

Meeting of the Property Committee of the Board of Governors
4pm on Wednesday, 29 January 2014
In Room 1B27, Technopark, London Road, London SE1

Agenda

<i>No.</i>	<i>Item</i>	<i>Paper No.</i>	<i>Presenter</i>
1.	Welcome and apologies		Chair
2.	Declarations of Interest		Chair
3.	Minutes of the previous meeting (for publication)	PC.01(14)	Chair
4.	Matters arising		Chair
5.	Sustainability report (to note)	Presentation	HEO
6.	Update on Confucius Institute (to note)	PC.02(14)	PVC(E)
7.	Clarence Centre for Enterprise and Innovation key targets (to note)	PC.03(14)	PVC(E)
8.	Update on Peabody Trust (to note)	PC.04(14)	EDCS
9.	Update on Estates Strategy (to discuss)	PC.05(14)	EDCS
10.	General Estates Matters (to note)	PC.06(14)	EDCS
11.	Any other business		Chair
12.	Date of next meeting – Wednesday 7 May 2014 at 4pm		Chair

Members: Ken Dytor (Chair), David Longbottom (Chairman of the Board), Prof David Phoenix (Vice Chancellor), Barbara Ahland (SU President), Sarah Mullally, Andrew Owen and Prof Shushma Patel.

With: Chief Financial Officer, PVC (Academic), PVC (External), University Secretary, Executive Director of Corporate Services, Director of Estates, Head of Estates Operations (for item 5) and Governance Officer.

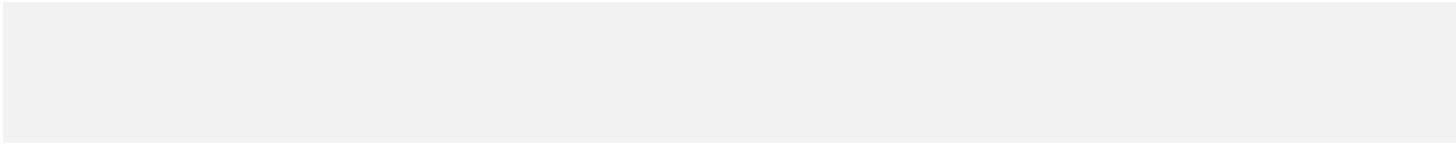
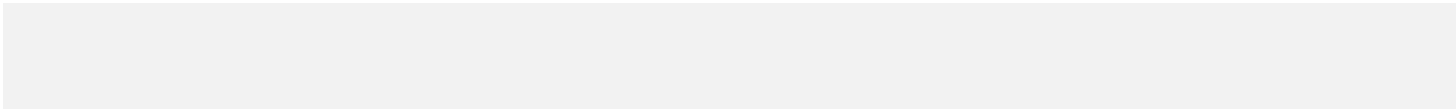
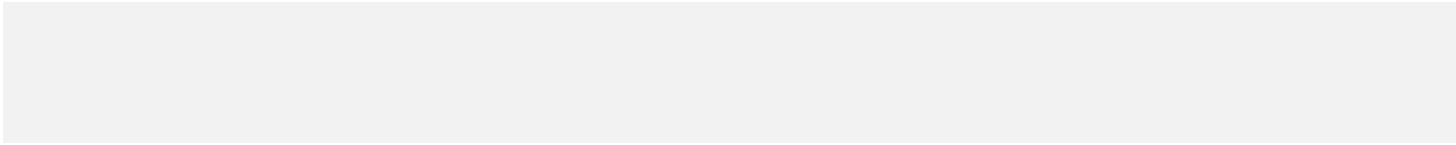
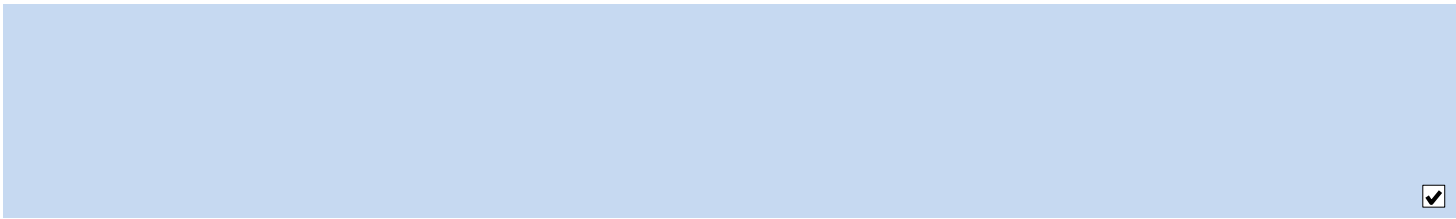


