MINISTRY OF DEFENCE

Defence Infrastructure Organisation

POLICY INSTRUCTION

Environmental Performance Assessments (Built Environment) in Defence Estates - DREAM

Number: PI 06/11

Sustainable Development

Strategy & Policy Directorate Sponsor: Raymond Dickinson (0121 311 3693 or 94221 3693)	Date of issue: 11 February 2011 Reviewed: 6 June 2012
Contact if different from Strategy & Policy Directorate Sponsor:	
Who Should Read this: DIO Programme and Project Managers, DIO Estate Management staff dealing with Minor New Works, CEstO Facility Managers/Operators, Sustainability Advisers, those responsible for preparing investment appraisals for MOD construction activities.	
When it takes effect: Immediate	When it is due to expire: see update note below

Equality And Diversity Impact Assessment

This policy has been Equality and Diversity Impact Assessed in accordance with the Department's Equality and Diversity Impact Assessment Tool against:
Part 1 Assessment Only (no diversity impact found).

Document aim: The aim of this Policy Instruction (PI) is to confirm MOD's commitment to undertaking DREAM Environmental Performance Assessments and provide guidance regarding completion.

UPDATE JUNE 2012

1. This PI remains extant during the review and update of DREAM currently underway.

2. The review will:

- **Refresh legislation and policy content on the main DREAM website**
- **Amend the existing DREAM user interface**
- **Develop DREAM Minor New Works (MNW) website**

3. An updated PI will be published prior to the launch of the new modules and will include transitional arrangements for on-going assessments.

INTRODUCTION

1. Environmental performance assessment tools are designed to integrate consideration of environmental impacts into the design, construction and facility management processes. The Defence Related Environmental Assessment Method (DREAM) is a business process and IT tool designed to assess and improve environmental performance of defence building projects.

THE POLICY

2. It is Government and MOD policy to complete environmental performance assessments, where appropriate. The requirement is enshrined within the Office of Government Commerce (now part of the Efficiency Reform Group in the Cabinet Office) Common Minimum Standards (CMS), the Sustainable Operations on the Government Estate (SOGE) mandates and the Government Buying Standards, all of which are mandatory across government departments. The requirement is:

   '*An appropriate environmental assessment process such as BREEAM or an equivalent (e.g. CEEQUAL, DREAM etc.) appropriate to the size, nature and impact of the project must be carried out on all projects using the Treasury Green Book or other appropriate guidance provided by government. Where BREEAM is used, all new projects are to achieve an "excellent" rating and all refurbishment projects are to achieve at least "very good" rating, unless site constraints or project objectives mean that this requirement conflicts with the obligation to achieve value for money. Where an alternative environmental assessment methodology is used, projects should seek to achieve equivalent ratings.* [1]

3. The Government's sustainability targets are being reviewed and new ones will be in place for April 2011. The Government Property Unit and Government Efficiency Reform Group have indicated that environmental performance assessment targets are likely to become tougher. Central government has re-iterated their desire for departments to be seen to be leading the implementation of initiatives to combat energy consumption, carbon emissions and climate change. **MOD is fully committed to these initiatives, including Sustainable Procurement and as a consequence DIO will continue to seek to achieve 'excellent' ratings for major refurbishments as well as new builds.**

4. Environmental performance assessment tools measure the performance of a construction or refurbishment project against a set of predetermined design, management and construction standards. To ensure the maximum benefit it is good practice to generate and maintain a predicted assessment rating throughout the design and construction process. A further evaluation is required to establish a final rating following the occupation and use of the facility.

5. All MOD construction activities are required to deliver value for money over the life of the facility. Where the additional capital cost to achieve an 'excellent rating' rather than 'very good rating' exceeds 3%, and through life value for money cannot be achieved project teams should contact DIO Strategy and Policy for approval to seek to achieve the lower standard. Contact details are at the end of this PI.

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6. If projects require Investment Appraisal Board (IAB) approval, the scrutiny community supporting the IAB process will expect to see supporting costing analysis to justify decisions regarding DREAM standards and whole life costs. The costing analysis should be provided in accordance with the requirements of JSP 507. It is recommended that the scrutiny community are engaged as early as possible in the project cycle. Details of points of contact can be found at the end of this PI.

