# Board of Management

# Finance Committee

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| **Date of Meeting** | **Wednesday 16 September 2026** |
| **Paper No.** | **FC1-F** |
| **Agenda Item** | **3.3** |
| **Subject of Paper** | **Asset Replacement Programme Overview** |
| **FOISA Status** | **Disclosable** |
| **Primary Contact** | **Deborah Fagan, Associate Director Procurement & Asset Management** |
| **Date of production** | **24th August 2026** |
| **Action** | **For Discussion** |

## 1. Recommendations

**1.1.** At its meeting on 11 March 2026, the Finance Committee agreed that asset condition data, capital priorities and replacement requirements should be consolidated into a single, coherent overview to support future decision-making. This paper responds to that action and presents the College's initial Asset Replacement Trajectory and proposed approach to developing this into a rolling three-year Asset Replacement Programme, supported by a longer-term ten-year strategic view.

**1.2.** The Committee is invited to:

- note the current asset lifecycle position and emerging investment requirements set out in Appendix A;
- note that the values presented are indicative lifecycle requirements and do not represent committed expenditure or an immediate funding request;
- consider the proposed approach for developing and integrating the Programme with departmental, capital and revenue planning; and
- provide feedback on the approach and the proposed information to be reported to Finance Committee in future.

## 2. Consultation

**2.1.** Budget Managers across Departments and Faculties were consulted and asked to review asset replacement requirements relevant to their areas. Responses received have been reflected within the Asset Register.

## 3. Key Insights

**3.1.** The Asset Register currently identifies approximately 13,400 assets with an indicative replacement value of £23.3m. This excludes elements of IT Network Infrastructure and lower-value End User Peripherals

**3.2.** Approximately £2.91m of Equipment & Furniture (E&F) and IT assets have passed their indicative lifecycle replacement dates. Of this, approximately £259k (9%) is currently classified as High operational criticality.

**3.3.** The initial three-year trajectory identifies approximately £5.98m of indicative lifecycle requirements across 2026/27 to 2028/29. The ten-year trajectory provides additional visibility of significant longer-term investment pressures.

**3.4.** Asset Data within this paper does not include Group 1 Assets where life cycling responsibility remains within the NPD Agreement.

## 4. Impact and Implications

**4.1.** The proposed approach will support a more planned and risk-based approach to asset replacement, providing Departments and Faculties, asl well as Finance, with visibility of emerging asset risks and enabling requirements to inform future CAPEX and revenue planning.

**4.2.** The current trajectory will be progressively refined through validation, prioritisation and funding review to establish the rolling three-year Asset Replacement Programme.

**4.3.** As this is the first iteration of the Asset Replacement Programme, the supporting report provides additional detail on the underlying asset position, methodology and proposed approach to provide assurance over how the Programme will be developed. Once established, future Finance Committee reporting will focus on the high-level asset investment and risk position, including material changes, significant asset risks, capital and revenue requirements, available funding and any identified funding gaps.

**4.4.** There is no immediate financial commitment arising solely from this paper. Financial requirements will be confirmed through the appropriate budget and approval processes.

# Appendix A - Asset Replacement Trajectory and Asset Replacement Programme
# 2026/27 - 2035/36

## 1. Purpose

The purpose of this report is to present the College's initial Asset Replacement Trajectory, comprising a detailed three-year view supported by a ten-year strategic outlook.

The trajectory provides the baseline from which a rolling three-year Asset Replacement Programme will be developed and is intended to support longer-term asset and financial planning. It provides early visibility of emerging asset risks and potential investment requirements, allowing these to be considered sufficiently in advance.

The analysis is based on Lifecycle Replacement Date, Estimated Replacement Cost and Operational Criticality. Replacement dates and values are indicative and will be progressively refined through departmental validation, prioritisation, condition assessment and funding review.

The next phase will use the information identified through the trajectory to engage Departments and Faculties on their asset risks and future requirements, inform capital and revenue planning, and support the prioritisation of future replacement investment. This will progressively convert the current lifecycle trajectory into a validated and prioritised rolling three-year Asset Replacement Programme.

## 2. Methodology and Governance

The Lifecycle Replacement Date indicates when an asset is expected to require replacement based on its anticipated useful life. Replacement dates are indicative and do not automatically trigger replacement; assets may have their life extended, be deferred or be identified as no longer requiring replacement.

Estimated Replacement Costs are indicative planning estimates based on the expected cost of replacing an asset at its anticipated replacement date. Estimates take account of factors including original purchase date and cost, replacement timing and available market intelligence.

