

Esther Robertson

Chair of Court
University of Dundee
Nethergate
Dundee
DD1 4HN

1 May 2026

Dear Esther,

Compliance with Conditions of Section 25 Funding

I have been informed by SFC staff that, at its meeting of 21 April, the University of Dundee Court approved the commencement of a collective consultation process for redundancy at the end of April, subject to clarification from SFC on whether this would constitute a breach of the funding conditions agreed by the University in December 2025. I note that the University has paused the commencement of this consultation process to allow for clarification and/or discussion with SFC.

I now write to confirm that commencement of a consultation process (which may result in compulsory redundancies as an outcome), in advance of a compliant Strategy to Recovery being approved by Court and passed to SFC, **would constitute a breach of the conditions of Section 25 funding** if implemented as planned.

The University Court was consulted on and agreed the conditions of section 25 funding; the acceptance of and compliance with the conditions enable it to access the up to £40m of public funding made available to SFC to support the shared objective of the long-term sustainability of the University. Material non-compliance with the conditions carries with it the risk of future funding being withdrawn and funding already passed to the University being recovered in line with the conditions. Any withdrawal of future funding or recovery of previous funding would follow conclusion of the agreed dispute remedy process where a breach is deemed to be irremediable.

Therefore, to maintain access to up the £40m of funding under Section 25 provided to the University, SFC expects full and unequivocal compliance with all material conditions of the funding provided. Compliance is non-negotiable and designed both to maintain momentum in the University's recovery and confidence by the wider sector and stakeholders in the recovery process and the use of significant public funds to enable that recovery. It should be noted that the 'deadlines' for deliverables, including the Strategy to Recovery, are not 'due dates' but reflect the maximum time limit for delivery; the University has been encouraged by SFC to expedite delivery against agreed milestones where this is possible without causing detriment to inter-dependent processes and outcomes.

Ensuring Compliance

The conditions require that the University cannot begin compulsory redundancy processes (relating to its recovery) until such time as a compliant Strategy to Recovery has been fully approved by the Court and submitted to SFC. I understand that, following Court's decision not to approve the Strategy

to Recovery at its meeting on 26 March, there is to be a workshop on 18 May to enable the Court to fulfil its strategic role in the co-creation of the Strategy; the intention is then to seek approval of the finalised document by Court at its meeting on 9 June. It has been SFC's view from the outset that the challenges faced by the University are not simply financial but are rooted in a failure to develop and deliver a clear strategic plan overseen by good governance processes, appropriate leadership and management, and robust financial planning and assurance. The need for a clear strategic plan remains as great as it was when the University's issues first came to light in late 2024 and I would urge you and your Court to emphasise this to the University executive team. If, following the development and approval by Court of a strategic plan, the University still wishes to pursue further redundancies to achieve its long-term strategic ambitions, and not just its short-term financial goals, then it will be compliant with the conditions if the consultation process is begun once a compliant Strategy to Recovery has been passed to SFC.

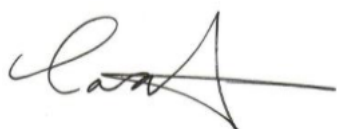
As recent experience has demonstrated, early engagement with SFC and ensuring that we operate in an environment of 'no surprises' would be beneficial. It may therefore be helpful, in terms of gaining timely assurance, to share with SFC the draft strategy document being prepared for the workshop on 18 May to enable SFC to provide feedback to inform Court's consideration of the Strategy to Recovery.

Next Steps

I should be grateful if you could confirm receipt of this letter and that the compulsory redundancy process has been paused pending Court's full approval of a Strategy for Recovery. I would also be grateful if you would distribute this letter to all members of Court so that they are fully sighted on their responsibilities in respect of Section 25 funding conditions.

I am happy to discuss this matter further, and I look forward to hearing from you.

Yours sincerely,



Professor Cara Aitchison

Chair

Cc: Francesca Osowska, CEO SFC

Neil Rennick, DG Education and Justice, Scottish Government

Professor Nigel Seaton, Interim Principal