



POLICY INSTRUCTION

Procuring Buildings for the Government Estate in the Top Quartile of Energy Performance

Number: PI 03/11

Property Directorate Sponsor:
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Date of issue:
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Who Should Read this:

All DE Offices, Partnering Organisations, Project Managers, CEstOs and TLBs

When it takes effect: Immediately

When it is due to expire:
25 January 2012

Estate Management

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: This Policy Instruction serves to draw attention to the Government's commitment to procuring buildings in the Top Quartile of energy performance and the requirement for this to be considered when newly acquiring buildings (or parts of buildings) for the MOD estate by purchase, lease or through PFI arrangements.

Introduction

1. In 2004 the Government made a commitment that any new procurement project, whether new build, refurbishment, purchased, leased or the procurement of a service (e.g. managed workspace) must fall into the upper quartile of energy performance for the building type, except where specific operational requirements prevent this.
2. In 2008 the Energy Performance of Buildings Directive introduced the requirement that all buildings constructed, sold or let must have an Energy Performance Certificate (EPC). Following on from this, CLG analysed the England and Wales database of EPCs to determine the top quartile EPC rating threshold for 'office buildings'. This threshold will be kept under review and updated by CLG. Top quartile thresholds for other building types will be published in due course.

'Top Quartile' Level for 2011

3. Based on analysis of the database of EPC ratings for 2010, the top quartile threshold for the category of 'office building' has been calculated to be 69. This means that departments must, until further notice, aim to procure office buildings with an EPC rating of **69 or less (a mid to low C rating)** to be compliant with the Government commitment.

Scope

4. The commitment applies to all Government departments, their agencies and arms length bodies. Although it does not directly apply to the devolved administrations of Scotland, Wales and Northern Ireland, it will apply to any MOD holdings to be newly acquired across the UK. Separate guidance will be issued for the overseas estate.
5. Full guidance has been issued by the Office of Government Commerce (OGC): http://www.ogc.gov.uk/documents/tq_Guidance_2010.pdf dated April 2010.
6. All UK Energy Performance of Buildings Regulations require that a valid EPC and recommendations report must be made available free of charge by the seller or landlord to a prospective buyer or tenant when buildings are sold or let. This information should be provided at the earliest opportunity but must be provided before entering into a contract to sell or let. No contract to acquire a building for MOD should be entered into without a valid EPC being provided by the seller/landlord.

Reporting

7. Returns to e-PIMS are required to be provided for all property assets acquired and held that fall within the definition for the 'civil elements' of the Defence estate. The OGC is developing e-PIMS to enable departments to record the EPC rating of any newly acquired buildings and so facilitate the monitoring of ratings achieved against the top quartile level.
8. Any newly acquired building on the MOD UK estate that is required to be entered on e-PIMS must include an EPC rating. Where the EPC rating is outside the top quartile an explanation of why it was procured must be submitted. The EPC rating of new acquisitions and the explanation of why the top quartile requirement has not been complied with will be included the State of the Estate Report produced by OGC which is laid before Parliament.