

GOLDSMITHS
University of London
COUNCIL
ESTATES COMMITTEE
9 February 2011

Minutes of the meeting held on 9 February 2011

- Present:** Mr James Grierson (in the Chair), Mr Michael Dick, Mr Hugh Jones, Dr Richard Noble, Ms Bindz Patel, Professor Alan Pickering, Ms Mary Stacey.
- In attendance:** Director of Finance, Head of Capital Projects, Head of Residences, Catering and Conference Services, Chief Executive of the Students' Union, Head of Administration, Estates & Facilities (Secretary).
- Observers:** Head of Financial Accounting
- Apologies:** Mr Terry Rosenberg, Energy Manager, Head of Facilities

OPEN BUSINESS

1 WELCOME AND THANKS

The Chair welcomed back Patsy Carter who had resumed the role of Committee Secretary and had returned to the Estates Department following her secondment to Human Resources. The Committee expressed thanks to Rosemary Harrison for taking up the role as acting Secretary during that time.

2 MINUTES

Resolved:

that the Minutes of the meeting held on 26 October 2010 be discussed at the 8 March 2011 meeting.

3 MATTERS ARISING FROM THE MINUTES

Received:

the extract from the minutes of previous meetings forming background to this item (B; 11-37);

The Chair reminded the Committee that the meeting was being held as a special meeting to consider:

- (i) the proposals of the Senior Management Team concerning the forward capital programme and its prioritisation;
- (ii) to consider the draft statement of the criteria to be used for evaluating capital projects, to be circulated to departments to guide requests, based on the criteria currently used operationally by the Estates Department to evaluate bids;

4 CAPITAL PROJECTS: PLANNING FOR FUTURE INVESTMENT

Received:

- (i) the draft guidance on Bids to Estates Committee from the Director of Estates and Facilities in the light of comments at the October meeting of the Committee (D; 11-39);
- (ii) the business case procedure for Capital Projects (11-54).

The Committee had resolved to consider at this meeting a draft statement of the criteria to be used for evaluating capital projects, that would be circulated to departments to guide requests, based on the criteria currently used operationally by the Estates Department to evaluate bids.

The overarching aim of the Estate's capital spending plan was to provide a programme of projects and works that, together with the building maintenance programme, provides the physical infrastructure that is fit for the purpose of supporting the College academic business plans, strategic objectives and the Estates masterplan.

The process of identifying, selecting, prioritising, and reviewing capital projects was multifaceted. The College guidance contained in the financial regulations on capital bids should also be consulted together with the (proposed) draft Estates Project Management methodology Guide.

Currently capital projects were identified by College departments and the Pro Wardens Office, discussed with the Director of Estates and Facilities and the College Registrar and Secretary. A business case is formulated if the proposed project is aligned with College corporate plans and affordability criteria, and is of an appropriate scale. Within the business plan a capital project will need to have demonstrated a rigorous process demonstrating evidence of need, cost, risk and outcomes, as well as an appraisal of options and sources of funding. Business plans were considered by the Senior Management Team (SMT) and when projects had significant strategic and/or cost impact the scrutiny of the Estates Committee is also sought;

The Business Case Procedure would accompany the guidance for capital works bids and would serve to set out the process and procedure for initiating bids for all capital investment projects together with guidance on how to develop the business case.

Noted:

- (i) that as part of the planning round, departments were given the opportunity to bid for works, however the provision of greater transparency and clarity of the bidding process were being made available to departments;

- (ii) that the guidance to departments should identify a clear window within the budget year for bids to be made and that the bidding process should allow and consider the need for departments to request emergency works and space requests;
- (iii) that the capital projects in the forward programme were strategic projects and it was unlikely that these would have been proposed by Departments.

Received:

the Draft Project Management Methodology Manual for reference (07-59R);

Resolved

- (i) that to provide and increase the level of transparency, project proposals will in future follow the Estates Project Management Methodology. This process aligned with the OGC project methodology (PRINCE2) and was a method advised by NAO for all public procurement capital projects;
- (ii) that using this methodology, projects would be initiated in the form of a Project Mandate and develop into a Project Proposal, as described in the methodology, and if the project progressed it would then be developed into a funded, deliverable, time bounded, project via an approved business case, in accordance with the scale of the project.

