THE UNIVERSITY of EDINBURGH

Estates, Digital and Infrastructure Committee

Thursday 15 September 2022

Minute – Website Version

Note: This is an edited version of the full Estates Committee minutes. The majority of papers for Estates Committee are closed but where possible minute text has been provided. This may not be the full minute for each item.

Present:
Frank Armstrong, Co-opted Member of Court
David Argyle, William Dick Chair of Veterinary Clinical Studies, Royal (Dick) School of Veterinary Studies
Leigh Chalmers, Vice-Principal and University Secretary
Sue Currie, External Member
Iain Gordon, Head of School and Chair of Mathematics
Dave Gorman, Director of Social Responsibility and Sustainability
Kim Graham, Provost, College of Arts, Humanities and Social Sciences
Lee Hamill, Director of Finance
Colm Harmon, Vice-Principal (Students)
Gary Jebb, Director of Place
Catherine Martin, Vice-Principal Corporate Services
Theresa Merrick, Director of Communications and Marketing
Mark Parsons, EPCC Director and Dean of Research Computing
Sarah Prescott, Vice Principal, Head of the College of Arts, Humanities and S Sciences
Niamh Roberts, Edinburgh University Student Association, President
Alistair Smith, Co-opted Member of Court
Rona Smith, Director of Strategic Planning & Insight
Carina Svensen, Director of Accommodation, Catering and Events (ACE)
Richard Terry, External Member of the Committee

In Attendance:
Helen Tweedie, Estates Governance and Committee Officer
Tommy Angus, Interim Director of Estates Operations
Terry Fox, Director of Specialist Services, Finance
Jane Johnston, Director of Estate Development
Liz Lovejoy, College Registrar, College of Arts, Humanities and Social Sciences
Peter Mathieson, The Principal and Vice-Chancellor
Katie McBain, Estates Policy and Governance Manager
Anne Payne, College Registrar, College of Science and Engineering
Liz Reilly, Director of Philanthropy and Donor Relations, Development & Alumni
Zoe Stephens, Head of Organisational Development and Change
Weir, Director of Information Technology Infrastructure (ITI), ITI Directors Office
Isi Williams, Edinburgh University Student Association, Vice President

Apologies:
Chris Cox, Vice-Principal for Philanthropy and Advancement
Grant Ferguson, Interim Director of Estates
Gavin McLachlan, Chief Information Officer and Librarian to the University
Anne-Marie Coriat, College Registrar, College of Medicine and Veterinary Medicine

Jo Craiglee, Head of Knowledge Management and IS Planning
Jennifer Milne, Deputy CIO

1.   Introduction and Welcome to the Estates, Digital and Infrastructure Committee

The convener opened the meeting by thanking the Interim Director of Estates and his team for their contributions over the last week in assisting with the logistics of Operation Unicorn, following the passing of Queen Elizabeth II on 8 September 2022.

The Principal introduced the new Estates, Digital and Infrastructure Committee and outlined the reasons behind its creation.

It was highlighted that there had been recent changes to the personnel of various committees and groups that drove the University business, including the departure of Senior Vice-Principal Seckl as the Chair of Estates Committee. It had therefore been considered timely to make changes to the membership of Estates Committee, moving the Chair to being independent, rather than a member of University staff.

With Estates Committee having considered digital estate projects on an informal basis in recent months, Court was updated in June on the intention to formalise this arrangement in a new committee and this was subsequently agreed by PRC in August with the creation of the new Estates, Digital and Infrastructure Committee.

1.1   Terms of Reference for Noting

The Principal presented the revised Terms of Reference to Committee, highlighting the following points:

- Estates Committee was now an Estates, Digital & Infrastructure Committee;

- The Convener was an independent ('lay') member of Court or an external member appointed by Nominations Committee;

- The Provost was appointed as Deputy Convener on an ex officio basis with signing authority for projects approved by the Committee;

- Up to two lay members of Court and up to two external members would be appointed by the Nominations Committee;

- The Chief Information Officer has been added as an ex officio member and the Senior Vice-Principal position has been replaced with the Provost position;

- The Terms of Reference had been updated to strengthen oversight in the following areas: "monitor implementation of ongoing projects against agreed business cases. To provide the University with an appropriate level of assurance that the financial and non-financial

benefits from agreed business cases were predictable and were on track to be delivered throughout the whole life of the project. To conduct post-implementation reviews of completed projects at a threshold level that would be agreed by the Committee";

- The new Committee was empowered to approve digital estate business cases of any size and to approve funding for digital estates projects of up to £10m, provided that these are within the approved capital plan and/or approved budget envelope for revenue expenditure. Funding requests of over £10m or for projects outside of the approved capital plan/revenue budget will be submitted to Policy & Resources Committee and then Court (similar to the position for physical estate projects)

- The Committee would replicate the practice at Court meetings of committee members sitting at a meeting table and attendees sitting separately at seats around the side of the room.

