

Minutes of the Business Committee Meeting held on Thursday 5 March 2026 at 5.15pm, in the Raeburn Room, Old College

Present:

Dr William Duncan, Secretary of the General Council (online)	
Mr Gordon Cairns, Convener of the Business Committee	
Dr Bruce Nelson, Vice-Convener of the Business Committee	
Ms Alison McNulty, Assistant Secretary of the General Council	
Professor Richard Andrews (online)	Mr Lorn Macneal
Dr Lucy Blackburn	Mr Jock Millican (online)
Professor Alice Brown	Mr David Ovens
Ms Manya Buchan	Professor Graeme Reid
Ms Ann Cormack	Dr Kate Richards
Ms Candice Donnelly	Mr Alan Ross (online)
Dr Matthew Epton	Mr Devin Scobie
Professor John Gillies	Dr Dorothy Welch
Dr Mary Gunn (online)	Mrs Jessica Williamson (online)
Professor Judy Hardy	Lady Sarah Wolffe
	Mr Thomas Wrench

In attendance : Mr. James Gray, Chief Financial Officer

1. Welcome and Apologies

The Convener welcomed everyone to the meeting and noted apologies from Max Browning and Alastair Dunlop.

2. Presentation by James Gray (JC), Chief Financial Officer (CFO)

- The Convener welcomed JG and invited him to address the committee, noting that topics of interest had been sent to him in advance and could be discussed after his presentation;
- JG explained he only began his current role as the University's CFO 6 months ago. He previously held a similar CFO position at Police Scotland for 9 years and prior to that in local government;
- JG provided an overview of the University's financial situation for fiscal years 2024-25 to 2026-27, structured as follows:

Annual Report and Accounts for 2024-25

This extensive Report had been circulated previously to the Business Committee and was taken as read.

- It showed a University Group EBITDA of £96m (up from £82m in the previous year);
- The operating surplus was £20m (down from £25m) and the better than expected outturn was primarily influenced by good performance by non-core activities, including better returns on investments and by connected subsidiaries;
- Core activities related to teaching and research were closer to break even or in deficit and there is a pressing need to improve their financial performance;
- The surplus margin remains modest (at 1.4% of income), indicating vulnerability to fluctuations and underscoring the importance of robust financial management.

Financial Forecasting and Budgets

- Recent financial outcomes have been better than earlier forecasts of possible deficits. This demonstrates a need to refine forecasting, particularly for subsidiaries (which produced an £8 million surplus against a forecast deficit) and research income timing, which aligns differently with fiscal and grant periods;
- Also, investment income performed better than conservative estimates, prompting a re-assessment in future budgeting strategies;
- The University continuously faces the challenge of aligning its budgeting and financial planning with its strategic objectives while managing a substantial debt (£550 million) and maintaining cash flows for necessary investments;
- The CFO emphasised the development of an integrated financial planning framework to consolidate various planning activities across the University. The aim is to enhance transparency and strategic alignment regarding capital expenditure, debt management, and surplus usage.
- A need for clearer communication and justification of financial practices to the University community was also acknowledged, with efforts underway to make financial allocations and impacts more transparent and understandable.

Balance sheet and cash flow

- The University has net assets valued at £3.1 billion, but the major components are fixed assets like buildings, which are not easily convertible to cash, or endowment funds which have to be used to meet donor restricted purposes and are not for general running costs;
- The large property asset base has initiated conversations about potentially reducing the number of buildings the University holds and addressing the utilisation and efficiency of the estate, with potential downsizing or repurposing of buildings to enhance operational effectiveness and reduce maintenance overheads;
- Treasury cash balances as of July 2025 stood at £703 million, a decrease of £66m from the previous year, primarily due to EBITDA being £96m and capital grants received £30 million, but capital expenditures was £200 million, resulting in a gap which was filled by utilising Treasury cash;
- This trend of using treasury cash to cover shortfalls was highlighted as undesirable and the focus now is on generating sufficient EBITDA to support necessary capital programs without relying heavily on treasury cash;
- Significant repayments on borrowings are scheduled to start in a decade, with discussions ongoing about handling those obligations. The need to avoid covenant breaches is recognised as essential.

