

Pantycelyn

On 22 May 2015, Aberystwyth University's Finance and Strategy Committee considered the report of the Working Group established by the Council to investigate the feasibility of establishing a Welsh Language and Culture Centre at Pantycelyn, with the possibility of catered student accommodation.

A copy of the summary of the Working Group's final report is attached, as well as a copy of the University Executive Group's response to that report.

At that meeting, members of the Finance and Strategy Committee resolved to recommend that Council adopts the following as a resolution on 22 June 2015:

"Council underlines its commitments to the Welsh language and culture and the provision of dedicated Welsh-medium accommodation within the University.

"Council recalls the excellent provision which now exists in Fferm Penglais. Council, recalling the demand for additional catered Welsh-medium accommodation, welcomes the availability of Penbryn, Cwrt Mawr, or Rosser, and invites the Executive to explore with UMCA and the student body the opening of such a Hall on the Penglais campus in September 2015.

"Council has noted the different reports on the future of Pantycelyn and its suitability in terms of all aspects of health and safety. Council recognises the improvements needed and the costs of doing so. Council is determined to provide facilities, lecture spaces, and amenities of the highest standard throughout the University, in order to provide the best possible student experience in Aberystwyth. To do this in Pantycelyn and make it fit for purpose, Council confirms its earlier decision that Pantycelyn should close at the end of this term as accommodation.

"Council welcomes and confirms the Executive's recommendation that certain services should be moved into Pantycelyn to provide Welsh language activities.

"Council invites the Executive to make detailed proposals for the future of Pantycelyn, taking into account the demand for Welsh-medium accommodation, structural changes needed in Pantycelyn, the priorities of the University, and the provision of necessary funding, drawing upon the advice of MPAG. Council asks that a provisional outline proposal be submitted by 30 June 2016, and insists that UMCA and the student body be fully consulted as plans are developed".

The attached reports and proposed recommendation will be translated prior to circulation to Council, which will be considering this matter at its meeting on 22 June 2015.

The 'tracked changes' in recommendation six of the summary of the Working Group's report indicate the corrections which were tabled during the Finance and Strategy Committee meeting on 22 May 2015 to ensure consistency with the full version of the Working Group's report.

**Y PWYLLGOR CYLLID A STRATEGAETH /
FINANCE AND STRATEGY COMMITTEE
22/05/2015**

Pantycelyn: Summary of the Final Report of the Working Group

The Pantycelyn Working Group
18 May 2015

Introduction / Purpose of the report

The report presents the results of work undertaken by the Working Group. The Group included UMCA and Students' Union representatives, academic staff and representatives of professional services. The report seeks to reflect the evidence collated and the range of views of its members and other contributors. In accordance with the Terms of Reference, the report addresses the feasibility of establishing a Welsh Language & Culture Centre in Pantycelyn with the possibility of continuing its current function as a Welsh medium catered accommodation to provide catered accommodation. Other options for future use are also explored. Estimated capital costs are included in addition to financial modelling for different options.

The full Report by the Pantycelyn Working Group and all appendices are on the Committee SharePoint site (FSC1415-154, FSC1415-156 to FSC1415-162). This executive summary features the report's conclusions and recommendations and accompanies the response paper by the Executive Group above.

Executive Summary

If we retain Pantycelyn, whatever its use it will require significant investment and renovation.

In the event of renovation, continuing as a student residence makes a greater contribution on the basis of certain assumptions but still carries with it short-term and an ongoing risk of voids.

A Welsh Centre in addition to student accommodation increases the capital costs (by c.£2.0m) and reduces the contribution but improves the prospects for external funding to contribute (c.£0.8m) to renovation costs.

Recommended action(s)

Members are invited to consider the report and its recommendations and the response paper with recommendations by the Executive Group.

Introduction

Planning for the residential development now known as Fferm Penglais began as far back as 2007/08. Even then it was widely acknowledged that the Pantycelyn accommodation and building was tired and required substantial investment to reach the standard desirable. There was consultation with student representatives who broadly supported concerning the inclusion of Welsh-medium accommodation as part of the proposed development.

