



THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

LSE Sustainable Finance Framework Impact and Allocation Report July 2024



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Sustainability at LSE

The London School of Economics and Political Science is one of the leading universities in the Higher Education sector and is well-regarded both nationally and internationally.

In 2023/24, LSE continued to inform and engage around the world with decision-makers to promote dialogue and decisive action on sustainability and climate change, with leadership from the Grantham Research Institute on Climate Change and the Environment. The institute published the report "[Boosting growth and productivity in the United Kingdom through investments in the sustainable economy](#)" in January 2024, which presents the requirement for long-lasting institutional and policy frameworks that can bring about investment in a broad range of assets in the UK. LSE also sent academic representatives to attend COP29, engaging with international stakeholders on climate change. On a more local scale, the Grantham Research Institute launched a campaign to make cycling safer in London with an open letter to the mayoral candidates in March 2024 that was co-signed by over 800 staff and students from 37 London academic institutions, which was followed up by several public events.

In March 2022, LSE launched its [Sustainable Finance Framework](#) (SFF), to raise private finance to fund environmentally and socially sustainable projects at LSE. The establishment of the Sustainable Finance Framework aligns the School's social purpose and Sustainability Strategic Plan with its funding and financial strategy. SandP Global Ratings provided a Second Party Opinion confirming the framework's alignment to international Green and Social Bond Principles.

The projects summarised in this report fall under the "Green Buildings" and "Access to essential services" categories within the SFF which governs the use of the School's private placement proceeds. This report covers the period from August 2023 to July 2024 (in line with LSE's financial year). The previous report, published in 2024, covered the period from August 2022 to July 2023.

In line with the SFF, this report has been approved by the LSE's Finance and Estates Committee, a sub-committee of the School's Council that is responsible for the governance of finance and estates matters, in accordance with the authority delegated to it by the School's Council. It has also been reviewed by the School's Financial Management Board (FMB) which is responsible for the review, allocation and approval of eligible projects under the SFF.

The School's Sustainability Leadership Board meets termly to discuss progress towards creating a more sustainable LSE, guided by the School's [Sustainability Strategic Plan](#). The plan was published in 2020 and covers six key themes: Research, Education, Engagement and Leadership, Investment, Our School and Collaboration.



Allocation of Funds and Management of Proceeds

Allocation of funds

In March 2022, the School developed a Sustainable Finance Framework (SFF) under which its latest private placement for £175 million was issued. By July 2024, £125 million of the private placement had been received with £75 million being received in July 2022 and £50 million in March 2023.

The projects summarised in this report fall under the “Green Buildings” and “Access to essential services” categories. Under the Sustainable Finance Framework, funds received will be used for the following purposes:

- Construction or refurbishment of energy efficient buildings on campus that have received or are expected to receive one (or more) of the following certifications; EPC \geq B; LEED \geq Gold; BREEAM \geq “Very good” or similar recognised national or international standard
- Access/outreach programmes and bursaries which support students from underrepresented groups access an undergraduate education at LSE, such as care experienced students, disabled students, Black and Minority Ethnic (“BME”) students, young people with caring responsibilities, and applicants from disadvantaged socio-economic backgrounds. Further information is outlined in the School’s [Access and Participation Plan](#).

Management of Proceeds

The Net Proceeds of finance raised under the SFF are managed by LSE’s Finance team, who maintain a register tracking Sustainable Projects to which Net Proceeds are to be allocated, or have been allocated, with associated expenditure recorded in LSE’s financial accounting system.

Unallocated proceeds

Pending full allocation to eligible projects under the Sustainable Finance Framework, LSE holds any unallocated funds in line with its Treasury Management policy which include the funds being held or invested in bank accounts, term deposits, money market funds or investment grade bonds. The proceeds had been fully utilised by 31st July 2024.

External Review

External assurance over the claims and assertions relating to the allocation of Net Proceeds has been provided by an external auditor (DNV) and the accompanying certification is provided.



Allocation of Funds and Management of Proceeds

The table below summarises the allocation of funds received from the private placements that were issued under the Sustainable Finance Framework.

Period	Eligible Project - Allocated Expenditure			Total Allocated Expenditure (by period)	SFF Impact & Allocation Report	External Assurance
	Green Building- Marshall Building	Green Building- Firoz Lalji Global Hub	Access to Essential Services*			
August 2022 – July 2023	£98,149,682	£7,143,033	£12,999,901	£118,292,615	lse.ac.uk/LSE-Sustainable-Finance-Framework-Impact-Report-2023.pdf	lse.ac.uk/DNV-Assurance-Statement-2023.pdf
August 2023 – July 2024	£-	£6,707,385	£-	£6,707,385	Contained within this document	lse.ac.uk/Final-DNV-Assurance-Statement-for-LSE-2023-24.pdf
Total Allocated Expenditure (by eligible project)	£98,149,682	£13,850,417	£12,999,901	£125,000,000		
KPI	BREEAM Certification – Excellent	BREEAM Certification – Outstanding (projected)	1,941 students supported			
Total Proceeds Received	£125,000,000					
Percentage of Proceeds Allocated	100%					

*Bursaries supporting students from underrepresented groups



Impact reporting – Green Buildings – Marshall Building

The Marshall Building opened in 2022. Designed by Dublin-based Grafton Architects, the large, multi-purpose building occupies a pivotal position at the southern corner of Lincoln's Inn Fields and embeds LSE's presence in one of London's most iconic garden squares.

