

	PAPER NO: PC.06(12)
Committee:	Property Committee
Date:	29 February 2012
Subject:	General Estates Matters
Author:	Stephen Wells, Director, Estates & Facilities
Executive sponsor:	Martin Earwicker, Vice Chancellor
Recommendation by the Executive:	Update on General Estates Matters, the Committee is requested to note the contents.

Executive summary

- EAF have submitted draft 2012/13 budget on the 15th February 2011 to inform the space charge for 2012/12. It is intended to develop the SLA covering services provided to the general campus to complement the space charge process.
- LSBU was shortlisted for our exemplar approach to environmental sustainability under the Outstanding Contribution to Sustainable Development category for the Time Higher Education (THE) Awards. Unfortunately we were not successful.
- EAF Group structure has been reviewed to be more focused, effective and make the best use of time. The review concluded that the work of the Sustainability & Energy Group should be merged with that of the Space Management Group, with the latter being renamed the Estate Management Group.
- Student Centre commenced on site on the 30th January 2012, Construction contract programmed for completion in July 2012, with equipping and occupation over the summer 2012 for the new academic year.
- Changing to a flexible procurement tariff managed by Buying Solutions for electricity (April 2012) and gas (April 2013), switching to flexible procurement allows us to better manage energy risk and our budget to ensure optimum efficiency.
- Eileen House to Technopark project is progressing well with completion planned for end of June 2012

	Board/Committee	Date
Matter previously considered by:	N/A	
Further approval required?	N/A	

Communications – who should be made aware of the decision?	N/A
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1. General

- Estates have almost completed the re-procurement of framework specialist consultants. The frameworks for the architect, building surveyor, space management adviser, planning consultant, quantity surveyor, M&E Engineers and Construction Design Management Coordinator have been awarded. Those outstanding are Lift Engineer, Asbestos Management and Auditing.
- EAF will submit the 2012/13 budget to include bids for residences based on the formalised programmes of Long Term Infrastructure Maintenance Works, and annual Summer Works to refresh the accommodation, to continue to enhance the residents' experience. It is essential that these properties, the student's homes, are maintained to an acceptable standard, with life cycle programmes of work. Business Cases for each programme will be submitted in line with the new university processes.
- Work has continued to refine the Service Level Agreement (SLA) covering services provided to Residences, to support the transfer of budget responsibility 2011/12. The final SLA has been developed and has minor changes to be made before sign off.
- It is intended to develop the SLA covering services provided to the general campus to complement the space charge process.
- An Interim Programme Manager has been commissioned to further develop the proposals for the board initiated additional capital expenditure to 'Enhance the Student Environment', including assisting in drafting of the separate paper to this committee today, and the paper to the meeting of the Board on 8th March.
- LSBU was shortlisted for our exemplar approach to environmental sustainability under the Outstanding Contribution to Sustainable Development category for the Times Higher Education (THE) Awards. Unfortunately we were not successful.
- The Head of Estates is now chair of the London Region of the Association of University Engineers, and will oversee arrangements for London hosting the national conference in 2013.

2. Estates & Facilities Chaired Groups

In order to deliver its Business in collaboration with, and to the satisfaction of, its stakeholders, the Directorate arrange the following group meetings.

2.1 Estates & Facilities User Group

- The Estates & Facilities User Group (E&FUG), where representatives of occupiers and Estates and Facilities discuss performance in service delivery and opportunities for improvement, met 14th December 2011.

- The main issues discussed related to:-
 - Environmental Report
 - FM Performance report
 - Maintenance Performance Report
 - Project Report
 - Problem Resolution

In support of the group, senior management of EAF meets an occupier representative each week to inspect a building and identify issues/opportunities.

2.2 Space Management Group (SMG)

- The group comprises faculty/departmental representation at Pro-Dean/Head of Department level with Estates & Facilities and oversees space matters and occupier needs project approval. The group met 25th January 2012 when the main topics discussed were
 - Support Department representation
 - Environment Briefing
 - Space issues, including that currently vacant
 - Space Charging with a general update on progress
 - Functional Suitability Survey
 - Project progress
 - Occupiers needs project programme 2011/12
 - Problem resolution
 - Terms of Reference

2.3 Sustainability & Energy Group

- The group comprises energy specialists from ESBE, together with representation from Faculties, ICT, Residences and Estates & Facilities who oversee EAF approach to energy and environmental matters.
- The group met on 2nd November 2011 when the main topics discussed were
 - Environment and Energy Update
 - Energy KPI report
 - Terms of reference (combining with SMG into Estates
 - Facilities Management Group)
 - Briefings on external events

Group structure

The Estates and Facilities Directorate has reviewed these committees to ensure they are focused, effective and make the best use of time. The review concluded that the work of the Sustainability & Energy Group should be merged with that of the Space Management Group, with the latter being renamed the Estate Management Group. This approach was approved by both groups.

