

Minutes of the Finance and Services Standing Committee
4.30pm on Thursday 23 October 2025
Online via Teams

Present: Manya Buchan, Convener, FSSC
Lorn Macneal
Jessica Williamson
Alan Ross
William Duncan, Secretary of the General Council
Gordon Cairns, Convener of the Business Committee
Bruce Nelson, Vice Convener of the Business Committee
Alison McNulty, Assistant Secretary of the General Council

In attendance: Damien Toner, Director of Estates

1. Welcome and Introductions

The new Convener of the Finance and Services Standing Committee, Manya Buchan, welcomed everyone to the first meeting of the session and led the introductions.

This was a closed meeting and only FSSC members, Business Committee Office Bearers and secretariat were present.

2. Presentation by Damien Toner, Director of Estates

- DT said that he had been with the UoE for the last three years and prior to that had been in a similar role at Queen's University in Belfast for around 8 years. Previously worked in the private sector in construction, property and facilities management;
- The Secretary and Convener had prepared a list of topics of particular interest to the committee which were forwarded to DT in advance of the meeting and the discussion focused on the following areas:

CAPITAL PLAN IMPACT

- DT updated on the University's capital plan, explaining that due to financial constraints, a decision was made last March to pause several Court approved but not yet contractually obligated projects for 12 months;
- There is still uncertainty about whether some of these projects will proceed, even if they are demonstrably income-generating and affordable, and reflects some of the apprehension around making big capital decisions at a time of broader financial challenges affecting the University, which already has significant estate overheads, and has led to the need for cost savings in this area.

DRAFT NEW ESTATE STRATEGY

- DT outlined the development of a new estates strategy in response to significant changes and challenges faced over the past 5 years, including Brexit, Covid-19, advancements in AI, global instability and resulting inflation;
- These factors have greatly increased construction and maintenance costs, altering the economics of capital investment decisions and impacting on the viability of projects like student accommodation;

- The strategy also confronts the realities of increased operational costs, notably energy expenses (c.£40m per year) and the ageing infrastructure of the University's buildings, some of which require significant maintenance to address wear and tear on elements such as roofs, windows and lifts;
- Furthermore, the strategy aims to address under-utilisation and inefficient use of space across the University's estate and considers the changing needs for teaching spaces influenced by current timetabling models that do not maximise room usage;
- The main priority of the new strategy is managing the University's physical size more effectively and sustainably, incorporating environmental goals like net-zero emissions and preparing for climate impacts on historic old buildings e.g., increased rainfall and ensuring efficient drainage methods are in place;
- In addition, the strategy reconsiders the University's civic responsibilities, emphasising the need to balance public usage of the University's buildings, especially during the Edinburgh Festival, with the financial and physical toll it takes on the facilities;
- The overall aim is to transition from expansion to optimisation, ensuring the estate not only meets current functional and operational demands but also anticipates future needs and challenges;
- DT discussed the financial and logistical challenges of managing a large and costly estate and suggested that simply stopping activities and selling assets won't significantly improve the financial situation. Instead, he proposed making a serious investment in downsizing by demolishing buildings not fit for purpose and creating smaller, more efficient collaborative spaces;
- DT acknowledged that this process would involve substantial investment and might cause significant disruption but, despite these challenges, he believes it is necessary to consider all options and make bold decisions, guided by the priorities within the strategy.

UNIVERSITY ESTATE

- The University is utilising connected wi-fi devices to accurately capture occupancy data of the estate. This data reveals that the central office estate is only about 50% utilised, indicating substantial inefficiencies and opportunities for improvement;
- The central office estate comprises 16 different buildings or parts of buildings, presenting challenges in consolidating these spaces into a unified location but this could lead to significant disposal, commercial or redevelopment opportunities for buildings which would otherwise lie empty;
- Instead of selling off buildings at potentially less than their actual worth, the strategy is to invest in order to transform these assets into revenue-generating properties. This aligns with broader efforts to address the University's financial challenges through enhanced income from its property portfolio;
- The University participates in a national data collection exercise that helps compare its estate size, utilisation, and density against other universities. The University was found to have among the largest estates after Oxford and Cambridge and was above average in terms of space per full-time equivalent (FTE) staff and student;
- Part of the reason for such an extensive estate size is the historical absorption of previously stand-alone institutions (e.g., Edinburgh College of Art, Moray House) which now constitute part of the University's infrastructure;
- Income per square metre is below average compared to peer institutions, suggesting

inefficiency in how space is utilised relative to income generation;