It houses a mixture of academic departments, research centres and LSE Students' Union and offers substantial teaching and learning space, a sports centre, arts rehearsal facilities and a catering outlet.

Since it opened, the Marshall Building has attracted praise from the world of architecture, **winning several awards** including the Higher Education (£20 million and over) category at the AJ Architecture Awards 2022. The Architects' Journal (AJ) states that "the judges felt it was evident that the team had worked hard on all sustainability aspects by creating the most efficient concrete structure possible with exposed but 'clean' finishes everywhere, on what seems to be a large, solid building. They loved the beauty of the interiors and were highly impressed by how resolved the scheme was – from context and references to structure and luxury of space."





Impact reporting – Green Buildings – Marshall Building

As part of LSE's ongoing public realm strategy, Portsmouth Street, which interfaces with the Marshall Building, was pedestrianised upon completion of the Marshall Building. Portsmouth Street now has additional greening with new trees, new street lighting and a level surface connecting the Marshall Building to Saw Swee Hock Student Centre, the Island site, Parish Hall and the Peacock Theatre, allowing pedestrians and cyclists to pass through safely, free from cars and reducing pollution on the street.



Impact reporting – Green Buildings – Firoz Lalji Global Hub

Our newest building project, 35 Lincoln's Inn Fields (to be named the Firoz Lalji Global Hub) will be our first net-zero building in construction and operation and built to Passivhaus standards. Design Stage approval was received from the Passive House Institute (PHI) on 7 October 2024.

LSE's Estates Division, including the Sustainability Team, have been advising from the client side during stakeholder meetings with the Royal Institute of British Architects (RIBA). London-based practice David Chipperfield Architects have been appointed as the architects for the project, which is scheduled to complete in early 2027.

Sustainability has been a driving force in the building's design, incorporating circular economy principles of design - such as material retention, reuse, and recycling of the building fabric, and looking at end-of-life scenarios for building materials. The design keeps over 60 per cent of the existing structures. The Sustainability Team have been consulted when exploring how the building will impact air quality, energy and carbon, landscape, BREEAM and more.





Impact reporting – Access to Essential Services

LSE Bursaries

The LSE Bursary provides targeted and means-tested financial support to Home UG students from lower income households. The Bursary aims to ensure that students with lower household incomes can access LSE, and that they are able to thrive and succeed during their time at LSE.

Bursary awards of between £500 - £4,000 are made via to Home UG students each academic year, based on household income data provided to, and verified by, the Student Loans Company. Between 2019/20 – 2023/24, 4,216 LSE Bursary awards were made to current LSE students. On average, approximately one third of the Home UG student population received an LSE Bursary each year.

In March 2024, for the 2023/24 academic session, all Bursary recipients received an additional cost-of-living payment equivalent to 10 per cent of their Bursary. The cost-of-living payment aimed to support Bursary recipients with essential living costs during a period of unexpectedly high inflation in the UK. Through this provision, LSE focused on supporting the continuation of Bursary recipients' studies at LSE and reducing risks from the increased cost-of-living to their wellbeing and attainment.

Between 2019/20 – 2023/24, the School's total investment in the LSE Bursary and the 2023/24 cost of living support was £14.6 million.

Additionally, the School awards Discretionary Bursaries to Home UG students with exceptional financial need. These awards are made either as a top up to the standard LSE Bursary or as an alternative award if a student's household income sits outside of the Student Finance threshold. Between 2019/20 – 2023/24, the School's total investment in the Discretionary Bursary was over £400,000.

Impact reporting – Access to Essential Services

Impact evaluation

To evaluate the impact of the LSE Bursary on recipients, each year Bursary recipients are surveyed in the year following their award. Findings from the most recent survey (of 2022/23 Bursary recipients) showed that the Bursary has a significantly positive impact on recipients:

- **Supporting continuation:** 92 per cent of respondents said that the LSE Bursary was “very important” or “important” to being able to continue with their studies at LSE.
- **Increasing student satisfaction:** 87 per cent of respondents agreed that the Bursary had allowed them to feel more satisfied with their life as a student.
- **Supporting academic engagement:** As a result of receiving financial support from LSE, 86 per cent of respondents felt that they were able to concentrate on their studies without worrying about finances. Nearly half of respondents (48 per cent) said they were able to work fewer hours in paid employment as a result of the financial support provided.
- **Reducing anxiety:** The Bursary also supported the wellbeing of most respondents, with 90 per cent agreeing that receiving financial support made them feel less anxious than they would have felt otherwise.

Student feedback



The Bursary has supported me in many ways. Academically, it has helped with buying essential study resources, particularly buying a new laptop for university. I also use the Bursary for general student resources such as printing, flash cards, mind maps etc. Socially, having the Bursary has meant that I have more confidence in going out with friends. The Bursary has also helped with household costs as well - there have been months where money has been tight in my household and most of my Bursary has been used towards supporting them. Without the Bursary I would have been more hesitant about spending on studying resources and social activities as my finances would have been stretched.

LSE LLB Bachelor of Law student (2021/22 and 2022/23 LSE Bursary recipient)

This evaluation demonstrates that the LSE Bursary is successfully reducing barriers for students from lower income households to access the School and enabling this group of students to fully participate in student life at LSE. As a result, the Bursary is creating a more equitable and inclusive School environment in which all students can reach their potential.