



Estates Committee

Wednesday 17 May 2023

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, Vice Principal and Head of College of Medicine and Veterinary Medicine
Leigh Chalmers, Vice-Principal and University Secretary
Chris Cox, Vice-Principal Philanthropy and Advancement and Executive Director of Development and Alumni
Sue Currie, External Member
Iain Gordon, Vice-Principal and Head of College of Science & Engineering
Dave Gorman, Director of Social Responsibility and Sustainability
Kim Graham, Provost
Lee Hamill, Director of Finance
Colm Harmon, Vice-Principal Students
Gary Jebb, Director of Place
Catherine Martin, Vice-Principal Corporate Services
Gavin McLachlan, Chief Information Officer and Librarian to the University
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 Social Sciences
Niamh Roberts, EUSA President
Alistair Smith, Co-opted Member of Court
Rona Smith, Director of Strategic Planning & Insight
Carina Svensen, Director of Accommodation, Catering and Events
Richard Terry, External Member of the Committee
Damien Toner, Director of Estates
- In Attendance:** Helen Tweedie, Estates Governance and Committee Officer
Tommy Angus, Interim Director of Estates Operations
Anne-Marie Coriat, College Registrar, College of Medicine and Veterinary Medicine
Terry Fox, Director of Specialist Services, Finance
Grant Ferguson, Director of Estates Net Zero and Carbon Leadership
Jane Johnston, Director of Estate Development
Liz Lovejoy, College Registrar, College of Arts, Humanities and Social Sciences
Peter Mathieson, The Principal and Vice-Chancellor
Paul McGinty, Head of Internal Audit
Lynn McMath, Deputy Director, Stakeholder Relations
Anne Payne, College Registrar, College of Science and Engineering
Liz Reilly, Director of Philanthropy and Donor Relations

Zoe Stephens, Director of Estates Business Services
Tony Weir, Director of Information Technology Infrastructure
Isi Williams, Edinburgh University Student Association, Vice President
Hannah King, Policy and Governance Manager

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

1. **Welcome & Introduction**

The Convener welcomed Lynn McMath, Deputy Director of Communications & Marketing who was attending on behalf of Theresa Merrick, Director of Communications & Marketing.

It was noted that Paul McGinty, Head of Internal Audit would be joining to present item 13, Internal Audit Report - Institute of Regeneration and Repair (IRR) Capital Project.

2. **Minute**

Estates Committee approved the minutes from the last meeting on 15 March 2023.

3. **Matters Arising**

The Convener advised that since the last meeting of Estates Committee, on 17 April 2023, University Court considered the following items:

Edinburgh College of Art – Full Business Case – University Court considered and approved the capital funding to progress the project from RIBA Stage 3 through to construction and building occupation.

Teviot Row House Project – University Court considered and approved capital funding to progress the Teviot Row House project from RIBA Stage 3 through construction to completion and occupation.

Small Works Programme – University Court considered and approved the Small Works Programme and Statutory Compliance Capital allocation included within the Capital Plan and the means of apportioning funds.

Residential Strategy 2023-2030 - University Court considered and approved the strategy.

University Court had also noted the **Integrated Transport Plan** on 17 April 2023, via the Policy & Resources Committee report to Court.

4. **Key Decision Forward Plan**

A forward plan was presented listing the reports that were expected to be presented to Estates Committee in the coming year and the decisions that would be required by Estates Committee.

It was highlighted that in addition to those listed, a report was expected in September 2023 regarding the New Darwin Project.

Estates Committee noted the Key Decisions Forward Plan as detailed in the appendix.

5. Estates Annual Capital Plan 2022 to 2027

An update of the Capital Plan for the six-year period 2022 to 2027 was presented. It set out the movements in the Capital Plan compared with the Capital Plan presented at Estates Committee in March 2023, the forecast for 2022-23 and the requests for funding sought at this Estates Committee. It was highlighted that consideration was required on how and at what time the projects identified as emerging needs would be addressed.

