the land is used (i.e. retail, residential, office, mining or agricultural use) and calculated using emissions factors from robust sources including The Chartered Institute of Building Services Engineers (CIBSE) and the Food Climate Research Network (FCRN).

## Environmental Contribution continued

### Greenhouse gas sequestered (tCO<sub>2</sub>e)

In this report, sequestered refers to the uptake of CO<sub>2</sub> by forests through photosynthesis. Based upon a study prepared for us by the Edinburgh Centre for Carbon Management called 'Potential carbon sequestration within The Crown Estate's Forestry Portfolio', we were able to identify the types of forest cover and the associated average CO<sub>2</sub> uptake across different parts of our business.

We estimate that we directly captured and stored 37,500 tCO<sub>2</sub>e through sequestration. This alone outweighs our Direct produced emissions of 3,727 tCO<sub>2</sub>e. In addition we were able to identify a further 18,000 tCO<sub>2</sub>e Enabled contribution that is sequestered by forests managed by our tenants.

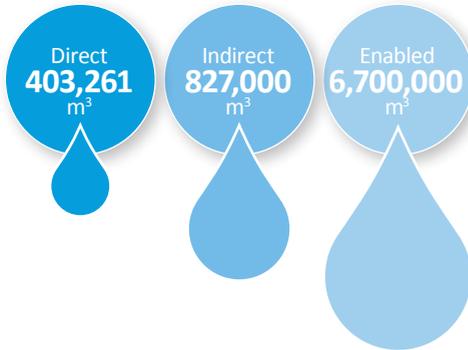


### Greenhouse gas avoided (tCO<sub>2</sub>e)

Almost 5 million tonnes of CO<sub>2</sub>e were avoided through the generation of low carbon energy from projects undertaken by others on our portfolio, as an alternative to fossil fuel generation.

As the number of low carbon energy projects continues to grow, so will the amount of greenhouse gas emissions that can be avoided. Growth will occur not only through offshore wind, but also through our support of new technologies such as wave and tidal and the capture and storage of CO<sub>2</sub>.

## Water



We estimate that almost 8 million cubic metres of fresh water is used across our portfolios for drinking, sanitation and irrigation. Only 5 per cent of this is from our Direct usage. Enabled usage, calculated at 83 per cent, reflects consumption through farming activities, including the irrigation of crops, livestock and milk production.

Fresh water is a scarce resource in many areas, including London where we have many core assets. We are mapping our portfolios against water stress and developing efficiency action plans to make improvements where we have the most impact.



**93%**  
of our Direct waste  
was diverted away  
from landfill in 2011/12



## Waste

The estimated total waste produced through activity across our entire portfolio is around 600,000 tonnes.

Our Indirect waste is estimated using industry averages and our Enabled waste is based upon standard assumptions on the flow of materials. The Enabled waste mainly comes from the residuals from mining, quarrying and dredging for aggregates, potash, salt, limestone and sandstone.

As well as reducing the amount of waste produced, it is important to reuse and recycle as much as possible. Although in this report we have not attempted to measure where the waste produced by our supply chain and customers ends up, 93 per cent of our Direct waste was diverted away from landfill in 2011/12.

# Driving green growth at Ormonde Wind Farm

**We believe that well-managed wind power projects can deliver both prosperity and environmental sustainability. Vattenfall's Ormonde Offshore Wind Farm – a set of thirty turbines built 10km off the coast of Barrow-in-Furness – is one good example.**

## Generating green jobs

The Ormonde Wind Farm was a real boost to the UK economy. We Enabled the following:

- 835 people were employed in the construction of the wind farm over a three year period, with an estimated 650 additional people employed along the supply chain.
- 32 per cent of the wind farm's £500 million capital expenditure flowed straight into UK businesses.
- Now that it is operating, the wind farm employs 40 staff, two thirds of whom are local technicians.

## Avoiding pollution

**Ormonde Wind Farm generates enough green energy each year to power roughly 100,000 homes**

If this much energy was to be generated from conventional sources like coal or gas power, it would release 429,000 tonnes of carbon dioxide. It would also release an additional estimated 5,000 tonnes of sulphur dioxide (SO<sub>2</sub>) and 1,500 tonnes of nitrogen oxides (NO<sub>x</sub>) emissions into the atmosphere per year, both of which contribute to poor air quality.

Based upon a Defra study<sup>7</sup> on the health implications of poor air quality, we have calculated that the Ormonde Wind Farm saves an estimated £9.5million in public health costs each year.