With the appointment of developers and a design approved construction started in 2013 and the development incorporated a designated Welsh-medium area with provision of social space planned from the outset. Pantycelyn was due to discontinue as student accommodation at the end of the 2013/14 academic year.

During the winter of 2013 and spring of 2014 student concerns led to campaigning in favour of retaining Pantycelyn Hall as the sole Welsh-medium residence. In May the Finance & Strategy Committee supported the establishment of a Working Group to consider a proposal by the local Branch of the Coleg Cymraeg Cenedlaethol to establish a Welsh Language & Culture Centre within Pantycelyn alongside the possibility of continuing to provide catered accommodation. The University's Council approved the proposal and Pantycelyn has remained open as student accommodation during 2014/15.

Since September 2014 the Working Group, chaired by the Pro Vice-Chancellor responsible for Welsh Language & Culture, has met on a regular basis with attendance by student representatives, Service Departments and representatives of the local Coleg Cymraeg Branch and Academic Institutes. The Terms of Reference can be found in the appendices.

The work of the Working Group has involved extensive efforts to consult with current students and prospective students, as well as with targeted external local and national stakeholders during discussions about the proposed Welsh Centre. The findings of this consultation work are drawn together in this report and notes made during these discussions are included in the appendices.

The University also commissioned a new Condition Survey by Lawray, ARUP and Burnley Wilson Fish consultants and a copy of the full Survey is included in the appendices. As a result of statements about the condition of the Electrical infrastructure a full electrical test was commissioned and this was undertaken during Easter 2015. These reports are complemented by a Fire Risk Assessment carried out by the University's Health & Safety Department.

The full report also features an analysis of the University's over-arching Accommodation provision together with detailed financial information based on current performance and possible future performance according to a series of different models. Estimate capital costs for different models have also been provided by the Estates Development Department based in part on the Condition Survey and the different models discussed by the Working Group. In addition to the estimated future Income and Expenditure the report also features a section on external sources of income primarily with a view to contributing towards the estimated capital costs.

1. Capital costs and associated Income & Expenditure Projections

If it is the intention to keep Pantycelyn open as part of the residential portfolio during 15/16 then there are some immediate works that need to be undertaken in relation to electrical remedial works and fire safety. The estimated costs of these works are in the region of £125k.

These works are only a temporary measure and if the building is to continue to operate a more extensive programme of works relating to fire compliance measures and a comprehensive re-wire will be necessary as a minimum.

The table below sets out the estimated capital costs and associated estimated revenue position

| Capital Works | Capital Cost | | | | | Note |
|----------------------------------------------------------------|--------------|--|--|--|--|------|
| | £m | | | | | |
| Fire Compliance & Re-wire | 0.9 | | | | | 1 |
| Basic renovation | 5.5 | | | | | 2 |
| Basic & Welsh Centre Renovation | 7.5 | | | | | 3 |
| Conversion to self-catered i.e. Flat layout (no Welsh Centre) | 7.0 | | | | | 4 |
| Conversion to self-catered & Welsh Centre | 9.0 | | | | | 5 |
| Conversion to Admin/academic/Conferencing | 11.0 | | | | | 6 |

The figures presented in the table above are the result of high level modelling and based on reasonable assumptions based on current operating models. Given the current work that is going on across the University looking at cost savings, greater efficiencies and changes in

the delivery methods of some services then a more detailed modelling exercise would need to be performed in the light of any changes.

The income figures assume no additional income to the University from conference business.

The payback periods do not take into account the availability of any external funding.

Note

1. Income based on 60% occupancy as assumed that without investment that demand will be lower than for other residences and therefore no fee increase. Based on 235 rooms and a licence length increased to be consistent with Penbryn i.e. 39 weeks as compared to 33.29 weeks currently in 15/16.
2. Assumed that licence length and fees increase to be in line with Penbryn. Based on 235 rooms and 95% occupancy.
3. Assumed that licence length and fees increase to be in line with Penbryn. Based on 210 rooms and 95% occupancy. It is assumed in the figures above that the Welsh Centre does not have any revenue streams associated with it.
4. Assumed that licence length and fees are consistent with Cwrt Mawr (AU Self Catered Residence). Based on 190 rooms and 95% occupancy
5. Assumed that licence length and fees are consistent with Cwrt Mawr. Based on 165 rooms and 95% occupancy
6. There has been no need demonstrated for this type of space so accordingly no figures have been modelled.