Committee Action Points

23 January 2014

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Committee	Date	Minute	Action	Person Res	Status	
Property	18/09/2013	4	Publication of minutes	Secretary		<input checked="" type="checkbox"/> Completed
Property	18/09/2013	8	Data on number of users of the Student Centre to be circulated to the committee	PVC - A		<input checked="" type="checkbox"/> Completed
Property	18/09/2013	10	Key targets for occupancy and use of Clarence Centre to be reported to committee	PVC - E	On agenda	<input checked="" type="checkbox"/> Completed
Property	18/09/2013	14	Update on Hugh Astor Court to next meeting	EDCS	On agenda	<input checked="" type="checkbox"/> Completed
Property	18/09/2013	16	Update on estates strategy to January 2014 meeting	EDCS	On agenda	<input checked="" type="checkbox"/> Completed
Property	18/09/2013	18	Report on sustainability (including K2 building KPIs) at its next meeting.	EDCS	On agenda	<input checked="" type="checkbox"/> Completed



	PAPER NO: PC.01(14)	
Board/Committee:	Property Committee	
Date:	29 th January 2014	
Paper title:	Property Committee minutes – 18 September 2013	
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors	
Board sponsor:	Ken Dytor, Chairman of the Property Committee	
Recommendation:	That the committee approves the minutes of its meeting of 18 September 2013	
Aspect of the Corporate Plan to which this will help deliver?	N/A	
Matter previously considered by:	N/A	N/A
Further approval required?	Published on the university's website	On:
Communications – who should be made aware of the decision?		

Executive Summary

The Committee is asked to approve the minutes of its meetings of 18 September 2013 and the suggested redactions (in grey) for publication on LSBU's website.

Minutes of a Meeting of the Property Committee
held at 4pm on 18 September 2013
in Room 1B27, Technopark, London Road, London SE1

Present

Ken Dytor	Chairman
Prof Martin Earwicker	Vice Chancellor and Chief Executive
Andrew Owen	
Prof Shushma Patel	

In attendance

Prof Phil Cardew	Pro Vice Chancellor (Academic)
Beverley Jullien	Pro Vice Chancellor (External)
Ian Mehrtens	Executive Director of Corporate Services
James Stevenson	University Secretary and Clerk to the Board of Governors
Michael Broadway	Governance Officer

Welcome and Apologies

1. Apologies had been received from Barbara Ahland, David Longbottom (Chairman of the Board), Sarah Mullally and Richard Flatman.
2. The committee welcomed Prof Shushma Patel to her first meeting of the committee.

Conflicts of Interest

3. No interests were declared on any items on the agenda.

Minutes of the meeting of 30 January 2013

4. The committee approved the minutes from the meeting held on 30 January 2013 (paper **PC.12(13)**) and the proposed redactions for publication.

Matters Arising

5. There were no matters arising which were not covered elsewhere on the agenda.

Update of Student Centre

6. The committee noted an update on the Student Centre project (paper **PC.13(13)**). It was reported that the University was working with Mansell to complete snagging

but that all major outstanding issues had been completed. It was reported that a post investment review against the original objectives would be undertaken one year and three years after completion of the works and reported to the Property Committee.