Current year

- The Q1 forecast for 2025- 26, excluding restructuring costs, is very to near breakeven, which is behind budget;
- The Q2 financial forecast seems better than Q1, though exact figures are still being finalised. The University has shown resilience by retaining more students than expected, mitigating lower than anticipated new enrollments;
- There is a clear intention to maintain, and where possible enhance, recruitment efforts to sustain tuition fee income. This is especially critical given the risks to income projections currently estimated to potentially fall short by £28 million next year relative to the budget;
- Capital expenditure reductions are considered necessary next year as a temporary measure to adjust to reduced EBITDA projections due to tuition fee risks. However, long-term sustainability requires adequate investment in maintaining and expanding capabilities;

- Proposals are expected from the Estates Department regarding managing the University's extensive property assets more effectively, either through commercial use or disposal, to reduce operating costs while also potentially benefiting capital programmes.

Financial risks and material issues

- EBITDA should be in 7-9% range, but this was not achieved in 2024-25, and the forecast for 2025-26 is it will be worse;
- Further management of the cost base is essential to remain financially sustainable, with improved financial performance of core teaching and research activities

Emerging picture 2026-27

- There is an ongoing issue with delivering staff cost reductions in 2025-26, particularly at College level, which are not reducing as quickly as planned. These reductions are crucial for meeting future year's budget targets;

Discussion

- GC asked JG for his **prognosis for the University's finances**, given the various political, economic, and geopolitical challenges;
- JG highlighted the financial strain in Scotland's public funding and low economic growth, which will likely impact higher education funding despite ongoing reviews. There was concern over the potential political changes that might occur at Westminster that might not prioritise higher education;
- The focus is on how the University can build financial resilience to withstand these challenges through strategies like income diversification and managing its size and shape effectively;
- He expressed optimism in leveraging strengths in fields like informatics, engineering, and medicine to adapt and lead through turbulent times. He said that Edinburgh is well placed to lead the challenge from AI and what the future requirements of industry will be for graduates by embracing the opportunity to reshape the University into whatever the future looks like.
- RA asked about **inefficiencies in the use of the University estate** and the potential for reducing costs;
- JG said that the estates team has extensively analysed the utilisation of space and, by providing data and having an evidence base, is now able to inform proper discussions with the users of the space. The team is also exploring options to repurpose or dispose of certain buildings within one to three years, aiming for a potential 15% reduction in total estate size over several years;
- JG emphasised the importance of effective space utilisation over merely reducing square footage and advocated for strategic repurposing or disposal to optimise assets as net revenue streams rather than net costs;
- The key challenge now is transforming these ideas into tangible plans that can be finalised and then delivered promptly.
- MB asked about the **implementation of the "people and money" system**, particularly its operational challenges and the need for improvements;
- JG acknowledged that the system, initially set up to streamline operations, has been plagued with manual workarounds that have become the norm rather than temporary fixes;
- Despite being stable, it provides poor user experience and is not delivering the promised benefits, particularly in efficiency and data insight;

- The finance and procurement departments have had to expand to manage these shortcomings, leading to increased operational costs;
- JG advocated for a business case to secure investment aimed at correcting these issues, enhancing user experience, and optimising team size to align with sector standards;
- This initiative is expected to also prepare the University for upcoming projects like the student record system implementation, drawing lessons from current challenges.
- In response to a question from TW about **tuition fee loans for rUK students**, given the high % of such students at Edinburgh University and recent media attention on the financial struggles of rUK graduates with repayments, and the doubts this is generating about the perceived value of university education. JG said the Principal is actively involved in discussions with both the UK and Scottish governments regarding the sustainability of the current funding model, which heavily relies on international student fees to subsidise domestic students;
- There is support within the University for recent tuition fee increases that partly offset prolonged fee stagnation. The Principal does not hold a particular view on whether the funding should be direct taxpayer funding or include some contributions from students as deciding that is a political choice, but his concern is whatever model is adopted, it must be properly funded and at present it is not.
- LM asked about **job security amid planned budget cuts**, and whether natural staff turnover (retirements, job changes) might mitigate the need for redundancies;
- JG noted that academic staff turnover is extremely low, which complicates making potential savings from normal turnover only. For professional services staff, turnover is higher but mostly in lower-grade positions;
- The University is using voluntary schemes to encourage departures wherever possible;
- JG explained that the senior leadership team recognise the ongoing uncertainty is causing stress among employees and the need for clearer communication regarding which parts of the workforce might be most affected. They have been urged to provide more specific details on the timing and scale of any changes to help staff make informed personal decisions, but the expectation is the impact on most staff will be less severe than feared.

The Convener warmly thanked JG for a clear, highly informative presentation and invited him to return to address members of the committee at a future meeting.

Action: -

Slides used during the presentation to be shared with the Committee.