3. Development Project Updates

Student Centre Project

- Stage B “Design Brief” report issued March 2011.
- Stage C “Concept” report issued April & addendum issued May 2011.
- Stage D “Design Development” report issued early August 2011.
- All surveys, investigations and like completed during Stage D.
- Following informal and formal pre application meetings with Southwark and public consultation in July 2011, full Planning submission made in August 2011. Planning permission was subsequently granted by Southwark on 14th December 2011.
- Stage E “Technical Design” was completed late September 2011 providing tender information.
- Designed scheme is within the approved project budget.
- Following OJEU advert for main construction contract a tender list of five contractors to tender was agreed and tenders were issued 28 September 2011. Tender returns were received on 18 November 2011, an affordable tender was recommended facilitating the approval of the full business case at the Property Committee on 14th December 2011.
- Key enabling works of relocation of ESBE dust and fume cabinet extract plant and flues successfully completed over the 2011 summer recess to remove from within the development area. Further enabling work items of diversion of Edric Hall ductwork, diversion of Borough Road Building electrical bus bar, removal of ceilings in the ground floor of the Tower Block and catering enhancements in the Hub café have all been being developed and executed during the autumn of 2011 to de-risk and maximise the construction contract period. Re-provision of Out of Hours access doors to both Borough Road Building and the Tower Block have been completed.
- Stage F “Production Information” is now complete. A purchase order was placed by LSBU with a main contractor Mansell Construction Services Ltd. on 10th January 2012 and they have commenced on site on 30th January 2012.
- Construction contract programmed for completion in July 2012, with equipping and occupation over the summer 2012.

Enterprise Centre Project

- Stage B “Design Brief” report issued March 2011.
- Stage C “Concept” report issued early June 2011.
- Stage D “Design Development” report issued late August 2011.
- All surveys, investigations and a complete building condition survey completed during Stage D.
- Following informal and formal pre application meetings with Southwark, English Heritage and The Georgian Group, a public consultation was held in mid September 2011 and a full planning and listed building application has been submitted in October 2011. Expectation is now for a determination by late February 2012.

- Current scheme is costed as within the approved budget.
- OJEU advert for main construction contract was placed in August 2011; PQQ response received early October 2011. Tender list of six contractors agreed. Tenders were issued 16 January 2012 for a return on 5 March 2012.
- Stage E/F “Technical Design” was completed in December 2011 to form tender information.
- A programme for the submission of the Full Business Case at the Property Committee meeting of 25 April 2012 has been developed, which if approved means the construction contract will commence in June 2012 for completion by the end of April 2013.

4. Property Updates

- **Havering**

The new lease at Havering is in near final form

London NHS declares the rent has to be increased to the District Valuer & Valuation Office assessment of £260,762.81 which is considered a reasonable figure. The Property Manager has negotiated for the new rate to apply from 1 August 2012 only and kept a lower rent within existing budget until then.

- **Blackwell’s Bookshop**

The tenant has vacated the property.

There are structural defects to floor slab; costs to repair are awaited from the structural engineer.

Provisional advice on letting prospects, and rent achievable, may mean that expensive repairs not warranted. The Property Manager will review holding costs and whether it is worthwhile relocating the Foundation Campus (located on the 1st floor) for 2013-14

- **Tower Block**

The Property Manager resolved the license for the new Student Centre with the City of London

- **Functional Suitability**

EAF carried out a survey of faculty staff & students to seek information that would be used to inform future plans for projects and initiatives for learning and teaching accommodation. Questionnaires were issued and followed up but the response was disappointing. EAF used what was received and added their value from the technical viewpoint, to inform future projects and the EMS returns. A new methodology will be trialed next year whereby a champion will be nominated in each faculty who will canvas views and complete the survey documents.

