

# SUSTAINABLE

ISSUE 3  
SUMMER 2015





# WELCOME

Welcome to the third issue of Sustainable – Derwent London's tenant sustainability newsletter.



In this edition we tell you about some important legislative changes which may affect your business. There's also news about future upgrades to some buildings along with steps being taken to minimise waste and keep costs down. There are many ways you can benefit and participate too – so read on.

Any feedback or comments? Please do get in touch with our Head of Sustainability, John Davies  
[john.davies@derwentlondon.com](mailto:john.davies@derwentlondon.com)



Fitzrovia Noir – 140 Characters or Less

In this issue:

- ESOS – Attention all 'large' enterprises
- Temperature meters – Changes to charges on the way
- Minimum energy efficiency standards – Raising standards
- Plant efficiency – Minimising waste keeps charges down
- Recycling – New 70% recycling target
- Tenants' website – Fresh new look launches
- Green forums – Have your say
- Socio-economic assessments – Local value creation
- Sustainability Report 2014 – Tenants' energy use published
- Community funding – This year's projects
- Q&A with Paul Williams



# ATTENTION ALL 'LARGE' ENTERPRISES

Tenants with 250 or more employees an annual turnover greater than €50m (approx. £36m) or a balance sheet exceeding €43m (£31m) need to carry out an energy audit under new EU law.

The Energy Savings Opportunity Scheme (ESOS) audit focuses on energy use within your control with a view to you introducing cost-effective energy savings.

As a landlord we qualify under the scheme and have recently audited the common parts/landlord-controlled areas in a selection of our managed properties.

To find out if you need to take action under ESOS visit – [www.gov.uk/energy-savings-opportunity-scheme-esos](http://www.gov.uk/energy-savings-opportunity-scheme-esos)

If you do and you're unsure of your energy consumption within your space(s), please get in touch as we hold copies of invoices, meter readings, consumption profiles etc.

For more information contact Energy and Sustainability Co-ordinator, Justyna Tobolska – [justyna.tobolska@derwentlondon.com](mailto:justyna.tobolska@derwentlondon.com)