Operational criticality indicates the potential impact of asset failure on academic delivery and College operations. Guidance for application was taken from the Risk Management Procedure *(v3.1, March 2026, pp. 5–6)*:

- Low – limited impact that can normally be managed through existing arrangements.
- Medium – material disruption that may require mitigation.
- High – significant disruption to essential academic and/or operational activities.

Replacement priority will therefore not be determined by lifecycle date or replacement value alone. Asset condition, utilisation, continuing operational need, operational criticality and available mitigation will also be considered.

The information will be reviewed annually to maintain the Asset Register as a forward-looking asset and financial planning tool

## 3. Near-Term Asset Replacement Trajectory

### 3.1 Overdue Asset Position

The Asset Register currently identifies approximately £2.91m of E&F and IT assets that have passed their indicative lifecycle replacement dates.

| Asset Group | High | Medium | Low | Replacement Value |
|---|---|---|---|---|
| E&F | £127k | £87k | £125k | £338k |
| IT | £132k | £1.78m | £656k | £2.57m |
| **Total** | **£259k** | **£1.87m** | **£781k** | **£2.91m** |
| | **9%** | **64%** | **27%** | |

Approximately 9% of the current overdue value is classified as High criticality, 64% Medium and 27% Low. This illustrates that reaching an anticipated lifecycle date does not in itself create an immediate requirement for replacement.

IT is currently undertaking a rationalisation programme, while the E&F position will require continued departmental review.

### 3.2 Future Three-Year Asset Replacement Trajectory

Across E&F and IT, the Asset Register currently identifies approximately £5.98m of indicative lifecycle requirements between academic years 2026/27 and 2028/29.

| Asset Group | 2026/27 | 2027/28 | 2028/29 | Three-Year Total |
|---|---|---|---|---|
| E&F | £357k | £614k | £787k | £1.76m |
| IT | £2.02m | £1.73m | £473k | £4.22m |
| **Total** | **£2.38m** | **£2.34m** | **£1.26m** | **£5.98m** |

For this period, the trajectory indicates that the greatest overall financial pressure is concentrated in 2026/27 and 2027/28, predominately driven by the IT Assets.

**E&F Operational Criticality**

| Academic Year | High | Medium | Low | Total |
|---|---|---|---|---|
| 2026/27 | £120.4k | £101.1k | £135.7k | £357.3k |
| 2027/28 | £202.3k | £171.0k | £240.6k | £614.0k |
| 2028/29 | £309.4k | £184.6k | £292.6k | £786.6k |
| **Total** | **£632.2k** | **£456.8k** | **£668.9k** | **£1.8m** |
| **Percentage** | **36%** | **26%** | **38%** | |

High-criticality E&F requirements increase over the three-year period. The principal requirements currently identified are:

- 2026/27 – £105k: Corporate Development & Innovation (Halls of Residence - furniture)

- 2027/28 – £96K; Creative Industries (printer, camcorders, scissor lift)
- 2028/29 – £283k: Nautical Science & STEM (pneumatic training rig, air purifying respirators)

**IT Operational Criticality**

| Academic Year | High | Medium | Low | Total |
|---|---|---|---|---|
| 2026/27 | £38.1k | £1.6m | £397.3k | £2.0m |
| 2027/28 | £52.0k | £1.2m | £503.7k | £1.7m |
| 2028/29 | £0k | £290.8k | £182.4k | £473.2k |
| **Total** | **£90.1k** | **£3.1m** | **£1.1m** | **£4.2m** |
| **Percentage** | **2%** | **72%** | **26%** | |

Approximately 72% of the three-year IT requirement is classified as Medium-criticality, including laptops, PCs, projectors and monitors.

Overall, the three-year position demonstrates the importance of considering both financial value and operational risk when prioritising future investment.

Figure 1 summarises the three-year asset investment requirement for E&F and IT, showing the distribution of replacement investment across High, Medium and Low operational criticality.