3. Observations by General Council Assessors

David Ovens gave the report from the recent Court meeting on 23 February at Pollock Halls. The Court agenda had been previously circulated and he covered the following open items:

- Principal's Report (Item 3)
Finance
 - The Principal opened the finance discussion by stressing the significance of 2026 as a crucial year for implementing plans and reshaping the university into a financially sustainable institution. He acknowledged the challenges posed by uncertainty, especially for the staff, and noted that the senior executive team is striving to provide greater clarity soon. DO was pleased that James Gray echoed these sentiments, emphasising the urgency of completing the full restructuring within the next eighteen months;

- In his paper, Sir Peter reviewed the Scottish Government budget for the fiscal year 2026-2027, noting the lack of significant mentions of universities in the Finance Secretary’s speech, except for a £20 million allocation to the University of Dundee. The overall funding increase for the university sector was about £55 million, amounting to a 4.8% uplift from the previous year. The resource budget rose by 3.2%, leading to a real-terms increase of under 1%, which was insufficient to counteract the past decade's financial erosion;
- He also welcomed the inception of the Joint Future Framework between the Universities Scotland and the Scottish Government, with an anticipated initial report aimed at quantifying the funding gap expected before the next budget announcement;
- Furthermore, he expressed approval of the UK government's decision to rejoin the Erasmus Plus programme starting January 2027, which could facilitate participation in the forthcoming framework programme.
- **Student Recruitment**
In relation to the current cycle of student recruitment, demand is being closely monitored, and while many metrics were ahead of the plan, at an aggregate level there remained a number of risks, particularly in variabilities by subject and volatility. He did note, however, that the University had significantly enhanced its speed of offer making.
- **Research and Innovation**
Reported an emerging new situation with regard to the UK research and innovation approach to the management of their funding schemes, which are to be more aligned with the UK government's industrial strategy. Three of the research councils have implemented temporary pauses on some of their funding schemes and there is much concern about the impact that these pauses are having on recruitment of early career researchers.
- **Engagements**
Sir Peter also referenced some events and engagements which he had attended during the period since the last Court meeting, e.g., he was a member of the panel appointing the next Russell Group Chief Executive and had presented his annual report to the General Council at the recent Half-Yearly Meeting.
- **Industrial Action**
Sir Peter has been actively engaging with the unions in relation to the ongoing restructuring. He noted that UCU had initiated the process of balloting for a new mandate for industrial action had started.
- **Research**
- Sir Peter noted the launch of the new Research Cultures Action Plan 2026-28, which restated the commitment to fostering an environment where research can thrive.
- **Court Elections**
- Peter reported that three candidates were being taken forward to election for the senior lay member position;
- There are two internal candidates: Hugh Mitchell, current member of the University Court and Frank Armstrong, a former member of the University Court, and who had chaired the Estates Committee for a number of years. The external candidate is Benny Higgins, who is a well-known business figure with a lot of different interests;
- Voting will take place between the 11th and the 17th of March.
- Committee Business (Item 4)
- The Senate report summarised several formal motions related to restructuring, requiring the University executive to provide detailed information on restructuring plans, risk assessments, and other relevant details;
- Additionally, the Senate passed a motion criticising the academic contribution framework approved by the senior executive team, which it believed represented a significant shift in the

University's strategy concerning research and teaching. Specifically, the Senate opposed the use of quantitative metrics such as the number of publications, funding applications, and student contact hours, advocating instead for qualitative indicators like collaborative and collegiate working.

- Students' Association and Sports Union Reports (Item 5)
 - Ash Scholz, President of the Students' Association reported on the development of a strategic plan aimed at enhancing student experience over the next five years;
 - Concerns were raised about the University's restructuring, urging the executive team to incorporate student perspectives into these processes;
 - Significant mention was made of the Responsible Investment Advisory Group, criticised for its slow response in advising on ethical, social, and environmental investment policies amid calls for divestment from certain company shares;
 - Ash also discussed the recent student elections, the reopening of Teviot with significant investment by EUSA, and the results of a member survey that gathered 3,300 responses, showing that approximately 75% of students felt positively represented by EUSA;
 - The survey revealed that students prioritise campaigning on issues such as cost of living, teaching quality, mental health, facilities, and housing, while activism and divestment ranked lower.
 - The Sports Union report highlighted several achievements: the sports ball was a success, and membership within the sports union continued to grow. At the recent BUCS championships, Edinburgh maintained its fifth place, and Megan Keith, a sports science graduate, broke the European record for a 10K road race in Spain, surpassing the previous record held by Eilish McColgan.
- Academic Staff Member Election Regulations (Item 8)
 - There was a brief paper presented to allow the current academic staff member in the Court, Toby Kelly, to extend his 4-year term by 2 months so that it was aligned to the academic year, and the Court approved that resolution.
- Self-Evaluation Action Plan (Item 11)
 - The University Court reviewed the self-evaluation action plan in its annual report to the Scottish Funding Council (SFC), focusing on quality assurance and enhancement activities. Although not requiring Court approval, the document must be shared with the Court;
 - Highlights include noting a widening gap in degree attainment, with Scottish domicile students less likely to achieve a first or upper second-class degree compared to their peers from other parts of the UK and abroad;
 - Positively, the report mentioned advancements in the student support framework, where students are assigned advisors instead of personal tutors, facilitating access to broader university support. This model has reportedly been well received by both students and staff.