7. The committee welcomed the news that the Centre had won the Architects' Journal Retrofit Award for Higher Education.

Impact of Student Centre from the Student Perspective

8. The committee noted the report on the impact of the Student Centre from a student perspective (paper **PC.14(13)**). The committee noted that the general impact on students and staff appeared to be positive. Further objective data including number of students using the Centre was requested.

Update on Terraces Renovation

9. The committee noted an update on the terraces renovation project (paper **PC.15(13)**). The committee noted that the renovated buildings had been named the "Clarence Centre for Enterprise and Innovation". The Clarence Centre was now occupied by staff and would be open for external lettings in October 2013, including the retail units on London Road.
10. The committee requested a brief report on the key targets for occupancy and use of the building to be reported to the committee.
11. The committee noted that although it had been a complicated project, pleasingly it was on budget and the target date for occupancy had been achieved. The committee recommended inviting Southwark councillors to visit the Centre.
12. The committee noted that the Centre had been entered for a Civic Trust Award.

Update on Perry Library Project

13. The committee noted an update on the Perry Library entrance project (paper **PC.16(13)**). The new entrance was now open and was more prominent for students.

General Estates Matters

14. The committee noted an update on general estates matters (paper **PC.17(13)**). It was reported that the Peabody Trust were in consultation with the tenants of Hugh Astor Court about the University's proposed purchase of the building. It was

anticipated that it would take 18 months for the University to acquire the building and the freehold. An update would be provided for the next meeting.

15. In addition, the Estates team were engaged with the Elephant and Castle regeneration scheme consultation, which would impact the future estates strategy.
16. It was reported that an update on the estates strategy would be brought to the next committee meeting in early 2014.
17. It was reported that planning permission had been obtained for the new sports centre entrance on Thomas Doyle Street in the London Road building which would improve the prominence and access of sports provision.
18. The committee requested the Executive to report on sustainability (including K2 building KPIs) at its next meeting.

Committee terms of reference

19. The committee approved their terms of reference for the year 2013/14 (paper **PC.18(13)**). It was noted that there was a vacancy on the committee which would be considered.

Date of next meeting

20. The committee noted that the next meeting would be held on Wednesday 29 January 2014.

There being no further business, the Chairman closed the meeting.

Confirmed as a true record:

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Chairman



Committee Action Points

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15:22:24

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Property	18/09/2013	18	Report on sustainability (including K2 building KPIs) at its next meeting.	EDCS	On agenda	<input checked="" type="checkbox"/> Completed

	PAPER NO: PC.02(14)	
Board/Committee:	Property Committee	
Date:	29 January 2014	
Paper title:	Update on Confucius Institute	
Author:	Bev Jullien, Pro Vice Chancellor (External)	
Executive sponsor:	Ian Mehrtens, Executive Director of Corporate Services	
Recommendation by the Executive:	To note the contents of the report	
Aspect of the Corporate Plan to which this will help deliver?	Continue delivery of Estates and Facilities services to assist in enhancing the student experience and environment.	
Matter previously considered by:	Board of Governors	On: 19 th July 2012
Further approval required?	N/A	On: N/A
Communications – who should be made aware of the decision?	N/A	

Executive Summary

In February 2012 the Property Committee considered a preliminary proposal to renovate the Old Library to house the Confucius Institute with £800,000 in funding from Hanban. The Institute would be promoted to one of the first five international “Model Confucius Institutes” by Hanban. However, funding for any investment outside China was withdrawn from Hanban later in 2012 and the project postponed.

In December 2013, Hanban informed LSBU that they were able to fund a few Model Institutes worldwide and wanted to offer one to LSBU with the £800,000 funding.

The Executive discussed the opportunity in its December meeting, and it was agreed:

- That the rationale for LSBU hosting a Model Institute still holds. Acknowledgement as one of the top centres globally will help LSBU as it develops its China profile, as well as enabling contacts with a range of top universities internationally. It will also help to further strengthen our visibility and profile within the local community and schools.
- The development of specific premises also enables enhanced delivery of training for students in acupuncture, and the release of rooms in K2 for other health faculty teaching. Potentially this will create a focal point for LSBU to deliver broader well-being services to the Community.