Generating energy in the UK means we have to import less energy from other countries – which helps insulate us from spikes and fluctuations in international energy prices.

## Minimising environmental damage

In general, concerns about wind farms tend to revolve around the environmental impacts they have on local wildlife, as well as on the beauty of the landscape. There may also be concerns that possible economic losses, such as reductions in fishing catches and tourism income, could offset some of the benefits of local job creation that the wind farm brings. This is known as a displacement effect.

<sup>7</sup> Defra (2010) has calculated the health costs per tonne of SO<sub>2</sub> and NO<sub>x</sub> emissions in the UK. Adjusted to 2012 figures each tonne of SO<sub>2</sub> emitted into the atmosphere induces a cost of £1,633 to society while each tonne of NO<sub>x</sub> emitted induces a cost of £955.

Vattenfall has taken various steps to curb these impacts at Ormonde Offshore Wind Farm. First, the farm was built in an area of relatively limited ecological importance in comparison with other parts of the regional marine environment (with low bird populations, for example). Second, there is scope for certain fishing activities to be carried out within the wind farm area and Vattenfall contributes to the Fishing Community Scheme set up by the East Irish Sea Developers Group to cover any demonstrable losses. Environmental monitoring, including of fish stocks, will continue for several years beyond construction.

Ormonde is the first offshore wind farm of a commercial scale in the UK to use 5MW machines. The use of 5MW machines means fewer turbines are required to generate the same amount of power. The next largest turbines available on the market at the time of construction were 3.6MW machines. If these had been used, an additional 10 to 12 turbines would have been required to obtain the same capacity.

The Crown Estate has established a process whereby leases of the sea bed are awarded, enabling the development of offshore wind farms, such as Ormonde. We receive a rent that is proportional to the output of the wind farm. We welcomed the use of 5MW machines and jacket foundations at Ormonde – the first offshore wind farm of a commercial scale in the UK to do so. We have a programme of enabling actions to support the development of offshore wind in the UK, which includes improving the supply chain, cost reduction and addressing key consenting and planning challenges.



## Social Contribution

**Social contribution indicators are the least well developed, and this is the area that we will need to focus most on in coming years. One reason for this is that social impacts vary greatly across the different parts of the business and measures that may be meaningful for one part of the portfolio may have little relevance to others. We have started by setting out three indicators below and we will continue to develop these in coming years.**

### Giving a value to wellbeing

New economic approaches enable us to place a value on personal wellbeing. The UK Forestry Commission surveyed visitors to determine how much they would be willing to pay for a range of recreational activities that they normally access for free.<sup>8</sup> The value of one visit was calculated to be between £14.20 and £14.99.<sup>9</sup> Using this modelling and breaking down visits by the type of activity, we have calculated that the estimated 30,000 visitors to Glenlivet create a combined wellbeing value of £440,000 per year and that Windsor's estimated three million visitors almost £40 million per year.



**Over £40m  
of personal  
wellbeing  
calculated  
from visits on  
our portfolio**

<sup>8</sup> The Forestry Commission 2006: *Valuing Forest Recreation Activities*.

<sup>9</sup> With the exception of nature watching which was valued at £7.90.

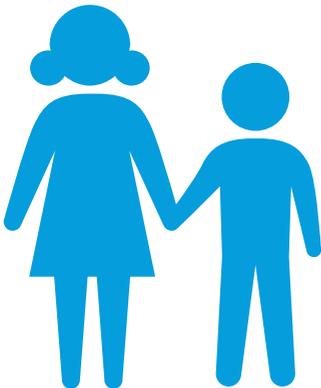
## Education

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Through our community investment policy we invest in projects that have defined and measurable business and community benefits.

Our Forests for the Future education project uses forests to promote an understanding of climate change. During the year 4,870 pupils from 128 schools visited our rural portfolio and planted 1,265 trees. This project is an excellent example of what can be achieved through partnership and was developed with the Forestry Commission (Scotland and England), the Royal Highland Education Trust, Forest Research, Farming And Countryside (FACE) and Westonbirt the National Arboretum.

Children from 60 schools visited the Windsor estate and arboriculture students learnt from our expert foresters. On the Glenlivet estate 1,250 students or visitors were involved in educational events, and in a partnership with UK Renewables we have gone into schools to promote careers in the growing area of renewables.



