

ET3 Driven Works EJP Template

Summary Table:

Title Section	
Name of Scheme	Non-Operational Property Investment
Investment Driver	FTE Growth / Recruitment Plan Hybrid Working Arrangements IBE Global Property Policy / Directive
[NESO Review]	N/A
BPDT/Scheme Reference Number	RIIOT3-GS-EJP1
Outputs	Non-Operational Properties
Cost	£22.74M
Delivery Year	2026 - 2031
Applicable Reporting Tables	9.1 Non-Op- Capex
Historic Funding interactions	RIIOT2 funding £7.988M
Interactive Projects	Non-Operational Property Investment

1. Introduction

The non-operational property requirements to support SPTs RIIO-T3 growth plans are based on recent market tested activity for building leases. Given the growth expectation during RIIO-T3, coupled with Scottish Power's current policies concerning hybrid working, allows us estimate that SPT will require 3 further building to house their staff during RIIO-T3.

This investment is based on the FTE growth assumption of 474 additional staff.

The primary drivers for this investment are:

- the need to adequately house additional staff in compliant and appropriate building environments.
- the logistical and ancillary requirements associated with a non-operational building.

The building leases and the associated fit out works, including all legal and compliance requirements, must align with the timing of the planned recruitment of SPT staff.

This may be impacted by constraints in the UK market. We are experiencing a very competitive environment in both our own and skill transferable industries that can impact on timing and availability of recruitment.

We anticipate one leased building added to our estate during 2026 and a further two building during 2027.

2. Background Information

Site details:

Site	Category	Current Age	Expected Asset Life
TBC – Central Belt Scotland	Non-Operational	N/A	15 years
TBC – West Scotland	Non-Operational	N/A	15 years
TBC – East Scotland	Non-Operational	N/A	15 years

3. Cost

Based on FTE growth requirements, allowing for forecast approvals and recruitment, coupled with our current company policies on hybrid working arrangements we are able to assess the impact to our Property portfolio.

We have used our most recent market tested lease in Scotland as the basis of our cost assumptions for lease sites in the current market to be [REDACTED]

In addition, there further 8 buildings which service Transmission FTE. Costs are included to ensure buildings are kept to the appropriate Health and Safety Standards using the LQRA.

Costs are also included to align with an asset replacement programme to ensure industry standards are met. Where possible costs will include environment replacements which also align with government ESOS schemes e.g. LED lights. This was an additional consideration when estimating required costs and evaluated against payback periods.

Also included [REDACTED]

4. Deliverability

Contracts are in place for procurement of our services as per the below to allow us to progress our plans. Deliverability of new leased properties is a Business As Usual process.

Building services are procured through established Building Fabric (including Roofing & HVAC) contract, Technical Support contract and Electrical contract.

- Building Fabric expires Mar 2025, new tender process in progress.
- Technical Support expires Dec 2024, new tender process in progress.
- Electrical expires Dec 2026, new tender process commences Oct 2025.

Property leases will be market tested for efficiency and economic viability and we will competitively tender any outsourced support required. Strategic tracking of SPT workload allocation and delivery using key metrics and KPI's ensure our strategy remains efficient and deliverable.

General Services investment and external service costs follows robust financial, commercial & operational challenge before approval that is independently audited by Scottish Powers external auditors

Conclusion

To accommodate the required FTE growth, 3 lease sites are anticipated to be required during RIIO-T3. Contracts are in place to deliver this works and the programme will be monitored to align with the business requirements as they evolve. This is a Business As Usual activity that will be market tested for efficiency and sustainability and will also be subject to our internal approvals processes.