
Conditions of S25 Funding as at 26 November 2025

University of Dundee Section 25 Conditions of Funding as at 26 November 2025

1. These conditions relate to and should be read in conjunction with SFC's letter of 26 November 2025.
2. The funding shall be applied by University of Dundee ("UoD") for the grant purposes only. Payment of the grant is through a Direction by Ministers under Section 25 (s25) of the Further and Higher Education (Scotland) Act 2005.
3. The primary purpose of the grant is to support the UoD's return to a long-term sustainable and viable position as a going concern. The grant available to the University is up to £40m payable over two academic years (2025-26 and 2026-27).
4. SFC's role is to monitor the University's compliance with the conditions of grant listed in this document and to monitor the University's delivery against the products in these conditions as scrutinised and approved by the University Court. SFC is also responsible for monitoring the University's use of s25 funding in attainment of renewed financial health and the milestones to a financially sustainable position. As noted above, Ministers have issued a Direction under s25 which enables a grant to be paid to the UoD should conditions of funding be met.

Payment of Grant

5. SFC may release funds upon completion of defined products as set out in Appendix (i) and subject to the conditions [7 and 8] below. The quantum of funds released will be restricted to ensure that the cash and cash equivalent balances less the value of bank accounts relating to endowments ("**Net Cash Balances**") do not exceed £TBCm (the "**Maximum Funding Threshold**"). UoD may request funding which would result in Net Cash Balances in excess of the Maximum Funding Threshold, but only where the University can demonstrate a cash flow imperative for such excess funds in the short to medium term and the release of any such excess funds would be entirely at the discretion of SFC.
6. SFC may, in the event of a material reduction to its Net Cash Balance position, where SFC (in its discretion) considers it appropriate and necessary in all the circumstances

to do so, and provided the Net Cash Balances (following the release of funds) do not exceed the Maximum Funding Threshold, release a portion of the grant funding to the UoD.

7. Any release of funds under the foregoing paragraphs [5 and/or 6] shall be subject to UoD making a request for funding in writing in such form as shall be required by SFC, not less than 10 business days prior to the proposed funding date (or such shorter period as SFC may in its discretion agree), accompanied by such information as to proposed use of funds and the cash (and general financial) position of UoD as SFC may reasonably request for the purpose. Following the receipt of a funding request, UoD will promptly provide SFC with any further information reasonably requested by SFC regarding UoD's finances, property and operations, and SFC shall be entitled to defer payment in the event that such information is not promptly provided. At a minimum this will include but not be limited to:
 - (a) 12 month rolling cash flow forecasts and income and expenditure forecasts with key assumptions at the same frequency and detail supplied to the Court and its committees or within 10 days of month-end whichever is earlier; and
 - (b) current management accounts at the same frequency and detail supplied to the Court and its committees or within 10 days of month-end whichever is earlier.
8. SFC will not release grant funding allocated under the s25 Direction to support any job losses. SFC grant funding can be used to support the core operating costs of the University, and SFC reserves the right to require funds drawn from SFC to be drawn in to a separate bank account which can be monitored / and in relation to which SFC may require copy bank statements from time to time to monitor cash disbursement.

Compliance with Conditions

9. UoD will report any breach or anticipated breach of these conditions to SFC as soon as the breach is known.
10. SFC will monitor compliance with the conditions contained in this funding agreement. Where a material breach of conditions is found by SFC to have occurred or is reported to SFC by the University, SFC will:
 - (a) Inform UoD of the breach (if the breach is not one reported to SFC by UoD) and determine if the breach can be remedied;
 - (b) Where a breach can be remedied, a period of 14 days, or as agreed with SFC, will be allowed for the University to apply the remedy and to provide SFC with evidence of the remedy having been applied;

- (c) Where a breach, in the view of SFC, cannot be remedied or the University fails to remedy a breach in the timescale specified at point (b) – SFC reserves the right to discontinue future funding and/or to recover funds previously provided to the University.

11. When deciding to withhold or recover s25 grant funding, SFC will engage with UoD. SFC will consider the materiality of the breach of conditions when considering its response to such a breach and the required remedy.