If Pantycelyn were to discontinue as student accommodation in June 2015 there would continue to be some operating costs incurred, utilities at a reduced level and for the provision of essential security and maintenance. A mothballed Pantycelyn would mean savings of £179k although a mothballed Pantycelyn may represent a reputational risk to the University.

2. CONCLUSIONS

1. Within the University's over-arching Estates Strategy there is a strong case for retaining Pantycelyn Hall as a wholly-owned University asset rather than seeking to dispose of the building through sale.
2. The Condition Survey highlights the need for long-term investment decisions to be taken sooner rather than later. To "do nothing" is not a realistic option. Closing and mothballing the building will hasten deterioration and conflict with good practice as well as legislation. Fire compliance improvements and a programme including external and infrastructure works are required in all medium- and long-term eventualities should the building be retained. In short, if we retain Pantycelyn it will need to be renovated sooner rather than later.
3. The Condition Survey, Fire Risk Assessment and full electrical testing suggest that Pantycelyn could remain open as a student residence for at least the next year. However, the recommended fire compartmentation works that need to take place have meant that Pantycelyn is unavailable for short-term "hotel" accommodation for out-of-term bookings. To be open during 2015/16 it would be necessary to undertake urgent electrical remedial works and fire safety measures at an estimated cost of at least £125k.
4. Short-term and until student numbers grow there is a risk that an open but un-renovated Pantycelyn will contribute to voids and loss making in the accommodation portfolio. Early indications suggest that Fferm Penglais will prove to be popular and will fill. Short-term, however, there is a risk of voids in university residences and in addition to Pantycelyn the voids are likely to affect Penbryn and Seafront residences as these have, in recent years, been the last to fill. If Pantycelyn is not open, due to renovation works or any other reason, this will reduce the likelihood of voids.
5. There is a case to be made – should occupancy as student accommodation not continue – for using Pantycelyn Hall as part of the range of available 'decant' spaces for temporarily relocating academic and administrative units during essential refurbishment.
6. Given the range and variability of the University's estate There is not a strong or compelling business case for a long-term conversion of Pantycelyn Hall for academic and/or administrative purposes nor is there a strong case for conversion into dedicated Conferencing Facilities with Hotel Accommodation.
7. Of the future use options considered as realistic, and in the event of comprehensive modernisation and renovation, continuing as a student residence was seen to make a greater contribution than any other configuration.
8. If a decision is made to go forward with a scheme for residential use then this could comprise a full scheme of refurbishment ranging from £5.5m-£9.0m. This will, together with an effective planned maintenance programme, secure the future of the property for the next 30 plus years. In the meantime it would be beneficial to establish firm dates for closure and initiating subsequent works.

9. Pantycelyn is a recognisable brand and “institution” within the Welsh-speaking community. It offers something different to other universities and plays a role in student recruitment. Many aspects of its contribution to Aberystwyth’s Welsh Student Experience are held in high regard, especially the opportunities to use Welsh on a daily basis, a hub for Student Societies’ activities, and its encouraging ethos to study through the medium of Welsh. Affordability is cited as another feature. It is not for everyone, however, and many Welsh speakers also prefer en-suite and self-catered accommodation.
10. If renovated as student accommodation it is preferable to remain as a designated Welsh-medium residence and to give further consideration to all aspects of Student Experience at the design and other stages. This outcome will also prompt further consideration of other Welsh-medium provision within the University accommodation portfolio.
11. There is support for the establishment of a Welsh Language & Culture Centre within Pantycelyn which could potentially benefit Student Experience and community engagement.
12. A Welsh Centre in addition to student accommodation increases the capital requirement and reduces the contribution. However, a Welsh Centre within the scheme also improves the prospects for external grants and fundraising to contribute towards renovation costs as well as adding value in terms of student experience and community impact.
13. The estimated renovation costs range from £5.5m to £11.0m. This level of capital expenditure is not currently budgeted. External grants and fundraising could contribute c.£200,000 (accommodation only) or c.£800,000 (with Welsh Centre) as an initial estimate.
14. If these findings are supported, further work will need to be undertaken on detailed delivery plans and finance options.

