

---

OFFICIAL SENSITIVE COMMERCIAL

---

---

## SFC Board Meeting

---

The 157th meeting of the Scottish Funding Council was held on Monday 10 November 2025 at 1530pm to 1815pm via *Teams*.

<b>Present:</b>	Professor Cara Aitchison (Chair); Lorna Jack (Deputy Chair); Dr Richard Armour; Francesca Osowska; Joanna Campbell; Danny Gallacher; Professor Elizabeth Gammie; Steven Grier; Linda Hanna; Professor Ewart Keep; Andy Kerr; Professor Sir Peter Mathieson ( <i>to 1717pm only</i> ); Professor Irene McAra-McWilliam; Alison Nicolson; Professor Sue Rigby.
<b>In attendance:</b>	Richard Maconachie (Director of Finance, Dundee Recovery Team); Dr Jacqui Brasted (Director, Access Learning & Outcomes); Helen Cross (Director Research & Innovation); Tiffany Ritchie (Acting Director of Finance); Lynne Raeside (Deputy Director External Affairs & Policy); Louisa Baker (Deputy Director Governance & Planning); James Harrison (Programme Manager, Dundee Recovery Team); Peter Ward (Assistant Director, Dundee Recovery Team); Gillian Phillips (Senior Governance Officer) (Clerk).
<b>Apologies:</b>	Martin Boyle (Chief Operating Officer).

### 1. Welcome & Apologies

1.1 The Chair welcomed all present to the meeting and the relevant apologies were **noted**. A particular welcome was extended to Ms Campbell, Mr Gallacher, Professor Gammie, Mr Grier and Professor Rigby who were all attending their first meeting of the Board since their formal appointments.

1.2 It was noted that additional papers had been sent out to Board members following the formal paper dispatch and ahead of the Board meeting taking place. The Board were advised that the draft had benefited from input from Scottish Government officials. Board members were informed that the updated papers outlined the proposed changes made by officials.

---

## 2. Declarations of Interest

- 2.1 Board members were reminded that the matters to be discussed were highly confidential and commercially sensitive and SFC's Code of Conduct requires them to act in SFC's best interests when acting as an SFC Board member.
- 2.2 The declarations of interests were noted and no new interests were declared. Board members were reminded that in the event of a change to their registered interests, the Governance team should be contacted in the first instance.

## 3. University of Dundee: Terms and Conditions of Section 25 Funding

- 3.1 The Chair reminded Board members of the purpose of the meeting and clarified that following discussion, the Board would be invited to approve the terms and conditions of funding attached to the Section 25 (s25) Direction issued by Scottish Ministers. It was confirmed that Board members would also be invited to approve the contents of a covering letter, which would accompany the agreed terms and conditions, to be sent from the SFC Board Chair to the University of Dundee (UoD) Chair of Court.
- 3.2 Members were reminded that the s25 direction meant that Scottish Ministers were directing SFC to make up to £40m available to the UoD over the next three financial years to support the University to return to a position of long-term financial sustainability. The funding would be subject to appropriate due diligence and the development of a robust financial recovery plan by the University and in accordance with the requirements set out in the s25 Direction.
- 3.3 It was noted that the s25 direction also set out the requirement for SFC to impose rigorous conditions on the financial support, setting out specific requirements and monitoring arrangements that would be closely scrutinised over the period of funding support and recovery for the University.
- 3.4 The requirement to move at pace to agree the terms and conditions to remove any remaining uncertainty and to help the University return to a long term sustainable and viable position as a going concern was emphasised to Board members. Board members were reminded that the use of a s25 Direction is unprecedented and fundamentally altered the role of the SFC Board and its relationship with Scottish Ministers in respect of this funding.
- 3.5 Board members were reminded that the Finance Committee had met on 31 October to consider in detail the terms and conditions attached to the funding. The following observations from the Committee were made:

---

- Even with careful consideration of the wording of the conditions, SFC had been advised that the risk of ONS reclassification remained. The Finance Committee advised that the Board should avoid elevating the risk through unnecessary or inappropriate direction.
- It was considered essential that the University be enabled to progress quickly with recovery to enable them to unlock commercial funding.
- The University should work to secure commercial funding (noting that this was stated in the s25 Direction) and SFC should monitor the institution's progress in securing alternative (commercial) funding.
- The combination of the conditions on redundancies preventing compulsory redundancies only for the period up to receipt of the interim plan but with permissive conditions to allow for further voluntary redundancies with SFC's agreement throughout the entire funding period was considered reasonable.
- Release of funds should be tied to outcomes and this should clearly apparent from the conditions.
- Reservations were expressed about the number of UoD meetings that SFC would be required to attend and the scale of additional returns that would be scrutinised as part of the conditions and the strain that this would place on SFC resources. The Committee understood that this had to be demonstrably enhanced engagement compared with business as usual but suggested that parts of this additional scrutiny might be best delivered by a contracted third party such as an accountancy firm.
- Conditions that require engagement and consultations with staff, students and the wider community and region received strong support.

3.6 The comprehensive update and rigorous analysis undertaken by the Finance Committee were welcomed by Board members.

3.7 Board members discussed the use of the term “meaningful engagement”, noting that this was used repeatedly throughout the terms and conditions. Board members were reminded that the Gillies Report had identified and highlighted the need for *an engaged workplace and inclusive University culture*. It was confirmed that the term “meaningful engagement” sought to address the issues around organisational trust and culture with the aim of rebuilding this through engagement as part of the strategic planning process. It was agreed that the use of the term would be reviewed and the terms and conditions would seek to reference culture and other processes a university would normally undertake in the course of strategy development.

3.8 Board members noted the need to provide advice in the context of ensuring best value for public money in what is considered to be an unprecedented and challenging set of

---

circumstances. It was acknowledged that the terms and conditions of funding should support best value.

3.9 Board members acknowledged the lack of any requirement for a workforce development plan within the terms and conditions and agreed that this should be a fundamental component of any emerging strategy. It was agreed that reference to the development of a workforce development plan should be reflected in the terms and conditions.

3.10 There was concern around some of the timescales set out in the conditions. It was suggested that it should be clearer where these were 'latest dates' for completion and that where milestones were delivered earlier, other associated conditions could also be brought forward.

3.11 The Board noted the risks relating to ONS reclassification and took assurance from the legal advice received which confirmed that the risk was not being increased by the current approach as set out in the paper.

3.12 The broad, constructive and wide-ranging discussion was welcomed by Board members. Members:

- Acknowledged the instruction made by Scottish Ministers through the s25 Direction alongside the duty to provide advice to Ministers.
- Highlighted the need for the Board to assert its independent position, clarify its role in the process, and to highlight its own tone and voice in both the terms and conditions and covering letter.
- Noted the risk to SFC's reputation if stringent conditions were not imposed to deliver best value for public funding.
- Noted that the conditions could be used to address and drive some fundamental issues which the University had, to date, not addressed.

3.13 The Board approved the terms and conditions of the s25 funding, subject to minor amendments, including to language and tone, with a view to making SFC's role in relation to the s25 Direction clearer. The Board acknowledged that they are working under a s25 Direction, with a duty to provide advice to Ministers. The Board agreed to delegate authority to the Chair to finalise the conditions.

---

3.14 The Board also considered the letter which will go from the Chair of SFC Board to the Chair of UoD's Court. It was agreed that further changes would be made to the letter including to language and tone and this would be shared with the Board for approval.

3.15 The Chair thanked Board members for their time, welcoming the constructive challenge provided to enable a consensus to be reached.

#### **4. Date of Next Meeting**

Thursday 11 December 2025 at 10am via Teams.