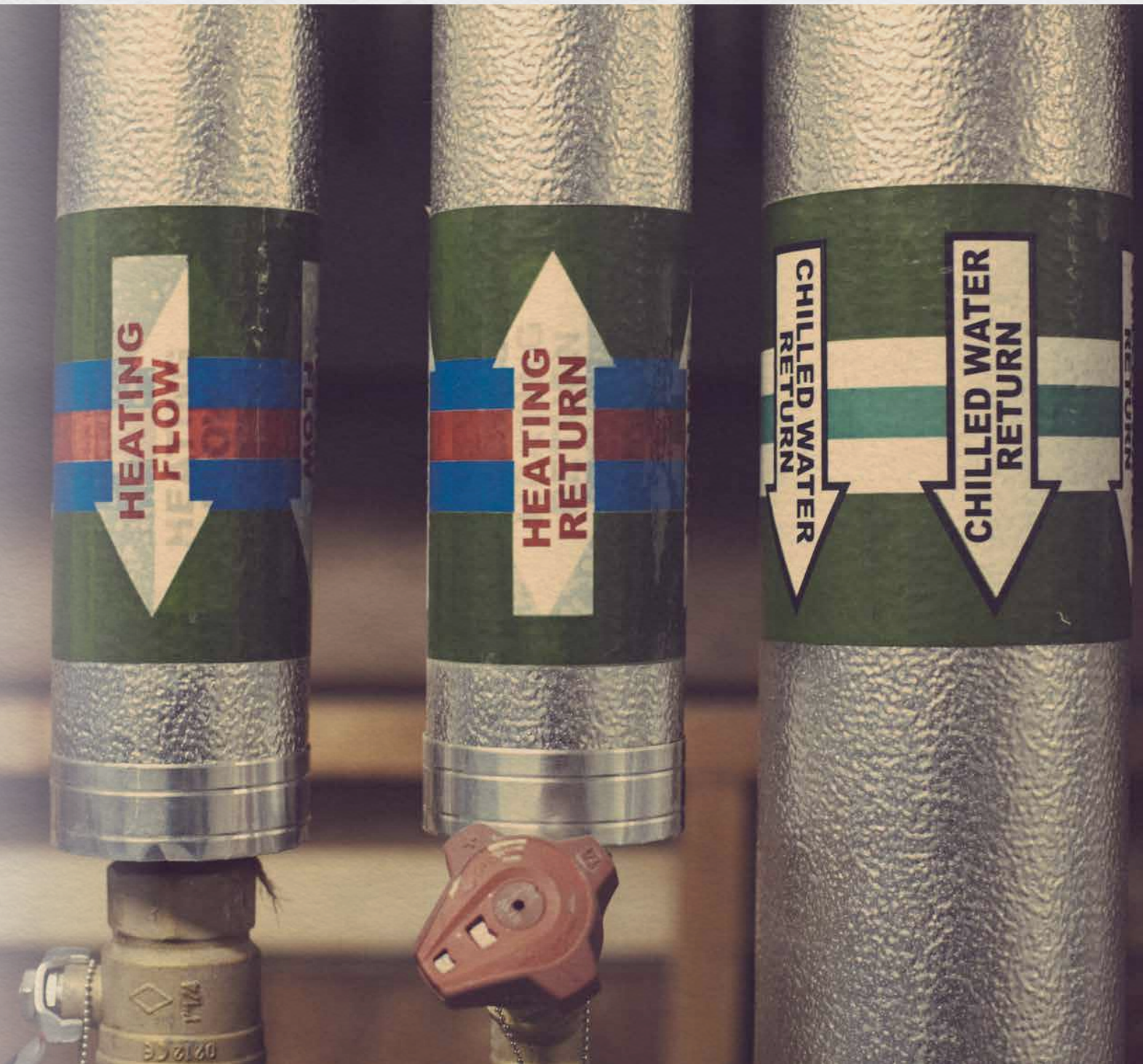


# CHANGES TO CHARGES ON THE WAY

Under new regulations we will be fitting temperature meters in some of the buildings where we supply heat and hot water to tenants.

Once meters are installed, we will change how we charge for heat and hot water. Charges will no longer relate to how much space you occupy. Instead, you will be charged for the actual amount you use! It's hoped this will encourage people to be more economical with their usage.

Under the Department of Energy & Climate Change's 2014 Heat Networks Regulations, we will start the installation during 2016 and aim to finish by the end of 2016.



