**MINUTES OF THE ESTATES COMMITTEE**

23 February 2015

Present
Professor David Latchman (Chair), Verity Hutton (Arts School Manager, for Professor Hilary Fraser), Professor Matthew Innes, Professor Nicholas Keep, Mr John Lindner, Mr Daniel Peltz, Professor Philip Powell, Mr Peter Zinkin, Professor Miriam Zukas

In attendance
Mr Ola Bankole (Environmental Manager, for item 19), Mrs Katharine Bock (Deputy College Secretary: Governance), Mr Keith Harrison (College Secretary), Mr Mick Lorkins (Head of Capital Projects), Ms Roisin Lynch (Governance and Corporate Support Coordinator), Ms Svetla Mirova (Management Accountant), Mr Chris Murphy (Head of Development and Alumni), Mr Mark Pimm (Disability Service Manager), Ms Megan Reeves (Deputy College Secretary: Operations), Mr Andreas Schmidt (BEI School Manager), Mr Jeremy Tanner (Director of Commercial Services and Estates Development), Ms Liz Whitehead (Facilities Manager), Mr Keith Willett (Director of Finance)

Apologies
Professor Hilary Fraser, Dr Stewart Motha

15 MINUTES
Received
15.1 The Minutes of the meeting of 29 October 2014.

16 MATTERS ARISING
Friends House
15.2 The Director of Commercial Services and Estates Development was in communication with the Law School Manager over the issues that had been experienced with Friends House. It was important to ensure that the School of Law room allocation for next year was discussed as early as possible. Members noted that these issues highlighted the need for an Estates strategy which ensured that Birkbeck had more control over the space it used.

17 REPORT TO THE FINANCE AND GENERAL PURPOSES COMMITTEE
Noted
17.1 F&GPC’s receipt of the Report of the Estates Committee following its last meeting (E 2014 12)
18 ACTIONS
Received
18.1 An update on progress on actions agreed at the previous meetings (E 2014 13)

Student Social Space
18.2 The Student Union Representative and the Director of Commercial Services and Estates Development had met to discuss how to meet student desire for more social space. See minute 21.4 for further discussion of how social space would be integrated with the broader estates strategy.

18.3 The College would discuss access to student space in the new North Block development with SOAS. This access remained an important part of Birkbeck’s expectations for this building.

Senate House North Block
18.4 The College Secretary and the Director of Commercial Services and Estates Development had set up a formal meeting with Laura Gibbs (SOAS Head of Administration) and Richard Poulson (SOAS Director of Estates) about signage on the hoardings around the development, and long term arrangements for the space.

19 ESTATES PROJECTS
Received
19.1 An update on progress in Estates development projects (E 2014 14A), Estates Maintenance projects (E 2013 14B) and an updated budget for Estates development and maintenance projects (E 2014 14C)

Noted
Development Projects
19.2 Since the October Estates Committee meeting a further eight of the 2013-14 projects have been completed by the Estates development team. There were 4 remaining projects which are being finalised for handover.

19.3 Estates Committee noted the projects for which the Estates department had received requests in November for delivery during the 2014-15 project cycle. Full budget proposals would be brought to the next meeting of the Estates Committee for approval. The proposed projects include an upgraded Petrology teaching laboratory for Earth Sciences, which is match funded by a £650K HEFCE grant, refurbishment at 7 Bedford Square, heating and cooling system replacement for the Clore management centre and a range of enhancements in the Georgian houses occupied by the Schools of Arts and Social Sciences, History and Philosophy and in the Library.

19.4 The current total estimated cost to the College is £1.5M, of which c£1.2M is anticipated capital expenditure and the rest revenue expenditure. Estates
Committee will consider full costed proposals for the work in May; and agree budgets.

**Approved**

19.5 The proposed budgets for fees needed to work up fully costed proposals, estimated at £50K.

19.6 The cost codes for fee budgets as listed on the Estates Development Projects Update Spreadsheet.

19.7 Authorisation of Chair’s Action to approve the final budgets for the following projects, to allow work to proceed before the next meeting of the Estates Committee:
   - Library enabling room
   - Network Hub location enhancements
   - Enabling moves for the Petrology Lab

However, the Committee asked that the Estates department undertake further consultation with the Students Union on the timing of the Library enabling room and Network Hub location enhancement projects to prevent undue disruption in the Library while students were studying for exams.

**Maintenance Projects**

19.8 A full modernisation for the Clore lift was currently out to tender. Work was due to take place from 6 July 2015 to 23 September 2015. A new lift for 30 Russell Square was also out to tender and installation was again due to take place between 6 July 2015 and 23 September 2015. It was likely that the final phased payments for these works would be charged to the budget for the year 2015-16.

