

A PERFORMANCE-BASED POLICY FRAMEWORK – CONSULTATION RESPONSE



Written Evidence Submitted by the British Property Federation

British Property Federation

The British Property Federation (BPF) represents the real estate sector – an industry which contributed more than £116bn to the economy in 2020 and supported more than 2.4 million jobs. We promote the interests of those with a stake in the UK built environment, and our membership comprises a broad range of owners, managers and developers of real estate as well as those who support them. Their investments help drive the UK's economic success; provide essential infrastructure and create great places where people can live, work and relax.

The BPF has a committee dedicated to sustainability issues, reflecting the priorities that its leading members place upon issues of resource efficiency, environmental enhancement, and climate change. We are committed to the sustainability agenda and have a leading role to play in addressing the impacts of climate change. We also convene 19 other committees touching on real estate sectors and issues spanning commercial property, planning, and finance to name but a few. In response to the Department for Business, Energy & Industrial Strategy consultation on introducing a performance-based policy framework in large commercial and industrial buildings, we have sought views from across disciplines and have sought to respond to a selection of questions for which we are best placed to offer a consolidated view.

Top Line Response

We strongly support the government's overarching policy commitment to introduce a performance-based policy framework for large commercial and industrial buildings. We have been recommending to government for many years that in order to affect real change in the energy use of non-domestic buildings, their operational energy must be measured, disclosed and reported as a foundational step. We have welcomed the opportunity to be informally involved in the development of this policy framework through the associated industry task group and look forward to working closely with government and industry partners to ensure that the framework is successful and acts as a catalyst of progress in the industry.

Whilst we support the overarching proposition and many of the individual elements of these proposals, we have raised within this submission a number of comments for further consideration. Principally in aid of ensuring that the framework in its initial and future form is able to realise the government's core ambitions.

With regard to areas that require further consideration these include but are not limited to:

- The availability of alternative compliance routes including through the now live NABERS UK scheme.
- Clarity on the responsibilities of a single tenant who has sub-let a property in part or in whole.
- How properties under 1,000m² might come into scope or be regulated for in the future.

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- How further gaps within the framework will be filled in future. In particular for single owned multi-let properties which will initially only be required to submit a base building rating, which will omit significant proportions of building energy use.

BPF Comments relating to questions posed within the BEIS consultation document (Question numbers directly relate to those within the consultation [documents](#))

Q1. Do you have any evidence which supports, disputes, or could add to, the evidence presented by the Government in this chapter? In terms of the evidence presented in this chapter, do you support the Government's analysis?

1. We support the governments rationale and the evidence provided within chapter one. In particular we agree that the introduction of performance-based measurement and disclosure of energy use in non-domestic buildings is crucial driving efficiency and carbon emissions reductions in respective buildings. Whilst the existing EPC and MEES regulatory framework has played a significant role in amplifying the need to improve the efficiency of building fabric and services, the government is right to acknowledge that these mechanisms are not an accurate predictor of the actual energy use in buildings. Even buildings built to high EPC standards can be subject to high/inefficient energy use in operation. The shift towards measuring and acting upon performance-based evidence of energy use is not only apparent in the government's policy thinking, but is increasingly being adopted within the industry. This is apparent in the activities of individual building owners within our membership as well as through industry initiatives and guidance, for instance in the UK Green Building Council's Net Zero Carbon Buildings Framework and Energy Performance Targets for Offices, and of course through the now live NABERS UK rating scheme.
2. We agree that the outcomes of the NABERS scheme in Australia have transformed their commercial property market for the better. Central to the success of the NABERS scheme in Australia was that it was trusted, well-functioning, and industry-led. Whilst no regulatory minimum standards were adopted in line with the NABERS ratings scheme, we would also highlight the important role played by government commitments with respect to their own property occupation in Australia. We believe the UK government's influence on supply chains should not be underestimated.
3. Further, the non-domestic building sector is indeed complex, varied, and diverse. Not only can energy use and aspects such as hours of operation vary between building types, but significant variations can also be found in single multi-let or mixed-use buildings. More so than perhaps the residential/domestic building sector, identifying uniform building archetypes and benchmarks for energy use is incredibly difficult.

