

University seeking to cut more staff as unions claim there is no funding gap

University Vice-Chancellor Professor Sir Peter Mathieson has written to university staff this week warning that the university is in “severe financial difficulty” and that voluntary redundancies alone will not be enough to solve the crisis. More staff cuts will be inevitable in what is called “strategic rationalisation”.

But he has also said the university must plan for a “distinguished future” to match their “distinguished past”.

He warns that it will mean working with a smaller staff base in the university and a programme will focus on five “workstreams” to return the university to a better financial position by 2026/27. And he said that even reviewing capital assets such as the many university owned buildings would, in his view, only be a short term fix. But active steps are being taken in procurement and equipment sharing as well as reducing printing costs. However staff costs is said to be the biggest overhead.

The University of Edinburgh has been making moves to stem the

funding gap which it faces since last summer and part of that has been the initiation of a voluntary redundancy scheme.

The scheme ends on Friday of this week, and Sir Peter says that largely due to external circumstances beyond control the University is forecast to be in "operational deficit in the forthcoming years" which equates to about 10% of the annual turnover – or £140 million. Although this sounds a huge sum the Vice-Chancellor explained that it costs around £120 million a month to run the University of Edinburgh so it is little more than a month's expenditure.

Blaming the flat cash settlement from government, inflation, and the rise in energy costs due in part to war in Europe along with the national insurance rises Sir Peter has also admitted that finances are impacted by the reduced number of international students coming to Edinburgh.

This follows an email to staff of 13 February when Sir Peter also explained the funding gap and said that nothing was "off the table". The announcement followed the decision of members of the University and College Union (UCU) Scotland at the university to pass a vote of no confidence with staff voting by 265 to 25 that they had no confidence in the principal and senior management at the university.

A University of Edinburgh spokesperson told The Edinburgh Reporter on 12 February: "In line with our commitment to be transparent about the University's financial position, we have shared with staff that we anticipate having to take further actions to ensure the University remains on a secure financial footing. We have also decided to extend the deadline for applications to the voluntary severance scheme by two weeks until Friday 28 February. The University Executive will consider our financial position next week, after which we will be in a position to update staff further."



Claims of financial gap rejected by union

The University and Colleges Union (UCU) claimed in November last year that the university senior management team has made incorrect statements around university finances and that there is no financial crisis. The union said the university makes an annual surplus of £148 million.

UCU also rejected the claim that staff costs are ballooning – saying that staff costs have been declining according to recent financial reports.

This week UCU general secretary Jo Grady argued that Edinburgh should look to its net assets – which the union say are worth £3.1 billion – to plug gaps rather cut jobs.

Ms Grady said: “Professor Mathieson needs to use the billions of pounds the university boasts in wealth to protect jobs, protect provision and protect the university’s global reputation.

“The Scottish Government also needs to call on university management to halt these devastating cuts. Scotland cannot afford to allow one of its great public institutions to engage in academic vandalism of this scale.”

Scottish Liberal Democrat leader, Alex Cole-Hamilton, said that The Scottish Government must engage with the university: “This is a bitter blow for staff, students and the city of Edinburgh.

“The university is not only a major draw but a significant employer. Cutting staff numbers risks having knock on effects for years to come in a whole host of fields.

“There will be an awful lot of households in my constituency and across the city worrying as a result of this announcement, especially when the university has failed to confirm the number of staff reductions and whether these will include compulsory redundancies.

“I will be urgently reaching out to the Principal to seek further clarity around the university’s plans. I would also urge the Scottish Government to engage with the university to see what additional support it may be able to provide.”

“This feels like a step back at a time when the UK should be doubling and tripling down on our strengths of which our world-class universities are certainly one.

“Today’s announcement is damning of both the SNP who have failed to deliver a sustainable footing for higher education for years, the Conservatives who presided over years of economic chaos and the Labour party whose increase in national insurance contributions is playing merry hell with businesses and organisations up and down the country.”



University of Edinburgh Informatics Forum