Section 1: Financial Sustainability

12. UoD must prepare the documents in these Conditions (“the Products”) [and as set out in Appendix (i)].

High Level Implementation Plan “Plan on a page”

13. UoD must prepare a plan setting out strategic milestones along with Key Performance Indicators against which to monitor progress over the next 6 months (“High-Level Implementation Plan”).
14. The High-Level Implementation Plan must:
- be produced at the latest by 31 December 2025; and
 - set out clear milestones to track progress and ensure alignment across all the obligations arising from these Conditions (and as set out in the Products), up to June 2026.

Structure Change Implementation Plan (if appropriate)

15. UoD must prepare an implementation plan in respect of any changes to the structure of UoD and cost saving measures (including planned, voluntary staff reductions) while the Strategy To Recovery is being developed (“Structure Change Implementation Plan”).
16. The Structure Change Implementation Plan must:
- be produced at the latest by 31 December 2025; and
 - set out an implementation plan in respect of the organisational change from eight schools to four faculties including
 - evidence of engagement or planned engagement in respect of this implementation plan;
 - a workforce plan to support the changes to the University structure and demonstrate feasibility;
 - details around any Voluntary Severance Schemes; and

- clear milestones relating to the delivery of the plan.

Strategy to Recovery

17. UoD must prepare a robust and credible medium-term institution-wide plan designed to (i) stabilise the university's finances and (ii) create a strategic path to recovery that aligns immediate and medium-term actions to long term goals and (iii) rebuild trust and accountability (the "Strategy to Recovery").
18. The Strategy to Recovery must:
 - cover the 3-year period beginning not later than 1 July 2026;
 - be produced at the latest by 30 June 2026;
 - be the subject of a period of credible and meaningful engagement with staff and students, as assessed against the appended engagement framework which draws on the Scottish Government's National Standards for Community Engagement Framework;
 - be subject to adequate scrutiny, endorsement and ownership by the University Court;
 - include a clear vision to guide decisions (including decisions on significant organisational restructuring) with a view to ensuring that short-term actions do not risk undermining future recovery;
 - contain a detailed workforce plan and evidence of staff engagement, detailing the rationale for the future size and shape of the University and how the future staffing structure will support the University of the future;
 - contain the Commercial Lending Strategy as detailed at paragraphs 41 and 42 below; and
 - provide evidence (including from staff engagement) for decisions around income generation and savings, providing a rationale for decisions that are being taken and how they will support long-term recovery and success.
19. To ensure that the structure of the future workforce is congruent with the medium-term Strategy to Recovery, UoD **must not** begin a compulsory redundancy process, relating to the Strategy to Recovery before the Strategy to Recovery including the workforce plan and meaningful engagement with staff and students has been completed and evidenced to SFC by the University Court. This will give assurance that public investment will support the long-term future of the UoD. The Strategy to Recovery must be approved by the University Court.
20. SFC may retain third party specialist resource to assess the adequacy of engagement and credibility of the Strategy to Recovery. This provision is in addition to the provision for independent resource at paragraph 54 of this document.

Strategy to Recovery Implementation Plan

21. UoD must prepare an implementation plan (“Strategy to Recovery Implementation Plan”) by 30 June 2026 setting out milestones against which progress in implementing the Strategy to Recovery will be monitored. The implementation plan should reference the workforce plan which supports the Strategy to Recovery and the Academic Operating Model.

Academic Operating Model

22. UoD must prepare a structured framework through which it intends to organise and deliver its core activities (the “Academic Operating Model”).

23. The Academic Operating Model must:

- be produced at the latest by 30 June 2026;
- identify UoD’s key strengths and offerings, both in teaching and research, which will inform the shape and nature of UoD ‘s future structure and the underpinning Professional Services;
- include detail of:
 - the work relating to the review of the University’s academic portfolio;
 - the impact on the curriculum and students during the planning and implementation period;
 - the professional services restructuring currently being progressed; and
 - how professional services will support the new academic structure.
- be supported by a detailed workforce plan to support the new academic operating model and contained in the Strategy to Recovery; and
- be the subject of a period of credible engagement with staff and students, as assessed against the appended engagement framework which draws on the Scottish Government’s National Standards for Community Engagement Framework

Longer-Term Strategy

24. UoD must develop a longer-term strategy which further supports the transition to a sustainable institution (“the Longer-Term Strategy”).

