MINUTES OF THE ESTATES COMMITTEE

26 October 2016

Present
Professor David Latchman (Chair), Mr Peter Zinkin, Professor Hilary Fraser (Arts), Professor Philip Powell (BEI), Professor Nick Keep (Science), Dr Stewart Motha (Law), Professor Matthew Davies (SSHP), Mr Daniel Peltz, Ms Alexandra Brinker

In Attendance
Mr Alan Fisher (Operational Estate Manager), Mr Jeremy Tanner (Director of Commercial Services and Estates Development), Mr Van Nguyen (Deputy Director of Estates Development), Ms Elizabeth Whitehead (Director of Facilities and Estates Services), Mr Keith Harrison (College Secretary and Clerk to the Governors), Mrs Katharine Bock (Deputy College Secretary, Governance), Mr Ola Bankole (Sustainability Manager), Mr Keith Willett (Finance Director), Ms Jill Entwistle (SSHP School Manager), Mr Mark Pimm (Disability Service Manager), Ms Megan Reeves (Deputy College Secretary, Operations), Mr Chris Murphy (Director of Development and Alumni), Mr Kashim Barick (Committee Support Administrator), Sian Kilner (Kilner Planning)

Apologies
Professor Matthew Innes

1  MINUTES
Confirmed
1.1 The minutes of the meeting of 23 May 2016.

Noted
1.2 Members noted that the issues with the Wesley Hotel discussed during the last meeting had not been recorded on the minutes. Members articulated that first year students in particular should receive a good impression of the College as it directly reflects upon retention figures and having classes in a non Birkbeck associated facility such as the Wesley Hotel was not ideal.

2  ACTIONS
Reviewed
2.1 An update of progress on actions agreed at the previous meetings (E 2016 01)

3  START OF SESSION
Noted
3.1 A report on the start of session (E 2016 02)

3.2 Members heard that the College did not encounter the same volume or severity of problems during the course of the 2015/16 academic year as it did in previous years with external sites therefore, the venues used for 2016-17 remain almost identical.
3.3 Birkbeck has now ceased using the School of Pharmacy for teaching having secured 7 teaching rooms in the new Paul Webley Wing of Senate House. The School of Pharmacy historically scored low with student feedback as does the Wesley Hotel. The quality of the Wesley Hotel venue is not in question having benefitted from a recent refurbishment, but the students feel isolated with no association to Birkbeck as some students had all their classes scheduled in the hotel.

3.4 Room allocations need to account for module size, Tier 4 and disability requirements, limiting the scope for making changes, but Room Bookings are taking steps to facilitate swaps with the wider Law School allocation in an attempt to provide a more balanced experience for the students.

4 ESTATES STRATEGY UPDATE
Received
4.1 An update on the estates strategy (E 2016 02)
4.2 Members heard that the estates strategy aims to bring together the various strands of strategic thinking in relation to the Birkbeck estate. The strategy builds on the findings of the 2012 master plan and encapsulates the issues and opportunities that have arisen since the plan was completed.

Noted
4.3 Members noted that one of the core objectives of the estates strategy was to enable learning and teaching to be delivered in high quality Birkbeck controlled space around the Malet Street campus. Members expressed the need for a clear approach that emphasised the need to consolidate Schools based across split site locations.

Noted
4.4 Members noted that 9 potential sites are being considered for development which includes 32/33 Torrington Square and Cambridge House. These sites have been combined to form 5 options and although this represents the majority of the actionable options, possibilities to acquire other property may arise which should be considered against the core objectives when or if appropriate.

4.5 Estates Committee identified option 3 as the best balance of criteria to meet the College’s core objectives. This option will cost an estimated £130M and will take up to 8 years to complete and will deliver approximately 85% of the College’s space deficit. It includes Cambridge House, conversion of space on the Bloomsbury campus to classrooms, an infill extension on the Council Room side of the main building, development of the site at 32 Torrington Square and a full upgrade of the extension building.

4.6 Members also agreed to leave option 4 open. This option includes the option 3 elements plus development of the northern heating chamber and Senate House north east quad.