5. Energy & Environmental Team Updates

- **Awards**

The Times Higher Education Awards (THE Awards)

LSBU was shortlisted for Times Higher Education awards in two categories: Research Project of the Year and Outstanding Contribution to Sustainable Development.

The Energy & Environment team within Estates & Facilities was shortlisted on behalf of the University for its exemplar approach to environmental sustainability. The awards ceremony was held on the 24th November in the Grosvenor Hotel. Although LSBU did not win in either of the categories, its entries were commended.

The energy & environment team have reviewed the winning entry and other nominees to further develop its environmental sustainability programme and intend to apply for the award next year.

- **People and Planet Green League Schedule**

The preliminary timeline for the People and Planet Green League has been released. LSBU hopes to maintain its upper quartile (1st class) position. The key dates for the green league questionnaire are outlined below.

- Publication of Green League Guide 2012, including full criteria and methodology – **18th January 2012**
- Green League 2012 questionnaires sent out to institutions – **13th February 2012**
- Deadline for return of completed questionnaires – **23rd March 2012**
- Initial scorecards to institutions and appeals phase – **16th – 27th April 2012**
- EMS data checks – **30th April 2012 – 4th May 2012**
- Final scorecard to institutions and publication – **late May/early June 2012.**

We will report on our Green League performance in the summer and provide a detailed comparative performance against our London peers.

- **Energy and Environment Management System (E&EMS)**

- **Internal Audit**

The first internal audit was carried out on 29th and 30th November 2011. During this audit all documentation and procedures were audited and various members of staff were interviewed to ensure compliance. The auditor recommended opportunities for improvement in relation to management of hazardous waste. Further, the audit has enabled us to identify areas where further efficiency can be made. These amendments and improvements will be completed prior to the next surveillance audit (April 2012).

- **ISO 50001 Conversion**

The EN 16001 standard will be withdrawn in April 2012 and replaced with the new international energy management standard ISO 50001. This standard has similar requirements as EN 16001 however lays more emphasis on energy performance indicator and reduction targets. Part of our next surveillance audit will be devoted to auditing us against ISO 50001 requirements. We are confident of demonstrating conformance to the system requirements and become the first university in the UK to receive certification. This will further reinforce our position as a leader in the field of operational environmental sustainability.

- **Scope Extension**

Currently the E&EMS is limited to Southwark campus. However, as we had informed the committee earlier the intention was to extend the scope our E&EMS to Havering in 2011-12. We have undertaken a gap analysis and are working with staff at Havering campus to prepare it for audit. In addition to this we intend on developing a more inclusive E&EMS with more robust waste reporting and training programme.

- **Energy**
 - **Flexible Procurement**

We will be changing to a flexible procurement tariff for electricity from the 1st April 2012. There will be no change to our electricity supplier. For Gas, the switch from a fixed to flexible tariff will happen from 1 April 2013. Switching to flexible procurement allows us to better manage energy risk and our budget to ensure optimum efficiency. This is being managed by Buying Solutions on our behalf.
 - **Electricity KPIs**

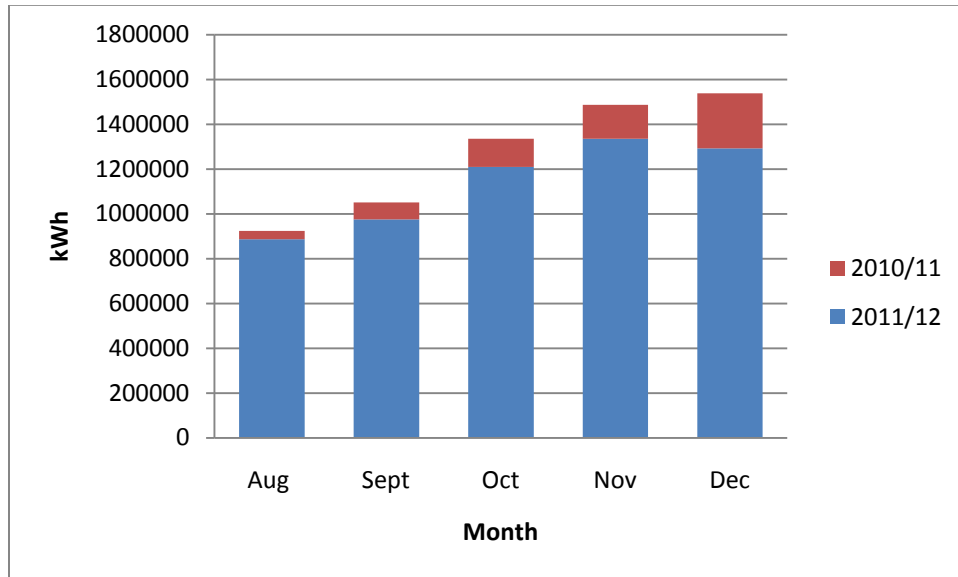
The following table summarises the electricity consumption from August-December 2011 and compares it to the same period in 2010. The invoices were only recently received due to a delay in billing hence August to December being presented altogether.