Q2. Do you support the rationale set out in this chapter? If so, are there any changes you would make or considerations you would add to the rationale the Government has set out? If not, could you please explain why, providing evidence where possible.

4. We largely support the rationale of implementing an initial threshold of 1,000m² for buildings within scope of the rating scheme. The issue of climate change and challenges surrounding decarbonisation of our built environment are immediate and interventions should rightly be targeted at having the biggest and swiftest impact. However, whilst the framework proposals intend to cover 53% of total energy use by targeting 7% of the non-domestic building stock, in reality the first phase (offices) of the scheme will provide coverage by

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way of far lower percentages. In addition, the intention for owners of multi-let buildings to only obtain base building ratings will result in gaps in energy use coverage. As with many new and challenging policy initiatives, providing industry with a longer-term view is essential. It is right to test the impact of a performance-based rating scheme with a sub-sector (offices) in order to ensure the desired outcomes are achieved, however we would recommend that in the government's response to this consultation, they set out a provisional timetable for reviewing and onboarding new sub-sectors - as per the request from government for other subsectors to use the strategy paper to address current gaps in readiness.

We would welcome continued involvement in the development of this framework through engagement on phases two and three, as per phase one.

5. We agree with the government's acknowledgement that in order to drive change, the rating scheme must be based on 'verified meter readings, set against high quality benchmarks'. Once the built environment and more specifically the non-domestic sector is able to clearly identify actual energy use in buildings, the process for reducing energy use will be significantly easier whilst reducing the potential for ineffective interventions – a consequence that has been apparent in the use of EPCs.
6. Whilst it is not a headline within this chapter, we would emphasise the government's suggestion that once accurate measurement and benchmarking has been established, 'clear targets or incentives to improve can be set'. It is true to say that the NABERS scheme in Australia was market driven, and the NABERS UK initiative is industry led and voluntary. We anticipate that NABERS UK will subsequently have a demonstrably positive impact on the performance of office buildings in the UK. However, it will be important to consider policy measures/standards/incentives in future as part of the mandatory government scheme to drive improvements over time and importantly across the broad spectrum of industry actors.

Q3. Do you support the Government's proposal to underpin a performance-based policy framework with a rating that looks to modernise the DEC, in the ways set out above? If so, are there any changes you would make or considerations you would add to the proposal? If not, could you please explain why, providing evidence where possible.

7. We support the government's intention to underpin the framework with a modernised DEC and agree with the key principles for levelling up the DEC listed within the consultation document. Perhaps most importantly industry should be involved in developing the modernised DEC and associated benchmarks.
8. In order to avoid some of the pitfalls associated with the existing EPC regime it will be vitally important to ensure confidence in the ratings and consistency and accuracy in assessments.
9. We note that within this chapter it is acknowledged that NABERS is the benchmark for an 'investment grade' rating system. Whilst we have provided more detailed comments elsewhere in our submission, we would take this opportunity to suggest that careful thought should be given to establishing NABERS UK as a separate compliance route, given its likely uptake within the market moving forward.

Q4. The Government proposes that, as a first step, building owners and single tenants should be required to obtain an annual performance-based rating, and disclose that rating online. Do you support this proposition? If so, are there any changes or amendments you would make to the proposal? If not, could you please explain why, providing evidence where possible.

10. We support the government's approach to phasing, whereby building owners will in year one be required to obtain a rating, but that disclosure of that rating will not be mandated until the second year. We believe this

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will provide sufficient time for buildings within scope to target improvements if required before public disclosure.