Committee noted the revised Terms of Reference, with an amendment to paragraph 3.2, which should include the Deputy Convener in reference to a quorum.
Secretary's note: *this was a clerical error and the terms of reference have now been amended to reference the Deputy Convener in the quorum rules.*

There was a discussion regarding additional detail on digital legislation, and it was suggested that this should be incorporated within the Terms of Reference document itself, or more broadly within the remit of the committee. The Deputy Convener agreed to review this.

Action: Deputy Convener

1.2   Convener Introduction

The Convener noted that bringing the digital and physical estates together under the Estates, Digital and Infrastructure Committee would continue to be a work in progress and further changes were possible over the next 12 months. During this time the Committee will seek to introduce best practice from both legacy committees and develop a unified approach to the Digital and Infrastructure estates

It was highlighted that the Convener was a non-executive member rather than an executive staff member, in line with the increased remit of the Committee and to reflect its governance role in supporting independent oversight across the range of business. It was noted however, that consensus and agreement would be expected as usual at the Committee meetings. It was requested that should members disagree with any point of discussion, that they raised their objections within the platform of the Committee to try to reach an agreement on a way forward.

The Convener welcomed Leigh Chalmers to the meeting who was replacing Sarah Smith, as Vice Principal and University Secretary.

The new Heads of College were also welcomed - Iain Gordon, Vice Principal & Head of College, Science & Engineering (replacing Dave Robertson) and Sarah Prescott, Vice Principal & Head of College of Arts, Humanities and Social Sciences (replacing Dorothy Miell).

It was noted that the Edinburgh University Student Association (EUSA) had new representatives. Niamh Roberts, President of EUSA (member) and Isi Williams, Vice President (attendee).

The Convener welcomed the additional Members of the new Estates, Digital and Infrastructure Committee: Kim Graham, Provost was joining the Committee as Deputy Convener, and Sue Currie was joining as an External member. Sue was also an external member of Knowledge Strategy Committee and would sit on both committees going forward.

The new attendees of the Estates, Digital and Infrastructure Committee were noted as:
- Jennifer Milne, Director of Applications & Deputy Chief Information Officer
- Jo Craiglee, Head of Knowledge Management & Planning, Information Services Group
- Tony Weir, Director of IT Infrastructure, Information Services Group

For this particular meeting of Estates, Digital and Infrastructure Committee Tony Weir, Director of IT Infrastructure, Information Services Group, would be standing in as a member, in the absence of Gavin McLachlan, Chief Information Officer and Librarian to the University.

Apologies were noted from Grant Ferguson, the Interim Director of Estates, and where relevant, presenting on his behalf would be either Director of Estate Development, Interim Director of Estate Operations, or Director of Place.

2.   **Minute**

The Minute from the last meeting of Estates Committee on 18 May 2022 was approved as a correct record.

3.   **Matters Arising**

Edinburgh Futures Institute (EFI)
It was noted in the May Estates Committee meeting, that a follow up paper regarding the revised business case for EFI would be presented in due course – this paper was now expected at the December meeting of Estates, Digital and Infrastructure Committee.

Innovation incubation Hub at Edinburgh BioQuarter
College of Medicine and Veterinary Medicine, Edinburgh Innovations and Estates had planned to work together over the summer in 2022 to identify and refine potential solutions, funding and partners to deliver an affordable amount of appropriate quality laboratory space. They would report on any opportunities.
Head of College of Medicine and Veterinary Medicine acknowledged that this was a work in progress and they were not yet ready to present findings.

Digital Estates Bid – Timetabling Full Business Case
In May 2022, Estates Committee approved capital spend on this project, and it was subsequently approved by Policy and Resources Committee and finally University Court.

The Director of IT Infrastructure updated the Committee to note that the procurement process was now due to begin in October 2022.

4. **Key Decision Forward Plan**

The Key Decision Forward Plan (KDFP) was presented. Committee noted the plan, as detailed in the appendix.

Committee agreed that all future papers presented to Estates, Digital and Infrastructure Committee (ED&IC) would be expected to acknowledge in detail their climate emergency implications, as outlined in section 9 of the ED&IC report template.

The Convener requested that only one strategic paper should be presented at each meeting.

It was acknowledged that the Key Decision Forward Plan would now include topics from the Digital Estate. The Director of Place and the Provost agreed to meet with the CIO and Librarian to the University, to discuss potential routine items and future topics.

