



## **ESTATES MANAGEMENT COMMITTEE**

**Meeting held on Wednesday 13 February 2019  
from 10.00 a.m. to 12.00 noon in the Council Room**

### **MINUTES**

*Present:*

Professor Michael Arthur (Chair)  
Ms Wendy Appleby  
Dr Paul Ayris  
Dame Nicola Brewer  
Professor Stella Bruzzi  
Mr Simon Cane  
Dr Celia Caulcott  
Professor Piet Eeckhout  
Professor Mark Emberton  
Professor Becky Francis  
Ms Francesca Fryer  
Mr Phil Harding  
Professor Graham Hart  
Professor David Lomas  
Ms Collette Lux  
Professor Ivan Parkin  
Professor Alan Penn  
Professor David Price  
Professor Geraint Rees  
Professor Sasha Roseneil  
Mr Tom Rowson  
Ms Fiona Ryland  
Professor Anthony Smith  
Professor Alan Thompson  
Professor Nigel Titchener-Hooker

Apologies for absence were received from Dr Mike Cope, Mrs Lori Houlihan  
and Ms Donna Dalrymple

In attendance: Ms Anne Marie O'Mullane (Minutes); Mr Michael Schuitevoerder, IoN-DRI  
Programme Director; Mr Chris Shore, Director of Capital Projects

## ***Preliminary Business***

### **1. Matters Arising**

- 1.1 The Committee noted that at its meeting on 15 November 2018 the Finance Committee approved the total project budget allocation of £24.5m for the Eastman Dental Institute and Medical School co-location project.

## ***Item for Discussion***

### **2. Director's Update - Oral Report**

- 2.1 **Received:** The Committee received an oral report from the Director of UCL Estates. This covered key successes such as the opening of the Bloomsbury Theatre, the Student Centre and the acquisition of land at UCL East, planning for the development of the next Estates Strategy, the development of the Sustainability Strategy and recent performance for sustainability and updates on operational, Health & Safety, maintenance & compliance activity.
- 2.2 The Committee welcomed the update and discussed the possibility for carbon offsetting and noted that it would require substantial expenditure.

### **3. Estates Strategic Key Principles**

- 3.1 **Considered:** The Committee considered the seven key principles for the forthcoming Estate Strategy at EMC 3-2 (18-19). These principles would capture the overarching estate vision that would guide the future development of the estate, so that it developed in alignment with the wider Institutional vision as set in UCL 2034.
- 3.2 **Resolved:** The Committee approved the Estate Strategy Key Principles so that they could be made available to internal and external stakeholders.

### **4. Student Accommodation Nominations Agreement 2019/20**

- 4.1 **Considered:** The Committee considered an updated forecast for the supply and demand of student accommodation for 2019/20 and outlined forecasts for subsequent years at EMC 3-3 (18-19). UCL guaranteed accommodation to certain groups of students. Projected demand indicated that UCL needed to enter into nomination agreements with third party providers in order to meet the demand for student accommodation. The cost for the additional 470 rooms for the 2019/20 academic year would be £5,997,090. The accommodation would be sold with a slight increase and this would offset costs associated with voids.
- 4.2 **Resolved:** The Committee approved the proposal to enter into a 1 year nomination agreement with UNITE from September 2019 for:
- 300 en-suite rooms at St Pancras Way at an annual rental of £3,855,600; and
  - 170 en-suite rooms at Belmont House at an annual rental of £2,141,490.

The Committee also approved the initiation of negotiations for a 10 year nomination agreement (with break clauses) commencing in 2020/21 with 3rd party providers.

## 5. Student Accommodation Rent Setting 2019

- 5.1 **Considered:** The Committee considered proposals for accommodation fees for academic year 2019/20 for the UCL owned accommodation at EMC 3-4 (18-19). The Committee noted that term time student occupancy rates in UCL owned and managed properties were stable at around 99%. There had been good engagement with Student Union sabbatical officers and a set of proposals had been developed mindful of the issues around affordable accommodation.
- 5.2 **Resolved:** The Committee approved the following proposals:
- The freezing of rents, for a fourth year, of the cheapest single Post Graduate rooms within the portfolio at Hawkridge House and Ann Stephenson.
  - The freezing of rents in Max Rayne and Ifor Evans for UG students for the 2019/20 academic year.
  - Increase of rents, in line with RPI, by 3% across all other rooms within the portfolio.
  - Trialling an offering for circa 250 students who are eligible through Access UCL of a discount of £1,000 per student per year on their accommodation fees.

## 6. Capital Programme Dashboard & Contingency Reconciliation

- 6.1 **Received:** The Committee received and noted the Capital Programme Dashboard at EMC 3-5 (18-19). This provided an update on the progress of key projects within the Capital Programme and the Capital Programme contingency reconciliation. The Committee noted in particular progress with projects that had a red, amber/red or green/amber status.

## 7. IoN/DRI Capital Programme - Full Business Case

- 7.1 **Considered:** The Committee received an update on the IoN-DRI programme since approval of the outline business case in October 2017 and considered a proposal to approve the full business case to deliver the scheme to completion at EMC 3-6 (18-19).
- 7.2 It was noted that milestones had been delivered on time and in scope. The capital cost model highlighted two cost challenges that were being managed without increasing UCL's capital contribution (£120m). These were a VAT challenge (£10m) that would be managed within the cost-envelope of the programme, and an increase in shared scientific equipment costs (£18.6m) that would be covered through current philanthropic plans, grant funders, and IoN and DRI equipment funds. The total programme budget had increased to £281.6m. It was noted that the Net Present Value (NPV) had changed and this would be updated. It was also recommended that further consideration should be given on the presentation of the risks.
- 7.3 **Resolved:** The Committee approved the Full Business Case supporting the development of the scheme for recommendation to Finance Committee for consideration.