Estates Committee noted the update to the European Investment Bank (EIB) projects.

The intention to begin planning for a new Capital Plan 2025-2030 during the early part of 2024, was noted.

6. Information Services Group Capital Envelope 2022-2028

An update was provided on the Information Services Group (ISG) 5-year capital envelope, 2022-28.

The Capital Plan presentation had been amended to more closely align with the format of the [physical] Estates Capital Plan and there were 4 main categories:

- Baseline maintenance projects;
- Prioritised – underway projects;
- Prioritised – proposed projects; and
- To be prioritised projects.

Estates Committee noted the updated forecast for years 2022/23 to 2027/28 and noted the update on the Estates Facilities Management System.

7. Finance Papers

7.1 Director of Finance Forecast Update

An update was provided regarding the University Group's current year financial position for 2022-23 and detailed the upcoming schedule for the next iteration of the five-year financial scenario modelling.

Estates Committee noted the latest update.

7.2 Formalisation of a Benefits Articulation Process

An approach at individual project and portfolio level was presented which would provide the template to monitor and measure actual benefits realised and delivered for Capital projects. A consistent approach to articulating project benefits would assist those preparing Business Cases and decision makers alike to clearly link project outputs to key University Priorities across three broad strands: strategic alignment; financial performance; and Estates overarching objectives.

The paper focused on the physical estate but it was intended to apply a similar approach to projects comprising the digital strategy as soon as possible.

It was noted that those preparing business cases should articulate the range of expected financial and non-financial benefits at the level of the individual project. Estates Committee would therefore be supported to understand the impact of individual projects on the range of expected financial and non-financial benefits of the project portfolio.

Estates Committee welcomed the paper and highlighted the following points:

- the approach would support the changes that had been made to the Estates Committee Terms of Reference in the previous year;
- it would provide a tool to give assurance that the financial and non-financial benefits from agreed business cases were predictable and on track to be delivered throughout the whole life of the project;
- consideration could be given, in the future, to the addition of a separate strand to evaluate Carbon alignment which was currently included in the other three strands;
- the Benefits Articulation Process was in the early stages and would evolve and adapt over time; and
- a time line was requested on when digital projects would be integrated into the process.

Estates Committee approved the approach, requiring future business cases to clearly articulate expected benefits with the portfolio view to be considered alongside decisions to approve or decline funding requests.

Action: Director of Finance

8. Internet of Things (IoT) Call-off Framework

The Data Driven Innovation programme (DDI) Internet of Things (IoT) Research & Innovation Service was working with Procurement to put in place a multi-year capital purchasing contract for the purchase of IoT sensors, communications infrastructure and related technical services and sundries.

This procurement route would primarily provide the path to construct and expand SeNSES, the Edinburgh International Data Facility (EIDF) regional Sensor Network for South East Scotland to support DDI projects. It would also provide a route to market for any additional University investments in equipment for University research projects or for operational Smart Campus projects.

Estates Committee approved establishing a multi-year purchasing route to support construction of the DDI EIDF regional sensor network and to facilitate purchasing of suitable equipment for wider University research projects and operational Smart Campus projects. It was noted that the contract award was expected to be presented to Estates Committee Exception Group for approval in October 2023 prior to signature in line with the University Delegated Authorisation Schedule.

Action: Vice-Principal, Chief Information Officer and Librarian to the University

Estates Committee further noted that this paper was not requesting approval for investment, and that any subsequent investments transacted through this purchasing framework would be subject to appropriate approvals.

9. Tynecastle Student Accommodation - Forward Funded Acquisition Opportunity

Details were provided of an emerging opportunity and the discussions that had taken place with the private Developer, S1 Developments, in relation to the potential acquisition of a new 473-bed student accommodation development on a forward funded basis in Tynecastle, Gorgie. It was advised that the project had previously been discounted as it was thought that Planning Permission would not be granted however this was secured in early 2023.