25. The Longer-Term Strategy must:

- be produced by at the latest [31 July 2027];
- be the subject of a period of credible engagement with staff and students, as assessed against the appended engagement framework which draws on the

Scottish Government's National Standards for Community Engagement Framework;

- be supported by a workforce plan developed through engagement with staff which demonstrates that both the level of staffing and structure are adequate to deliver the longer-term strategy;
- be subject to meaningful scrutiny and endorsement by the University Court;
- set a long-term vision;
- underpin and support strategic changes;
- set realistic and evidence-based growth targets; and
- provide evidence (including from staff engagement) for decisions around income generation and savings, explaining why decisions are being taken and how they will support long-term recovery and success.

Provision of financial information

26. UoD must, by 31 December 2025, provide SFC with the cashflow forecast for the period to 31 July 2027, to include forecast liquidity and funding requirements using available funding. The University must provide SFC with rolling cashflow forecasts to 31 July 2027 on a quarterly basis.

27. UoD must provide to SFC:

- monthly updates on forecasted and actual student recruitment, highlighting significant changes; comparing this year's performance with last year's; and explaining any financial impacts of student number variances; and
- updates on the financial, student experience and research metrics set out in Appendix (ii) at the reporting frequency set out in that table.

Section 2 - Robustness and Transparency of Governance

28. UoD must have in place robust financial controls to ensure spending decisions are well-documented, prudent and informed by insights from the Gillies Review and engagement with staff and students (**in line with the Engagement Strategy**).

Gillies Review

29. UoD must implement the recommendations contained in the Gillies Review relating to the improvement of financial controls and processes, as outlined in the UoD Gillies Review Action Plan.

30. UoD must report progress monthly on implementing these recommendations.

31. The timeline for responding to the Gillies Review, and any changes to that timeline, must be agreed with the SFC.

Further recommendations

32. UoD must implement the process and methodology recommendations set out in Appendix (iii).
33. UoD must report progress on a monthly basis on implementing these recommendations and provide assurance to SFC on the improvements being made through the view of the University's internal auditors.
34. UoD must consider and, as far as reasonably practicable, implement any recommendations arising from:
- any accountancy or other financial or commercial advisors commissioned by UoD; and
 - any review (**internal or otherwise**) of the expenses process and procurement process at UoD.

Section 3 - Capacity and Stability of Leadership

Leadership and Governance Plan

35. UoD must prepare a plan for establishing a permanent effective leadership team and University Court ("the Leadership and Governance Plan") as a matter of priority.
36. The Leadership and Governance Plan must:
- be produced by 31 December 2025;
 - address the need for permanency and stability in its senior leadership team;
 - provide for processes to ensure ongoing quoracy, capacity and capability of UoD Court and Committees;
 - address issues and recommendations identified by the Gillies Review and other reviews relating to leadership and governance at UoD; and
 - set out clear timelines, milestones and processes for the above.
37. With a view to providing ongoing assurance to SFC, UoD must, on a quarterly basis, provide SFC with the following:
- percentage completion (percentage of action completed at date of reporting) of Leadership and Governance Plan; and
 - percentage member attendance of University Court and Finance Committee, Policy Committee, Audit Committee and Risk Committee meetings.

38. UoD must implement the recommendations of the external governance review as shared with the University Court on 12 November 2024; and provide quarterly updates to SFC on the measures taken.
39. UoD must when reasonably requested to do so provide SFC with ongoing assurance that UoD has:
- an appropriate and robust model for the costing of its research activity;
 - a suitable and appropriately resourced Strategy and Planning function; and
 - has developed or reviewed its workload allocation.
40. The assurance required by SFC should be obtained by the University through internal audit of these areas to monitor compliance and scope for control and process improvements. These reports, when available, should be shared with SFC.