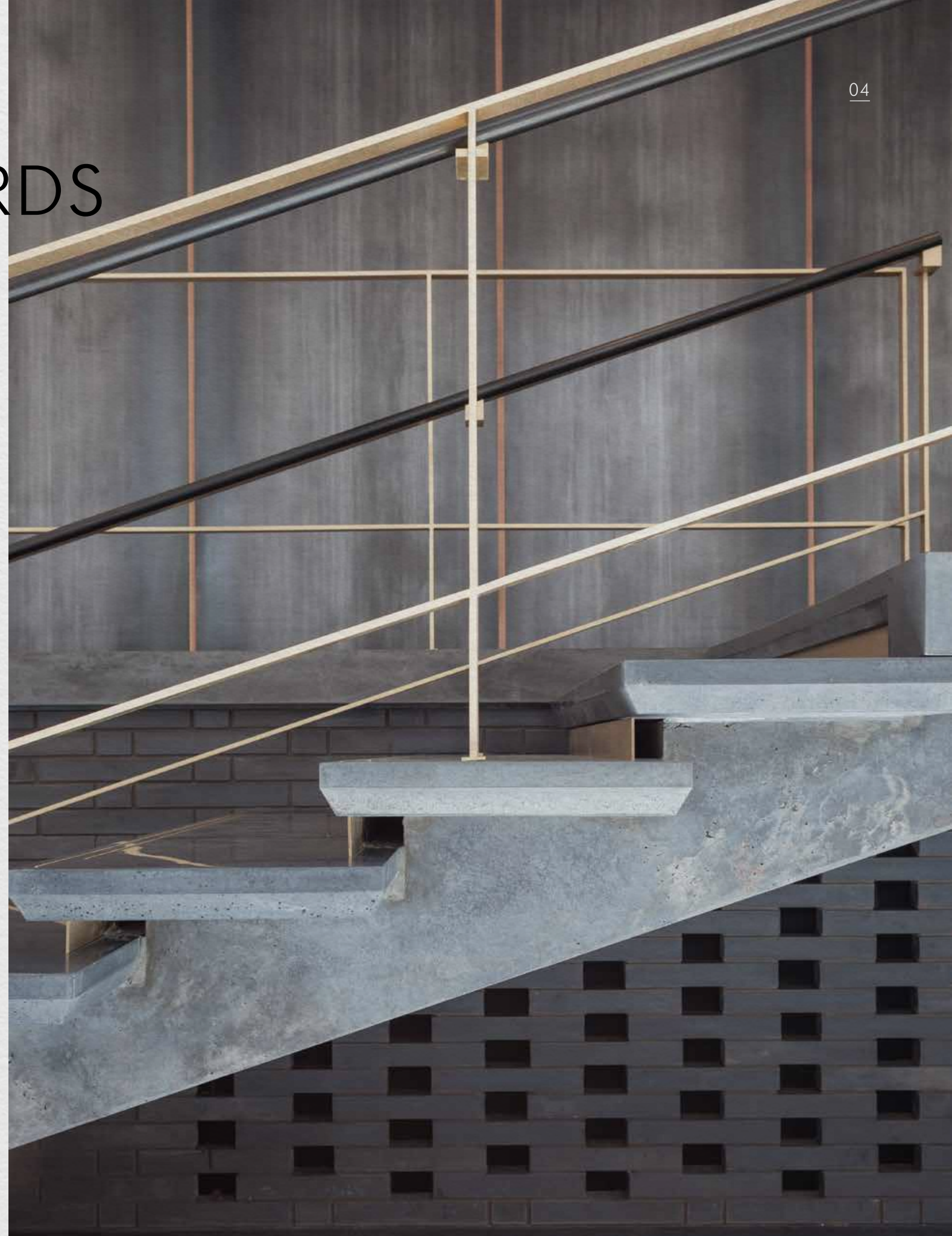


# RAISING STANDARDS

As a landlord we must ensure that any building or space that we let from 1 April 2018 has an Energy Performance Certificate (EPC) rating no lower than an E, making F or G-rated properties 'sub-standard' under new regulations.

The regulations not only apply to new leases, renewals and extensions but also to sub-lets. By 2023 all lease arrangements, not just new transactions, will have to meet the new standard. Exemptions and penalties apply. These standards may also apply to you if you sub-let parts of your space.

To find out more please visit – [www.gov.uk/government/consultations/private-rented-sector-energy-efficiency-regulations-domestic](https://www.gov.uk/government/consultations/private-rented-sector-energy-efficiency-regulations-domestic)





# MINIMISING WASTE KEEPS CHARGES DOWN

Sophisticated energy management systems from EP&T have been installed in three of our large multi-let properties to enable us to manage precisely the consumption in our landlord-controlled areas 24/7.

EP&T systems have been up and running in Qube, Buckley Building and Angel since December 2014. The resulting data shows in great detail how efficiently the landlord-controlled areas are operating and where waste and anomalies can be minimised, so that we can keep our energy charges down.


We are now looking to include similar systems as part of the standard specification in our new developments as well as performing retro-fits in all our multi-tenanted buildings.

For more information contact Energy and Sustainability Co-ordinator, Justyna Tobolska – [justyna.tobolska@derwentlondon.com](mailto:justyna.tobolska@derwentlondon.com)





# NEW 70% RECYCLING TARGET

Three recycling bins are shown against a light-colored wall. The bins are made of a dark, textured material, possibly metal or heavy plastic. Each bin has a square opening at the top. The middle bin is labeled 'RECYCLING' and the two side bins are labeled 'WASTE'.

**WASTE**

**RECYCLING**

**WASTE**

We have set a new target to achieve a 70% average recycling rate across the portfolio by 2017 – that's 3% more than we are currently averaging.