- Despite perceptions of inadequate teaching space, data shows the University has more teaching space per FTE than many peers, hinting at possible issues with space management rather than actual scarcity of space;
- The use of data is critical in engaging with Schools and Colleges within the University to address misconceptions and plan more effectively based on factual insights rather than assumptions;
- Accurate occupancy data helps in rationalising space usage among staff, helping to alleviate concerns and resistance to changes in workspace allocations;
- BN raised a concern about student overcrowding in classes. DT acknowledged the issue and spoke about an initiative named “spaces for students” aimed at optimising the utilisation of the University’s extensive but under used estate. This initiative focuses on consolidating information about various student-designated spaces – not just teaching areas but also common rooms, social areas and study spaces. The goal is to create a mapped, bookable and easily accessible resource for students to find available spaces suited to different needs, whether for quiet study or social interaction;
- DT addressed a specific complaint from the Students’ Association about classes occasionally being held in spaces too small for the number of students if all attend. He suggested that it isn’t a widespread problem but acknowledged that it can happen and is related to issues with current timetabling practices. He said that there is an ongoing effort, involving a dedicated working group, to optimise timetabling so that space allocation better matches the actual needs of classes, which includes avoiding the misuse of large lecture theatres for smaller groups;
- In response to a question raised by JW, DT expressed the University’s strong preference for in-person class delivery, emphasising the importance of the on-campus experience, which extends beyond lectures to include social. He stressed the significance of personal interaction in an increasingly digital world, underlining his commitment to addressing any genuine space constraints to ensure if a student wishes to attend classes in person, they can do so;
- LM raised concerns about inefficient use of educational facilities, highlighting an initiative he had previously been involved in, where a space audit had led to a realignment of timetables and increased utilisation in schools. He suggested similar measures could significantly enhance the efficiency of the University’s buildings which he noted were less than half occupied;
- DT acknowledged that general under utilisation of buildings was a sector-wide issue and admitted that revising the academic timetable could potentially unlock more efficient use of space. He also suggested considering various scheduling adjustments, like extending class times into evenings or better utilising Wednesday afternoons, traditionally reserved for sports.

NET ZERO

- DT provided an update on the University’s progress towards a net zero energy target, particularly focusing on emissions related to electricity and gas, which respectively constitute 5% and 10% of the University’s total emissions;
- The current reliance on combined heating and power (CHP) plants that

generate both heat and electricity from natural gas contribute 30% of the University's electricity requirements;

- There is a significant push to decommission these gas-powered CHP engines in favour of cleaner energy sources, especially as the first engine at King's Buildings approaches the end of its economic life;
- Transitioning away from gas poses substantial financial challenges due to the high costs of electricity in the UK and the need for alternative technologies like heat pumps;
- The upcoming energy master plan to be presented to the Estates Committee will outline various strategies for this transition, which could have significant financial implications for the University. The plan aims to offer a range of options, allowing the University to make informed decisions in the context of its broader financial and environmental goals, signaling a crucial point in the institution's journey towards achieving its net zero target by 2040.

STUDENT ACCOMMODATION

- DT discussed the state of student accommodation in Edinburgh, detailing findings from a report co-commissioned with three other universities and carried out by Cushman and Wakefield. This report served to clarify the actual situation of student housing in response to local council concerns about oversaturation. Key points from the report included:
 - Significant student population growth in Edinburgh, notably international students, with the University of Edinburgh hosting the largest share
 - The city currently has 22,190 purpose-built student accommodation (PBSA) beds, with the University managing nearly half of these
 - Compared to other cities, Edinburgh ranks fourth lowest in PBSA provision and has a lower than average percentage of directly let PBSA beds
 - Even with no growth, Edinburgh would need an additional 3,800 beds by 2030 to meet national student-to-bed ratios, highlighting a potential current shortfall of about 6,000 rooms if university populations grow
- The discussion highlighted concerns about affordability and accessibility of student housing, noting that high costs could force students to commute, thus impacting their university experience;
- The University aims to maintain its accommodation capacity to uphold a housing guarantee for students, but the fluctuating market poses challenges;
- Feedback from the EUSA sabbatical officers indicates a need to better support commuting students, stressing the importance of understanding and addressing barriers like affordability to prevent students from opting out of University housing.

REINFORCED AUTOCLAVED AERATED CONCRETE (RAAC)

- DT provided an update on the 'RAAC' project, confirming that the necessary works were almost complete and had been executed under budget;
- This project involved significant financial expenditure to maintain the functionality of some of the University's heavily utilised buildings, reflecting that if the same need arose under current financial constraints, securing funding would be much more challenging, potentially leading to building closures as had been the case with other institutions;

- DT concluded his presentation by stating that the buildings are now back in use and expected to last well into the future.

