THE UNIVERSITY of EDINBURGH

WEB VERSION

Policy and Resources Committee

2 February 2026

Online meeting

Minutes

Members Present:	Janet Legrand, Senior Lay Member Morag Angus, Co-opted Member Leigh Chalmers, Vice-Principal & University Secretary Ruth Girardet, Co-opted Member Kim Graham, Provost Peter Mathieson, Principal & Vice-Chancellor Jock Millican, General Council Assessor Hugh Mitchell, Co-opted Member Kathryn Nash, Trade Union Academic Staff Member David Ovens, General Council Assessor Ash Scholz, Students' Association President
Member Apologies:	None
In Attendance:	James Gray, Chief Financial Officer Catherine Martin, Vice-Principal Corporate Services Rona Smith, Deputy Secretary, Governance and Strategic Planning Damien Toner, Director of Estates Daniel Wedgwood, Head of Court Services (clerk)
Attendee Apologies:	James Saville, Director of Human Resources

Welcome
The Convener welcomed members and attendees.

OPENING ITEMS [STYLE: MINUTES SECTION HEADING]

1 Minutes **Paper A1**
Policy and Resources Committee (PRC) approved the minutes of the meeting held on 10 November 2025.

2 Matters Arising & Review of Action Log **Paper A2**

Matters Arising
Catherine Martin, Vice-Principal Corporate Services, noted that plans regarding the future of a University subsidiary company were to be brought to future meetings of PRC and Court.

Action Log
The Action Log, unchanged since the last meeting, was noted.

3 Principal's Communications

Peter Mathieson, Principal & Vice-Chancellor, updated the committee on the following matters:

- The Scottish Government's budget had included a small real terms uplift in funding for the higher education sector.
- The University of Dundee had appointed a new Senior Lay Member and was in the process of recruiting its next Principal, following a period under interim leadership.
- The University's agreement with the UCU union had been reached following constructive negotiations and had avoided disruption that would be detrimental to students. In discussion, it was observed that the level of meaningful engagement shown ahead of the agreement had been key to its acceptance by the majority of union members and that opinions differed within the membership.
- UKRI was planning changes to the management and allocation of research funding, the impacts of which were not yet known. The distribution of some elements of funding was currently paused and the University was working to establish the implications of this and to mitigate any negative impacts.
- Negotiations continued at the national level regarding the UK's association with the EU Framework Programme 10 for research funding.
- The refurbishment of Teviot Row House had been completed, bringing greater accessibility, enhanced fire safety and improved facilities. The Principal noted that this was an example of the University's capital investments producing direct and important improvements to the student experience.

SUBSTANTIVE ITEMS

4 Finance

Finance and Planning Report **Paper B**

James Gray, Chief Financial Officer, summarised the report. It was also noted that the University's Annual Report and Accounts, which Court had approved in December, had been fully audited, submitted to the Scottish Funding Council and published on the University's website.

The Q1 forecast indicated that budgeted reductions in unrestricted staff costs were not likely to be realised within the current year. A variety of short-term cost-saving measures would be employed to protect Treasury balances in this context, with both revenue and capital expenditure under consideration. Looking beyond this, intensive planning work was being carried out to build a robust budget with clear timelines. The introduction of a 'half-year close' exercise would provide greater clarity in-year and promote confidence in forecast results.

Rona Smith, Deputy Secretary, Governance and Strategic Planning, outlined forecasts for student recruitment. In the context of falling demand from key international markets affecting the UK higher education sector as a whole, there was a risk of a shortfall in tuition fee income relative to budget, although the University continued to experience high demand overall. It was noted that the University carried out active analysis of international markets, while recognising that patterns of demand and conversion could be complex and variable, and targeted its recruitment strategy accordingly. Activity was underway to maximise the conversion of applications into acceptances.

In discussion, the risk of breach of debt covenants was raised. It was noted that, while some reduction of the covenant headroom could occur, this was not a significant concern under realistic scenarios.

It was noted that progress had been made where interventions had been carried out to support budget-holders in achieving required savings. External support was being used in a targeted manner but with a transferable methodology that could be applied where needed. Oversight of these processes continued to be provided by the workstreams reporting to the University Initiatives Portfolio Board and, ultimately, to the University Executive.

In further discussion, the need to make progress in implementing sustainable cost-saving measures was emphasised, as was the importance of meaningful consultation with trade unions.

TRAC Return 2024/25 **Paper C**

PRC noted that the TRAC return showed decreasing cost recovery for the University's major activities, indicating the contextual challenges to ensuring financial sustainability. While fully comparable data were not available, all indications were that the University's TRAC figures and the trends in cost recovery were consistent with those of peer universities.

PRC authorised the Principal to sign the TRAC return for submission to the Scottish Funding Council.

5 People Report **Paper D**

Catherine Martin, Vice-Principal Corporate Services, provided a summary of key points. PRC noted the report.

6 Responsible Investment Policy Representations Process **Paper E**

Kim Graham, Provost, introduced the proposed Responsible Investment Policy Representations Process, which had been recommended by the Responsible Investment

Advisory Group (RIAG), and noted that the formulation of the policy had been informed by research into other institutions' practices, among other considerations.

The following points were made in discussion:

- RIAG already had a significant work plan based on questions delegated to it by Court, in response to issues previously raised in the University community, and would continue to pursue this work while the representations process was developed.

PRC expressed support, in principle, for the proposed process and agreed that further work was required to establish key matters of implementation before presenting a revised proposal to Court. PRC also recommended an amendment to RIAG's terms of reference and that the representations process be reviewed two years after its implementation.

ITEMS FOR NOTING OR FORMAL APPROVAL

7 Scottish Consortium for Rural Research **Paper F**

PRC recommended that Court approve the necessary constitutional and governance changes to allow the transfer of governance oversight responsibility for the Scottish Consortium for Rural Research.

8 Estates Committee Report **Paper G**

Morag Angus, Convener of Estates Committee summarised key points from the report, highlighting in particular:

- the disposal of two properties from the University's estate, subject to finalising negotiations;
- the improvements to the student experience resulting from the Teviot Row House refurbishment;
- development of the Estates Strategy and new capital plan; and
- the continued need for essential investment, an example being enterprise infrastructure replacement.

PRC noted the report and recommended that Court approve the transfer of land from the University to Scottish Power Energy Network .

9 Investment Committee Report **Paper H**

PRC noted the report.

10 Responsible Investment Advisory Group Report **Paper I**

PRC noted the report.

11 Any Other Business

There was no other business.

12 Date of Next Meeting

Monday, 30 March 2026