Education, Children and Young People, Committee of Scottish Parliament

30 June 2025

Dear Mr Douglas Ross MSP, convenor, and members of the above-mentioned Committee,

Re: University of Edinburgh Joint Unions, composed of recognized staff unions, University and College Union (UCU), Unison and Unite, request for scrutiny of University of Edinburgh (UoE) Principal and senior management by the Scottish Parliament Education, Children and Young People Committee

We are following up on the Committee session of 4 June 2025. In responses to questions from Committee members, the UoE Principal Peter Mathieson made a number of statements that were inaccurate or misleading. Below we outline some key points, but would welcome the opportunity to provide more detailed information on these issues should the Committee consider pursuing further scrutiny of the situation at University of Edinburgh. We urge the Committee to do so, given the issues below and detailed in our previous correspondence.

1. At the time of the Committee's 4 June session, the Principal told you that the University Court has approved the executive's plans for £140 million cuts over 18 months. At the time of the hearing, this was untrue.

At the meeting of Court on 24 February, these plans were presented for noting and discussion, as shown in the <u>meeting minutes</u>. While a meeting of the Court's Policy and Resources Committee on 2 June reviewed the proposals, they were not 'approved', as only the Court can do so.

The University Court met on 23 June, and reportedly approved the £140 million budget cut proposal, despite the strong objections of trade unions (see attached letter to Court sent by the Joint Unions last week) and the University Senate. We do not know whether the Court asked for information on how many jobs were at risk, or if this data was provided. Evidently, no additional modelling (as noted below) has been requested or produced.

2. The Principal claimed that management has given full disclosure to trade unions.

While we have been given access to some financial information, we still have not received key information requested many months ago that would be crucial for us to address management's claims about the necessity for these cuts, and engage in collective bargaining. Most notably, we have not been given the budget for academic year 2024-25, which was approved by Court in summer 2024. We thus cannot compare management's projections in the two sets of quarterly accounts that we've been given access to, with the last one being a set of slides shared in a presentation, so we could not peruse the figures. We also have not had access to the proposed

budget for 2025-26 that was presented at Court this week.

 The Principal claimed that management has presented detailed modelling of the impact of the cuts proposal to the University community and considered alternatives. This is misleading, at best.

The financial projections provided by management only provide a crude, over-simplified view of where cuts would land the University in two years' time. In view of this we have every reason to believe that no serious modelling has been carried out, let alone modelling of alternatives. As we indicated in a previous letter, we have repeatedly raised the concern that cuts at this pace and scale seriously risk depressing the University's key income stream from tuition fees. This is not only to do with the reputational risk, but also that cuts to staff, programmes and courses are very likely to further reduce student recruitment. We have not been convinced by the executive's arguments that fewer courses and programmes, inevitably taught by fewer staff with less opportunity to teach to their specialisms, will maintain the previous levels of fee income.

As far as we are aware, no alternatives to the programme of cuts proposed by management have been modelled or presented. Neither the trade unions nor the Senate have seen any such efforts, despite repeatedly asking for such an exercise to be carried out. As noted above, we are not aware that Court has requested any such modelling.

4. The Principal claimed that minutes and papers of committees involved in making decisions on capital spending are made public, contradicting the claim in our 30 May letter that two key committees in charge of overseeing the University's capital spending have not published minutes of their meetings for the last five years.

While the minutes and papers from the University Court are available (often with a substantial time lag, which makes it difficult for us to follow up on key decisions), the committees we were referencing are the following: the Estates Committee and the Capital Projects Group. You can see here that for the period 2021-25, only agendas are currently available for the Estates Committee. The Capital Projects Group publishes no papers at all.

5. The Principal reported on several occasion that senior management had started to be concerned about the financial situation of the university 'two years ago', and that measures had started to be taken then.

