THE UNIVERSITY of EDINBURGH

Policy and Resources Committee

30 March 2026

Raeburn Room, Old College

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
James Saville, Director of Human Resources
Rona Smith, Deputy Secretary, Governance & Strategic Planning
Damien Toner, Director of Estates
Daniel Wedgwood, Head of Court Services (clerk)
Fiona McClement, University Lead, Equality, Diversity & Inclusion (item 8)
Gavin McLachlan, Vice-Principal and Chief Information Officer & Librarian (item 9)
Alistair Fenemore, Chief Information Security Officer (item 9)

Attendee Apologies: None

OPENING ITEMS

1. Minutes **Paper A1**

The minutes of the meeting held on 2 February 2026 were approved.

2. Matters Arising & Review of Action Log — Paper A2

Matters Arising

Catherine Martin, Vice-Principal Corporate Services, and David Ovens, as Convener of the PRC Commercialisation Subgroup, updated Policy & Resources Committee (PRC) on developments at a University subsidiary, noting that proposals might be brought to the committee out of cycle, to facilitate timely decision-making.

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 recent developments, including the following:

- Anticipating the Finance & Planning Update (Paper B), the Principal noted that sufficient savings had been achieved to forecast a small surplus by year-end but that the required sustainable, recurrent savings were still to be achieved. Progress had been made and delivery of sustainable savings was anticipated soon.
- Members of the UCU union were undertaking a week of strike action and on-going action short of a strike. The Principal reiterated his view, as already communicated to staff, that the UCU branch had broken the terms of an agreement with the University in doing so. The Principal expressed his regret that students would be affected by this action. The union was also seeking a new mandate for future industrial action.
- The University had received a Queen Elizabeth Prize for Education for its Fire Safety research and education. The Principal commended the work of the Centre for Fire Safety Engineering, noting its many important contributions on a national and international scale.
- Professor Iain Gordon, Head of the College of Science & Engineering, and Jo Roger, Director HR Change & Partnering, were both to leave the University for prestigious posts elsewhere. The Principal noted the exceptional contributions that both had made to the University.

In discussion, it was observed that understanding of the financial situation and the University's actions in response was lacking in the University community and that this might contribute to the willingness of staff to take industrial action. There was discussion of the potential benefit of more dissemination of information and of the impact of trade unions' responses to and communications about the situation.

SUBSTANTIVE ITEMS

4. Finance & Planning Update Report — Paper B

James Gray, Chief Financial Officer, outlined key points from the report. As agreed at the February Court meeting, a five-year plan would be developed and presented to Court in June 2026, to reflect the latest assumptions on income and restricted activity while retaining the unrestricted expenditure budgets for 2026-27 agreed by Court in June 2025. This was expected to result in a lower EBITDA/operating surplus for 2026-27 onwards than

had been contained in the June 2025 plan. To mitigate the impacts of this, capital expenditure would be managed down, in order to maintain treasury cash balances at previously planned levels.

The monthly management accounts showed that EBITDA at the end of January 2026 was favourable to the phased budgeted. However, income was projected to fall back and staff costs to be adverse to budget by year-end. This was expected to be off-set to some extent by an underspend, relative to budget, in Other Operating Expenses (OOE), as a result of significant efforts to reduce travel and other expenditure. It was recognised that not all savings achieved in this manner were likely to prove sustainable and that some savings had been achieved through openly temporary measures, meaning that planned long-term savings would still need to be achieved in 2026-27. This would require a focus on delivering the University's change programme with a unified approach across the institution.

Rona Smith, Deputy Secretary, Governance & Strategic Planning, provided a brief update on student recruitment, noting that International Taught Postgraduate recruitment was being closely monitored because of known reductions in demand from key markets at the sector level. Colleagues continued to focus efforts on increased and faster offer-making, and converting offers to acceptances. In this context, and taking into account the previous downward revision of international recruitment targets, the outlook for the University's recruitment was broadly positive and being closely tracked.

