

Douglas Ross MSP

Convener, Education, Children & Young People Committee

Scottish Parliament

Edinburgh

EH99

20 March 2025

By email

Dear Mr Ross

University of Dundee Support Package

Further to the Scottish Funding Council's (SFC) appearance at the Education, Children and Young People Committee, I write to confirm that the SFC Board has today approved a £22m support package for the University of Dundee. This approval follows robust due diligence and governance processes.

The funding package is comprised of £12m Financial Transactions (FTs), which are low-cost loans, and £10m of grant funding. This funding responds to a formal request for £22m from the University received on 14 February 2025.

The following conditions will be attached to this funding:

- Use of this funding is specifically to support liquidity, enabling the University to meet its liabilities as they fall due including capital payments and paying its staff; the University is to provide third-party assurance to SFC on the use of the liquidity support.
- The further development, finalisation and implementation of a robust Financial Recovery Plan.
- Although this funding is not to be used to support any job losses, SFC expects to be informed of any proposed redundancy programme terms and conditions as part of the FRP development and finalisation.
- Co-operation with an independent investigation of root causes of the university's current financial sustainability issues, preparation of an action plan and implementation of any recommendations from that investigation. The terms of reference, supplier and final report to be agreed by SFC.

- SFC attendance as observers at University Court, Finance and Policy Committee and Audit & Risk Committee.
- Provision of minutes of the Financial Recovery Board within 10 working days of the meeting.
- Swift implementation of the recommendations of the external governance effectiveness review, the report of which was shared with the Court at its November meeting, and regular reporting on the effectiveness of the measures taken.
- Continuing to provide monthly management accounts (including Recovery Plan milestones and KPIs) and any other financial information required (e.g., regular liquidity/cash reporting) to provide assurance on liquidity management and progress in delivering the Financial Recovery Plan.
- Monthly face-to-face meetings between the University and SFC to review progress against the Financial Recovery Plan milestones and KPIs.
- It is SFC's expectation this funding will be recovered and replaced with alternative medium-term funding as part of finalising the Financial Recovery Plan.

SFC recognises the gravity of the situation at the University of Dundee and the Committee's interest. We remain committed to sharing information as transparently and openly as possible. Given the interest from local MSPs who attended your Committee session yesterday, a copy of this letter has been shared with both members of the Committee and with constituency and regional list MSPs.

Yours sincerely

Richard Maconachie, FCCA

Director of Finance & Funding