Section 4 - Pathway to access Commercial Lending

41. UoD must prepare a strategy for accessing commercial lending ("the Commercial Lending Strategy"). The Commercial Lending Strategy forms part of the Strategy to Recovery.
42. The Commercial Lending Strategy must:
- (a) be produced at the latest by 30 June 2026;
 - (b) include an engagement plan **with lenders**; and
 - (c) detail the steps that will be taken by the University to secure commercial lending.

Section 5 - Delivery for Staff, Students and the Wider Region

Compulsory Redundancies

43. UoD **must not** begin a compulsory redundancy process, relating to the Strategy to Recovery before the strategy, including the workforce plan and meaningful engagement with staff and students, has been completed and evidenced to SFC by the University Court. The requirements for the Strategy to Recovery are detailed at paragraphs 17 to 20 of this document. The Strategy to Recovery must be approved by the University Court.

Voluntary Severance and Redundancies

44. UoD must advise SFC of the intention to conduct any staff consultation exercise related to potential voluntary severance and redundancies prior to this being commenced.
45. When undertaking voluntary severance, the UoD should consider the impact of the severances to ensure that they do not undermine the Strategy to Recovery and its workforce plan and provide evidence of this to SFC. The UoD process should adhere to Fair Work First Principles.
46. The University should consider the timing of both voluntary and compulsory redundancies to minimise the impact on students.

Engagement Strategy

47. UoD must prepare a strategy setting out UoD's process for identifying, engaging with, and responding to the reasonable views and contributions from relevant constituents across UoD ("the Engagement Strategy").
48. The Engagement Strategy must:
 - (a) be prepared by 31 December 2025;
 - (b) provide a framework to evidence that appropriate and specific engagement has taken place with appropriate milestones and key performance indicators;
 - (c) reflect, and have standards based on the engagement framework based on the National Standards for Community Engagement (set out in Appendix (iv)); and
 - (d) set out the role that this framework has in shaping and building understanding of the Academic Operating Model, the Structure Change Implementation Plan, the Strategy to Recovery, and the Longer-Term Strategy.
49. UoD must, on request by SFC, provide evidence of meaningful engagement and clear information about how decisions have been arrived at, including the impact that the Engagement Strategy has had on decision making.

Going Concern

50. A key aim of the section 25 support is to enable UoD to evidence going concern status. SFC would expect that the Strategy towards recovery would demonstrate a

clear pathway towards going concern including the timeous completion of the audits of 2023-24 and 2024-25 financial statements.

51. SFC will review the UoD's going concern position as at the end of June 2026 in respect of the audit opinion on the most recent available set of published financial statements. A modified opinion for a set of financial statements prepared on a going concern basis will be acceptable to SFC.
52. Should UoD not receive a going concern opinion by June 2026 for an audited set of financial statements, UoD must provide a date by which this will be achieved. Failure to do so may result in an alteration to the quantum and timing of funding made available by SFC.

Ongoing Monitoring and Assurance

53. UoD Senior Leadership (including, as a minimum, the UoD Chair and Principal) shall meet SFC quarterly (or at such other regular interval as may be agreed with SFC) to:
 - (a) provide assurance on the implementation of these Conditions, with a particular focus on progress around delivery of the Strategy to Recovery and the Longer-Term Strategy; and
 - (b) monitor UoD's progress against the milestones and associated key performance indicators set out in the Products.
54. SFC reserves the right to commission an independent expert to provide us with assurance that the UoD continues to comply with the conditions attached to the funding provided and is progressing the delivery against the products contained in this document. The UoD must comply with paragraph 66 of this document in relation to the access to be provided to the SFC appointed expert.
55. UoD will, on a quarterly basis (or at such other regular interval as may be agreed with SFC), present progress against the Strategy to Recovery and the Strategy to Recovery Implementation Plan to the SFC Executive Team, SFC Finance Committee and SFC Board.
56. UoD Executive Leads (including, as a minimum UoD Director of Finance, Secretary and Director of People) will meet monthly with SFC to review progress against the Strategy To Recovery and the Longer-Term Strategy milestones and key performance indicators (as set out in those Products).
57. SFC may attend any of the following meetings as an Observer:
 - (a) University Court,

- (b) Finance and Policy Committee,
- (c) Audit and Risk Committee; and
- (d) Student Number Planning Group.