As visible from the table and graph the consumption has been lower each of the months in 2011. Overall this is a decrease of 10% for the period meaning we are on target to meet our carbon reduction target for the year. This also represents a financial saving.

When comparing this year's consumption to our carbon management plan base year the saving is 10%.

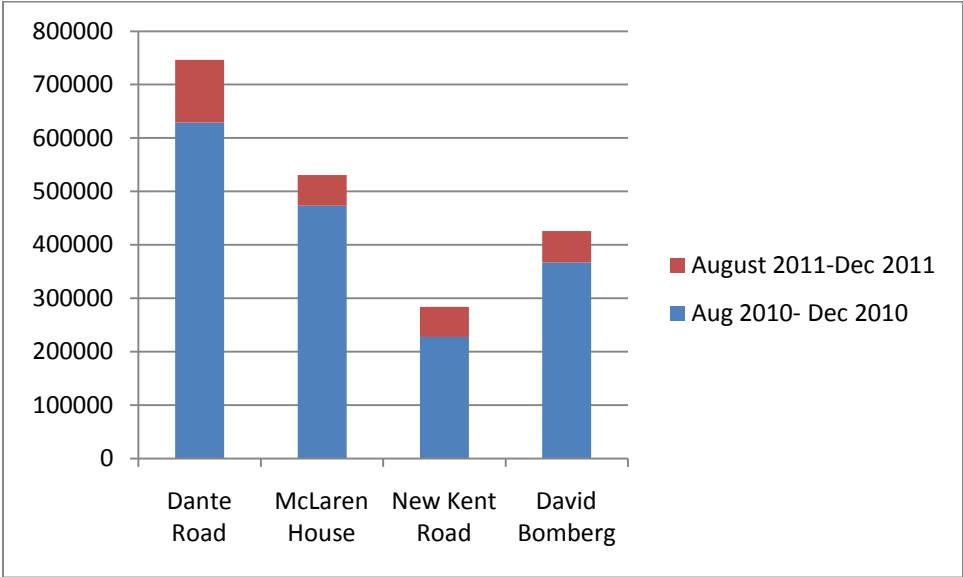
Table 1.0
Campus Consumption 2010/11 v 2011/12

	Aug	Sept	Oct	Nov	Dec	Total
2010/11	923598	1050653	1335267	1487131	1537493	6334142
2011/12	887171	975645	1209709	1335267	1292601	5700393
Difference (kWh)	36427	75008	125558	151864	244892	633749
Difference (%)	3.94	7.14	9.4	9.63	15.93	10.01



Graph 1.0
Campus Consumption Graph 2010/11 v 2011/12.

The comparable consumption has reduced by 633749 kWh. This decrease can be attributed to better operational controls, reduced energy use as a result of the carbon reduction projects and the behaviour change campaign.



Graph 2.0

Residences Consumption Comparison 2010/11- 2011/12

Graph 2.0 displays the halls electricity consumption from August to December 2010/11 compared to 2011/12. This is a total reduction in 290223 kWh this can be attributed to a milder winter. It must be noted that all Halls of Residences except McLaren House use electricity as their main source for heating.

- **Scope 3 emissions**

Scope 3 are indirect emission such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. Transmission & Distribution losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

HEFCE have now launched 4 reports covering different areas for which they are trying to introduce guidelines for measuring and reporting scope 3 carbon emissions; with a focus on procurement and using 2012 as a base year; with an overall target of creating sector wide targets to come into force in December 2013.

