Purpose of Note
This note has been prepared to inform Divisions and Departments of:

- How the space charge is calculated;
- An outline of the process and timetable by which the area data will be prepared for the 2017-18 space charging exercise;
- Divisional and Departmental responsibilities in respect of their space data.

1. How the Space Charge is calculated

The University of Oxford’s calculation of infrastructure charges, known as the ‘123’, uses the Premises-related Infrastructure Charge (PRISC) to spread the net costs of providing Estates Services and other central services across the academic and service Divisions on the basis of their space occupancy.

Estates Services, Finance and Planning and Resource Allocation Section (PRAS) are involved in the calculation of the space charge. Estates Services maintain space records on behalf of the University, providing the area data to PRAS who then use cost data supplied by Finance to calculate the annual charges and notify the Divisions.

The calculation of space charges takes no account of the age, condition, functional suitability, utilisation or environmental performance of the space occupied. Charges are calculated on the basis of net useable area with individual spaces classified according to their predominant use. Balance space such as corridors, lifts, toilets or plant rooms is excluded from the calculation. There are currently 6 bands of space ranging from unserviced shell space to highly serviced containment laboratories at the top end of the charging scale. The PRISC and Capital Charges are calculated on the basis of £ per sq.m. multiplied by the appropriate space band weighting.

The PRISC charges are made up of three elements: the General Infrastructure Charge (GIC), the weighted maintained area, and the Security area. In addition, most Departments occupying functional space provided by the University will be liable for the Capital Charge. Each of these elements is explained in more detail below.

On the 13 October 2016, the Buildings and Estates Sub-committee approved procedures for the leasing of space to meet Functional requirements (BESC (16)283). These include clear provision for the allocation of the costs of leased space between occupying Department and the Central University which will directly affect the calculation of space charges as part of the 2017-18 charging round. With immediate effect, leases approved by BESC will assign lease costs according to one of the following scenarios:

- Rent and transaction costs will be met centrally. The Department will pay the full Space Charge (except the security charge if the property is not monitored by Security Services). The department will also meet the cost of any departmental responsibilities under Standing Orders which may be undertaken by the landlord as part of services they provide (such as cleaning of communal areas).
- The Department will bear the full cost of the transaction (including any fees) and will be responsible for paying both rent and the University space and infrastructure charge (except
the security charge if the building is not monitored by Security Services). This is expected to be applied in those cases where the case for taking leased space is not strong and/or there is alternative space within University ownership which may be suitable.

Existing variations to the space charge will continue to apply while Departments continue to occupy areas which have previously attracted reduced charges.

1.1 General Infrastructure Charge

The General Infrastructure Charge (GIC) is calculated on the basis of occupied area and is unweighted. The GIC covers premises insurance, Estates Services’ rolling programme of preventative maintenance, staffing and overheads, rates, rents and service charges, messenger services, central services and facilities management.

Support Divisions are not charged for rates, rents, service charges or facilities management.

1.2 Weighted maintained Charge

The weighted maintained charge covers the cost of repairs and maintenance, environmental sustainability measures, staff costs, rents, rates and services charges and the Safety Office. Spaces within the University’s Functional estate are assigned to one of 6 charge bands, which are weighted to reflect the relative costs of maintaining building fabric and services to support that use, as summarised in the table below:

<table>
<thead>
<tr>
<th>Band</th>
<th>Weighting</th>
<th>Definition</th>
<th>Includes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4</td>
<td>Highly serviced/controlled environments</td>
<td>BMSU, Cat 3 labs, clean rooms.</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>Controlled environment/comfort cooled</td>
<td>Cat 2 labs and equivalent, server rooms</td>
</tr>
<tr>
<td>3</td>
<td>1.5</td>
<td>Mechanically controlled/temperature not critical</td>
<td>Lecture Theatres, workshops, Cat 1 labs and equivalent</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>Naturally ventilated</td>
<td>All types of offices, smaller meeting rooms</td>
</tr>
<tr>
<td>5</td>
<td>0.5</td>
<td>Simple Storage</td>
<td>Basic storage space with limited services. (Does not include freezers or other temperature controlled storage).</td>
</tr>
<tr>
<td>6</td>
<td>0.5</td>
<td>Shell</td>
<td>Unoccupied shell space</td>
</tr>
</tbody>
</table>

1.3 Security Charge

The costs of security provided through OUSS is charged out to Departments on the basis of total occupied area and is unweighted. Departments occupying embedded space in NHS hospitals do not pay the security element of the charge. The same applies to Departments occupying College properties or space leased from third parties where security is provided by the landlord.
1.4 Capital Charge

The capital charge supports the University’s contribution to projects from a central capital fund. The charge is calculated on the basis of total occupied area and is weighted according to the 6 PRISC bandings for weighted maintained space. The ratings are as follows:

<table>
<thead>
<tr>
<th>Band</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
<td>0.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

A rate per weighted square metre is set annually by Finance and the capital charges are distributed alongside the 123 allocations. The capital charge has been set by Finance at a level which covers the current cost of unfunded building depreciation, that is, refurbishment or replacement of building stock which fall outside the scope of planned Repairs and Maintenance covered by Estates Services budgets. From the beginning of the 2016-17 charge year, GLAM and UAS have become liable for the capital charge, although tapered relief will be applied to charge for the service divisions until 2020-21.