However, since the original proposal, the Old Library has been identified as venue for the provision of new rehearsal facilities for Drama and Performing Arts, which are targeted for growth as part of the Creative Industries School.

The Executive therefore proposed the alternative of renovating Caxton House as the Model Institute, and Hanban have agreed to the change of location.

The target is for the renovation to be completed for September 2014, and alternative provision, probably in the Clarence Centre, is being identified for the Legal Advice Clinic, currently located in Caxton House.

Legal agreement with Hanban:

Hanban's grant of £800,000 is documented in a legal agreement with LSBU, which is expected to be completed very shortly under Executive authority.

The agreement records the non-repayable grant by Hanban to further the interests of the Model Institute.

In return for the grant, LSBU will make available Caxton House for as long as LSBU hosts the Confucius Institute.

In addition, the agreement records LSBU's intention to offer funding at the rate of £2million over 10 years by waiving the space, maintenance and utilities charge for Caxton House.

Refurbishment of Caxton House for the Confucius Institute

The works are mainly centred on the ground floor including fitting out an Acupuncture Clinic with new heating, ventilating and air conditioning providing 8 treatment bays with appropriate patient facilities, including hospital beds, side tables, screens etc.

There will be consultation rooms and an assessment room, together with mixed meeting and teaching room facilities, all on the ground floor. The reception will be redecorated, as will the rest of the common areas.

The main staircase will be refurbished and the upper floor offices, 1st, 2nd and 3rd will all be redecorated and have new carpets where required. The 3rd floor toilet will be upgraded and new lighting provided.

The committee is requested to note the report.

	PAPER NO: PC.03(14)	
Board/Committee:	Property Committee	
Date:	29 January 2013	
Paper title:	Clarence Centre for Enterprise and Innovation key targets	
Author:	Tim Gebbels, Director of Enterprise	
Executive sponsor:	Bev Jullien, Pro Vice Chancellor (External)	
Recommendation by the Executive:	That the committee notes the key targets for building usage	
Aspect of the Corporate Plan to which this will help deliver?		
Matter previously considered by:	Regularly considered by SBUEL Board	On:
Further approval required?		On:
Communications – who should be made aware of the decision?	N/A	

Executive Summary

The Clarence Centre for Enterprise and Innovation opened for business at the end of September 2013. The project was both on time and within budget.

Since then, we have been successful at finding tenants to fill the new space, already achieving an occupancy rate of 70%. Our tenants come from sectors as diverse as web development, charities, architects and many others. Two of the four shop units are let, and a third is currently earmarked for use jointly by LSBU's Legal Advice Clinic and a new Business Advice Centre.

The building itself has been welcomed by those who have moved into both the offices and the retail units. One unexpected outcome for tenants is that they have found that their own clients, including Vodafone, BUPA, Samsung, Toshiba and Coca Cola and other smaller companies, are visiting more often to foster collaboration, which is also starting to create opportunities for the University.

London South Bank University

A full menu of events has been running in the ground floor events space since October, including meetings run by UK Power Networks, South Bank Employers Group, the NHS from Skipton House and the Southwark Chamber of Commerce. Whilst the event space may take longer to gain traction than the office space, the quality of events is already attracting significant interest from external clients.

The Business Development team is developing and testing new processes to ensure that all visitors to the Centre, whether they are visiting tenants, attending events or just visiting the café, are appropriately targeted with information promoting our services to business.

The SBUEL Board has agreed a number of key performance indicators of the enterprise function including targets for usage of event space in the Clarence Centre and occupancy and rent realisation across both the Clarence Centre and Technopark – please see below. These targets are monitored quarterly at each SBUEL Board meeting.

The original business case for the Clarence Centre projected that we would achieve 85% occupancy levels across both the Clarence Centre and Technopark within 30 months from opening. In fact, we have already achieved an occupancy rate of 75% across both buildings after only four months, well ahead of plan.

