



Estates Committee

Wednesday 19 May 2021

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
Grant Ferguson, Interim Director of Estates
Dave Gorman, Director of Social Responsibility and Sustainability
Lee Hamill, Director of Finance
Gary Jebb, Director of Place
Gavin McLachlan, Chief Information Officer and Librarian to the University
Catherine Martin, Vice-Principal (Interim) Corporate Services
Ellen MacRae, EUSA President
Dorothy Miell, Vice-Principal & Head of College of Arts, Humanities & Social Sc
Anne Payne, Director of Professional Services, School of Biological Sciences
Clare Reid, Co-opted Member of Court
Carina Svensen, Director of Accommodation, Catering and Events (ACE)
Richard Terry, External Member of the Committee
Moira Whyte, Vice-Principal & Head of College of Medicine & Veterinary Medici
- In Attendance:** Helen Tweedie, Estates Governance and Committee Officer
Karen Adamson, Head of Estates Finance
Tommy Angus, Interim Director of Estates Operations
Leigh Chalmers, Director of Legal Services, Legal Services
Kyle Clark-Hay, Head of Estates Business Services
Catherine Elliott, College Registrar, College of Medicine & Veterinary Medicine
Terry Fox, Director of Specialist Services
Jane Johnston, Director of Estate Development
Hannah King, Policy and Governance Manager
Liz Lovejoy, College Registrar, College of Arts, Humanities and Social Sciences
Peter Mathieson, The Principal and Vice-Chancellor
Mark Parsons, Personal Chair in High Performance Computing
Liz Reilly, Director of Philanthropy and Donor Relations, Development & Alumni
Zoe Stephens, Head of Organisational Development and Change
Amanda Scully, Vice-President Community, Students' Association
- Apologies:** Jonathan Seckl, Senior Vice-Principal
Pauline Manchester, Interim Director of Strategic Planning
Theresa Merrick, Director of Communications and Marketing
Sarah Smith, Vice-Principal Strategic Change and Governance and University Secretary
Bruce Nelson, College Registrar, Science & Engineering

1. Minute

The minutes of the meeting held on 17 March 2021 were approved.

2. Matters Arising

It was noted that in the absence of the Convener, Catherine Martin, Vice-Principal (Interim) Corporate Services had been nominated to Chair the meeting.

The Committee welcomed Anne Payne, who replaced Bruce Nelson as Interim College Registrar, Science and Engineering, and Leigh Chalmers, Director of Legal Services who was attending as a representative for Sarah Smith, Vice-Principal Strategic Change and Governance and University Secretary.

The Committee thanked Catherine Elliott, College Registrar, Medicine and Veterinary Medicine who would be leaving the University at the end of May; Clare Reid, University Court co-opted member, who was standing down from Court in the summer; and Amanda Scully, Vice-Principal Community, Student's Association whose term of office finishes in the summer. All were thanked for their contribution to the University and Estates Committee.

It was noted that Ellen MacRae, EUSA President had been elected for a further year.

It was noted that on 26 April 2021, University Court approved the Small Works Programme Budget allocation for 2021/22.

3. Estates Response to Covid-19 - May 2021 Update

The Committee noted the update on the actions that Estates Department had taken in response to the Covid-19 pandemic. The Principal recorded his thanks for the dedication and professionalism of the Estates Department teams.

4. Estates Committee - Key Decisions Forward Plan

The Committee noted the Key Decisions Forward Plan. The Committee further noted that there would be decisions required by Estates Committee Sub-Group before the next meeting.

These were:

- New College - Main Contractor Award;
- Usher Institute - Main Contractor Award;
- Institute for Regeneration and Repair – Shelled Floor Fit Out which was not listed on the plan; and
- Possible contract awards over £2m.

In addition it was highlighted that at a future Estates Committee meeting a report was expected regarding carbon implications.

Action: Secretary to Estates Committee

5. Estates Annual Capital Plan 2020-21 to 2029-30

The Estates Annual Capital Plan was presented.

The Committee noted the University's forward planning forecast expenditure over the ten year period 2020-21 to 2029-30. This included projects which were deferred and projects which may not remain on the plan when it has been re-imagined.

It was noted that the Estates Capital Plan in its current form was not affordable and that the plan was being re-imagined by the Capital Plan Working Group.

The Committee noted the revised forecast expenditure for 2020-21.

The Committee further noted the update to the European Investment Bank (EIB) projects as well as the funding requests.

