



Estates Committee

7 September 2022

MINUTES

Present: Ms Sarah Whitney (Chair), Mr Roger Blundell, Professor Jonathan Butterworth, Mr Turlogh O'Brien, Dr Michael Spence.

In attendance: Mr Ian Dancy, Ms Helen Bonneville [for minutes 3 and 4], Mr Nick McGhee (Secretary), Ms Fiona Ryland, Ms Tracy Smith [for minute 5].

Apologies: Mr Phil Clark, Professor Michael Pitt.

Part I: Preliminary Business

1 TERMS OF REFERENCE, CONSTITUTION AND MEMBERSHIP

- 1.1 The Terms of Reference, Constitution and Membership of Estates Committee were noted.
- 1.2 The Committee discussed the outstanding vacancies for an internal member appointed by Council and for up to two members with Real Estate expertise. It was agreed that Professor Stephanie Bird be approached about the internal vacancy, and that the Chair and Turlogh O'Brien would discuss the other vacancies further, in collaboration with Council.

Action – Sarah Whitney, Turlogh O'Brien

- 1.3 Members agreed to a suggestion from the chair that the SU Union Affairs Officer be invited to attend future meetings as an observer.

Action – the secretary

Part II: Matters for Discussion

2 VISION AND TIMELINE (Paper 1-02)

- 2.1 The Executive Director of Operations gave a presentation on the vision for the operation of the physical estate. The Estates team had recently been split into Estates Development, which had responsibility for capital projects, and Estates Operations. The latter, under the name Campus Experience & Infrastructure, was now progressing an action plan arising out of an audit of statutory compliance but also had a broad programme of work including: the

future use of the estate; meeting the requirements of the sustainability agenda; a survey of the condition of the estate; and delivery of the strategic maintenance programme.

- 2.2 The committee welcomed the opportunity presented by the new structure to introduce a new focus on the campus experience, maintenance and quality. A number of quick wins had been identified and delivered and a number of new appointments were coming on stream which would help to drive the rate of progress.
- 2.3 The Committee requested clarification on the outputs of the programme of work, the process for achieving them, and the key deliverables and milestones along the way. Members welcomed the suggestion that a 'deep dive' into each of the key themes be submitted to future meetings of the committee, presented by the lead in that area. It was suggested that Health and Safety Compliance be the first of these.
- 2.4 Discussions about capital allocation were ongoing but it was expected that over the next four years this be directed primarily to proposals that facilitated the release of space elsewhere, except for those capital projects already agreed. UCL also had the option of drawing down on borrowing sooner than initially planned.
- 2.5 The Committee asked about the feasibility of delivery across such a wide and challenging programme. It was confirmed that the leadership team and structure was now in place to progress the programme effectively.

3 CONFIDENTIAL – MASTERPLAN UPDATE

- 3.1 Work on the Masterplan was progressing, in partnership with Turnberry consultants and Sheppard Robson architects, with a view to delivering a presentation to Council on 30 September. The goal was to be more strategic about the effective use of the UCL footprint in the context of changed working practices post-pandemic.
- 3.2 Over the next four years there would be a focus on lease exits and local projects particularly with a focus on essential central student service delivery spaces.
- 3.3 Estates Committee noted the politically difficult question of the timing of planning for Phase 2 of UCL East during an inflationary period when it was necessary to take costs out of the university, and the implications of this on the question of UCL East's 'critical mass' as a second campus.
- 3.4 Members discussed how to achieve the most effective use of Council's time on 30 September, noting that a strategic rather than tactical discussion was required. The example of the question of the centre of gravity in UCL's various London locations was cited as an example of such a strategic question. Members would welcome guidance on the academic community's key concerns in this area.

4 CONFIDENTIAL – LEASEHOLD STRATEGY (Paper 1-03)

4.1 Estates Committee received an update on progress with the Leasehold Strategy. The Strategy was to target exits of non-core, non-strategic leases and included short-term plans to exit leases on four buildings. Bidborough House had recently been opened as a hub for all professional services staff, and the process seemed to have worked well.

5 CONFIDENTIAL – ACCOMMODATION STRATEGY (Paper 1-04)

5.1 The paper detailed three strategic options for the future accommodation strategy, summarised as:

1. Sell it all
2. Expand UCL's ownership and investment
3. Balanced approach, utilising partnerships and external funding

5.2 In discussing these options Estates Committee noted that:

- All other Russell Group universities provided some level of student accommodation.
- It was generally assumed that Option 1 would have a negative impact on student recruitment, but this had not been tested. There was further work to be done to understand student demand as well as to develop a more sophisticated understanding of students' current arrangements.
- Accommodation currently generated a surplus of approximately £15m per annum.
- There was a need to release capital from the accommodation estate for UCL's academic aspirations.
- UCL had the option of disposing of buildings that were felt to be geographically ill-suited to the portfolio.
- It had not been shown to be unfeasible for the university to access funding to support the development of the lower-quality areas of the accommodation estate.
- Students wanted multiple price points with demand focussed primarily at mid-range provision at the market rate.

5.3 Estates Committee supported Option 3, noting the significant flexibility this provided for the future. This could include selling leases but not the freehold, or leaseback arrangements including UCL branding or even UCL operation of accommodation, if that was desired. It could also provide the flexibility allowing for a long-term strategy of seeking to bring all of the accommodation back under UCL's freehold control.

5.4 The Committee considered however that a more sophisticated, granular analysis was required before the final strategy could be agreed. Although there was a concern about management capacity at the current moment, it was not considered that this matter could be left until the leasehold and

estates management work had been progressed. It was agreed that the Executive Director of Operations would come back to the Chair and Secretary to discuss the timing of carrying out the additional work and bringing the matter back to the committee.

Action – Ian Dancy

- 5.5 Demand for places in UCL-owned or UCL-controlled accommodation comfortably outstripped supply, and the management view was that UCL could take on another 2,000 places with minimal risk. Demand was currently met by way of one-year nomination agreements, and there was scope for better value for money in negotiating longer term agreements with suppliers. The Committee was supportive of the view that additional nominations agreements should be signed ahead of the agreement of the full strategy. Those proposals would be taken direct to Finance Committee without coming back to the Estates Committee.

6 ESTATES COMMITTEE DASHBOARD – UPDATE

- 6.1 An Estates Committee Dashboard had been requested for the Committee. An early draft had been shared with member Phil Clark, who had provided helpful feedback. A further draft was now being worked on and would be shared with the Committee in due course. A discussion was had about the provision of better quality data and the need to be realistic about the kind of data that could be provided.

7 VALETE

- 7.1 At her last meeting of the Estates Committee, members thanked Fiona Ryland for her contribution to UCL over the last five years and wished her well for her role as Chief People Officer of the Civil Service.

Part III: Other Business for information or approval

8 DATE OF NEXT MEETING

- 8.1 To be confirmed. A campus tour and presentation from Turnberry would also be arranged.

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