Discussion

- During a discussion on the maintenance of the university's building stock, particularly concerning windows and roofs at the turn of the century, DT clarified the University's approach towards dealing with building disrepair. He explained that the necessary maintenance isn't generally expected after only 20 years but should be planned for as buildings age, highlighting issues such as the failure of double-glazing units and the need for major roof repairs to keep them wind and watertight. He also mentioned costly updates needed for lifts in those buildings;
- DT emphasised that the university does not just build and hope for the best; rather, it is actively planning to invest more in maintenance. He detailed that the university was calculating its backlog maintenance requirements and planning to propose a baseline investment of about £30 million per year to prevent further deterioration;
- Currently, the university spends about £10 million annually from its revenue budget on maintenance, with an additional potential reinvestment of £20 million per year from a minor works fund previously used for compliance and School improvements. He stressed that with proper funding, they can maintain the estate adequately and meet the conditions required in the future;
- JW inquired about potentially under-utilised spaces within the University, particularly regarding their suitability for innovation spaces, co-working areas, or for use by start-ups initiated by alumni or University spinouts;
- DT confirmed that repurposing surplus University assets for innovation purposes is a key agenda item, though he recognised the risks associated with uncertain rental income from start-ups, which often face high failure rates;
- Despite these challenges, he is optimistic about finding viable ways to utilise these spaces for innovation. A recent exercise provided full visibility of current innovation spaces and related rental incomes, which are managed under proper occupancy agreements;
- DT identified this groundwork as a strong basis for further developing commercial innovation spaces as part of the University's new strategic focus, despite the potential difficulties in refurbishing buildings for this purpose;
- WD expressed his approval that a new Estates strategy is being developed, acknowledging the need for this as the previous strategy was written for a rather different world than today. He asked about the completion process of the strategy and particularly how the consultation process would ensure broad buy-in, mentioning a tendency at universities for strategies to appear top-down;
- In response, DT detailed the comprehensive approach being taken to develop the strategy, emphasising the importance of collaboration and consultation. The strategy will include numerous projects aimed at consolidating space, optimising asset use, and potentially disposing of less valuable properties to better align with the University's needs and goals;
- The team is working closely with various Schools within the University to understand their specific needs and align the strategy accordingly;
- DT acknowledged the strategy's dependence on a yet-to-be-finalised capital plan, highlighting the financial uncertainties still needing resolution;

- DT invited the General Council to help promote the strategy once finalised, stressing that the development of the strategy has been a collaborative effort involving wide-ranging input from across the university, ensuring it is holistic and inclusive.

The Convener thanked DT for an interesting presentation and he left the meeting.

Action:-

Slides used during the presentation will be shared with the committee.

3. Apologies for absence

Apologies received from Lucy Hunter Blackburn.

4. Minutes from the meeting held on 6 May 2025

Members approved the minute from the meeting.

5. Matters arising from the minutes of 6 May 2025

Item 6: Any other business

WD said that Lucy Hunter Blackburn will present a paper to the Business Committee at its next meeting in December on the contentious issue of sex and gender.

6. FSSC's work plan 2025-26

- The next meeting of FSSC is scheduled for the 19th February with Vice-Principal, Chief Information Officer and Librarian to the University, Gavin McLachlan, to update on the University's digital estate;
- WD said that, due to the current level of interest in the University's finances, the new Chief Financial Officer, James Gray (JG), will be invited to address the Business Committee at its meeting in March. WD and MB propose to have a pre-meeting with JG at least a month ahead of this meeting because financial matters will be an important part of the Principal's presentation to the Half-Yearly Meeting in February.

Action:-

- ***WD to invite James Gray to the Business Committee meeting on 5 March 2026;***
- ***Invite James Saville, Director of HR to the final meeting of FSSC on 5 May 2026.***

7. General Council Budget 2025-26

- Papers 2 and 3, circulated previously, gave a detailed statement of General Council operational receipts and payments for the past year 2024/25;
- WD highlighted that the actual payments for the past year had resulted in a significant underspend, mainly because the cost of producing two editions of Billet was far less than in previous years, and cost of the 'showcasing' event was £6000 lower than budgeted due to the Usher Institute meeting some of the costs of holding the event there in May;
- For the current academic year, the allocation from D&A for operating cost has been reduced by 10% from last year, which was £64,000, although the reports received from the People and Money system showed a lesser allocation;
- WD plans to discuss with the Public Affairs Committee how to avoid further significant

underspends and ensure funds are used effectively, to try to reduce the risk that continuing underspends will lead to reduced budgets in future years;

- Concern was expressed about the lack of financial information about the Prince Philip Scholarship Fund due to continuing challenges with the People and Money system;
- Notwithstanding this difficulty, WD suggested continuing the appointment of one new replacement scholar each year to maintain a steady state of 4 in post each year; this was agreed.

8. Any other business

None.

9. Date of Next Meeting

The next meeting of FSSC will be held on Thursday 19 February 2026 at 4.30pm, online via Teams.