**Figure 1: Three-Year Asset Replacement Investment Programme by Operational Criticality (£)**

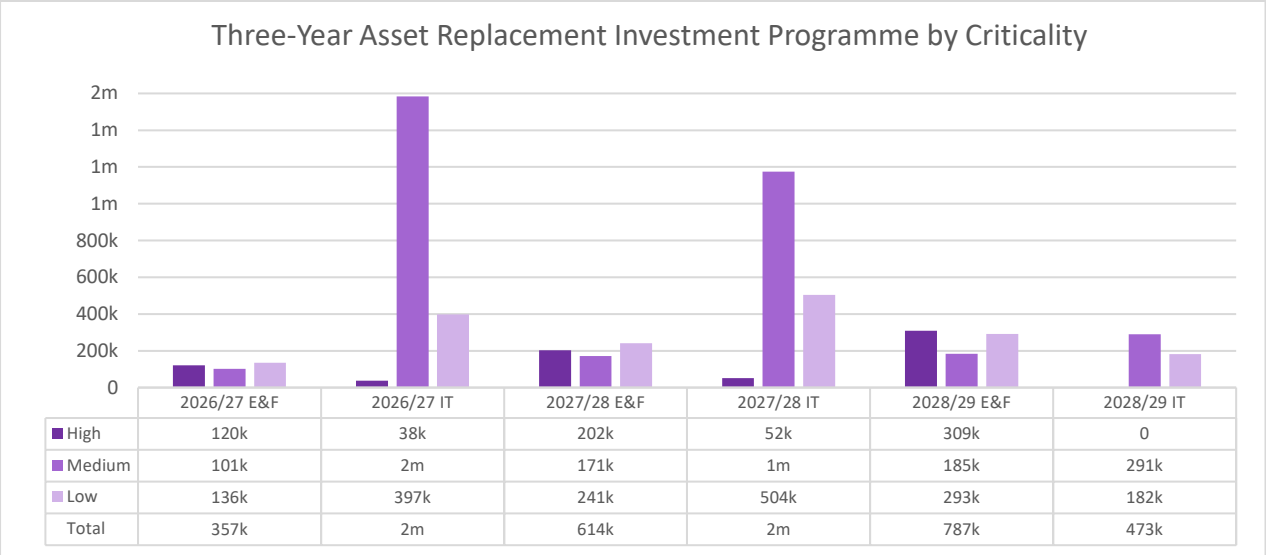



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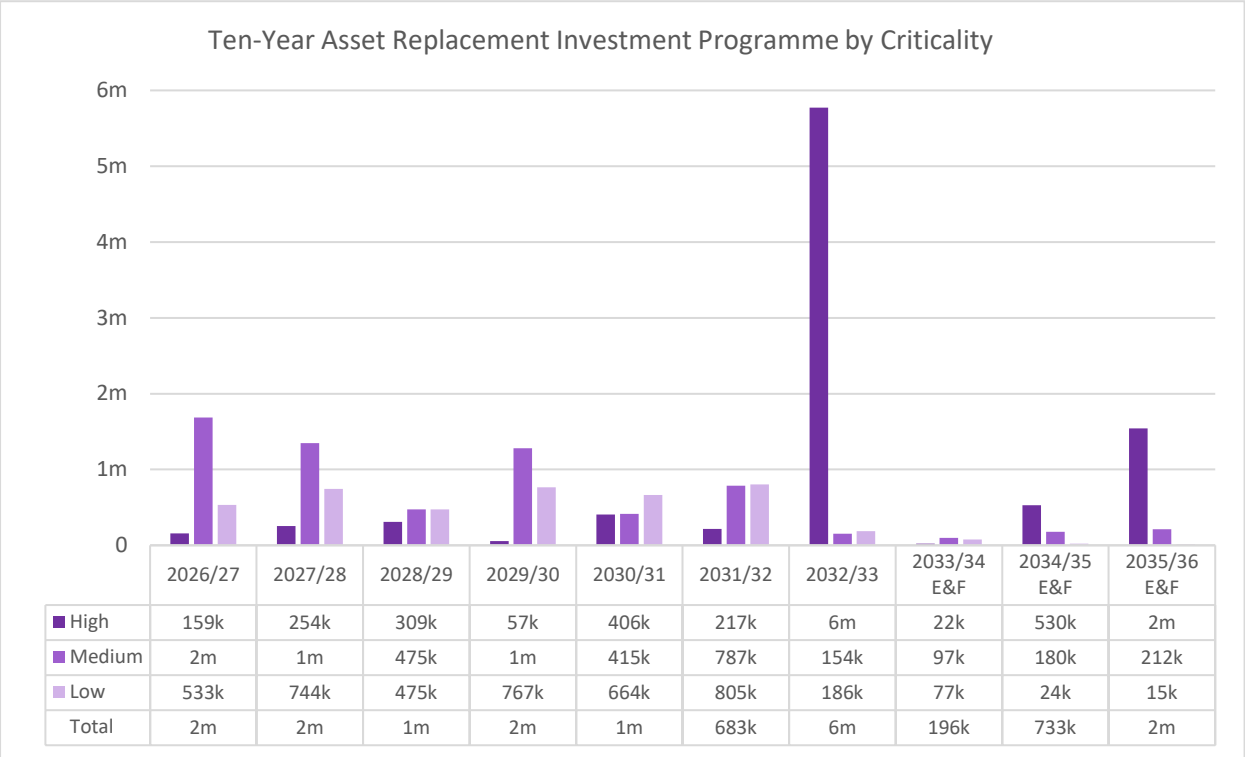
The three-year asset programme identifies the greatest investment pressure in 2026/27 and 2027/28, driven primarily by IT Medium-criticality requirements.