Estates Committee noted that this opportunity supports in the delivery of the objectives set out in the Residential Strategy 2023-2030, principally by delivering an additional 473 beds.

Estates Committee welcomed the acquisition opportunity and agreed that further work should be undertaken to progress the HoT's and Full Business Case.

Action: Director of Accommodation, Catering and Events and Director of Estates

10. Advanced Computing Facility Exascale Next Steps

An update was provided on the UK Exascale Project and approval was sought for funding to remobilise the Advanced Computing Facility Computer Room 4 (CR4) extension project in preparation for the potential Exascale system.

Estates Committee noted that the Chancellor of the Exchequer announced “£900 million to build an Exascale supercomputer and to establish a new AI Research Resource, with initial investments starting this year” in the Spring Budget.

It was noted that the Exascale Project would be fully funded by UK Government once the UK Research and Innovation (UKRI) Outline Business Case was approved in December 2023 by the Government.

Estates Committee approved the transfer of funding for Stage 4 fees from University Corporate Resources (Strategic Priorities Budget) which would be refunded by UKRI once the UKRI Outline Business Case for Exascale was approved. It was also noted that if the UKRI Business Case was not approved, that the University would not be able to reclaim the funding for Stage 4 fees from UKRI.

Action: Director of EPCC

11. Midlothian Centre of Excellence and First Opinion Practice

An Outline Business Case was presented, supporting a potential First Opinion Practice for the delivery of primary veterinary care on land adjacent to the Easter Bush Campus. A potential transaction with Midlothian Council was outlined in an exchange or disposal of the residual portion of the First Opinion Practice site for their Centre of Excellence; a Science, Technology, Engineering and Maths secondary school.

Estates Committee noted the proposed revised scope of the First Opinion Practice project and the high returns generated by the project, as outlined in the Outline Business Case. Estates Committee approved the Outline Business Case and funding to progress RIBA Stage 4 Technical Design, production information to tender stage and conclude legal negotiations with Midlothian Council.

The two potential delivery options detailed in the report and that the preference for option A were noted. Proceeding with option A, was approved by Estates Committee as the direction of travel, in relation to concluding the legal negotiations with Midlothian Council.

Action: Head of College of Medicine and Veterinary Medicine and Director of Estates Development

12. Energy Masterplanning & Heat Decarbonisation Update

An update was provided on the University of Edinburgh Estate Energy Masterplanning Programme as proposed in the Net Zero Pathway Programme update to Estates Committee in March 2023. The paper provided details of context, progress, challenges, risks and next steps.

It was agreed that a separate and dedicated seminar should be arranged for members, where this paper and the opportunities within it, could be explored in more depth. It was asked if the seminar could include further detail on the University's dependencies on third parties such as the City of Edinburgh Council.

Action: Director of Estates Net Zero & Carbon Leadership

The Director of Estates Net Zero & Carbon Leadership invited members to advise of any additional questions or topics that they would like to see discussed at the seminar.

Action: All members

Estates Committee noted the progress on developing the Estate Energy Masterplanning Programme to 2040.

13. Internal Audit Report - Institute of Regeneration & Repair Capital Project

A summary was presented of the recent Internal Audit report on the Institute of Regeneration & Repair (IRR) capital project. The report was discussed with senior management in early 2023 and by the Audit & Risk Committee in March 2023. It was considered that a number of the observations and recommendations in the report should be assessed more generally in terms of specific insights, lessons learned and actions to be taken forward. As such, it was considered beneficial for the key points from the report to be presented to, discussed and considered by Estates Committee.

It was agreed that the Director of Estates would report back to Estates Committee with an action plan to address the issues highlighted in the audit.

Action: Director of Estates

14. Estates Capital Projects Update

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

Estates Committee noted:

- the overview of the projects contained in the paper and in the attached Appendix 1;
- the regular specific update in relation to the Edinburgh Futures Institute (EFI);
- the particular update in relation to the Usher project; and
- the market commentary within the paper in relation to inflation and the potential impact on the Capital Plan.