58. UoD will share all Internal Audit reports with SFC as soon as practicable after these have been reviewed by the UOD Audit and Risk Committee.

59. SFC may, as an observer, attend meetings of the University Executive Group (UEG) where the Strategy Towards Recovery and longer-term strategy are considered.

60. UoD must, within 10 working days of the relevant meeting, provide to SFC minutes of:

- (a) Court Meetings;
- (b) Standing committee meetings; and
- (c) University Executive Group meetings at which the Strategy To Recovery and Longer-Term Strategy are discussed.

61. UoD must provide to SFC:

- (a) monthly management accounts to include academic year-end forecasts for the UoD's operating and cash positions and measuring compliance with any banking covenants in place (including reporting on progress on and delivery of milestones and key performance indicators) the same frequency and detail supplied to the Court and its committees or within 10 days of month-end whichever is earlier;
- (b) upon request, any other financial information (including regular liquidity/cash reporting) for the purposes of providing assurance on liquidity management and progress in delivering the Strategy Towards Recovery and longer-term strategy; and
- (c) regular cash flow information and management accounts information (at a minimum to include a rolling- 12-month cashflow forecast and financial performance to date and against full year forecast) at the same frequency and detail supplied to the Court and its committees or within 10 days of month-end whichever is earlier.

62. UoD must provide SFC with regular (**as agreed with SFC**) updates on student and staff engagement and satisfaction, to include but not limited to the NSS Student Satisfaction Survey (annual), the Postgraduate Research Experience Survey (annual) and the Postgraduate Taught Experience Survey (annual).

63. UoD must provide to SFC any information reasonably requested.

General Terms (Applicable to all SFC grants)

64. The Scottish Government expects that all public bodies, and those in receipt of public funds, should be exemplars of Fair Work and that they should be able to demonstrate Fair Work practices, i.e. pay the Real Living Wage; investment in skills and training; no exploitative zero hours contracts; tackling the gender pay gap; have genuine workforce engagement; have flexible and family friendly working practices; and oppose the use of fire and rehire practices. As a recipient of public funds, the UoD must be committed to Fair Work practices for staff (including any agency or sub-contractor workers) engaged in the delivery of activity associated with public funds. We expect you to have a statement on Fair Work practices that has been developed in agreement with your workforce. This should be from the relevant trade union where one is present, or workers' representative(s) where there is no union present.
65. UoD agrees that SFC may share information and data about them (including any correspondence between SFC and the institution), this Offer and the Grant with the Scottish Ministers, other public authorities (including the Cabinet Secretary for Education and Skills, other government departments, the devolved administrations and the European Commission) and their agents. SFC also reserves the right to publish the conditions in draft and final form and in part or in full.
66. UoD agrees that SFC (or an agent or contractor acting on their behalf) or any statutory auditor (as required by SFC and at the institution's cost) may conduct an audit of the Grant and of the information or evidence provided by the Institution to ensure compliance by the UoD of this Offer and the verification of the use of the Grant. The UoD agrees to afford SFC (or any agent or contractor acting on their behalf) assistance in relation to any such audit, to include reasonable access (upon reasonable notice being given) to such buildings or premises or other assets or equipment of the institution as required.

Appendix (i) – Products required to support Strategic Plan Development and Delivery

When	What
No later than 31 Dec 2025	High level implementation Plan to June 26 (Plan on a Page)
No later than 31 Dec 2025	Structure change implementation plan to June 26
No later than 31 Dec 2025	Leadership & Governance Plan
No later than 31 Dec 2025	Engagement Strategy
No later than 30 June 26	Strategy to Recovery (3 year plan)
No later than 30 June 2026	Commercial Lending Strategy
No later than June 2026	Implementation plan for Strategy to Recovery
Period to April 2027 (and then ongoing)	Implementation of Strategy to Recovery
No later than 31 July 2027	Longer-term Strategy for 202X to 203X – Period to be determined

