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## SFC Board Meeting

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The 153<sup>rd</sup> meeting of the Scottish Funding Council was held on Thursday 12 June 2025 at 0930am via *Teams*

**Present:** Professor Cara Aitchison (Interim Co-Chair) (Chair); Lorna Jack (Interim Co-Chair); Francesca Osowska; David Alexander; Dr Richard Armour; Professor Ewart Keep; Andy Kerr; Professor Sir Peter Mathieson; Alison Nicolson; Kate Lander; Professor Lesley Yellowlees; Professor Irene McAra-McWilliam.

**Apologies:** Mhairi Harrington; Linda Hanna, Martin Boyle (Chief Operating Officer); Helen Cross (Director of Research & Innovation).

**In Attendance:** Dr Jacqui Brasted (Director of Access, Learning & Outcomes); Richard Maconachie (Dundee Recovery Team, Director Lead); Tiffany Ritchie (Acting Director of Finance); Lynne Raeside (Deputy Director External Affairs & Policy); Louisa Baker (Deputy Director Governance & Planning) (Board Secretary); Peter Ward (Financial Lead, Dundee Recovery Team); James Harrison (Programme Manager, Dundee Recovery Team); Gillian Phillips (Senior Governance Officer) (Board Clerk)

### 1. Welcome & Chair's Business

1.1 The Interim Co-Chair welcomed all present to the meeting and the relevant apologies were noted.

1.2 Board members were reminded that the matters to be discussed were considered to be highly confidential and commercially sensitive and SFC's Code of Conduct required them to act in SFC's best interests when acting as an SFC Board member.

1.3 The Interim Co-Chair expressed her thanks to Board members for joining a further meeting at short notice. Board members were thanked for their candid commentary at the meeting held 5 June; it was acknowledged that the challenge Board members had provided had been delivered in a constructive and productive manner and was

considered to have led to a positive outcome with the letter acknowledging the University of Dundee's funding request having been submitted to the Scottish Government as agreed.

## 2. SFC Accountable Officer Letter to SG and Initial Response

- 2.1 Board members were reminded that the letter from the Chief Executive to the Portfolio Accountable Officer had been sent as agreed on 6 June. It was reported that a response to the letter had been received on 11 June, and this had been shared with the Board in advance of the current meeting.
- 2.2 It was confirmed that the Chief Executive and Director Lead for the Dundee Recovery Team had attended a cross governmental group, convened by the Deputy First Minister earlier in the week. It was noted that the independent report commissioned by SFC to determine the causes and contributing factors to the deterioration of the University of Dundee's financial position would be published on 19 June. Board members were reminded that the investigation would seek to understand why the University's financial position deteriorated so seriously and swiftly and would consider the role of management and governance in the deterioration, the information flows any cultural issues and whether appropriate questions were asked at the University Executive Group (UEG), Court and its committees.
- 2.3 It was agreed that the lessons learned from the report would serve to minimise the risk of a similar situation arising again and that the financial challenges at the University were fully investigated. Board members were assured that the dedicated internal SFC recovery team continued to work at pace with senior staff at the University and were committed to delivering a financial recovery plan which would see the University return to a position of financial health.

## 3. SFC Approach to Due Diligence and Assurance

- 3.1 The Director Lead, Dundee Recovery Team informed the Board that he and other members of the Recovery Team had met with the University of Dundee's Interim Director of Finance earlier in the day and it had been agreed that the University would provide an updated financial forecast which would include modelling of the proposed voluntary severance (VS) scheme.
- 3.2 The Board again expressed its significant concern about the financial sustainability of the University, particularly in the absence of a revised strategic plan. The Board agreed that

that it needed confidence and assurance in the strength and stability of the University's leadership and governance.

3.3 It was noted that the letter from the Director General demonstrated strong support for the SFC Board to exercise relevant due and robust diligence around funding requests and to obtain relevant assurance around senior capacity and student number planning. It was agreed that significant due diligence would be required for any ongoing liquidity support.

#### 4. Section 25 and Possible Implications

4.1 The section 25 process was outlined to Board members. It was noted that this was part of SFC's founding legislation and would allow Ministers to give SFC direction about the provision of financial support as they consider necessary or expedient. It was confirmed that Ministers would be required to consult SFC and the affected institution prior to giving any such directions. It was confirmed that Ministers may seek the views of SFC in relation to a Ministerial direction on financial support for the activities carried out by the University of Dundee under section 25 of the 2005 act. Whilst the Board agreed that evoking Section 25 would be a helpful mechanism it was acknowledged that the timing associated with its triggering was a decision solely for Scottish Government officials.

4.2 It was acknowledged that the circumstances surrounding the use of the S25 order were considered to be unique and may therefore be appropriate to meet the needs of the University and SFC's wider policy objectives.

4.3 The Board agreed that stringent conditions should be applied to any support for the University and these should be attached to the S25 direction. It was agreed that the Board would expect to work with Scottish Government officials in agreeing those conditions.

4.4 The timeline associated with the publication of the independent investigation was outlined to Board members. It was reported that the designated consultants, BDO had confirmed that the report would be factual in its response, would not offer opinion and would not put forward any recommendations for action. It was confirmed that SFC Board members would receive an electronic version of the report moments ahead of formal publication on 19 June.

4.5 It was agreed that the Interim Co-Chairs would write to the Minister and Cabinet Secretary outlining and reiterating the Board's concerns around the current situation with an offer to meet to discuss these further.

4.6 The Interim Co-Chair thanked Board members for their constructive comments and observations and commended the work of the SFC Executive for their diligence and professionalism in managing the ongoing situation. It was agreed that this was considered to be unprecedented, and it was noted that staff were working at pace with both the university and Scottish Government officials to find a sustainable solution.

## 5. Date of next meeting

5.1 Thursday 19 June 2025 at 0920am in the Boardroom, Dundee & Angus College.