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[1] Office of Government Commerce Common Minimum Standards, page 10 serial 6.2; SOGE targets – www.defra.gov.uk/sustainable/government/gov/estates/targets.htm mandate 2, footnote 4; Defra Government Buying Standards, New-build construction and major refurbishments standards, Mandatory Practise

7. Whilst completion of environmental performance assessments is not currently a legislative requirement, it is often required as part of the Town & Country planning process for MOD developments. The removal of crown immunity from Town & Country Planning legislation in June 2006 has brought, and will continue to bring, increasing requirements for assessments to be completed as a prerequisite of planning approval.

8. For some construction activities, there may be an additional requirement to complete Environmental Impact Assessments, Environmental Assessments or Habitat Regulations Assessments. Guidance regarding these can be found in the MOD Sustainability and Environmental Appraisal Tools (SEAT) Handbook.

9. DREAM has been developed by DIO Strategy & Policy Directorate in conjunction with industry professionals to address the particular environmental performance aspects of MOD construction projects. It has been designed to enable project teams to, in the majority of cases, complete assessments themselves without recourse to external assistance. It is designed to raise awareness of Sustainable Development (SD) issues and prompt the consideration of these during all project stages. It encourages good design and helps identify opportunities to reduce through life maintenance and costs. For DIO and MOD construction projects, DREAM is accepted as being equivalent to BREEAM

THE REQUIREMENT TO COMPLETE ENVIRONMENTAL PERFORMANCE ASSESSMENTS

10. It is mandatory in MOD, where appropriate, to complete environmental performance assessments for MOD construction activities including projects managed by DIO, such as SLAM, and for RPC activity. This requirement also applies to USVF sites located within the UK, and to projects undertaken in Gibraltar, Cyprus and the Falkland Islands. The high minimum standards achieved through compliance with local legislation and regulations mean that DREAM assessments are not required in Germany.

    The DREAM methodology and assessment tool should be used wherever possible in preference to any other assessment method.

11. DREAM specifically addresses the unique nature of MOD buildings and sites and provides the MOD with an equivalent to the industry standard BREEAM. It is designed to assess construction projects impact on a wide range of environmental aspects including Biodiversity, External Environmental Quality, Energy, Internal Environmental Quality, Procurement, Travel, Water and Waste. DREAM is a web based tool which comprises of a series of modules for defence building types and covers new build and refurbishment projects. There is no charge for using the DREAM tool. DREAM, on-line guides and User Handbook can be accessed at: https://www.dreamassess.com/

12. The criteria to be used to judge whether it is appropriate to conduct an assessment are detailed below. Project Managers should note that they will be responsible for any fees incurred to complete environmental performance assessments, such as engagement of consultants to carry out the assessment or to provide supporting evidence, and provision should be made for this in project funding.

TRIGGER CRITERIA FOR INITIATION OF ENVIRONMENTAL PERFORMANCE ASSESSMENTS

13. The requirement to complete assessments is no longer linked to project/activity costs. The assessment should be appropriate to the size, nature and impact of the project. Project teams should remain pragmatic when considering whether full environmental performance assessments (DREAM or equivalent) are required and each activity should be judged independently. The level of opportunity to address environmental issues should be considered and assessments should not be completed when work is clearly of a simple or minor nature and unlikely to have any significant environmental impact. Where the potential

environmental impact of a project is low then a simplified approach based on a checklist developed from the criteria in the Sustainability Appraisal may be more appropriate (see Section 3 of the MOD Sustainability and Environmental Appraisal Tool Handbook – SEAT Handbook).

14. The criteria below are a guide to assist Project teams when considering whether an environmental performance assessment needs to be undertaken. Where construction activities meet any of the following criteria then an environmental performance assessment should be undertaken:

    a. It is new build.
    b. It is refurbishment where planning permission is required.
    c. It is refurbishment not requiring planning permission but where there are several material effects on the fabric of the building or its services e.g. new heating system, new lighting system, new or altered thermal element[2], re-roofing.
    d. It is on a site protected under environmental legislation (e.g. SSSI, SAC, SPA, RAMSAR etc).
    e. The work is designed to improve energy efficiency.
    f. A series of linked small scale works with cumulative impacts

    Where Project teams are unsure whether a DREAM assessment should be undertaken and/or what standard should be achieved DIO Strategy and Policy Directorate can be contacted for advice. Contact details are at the end of this PI.