Appendix (ii): Definitions and frequency of measurement

Key performance metrics

Lens/Measure	Definition	Frequency of measurement
<i>Financial</i>		
EBITDA*	HE EBITDA less exceptionals and recovery funding	Monthly
Cash days	Standard cash days figure (less exceptionals and recovery funding)	Monthly
International Tuition Fee Income	Tuition fee income generated from international students	Monthly
Other Income	Excluding investment income – excluding ringfenced philanthropic funds.	Monthly
Commercial borrowing available to university	Level of commercial borrowing available to university including the amounts drawn down.	Monthly
<i>Student Experience</i>		
Student recruitment vs budget		
- International	Student recruitment by UG/TPG vs target	In line with recruitment phases
- Domestic	Student recruitment by UG/TPG vs target	In line with recruitment phases
- Domestic	Percentage of Domestic Student attrition on a three-year trend basis plus current year	Annually
NSS student satisfaction	NSS survey	Annually

Postgraduate experience satisfaction	Postgraduate Research Experience Survey and Postgraduate Taught Experience Survey	Annually
Research		
Research overhead recovery (%)	Amount of Full economic cost recovered by the University at aggregate level for research activity	Monthly
Research mix	Research income proportion by funder type	Monthly/quarterly
Leadership and Governance		
Percentage completion of leadership transition plan	Percentage of actions completed at date of reporting	Quarterly
Commercial lending	Level and terms of commercial lending – used as a proxy for confidence in leadership	Quarterly
University Court and Committee member Attendance at Court and key committee meetings	Percentage attendance at Court/Finance and Policy/Audit and Risk Committees	Quarterly
Implementation of Gillies Review recommendations	Gilles review recommendations implemented to date/vs those remaining	Quarterly
Staff Survey Results	University to share staff surveys results including pulse type surveys	As available

* As defined by BUFDG

SFC will continue to monitor the University's performance against the measures and milestones contained in its various plans as required by these Conditions.

Appendix (iii): Recommendations on improvement of cashflow forecasting control

Category	Line item	Key observations	Potential implications to STCFF	Recommendations
Receipts	Research income	<p>Research Income is derived from three categories:</p> <ul style="list-style-type: none"> – Active Projects: Projects already awarded and underway. These form the most reliable basis for short-term forecasting. – Submitted Applications: Projects with funding applications submitted but awaiting approval. A success rate is applied to estimate potential income from these projects. – Future Applications: Projects not yet submitted. These are highly uncertain but crucial for longer-term forecasting. Management has advised that, these projects tend to last between 3 to 5 years with the start dates being unknown. <ul style="list-style-type: none"> • The University manages approximately 700 active research projects from over 100 funders. The variable timing of cash receipts – whether upfront, mid-project, or post-completion – creates variation and is challenging to accurately predict. • In the absence of detailed financial data at a project-level, the current methodology phases annual income budgets into equal monthly instalments, which is then split weekly to develop the STCFF. • Management therefore lacks the necessary visibility to accurately forecast the timing of research income receipts. • A “true-up” is further applied at the start of each forecast month to adjust for differences between forecast and actual receipts in the prior month, creating a “lumpy” forecast receipts profile. 	<ul style="list-style-type: none"> • The current lack of precise visibility into the timing of research receipts leads to potential misstatement around timing and accuracy in cash flow forecasts. • This can result in an overstatement/understatement of available cash balances, potentially impacting the assessment of the University’s overall funding requirements and liquidity management. • The forecast for research income is derived from an annual budget, split across months, rather than from individual project cash flow projections. This prevents a detailed comparison of actual versus expected income for specific projects. 	<ul style="list-style-type: none"> • Whilst noting the inherent difficulties in forecasting income within organisations in the Higher Education sector, such as research income, we recommend that Management implements a formal tracking mechanism to monitor actual research project cash inflows against forecasts. • We recommend enhancing the University’s data capture processes so that research contracts (including expected timing of receipts) are fully reflected in the cash flow forecasts. This will provide better visibility into the expected timing of payments for each project, enabling more accurate and reliable short-term cash flow forecasting. • It should also be noted that the University’s current lack of granular research data is as a result of resource constraints within the finance team. The University has prioritised recruiting a Head of Research Finance, who will drive improvements in data collection and analysis for research income forecasting.

