



Estates Committee

Wednesday 29 September 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:** Jonathan Seckl, Senior Vice-Principal (Convener)
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
Colm Harmon, Vice-Principal (Students)
Gary Jebb, Director of Place
Liz Lovejoy, College Registrar, College of Arts, Humanities and Social Sciences
Gavin McLachlan, Chief Information Officer and Librarian to the University
Catherine Martin, Vice-Principal Corporate Services
Ellen MacRae, EUSA President
Theresa Merrick, Director of Communications and Marketing
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
David Robertson, Vice-Principal and Head of the College of Science and Engineering
Moira Whyte, Vice-Principal & Head of College of Medicine & Veterinary Medicine
- In Attendance:** Helen Tweedie, Estates Governance and Committee Officer
Karen Adamson, Head of Estates Finance
Tommy Angus, Interim Director of Estates Operations
Kyle Clark-Hay, Head of Estates Business Services
Terry Fox, Director of Specialist Services, Finance
Jane Johnston, Director of Estate Development
Hannah King, Policy and Governance Manager
Liz Reilly, Director of Philanthropy and Donor Relations, Development & Alumni
Beth Simpson, EUSA Vice-President Community
Zoe Stephens, Head of Organisational Development and Change
- Apologies:** Dorothy Miell, Vice-Principal & Head of College of Arts, Humanities & Social Science
Anne Payne, College Registrar, College of Science and Engineering
Sarah Smith, Vice-Principal Strategic Change and Governance and University Secretary
Peter Mathieson, The Principal and Vice-Chancellor

1. Minute

The minutes of the meeting held on 19 May 2021 were approved.

2. Matters Arising

The Committee welcomed Beth Simpson, EUSA Vice-President Community, Alistair Smith, Co-opted Member of Court and Rona Smith, Director of Strategic Planning & Insight.

The Chair gave an update regarding the Usher Institute. It was noted that on 14 June 2021, University Court approved an increase in the overall capital project cost 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.

It was further noted that in August 2021, Exception Committee approved the request for additional funding to enable the contract award for the Usher Institute construction project.

A verbal update on the Gas Availability and Energy Costs was given by the Interim Director of Estates. It was noted that the recent market fluctuations reported in the press had not affected the University due to the policy of advanced purchasing, which meant the University had already secured gas with fixed prices up to March 2022.

A verbal update on the Student Accommodation was given by the Director of Accommodation, Catering and Events (ACE). The Chair, recorded thanks to the ACE team for the remarkable work they had undertaken preparing for the new semester.

It was noted that over the next 9 years, the University bedroom stock would be reducing by up to 1000 beds as contracts within the private market came to an end, therefore alternative options and potential purchases would be investigated.

It was reported that the appeal for planning permission at Peffermill was not upheld by the Scottish Government appointed Planning Reporter, due to concerns over green belt issues. The University was considering submitting a revised application in 2022.

It was noted that housing availability within the city was not solely a challenge for first year students and was increasingly problematic for returning students.

The Director of Place was keen to quantify this issue and requested a meeting with the Director of Accommodation, Catering and Events, and the President of Edinburgh University Student Association, to discuss further.

Action: Director of Place

3. Estates Response to Covid-19 September 2021 Update

The Committee noted the update. It was highlighted that the full costs of Covid-19 measures had not yet been fully quantified for 2020/21 including enhanced ventilation running costs, but that these would be monitored and reported regularly as this was likely to be a significant cost pressure now business as usual costs have returned.

Thanks were noted for everyone who was involved in the successful organisation of the Graduation events at the Castle.

4. Estates Committee - Key Decision Forward Plan

The Committee noted the Key Decisions Forward Plan.

It was highlighted that the Institute of Genetics and Cancer (formerly known as IGMM) Extension - Main Contractor Award - was expected to be submitted to Estates Committee Sub-Group in October 2021.

5. Estates Annual Capital Plan 2021/22 to 2031/32

The Estates Annual Capital Plan was presented.

The Committee noted that the expenditure in 2020-21 compared with the forecast.

The Committee further noted the University's forward planning forecast expenditure over the future ten-year period 2021-22 to 2030-31. This included projects which had been deferred and projects which may not remain on the plan when it was re-cast. The plan as presented was therefore simply noted.

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. It was anticipated that a revised plan would be presented to the next meeting of Estates Committee.