## 8,900 students and other visitors involved in educational events supported by us

### Destination

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The UK has a vast number of different land types and environments, virtually all of which are represented somewhere on our portfolios. This means that people visit for a wide range of reasons. From the 59 million leisure trips made to Regent Street every year – an average of 162,000 per day – to the estimated three million visitors to Windsor, many of our locations are prime destinations for international visitors.

Although we capture information on visits to some of our key locations and there are existing case studies by industry bodies from which we can extract information, we intend to improve our knowledge of our assets as a destination in future reports.

## Glenlivet estate: a sustainable approach to land management

The 23,000 hectares that make up Scotland's Glenlivet estate in the Cairngorms national park encompass a huge variety of different landscapes including moorland, upland farmland, commercial forests and semi natural woodland. By investing in multiple use and integrated land management, we have demonstrated economic, environmental and social value.



Visitors to Glenlivet spend a total of £1.6m per year on the estate and its surroundings

### Enhancing wealth and wellbeing through recreation

Like other national parks, a big part of Glenlivet's value comes from it being a beautiful place for people to visit and enjoy. For this reason, much of the land has been set up to cater for recreational activities like mountain biking and walking.

One obvious benefit of this land use is the money it brings into the otherwise isolated rural communities of the area.

- The estimated 30,000 visitors to Glenlivet spend a total of £1.6 million per year on the estate and its surroundings.
- This spending represents £0.9 million of added value to the Scottish economy.
- Glenlivet supports the equivalent of 80 full-time equivalent jobs for people working on farms, at the Lecht Ski Centre and the water bottling plant, as well as gamekeepers, rangers and maintenance workers.

### A mountain biking mecca

Glenlivet is set to become Scotland's newest mountain biking destination, thanks in part to our contribution to the £500,000<sup>10</sup> forest biking centre and bike tracks currently under construction there. Once fully operational, the feasibility study estimated the bike track will facilitate a contribution of £336,000 to the local economy, and enable the equivalent of six full time jobs.

## Forestry in Glenlivet

One of the most valuable aspects of the Glenlivet estate, in terms of its potential for environmental and economic benefits, is that 14 per cent of it is covered in forest. We are working hard to ensure that the forest is managed in a way that fulfils this potential. As with all our forests, the management of the Glenlivet woodlands is Forestry Stewardship Council certified and conforms to the rigorous UK Woodland Assurance Standard for sustainable management.

We aim to help mitigate climate change by supporting sustainable forestry, afforestation and reforestation activities throughout the area.

- DECC<sup>11</sup> has estimated the cost of mitigating Greenhouse Gas emissions. Based upon the central estimate from this guide of £58 per tCO<sub>2</sub>e, the Glenlivet forests save an assumed £669,000 per year in climate change mitigation costs.
- In 2010 and 2011, we planted 60,000 extra trees in Glenlivet's forests, to establish new native woodlands.
- Defra<sup>12</sup> has estimated the damages imposed upon society by climate change at around £37 per tCO<sub>2</sub>. Based upon this the Glenlivet forests saves an assumed £431,000 per year in social costs.

<sup>10</sup> We are investing half of this and the rest comes from grants (EU/Moray Council/Cairngorms National Park).

<sup>11</sup> DECC 2011: A brief guide to the carbon valuation methodology for UK policy appraisal. Based upon this guidance the range of costs avoided is assumed to be: low estimate (£29/tCO<sub>2</sub>e) = £334,383; central estimate (£58/tCO<sub>2</sub>e) = £668,566; high estimate (£87/tCO<sub>2</sub>e) = £1,002,849.

<sup>12</sup> Defra 2007: The Social Cost Of Carbon And The Shadow Price Of Carbon: What They Are, And How To Use Them In Economic Appraisal In The UK.

Photo courtesy of Cycletherapy



## Recreation and conservation on the Windsor estate

**The Windsor estate, best known for its management of the historic Great Park, is particularly interesting in terms of the huge value of its natural capital and leisure industry – both to human individual wellbeing and to the economy.**

### Managing Windsor's major asset

Almost three quarters of the Windsor estate is made up of environmentally and ecologically important parkland and woodland such as the Swinley Forest and Windsor Great Park. This designated Special Protection Area (SPA) and Special Area of Conservation (SAC) is part of the European Natura 2000 network of nature protection zones.

Careful management of these natural riches is The Crown Estate's main focus when it comes to maximising Windsor's environmental contribution.

A celebrated leisure destination, the Windsor estate attracts an estimated 3 million visitors every year. These include walkers, joggers, horse riders, golfers, mountain bikers, families and spectators of major sporting events such as Royal Ascot. The Savill Garden is one of the country's most celebrated woodland gardens and welcomes 120,000 visitors each year.