E&F investment is lower in value but shows increasing High-criticality pressure, highlighting the need to balance investment value with operational risk when prioritising replacement.

## 4. Longer-Term Asset Replacement Trajectory

The ten-year trajectory provides early visibility of significant longer-term asset replacement requirements and potential future investment peaks.

**Figure 2: Ten-Year Asset Replacement Investment Trajectory**




| | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34 E&F | 2034/35 E&F | 2035/36 E&F |
|---|---|---|---|---|---|---|---|---|---|---|
| High | 159k | 254k | 309k | 57k | 406k | 217k | 6m | 22k | 530k | 2m |
| Medium | 2m | 1m | 475k | 1m | 415k | 787k | 154k | 97k | 180k | 212k |
| Low | 533k | 744k | 475k | 767k | 664k | 805k | 186k | 77k | 24k | 15k |
| Total | 2m | 2m | 1m | 2m | 1m | 683k | 6m | 196k | 733k | 2m |

*Note: The current IT lifecycle trajectory extends to 2032/33; figures beyond this point currently represent E&F requirements only.*

The ten-year trajectory highlights several periods of significant replacement investment:

- 2029/30 – £1.87m, including Boats at approximately £817k;
- 2030/31 – £1.39m, including scrubber dryers at approximately £119k;
- 2032/33 – £6.04m, including the Marine Simulation System at approximately £5.52m;
- 2034/35 – £733k, including the Marine Switchboard at approximately £418k; and
- 2035/36 – £1.77m, including the Marine Engine at approximately £1.43m.

Significant peaks will be reviewed sufficiently in advance to confirm the continuing requirement and anticipated timing and to consider life extension, refurbishment, phasing, alternative solutions and appropriate funding provision.

The ten-year trajectory should therefore be viewed as an early-warning strategic planning tool rather than a fixed expenditure schedule.

## 5. Risks and Wider Investment Considerations

The trajectory is dependent on the completeness and accuracy of Asset Register information, while replacement costs remain subject to inflation, market conditions, technological change and changes in operational requirements.

There is also a balance to be achieved between extending the life of assets that remain safe, operational and fit for purpose and ensuring that investment in critical assets is not delayed to the point that this creates unacceptable operational or financial risk.

Insufficient or delayed investment in critical assets could result in disruption to learning and teaching or College operations, increased maintenance costs, equipment obsolescence and unplanned or emergency expenditure.

Conversely, replacing assets solely because they have reached an indicative lifecycle date may result in unnecessary expenditure where the asset remains suitable for continued use.

Continued departmental validation and risk-based prioritisation will therefore be fundamental to the development of the Programme.

### 5.1 Wider IT Investment Requirements

The Asset Register does not currently provide the complete future IT investment position.

The Network Infrastructure and End User Peripherals Report captures network-related equipment installed by Sir Robert McAlpine (SRM) and lower-value end-user devices which fall outside the financial criteria for inclusion in the College Asset Register.

The report currently identifies approximately £7.79m of equipment purchased in 2015/16, including £1.4m of IT end-user equipment, with the remainder predominantly relating to IT network infrastructure.

At current replacement values, the end-user element is estimated at approximately £2.3m (*AI-assisted analysis – subject specialist validation)*. Although individual devices may be lower value, their volume across the College means that collectively they represent a potentially significant future investment requirement.

A £2.4m Wireless Network Refresh investment programme is currently underway and addresses part of the wider network replacement requirement.

The remaining Network Infrastructure and End User Peripheral position will be further validated and incorporated into the wider IT investment outlook as the Programme develops.

## 6. Next Steps and Future Reporting

The current trajectory establishes the baseline from which the College's rolling three-year Asset Replacement Programme will now be developed.