It was noted that the University was working on a detailed fit out schedule which indicated that Wings A, B and E on the west side of the building would be complete and in operation to support the EFI teaching programmes for academic year 2023/24.

It was further noted that the summary status information in the appendix could be more dynamic as the project updates were on occasion similar to the update provided at the last Committee meeting. In addition, it was noted that it would be beneficial to provide RAG Status indicator movements.

Action: Director of Estate Development

It was agreed that consideration should be given to providing a similar update for digital projects.

Action: Vice-Principal, Chief Information Officer and Librarian to the University

15. Estates Committee Exception Group and Estates Tender Review Panel Approvals

Details were presented, of a decision taken by Estates Committee Exception Group (ECEG) since the last Estates Committee on 15 March 2023. The paper also presented a list of contract awards (greater than £250,000) over the period 1 March 2023 to 30 April 2023 that had been approved via the Estates Tender Review Panel (ETRP).

Estates Committee note the following decision taken by ECEG:

Pollock Halls District Heating Pipework Replacement - Main Contractor Construction Services

- ECEG noted that the Pollock Halls District Heating Pipework Replacement project budget had a shortfall due to an increased scope involving the essential upgrade of plant rooms, and approved, on behalf of the University, additional funding from existing Estates Infrastructure budgets.
- ECEG noted that the University of Edinburgh Estates Services Company (UoEESCo) Board provided approval to proceed with the contract award on 31 March 2023.
- ECEG agreed to provide approval on behalf of the University for UoEESCo to award the contract for construction services in respect of the Pollock Halls District Heating Pipework Replacement to Balfour Beatty.
- ECEG further noted that the contract award would be signed by a University signatory in line with the University Delegated Authority Schedule and that the tender expiry date from Balfour Beatty was 17 April 2023.

Estates Committee further noted the contract awards approved by Estates Tender Review Panel over the period 1 March 2023 to 30 April 2023 as outlined in the Appendix of the report.

16. Knowledge Strategy Committee Report

The key points from the Knowledge Strategy Committee meeting on 21 March 2023 were presented.

Estates Committee noted the key points from the meeting.

17. Development and Alumni Capital Project Update

A summary was provided of progress with fundraising approaches for current priority capital projects. It reported back on 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 Committee noted the update.

18. Strategic Acquisitions, Disposals and Estate Management

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

Estates Committee noted the updates on Strategic Acquisitions and Disposals.

Estates Committee noted that since March 2023 Estates Committee 4 lease renewals and 3 new Licences of University property had been approved under sub-delegation arrangements which were presented to Estates Committee for noting as detailed in Appendix 1 of the report.

Estates Committee noted that the lease of part of building 319, Rosyth Royal Dockyard which had previously been approved under sub-delegated authority arrangements and was reported to the last meeting of Estates Committee would not be pursued further at this time.

Estates Committee noted that the previous reported review of transaction models in connection with the Baltic street development (612 beds) had concluded that there was no financially viable model available and as such the discussions with the Developer had ended.

Estates Committee noted a number of Estate Management transactions recently, or shortly, to be completed.

19. Green Data Centre Initiative

A paper was presented describing the ongoing Green Data Centre Initiative which delivered efficiency and optimisation in the use of the University's datacentres and on-premise IT services, with resultant reduction to University energy usage and carbon emissions.

Estates Committee noted the ongoing work of the initiative.

20. Capital Project Group - Terms of Reference

The Terms of Reference for the Capital Projects Group (CPG) were presented for approval.

Estates Committee approved the CPG Terms of Reference as detailed in the appendix to the report subject to adding a representative to the Group to reflect the University's commitment to Carbon Net Zero.

21. Date of next meeting

The date of the next meeting was noted at Wednesday 6 September 2023.