Please note that rental income projected in the original business case is based on income from the entire third floor of Technopark following the release of space previously occupied by the Enterprise team as lettable space. However, to support wider estates work, the University has taken the A corridor back into administrative use, and so this space is therefore not now available to rent. For this reason, the income achieved will be below the levels projected in the original business case even though we still expect to meet our targets for occupancy and average rental level.

The committee is requested to note the targets for the Clarence Centre for Enterprise and Innovation and the current levels achieved for these KPIs.

Area of business	Key Performance Indicator	Rationale	2012/13	2013/14		Target	Data Source
			Actual	Forecast	YTD		
Lettings	Occupancy Rate	Headline measure of utilisation across both Clarence Centre and Technopark	85%		75%	75%	Tenancy records (based on net lettable space)
	Average rent realisation (Clarence Centre)	Measure of achieving income target	N/A		£42 / sqft	£43 / sqft	Tenancy records (based on actual let space)
	Average rent realisation (Technopark)	Measure of achieving income target	£37.50 / sqft		£38 / sqft	£41 / sqft	Tenancy records (based on actual let space)
	Usage of event space	Measure of business engagement (Heart of SE1)	N/A	N/A	23%	40%	Room booking system (based on Mon-Fri availability)

Footnotes:

1. 2013/14 occupancy level is for Technopark alone. Long term target is to achieve this level of occupancy within 30 months of opening. The current level of 75% is above expectation for meeting this target.
2. The target rent realisation in the Clarence Centre represents a 15% uplift on the rents achieved in the Technopark. Some tenants transferred from Technopark, and we chose not to impose this rent rise all at once.
3. Historically, several tenants in Technopark, particularly those direct tenants of the University rather than LKIC, were on very favourable terms. We are gradually migrating these rents up to more regular market rents.
4. The Events team has only been able to collect data on event space usage since the end of December 2013. The period covered in this report covers five weeks to the end of January which includes time between Christmas and New Year as well as new year itself. It is unlikely to be

	PAPER NO: PC.04(14)	
Board/Committee:	Property Committee	
Date:	29 th January 2014	
Paper title:	Update on Peabody Trust	
Author:	Ian Mehrtens, Executive Director of Corporate Services	
Executive sponsor:	Ian Mehrtens, Executive Director of Corporate Services	
Recommendation by the Executive:	To note the contents of this paper	
Aspect of the Corporate Plan to which this will help deliver?		
Matter previously considered by:	Property Committee/Board of Governors	On: Various meetings
Further approval required?	No	N/A
Communications – who should be made aware of the decision?		

Peabody Trust Executive Summary

1. Discussions have continued with the Peabody Trust regarding the acquisition of Hugh Astor Court property on Keyworth Street.
2. The Trust has agreed in principle to the disposal and shared an independent market valuation suggesting a sale value between £9 and £11m. The proposal is being discussed at the Peabody Trust Board meeting on 23rd January 2014.
3. The Trust has now commissioned a detailed independent valuation to arrive at a price for sale.
4. They remain of the opinion that vacant possession could be achieved within 12 to 18 months after agreement to purchase.

5. An initial meeting has been arranged between the Peabody Trust and LSBU with the freehold owner, Bridge House Estate (Corporation of London) for 20/01/14 to discuss the potential acquisition of the freehold for the Peabody site.

	PAPER NO: PC.05(14)	
Board/Committee:	Property Committee	
Date:	29 th January 2014	
Paper title:	Update on Estates Strategy	
Author:	Ian Mehrtens, Executive Director of Corporate Services	
Executive sponsor:	Ian Mehrtens, Executive Director of Corporate Services	
Recommendation by the Executive:	To note the contents of this paper	
Aspect of the Corporate Plan to which this will help deliver?	Delivery of the board approved (July 2010) 25 year vision for the estate.	
Matter previously considered by:	Property Committee/Board of Governors	On: Various meetings
Further approval required?	N/A	N/A
Communications – who should be made aware of the decision?	N/A as the matter is confidential	

Estates Strategy Progress.