Noted
4.7 Members noted the view of the Investments Committee who highlighted that the College has approximately 60 – 70M of reserves held in either investments or cash deposits but the funds were not generating favourable returns.
4.8 The Committee expressed an appetite for large scale estates development as mentioned in 4.5 above. This will require the need for fundraising, borrowings and significant utilisation of capital reserves. Net present values of the options versus the impact of their development on current and future cash flow, will also influence the decision.

4.9 Members asked College officers to produce a note on the fundraising potential, borrowing options and planning risks and issues associated with options 3 and 4 for F&GPC to consider.

5 PROPERTY UPDATE

Received

5.1 An update on ongoing key property matters (E 2016 04)

Bedford Square and Tavistock House Rental Space

5.2 The lease sale of 7 Bedford Square is complete with the College having received all funds. The leased space acquired from Tavistock House is now fully occupied.

999 Year Lease (Mallet Street main Building)

5.3 Negotiations with the University are ongoing however, two key issues remain. The first issue is with ‘Air Rights’ and the second is with the College’s ability to grant sub leases to third parties. The standpoint of the Birkbeck’s legal advisors is that these clauses, which had not featured in the leases for other Colleges’ headquarters buildings, were inappropriate for a 999 year term.

5.4 The College has highlighted the importance of reaching a conclusion with these issues and has informed the University that it will not be proceeding with any further discussions until these matters are concluded. This therefore has an impact on discussions surrounding the lease of 32/33 Torrington square. While the Committee noted that the University’s current approach is not helpful, it also agreed that ultimately it will be in the College’s best interests to conclude main building lease negotiations to facilitate long term Estates development.

5.5 Members heard that the original proposition put forward to the University in regard to the Malet Street infill site was that it would be an addition to the main building therefore, should be subject to the same 999 year lease. The University’s views are not in line with this proposition and negotiations are currently on hold pending the conclusion of the main building lease. Negotiations for the infill site lease will resume once the College is ready to develop the site.

University Square Stratford

5.6 Estates Committee noted that the University of East London has approached Birkbeck with a proposition to acquire more space. The College does not wish to transfer ownership of any further space and is currently carrying out a review of how the facilities at the site could be best used. Members noted that a key aspect of the College wanting to retain a presence in Stratford was to preserve and promote its widening participation reputation.
Major Projects

Received

An update on the College’s major estates projects (E 2016 05)

Cambridge House

At the last Estates Committee meeting, members approved further development of a scheme to demolish and rebuild on the Cambridge House site, with the aim of delivering a building between 2,000 – 2,200 m², for the purpose of accommodating the School of Business, Economics and Informatics.

The design team have proposed 4 development options:

1. 9 storey B1 class (business use) building delivering 2,290 m²
2. 8 storey B1 class building delivering 2,150 m²
3. 7 storey B1 class building delivering 2,005 m²
4. 4/5 storey D1 class (educational use) building delivering 1,100 – 1,250 m²

Members noted that options 2 and 3 are not acceptable by the School of BEI on size grounds and option 1 is to be taken forward towards a planning application. Option 4, which does not involve demolition and rebuild and would predominately be for teaching use, may also be considered if option 1 becomes unviable.

Noted

Members noted that options 1 and 4 should be taken forward in parallel, towards submitting planning applications. The officers of the College agreed that this would be a prudent course of action as the planning application stage can take up to a year to complete and the financial implications of submitting two separate applications were minimal.

32/33 Torrington Square/Toddler Lab

The College has reached an agreement with the University subject to contract for a figure for the premiums of a 99 year lease for 32 and 33 Torrington square. Premium for 32 Torrington Square will be £1.28M and 33 Torrington Square will be £437K. The deal will be finalised after the resolution of the main building lease as noted above.

Tender exercises for the design team have been completed and the Committee endorsed a development budget of £450K. The scope of the work will include both the refurbishment of house 32 and the new build element of the vacant 33 site. The budget will be used to provide a detailed design and costs of the buildings and will cover the fees required to submit and pass through the planning process. The end result will be an approved scheme that the College can progress to the technical design, procurement and delivery stages. This budget request supersedes the request for £350K for refurbishment of house 32, agreed by F&GPC in March 2016.