SW spoke to the afternoon seminars at the Court meeting. There were 3 productive sessions which focused on a radical review of the University's estate, to address the inefficiencies and sustainability of its buildings, many of which are historic.

Discussion

- LHB drew attention to **staff costs in the recently published Annual Report and Accounts** (p.69), particularly highlighting a 50% increase in University staff earning over £200,000 between 2023/24 and 2024/25, and a 10% rise generally in those earning over £100,000. This raised concerns given broader austerity measures and cuts taking place.

- Specific to the high earners, DW explained the increased number was mainly medical staff, with salaries determined by NHS agreements and this aspect was beyond the University's direct control;
- On the need for clear oversight to manage financial strategies. DO said that the Court had expressed confidence in the capability of the new CFO to deliver on these.
- TW remarked on the **successful refurbishment of Teviot Union**, which was echoed by AB who had attended the recent opening celebrations organised by EUSA;
- TW queried **why was the Court agenda relating to Alumni Relations Activity closed?** He said that, while donations and legacies will contain sensitive information, it would be helpful in planning for future PASC activities to understand the University's work in alumni engagement and how best to support it;
- AB raised a point about the Principal's remarks concerning the **Future Framework** and its implications for university funding in Scotland. She expressed concern that publication of the report on the first of the three pillars of this framework is now expected to be delayed until post-election, with some suggesting even later in the autumn, indicating a potential postponement of decisions;
- AB referred to an article by LHB about **student debt** in Scotland on the Royal Society of Edinburgh's website. Despite tuition-free education, Scottish students still incur significant debt. LHB added that this issue remains outside the scope of the current Future Framework funding review.

The Convener thanked the Assessors for their contributions.

4. Minutes of the Meeting of 4 December 2025

The minutes were approved.

5. Matters Arising from the Minutes of the Meeting of 4 December 2025

These were covered in the Report by the Secretary (Item 7; Paper 3).

6. Draft Resolutions of the University Court

No. 1/2026: Foundation of a Chair of Large-Scale Database Systems

No. 2/2026: Alteration of the title of the Mary Dick Chair of Molecular Veterinary Medicine

The above Resolutions were approved, although concern was expressed over possible reaction to awareness that funding for the Chair of Large-Scale Database Systems will be by Huawei for an initial three years.

7. Report from the Secretary of the General Council

Paper 3, previously circulated, is shown in Appendix 1 and mainly dealt with matters arising from the Business Committee meeting on 4 December 2025. The following items were highlighted:

A. Matters arising

Item 1. Election of Senior Lay member of Court

WD emphasised the importance of the role of Senior Lay Member of Court but reported he had heard of disappointment at the lack of diversity in the candidates for election, as all were men who had had corporate business careers. SW responded that the University had encouraged a diverse pool of applicants including through an extended recruitment process, but only those candidates who met the specific criteria required by Court were put forward;

Item 2. International Standing Committee

The next meeting is with the Provost, Kim Graham, and is now scheduled for 1 May 2026.

Item 5. Report on Sex and gender issues

LHB will liaise with WD about compliance of policies on sex and gender with legislation.

Item 6. Elections to the Business Committee

Congratulations to Charles Atkinson, Max Browning, Ian Conn, and Emily Honeysett who were elected to join the Business Committee from August. As part of their induction process, they will be invited to attend the June Business Committee Meeting.

B. Other Matters

1. Summer Half Yearly Meeting on 13 June at Teviot Row House

Allan Little is no longer available to be the guest speaker and an alternative speaker will have to be found;

Action:

The Secretary invited members of the Business Committee to suggest speakers for the June HYM.