6. Co-location and Bioresearch and Veterinary Services (BVS) Estates Strategy

An overview of the joint College of Medicine and Veterinary Medicine (CMVM) and Bioresearch and Veterinary Services Estates Strategy was presented.

It was noted that an award of external funding from the Simons Foundation had received final sign off.

In light of the new external funding received from the Simon's Foundation and in order to assist with future funding applications due in 23/24, it was recommended that these works were progressed to allow a site start in line with the programme interdependencies noted in the paper.

The Committee approved the revised and combined Full Business Case for the co-location project.

The Committee recommend that Policy and Resources Committee and subsequently University Court approve funding from University Resources and external funding to deliver the co-location project and associated, essential works within Biomedical Research Facility (BRF).

Action: Secretary to Estates Committee

The Committee noted that these projects were sitting on the deferred list but that they had previously approved funding on the current capital plan. It was recommended that when presented to Policy and Resources Committee and subsequently University Court, it should be emphasised that the project had previously been approved and that the external funding enabled the project to proceed.

7. Climate Change - Estate Net Zero Pathway

The Committee noted the activity and ambition for delivery of the Estates contribution to the net zero by 2040 target, in response to the climate emergency.

It was also noted that there would be regular updates on this subject presented at each future Estates Committee meeting.

8. Carbon Sequestration Through Forests and Peatland

The Committee noted that University Executive had recommended that investment in carbon sequestration through forests and peatland be treated as a strategic priority.

The Committee approved the detailed business case and financials attached to the paper.

The Committee recommended to University Court funding of capital from Corporate Resources to enable the purchase of land for carbon sequestration through forests and peatland; and noted that the approval to purchase the land will be brought to Estates Committee in due course.

The Committee noted that the paper mentioned revenue costs, which were out with the remit of Estates Committee.

It was noted that following approval of this initiative, a public announcement was planned. However, the Committee agreed that in order to avoid influencing vendor behaviour, and to protect commercial sensitivity, that this initiative should remain confidential until any final purchases were agreed and any announcement should be general in nature.

Action: Director of Social Responsibility and Sustainability

9. Update on Proposed Replacement Facilities Management System for UoE

An update was presented and the Committee noted the revised recommended timeline for the Outline Business Case and procurement of a new Computer Aided Facility Management system (CAFM).

The Committee further noted that this timeline would support the completion of the People and Money system (P&M) and the embedding of new financial processes within the Estates Department.

The Committee noted the enhanced risk mitigation activities which were underway in support of the new timeline.

10. 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;
- the specific update in relation to the Edinburgh Futures Institute (EFI);
- the recommendation that, due to the interim nature of the EFI forecast, that the Capital Plan Working Group should make provision in the reworked Capital Plan for the EFI shortfall in funding; and
- the market commentary within the paper, which could have impacted on the Capital Plan pipeline and on site or recently completed works.

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

The Committee noted the following decisions taken by ECSG:

- New College Asset Protection and Equality Compliance – Main Contractor Construction Services - ECSG approved the award of the contract for construction services in respect of the New College Asset Protection and Equality Compliance project to Kier Construction.
- Usher Institute – Project Budget Increase and main Contractor Award - ECSG recommended to Exception Committee, the approval of additional funding totalling to enable the award of the contract for construction services. ECSG approved the award of the contract for construction services in respect of the Usher Institute to Wates Construction Limited (with McLaughlin & Harvey (MCLH) as the regional delivery partner), subject to the approval of the additional funding from Exceptions Committee.

Exception Committee approved the additional funding. Following this an update was circulated to ECSG to advise of the transition of the Usher Institute project onto the New Scape National Construction Framework – Scotland. Due to the regional nature of the new Scape National Construction

Framework the works were now a direct award with McLaughlin and Harvey as opposed to the previous arrangement with McLaughlin and Harvey acting as a delivery partner to Wates Construction. Based upon the simplified contractual route and local framework advantages there was a reduction in the tender price. This revised the corrected and adjusted tender figure was noted.