11. Clarity is needed on how the PBR would apply to a single tenant who has sublet a property in whole or parts. Our assumption is that in the case of such leases the subtenant who occupies may have the PBR obligations and the PBR will be required on a whole building basis. In cases of subleases of parts, the tenant who has the most immediate lease of whole should have the PBR obligations and this will be on a base building basis. Clarity is needed for circumstances where the structure of occupation does not fit the common norm.
12. Whilst we agree that the PBR scheme must be operational before further thought is given to associated minimum standards, some thought should be given to other mechanisms for encouraging performance improvements, given that the timescales for facilitating wholesale change are somewhat tight. We appreciate that external/non-scheme-specific incentives and levers may be considered by government, such as general carbon taxes, and if so, these must be considered with their impact on the PBR in mind.

Q5. What is the best way to support Small and Medium Enterprises in obtaining annual performance-based ratings, where the owner of the building or the single tenant is an SME?

13. We do not have any specific views on this question.

Q6. Should the Government:

- **Allow owners of buildings above 1,000m² to use their annual performance-based rating to satisfy their existing regulatory obligation to present a valid EPC before a building is sold or let. As set out above, under this option the Government would continue to collect data about fabric and service improvements. Where prospective buyers or tenants want information about the building fabric and services, EPCs can be obtained on a voluntary basis.**
- **Continue to require owners of buildings above 1,000m² to present a valid EPC where the building is sold or let, recognising that the EPC and a performance-based rating assess different things, and can collectively provide a better level of information about the building than either rating would in isolation.**

Please outline your preferred option and your reasoning, providing evidence where possible. Please set out any changes or amendments you would make to the options, or if you would favour a different option. An appraisal of the benefits and risks of both options, providing evidence where possible, would help inform the Government's decision making.

14. On balance we would state a preference for the second option to continue to require EPC compliance alongside the PBR if the intention is to continue with both regulatory frameworks in the medium term. It is important to acknowledge that EPCs have driven a considerable amount of change in the industry and have, whilst sometimes imperfect, delivered results by way of increased delivery of carbon saving measures. Further, EPCs drive slightly different outcomes and assess different metrics when compared to the proposed PBR framework. EPCs can still play an important role in driving fabric improvements, if not directly creating efficiencies in 'operational energy use'.

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We would also raise the significant issue whereby under option one, a building owner may not be subject to any minimum standard of compliance. Whilst we believe in the transformative power of the PBR, the initial phase of the framework may facilitate inactivity even if it promotes transparency.

As acknowledged in the consultation document, there may indeed be a benefit to building owners having access to EPC ratings alongside a performance-based rating, as the interaction of the two may provide a useful insight into the necessary areas to focus improvements in a given building. For instance, a high EPC rating and a low PBR would indicate that reductions in operational energy use should be prioritised, whilst a low score on both would suggest fabric improvements are required as a first step.

15. Whilst we support the government's second option, we would query the read-across with the current consultation on implementing an EPC B trajectory up to 2030. Namely, with regard to developing proposals that will require building owners to obtain valid EPCs at all times, not just at the point of sale or let. How will this be aligned with the proposals outlined under option two?
16. Ultimately, the regulatory framework associated with building energy use will benefit from a move towards performance-based measurement and disclosure. Whilst option two will provide clarity in the immediate term, we hope that the implementation of this framework will signal a longer-term shift away from theoretical building performance as a baseline for improving the building stock.

Q7. Recognising that the Government has committed to review the threshold for each sector, do you consider 1,000m² to be a sensible starting position for determining which buildings should be required to obtain annual performance-based ratings?

17. We broadly agree with 1,000m² as a starting point on the basis of the proportion of energy use represented by such properties. If the intention is to deliver the greatest energy use reductions by imposing regulations on the fewest actors, the threshold seems appropriate. However, we would suggest that in aid of creating transparency and gathering data on usage within the wider non-domestic building stock, government should consider how change will be driven in smaller properties (on the assumption that voluntary ratings will not be as effective). Perhaps the 1,000m² threshold could reduce over time as the market becomes more aware of the rating system and performance-based measurement and disclosure becomes normalised.
18. We also understand that whilst measuring floorspace on a NIA basis in line with RICS standards is the most appropriate approach, not all building owners have NIA figures for all buildings.

