

## Worcester Graduate Housing Rent Proposal

Dear JDC Committee,

In light of the current discussion of rent pricing and general cost savings during the turbulent financial period for the college, we felt it appropriate to aid the college in determining a fair rise by presenting the issues relevant to such a rise. As welcomed by the Estates Bursar, we have also proposed a number of possible means by which the college could make cost savings or increase revenue, and believe by adopting such measures unnecessarily high rises in rent imposed on students can be avoided. We finally present a 4-year plan for rent rises which is both sympathetic to the college's short-term liquidity problems, but also mindful of the concerns presented.

### General Concerns

We have several reasons for raising concerns regarding the most recent rent proposals. Firstly, we suspect that graduates are likely to feel the increase in rent most strongly. The proposed cuts in higher education and research council funding are already having a major impact on funding of graduates, and substantial increases in rent will serve to place graduates under more financial pressure. As a result we are keen to try and keep costs for graduates as low as can be afforded. Secondly, under the current system students have to choose accommodation before the increases in rent are announced. Under the current system this works as rent increases have been considerably smaller than that proposed this year. However under the more recent proposals, rent increases would be dependent on inflation changes. These have the potential to be large and difficult to estimate before the rent increase is announced. As a result, graduates would already be tied into accepting college accommodation before they could make an informed decision as to whether or not they could afford it. With a capped rise they would have the advantage of knowing an upper limit for which to budget. This would allow students to make more sensible decisions as to whether they could afford to live in, and in the long term would benefit both the students and College.

### Concerns with standards of graduate accommodation

Last year's Graduate Housing Review raised some of the concerns that the MCR have with the standard of graduate accommodation at Worcester. Since the review was written, College has made some very welcome changes to parts of its accommodation, for which we are grateful. We hope that improvements will continue to be made, jointly by the Committee and College.

However, as it stands, there is still much to be done before all the graduate accommodation will reach what we feel is a reasonable standard. In addition, we are still worried that there is a disparity between the graduate accommodation and the majority of the undergraduate accommodation (particularly as more emphasis is placed on providing accommodation for conferences), and that in the current climate this is likely to continue.

The standard of graduate housing raises two concerns with regards an increase in rent.

Firstly, lots of graduate students have complained to the committee about the standard of housing in the lower-banded accommodation. Although in some cases this is being improved, for the majority of students the lower rent still does not compensate for the poorer quality of their rooms. If there are substantial rent rises we feel it is likely that many graduates will cease to view these rooms as an acceptable choice of accommodation. This could have an impact on both the MCR community (as more of its members live out) and potentially on the College, who may lose applicants to colleges which can provide better value accommodation.

Secondly increases in rent should be accompanied by a proper commitment to and plan for improvements for graduate accommodation in the longer term. We have heard various proposals for further renovations to the Mitchell Building, and these are very welcome. However, as we

understand it, it is likely that the Mitchell building will continue in its current state for the majority, if not all, of the 5 years over which the rent increases are planned. In addition, as far as we are aware there are no plans to update Worcester House or the Worcester Place houses in the near future on the grounds of cost. We are concerned that asking students to pay substantially more rent for the same rooms with no plans for future improvements will be seen as unfair, and may be detrimental to the relationship between College and the graduate community.

We understand that rent increases will be necessary, and we do of course understand that in the current circumstances expensive changes to graduate accommodation may not be possible. However, we feel that in light of the above concerns, implementing a policy which could see a rise in rent of potentially far more than the Van Noorden index would be inadvisable. We hope to set out in the rest of the report ways that we feel savings could be made in College which would negate the need for such substantial increases in rent, and ways in which the MCR could seek active involvement.

## Potential cost savings and sources of income

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The MCR members are of course aware of the large losses made by the College in 2008-9 and the continuing difficult financial situation worldwide, and accept that the College must take a variety of measures to reduce costs and increase income.