1. Work has continued on the University's Estates Strategy development plans. Following the presentation at the Board of Governor's Strategy Day held on 23rd October 2013, this has focused on developing the preferred scenario.
2. The preferred scenario comprises a new Library of approximately 8500m² and a Centre for Creative Industries of approximately 6350m², within the development site we have referred to as The St. George's Quarter.
3. This site currently comprises the Chapel, Hugh Astor Court, Rotary Street Building and the former Blackwell's building 119-122 London Road and sits partly within the St. Georges Circus Conservation Area.

4. Two massing options have been prepared for these uses, the preferred option from these emerging as the one that focuses the entrance for a new Library at the heart of the campus, the current Keyworth Street/Thomas Doyle Street junction and the entrance to the new Centre for Creative Arts/Industries on Borough Road.
5. Further consultation with internal University stakeholders will inform the development plans and allow further refinement of the brief.
6. Current work is to understand high level costs for the development options, a likely programme and the opportunities that these could release, both for campus improvement and property disposal.
7. It is anticipated that the development brief will be presented to the next Property Committee in April 2014 as it progresses through the Governance process.

London South Bank University

	PAPER NO: PC.06(14)	
Board/Committee:	Property Committee	
Date:	29 th January 2014	
Paper title:	General Estate Matters	
Author:	Ian Mehrtens, Executive Director of Corporate Services	
Executive sponsor:	Ian Mehrtens, Executive Director of Corporate Services	
Recommendation by the Executive:	To note the contents of the report	
Aspect of the Corporate Plan to which this will help deliver?	Continue delivery of Estates and Facilities services to assist in enhancing the student experience and environment.	
Matter previously considered by:	Property Committee	On: 24 th April 2013
Further approval required?	N/A	On: N/A
Communications – who should be made aware of the decision?	N/A	

This report provides the Committee with an overview of general strategic estates matters.

1. General

1.1. Recruitment of new Director of Estates

1.1.1. Following recruitment process a new Director of Estates, Carol Rose was appointed and commenced work on 9th December 2013.

2. Estates Development

2.1. Neighbourhood developments

2.1.1. The Mayor at a hearing on 19th December 2013 finally granted **Eileen House** planning permission. It is anticipated that this will unlock a number of other applications in the neighbourhood.

2.1.2. We have continued to keep in contact with the developer through their planning consultants and have another meeting planned.

2.1.3. **Barratt Development** on the St George's Circus and along Blackfriars Road are finalising their planning submission following continued discussions with the officers.

2.1.4. We have had discussions with the developer and their planning consultants to discuss opportunities in particular in relation to the Old Library Building on Borough Road. However it seems that they do not have a strong appetite to enlarge their site and develop the Old Library Building.

2.1.5. **Old Library Building and Caxton House** are physically outside the triangle envelope. The Old Library Building is currently not used by the University and has live-in guardians to prevent squatter activity. Caxton House continues to house the Legal Advice Centre and the Confucius Institute.

2.1.6. The Legal Advice Centre will move into one of the Clarence Centre retail units as will the Confucius Centre clinic leaving only the offices for the Confucius Centre in the building.

2.1.7. Following receipt of funding from the Confucius Institute a scheme is being developed to improve facilities in Caxton House and move the therapy

activity for the Centre into building.

2.1.8. The University is now considering plans to provide drama rehearsal facilities in the Old Library Building and a business justification case will be taken to the Executive for consideration in due course.

2.1.9. Elephant & Castle regeneration is being carefully monitored by the Elephant and Castle Strategic Stakeholder Group (ECSSG). LSBU is a member of this group and meetings are attended by the Director of Estates and the Head of Development.

2.1.10. Demolition of the Heygate Estate by Lend Lease has finally commenced and work to develop the Tribeca Square by Delancey has started on site.