Q8. Should the Government consider expanding the performance-based rating to cover factors such as water, waste and indoor air quality? What do you consider would be the benefits of this approach? Would there be any drawbacks?

19. We would suggest that reducing energy use/intensity in buildings should be the primary focus in aid of tackling carbon reductions. It is right that good indoor air quality should be a priority for the successful operation of buildings, and some attention has been given to this issue through tightened building regulations. We would support the exploration of integrating other factors at a later date.

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Q9. Has the Government identified what you consider to be the right objectives for a successful delivery model?

20. We believe the identified objects are appropriate. We would raise the following additional points for consideration.
21. Regarding the third objective, whilst we understand the rationale for limited government involvement, we would strongly encourage the government to consider the interventions that existed in the Australian NABERS scheme. Namely, the requirement for government owned properties to have a minimum NABERS rating, thus signalling to commercial property developers and owners that building performance is a key characteristic in securing the public sector as an occupier. This will likely have positive ramifications across the supply chain. This would align well with the government's recent changes to the public procurement rules, requiring bidders to commit to net zero by 2050.
22. Regarding the fourth objective, we have provided under question 10 our broader feedback on the issue of recommendations and would reiterate that we support the government's intention to not include recommendations as part of the ratings output.

Q10. Do you support the Government's proposal that the annual rating should not be accompanied by recommendations for improving the rating? If so, are there any changes you would make or considerations you would add to the proposal? If not, could you please explain why, providing evidence where possible.

23. In the interests of speed and based on the existing, and likely future, availability of private sector expertise, we support the proposal to not include recommendations for improving the rating. Organisations obtaining PBRs will likely have expert advice available for how to implement improvements, and importantly they will be specific to the building's unique characteristics. Consideration could perhaps be given to providing recommendations to SME owners/single occupiers further to question 5.

Q11. Do you support the Government's proposal that exemptions should be limited to a relatively few buildings? Are there any grounds for an exemption that you feel are appropriate, which the Government has not considered? Ahead of the findings from the Government's research project we also welcome views on how the requirement to obtain and disclose an annual rating could be enforced most effectively.

24. We agree that exemptions should be limited in order to ensure that the greatest coverage of buildings and thus energy use is achieved under these regulations.
25. One instance which may need further attention is the obligations placed on vacant buildings with no lease in place. If the objectives of the PBR are to provide accurate and consistent performance data, requiring vacant buildings with no occupant to report to the framework may not give a fair reflection of in-use energy consumption. If the government proceed with requiring vacant un-occupied buildings over 1,000m² to obtain a rating annually, we suggest that voids are accounted for within the rating so that aggregated data and benchmarks for the building stock are not skewed.
26. Enforcement of the regulations will be a critical component. Particularly given there will be no minimum standards to meet initially. We strongly encourage the government to develop a robust enforcement strategy alongside the regulatory framework, and not as an addition further down the line.

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Q12. Are there any considerations you would like to add to the Government’s analysis of the factors that are likely to drive improvements in ratings? Do you support the Government’s proposals to improve ratings from day one?

27. We would add investor and occupier demand for performance ratings as a key driver, as market actors increasingly look for accurate metrics by which to assess ESG value.

28. We would restate, in agreement with the government’s acknowledgement, that careful consideration should be given to the role that the public sector and associated buildings can play in driving improvements.

Q13. Do you consider that linking a clear financial incentive, or disincentive, to annual performance-based ratings would be an effective way to drive improvements in those ratings?

29. We consider that financial incentives can often work well if designed properly and with full consideration of unintended consequences. Incentives such as enhanced capital allowances can be an effective way to drive improvements where they otherwise wouldn’t be implemented or wouldn’t be prioritised in the short term.