This booming tourism industry is a great asset to the UK economy. Summing together the Direct, Indirect and Enabled contribution the Windsor estate:

- Contributes £8.6 million to UK GVA
- Supports 351 full time equivalent jobs

### Windsor's social worth

Windsor's natural beauty and thriving recreation industry make a considerable contribution to social wellbeing.

Using new economic approaches, we have assessed the total personal and social wellbeing generated through visits to the Windsor estate to be somewhere in the region of £40 million per year.



**The Windsor estate attracts an estimated 3 million visitors each year**



## Methodology

**Reporting upon Total Contribution is a reasonably new concept and guidance is limited. Therefore we engaged nef consulting, and their partners Route2 Sustainability and Landman Economics, as consultants to provide us with expert external advice on developing the methodology we have implemented.**

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We have also engaged with other companies who are doing something similar and have closely followed the development of approaches taken by those such as the Natural Capital Committee and the Ecosystems Markets Task Force. We have set out a three year roadmap to integrate Total Contribution into our annual report so that we can express the true value that we contribute to the UK over the short, medium and longer term. We will include further exploration of Total Contribution thinking in the 2012/13 Annual Report launching in June 2013.

We are just at the beginning of this journey and we would like to encourage comment on our approach to help us to improve. We acknowledge that there is more we need to do to understand our social contribution and as we progress we wish to collect more primary data to understand what would have happened without our involvement and the impact one activity may have on another.

nef consulting have produced a full methodology document explaining all of the steps we have taken in compiling the figures in this report and giving details on our approach, the modelling and the assumptions made.

You can find out more at:

<http://www.thecrownestate.co.uk/totalcontribution/>



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**We have  
endeavoured  
to cover the full  
triple bottom line  
of sustainability**

## Comment from nef consulting



**nef consulting is a social enterprise founded and owned by the New Economics Foundation to help public, private and third sector organisations put their ideas into action. Drawing on a 25 year history as an innovator in social, economic and environmental analysis and measurement, nef consulting puts new economics into practice: measuring and calculating impact, putting social value at the core of decision making and helping organisations – public, private and third sector – to understand the real value of what they do.**

“nef consulting values the opportunity to work with The Crown Estate on this ambitious and innovative project. We are aware of the scale of the challenges faced in The Crown Estate’s chosen approach to measuring its Total Contribution and putting into practice the principles of transparency and accountability.

In compiling the data for this report we have used primary data where this has been provided to us by The Crown Estate, modelling based on what we consider to be best practices and assumptions based on peer-reviewed academic research where available. We have confidence in the models used and have conducted quality assurance of our calculations both internally and with The Crown Estate.

From the outset we have aimed to capture and report both positive and negative outcomes of activities on The Crown Estate. We acknowledge that, in this baseline report, we have not been able to assemble robust evidence to document what we call the ‘counterfactual’ (what would have happened anyway) and there is also further work to be done to understand what we term ‘displacement’ (the impact one activity may have on another).

This 2011/12 report is an important first step in the right direction and future updates of The Crown Estate’s Total Contribution will be better able to account for all impact considerations. nef consulting is confident that The Crown Estate is committed to the guiding principles of this Total Contribution report and will continue to improve measurement and processes in order to realise them. We are eager to see how other organisations are spurred to measure their own Total Contribution; we think impact measurement is a crucial step in securing a more sustainable world.”

A handwritten signature in black ink, appearing to read 'Graham Randles'.

**Graham Randles**  
Managing director

## Help us to continue to improve our approach

Find out more at

[http://www.thecrownestate.co.uk/  
totalcontribution/](http://www.thecrownestate.co.uk/totalcontribution/)

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Follow Mark on

Twitter [@mark\\_gough](https://twitter.com/mark_gough)  
[#TotalContribution](https://twitter.com/TotalContribution)



## “Thank you to all the people involved in the production of this report.

‘Our Contribution’ has brought together all the different areas of our business to focus on a common goal. Many colleagues were involved in structuring the approach, collecting data and using their expertise to develop and interrogate the methodology. The process has raised many exciting questions about the influence we have as a landlord and we are committed to learning from this and continually improving the contribution we can make to the UK.”



**Vivienne King**

*Director of Corporate Affairs and General Counsel*

[www.thecrownestate.co.uk](http://www.thecrownestate.co.uk)

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