Received:

draft spreadsheet for the Capital Programme Bids for 2010 – 2014 (E; 11- 40);

Noted:

- (i) that for the 2010-11 financial year, Minor works and long term maintenance projects had been capitalised;
- (ii) that for greater clarity, it would be useful if the spreadsheet identified projects that had been requested by departments;
- (iii) that, from a cost benefit point of view there would be a benefit and an opportunity presented to expand a project to include other works in the same area;
- (iv) that there was a need to consider how lower level associated works issues could be captured and a mechanism to capture these put in place, this was viewed as a process for improvement.

The Committee raised its concerns regarding the prioritised list as well as the issues that were associated with budget management and the ability to complete projects within the budget year.

Noted:

- (i) that due to access restrictions, there was a short window during the summer vacation when works could be carried out and this presented issues to complete projects by the end of the budget year;
- (ii) that a three year budget horizon would allow for the project planning process as well as allow more time for cost variations to be established and incorporated;
- (iii) that the capital programme progression should be reported to SMT on a regular basis, e.g. quarterly, giving SMT an horizon to plan the budget and regular communication with SMT would help to mitigate the above as an issue;
- (iv) that currently works which were scored a 5.00 for health and safety/compliance had been allocated to the 11/12 financial year as the works were considered to be urgent;
- (v) that in relation to the Building Condition Survey it was necessary to consider the balance between the compliance issues and the health and safety issues and a pragmatic approach would be to view these as long term projects, assessing the cost benefit analysis and whether there was opportunity for income generation and where statutory compliance works are deemed 'essential' serious efforts would be made to ascertain the scope to obviate the need for costly works by mitigating management action;
- (vi) that there was a need to capture and incorporate the projects that would enhance the student experience and that student feedback had identified areas of the campus for improvement;
- (vii) that the Students' Union could play a useful role in advising the Committee of areas across the campus that should be improved;
- (viii) that the student experience could be enhanced by incorporating student's views of the Estate, provided in exit surveys, and this should feed into the capital programme prioritisation process;
- (ix) that the weightings within the projects schedule would be amended to better reflect the priorities set by the Estates Committee.

The Committee raised the question about the buildings disposals programme. The 2009 Master Plan helped, in that it identified the core and non-core areas of the Estate and was supporting development and improvement of the core space. A disposals programme would include the peripheral properties, (those around the edge of the campus). In the capital programme list Raymont Hall of Residences was listed for disposal, however, it was noted that this would not happen in the near future. The Committee expressed their view that receipts generated through the buildings disposals programme should be ring-fenced and re-invested to the Estate.

The Committee supported the approach that the Richard Hoggart Building Reception and Forecourt as well as the pedestrianisation of Laurie Grove projects, would offer opportunities for campus transformation, taking into consideration that the estimated costs were 'comparatively' less expensive.

Some areas of the College presented greater funding opportunities. RHB Forecourt, Room 167-Music Building Recital room and the student gallery were areas that offered external funding opportunities.

Resolved:

that the capital programme spreadsheet be revised to identify the areas around the College that offer funding opportunities and although, fundraising projects were noted on the spreadsheet, further clarification, to ensure that these were in line with the impending College Strategy would be required.

Recommended:

that SMT be informed of the Committee's wish for the income generated through the sale of properties be ring-fenced for re-investment to the Estate. It was noted this would be for SMT to decide on how the income would be re-invested.

5 ANY OTHER BUSINESS

There was value in the Committee giving their view on the projects going forward as there is no other way or wider constituency for acquiring this information. It was useful for SMT to see the prioritised list, albeit the list would be revised as this was an iterative decision making process. It was recognised that an Estates Strategy would give the framework for the way forward and guide SMT and Council in future planning and investment for the Estate.

Recommended:

that the Director of Estates re-draft the Estates Strategy for consideration at the May meeting of the Estates Committee.

6 FUTURE MEETINGS

To note that meetings of the Estates Committee in 2010-11 will be held at the following dates and times in Room 110, Deptford Town Hall Building:

Tuesday, 8 March 2011, at 10.30am

Tuesday, 17 May 2011, at 2.30pm

Tuesday, 5 July 2011, at 2.30pm