30. Further, we would suggest that financial incentives should be considered as a broader government policy priority as opposed to specifically interacting with these regulations. This is to say that carbon taxes developed and implemented by the treasury may assist in convincing building owners to voluntarily report through the PBR as a best-in-class toolkit.

Q14. What do you consider would be the impact of the incentives and interventions that have been suggested? Are there ways you think those incentives or interventions could be made more effective? Are there other incentives or interventions that the Government has not considered here, which you believe would be more effective at ensuring ratings improve over time?

31. We are unsure as to whether the suggested clean heat rating cap would be effective, and may be better targeted at sectors other than office buildings. Particularly those with high heat loads. One would anticipate that any performance-based ratings system would incentivise low carbon heat nevertheless.

32. Minimum standards could have a significant future role to play, but would need to be considered carefully. In particular, establishing minimum standards at the point of sale or let, may disincentivise owners to upgrade poor performing buildings in favour of offloading them in the short term.

Q15. Do you agree with the Government’s assessment and preferred approach? Please provide evidence or case studies, where possible, in your response.

33. We agree with the government’s rationale to focus its approach on metrics that deal with energy performance rather than carbon emissions. The government is right to acknowledge that using any pure carbon metric could result in buildings improving their ratings as the grid decarbonises without any real reductions in energy use/intensity. Given that the objective of this policy framework is to drive reductions in energy use, across the non-domestic building stock, our preferred option discussed within the consultation would be to use a kilowatt hour electricity equivalent.

We also understand that the proposed kWh_e metric aligns with that used in the NABERS UK scheme. Whether the government consider allowing the use of NABERS UK as an alternative compliance route or not, it will be important to ensure consistency across preeminent performance-based ratings systems.

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34. One additional aspect that we would seek clarity on is the extent to which the use of on-site renewables will be recognised or rewarded. It would seem prudent to ensure that building owners and occupiers are incentivised to use renewable energy sources and to accommodate these on site where possible.

Q16. Do you agree that flexible energy use should be a core component of the rating? What is the best way, technically, to reflect flexible energy use in the rating structure?

35. We agree that flexible energy use and demand response solutions will be an increasingly important aspect of reducing energy use and minimising pressures on the electricity grid. Building owners should be encouraged to target flexible energy use and storage options in order to minimise peak demand loads. Factoring this into the rating system however, may be difficult and particularly if it is deemed a 'core component'. We would suggest further research is needed on this aspect of the proposals and that perhaps alternative methods can be used to incentivise flexible energy solutions.

Q17. Do you agree with the Government's preferred option to use a star rating format? Are there any formats which the Government has not considered that you believe could be more effective?

36. We strongly support the introduction of a star ratings system to align with the experience of the Australian market. In particular the star rating system provides a clear differentiation from the existing EPC and DECS ratings. This has the additional benefit of signalling that the PBR does something different, but complementary.

A star rating system is likely to be better understood by consumers, however careful thought will need to be given to how the PBR is differentiated from the NABERS UK scheme if the two are to remain separate.

37. We would also suggest that there must be clarity for users and consumers that a one-star rating is not an indication of good performance (akin to a Michelin rating).

Q18. The Government welcomes feedback on the considerations outlined above. What are the key factors that the Government should consider in determining fair and effective rating benchmarks and a fair and effective rating scale? Where possible, please provide evidence, or case studies, to support your feedback.

38. We broadly agree with the rationale set out within the consultation document. We welcome the opportunity to contribute to the development of benchmarks through a working group or similar and would encourage the government to establish this workstream at the earliest opportunity.

Q19. Subject to the outcome of this consultation, the government will work with the ratings administrator, and with industry experts, to tailor the framework appropriately to each sector. At this stage, the Government welcomes any additional feedback on the high-level technical considerations outlined in this chapter, especially where there may be key considerations that we may have not addressed, or not been able to cover.