However, in the 2022-2023 Annual Report and Accounts (below ARA, published end 2023), the Finance Director states: 'We have grown our revenues and managed our underlying costs, despite the challenges presented by high inflation, allowing us to continue the recent trajectory in generating significant positive cash flows for reinvestment in University activities' (ARA 2023, p. 41). And the Principal himself ends his opening address with the following message: 'Looking forward, we are

determined to continue positively shaping the world through our teaching, research and relationships with partners across the globe. As we will see in our Operational Review, while we may face national and global challenges, our innovative and resilient community is providing world-class solutions' (ARA 2023, p. 4).

The Joint Unions and staff in general have been concerned about the overreliance of the University on international student income, but management only appears to have considered that the trajectory of endless growth might slow in 2024.

6. The Principal claimed that the first phase of the roll out of People and Money, which was for hiring and HR matters, was unproblematic. This is untrue; the implementation of the system caused a great deal of disruption from start to finish, and the effects are still being felt.

We would like to draw the Committee's attention to the external report on People and Money implementation that was commissioned by the University Court, which is attached. This report details serious levels of mismanagement and poor planning by the University senior leadership. The impacts on many University staff and students, and businesses in Edinburgh were harmful. Cost overruns ran to over £30m, and large numbers of staff were hired to manage the problems with the system. We do not believe the lessons of this episode have been learned, and no one has been held accountable.

7. The Principal was asked whether reducing his salary could make a difference, and responded that 'you could pay the senior team at the University of Edinburgh nothing and it would make almost no difference'.

No one has suggested that the Senior Leadership Team work without salaries. However, it is worth noting that the staff costs of the 11 'key managers' of the University plus the Principal's own emoluments amounted to almost £3 million (2023-24 accounts).

In addition, the number of staff paid more than £100K has risen very significantly over the last years, from 251 in 2018 to 385 in 2024. This represents a rather considerable expense (£54 million in 2024 is a conservative estimate based on the Annual Accounts, and does not include pension costs). Between 2021 and 2024, the salary bill for the high paid actually grew by £13 million – a figure quite comparable to the National Insurance increase which the Principal has repeatedly cited as a cause of financial strain. In percentage terms, this represents a growth of 32%, so significantly more than the 19.6% increase for total staff costs.

Cutting salaries of the highest paid (including the 'key managers') by 10% for salaries above £100k and by 20% for above 200k would yield £6.2m over a year, which is far from negligible.

8. We have concerns about possible conflicts of interest in the senior leadership team and among external (coopted) members of Court. These include external directorships and links to UoE spin-off companies.

In his declaration for the Register of Interests of the Scottish Funding Council, the Principal referred to this involvement with one spin-off company from the University under 'non-financial interests'. However when asked how much the Principal may be paid for his role in one such company, a UoE spokesperson could or would not disclose this information.

We are happy to provide further information to substantiate these points should you require it.

Given the impact that budget cuts are already having on UoE, and with unwise and unworkable plans for imposing these cuts being well underway without due diligence having been conducted, we urge you to hold a hearing to question members of the senior leadership team at UoE as soon as possible.

If you wish to discuss this matter with us, please contact Sophia Woodman at ucu.president@ed.ac.uk.

Yours sincerely

June Maguire, Branch Secretary, Unison

Mark Patrizio, Branch Chair, Unite, Convenor of UoE Joint Unions Liaison Committee Sophia Woodman, Branch President, UCU Edinburgh

Joint Unions Finance Working Group analysis:

- 1. Dire financial straits at UoE? No! 26 November 2024
- 2. <u>Is the University of Edinburgh's management financially prudent? No!</u> 13 December 2024
- 3. Misleading and partial data in management's 'crisis' narrative 19 December 2024
- 4. No compulsory redundancies at the University of Edinburgh! Management is manufacturing a 'financial crisis' to impose staff cuts 14 February 2025
- 5. Cuts could kill our university 28 February 2025
- 6. Cutting revenue is not the way to solve financial pressures 14 March 2025
- 7. Reckless downsizing: the 'logics' of management's cuts 21 March 2025
- 8. More money than ever for buildings, while threatening compulsory redundancies 25 April 2025
- 9. A repurposed UoE: what might management's dream university look like? 12 May 2025