## 8. UCL School of Management Expansion

- 8.1 **Considered:** The Committee considered a proposal to lease another floor in One Canada Square (Option 1) and the possibility of leasing another floor in One Canada Square followed by a move to Wood Wharf in 2022 or later (Option 2) at EMC 3-7 (18-19). The location for School of Management postgraduate teaching at Canary Wharf had reached capacity.
- 8.2 The Provost noted that Option 2 would require an academic case to be submitted in this year's planning round. In addition, it would need to be demonstrated that it would be possible to retain research activity to a high level and that student satisfaction ratings would improve. Committee members commented on the need to manage carefully the impact on the opportunities for engaging in interdisciplinary study and the student experience as well as delivery of professional services support should undergraduate students move to Canary Wharf in the future.
- 8.3 **Resolved:** The Committee approved:
- (i) In principle the request to proceed with detailed negotiation for the acquisition of a further floor in One Canada Square. The financials for this acquisition would return for approval.
  - (ii) The continued exploration for pursuing Option 2 as per the stipulation set by the Provost.

## 9. Capital Approvals

### 25 Gordon Street

- 9.1 **Considered:** The Committee considered a request for funds to refurbish and modernise floors 1 to 4 of 25 Gordon Street for UCL Students' Union and the Faculty of Mathematics & Statistics at EMC 3-8 (18-19). Modernisation of floors 1-3 for the Students' Union use would enhance the student experience. The hand-over of 4th floor of Students' Union to the Department of Mathematics would address the urgent space need of UCL Mathematics and ensure their sustained contribution to UCL finances of £9m per annum.
- 9.2 **Resolved:** The Committee approved expenditure of £4,335,460 from the Interim £50m Capital Fund, to allow the UCL Students' Union/Maths Modernising programme to progress to completion of the construction works, following contract award.

## 10. Acquisition / Leasehold Approvals

### 10 – 11 Montagu Street

- 10.1 **Considered:** The Committee considered a business case to acquire and fit out 10 and 11 Montague Street to provide space for Bartlett School of Environment, Energy & Resource, a new RCUK funded research centre, and Space for Institute of Innovation and Public Purpose at EMC 3-9 (18-19). Space would be released for reallocation in hoteling space on Tottenham Court Road and serviced office use at 55 Russell Square would be terminated.
- 10.2 **Resolved:** The Committee approved the business case and recommended to Finance Committee to acquire 10 and 11 Montague Street to accommodate:
- a) The Bartlett Faculty of the Built Environment
  - b) Institute of Innovation and Public Purpose

### **8-11 Queen Square**

10.3 **Considered:** The Committee considered a request to extend the lease at 8-11 Queen Square for 10 years from April 2021 at EMC 3-10 (18-19).

10.4 **Resolved:** The Committee approved the lease extension of 8-11 Queen Square for 10 years from April 2021, and approved recurrent expenditure and uplifted the property budget accordingly:

- Rent: In the region of £100,000 pa (no VAT)
- Service charge: £37,000 pa
- Rates: £7,000 pa
- Utilities: £40,000 pa

The Committee approved the Solicitors' costs for lease £9,000 (incl. VAT).

### **Student Central**

10.5 **Considered:** The Committee considered a request to extend the lease on space at Student Central for a term from 1 August 2019 to 31 July 2022 at EMC 3-11 (18-19) for use by the Media Lab and Medical Physics. The Committee noted that the Media Lab was due to move to UCL East in 2023 and not 2022.

10.6 **Resolved:** The Committee requested that the negotiating team to go back to University of London (UoL) to ask for an extension of the lease on space at Student Central for a term from 1 August 2019 to July 2023. If UoL did not agree to an extension to 2023 at this stage of the negotiation, then the Committee approved the extension of the lease until 2022 and then for renegotiation to take place for a further year.

The Committee approved the following recurrent expenditure:

- Rent and revenue: £260,000 pa until July 2022 subject to annual RPI uplifts (Rent and revenue was already included in Property budget until July 2021)
- Security maintenance: £5,000 pa security maintenance
- Soft services: £14,500 pa
- Rates: £27,000 pa

<b><i>Other Business For Approval or Information</i></b>
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### **11. Minutes of the CPSC meeting held on 30 January 2019**

11.1 **Received:** The Committee received minutes of the CPSC meeting held on 30 January 2019.

### **12. Report on EMC Chair's Action taken to approve the acquisition of 4th Floor at Shropshire House by way of agreement for lease**

12.1 **Received:** The Committee received a report on action taken by the Chair of EMC to approve the acquisition of 4<sup>th</sup> floor at Shropshire House by way of agreement for lease.

### **13. Date of next meeting of the Estates Management Committee**

- 13.1 The date of the next meeting of Estates Management Committee was Wednesday 29 May 2019 from 10.00am to 12.00 noon.

### **14. Any Other Business**

- 14.1 It was agreed that in future, the Committee would like to see an update on the amount of expenditure involved should all items be approved on the agenda and the implications of, for example, impacts on contribution targets. This would be a separate item on the agenda.