39. Whilst we broadly agree with the government's rationale for setting out three rating types (i.e. base building, whole building, and voluntary tenant rating) we would take this opportunity to emphasise the gaps that this will leave in measuring and understanding the energy use of non-domestic buildings. It is correct that base building ratings will be required in instances where a multi-let building is in single ownership and the respective energy use data is therefore not freely or easily available to the owner who is responsible only for core communal services. However, in many instances the energy associated with tenanted ratings

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will constitute a significant proportion of the whole building's energy use. We would recommend that government address this point in their response to the consultation, to provide an indication of how this will be managed as the policy framework evolves.

40. We would also note in relation to the information on how a building owner or single occupier will obtain a rating, that thought should be given to setting the now live NABERS UK scheme as an alternative means of compliance with the mandatory PBR. Whilst it is crucial to drive building owners to improve energy performance through a shift in focus to in-use energy measurement, this should be done in a way that minimises any excess burden on building owners, particularly those that are committed to performance improvements and have for instance made use of the NABERS UK ratings scheme. We would also note that other similar in-use monitoring and benchmarking schemes exist, such as BREEAM In-use.
41. The above considerations will also apply to costs associated with reporting to the PBR scheme. Whilst we would envisage some costs (such as assessment) only applying once for building owners reporting under the PBR and NABERS UK, other costs such as those associated with scheme administration or registration may be doubled.

Q20. The Government's approach for implementing annual performance-based ratings in commercial offices over 1,000m² follows the approach outlined in the strategy paper. Are there any considerations specific to the office sector, that are not covered elsewhere in this paper, that the Government should be taking into account? Please provide evidence where possible.

42. We would welcome clarification on to the party that will be responsible for undertaking a rating in certain circumstances. Whilst the consultation indicates that owners and single tenants of 1,000m² properties will be required to obtain a rating, it does not clarify which party should be responsible in the scenario where a single tenant is leasing an office building from a building owner. There may be an assumption that in this scenario a building owner is the responsible party, however not all lease structures clearly delineate for instance the use of energy and building services with the procurement of energy.
43. With regard to the suggested imposition of a voluntary tenant rating for occupants in a multi-let office building, we would support this proposition for the reason that tenant energy use will in many instances constitute a significant proportion of building energy use. We would however question why the proposition is for a voluntary rating as opposed to a mandatory requirement. If the rating is ultimately voluntary, the government should ensure that sufficient incentives are introduced to encourage occupants to undertake such ratings as they will be key to achieving the UK's broader net zero aspirations.

Q21. To resolve instances where the Private Rented Sector (PRS) Minimum Energy Efficiency Standards (MEES) overlap with the requirement to obtain and disclose annual performance-based ratings, do you favour:

- the 'hybrid option' as has been set out by the Government
 - the 'hybrid option' with amendments. If so, please state the amendments you like to see made
 - the 'do nothing' option
 - a different option to resolve this issue
44. Based on the options presented within the consultation document we would indicate a preference for option three the 'do nothing' approach. It is important to acknowledge that EPCs have driven a considerable

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amount of change in the industry and have, whilst sometimes imperfect, delivered results by way of increased delivery of carbon saving measures. Further, EPCs drive slightly different outcomes and assess different metrics when compared to the proposed PBR framework. EPCs can still play an important role in driving fabric improvements, if not directly creating efficiencies in operational energy use. Having this as a safety net for improvements in the non-domestic building stock is logical in the short-term regulatory environment. We would however emphasise the need to move to a performance-based regulatory framework in the medium to long-term and therefore there should be consideration of transitioning away from the EPC and MEES regime in due course. Importantly, this transition will have to be communicated well in advance and may even have the added benefit of driving more actors to obtain voluntary ratings in anticipation of a future shift.

Q22. Do you consider that there should be any other exemptions applied specifically to the office sector?

45. We agree that exemptions should be limited in order to ensure that the greatest coverage of buildings and thus energy use is achieved under these regulations.
46. One instance which may need further attention is the obligations placed on vacant buildings with no lease in place. If the objectives of the PBR are to provide accurate and consistent performance data, requiring vacant buildings with no occupant to report to the framework may not give a fair reflection of in-use energy consumption. If the government proceed with requiring vacant un-occupied buildings over 1,000m² or buildings in which a void occurs to obtain a rating annually, we suggest that voids are accounted for within the rating so that aggregated data and benchmarks for the building stock are not skewed.