In discussion, it was noted that careful analysis would be required to distinguish which cost savings would be sustainable and safeguards put in place to prevent the loss of savings that could be sustained. It was noted that planned workshops supported by external consultants would help to ensure a unified approach across the different Colleges. Some strands of the change programme were moving into implementation and barriers to change had been identified in other cases, indicating where work would need to be focused to accelerate progress. It was noted that capacity to support necessary behavioural changes would be important. An apparent change in the University's EBITDA target was queried and it was noted that this resulted from a technical change in accounting standards and was not a substantive change.

5. Strategy 2030 Strategic Performance Framework mid-year report 2025-26 **Paper C**

Rona Smith, Deputy Secretary Governance & Strategic Planning, introduced the item, noting that not all key performance indicators (KPIs) could be reported at this mid-year stage.

Alongside regular reporting, a change was proposed to KPI16 – Net Zero, in order to reflect the nature of the University's aims and commitments under the Court-approved Regenerative Sustainability Strategy, which had recently been launched publicly. It was observed that the proposed reformulation of this KPI was difficult to interpret for the non-specialist reader and that it would be helpful to understand the implications, including in relation to potential costs and risks. It was noted that the relevant targets underpinning

the ambition in the Regenerative Sustainability Strategy had been introduced as a direction of travel and approved subject to the ability to invest at the required levels.

PRC agreed that the proposed reformulation of KPI16 should be more clearly explained so it could be understood by non-specialist readers, with additional accompanying information where appropriate, before transmission of the report to Court.

6. People Report **Paper D**

James Saville, Director of Human Resources, introduced the report. The University's third voluntary severance scheme, in this case focused on academic roles, was to close shortly. The staff cost savings made in this way had diminished with each round and it was felt that this approach had now delivered its full potential.

It was noted that the current round of national pay negotiations was likely to create challenging conditions with regard to industrial relations.

In discussion, it was noted that the number and proportion of fixed-term contracts in the University has risen in the year to 2024/25, as reported in the Equality, Diversity & Inclusion Data Report (Paper F). It was noted that, to a large extent, this reflected success in securing increased research funding. It was also observed that this success brought costs to the University, given that external funding of research was usually below full economic cost.

7. Responsible Investment Policy Representations Process **Paper E**

Kim Graham, Provost, introduced the proposed process, noting that some changes had been made since the previous draft, which had been shared with PRC at its February meeting.

PRC recommended the process for approval by Court.

8. Equality, Diversity & Inclusion Data Report 2025 **Paper F**

Fiona McClement, University Lead, Equality, Diversity & Inclusion (EDI), introduced the report, which comprised a summary report, staff report and student report, and highlighted a number of headline findings. She noted that the style and content of reporting was to be reviewed for future years to ensure alignment with the University's published Equality Outcomes and objectives.

In discussion, the reports were welcomed, as was the intention to review the reports. Support was voiced for the creation of clearer narratives around both successes to be celebrated in the University's EDI outcomes and areas for further work. The attainment gaps noted in the report were discussed: it was observed that a number of external factors had potentially contributed to the existence of such gaps and might also point to potential ways to tackle them. The importance of suitable classifications of data was noted, for example sub-divisions of the BAME category.

PRC noted that the report would be transmitted to Court and then the data reports would be published, subject to Court's approval.

9. IT System Replacement **Paper G**
(Taken after item 12)

Gavin McLachlan, Vice-Principal and Chief Information Officer & Librarian, and Alistair Fenemore, Chief Information Security Officer, gave an overview of the project to procure a replacement for an IT system. The intention was to purchase a cloud-based solution from one of the major suppliers of such systems. It was emphasised that this would involve buying a service, not merely software, thus ensuring the greatest benefits in terms of cyber security, through continuously up-to-date products and support.

In discussion, it was noted that the estimated costs contained an appropriate level of contingency for the current business environment and also that the procurement process provided opportunities to minimise any financial risk and uncertainty through long-term contractual arrangements.