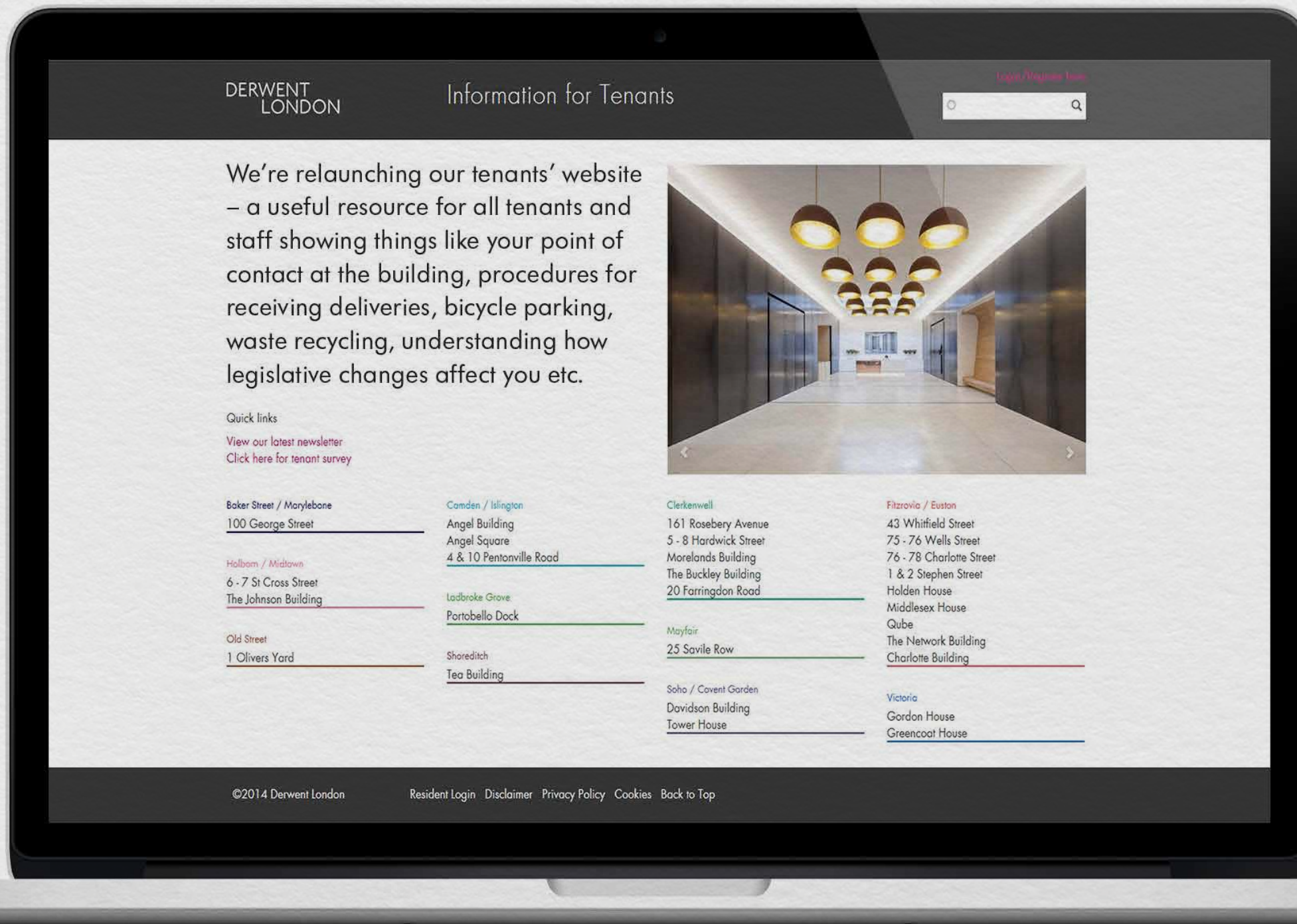
Our best performing building at present is Biscuit Building with 82%, demonstrating what is possible with the right strategy in place.

In the next few months we will be launching a pilot at Qube with the aim of achieving a 100% recycling rate. We will be working closely with our waste management contractors Paper Round, whose team will be consulting, observing and assisting tenants to help the building meet this challenging target.

If you're interested in joining our waste management scheme, please get in touch with your Building Manager - the more companies involved, the cheaper and more efficient it is for everyone.