During 2026/27, Asset Management will be focusing on:

- completing and maintaining departmental validation of lifecycle requirements;
- reviewing significant lifecycle peaks and High-criticality assets;
- validating and incorporating the remaining Network Infrastructure and End User Peripheral position;
- developing a consistent approach to prioritisation where requirements exceed available funding; and
- aligning identified requirements with capital and revenue planning.

Requirements will be reviewed with Budget Managers to determine whether the appropriate response is to Replace, Life Extend, Defer, Refurbish, Mitigate or remove the replacement requirement.

### 6.1 Integration with Departmental and Financial Planning

Departments and Faculties will be provided with visibility of their forward asset position and areas of High and Medium operational criticality. This will enable emerging risks and future requirements to be considered as part of annual departmental budget and CAPEX planning.

The Programme will also provide an evidence base when replacement-related CAPEX applications are reviewed. Lifecycle position, operational criticality, condition, utilisation, continuing operational need and available mitigation can be considered alongside the business justification, affordability and competing College priorities.

Where qualifying expenditure meets the College's accounting requirements for capitalisation and exceeds the £10,000 capitalisation threshold, it will be considered through the capital planning and CAPEX approval process. Requirements that do not meet the criteria for capitalisation will require appropriate revenue budget provision.

This will allow both capital and revenue asset pressures to be identified earlier and reduce reliance on reactive or urgent replacement requests.

### 6.2 Asset Replacement Planning Cycle

The trajectory will be converted into the rolling three-year Programme through the following annual cycle:

**1. Lifecycle Forecast** - Identification of forthcoming lifecycle requirements, indicative replacement costs and operational criticality.

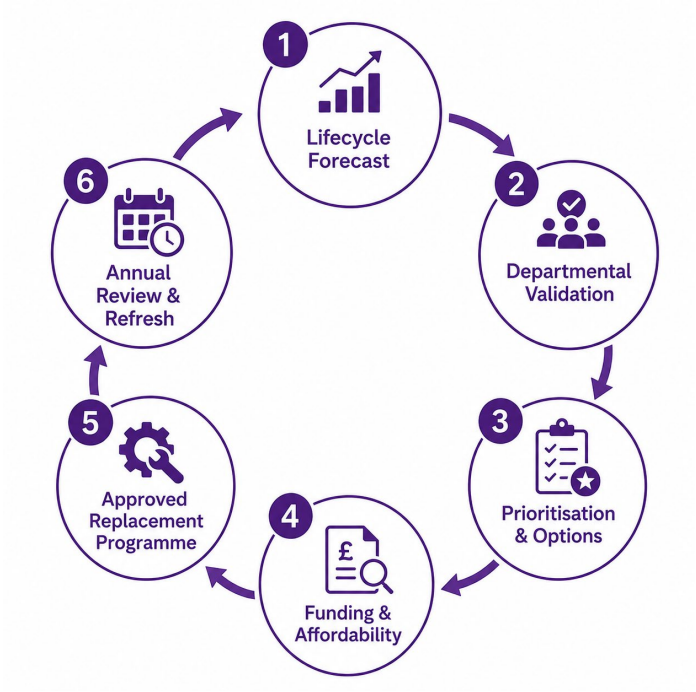
**2. Departmental Validation** - Assessment of condition, utilisation, continuing operational requirement and consequences of failure.

**3. Prioritisation & Options** - Assessment of whether assets should be replaced, life extended, deferred, refurbished, mitigated or removed from the future requirement.

**4. Funding & Affordability** - Consideration of capital or revenue funding requirements, available budgets, competing priorities and potential phasing.

**5. Approved Replacement Programme** - Development of the prioritised and funded rolling three-year replacement position.

**6. Annual Review & Refresh** - Completed replacements, deferrals, life extensions and other decisions reflected within the Asset Register before the trajectory is refreshed.




At each annual review, completed replacements, life extensions, deferrals and other decisions will be reflected within the Asset Register before the trajectory is refreshed.

**6.5 Future Reporting to Finance Committee**

As the Programme develops, Finance Committee reporting will move from the current baseline and methodology towards a concise, strategic overview of the College's asset investment and risk position.

Future reporting will focus on:

- the rolling three-year validated Asset Replacement Programme;
- High-criticality and other material asset risks;
- significant changes since the previous review;
- capital and revenue funding requirements;
- identified funding and any remaining funding gap;
- significant longer-term lifecycle peaks requiring early planning; and
- any matters requiring Committee attention or escalation.

Reporting to the Finance Committee every March will provide visibility between the theoretical lifecycle requirement, the validated operational requirement and the actual capital or revenue funding needed to deliver the agreed Programme.