Action: Director of Place, Provost and CIO and Librarian to the University

It was highlighted that two items on the KDFP, would likely be presented to the Estates, Digital and Infrastructure Committee Exception Group before the next full Committee meeting on 14 December 2022:
- Purchase of Land for Carbon Sequestration
- Large Animal Research and Imaging Facility (LARIF) 2

5. **Estates Annual Capital Plan 2021-22 to 2027-28**

A summary of the Capital Plan for the seven-year period 2021-22 to 2027-28 was presented. It set out the movements in the Capital Plan compared with the Capital Plan presented at Estates Committee in May 2022, the expenditure for the financial year 2021-22, the forecast for 2022-23 and the requests for funding sought at this Estates, Digital and Infrastructure Committee meeting.

It was acknowledged that the Pollock Halls District Heating Network *(Item 8 on the agenda)* would be funded by means of a loan from the University to its subsidiary and that this was on commercial terms and would be repaid by funds raised from the company's trading activities.

This paper recognised that in its current version the Capital Plan was considered affordable, but in line with previous versions, inflation assumptions had been applied to some elements of the Capital Plan, but not all.

It was highlighted that the drivers for construction inflation *(detailed in Item 17 of the agenda – Estates Capital Plan Update)* were greater now than levels experienced in recent years, and therefore the next iteration of the plan would include an assessment of affordability against the revised inflation assumptions. Committee acknowledged this and agreed it was an important inclusion for future updates.

5.1   Director of Finance Update

An update was provided on the latest iteration of the University's five-year financial scenario modelling and detailed the upcoming schedule for the next iteration of scenario planning.

Committee reviewed and noted the latest update.

6.   Large Animal Research and Imaging Facility (LARIF) 2 Stage 3 conclusion and Full Business Case

The Full Business Case for the Dryden Farm Relocation (LARIF 2) to Easter Bush, was presented for approval. The project had reached the end of RIBA stage 3 and a request was made for a release of Biotechnology and Biomedical Sciences Research Council (BBSRC) capital grant award to complete the project.

Committee noted the BBSRC previously secured grant funding and associated timeline for the project.

Committee further noted the approved Business Case submitted to BBSRC in Jan 2020 which justified the award, and that RIBA Stage 3 (Developed Design) had been completed.

Committee approved the Full Business Case. Committee also approved funding release from the awarded BBSRC funding to allow the Dryden Farm Relocation (LARIF 2) project to progress to completion.

It was acknowledged and highlighted that a post-project review of the original LARIF building would be undertaken and any "lessons learnt" would be incorporated in the progression of LARIF 2.

7.   Institute of Regeneration & Repair - Updated VAT Strategy

The updated VAT strategy within the Institute of Regeneration & Repair (IRR) Expansion was presented.

Committee approved the release of additional funding to the IRR project to cover the arising VAT charge.

It was noted that this additional funding was covered within the "Emerging Needs" budget and would be recovered through the increased commercial activity.
Both the Director of Finance and the Head of College of Medicine and Veterinary Medicine thanked the Director of Specialist Services and his team for their work on this paper and acknowledged that the deadline extension offered by HMRC was a credit to their trusted working relationship.

Committee acknowledged that this project had provided valuable learning points regarding the implications of using spaces for commercial purposes. These lessons should be considered in future builds.

8.   Pollock Halls District Heating Pipework Replacement

Both Director of Specialist Services and Director of Estate Development declared and interest in this item, as directors of the University of Edinburgh Estates Services Company Limited (UoEESCo).

On behalf of the Interim Director of Estates, this item was presented by the Interim Director of Estate Operations.

The request for funding was presented, in order to undertake essential district heating pipework replacement at Pollock Halls. The proposals had been approved by University of Edinburgh Estates Services Company Limited (UoEESCo) on 10 May 2022, with a recommendation that the project should proceed to Estates, Digital and Infrastructure Committee for approval of loan funding to support the project.

Committee recommend to Policy and Resources Committee the approval of a loan from the University to UoEESCo to urgently renew the district heating pipework network on the Pollock Halls Campus.

Committee approved, on behalf of the University of Edinburgh, funding via a loan from the University which would be repaid by income from UoEESCo commercial activity.

The Director of Finance clarified that it was an established practice to manage the loan terms internally, and reassured Committee that the Subsidiaries Oversight Group existed to monitor such activity.

9.   Edinburgh College of Art Outline Business Case

A report was presented on the progress of the Edinburgh College of Art (ECA) project. It requested approval of the Outline Business Case as well as funding to progress the project design to the end of RIBA Stage 3 and then submission of the Full Business Case.