5.1 Director of Finance Report

An update was provided regarding the University Group's forecast financial position between 2020-21 and 2024-25. Four separate scenarios have been developed, including a "Target Scenario", however there was still a high-level of financial uncertainty given the volatility of the environment that the University would continue to operate in for the foreseeable future due to Covid-19. The report was noted.

6. Usher Institute for Population Health Sciences - Revised Full Business Case

The Committee noted the revised Usher building design resulting from the post pandemic design review and the anticipation of future hybrid working practices in addition to the 2020 construction market testing.

The Committee noted the proposal to shell 1170 sqm of neighbourhood space. The estimated cost to fit out this space as part of the main construction contract was detailed. Fit-out after completion of construction was estimated and detailed in the paper, however a decision on this could be deferred for some 6-9 months.

The status of the funding bid to the Wolfson Foundation was noted, which if successful, would be used to part fund the fit out of the Edinburgh Clinical Trials Unit neighbourhood.

It was noted that further additional funding would be required to conclude the fit out of the shelled areas and the actual amount required would be confirmed following conclusion of the Wolfson application. A report would be presented at a future meeting of Estates Committee to request funding for the fit out of a portion of the partner shell space.

The Committee did not approve in principle the Living Tax Document and VAT strategy. As a decision regarding the VAT strategy was not required at this point, it was concluded that the impact of the proposal required some further consideration and further discussions should take place on this matter.

It was highlighted that paragraph 28 of the report which detailed the VAT position for the People & Money system rollout was inaccurate as recovered VAT was not delivering additional resource to the People and Money Programme. Any future reports on this matter should clarify this position. The general principle operating in the University was confirmed as being that any recovered VAT arising from the tax treatment of a particular building would be returned to the University at large and not directly to the project concerned.

Action: College Registrar, College of Medicine and Veterinary Medicine

The committee approved the revised Full Business Case and noted the programme and governance steps required to enable construction activities to commence at the end of June 2021.

The Committee recommend to Policy and Resources Committee and subsequently University Court, an increase in the overall capital project, resulting from the return of funding to the Usher project budget which had previously been allocated towards construction of a shared University of Edinburgh car park at the BioQuarter.

Action: Secretary to Estates Committee

7. Quartermile - Gap Site Drainage and Landscaping

An overview was provided of the works required to install substructure drainage and landscape the area to the south of the Edinburgh Futures Institute (EFI). The Committee noted that the works were required as a direct consequence of the deferral of the Gap site project.

The Committee approved funding from University resources, to progress the works.

The Committee also approved the recommendation that the EFI Project Board, for practical reasons, managed the implementation and governance oversight for the drainage and landscaping works, albeit that the Gap Site work was not part of the EFI programme itself.

8. Extension to Advanced Computing Facility CR4

Approval was sought for the commencement of the design process for a proposed extension to Computer Room 4 (CR4) of the Advanced Computer Facility (ACF), situated near the Easter Bush Campus. The process would design the changes required to CR4 to allow the University to host an Exascale supercomputer system for UK Research and Innovation (UKRI) by 2024.

The carbon impact of this programme of work, which would be a national programme, was discussed in the context of broader discussion at Estates Committee of the University's Net Zero by 2040 ambition

The Committee approved expenditure provided by Edinburgh Parallel Computing Centre (EPCC) through their contracts with Engineering and Physical Sciences Research Council (EPSRC) to undertake a briefing exercise and Concept Design to RIBA Stage 2 for the extension to CR4.

The Committee noted that funding for this work would be provided by EPCC through their contracts with EPSRC to host National High Performance Computing (HPC) services.

Action: Interim College Registrar, College of Science and Engineering

9. Accommodation Nominations and Referrals Proposal 2021/22

An overview was provided of the Accommodation, Catering and Events (ACE) bed stock mitigation plans to support the University of Edinburgh Accommodation Guarantee, should student numbers exceed current University stock provision.

The Committee noted ACE's approach to potential lease agreements between University of Edinburgh and Purpose Built Student Accommodation Providers (PBSAs), should the existing stock be insufficient to house students meeting the accommodation guarantee.

The Committee noted that if there was a requirement to enter into any nominations agreements, these would be agreed under delegated authority arrangements and reported to the next meeting of Estates Committee for information.

The Committee further noted the potential use of referrals agreements in 2021 to support students outside of the guarantee, particularly those second year students who did not establish the relationships in Edinburgh in their first year which would have allowed them to flat-share in the private market in their second year.