# FRESH NEW LOOK LAUNCHES





# HAVE YOUR SAY

IF YOU ARE INTERESTED IN JOINING OR WANT MORE INFORMATION CONTACT PLEASE CONTACT YOUR BUILDING MANAGER

We want you to join our Green Forums, which are all about sharing knowledge and ideas so that our buildings and your spaces run as efficiently as possible.

We currently have Forums running at seven buildings and would like to roll this out to all our multi-let managed properties. You can represent your company or floor at meetings, which take place monthly or quarterly. Discussions centre on developing building management approaches that have real impact and value for both tenants and Derwent London.

Since their introduction in 2011, Forums have discussed and addressed a wide variety of subjects from energy and water conservation to recycling and biodiversity and have made numerous improvements and savings.



# LOCAL VALUE CREATION

We are committed to undertaking a socio-economic assessment of all our major developments 12 months after full occupation.

Our first assessment was at Angel Building in 2012, which showed the value a development can bring to an area. We have recently carried out a second assessment, this time of The Buckley Building, which showed:

- £2,016 average spend per annum by each building occupier in the local area
- £1.1m annual spend in the local area by building occupiers
- 10% increase in footfall reported by local businesses
- 6% increase in revenues following the redevelopment of the building
- 47% of local spending supports independent retail in the area

As we do more assessments we look forward to sharing the results with you.



For more information please contact the Sustainability Team – [sustainability@derwentlondon.com](mailto:sustainability@derwentlondon.com)

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THE BUILDING HAS BEEN TASTEFULLY CHANGED BUT IN KEEPING WITH ITS HISTORY. IT'S CLEARER AND OBVIOUS TO FIND, AND IMPROVED THE OVERALL LOOK OF CLERKENWELL

— LOCAL EATERY OWNER

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# TENANTS' ENERGY USE PUBLISHED

In a move towards greater transparency, our Sustainability Report 2014 includes our tenants' energy consumption as well as our own.

This enhanced reporting makes for interesting reading as it shows our combined carbon footprint for the first time.

Click here to learn more:  
[Derwent London Sustainability Report 2014](#)



Total managed portfolio emissions (including tenant based emissions)

			2014	% change 2013 to 2014	2013
Scope 2	Energy-use	Electricity use - generation (total building)	16,953	-15.9%	20,148
Total	All	All	24,828	-18.87%	30,602

By including our tenant emissions, carbon emissions increased by 14,316 tonnes.

Total GHG emissions – total managed portfolio (including tenant based emissions)

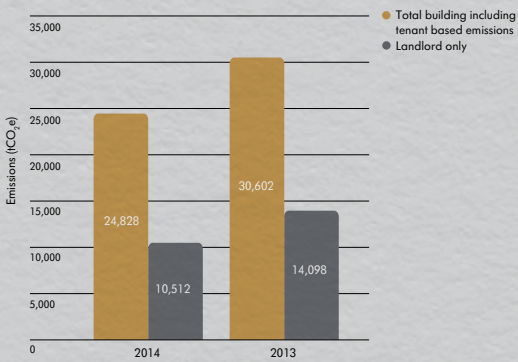


Table 2 – Like-for-like emissions (building related only)

			2014	% change 2013 to 2014	2013
Scope 1	Energy-use	Gas (total building)	2,208*	-31.2%	3,211
		Oil (total building)	78*	25.0%	62
Scope 2	Energy-use	Electricity use - WTT Generated Scope 3 Indirect GHG (landlord-controlled areas and Derwent London occupied floor area)	5,251*	-13.9%	6,102
Scope 3	Energy-use	Electricity use - WTT Generated Scope 3 Indirect GHG (landlord-controlled areas and Derwent London occupied floor area)	800	-13.9%	929
		Electricity use - T&D Direct & WTT T&D In Direct (landlord-controlled areas and Derwent London occupied floor area)	529	-13.9%	615
		Gas (total building)	296	-31.2%	431
		Oil (total building)	16	25.0%	12
		Water	43	7.8%	40
Total	All	All	9,221	-19.1%	11,403
Out of scope	Energy-use	Biomass use (total building)	26	16.7%	22

\*This data has been independently assured by Deloitte LLP

GHG emissions by source – like-for-like portfolio (building related only)