Category	Line item	Key observations	Potential implications to STCFF	Recommendations
Payments (1/2)	Purchase ledger	<ul style="list-style-type: none"> Forecasts are prepared using a bottom-up budget across all University units, phased monthly according to historical payments and then weekly into the STCFF. The current approach does not utilise the payables ageing schedule. This is due to the schedule's limitation, as it only captures receipted and invoiced payments once a three-way match between the purchase order, purchase receipt, and invoice is performed successfully, omitting all commitments payable and thus preventing an accurate view of outstanding days per supplier/creditor. A "true-up" adjustment is also applied to account for differences between forecast and actual purchase ledger payments in the previous month. 	<ul style="list-style-type: none"> There is a risk that forecast payments may not be accurate. Management's true up adjustments seek to realign the STCFF with the overall Draft Budget purchases projection. However, the payment timing could be inaccurate, and the "true-up" approach is based on the Draft Budget still being an accurate view of expected costs. It should however be noted that these adjustments are not expected to be routine but only applied when there is genuine forecasting uncertainty. Our review of historical forecasting accuracy shows that purchases payments have been prudently forecast. 	<ul style="list-style-type: none"> We recommend Management implements a comprehensive Commitments Ageing Schedule that incorporates all payable liabilities. This will ensure accurate forecasting of payments and significantly reduce the reliance on "true-up" adjustments. We understand that Management is in the process of developing this schedule. We further note that Management has already implemented a stricter approvals process for authorising payments across the University. Management is also planning to introduce additional enhancements, which are set out at Appendix A9.
Payments (2/2)	Capital expenditure	<ul style="list-style-type: none"> Planned Capex budgets for most categories, except for the Estates budget (£10m) and c.£0.5m within the IT Capex budget (£1.5m), is currently awaiting approval. These approvals have been paused, pending the finalisation of a recovery plan and confirmation of funding availability from the SFC and SG. Consequently, until approval is granted, the Capex budgets cannot formally be signed off, meaning that tracking actual expenditure against budget is not possible. 	<ul style="list-style-type: none"> Risk of under/overstatement on the overall cash balance. Limited ability to monitor project-level spend versus budget. 	<ul style="list-style-type: none"> We recommend incorporating detailed capital project schedules as part of budget planning. This will in turn feed into the cash flow forecasts to improve visibility over timing and phasing of payments.

Appendix (iv) (to conditions) – Engagement Framework

1. The standards for engagement set out below are based on the widely accepted National Standards for Community Engagement as utilised by the Scottish Government as the benchmark for best practice in engagement. They are widely accepted by a range of practitioners as key principles for effective practice.
2. These principles are designed to support and inform the process of engagement, and improvements resulting from that process. They describe the main elements of effective engagement and set out detailed performance statements that all parties involved can use to achieve the highest quality results and the greatest impact.
3. They are intended to act as a central benchmark and reference point for best practice.
 - Inclusion: we will identify and involve the people and stakeholders that are affected by the focus of the engagement.
 - Support: we will identify and overcome any barriers to participation to ensure that as many people and stakeholders are involved as possible by the engagement.
 - Planning: there is a clear purpose for the engagement, which is based on a shared understanding of the engagement across all people and stakeholders.
 - Working together: we will work effectively together to achieve the aims of the engagement and will demonstrate how our people and stakeholders have contributed to what is developed through the engagement.
 - Methods: we will use methods of engagement that are fit for purpose and that ensure that the maximum number of people and stakeholders are engaged meaningfully.
 - Communication: we will communicate clearly and regularly with our people, and other stakeholders affected by the engagement.
 - Impact: we will assess the impact of the engagement and use what we have learned to improve our future engagement.
4. The engagement carried out by the University must clearly meet these benchmarks and be able to clearly evidence that these benchmarks have been met to establish that effective engagement has taken place.
5. These are the benchmarks SFC will use to assess effective engagement by the University.