10. Sustainable Campus Fund Update

An update was provided on the University's Sustainable Campus Fund 2016 to 2021. The Committee noted the performance of the fund to date and approved a 'pivot' to supporting preliminary work towards decarbonising heat for the remaining funds. The bulk of the remaining funds would be repurposed to strategic heat projects and the associated necessary preparatory spend. It was anticipated that there would be a requirement to create additional capacity within estates for the impending scale up required on heat including establishing a small team.

The additional capacity would help the University better understand the size and phasing of the necessary capital spend and ongoing revenue commitments; detail options for University action; assist in making the funding case to government, philanthropic or industrial sources and demonstrate the active deployment of our academic and professional expertise on the University's own sites. A working group across academic and professional areas had been established under the direction of the Director of Estates.

Action: Interim Director of Estates and Director Social Responsibility and Sustainability

11. Capital Projects Update

An overview was provided of the projects above £1m, which were currently committed, and in the construction stage onsite or which were completed since the last Estates Committee meeting. The paper also provided an update of the impact of Covid-19 on the delivery of the Capital Programme.

The Committee noted:

- the update in relation to the impact of Covid-19 on the construction activity;
- the overview of the projects contained in the paper and in the attached Appendix 1 of the report;
- that the University has benefitted from Scottish Funding Council (SFC) financial assistance in mitigating the Covid-19 costs incurred on Capital Projects and that the Capital Plan report presented to Estates Committee identified how the funding would be allocated on a project-by-project basis against the total Covid-19 costs;
- the specific update in relation to the Edinburgh Futures Institute (EFI) and a forecast best to worst case shortfall in funding and the incorporation of this forecast in the emerging needs list detailed in the Capital Plan presented to Estates Committee;
- the recommendation that the Capital Plan Working Group make provision in the reworked Capital Plan for the EFI estimated shortfall in funding; and
- the market commentary within this paper in relation to the influence of Brexit on security of supply, which could have an impact on the Capital Plan pipeline and on site or recently completed works.

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

The Committee noted that no decisions have been taken by Estates Committee Sub-Group since the last Estates Committee meeting.

The Committee noted:

- that a request would be circulated to Estates Committee Sub-Group in late May/early June 2021 in relation to appointing a main contractor for Fire Asset Protection Works at New College, as detailed in Appendix 1 of the report;
- that a request would be circulated to Estates Committee Sub-Group in mid-June 2021 in relation to appointing a main contractor for the Usher Institute for Population Health Sciences;
- that a request would be circulated to Estates Committee Sub-Group prior to the September Estates Committee in relation to appointing a main contractor to fit out one of two shelled floors of the Institute for Regeneration and Repair.
- that there may be further requests for contract awards over £2m prior to the September Estates Committee; and
- the contract awards (greater than £250,000) approved by Estates Tender Review Panel over the period 1 March 2021 to 30 April 2021 as outlined in Appendix 1 of the report;

Action: Secretary to Estates Committee

13. Development and Alumni Capital Project Update

In the first eight months of financial year 20/21, philanthropic income had been received and was detailed in the paper. Though Development and Alumni had not yet received any substantial funding to capital projects in financial year 20/21, pledged income to capital projects due by the end of the financial year was expected, as Development and Alumni was expecting another instalment of the gift to the Institute for Regeneration and Repair (IRR). A third of this pledge was received as cash income at the end of 19/20. The Committee noted the update.

14. Strategic Acquisitions Disposals and Leases

The Committee approved the following lease extension:

- **Land at Glencorse Mains** – extension of the lease of ground, which comprised a tree nursery for the purposes of research, demonstration and teaching, from 11 November 2020 to 29 March 2029 subject to a rent review with effect from 11 Nov 2025 on a similar RPI basis to the existing lease as detailed in Appendix 2 of the report.

Action: Director of Estates

The Committee noted a lease that had been approved in accordance with sub-delegated authority arrangements.

The Committee further noted that property agents Christie & Co have been instructed to market the University Pharmacy To Let, including the sale of the pharmacy licence.

The Committee noted the updates on Strategic Acquisitions and Disposals.

15. Any Other Business

The Committee congratulated the Estates Department who were Highly Commended in the category of 'Estates and Facilities Team of the Year' and Gary Jebb, Director of Place, who was awarded 'Chair's Award for Long Term Contribution' at the AUDE Awards in April 2021.

16. Date of next meeting: Wednesday 29 September 2021