2.1.11. Delancey acquired the Elephant & Castle Shopping Centre from St Modwen in December and plans for its redevelopment incorporating the Northern Line Underground and main line stations is progressing.

2.1.12. Transport for London is preparing to consult on proposals for changes to the E&C northern roundabout and for a new Cycle Superhighway (E&C to Kings Cross via Blackfriars Road) in the Spring 2014.

2.1.13. The scheme to develop the Triangle Site (Newington Causeway/Borough Road junction) by the Peabody Trust is well developed and is now ready for submission.

2.1.14. LSBU participated in the New London Architecture On Location event in early December 2013. The focus was London Bridge, Waterloo, Blackfriars and the Elephant & Castle. LSBU hosted two visits with afternoon guided walks for redevelopment sites on the campus showcasing recently completed capital projects.

2.1.15. Blackfriars Road

2.1.16. The Blackfriars Road Public Realm Study commissioned by the LB Southwark and feeding into the Blackfriars Road SPD has been recently launched. The study initially focussed on the entire length of Blackfriars Road from the river Thames to St George's Circus but has now been extended to include London Road up to the Elephant and Castle.

2.1.17. As a result, we have been included in the Study Group and have recently had a meeting with Allies and Morrison, the landscape architects undertaking the study. This engagement will ensure that the University's interests are being delivered through the project along London Road.

3. Update on current/finished projects

3.1. Update on Student Centre

3.2. LSBU's contractor Mansell achieved Practical Completion on 05/11/12 and building was occupied as from 26/11/12.

3.3. At the end of the Defects Liability Period 05/11/13 a comprehensive list of defects was issued to Mansell within the contract timeframe.

3.4. A review meeting was held with Mansell on 04/12/13 at their request to discuss rectification works and potential timeframes.

3.5. Despite being aware Mansell are inspecting and arranging same with their sub-contractors, we are still awaiting a detailed programme for all the necessary rectification works.

3.6. As before reported the consultant quantity surveyor has prepared a final account for the works, within the approved budget but we will not progress until the remaining works are completed.

3.7. Mansell are yet to submit anything further substantiating their draft final account or any further correspondence regarding any extension of time claim and we still await their response to the presented final account.

3.8. We remain confident that the overall project will be delivered within the approved budget.

3.9. A post occupancy evaluation review has been commissioned after one year of use of the facility. Alexi Marmot Associates, framework consultant, who also undertook the preparation of original outline design brief were appointed in November 2013. They have commenced their review, surveys and have interviews arranged during January. A post occupancy evaluation review report should be available by the end of February 2014.

3.10. **Academy of Sport Entrance project**

3.11. This project is a joint funded project between the London Borough of Southwark, Sport England and LSBU to create a new entrance from London Road into the Sports Centre making it more accessible and visible. The project includes creating a new fitness suite, reception and café facilities.

3.12. The total project budget is £650k with equal funding between all bodies and was approved by the Executive. The project is managed by LSBU.

3.13. Following a competitive tender, LSBU's appointed T&B Contractors to undertake the works which commenced works on site on 04/11/13. It is anticipated that practical completion will be achieved by 14/03/14.

3.14. The overall project is anticipated to be delivered within the approved budget.

4. **Health & Safety and Security & Business Continuity Services**

4.1.1. Following approval from the Executive, the Health & Safety and Security & Business Continuity functions have been restructured.

4.1.2. The Security and Reception Services have remained within the Estates Department within the Estates Services team.

4.1.3. The Occupation Health contract has been transferred to Human Resources and will be managed by them as part of the HR operations function.

4.1.4. A new team has been created for Safety, Compliance and Business Continuity bringing all the functions together within the central Business Services team within Corporate Services.

4.1.5. This restructure was formally enabled in December 2013 and an appointment has been made to lead the Safety, Compliance and Business Continuity Team strengthening all areas of activity.

Ian Mehrtens
Executive Director of Corporate Services
January 2014