Q23. The Government's objective is to deliver an investment grade performance-based rating at the lowest possible cost. Do you consider that the proposals outlined above, and in Chapter 3, strike the right balance between cost and quality?

47. It is difficult to comment comprehensively on the validity of cost assumptions when assessing a theoretical future framework, however we would make the broader comment that careful alignment with existing ratings systems such as NABERS UK could provide opportunities to ensure significant 'additional' costs are not incurred by businesses and building owners.
48. We would also suggest that potential cost savings (by way of lower utilities bills) from implementing efficiency measures should be clearly articulated to building owners and those obtaining ratings. This may help to balance perceptions that the rating system simply represents an additional cost obligation.

Q24. Do you consider the estimated cost of the rating to be realistic?

49. We understand the costs to be in line with those expected under the NABERS UK scheme and therefore appear realistic.

Q25. Do you consider the estimated cost of the rating to be affordable?

50. We do not have any unique perspectives to add on this question.

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Q26. Do you favour:

- **Option one as set out by the Government, or option one with amendments. If the latter, please state the amendments you would like to see made**
- **Option two as set out by the Government, or option two with amendments. If the latter, please state the amendments you would like to see made**
- **A different option to resolve this issue.**

51. Based on the government's own acknowledgement that option one would potentially exclude a significant number of properties and potentially create an easily actioned loophole, our preferred option on balance would be option two.

We would however suggest that a crude 50% threshold for determining the proportion of office space under option two may or may not align with the actual usage profile of non-domestic mixed-use buildings. Any percentage should be based on an empirical understanding of the structure of our mixed-use non-domestic building stock. Whilst we know that the most likely exemption under option one will for instance be office blocks with retail or hospitality uses on the ground floor we feel further consideration must be given to the most appropriate percentage. This will be an important consideration as there may be imbalanced impacts when the regulations are applied to urban, semi-urban, or rural areas where building profiles can vary.

Q27. Is the approach taken to define the energy associated with a base building rating, including the interpretation of additional services added by a tenant, suitable to achieve an accurate and fair base rating?

52. We do not have any unique perspectives to add on this question.

Q28. Is the approach taken to define the energy associated with a whole building rating suitable to achieve an accurate and fair rating?

53. We do not have any unique perspectives to add on this question.

Q29. Do you support the Government's proposal for resolving boundary disputes? If so, are there any additional considerations or amendments you would make to the proposal? If not, do you consider that a different approach would be more effective? Please provide evidence and case studies to support your reasoning, where possible.

54. We would welcome the opportunity to work with government to determine a standard and simple methodology to address related issues.

Q30. At this stage the Government welcomes views on how to deal fairly with situations where metering arrangements in offices are not ideal, and how to incentivise upgrades in the metering arrangements where that is the case.

55. We do not have any unique perspectives to add on this question.

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Q31. Which of the options above is your preferred option for addressing situations where offices are in buildings with non-office areas? Are there other options that have not been considered? Please provide evidence, where possible.

56. Our preference by way of intended outcomes would be for option two however we would highlight a significant limitation in this approach, in that the appropriate metering would need to be in place and/or the party submitting for a rating would need to use an appropriate calculation methodology to determine energy use dedicated to the office areas. We would suggest that research is undertaken to understand how this issue is dealt with in existing rating schemes.

Q32. Subject to the outcome of this consultation, the Government will work with the ratings administrator, and with industry experts, to tailor the framework appropriately to the office sector. At this stage, the Government welcomes any additional feedback on the high-level technical considerations outlined in this chapter, especially where there may be key considerations that we may have not addressed, or not been able to cover.

Where possible, it would be helpful if you could provide evidence and case studies to support your response.

57. No further comments.