Committee noted that the implementation and delivery of the ECA Masterplan would allow the Reid School of Music to relocate from Alison House to the Lauriston Campus, thus releasing space within the Central Area for repurposing.

Committee approved the Outline Business Case, and the capital funding to progress the project to the end of RIBA Stage 3, and the submission of a Full Business Case.

Whilst it was acknowledged that this project released space with in the Central Area, it was highlighted and agreed that further discussion would be necessary to decide who and what should now occupy that vacated space going forward.

It was noted that this report omitted to address the required climate implications of the project, as requested in the report template. The Governance team would ensure that element was included when the full business case was presented at the next meeting of Estates, Digital and Infrastructure Committee on 14 December 2022.

Action: Estates Policy and Governance Manager

Committee agreed that the full business case should also address the continuity of teaching during the design phase. It should also specifically outline the plans for co-locating the Edinburgh School of Architecture and Landscape Architecture within the Edinburgh College of Art.

10. **Data Centre Capacity**

A forward view of data centre capacity, was presented including capacity constraints and risks, with proposed mitigations.

Committee noted the update on data centre capacity and the proposed mitigation.

Committee approved establishing a short life working group to investigate options to address the challenges outlined in the paper.

This item would return to Estates, Digital and Infrastructure Committee at the next meeting on 14 December 2022 with its recommendations.

It was further noted that the remit of the proposed working group along with the membership, which should be broad ranging, was yet to be confirmed and formalised. It was agreed that the Director of IT Infrastructure would invite the Provost to have oversight of the working group and to share her views on both elements; remit and membership.

The urgency of this project was highlighted and would be reflected in the timescales

of the new working group.

Action: Director of IT Infrastructure

11.   Climate Change - Estate Net Zero Pathway update

An update was provided on the current activity that underpinned the Estates contribution to the University's Net Zero target. The paper also provided an update on the current impact to the University of the energy crisis and the unprecedented increases in tariffs.

Committee noted the update on activity related to the delivery of the Estate's contribution to Net Zero by 2040 target.

Committee further noted the impacts of the increasingly volatile energy markets and that carbon, energy consumption and cost were not always directly linked and that each of these areas required a reduction strategy.

It was acknowledged that energy tariffs were yet to be fixed for all supplies from April 2023 and so there remained a degree of uncertainty ahead.

It was highlighted that the right balance needed to be struck for each new development project going forward – between the introduction of new design principles, to align with net zero (an area of focus) and the increased construction and operational costs, compounded by inflation.

Committee recommended and agreed that the issues raised and discussed in this report would require a University-wide, strategic approach which should be addressed with the Executive Committee.

12.   Estates Capital Projects Update

An overview was provided of projects above £1m, which were currently committed, and in the construction stage on site or which have been completed since the last meeting.

Committee noted the overview of the projects contained in the paper and in the Appendix.

Committee noted the regular specific update in relation to the Edinburgh Futures Institute (EFI).

Committee further noted the market commentary within this paper in relation to inflation and the potential impact on the Capital Plan.

13.   Estates Committee Sub-Group and Estates Tender Review Panel Approvals

The decisions taken by Estates Committee Sub-Group (ECSG) since the final Estates Committee on 18 May 2022 were presented. The paper also presented a list of contract awards (greater than £250,000) over the period 1 May 2022 to 31 August 2022 that had been approved via the Estates Tender Review Panel (ETRP). Committee noted the following decision which had been taken by the ECSG and referred to in the report:

- **Forest and Peat Site Acquisition Approval Request** - Estates Committee Sub-Group approved the submission of an offer to purchase hill land near Bridge of Allan at the closing date for offers on 21 July 2022.

Committee noted the contract awards approved by Estates Tender Review Panel over the period 1 May 2022 to 31 August 2022, as outlined in Appendix 1 of this report.

14. **Development & Alumni Capital Project Update**

An update was presented summarising progress with fundraising approaches for current priority capital projects. It included progress against stretching multi-year targets for gift income towards the University's capital plans that were discussed and noted at the December 2016 Estates Committee.

Estates Digital, and Infrastructure Committee is invited to note the update.

15. **Strategic Acquisitions Disposals and Leases**

An update was provided on strategic acquisitions, disposals and leases.

Committee noted that since May 2022 Estates Committee, 8 new University leases, had been approved under sub-delegation arrangements which were presented to Estates, Digital and Infrastructure Committee for noting as detailed in Appendix 1.

Committee noted updates on a number of leases and on strategic acquisitions and disposals.

16. **Date of next meeting:**

The next meeting was Wednesday 14 December 2022.