We have some suggestions for ways in which the MCR could help the College to reduce some of its costs and increase its income and shall be pleased to discuss these further.

### Cost reductions

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One measure by which significant savings could be made is via a reduction in scout services for graduate students. Most graduates consider a scout service superfluous and unnecessary, and given that graduate rooms are situated on the outside of college, the arrangement is akin to that of privately rented accommodation. Students in privately-rented houses have no scout service, and those in college houses have made clear they would be happy to undertake some of the tasks for themselves, such as emptying of bins.

We wish in no way for pay, jobs or benefits for scouts to be reduced, but instead propose a reduction in the number of days of scout service provided by adopting a policy of a gradual cutback in scout numbers, achieved by not replacing all scouts who move on elsewhere.

### Income increases

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We should like to make some suggestions which occurred to us from perusing the College accounts in connection with the rent review process, and hope they will be received in the spirit in which they have been made.

We consider that the MCR members represent an asset to the College, and therefore from the outset we wish to offer our services and commitment in the college's fundraising activities.

1. Were the College to hold fundraising dinners for alumni, we would be more than happy to help entertain old members before such dinners. Such dinners seem to be a widely used in Oxford to keep the goodwill of alumni, and are themselves good sources of income.
2. Were College to begin, for example, garden tours/cream teas in the summer, we could help guide and serve. This could be a good, if relatively small, source of income, and we note that the accounts show the existence already of a trading company, 'Worcester College Enterprises Ltd', to accept such income, so there will be no breach of charitable status. The same company could be used for other income-generating ventures outside the charitable aims of the College.
3. Other Colleges charge visitors for entry in the afternoons. We feel that the same could easily be done here, and could be a steady source of income.

4. In the accounts to July 2009, the cost of fundraising, at £203,000 represents one-third of the income generated. This does not seem to us to be very cost-effective, especially as the Telethon (and it should be noted that this work was carried out by JCR and MCR students) raised £272,000 of the income at relatively low cost to the College.
5. The amounts due from college members totaled to £199,000 in July 2009. While we accept that in many cases this is beyond the control of the college, there are instances where the collection process has not been entirely effective. In particular, one student was asked for £2693.30 in uncollected rent, and another £2307.09, after their numerous previous attempts to offer the college money.
6. We understand that Worcester cannot host the large conferences some colleges manage due to a lack of large meeting rooms. Given however the abundance of high quality conference accommodation, a possibility would be to establish ties with the nearby Saïd Business School, who have excellent conference facilities but no accommodation. Again, were there the need for additional human resources for such conferences, the MCR would be delighted to assist in whatever capacity was needed.
7. We wonder whether college could do more to engage ex-MCR members with the college. If old members feel more of a link to the MCR they may be more willing to help college in the future. We could assist in this by, for example, helping to set up an MCR-specific area on the old member's website, or writing annual letters or updates directly from the MCR to old members. These could be 'paper-less' which would keep costs to a minimum.

## Recommendations

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We understand that the College's intention is a raise in rent prices of 6.05% for the next academic year, and a freeze for the subsequent 3 years of inflation + 5%. In light of the above concerns with regards to accommodation standards, as well as the university's recommended figure in the form of recently published Van Noorden Index of 3.62%, we believe this is too high.

We make the following proposition:

- A rise of 5.05% for the next academic year. We believe this figure to be very fair, given this is still 1.43% in excess of this year's VHI.
- It is not in the MCR's best interest to accept a long-term deal that spans 4 years on purely democratic grounds; any agreement would be made on behalf of future MCR members, while those current members who accepted such a long-term rise would naturally be unaffected. If however the College were to insist on a longer-term plan, we could only accept this on the basis of an established cap (we would propose 6%) and a more legitimate rise (we would propose a figure of inflation + 3.25%). Any long-term agreement in excess of this would be untenable on the basis of said moral grounds.

We hope that these proposed rent rises seem fair, and that the recommendations provided in this document is of value to the College's future plans.