Recommended, for approval by F&GPC

The committee approved a budget of £450K to produce an approved scheme for 32 and 33 Torrington Square. Members also noted that the previously approved £350K refurbishment budget for house 32 will now be cancelled.
7 LONG TERM MAINTENANCE (LTM) PROGRESS REPORTS

Received

7.1 An update on the progress of LTM projects 2015/16-17 and 27 Russell Square (E 2016 06 – 08)

2015/16

7.2 Members noted that all items on the LTM programme were completed successfully. Early indications showed that the programme would finish under budget but due to several unforeseen urgent works needed, the programme finished £100K over budget (E 2016 06)

2016/17

7.3 All projects within the programme are progressing as expected (E 2016 07)

27 Russell Square

7.4 At the last meeting it was reported that 27 Russell Square had internal structural issues which needed to be addressed. These structural issues were thought to have occurred as a direct result of various building interventions undertaken in the past, and the fact that the buildings were constructed for domestic use with an estimated lifespan of 100 years.

7.5 Following a detailed structural survey, which included a carbon dating exercise that was carried out on the building’s timber, structural engineers have produced a design to stabilise and secure the building. Given that the current occupants, academic staff from the History, Classics and Archaeology department along with their books, will be returning to their offices, further preventative works have been factored in to strengthen the walls.

7.6 Members heard that the College will also take this opportunity to modernise the building’s electrical wiring and carry out integrity testing. Building works have gone out to tender and completion of all works is expected to be end of August 2017.

Noted

7.7 Committee noted that listed building consent will be required to carry out the works, and an application has been submitted. Members asked about the risk of delays in obtaining consent and heard that the College has started a dialogue with the Camden conservation officer to offset this. It was noted that there may be a possibility that the College will be asked to change the design of the roof windows to obtain consent.

Approved

7.8 Members noted the risks of structural issues in the College’s Georgian properties and approved full intrusive structural surveys for them, to determine if potential faults exist that may need to be addressed in the future. The budget cost for undertaking this type of survey will be £5k Inc. VAT per building.
8 ESTATES DEVELOPMENT PROJECTS
Received
8.1 An update on 2015/16 and 2016/17 estates development projects (E 2016 09 – 10)

Noted
2015/16 & 2016/17 Project Progress
8.2 Members noted that the 2015/16 revenue projects were completed successfully within budget and 2016/17 projects completed so far are also within budget with no overspend expected on any of the remaining live projects.

Library group study space
8.3 Members heard that the new group study space in the Library is now open and available to students.

Capital Projects – Earth Sciences Clean Room
8.4 Committee heard that the delivery of the clean room was delayed until October 2016 as a result of waiting for HEFCE’s final approval to spend the remaining institution match funds and finalising the details of the design. Estimated completion of the project is now end of November 2016.

Noted and Approved
Capital Projects – Electron Microscope
8.5 It was noted that the College was successful with its Wellcome Trust bid for a 200KeV microscope. Wellcome Trust has now invited the College to submit a bid for a 300KeV microscope. The results of the revised bid are expected in December 2016 and if successful, a development budget will be required in order to begin the detailed design work required to accommodate the equipment. Estates Committee approved budget requirements for the project.

Noted and Approved
Capital and Revenue project Requests for 2017-18
8.6 Members noted a number of projects planned for 2017 and approved a £22,000 development budget. These funds will be used to further develop the project requests for investigation before each project is presented to the Committee for approval in February 2017. A complete list of projects is noted in paper E 2016 10B.

Postgraduate Research Centre (PGRC)
8.7 The Committee discussed the idea of creating a College level PGRC. The Executive Deans supported this development, and it was noted that this project could have potential as a fundraising initiative. Members also noted that the Committee would need to confirm that resourcing a PGRC initiative was consistent with the College’s overall goals.

9 ENVIRONMENTAL UPDATE
Received
9.1 An update from the sustainability manager (E 2016 11)
9.2 The Committee commended the Sustainability Manager noting that the College and its Bloomsbury College partners SOAS and LSHTM had achieved the EcoCampus Platinum award as well as the ISO 14001 Environmental Management System Certification.

9.3 Members heard that the Environmental Management System certification will help to achieve cost savings through process efficiencies and also enhances the College’s image and reputation.

9.4 External relations have and will continue to publicise this achievement through relevant press releases and on the College’s website.

10 DATES OF MEETINGS IN YEAR 2016/17
   - Tuesday 21 February 2017, at 2pm
   - Thursday 4 May 2017, at 2pm