- **Staff & Student Engagement**

- **Staff**

There are approximately 16 teams signed up to this year's Growing Greener staff award scheme. Through this campaign environmental awareness has been introduced through briefing sessions for existing staff.

Teams receive regular newsletters with tips on how to progress in the campaign, regularly meet the energy and environment team and receive a workbook to complete. Teams are also encouraged to come up with innovative environmental events/projects with the support of the energy and environment team. Teams must submit their workbooks on the 20th of April; they will then be audited on the 24th. The award ceremony has been planned for 17th May where the VC will be distributing the prizes.

- **Students**

Several student events have been held at both Southwark and Havering campus to engage students on the environmental agenda. This has included quizzes and photo competitions.

In addition to this, assistance to student projects has been provided around campus by providing CEREB tours, lectures and coursework support, in particular for student projects in McLaren House, Keyworth and K2 so far this year.

The team is also contributing to LSBU's annual Money Doctor's event by giving advice on environmental well being and financial savings to students.

- **Training**

A new staff induction has been introduced which is presented to all new starters in the compulsory Health and Safety induction. If these sessions prove to be successful we will introduce a selection of e-learning packages.

As part of the E&EMS, internal auditors will be identified and trained, if you or a member of your team is interested in this training please contact the energy and environment team.

- **Planned Work**

- **Carbon Reduction Projects**

A number of Carbon reduction projects are being delivered this year. These include:-

1. Lighting upgrade in Perry Library, London Road Sports Centre and the LRC
2. Heating infrastructure works in McLaren House and J Block
3. Better and improved control for independent air-conditioning units
4. Chiller upgrade – Faraday Wing

- **Events**

This year's Go Green Week will be held from the 6th till the 10th of February at the Southwark campus. There will also be green events at Havering in the following week. During the week a number of projects will be organised. These include an eco-gym, driving simulator, water explorer and free bike maintenance sessions. It is hoped the wide range of subjects will appeal to both staff and students.

6. Project Team Updates

- **Project Programme**

The Project team are progressing the 2011/12 programme of projects which, excluding the Student Centre and University Centre, total in excess of circa £8.5m, including

- £2.5m Long Term Maintenance (LTM) projects such as Water compliance works, fire alarm and emergency lighting upgrade, refurbishment of toilet refurbishment, Lighting upgrades,
- £1m Carbon Reduction projects such as lighting controls, Heating controls upgrade, Chiller replacement.
- A £500k Occupiers Needs programme of projects such as classroom refurbishment, laboratory refurbishment, media room soundproofing.
- A £550k programme of room redecoration and re-flooring.

- The major upgrade of Technopark to allow the relocation of Eileen House occupants at a cost of £2.64m
- Projects approved to proceed in advance of the Enhancing the student Experience programme including
 - Creation of a Rehearsal space at a cost of £219k
 - Creation of a product design facility at a cost of £250k
 - Creation of the David Bomberg Gallery at a cost of £147k
 - Upgrade of the entrance to Borough Road at a cost of £453k
 - Creation of new VERT and Radiation laboratory facilities at a cost of £493k
 - The provision of the project based learning and employability hub, at a cost of £600k, will be incorporated into the Student Centre project

- **Response**

Despite the very late addition to the programme by the university, the team has given an excellent response to progress the projects for very early delivery, in particular the Rehearsal space, the Borough Road Entrance and the Product Design Studio

- **Project Governance**

Estates continue to refine the internal Project Board process for the smaller, routine maintenance projects to ensure there is adequate challenge and monitoring of all projects, and that changes to projects are considered and formally approved.

This process includes a dynamic report, updated continuously by project managers with a 'fixed save' monthly after each meeting, which captures for each individual project its:-

- Title
- Description
- Budget, and forecast spend
- Milestone programme, and progress
- Progress report.
- Cost, quality and programme KPI's

The process also includes the requirement for Change Requests for any deviation on cost/scope/time from that originally agreed.

The team is becoming familiar with the new processes, in addition to the developing university processes.

- **Eileen House to Technopark Project**

The project is progressing well on site, including people moves. Always a difficult project, it has not been helped by some occupants, having signed up to a provision, then holding the project to ransom to achieve an enhanced provision. This, together with the inevitable communication challenges of such a complex project, has conspired to delay the project. It is to the credit of the

Senior Project Manager that he is managing to drive the project forward, to programme.