15. RECOMMENDATIONS

The Working Group recommends:

1. That Pantycelyn Hall is retained as one of the University's built assets.
2. That Welsh-medium accommodation remains the primary use of Pantycelyn Hall.
3. That the University should seek to make options for both Welsh medium catered and self-catered accommodation available within its accommodation portfolio.
4. While establishing a Welsh Language & Culture Centre within Pantycelyn has merit and considerable support it risks reducing the contribution but improves the prospects for external funding to contribute to renovation costs. For this reason the Working Group recommends:
5. That the University commits in principle to the renovation of Pantycelyn and develops detailed delivery plans and finance options which include the possibility of a Welsh Language & Culture Centre
6. That Pantycelyn is maintained as accommodation for as long as possible until a 2015/16 and that a full renovation can be scheme is initiated when finance is viable and detailed plans drawn up. If accommodation is does not possible continue beyond 2015/16, that Pantycelyn is considered for as short term use as 'decant' office/academic space until a comprehensive or phased scheme is approved.

Y PWYLLGOR CYLLID A STRATEGAETH /
FINANCE AND STRATEGY COMMITTEE
22/05/2015

Pantycelyn: University Executive Group's response to the full report

University Executive Group
18 May 2015

Executive Summary

The Executive Group received a copy of the report on 13th May 2015 and welcomed the information presented in the report on the condition of the building, the views of students, and estimate costs and options for renovation.

There was disappointment that the Working Group had not gathered more robust information about future demand for Welsh-medium accommodation and other types of accommodation, including the potential for short term-time courses.

Careful consideration was given to the findings concerning long-term future use alongside short-term implications for student experience, health and safety, student recruitment and financial performance. While our recommendations must take careful account of the University's current financial position, they in no way dilute the absolute commitment of the University Executive to our Welsh language policies, or to our support for students who wish to live and work in an excellent, predominantly Welsh speaking environment.

Recommended action(s)

1. The Executive is fully committed to the University's Welsh language provision and supportive of aiming to provide the best possible Welsh-speaking Student Experience. The Executive believes strongly in continuing to provide dedicated Welsh-medium accommodation and, providing there is demonstrable demand and that finance is available, supports in principle the renovation of Pantycelyn as a Welsh-medium residence and including the possibility of a Welsh Language and Culture Centre within it.
2. Based on the information relating to student experience, health and safety, student recruitment and the financial performance forecast for 2015/16 and beyond, the Executive recommends that Pantycelyn should cease to be used as accommodation at the end of this academic session and that discussions take place with UMCA to identify a range of suitable alternative Welsh-medium accommodation options for the beginning of the next academic year.
3. Until a comprehensive renovation is initiated, the Executive wishes to maintain Pantycelyn's association with Welsh language activities and proposes, therefore, to explore re-locating the University's Welsh Language Services Centre, Coleg Cymraeg Cenedlaethol offices and Welsh for Adults team to Pantycelyn Hall. The Executive also proposes that the social spaces should continue to be used for a variety of Welsh language purposes including Welsh-medium seminars and Welsh for Adults classes.
4. That student representatives should continue to work closely with University officers in supporting and developing the University's Welsh language community ethos and that the wider student community and external stakeholders are consulted fully as plans for the renovation of Pantycelyn develop.
5. That Finance and Strategy Committee recommends to Council that a Project Initiation Document is prepared at this stage.

UNIVERSITY EXECUTIVE GROUP: response to the full report

The Executive Group received a copy of the report on 13th May 2015 and welcomed the information presented in the report on the condition of the building, the views of students, and estimate costs and options for renovation.

