# University of Edinburgh faces £140 million deficit prompting calls for job cuts



The University of Edinburgh is currently facing a significant financial challenge, with a projected deficit of £140 million that has prompted calls for dramatic action including potential job cuts. The announcement, made by Vice-Chancellor Professor Peter Mathieson, has garnered attention as it highlights the escalating financial turmoil impacting the higher education sector.

In an email to staff, Mathieson outlined that the financial gap represents approximately 10% of the university's annual turnover, indicating the severity of the situation. He stated that “the magnitude of the financial gap that we need to close” cannot be addressed through minor measures such as recruitment restraint. Instead, he warned that the “rising cost of staff” was “no longer sustainable” and that a reduction in costs was imperative.

This forecasted £140 million deficit exceeds the £30 million reported by Cardiff University, marking it as potentially the largest deficit in British higher education amidst a sector-wide funding crisis. Mathieson noted that multiple factors have contributed to the current financial landscape, including stagnant income from teaching that hasn't aligned with increasing costs, surging utility prices, overall inflation, unexpected changes to national insurance contributions, and rising employment costs. He further remarked that the UK is experiencing a decline in its appeal as a destination for international students, which is another factor exacerbating the financial fragility of universities.

Jo Grady, general secretary of the University and College Union, responded to the announcement, describing the proposed cuts as “off the scale.” She urged the University of Edinburgh to consider utilising its estimated £3 billion in assets to avoid such drastic measures. “The University of Edinburgh is one of the oldest and richest institutions in Scotland with endowments stretching back through the centuries,” Grady stated, highlighting her concern over the potential cuts. She implored that “management’s threat to make cuts of this size is shocking,” calling on Professor Mathieson to protect jobs and the university’s global reputation, asserting that “Scotland cannot afford to allow one of its great public institutions to engage in academic vandalism of this scale.”

The financial difficulties faced by the University of Edinburgh were brought to light especially as the Scottish government introduced a £15 million bailout fund aimed at supporting struggling institutions, including the University of Dundee. The latter has resorted to job cuts and course closures in an effort to address its own £30 million deficit. A spokesperson for Dundee commented, “We welcome the announcement of extra funding for the sector,” while acknowledging the role of the Scottish Funding Council in the allocation of this support.

The crisis is not isolated to Edinburgh or Dundee. Earlier reports revealed that approximately one in four mainstream UK universities are already undergoing job reductions due to financial pressures. Additionally, a number of universities in England, including the University of Kent, have failed to submit their 2023-24 financial accounts within the set deadline set by the Office for Students, the higher education regulator in England. Institutions such as Essex, Sussex, Coventry, Roehampton, Middlesex, and Leeds Trinity have also faced delays in filing their audited financial statements.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

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