PRC recommended that Court approve the indicative funding range, in order to proceed with the procurement and deployment of a commercial solution.

10. Computer Room 4 Supercomputer Preparation Project, ACF **Paper H**

Damien Toner, Director of Estates, summarised the paper, noting that a formal grant agreement had been received from UK Research and Innovation (UKRI) / Department for Science, Innovation and Technology (DSIT) for the costs of the Supercomputer Preparation Project. Enabling works had been identified and instructed and a governance and delivery programme had been prepared.

It was noted that preliminary funding for earlier preparatory work that had been taken from the University's own funds would be reimbursed by the UKRI/DSIT grant.

Contractual negotiations regarding the works continued. It was noted that the contractual conditions were likely to be such that anticipated global inflation would not affect the cost substantially.

The Principal commended the work of Professor Mark Parsons in helping secure the government funding for this project.

PRC recommended that Court give its formal approval to proceed with the project and drawdown Government funding from the grant award, subject to ongoing contract negotiations.

11. Small Works and Statutory Compliance Programme Budget Allocation **Paper I**

Damien Toner introduced this item, noting that the proposal was to draw down an allocation in the Capital Plan plus additional funding to cover backlog maintenance liability. A risk-based calculation of requirements had been made, taking into consideration the University's overall financial position. This would entail future investment to carry out delayed maintenance and improvement work. The requested additional funding would be drawn from reprofiling of other funds, including funds

released from capital projects that were currently paused. It was noted that no commitments had been made regarding the future baseline allocation for such works.

PRC recommended that Court approve the Small Works and Statutory Compliance Programme 2026/27 allocation, as included in the Capital Plan forecast as a placeholder for Mandatory Compliance and Maintenance and Minor Works, and approve additional funding. PRC noted that an integrated plan would be prepared prior to setting a new baseline of investment over the next ten years.

12. Potential Easter Bush Solar Farm Extension: Paper J
Scottish Government (British Energy) Zero Interest Loan

Damien Toner outlined the proposal to use an interest-free Scottish Government loan (administered by Salix) to fund the expansion of the Easter Bush Solar Farm, a project that could be implemented through a variation of the existing contract to extend the Easter Bush electrical and district heating networks.

The Chief Financial Officer gave a verbal assurance that the relevant increase in the University's debt would be unproblematic and noted that the budget that was to be provided to the next meetings of PRC and Court would provide additional assurance on this.

PRC approved the use of conditional zero interest Scottish Government loan funding to progress the project.

Additional item:
Edinburgh University Students' Association Budget 2026/27 Paper P

Ash Scholz, President of the Students' Association, introduced the Association's budgeting noting in particular the anticipated benefits of the reopening of the Teviot Row Union.

The budget was presented for PRC's approval under delegated authority from Court, in line with statutory requirements. PRC approved the budget.

ITEMS FOR NOTING OR FORMAL APPROVAL

13. Research and Commercialisation Statistics Report Paper K

PRC noted the report. It was noted that high research grant application and awards values had been achieved, in part through targeting of higher value grants. The committee was reminded that this success brought additional costs to the University, as external funding was typically below the full economic cost of the relevant activity.

14. Forest and Peatland Programme: Paper L
Third Annual Report and Future Oversight

PRC noted the report. It was observed that there had been successful integration of the carbon sequestration programme with teaching and research.

15. Estates Committee Report **Paper L**

PRC noted the report. It was noted that proceeds from property disposals would provide one-off capital receipts that would then be available, as part of a wider investment envelope, for future investment.

16. Investment Committee Report **Paper N**

PRC noted the report. The clarity and the informative nature of the Endowment Report were commended.

17. Responsible Investment Advisory Group Report **Paper O**

PRC noted the report. It was noted that, in addition to the representations process discussed earlier in the agenda, the rest of the group's work programme was progressing well.

18. Any Other Business

There was no other business.

19. Date of Next Meeting

Monday, 25 May 2026