The capital charge should not be confused with the recently introduced project finance charge, which is levied on capital projects.

It is assumed that Departments occupying functional space owned by the University of Oxford will normally be liable for the capital charge. Departments occupying embedded space in NHS Trust hospital properties do not pay the capital charge.

Variations to the capital charges may apply where a new building or significant extension to existing space has been funded wholly or in part from non-Exchequer funds. Non-Exchequer funds are defined as monies received from private donors, charities and funding bodies which are not linked to the UK government and its agencies. Monies received from HEFCE, Research Council Grants and contributions made by the central University, Divisions or Departments are classified as Exchequer funds. Where a percentage of non-Exchequer funding has been identified, the capital charge levied on occupants of new space created by that project is waived in due proportion, usually for a period of 10 years from the date of Practical Completion.

Existing variations to the capital charge will still apply where Departments continue to occupy space which has previously attracted a reduced charge unless the current terms of occupation change.

2. The Annual Space Charging Cycle

The calculation of space charges occurs in February each year and the charges are calculated for a twelve month period based on a census date of 1 October. Although the space charging year coincides with the University’s financial year – 1 August to 31 July, the area data used to calculate the charge reflects anticipated occupation at the beginning of the next academic year, that is, on 1 October 2017 for the calculation of charges for 2017-18.

If a Department is expected to occupy space on 1 October, the area will be reported. Space which is unlikely to be practically complete or occupied by 1 October will not be charged until the following academic year. Conversely, if a Department vacates space after 1 October then it will be charged for the whole of that year.
3. **Outline process and timetable**

The proposed timetable for the preparation of the 2017-18 area data is set out below:

<table>
<thead>
<tr>
<th>Process</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed space data made available to Departments and Divisions</td>
<td>17 October 2016</td>
</tr>
<tr>
<td>Departments to review their data and inform Estates Services of any changes</td>
<td>17 October – 18 November 2016 (Departments will have one month to review and provide updates to Estates Services)</td>
</tr>
<tr>
<td>Estates Services to review amendments provided by Departments and update the area data</td>
<td>21 November – 2 December 2016</td>
</tr>
<tr>
<td>Revised space data made available to Departments and Divisions for checking and signoff</td>
<td>From 5 December 2016</td>
</tr>
<tr>
<td>Estates Services to prepare first draft of space charge area data for review</td>
<td>5 December 2016 – 21 December 2016</td>
</tr>
<tr>
<td>Issue revised space charge area data to Divisions and Departments</td>
<td>03 January 2017</td>
</tr>
<tr>
<td>Final checking by Divisions and Departments</td>
<td>03 January 2017 – 20 January 2017</td>
</tr>
<tr>
<td>Final Adjustment of data by Estates Services</td>
<td>23 January – 03 February 2017</td>
</tr>
<tr>
<td>Submission of final area data to PRAS and Departments</td>
<td>03 February 2017</td>
</tr>
</tbody>
</table>

4. **Divisional and Departmental Responsibilities**

In order to maintain the space records and to provide accurate information to PRAS, it is essential that Departments review their data regularly. This process begins with a detailed review of the space occupied by each Department in October 2016 in order to establish a baseline data set which Estates Services can then adjust to reflect the anticipated moves and changes in occupation by 1 October 2017. Each Departmental contact will receive one or more spreadsheets showing all buildings occupied by your unit(s) for review. Detailed guidance on how to update the data sheets with the required changes and comments is provided below.

To ensure that both weighted and unweighted elements of the charge are applied correctly, staff completing the returns should pay particular attention to the following key data fields:

- Department
- Share Percentage
- Space Type
- Net Area Share

Please note that Estates Services now records whether Departments have submitted a space return as part of each annual charging round. This will allow Estates Services to monitor which Departments have informed us of recent changes to their space occupation and those whose data may require further auditing and updating during the academic year. This information will assist in the scheduling of future building surveys and site visits and should ensure that Estates Services plans and Planon data are kept up-to-date.
5. Completing the Return

Building spreadsheets for each Department will be available for download from the University’s Oxfile website from Monday 17th October 2016. The uploading of files normally takes two days to complete and all building files should be available by Wednesday 19th October. Departmental contacts will receive an email confirmation when their files(s) have been uploaded to the site. Users will then have seven days to download their files before the links to their Oxfile folders will expire. If users do not download their data within seven days they will need to contact Estates Services to arrange for the folders to be reloaded to Oxfile.