19.9 The Committee commended the work of the Operational Estates manager and his team who had worked over Christmas to successfully replace the Malet Street Extension building electrical switch room, with minimal downtime for the Crystallography research laboratories located in the building. Some of the other electrical work in the Malet Street main building had been put on hold while a complete condition survey of the main building electrical distribution supplies was carried out. The recommendations of the condition survey would feed into next year’s LTM budget.

19.10 The Committee noted that, as some projects had been delayed, the underspend on the 2014-15 budgets could be used to carry out other work arising in this financial year.

**Budget for Estates Development and Maintenance**
19.11 Changes were being made to the way the projects and budgets information was presented to ensure consistency between the Estates and Finance departments and to present information in a way which meets the needs of both departments and the Estates Committee committee.

20 ENVIRONMENTAL UPDATE

Received

20.1 An update from the sustainability manager (E 2014 15).

Noted

20.2 Good progress had been made on promoting sustainability across the College: the environmental management group now had representatives from a significant majority of Schools and professional services departments, which would allow initiatives to be rolled out more broadly across the whole institution. The use of environmentally friendly paper was also becoming more widespread.

20.3 Although Birkbeck’s carbon emissions in 2014-15 were estimated to be lower than last year’s, fees payable due to the mandatory CRC Energy Efficiency Scheme would be significantly higher, due to a rise in the cost of carbon per tonne charged by the scheme. This reinforced the need for the College to intensify its efforts to reduce carbon emissions.

Action

20.4 (OB) Bring comparative data showing what the College would be required to pay under the CRC scheme if reductions had not been made.

20.5 In future the Long Term Maintenance project proposals would be aligned with proposed environmental projects, to allow the Committee to ensure that the most effective interventions were being made.

Action

20.6 (OB) Ensure that future reports place carbon reduction efforts and proposals into the context of the College’s overall carbon reduction targets.

20.7 Members heard that switching 41 of Birkbeck’s oldest and most energy intensive hand dryers for a more eco efficient dryer, the Xlerator Eco, would yield a 95% annual saving in running costs for these 41 dryers, have a payback period of 1.5 years, and help to reduce Birkbeck’s carbon emissions by a further 14 tonnes per year.

20.8 Estates Committee supported the installation of the dryers.

Secretary’s note: this work was funded from the general maintenance budget.
20.9 The Committee heard that Birkbeck had risen 8 places in the People and Planet Green League performance table in 2015. The green league encouraged HE institutions to consider the broad spectrum of sustainability issues, not just the environmental impacts but also issues of ethics and social justice. It was agreed that the potential areas of development that had been identified would be discussed with the managers of the areas concerned with a view to continuing to improve the College’s performance.

20.10 One suggested area for further development was in Education for Sustainable Development (ESD). It was noted that there were colleagues with academic expertise in environmental management within the School of Social Sciences, History and Philosophy, and that it would be useful for them to be involved with any work in this area.

**Action**

20.11 *(OB and MZ)* Meet to discuss how development of ESD could be taken forward.

21 **ESTATES STRATEGY UPDATE**

Received

21.1 An update on implementation of the Estates Strategy *(E 2014 16)*

Noted

**Estates Strategy Overview**

21.2 Members noted that the development of the estates strategy had recently been discussed at the Governors Strategic Horizons meeting, and agreed that the desired outcome for the estate should involve the best possible facilities and environment for teaching, research, students and staff; and be informed by broad consultation among staff and students. Particular areas identified included teaching space, best use for the Georgian houses, appropriate space for research across the College’s extensive subject range and social and group work space for students. There were several resourcing options to be explored, including partnership with other organisations, such as the potential collaboration with UCL reported last term; using cash reserves, and borrowing.

21.3 While taking this long term approach to development of the estate, the College also wanted to be able to take advantage of immediate opportunities to secure much-needed teaching space as they arose. The Committee noted that Governors had supported the setting up of a small group of Governors and College management to assess and consider property opportunities as these arose up to the point of making offers. Full approval of property acquisition is a responsibility reserved to the Governors.

21.4 Members discussed student social space and group facilities. These were very important to students, and were likely to become more so as the demographics of the student body changed. Student space would be an important part of the estates strategy for the future, and access to student space was an important part of the
College’s expectations for their involvement with the Senate House North Block development. The estates department was also working with the SU to improve the student experience now, both by more widely promoting the space that already exists, and also looking for innovative ways to create new areas for students to study in small groups and to relax within the current estate. It was noted that colleagues in the Disability Office frequently received feedback from students and this could also usefully inform this work.

**Actions**

21.5 *(JL)* Collect information on the specific needs and wants of students in relation to social space, such as group size and demand, and discuss with JT.