- Small Electrical Works up to £250k MTC Framework Agreement - Due to the size of the estate, the framework was split in to two geographical lots with two suppliers appointed to each. ECSG agreed to appoint, for a period of four years:
 - Lot 1: Medicine and Veterinary Medicine and Science and Engineering, to BMES (preferred contractor) and Boyd Brothers (second contractor); and
 - Lot 2: Arts, Humanities and Social Sciences and Accommodation, Catering and Events to Arthur McKay (preferred contractor) and John G Mackintosh (second contractor).
- Asbestos Removal and Remediation Works Framework Agreement - Due to the size of the estate, the framework was split in to two lots based on spend bands covering all geographical locations with three contractors appointed to each. ECSG approved the award of the contracts for:
 - Lot 1: Contracts of the value less than £50k (ex VAT) to Rhodar Ltd, Erith Contractors Ltd and Aspect Contracts Ltd on a direct award basis for 2 years with an option to extend to a further 1+1year to 2025.
 - Lot 2: Contracts of the value of £50k or more (ex VAT) to Rhodar Ltd, Erith Contractors Ltd and Aspect Contracts Ltd, contracts would be based on individual mini tenders between the 3 suppliers on the lot 2 framework with flexible price/quality weighting depending on complexity of each project for 2 years with an option to extend to a further 1+1year to 2025.
- Roslin Expansion Land Sale - ECSG approved, in principle, the sale of the Roslin Expansion to allow an unconditional contract to be agreed by the end of June 2021.
- 15A Buccleuch Place Purchase - ECSG approved the purchase of 15A Buccleuch Place, Edinburgh, off market and approved to proceed with the necessary legal formalities to secure the property; as well as approval of funding from University Resources to purchase the property 15A Buccleuch Place, Edinburgh.
- 127 Nicolson Street, Edinburgh – Proposed Lease - ECSG approved entering into a 10-year full repairing and insuring lease with James Hay Pension Trustees for a shop at 127 Nicolson Street, Edinburgh, on the terms outlined in the report presented to the ECSG and on other terms and conditions to be agreed by the Director of Estates. The premises are for an outreach centre for All4Paws which offer limited veterinary care to the pets of people who are homeless or vulnerably housed in and around Edinburgh.
- Accommodation Nominations Requirement 2021/22 - ECSG approved

entering into 6 nominations agreements with Purpose Built Student Accommodation Providers. ECSG also delegated to the Director of Property and Residential Services, ACE to conclude the negotiations for the 6 agreements, along with the University's solicitors, as well as instruct the University's solicitors, Shepherd and Wedderburn, to enter into the appropriate legal agreement once the terms had been finalised.

- Institute of Regeneration and Repair – Shelled Floor Fit-Out - ECSG approved the fit-out of one of two shelled floors of the IRR, and noted that the approval was conditional on the fit-out progressing within the budget of external capital and on the VAT mitigation strategy remaining intact.

The Committee further noted the contract awards approved by Estates Tender Review Panel over the period 1 May 2021 to 31 August 2021 as outlined in Appendix 1 of the report.

12. Estates Risk Register

The Committee noted the risks that were rated as high and extreme contained in the Risk Register and the mitigation activities that were in place to manage these risks.

The Committee further noted the change to risk ratings since the Risk Register Summary was considered by Estates Committee in March 2021.

13. Development & Alumni Capital Project Update

A summary was provided of progress with fundraising approaches for current priority capital projects. The Committee noted the update.

14. Strategic Acquisitions Disposals and Leases

The Committee recommended to University Court approval of the lease of the Secondary Substation, which was under construction at the Advanced Computer Facility, to Scottish Power Distribution.

Action: Secretary to Estates Committee

The Committee noted that the Biotechnology and Biological Sciences Research Council (BBRSC) had appointed agents to advertise the Garden Field, Dryden for sale, with a potential closing date in October 2021 and approved submitting an offer in line with the market valuation but which would be sufficient to guarantee a successful bid and agreed to sub-delegate authority to the Convener of Estates Committee to approve the final bid amount.

Action: Convener of Estates Committee

The Committee noted that the 15-year lease of the pharmacy in the wellbeing centre, subject to 5 yearly rent reviews was considered at University Court on 14 June 2021 where it was agreed to delegate authority to the University Secretary, acting in consultation with the Deputy Secretary, Governance and Director of Legal Services, to conclude and execute the legal documentation relating to the sale of the

pharmacy including the lease of the premises.

The Committee noted the following leases had been approved in accordance with sub-delegated authority arrangements:

- Garden Field, Dryden – an annual grazing let granted by the Biotechnology and Biological Sciences Research Council (BBSRC) to the University from 1 August 2021 as detailed in Appendix 3 of the report.
- Assembly Hall - licence to occupy granted by the Church of Scotland to the University for events in Semester 1 as detailed in Appendix 3 of the report.

The Committee noted the updates on Strategic Acquisitions and Disposals.

15. Date of next meeting: Wednesday 8 December 2021