Each data sheet is pre-formatted to protect key data fields from accidental overtyping and to ensure that any changes to the remaining data can be easily identified when Estates Services reviews the return.

It is recommended that reviewers work across the sheet from left to right to ensure that they access the dropdown menus in the correct order.

- The data in the columns “Building No”, “Building Name”, “Floor”, “Space Code” and “Area” are locked and cannot be modified.
- Departments or Faculties who are co-located in the same building will be able to see the data for the entire building.
- Departments can filter the building data to see their Departmental space by selecting the filter arrow at the top of the “Department” column.
- When making modifications to the data in the “Department”, “Space Category” and “Space Type” columns, reviewers should use the drop down lists.
- The field “Space Type” is related to the “Space Category” field. Changing the Space Category changes the options available for Space Type, so the correct Space Category should be selected first.
- The cell colour will change to indicate that data has been modified.

5.1 Floor and Space Code

Data is organised by floor and space code. Data in these two columns cannot be modified by the user. If this information is incorrect please note this under the comments column against the closest space code.

5.2 Space Name

Please enter the name of the space used locally. Example: Director’s Office, Optical Laboratory, Seminar Room A, Headley Lecture Theatre, Reception, Meeting Room 01, Gents Toilet, etc. Please do not use the names of individual members of staff. Instead, you might use Fellow’s Office, Research Academic Office or Administration Office.

5.3 Department

Please check that the correct Department code is recorded against each space. If the Department is incorrect please select correct code from the drop down list. Please note that any locally-agreed changes to chargeable department, such as room swaps, will need to be confirmed by both the incoming and outgoing Departments before the changes can be applied to Planon.
There have been a number of changes to the University’s Organisation Structure in 2015-16 and these changes, effective from 1 August 2016, have been included in the revised drop down list. A copy of the current Organisation Structure will also be included in each packet of documents uploaded to Oxfile.

5.4 Share Percentage

Where space is allocated to more than one Department you may see multiple records against the same space code. For these records an agreed share percentage is recorded against each occupying Department. If you need to change these percentages you will need to provide an explanation under comments and usually you will need to have an agreement with the other Departments or Faculties involved.

5.5 Space Category and Space Type

These two columns contain current space categories and types, indicating the main use of each space. We recommend that you review the data in these columns with particular care since the selected space type directly affects the calculation of the PRISC and Capital charges and the weightings applied to the overall areas occupied by each Department. Please familiarise yourself with the “Space Categories and Types List” which will be included with each packet of documents uploaded to Oxfile.

If the existing space type is incorrect you should first select the appropriate space category from the drop down list and then select the appropriate space type from the space types dropdown list. It is important to amend the data fields in this order since the Space Category and Space Types drop down lists are related. Changing the space category changes the available options for space types.

Some space types have the option of selecting ‘teaching’, ‘research’ and ‘research + teaching’. Please select the appropriate type based on the predominant activities taking place in the space. Where space is used for both teaching and research activities select the ‘research + teaching’ option.

Accurate reporting of these splits is essential, as the information is not only used to inform University reporting and planning but is also reported externally as part of the Transparent Approach to Costing (TRAC) return to the Higher Education Funding Council for England (HEFCE) which analyses the University’s income and expenditure. Detailed area and occupation data are also reported prominently in the annual Estates Management Record return to the Higher Education Statistics Agency (HESA) which monitors the performance and efficiency of the University’s Estate and enables that performance to be benchmarked against other institutions in the higher education sector.

When changing a space type, please review and alter the existing Space Name if necessary.

5.6 Departmental Reference

If your Department normally uses a local space reference that is different from the Estates space code please record that under this column. This is very helpful in cross checking data with Building Managers and Administrators and for fault reporting in cases where a Department’s record only shows the Departmental space references.
5.7 Saving and returning data to Estates Services

Copies of completed spreadsheet(s) should be emailed to estates.info@admin.ox.ac.uk

Returns must be received by 18 November 2016. Estates Services cannot guarantee that any changes notified after that date will be applied before the revised building spreadsheets are reissued to Departments on 5 December for final checking and signoff. While late amendments will be applied to the area data issued to the Divisions during the second phase of the review, it must be emphasised that Departments will not have another opportunity to view their revised building data in detail if they miss the December reporting deadline.

Commencing on the 5 December, the second stage of the charging round will focus on the preparation of the Divisional space charge area data. The first draft of the space charge area data for October 2017 will be issued to the Divisions for checking from 3 January 2017. Divisions and Departments may continue to request changes to the underlying space data until the 17 January 2017 but individual building spreadsheets will not be reissued to Departments after 5 December 2016.

Catherine Williams
Information Records Manager
14 October 2016