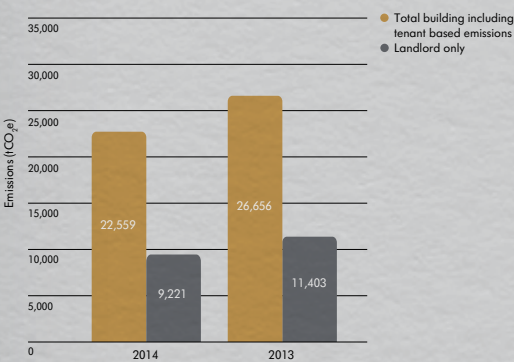


Like-for-like emissions (including tenant based emissions)

			2014	% change 2013 to 2014	2013
Scope 2	Energy-use	Electricity use - generation (total building)	15,895	-13.0%	18,274
Total	All	All	22,559	-15.4%	26,656

By including our tenant emissions, carbon emissions increased by 13,338 tonnes.

Total GHG emissions – like-for-like portfolio (including tenant based emissions)





# THIS YEAR'S PROJECTS

Five projects have been granted a total of £66,230 in the third year of our community funding programme in Fitzrovia:



All Souls Clubhouse –  
After school football club  
& Clubkicks



Fitzrovia Community  
Centre – Arts  
programme



Fitzrovia Neighbourhood  
Association – Fitzrovia  
Positive Health



Fitzrovia Youth in  
Action –Community  
events programme



Upbeat Music & Mental  
Health – Streets of  
London music workshop  
and showcase

The funding programme has been extended, with a further £150,000 being allocated from 2016-2018.

For more information please  
contact the Sustainability Team –  
[sustainability@derwentlondon.com](mailto:sustainability@derwentlondon.com)



# QUESTION TIME WITH PAUL WILLIAMS

Derwent London Executive Director, Paul Williams, takes us through his thoughts on sustainability across our portfolio and what it means for tenants.

## For those that might not know, what is your role at Derwent London?

My role here is quite wide ranging – from overseeing our portfolio asset management activities and major lettings, supervising our refurbishment and development activities and also holding board accountability for sustainability.

## Why is sustainability important?

Being an investment company rather than a developer our distinctive, design-led approach to buildings enables us to create some of the most notable spaces in London, and engrained throughout is a very strong focus on sustainability. The reason for this strong focus is two-fold. Firstly, we take a long term view on our investments, and by integrating sustainability properly we are able to see our investments operate more efficiently and integrate positively into their surroundings. As a result we see our spaces let more quickly and on better terms.

Secondly our tenants (you) continue to demand our spaces meet the high standards of schemes such as BREEAM and LEED, so this drives us to ensure we are delivering the spaces people want to have and meet expectation. It's often said sustainability is all about "doing the right thing" and I certainly wouldn't disagree with that, but I also think nowadays it's a fundamental aspect of property investment and development. It's easy to see that buildings which don't have clear sustainability credentials simply don't do as well in the market as those that do.

## How does it affect our tenants – existing and prospective?

I like to think very positively! Whether a tenant is existing or prospective we always want to ensure that our tenants benefit from our sustainability activities – ultimately trying to ensure low energy bills, good comfort and enabling healthy workspaces to be created.

## What can we expect from Derwent London in terms of sustainability in the future?

We are always looking ahead to try anticipate future trends – whether its occupation trends, market strength or sustainability. Most recently we have been working through future performance targets and how best we can stretch ourselves. This has seen us set some challenging energy reduction and waste recycling targets which will need us to push our efforts even further.

In addition to these stretching targets we are also exploring some very exciting, innovative and above all sustainable designs for some of our forthcoming development schemes, some of which will be market firsts here in London e.g. our White Collar Factory concept – I hope to be able to give an update on these in the future editions of this newsletter.

## Lastly, any advice you would give in terms of tenants making the most of their sustainability agendas?

No matter how big or small your organisation is there is always room for improvement! Sustainability never stands still. For those starting out on their sustainability journey I would say, ask questions! You can never know enough and getting as much knowledge as possible is always a good thing. Also ask us! We hold vast amounts of data and information about your building which might be able to help you get started or indeed supporting any existing initiatives you might have running – just get in touch with your Building Manager or speak to one of the Sustainability Team – [sustainability@derwentlondon.com](mailto:sustainability@derwentlondon.com)





