





Value Definition Framework

The Value Definition Framework provides an industry-wide approach to the definition of value. Designed in collaboration with industry, the framework should be used to guide the identification, organisation and communication of the whole-life outcomes that are to be achieved through specific projects and programmes in the built environment.

CAPITAL	CAPITAL DEFINITION	VALUE CATEGORY	CATEGORY DESCRIPTION
 Natural Capital	<p>Natural Capital is defined as the stock of renewable and non-renewable resources (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits to people.¹</p> <p>In the context of the built environment, Natural Capital values the natural environment, addresses solutions to climate impacts and provides benefits to society throughout the full lifecycle of the built assets.</p>	Air	Providing clean air to breathe Assuring superior air quality for people and their surroundings throughout the lifecycle of the built asset.
		Climate	Supporting zero carbon emissions Adapting asset delivery and operations to minimise global climate change. This includes whole life carbon emissions attributable to products, construction process, use, and end of life of the built asset.
		Water	Recognising the value of water Supporting the provision, quality and management of water throughout the lifecycle of the built asset and its environment.
		Land	Providing quality land for a range of uses Provisioning quality land for nature, well-being for inhabitants and the economy throughout the lifecycle of the built environment. This category also covers the mix of land uses derived from the built environment investment, including recreation and culture.
		Resource Use*	Using materials efficiently and reducing waste Reducing resource consumption during the construction and operation of built assets and attention to circular economy principles to promote resource efficiency and waste reduction.
		Biodiversity	Valuing nature protection Protecting and enhancing the indigenous species and habitats throughout the lifecycle of the built environment. The intention is to promote conservation and the best possible interactions between people and nature.
 Human Capital	<p>Human Capital is defined as the knowledge, skills, competencies, and attributes embodied in individuals that contribute to improved performance and wellbeing.¹</p> <p>In the context of the built environment, Human Capital encompasses employment opportunities, skills development, individual health, and wellbeing as well as an assets' capacity to influence these factors.</p>	Employment	Providing meaningful work opportunities to the community Generating quality employment for those involved in project delivery and in the vicinity.
		Skills and Knowledge	Providing skill development and training Offering high-quality training to support skills development for the betterment of those involved in the delivery of the project and in the community.
		Health	Improving the physical and mental health of the community Supporting and empowering the physical and mental health of those involved in project delivery and the surrounding community.
		Experience	Creating a positive experience for all Being attentive to the experience of the creation of the built asset for all relevant stakeholders including aspects such as avoiding disruption during development and enjoyment in use after completion.
 Social Capital	<p>Social Capital is defined as the networks together with the shared norms, values and understanding that facilitate cooperation within and among groups.¹</p> <p>In the context of the built environment, Social Capital refers to influence and consultation, equality and diversity, networks and connections as well as the changes people experience in these areas as a result of built assets.</p>	Involvement and Influence	Giving those involved a say Enabling a collaborative design process that enables people to be actively involved in the project. Allowing their voices to be heard during the decision-making process at all stages of the project lifecycle, through consultations with the community, stakeholders, workforce, and labour relations, including marginalised, disadvantaged, and disabled groups. The intention is to deliver against the needs of relevant stakeholders.
		Equality and Diversity	Supporting equal opportunities and equal access for all Covering equal and fair access to jobs, transparency in employee relations, access to the supply chain and investment in the betterment of deprived communities. Includes better access and provisions for marginalised, disadvantaged or disabled groups.
		Networks and Connections	Supporting the organisation through the network Enhancing the strength of the networks that the organisation engages with; ensuring that the supply chain, communities, and workforce are supported and engaged with in a cooperative way.
 Produced Capital	<p>Produced Capital is defined as the man-made goods as well as all financial assets that are used to produce goods and services consumed by society.¹</p> <p>In the context of the built environment, Produced Capital encompasses a combination of capital cost, operational cost and revenue, thereby covering the whole of the direct monetary spend on the project over its whole life. The man-made elements include indicators of the efficiency and quality of design, construction and operational processes.</p>	Lifecycle Cost	Making allowances for present and future costs Taking into consideration the combination of capital and operational costs. Capital cost is defined as the acquisition and construction cost of an asset or building including the design costs. It is the total price payable for work normally included in contracts to construct a building or civil engineering works. Operational cost is defined as the cost to operate the asset during its life including energy, operation, maintenance, and repairs over an agreed timescale.
		Return	Generating revenue and a return on the asset Calculating the rate of return on the investment, using standard defined terms and measures, is critical in attracting initial funds. This category includes profits, income, or utility, generated through the whole life of the asset, for both the investors and stakeholders.
		Production	Striving for both efficiency and high quality Successfully integrating the pace, and quality of design and construction that enhances the life span of the built asset and saves future maintenance costs.
		Resilience and Security	Responding to potential future threats Appraising the resilience of the asset and site to external threats (related to environmental, health and utility service disruption impacts or physical and/or cyber security issues). Resilience during construction is also considered within this category.

*Resource use is an indirect aspect of impacts and dependencies from the Natural Capital. The use of resources carry inherent impacts on the environment at the point of extraction and generation. Currently, these are not consistently measured in detail in construction. Resource consumption and waste generation are therefore used as proxies for the wider impacts this aspect has on Natural Capital.

¹ Capitals Coalition, The Capitals Approach (<https://capitalscoalition.org/capitals-approach/>).