PROJECT STAGE RESPONSIBILITIES

15. Project teams are responsible for Survey, Design and Construction stages [3] of the assessment, collectively known as the Project Phase. Responsibility for the Operation stage of the DREAM assessment sits with the customer/facility operator. The Project Phase assessment can not be successfully completed until the Operational Phase Lead Assessor has been appointed and obtained a DREAM log in. The role may be undertaken by facility managers, building managers, energy managers, Site Estate Team Leaders, or other appropriate responsible person. Project Managers must ensure that the nominated person is aware of their responsibilities regarding the Operation stage and Project Phase assessors are required to handover the DREAM assessment prior to submitting the Construction stage assessment.

ALTERNATIVE ASSESSMENT METHODS

Building Research Establishment Environmental Assessment Method (BREEAM)

16. The BREEAM method offers a fully certificated environmental performance assessment of construction projects and can be used to assess the environmental performance of a range of building types including: Offices, Homes (EcoHomes /Code for Sustainable Homes), Industrial units, Retail units and Schools. Other building types such as leisure centres and laboratories can be assessed using a bespoke version of BREEAM. To date the majority of defence projects where BREEAM has been used have required the commissioning of a bespoke version (Project SLAM, Allenby Connaught, Neptune etc). Assessments must be carried out by independent assessors who are trained and licensed by the Building Research Establishment (BRE). Recommended fee scales for assessors and BRE quality control and certificate fees are posted on their website at: http://www.bre.co.uk

[2] Thermal element means a wall, floor or roof (but does not include windows, doors, roof windows or roof lights) which separates a thermally conditioned part of the building.
[3] Before Jun 07 project teams were responsible for all stages of the DREAM assessment.

Code for Sustainable Homes

17. The Code for Sustainable Homes replaced EcoHomes for the assessment of new housing in England in April 2007 and became mandatory from 1 May 2008. The code is an environmental assessment based on BRE's EcoHomes. Assessments are carried out in two phases, an initial assessment at the design stage, then a final assessment after construction. Assessments are carried out by independent assessors who are trained and licensed by BRE. Further information on MOD policy relating to the Code for Sustainable Homes is within DIO Information Note 04/08

EcoHomes

18. EcoHomes continues to be used for refurbished housing in England and for all housing in Scotland and Wales. EcoHomes is a version of BREEAM and focuses on providing environmental performance assessments for new, converted or renovated homes including houses, flats and apartments. EcoHomes assessments are carried out by independent assessors who are trained and licensed by BRE. Guidance and details of assessors for EcoHomes can be found on the BREEAM website at: http://www.breeam.org/

The Civil Engineering Environmental Quality (CEEQUAL) Award

19. CEEQUAL is an award based assessment scheme designed to address the environmental quality of civil engineering projects. It is applicable to all types and sizes of civil engineering projects and works. When CEEQUAL is used on an MOD civil engineering project or the civil engineering elements of a development project, the question set which is applicable for the Whole Project Award should be used. Two separate approaches can be taken in respect of using the CEEQUAL methodology. Firstly, Project Managers may wish to subject their particular project for a formal CEEQUAL award. Should they choose to do this, then they should secure the services of an accredited CEEQUAL assessor at the earliest opportunity. Otherwise, the question set pertaining to the CEEQUAL Whole Project Award should be used on a self assessment basis. Project Managers who elect not to seek a formal CEEQUAL award but nevertheless still wish their projects to be subject of a CEEQUAL assessment, should appoint an appropriately trained person accordingly. Full details relating to the CEEQUAL awards and accredited assessors can be found at: http://www.ceequal.com

International

20. Overseas, UK standards should be applied where reasonably practicable in addition to compliance with relevant host nation standards. D Ops International will issue local guidance in the form of Supporting Documents, which collectively, form the requirements as part of the management system for a particular International Division.

21. If a German Nachhaltigkeitskriterien assessment is undertaken, achievement of the Silver standard is equivalent to DREAM 'excellent'. For USVF funded projects a US Green Building Council LEED assessment or DREAM/BREEAM/CEEQUAL rating should included in the project specification.

SUPPORT

22. Further advice and guidance regarding DREAM and environmental performance assessments in general is available from: DIO Strategy and Policy Directorate, Raymond Dickinson. Telephone: 94421 3693 (0121 311 3693)

23. Advice and guidance regarding IAB submissions and requirements is available from: Scrutiny Land and Estates TS, Mike Hogan. Telephone: 9621 86092 (0771 7701722)