21.6 *(Master)* Speak to the Students’ Union about the development of the Estates Strategy.

21.7 *(JL)* Liaise with the Disability Service Manager to ensure that the students seen by the Disability Officer are aware both of existing space provision and the plans for the development of the College estate.

21.8 Members noted the opportunities to link the estates strategy with the 200th anniversary, and the development of a strategic vision of what the College should become by 2023. It was important for the whole College to understand that teaching space and research facilities were at the heart of the strategy, and for the vision to be widely communicated to staff, students, and the rest of the Birkbeck community. The 2023 working group had started to define and communicate the vision and strategy for 2023, taking in new goals and aspirations and a fundraising strategy.

**Received**

21.9 An update on the Toddlerlab development *(E 2014 17)*

**Noted**

21.10 The College had received confirmation from its tax advisors KPMG that the building can be classified as an annexe to the existing Baby Lab, allowing the construction costs in the project to be zero rated for VAT. HMRC will reconsider this once construction is complete. VAT remains payable on professional fees relating to the project and some items of fit out.

21.11 College management had opened negotiations with the University of London for the ground lease, asking for a 125 year lease. The University was unwilling to set a precedent by offering a longer than 99 year lease on a building that was not a college headquarters. As reported last term, the University’s estates policy has shifted towards an increasingly commercial approach to leasing. The College’s property advisors, BNP Paribas, advised that at commercial rates the site could be worth up to £1.1M. Following negotiations, agreement was reached in principle for a capital sum of £437,500 to secure the site at a peppercorn rent on a 99 year lease. College management was disappointed that the University did not take their plans to
construct an expensive and value-enhancing basement on the site into account while negotiating. However, BNP Paribas have confirmed that this deal represents good value in financial terms.

21.12 The Committee heard that the College had been working with a number of advisors on the procurement and delivery of the building project as it seemed likely that an Official Journal of the European Union (OJEU) notice for competitive tendering would need to be issued. Other options such as a framework agreement were being explored, and it was intended to make a decision on delivery and procurement processes in the coming weeks, to ensure that the project could be completed within reasonable timescales. The current earliest projected date for completion of the facility was Summer 2017.

21.13 Recommended for approval by Finance and General Purposes Committee and Governors:

A 99 year lease for the development site adjacent to 32 Torrington Square, for a capital payment of £437,500 and a peppercorn rent.

21.14 Due to the restriction that land under the Bedford Estate covenant could only be used for educational purposes, the University of London was interested in centrally-based colleges undertaking property exchanges of non-covenanted land for land covered by the covenant. This was not relevant in the Torrington Square transaction but other existing parts of the College Estate were non-covenanted. The Committee advised the College to approach any such exchange very cautiously in the future, due to the risks of exchanging a non-restricted property for a restricted one.

*Minute 21.15-21.20 contains commercially sensitive information and is reserved to members of the Estates Committee.*

Received

21.15 A paper on 7 Bedford Square (**E2014 18**)

Noted

21.16 As reported last term, the College expected to have vacant possession of the house at 7 Bedford Square in February 2015 and was planning to commence remedial works. However the current tenant, Amity University, asked to stay until June when an alternative property on Bedford Square will become vacant.

21.17 The property is leased from the British Museum. Following internal discussions, the College intends to use the space to house a new MBA programme, and had thus approached the British Museum in relation to planning the renovations and making an application to change the planning categorisation to full non-residential
educational use, which would give maximum flexibility in using the property to teach overseas students. The Museum was content with the works proposed but expressed reservations on the change of use proposal. Negotiations on this would continue. Members heard that if necessary the building could be refurbished as office space for the MBA, releasing teaching space elsewhere, but that this was not an ideal use of the space. Members recommended that the College explore the possibility of a temporary change of use or an extension to the lease period with the British Museum.

21.18 College management reported their desire to maintain amicable relationships with Amity, while still wishing to act robustly to ensure vacant possession of the house by the end of June 2015 to provide enough time to carry out necessary refurbishments and launch the new programme. The College’s solicitor had suggested the rental charge to Amity be increased to 120% for the requested extension period and that Amity be required to provide £100K deposit, that would be released if they vacated on time. Committee members noted there was a risk that Amity still might not leave at the end of the period, leading to legal action and delays, and asked College management to pay close attention to the situation.

Endorsed

21.19 This course of action in relation to 7 Bedford Square.

Noted

21.20 Due to the long lead time involved, the College would continue to procure the lift for this building.

Note: after the meeting Amity agreed to the rent/deposit proposal outlined above.

DATES OF MEETINGS

Noted

21.1 The date of the Summer term meeting:
- Wednesday 6 May 2015 at 2pm