There was disappointment that the Working Group had not gathered more robust information about future demand for Welsh-medium accommodation and other types of accommodation, including the potential for short term-time courses.

Careful consideration was given to the findings concerning long-term future use alongside short-term implications for student experience, health and safety, student recruitment and financial performance. While our recommendations must take careful account of the University's current financial position, they in no way dilute the absolute commitment of the University Executive to our Welsh language policies, or to our support for students who wish to live and work in an excellent, predominantly Welsh speaking environment.

Short-term considerations:

The Executive noted that while it had been considered safe for continued occupation by students this year, it had already become necessary to re-locate short-term summer bookings away from Pantycelyn on the recommendation of the Fire Risk Assessment.

In order to remain open for 2015/16 the Working Group's report notes the need to spend at least £125,000 on remedial electrical works and fire safety measures. These immediate issues are in addition to more extensive fire compartmentation and full electrical re-wiring works that are recommended by the Fire Safety Officer and authors of the Condition Survey (estimate cost £0.9m) and recognise that the requirement for these more significant works would need to take into account the trend data on fire safety related vandalism incidents in the Hall.¹

The report also notes the likelihood of extensive voids in Pantycelyn and other university residences. Based on current demand a substantial operating loss is also forecast if Pantycelyn remains open at little more than half full.

Mindful of the student representatives' views on the Working Group, the Executive feels that the benefits of closure at the end of term now outweigh the benefits of remaining open throughout 2015/16. This recommendation, which is focused on short term occupancy for one year only (as suggested in the Working Group Report), is based on consideration of student experience, health and safety, student recruitment and financial performance. If this view is supported by Council the University's officers will work with students, UMCA and the Students' Union to identify suitable alternative Welsh-medium accommodation options for the beginning of the next academic year.

The Executive discussed the importance of maintaining Pantycelyn's historic and ongoing association with promoting the Welsh language. It was proposed to explore the re-location the University's Welsh Language Services Centre, Coleg Cymraeg Cenedlaethol offices and the Welsh for Adults team to Pantycelyn Hall, ideally from 2015-16. Additionally it was proposed that the social space in Pantycelyn could continue to be used for a variety of Welsh language purposes including Welsh-medium seminars for students, Welsh for Adults classes and other academic

¹ Logs note 33 fire safety related incidents of deliberate vandalism to date this academic year.

activities. It appears that these uses would be feasible and safe without the major, immediate expenditure which would be required for continued residential use.

Long-term Future Use:

The Executive supports the view that Pantycelyn should be retained and that when detailed plans and finance options are in place a comprehensive renovation of the building should be undertaken.

The Executive believes capital investment in the estate is an important priority. Recent investment in learning and teaching facilities is improving student experience already and Fferm Penglais signals further commitment to providing world-class facilities. There are agreed and prioritised plans in place to safeguard and improve the estate and this places a constraint on the University's ability to take on an additional major scheme in the very short-term. Moreover, further work is needed on detailed costs and design options and there must also be regard at each stage of development to the University's ability to commit to further debt finance before initiating a scheme.

Recommendations

1. The Executive is fully committed to the University's Welsh language provision and supportive of aiming to provide the best possible Welsh-speaking Student Experience. The Executive believes strongly in continuing to provide dedicated Welsh-medium accommodation and, providing there is demonstrable demand and that finance is available, supports in principle the renovation of Pantycelyn as a Welsh-medium residence and including the possibility of a Welsh Language and Culture Centre within it.
2. Based on the information relating to student experience, health and safety, student recruitment and the financial performance forecast for 2015/16 and beyond, the Executive recommends that Pantycelyn should cease to be used as accommodation at the end of this academic session and that discussions take place with UMCA to identify a range of suitable alternative Welsh-medium accommodation options for the beginning of the next academic year.
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4. That student representatives should continue to work closely with University officers in supporting and developing the University's Welsh language community ethos and that the wider student community and external stakeholders are consulted fully as plans for the renovation of Pantycelyn develop.
5. That Finance and Strategy Committee recommends to Council that a Project Initiation Document is prepared at this stage.