

University of Dundee Financial Crisis

DUNDEE UNIVERSITY & COLLEGE UNION FOR EDUCATION COMMITTEE

Summary

- DUCU believes that the “Recovery Plan” proposed by the University Executive Group is inadequate, as it does not guarantee the return to financial stability while inflicting unnecessary pain to staff, students, and the wider city of Dundee.
- The proposals contained in the Recovery Plan are unrealistic. The University Executive Group is proposing to significantly increase tuition fee income over the next five years, at a time when the market for international students is very poor, while cutting a third of their staff and still planning to run the University at a deficit for the foreseeable future.
- The proposals contained in the recovery plan do not address the core problems that caused the financial crisis, *i.e.* poor capital planning and business cases, investment decisions that have exacerbated the financial position, and failures in the scoping, acquisitions, business management, and implementation of digital platforms.
- Over the past five years, staff numbers and costs have remained stagnant, particularly when corrected for inflation. On the contrary, there has been an exponential increase in operating costs, with 20% year on year increases in the AY 2021/22 and 2022/23. It is important to note that in 2020/21, the University of Dundee had roughly the same number of staff and income from student fees as the current year, but it was not at risk of closure.
- DUCU believes that cutting staff will not address the root causes of this crisis and, in fact, it will initiate a downward spiral that will lead to the collapse of the University, something that the city of Dundee and the Scottish Government cannot afford.
- An alternative plan is possible. The University’s unrestricted reserves are far in excess of the funding required to support the University to a sustainable future. The Scottish Government can ensure that the future finance of the University is secured against the University’s assets, either as the primary lender to the University or *via* securing the assets itself and utilising these in order to gain lending to stabilise the University.
- The funding should be used to address the structural deficit while we wait for the outcome of the investigation in the University finances and have a better grasp of the root causes of this crisis. The University would then be in a better position to develop a coherent plan for recovery, in close collaboration with the SFC and the Scottish Government.
- The University Executive Group is entrenched in its position and wishes to push forward with this damaging plan, regardless of its consequences and the vote of no confidence in their leadership that happened in December 2024. For an alternative plan to be credible and to inspire staff and students’ confidence, there will need to be an orderly transition to new leadership.
- A report highlighting necessary changes in governance was produced by an independent entity, Human Applications, on the back of the recent restructuring of the School of Humanities, Social Sciences and Law. DUCU would suggest that the report is used as a starting point for a much needed governance reform.

DUCU requests that the three campus unions are treated as partners in the new recovery plan and are involved from the very start in shaping the future of the University.

Q1: How is it possible to go from a position of surplus, albeit small, to a ~£40.4M deficit in less than 12 months?

Q2: Who knew what and when? Who knew about the deficit? Who was responsible for communicating this information to UEG and Court? A public enquiry where members of UEG, including those that have already left, are called to provide evidence would be very helpful to address this fundamental questions.

Q3: How did Court only learn of this deficit on the 12th November, given the governance procedures required for financials to be provided for Court?

Q4: Professor Shane O'Neill covered the position of Deputy Vice-Chancellor and Provost at the University of Dundee between 2021-2024. Does he accept that part of his duties involved overseeing the financial stability of the University?

Q5: In what way has the University demonstrated its commitment to save money by every mean before reducing staff numbers? Can you demonstrate that you have followed the University of Dundee Avoidance of Redundancy Policy?

Q6: Who or which committee approved capital planning and for which projects?

Q7: How does UEG reconcile the message that was sent to students last week (WB 10th March) stating that “their degree is secure”, with the intention expressed in the recovery plan to cut 20% of academic provision.

Q8: How does the UEG plan to increase student fee income at a time when international recruitment is particularly challenging while planning to reduce the University workforce by over 30%.

Q9: We understand that the current plan constitutes phase one (reduction of 632 FTE) of a wider job cutting plan. Could you elaborate on what is phase 2 and how many more jobs will be risk?

Q10: Why do you believe that current UEG are the right people to deliver a resurrection plan when you have enabled the strategy that has resulted in this catastrophic financial collapse of a once fine institution?

Q11: What was the contribution of the campus trade unions, staff, and students to the recovery plan?

Q12: How many times has the Court resilience committee met since its establishment in December?

Q13: What was Senate's contribution in the decision-making process that led to the proposal to reduce academic provision by 20%. Has Senate approved this plan?

Q14: Who was responsible for including the number of redundancies in the password to the recovery plan?

Q15: Since the Scottish Government has signalled that they would be keen to support the University avoiding the need for such a large-scale reduction of workforce, and its impact on the wider City. Is the UEG predisposed to working with the Scottish Government, SFC and campus unions to find a more “palatable and acceptable” solution to the financial chaos?

Q16: Has a meaningful Equality Impact Assessment been conducted which has taken into account the effects of the plan on the wider city? It would appear that the impact on

women and lower paid staff would be disproportionate. What mitigations will be put in place?

Q17: The proposed change in balance between research and education seems to point to the transformation of the University into a Further education institution. Has Market research been conducted to justify this shift?