8. Old College Heritage and Values Project

- DW and LM attended a recent workshop to discuss options for Old College about the use of some of its spaces and artworks;
- DW reported poor attendance and said that many of those present were from ECA so it was not a diverse turnout. She felt that those running the project seemed to want to use the building as an art gallery to showcase the University's many paintings without giving proper consideration to the purpose of the artworks;
- She encouraged BC members to attend the next workshop on Monday 16 March 11am – 1pm.

9. Motions to June 2026 Half-Yearly Meeting

The Committee considered the following Motions and agreed they should be included in Summer 2026 Billet and presented for approval at the Summer Half Yearly Meeting

- a. Dates of Half Yearly Meetings.** Changes to the Standing Order (last revised in 2020) to allow for greater flexibility in setting the dates for the Half-Yearly Meetings and no longer requiring them to be held on Saturdays – see Appendix 2a
- b. Appointment of Secretary.** To recommend the re-appointment of Dr William Duncan as Secretary to the General Council from 1 August 2026 at the end of his current term – see Appendix 2b

10. Any other competent business

None.

11. Date of next meeting

The next meeting would take place on Thursday 30 April 2026 at 5.15pm in the Raeburn Room.

Report from the Secretary of the General Council

A. Matters arising from 4 December 2025 meeting

1. Election of Senior Lay member of Court

To conform with the requirements Higher Education Governance (Scotland) Act 2016, the appointment process is in three stages:

- i) advertisement, application and interview;
- ii) election;
- iii) appointment.

The first stage has just been completed and a competitive election will be held between 11 to 17 March 2026. (The legislation governing this appointment does not allow single candidate elections.)

The electorate comprises students, staff and Court members of the University; it does not involve alumni members of the General Council.

The candidate who receives the most votes is appointed, subject to satisfactory pre-appointment checks and agreeing to abide by the Code of Conduct for Court members.

2. International Standing Committee

As the Provost, Kim Graham, is now unlikely to be available on 14 April an alternative date is being arranged.

3. Half Yearly meeting on 14 February 2026

This took place at EFI, was livestreamed and recorded, with the recording is available on

<https://general-council.ed.ac.uk/half-yearly-meetings/past-meeting>

The Director of EFI, Professor Marion Thain was the speaker at the lunch in the Playfair Library. Her talk was recorded and is also available on the General Council website link.

4. Senior Leadership Team vacancies

In response to questions submitted by Professor John Gillies about this, the Principal replied at the Half Yearly Meeting. It seems there is little prospect of the vacant Vice Principal (Students) or Vice Principal (International) being filled while the University is seeking to substantially reduce its staff budgets.

5. Report on Sex and gender issues

In response to question submitted by Lucy Blackburn Hunter, the University Secretary replied at the Half Yearly Meeting that the University's policies and guidance on this matter were being kept under review.

6. Elections to the Business Committee

As announced at the Half Yearly Meeting, the 4 candidates elected were:

Charles Atkinson
Max Browning
Ian Conn
Emily Honeysett

As part of their induction process, they will be invited to attend the June Business Committee Meeting.

B. Other Matters

1. Summer Half Yearly Meeting

This will be held at the newly refurbished Teviot Row Union on 13 June.

Following the formal business meeting (10.30- c.11.15), there will be a talk by Allan Little. Lunch will be available thereafter, with a dining fee of £15, to encourage attendance and networking.

MOTION TO THE HALF YEARLY MEETING ON 13 June 2026

Amendment to the Standing Orders (1 February 2020)

Preamble

Revised Standing Orders approved by the General Council on 1 February 2020 specified that the Council would meet twice a year, on a Saturday, in February and June. In response to the need for greater flexibility around the date of Half-Yearly Meetings, the Business Committee proposes:

That the Council will meet twice a year, in February and June, on a day (except Sunday) as determined by the Business Committee and notified to General Council members in advance in the issue of Billet preceding the issue which contains the papers for that meeting, as well as on the General Council website.

The Business Committee invites the General Council to approve this amendment to the Standing Orders (1 February 2020).

Proposed by the Convener of the Business Committee

Seconded by the Vice-Convener of the Business Committee

Appendix 2b

MOTION TO THE HALF YEARLY MEETING ON 13 June 2026

Secretary of the General Council

That the General Council reappoints Dr William Duncan, BSc, PhD, as Secretary of the General Council for a second period of four years from 1 August 2026.

Proposed by the Convener of the Business Committee

Seconded by the Vice-Convener of the Business Committee