The framework contractors accommodated in Eileen House will move to the basement of Perry library and be housed there in Portakabins. The Government Procurement Service new Framework for modular buildings is being used to procure them and this aspect is currently out to tender.

- **Increased Electricity Supply to the Main Buildings complex**

Major works were successfully completed between 3rd and 5th February in conjunction the utility, UK Power Networks, to change over to new supplies; this was carried out through a well planned project starting with load shedding from the start, through optimised shutdowns, to the permanent new supplies, causing minimal disruption to the university in the process. This hidden piece of work addressed many electricity supply issues including the cable damaged during the construction of K2 and the increased power requirement of the new Students Centre.

- **Project framework contractors**

The frameworks for 4 building contractors and 3 engineering contractors whereby projects are 'mini-tendered' between them, to facilitate a speedy yet competitive process is being utilised. It is working quite well from the building contractor aspect, not so well from the M&E Engineering aspect. 1 of the three M&E contractors is familiar with the standards required by LSBU and is delivering well; the other 2, who performed well in the procurement process, are struggling to deliver to the required quality. Work will continue to address these shortcomings and continuously improve these arrangements to support our project managers in their delivery of projects.

The process includes for individual project evaluation on a cost and quality basis, in future successes in each mini tender will be influenced by the contractors 'quality performance' on their previous project for LSBU.

7. Maintenance Updates

Given the wide range of issues that the Team address, the following high level report is given to provide an indication of the challenges:-

- **Performance**

The Maintenance contractor has continued to deliver a high level of service and has met their SLAs for reactive and PPM tasks for the months of December and January. December saw the Christmas shutdown and the opportunity was taken to increase PPM tasks and engineering system improvements.

Our direct labour maintenance team continue to deliver a good service within SLA on reactive calls generated. Direct labour continues to carry out works at

the Residences as a management cost control measure and improved customer service.

The Maintenance team continue to monitor the Tribal CAFM system and chase any jobs which are getting close to the end of their SLA. This is in addition to carrying out their normal PPM and reactive jobs auditing responsibilities for systems.

The team have developed their auditing arrangements which is showing dividends in the improved quality of service; not only does this improve the service to customers it is rewarding to the team to see the consequences of their good work.

Water hygiene work has progressed well throughout Campus as well as Fixed wire remedial works at the residences

- **Long Term Maintenance Project Briefs**

Due to long term staff absence, this has delayed preparation of the project briefs for this programme. Maintenance are the client and need to develop their requirements; failure to do so in a timely manner then delays the Project team in their preparations for 2012/13 which produces the inevitable 'bow wave' at the year end. It is intended, subject to appointment/competence, to use to proposed additional interim project manager to support the Maintenance team in this process.

- **Budget**

The team is continually challenged to carry out additional works within a budget that has little allowance for the unexpected. Examples include:-

- replacement of the Georgian Terrace roof lead flashings following theft at a cost of circa £60k,
- £62k replacement of fire extinguishers following the identification of a technical problem,
- much increased demand for reactive repair, likely due to the reaction to the space charge to for the campus, and the removal of deposits from the Residences, and many others.

Maintenance are working with their major supplier to explore the opportunities for cost reduction including:-

- The employment of semi-skilled handyman to reduce the cost of using the Maintenance provider's skilled tradesmen.
- Business Focused Maintenance (BFM), where maintenance is planned on the basis of risk to the business; the Engineering & Maintenance Manager has bid to the Association of University Engineers for LSBU to be selected to work with the Building Services Research & Information Association in developing a toolkit for all universities to use.
- Analysis of Residence reactive tasks with a view to convincing Finance and Residence & Catering Services to reinstate the student deposit, or alternatively provide a budget for student damage, as well as using handymen

- Refining the current service level agreement to optimise staff usage, and minimise wasted 'travelling' time.
- Exploring better ways of addressing the issues with job reporting/managing through the Tribal/Concept interface
- **Residences**

There are major technical faults to address, using reactive repair budgets until the issues can be addressed; the design of the showers, in McLaren House in particular, have not stood the test of usage and need to be upgraded. Each year a small number are refurbished; however, there is no straightforward solution and the design is developed each year using experience gained. Next year double the budget is being bid for. In the meantime, Maintenance has to carry out temporary repairs in the occupied accommodation, which inevitably need to be repeated during the year on the same shower to contain the problem.