OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Education, Children and Young People Committee

Wednesday 29 October 2025

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

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EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE
30th Meeting 2025, Session 6

CONVENER

*Douglas Ross (Highlands and Islands) (Con)

DEPUTY CONVENER

*Jackie Dunbar (Aberdeen Donside) (SNP)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)
*Miles Briggs (Lothian) (Con)
*Pam Duncan-Glancy (Glasgow) (Lab)
*Ross Greer (West Scotland) (Green)
*Bill Kidd (Glasgow Anniesland) (SNP)
*John Mason (Glasgow Shettleston) (Ind)
*Paul McLennan (East Lothian) (SNP)
*Willie Rennie (North East Fife) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Maggie Chapman (North East Scotland) (Green)
Robert Eckhart (Scottish Government)
Jenny Gilruth (Cabinet Secretary for Education and Skills)
Lee Hamill (University of Dundee)
Michael Marra (North East Scotland) (Lab)
Professor Nigel Seaton (University of Dundee)

CLERK TO THE COMMITTEE

Pauline McIntyre

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Education, Children and Young People Committee

Wednesday 29 October 2025

[The Convener opened the meeting at 08:30]

Restraint and Seclusion in Schools (Scotland) Bill: Stage 1

The Convener (Douglas Ross): Good morning, and welcome to the 30th meeting in 2025 of the Education, Children and Young People Committee.

The first item of business is evidence on the Restraint and Seclusion in Schools (Scotland) Bill at stage 1. The Cabinet Secretary for Education and Skills, Jenny Gilruth is supported by Scottish Government officials Alison Taylor, interim director for learning; Stella Smith, head of supporting learners policy unit; Robert Eckhart, supporting learners policy team leader; and Nico McKenzie-Juetten, head of school education branch, legal directorate. Welcome to you all.

I understand that the cabinet secretary would like to make an opening statement. Over to you, cabinet secretary.

The Cabinet Secretary for Education and Skills (Jenny Gilruth): Good morning. Thank you for inviting me to give evidence on Daniel Johnson's member's bill and the important issues that it covers.

First, I put on record my thanks to Mr Johnson and his staff for the collegiate approach that they have taken in engaging with the Government over some time on his legislative proposals.

As the committee knows, the legislation does not sit in isolation; rather, it builds on our non-statutory guidance on physical intervention in schools, which was published in November last year. The guidance is part of our "Included, engaged and involved" series that aims to support positive relationships and behaviour in our classrooms. Its non-statutory status mirrors the approach that we have taken to guidance that is delivered as part of our relationships and behaviour in schools national action plan, including our guidance on risk assessments and on promoting positive, inclusive and safe school environments, which we published in June.

The physical intervention guidance was developed with extensive input from many of the witnesses who have provided evidence to the committee, including representatives from the Children and Young People's Commissioner Scotland, teachers and other education staff, local government, teaching unions and, of course, parents, who have been instrumental in bringing the bill before Parliament.

Although considerable work has been undertaken to implement the guidance, it is still less than a year old. Full implementation is still at an early stage, and it will take time. Nonetheless, we committed to a one-year review of the guidance and, regardless of the bill's passage, that work will begin shortly. The review will, of course, be informed by the evidence that is provided of situations in which restraint or seclusion has been used in inappropriate ways. However, it will also consider examples in which the diligence of teachers has created learning environments where children with additional support needs can thrive and are supported without recourse to restraint or seclusion.

The bill presents another opportunity to take further steps in making clear our expectations on the use of restraint and seclusion. We have worked carefully and collaboratively with partners to support our overall aims of protecting children by minimising the use of restraint and seclusion.

I recognise that this sensitive issue requires a measured and proportionate response. I have met Beth Morrison and heard her distressing account of her son Calum's restraint back in 2010. I have also met Kate Sanger, and I know that the committee has heard about the traumatic effect that seclusion had on her daughter, Laura. Let me be clear that no family should have to experience that. I have also met the teaching trade unions on the issue, and I have appreciated their contributions.

I should be clear that the practices of restraint are not used in most of Scotland's schools, and it is not a practice that most classroom teachers are trained in. As our physical intervention guidance sets out, and as the committee has heard, the vast majority of our education workforce does not need to be trained in the use of restraint. On those rare occasions when it is deemed necessary, it is important that properly trained staff feel confident in using it, supported by the detailed advice and safeguards that should be followed, as outlined in our guidance on physical intervention.

Having carefully considered the contents of Mr Johnson's bill, and as I set out in my letter to committee, the Government will support the general principles of the Restraint and Seclusion in Schools (Scotland) Bill at stage 1.

I met Mr Johnson recently and we have agreed to work collaboratively on the bill to ensure that it delivers on its intended purpose. As the committee has heard, further work will be required in order to

fully understand the costs that would be involved in its implementation. I have also set out a number of aspects on which amendments might be required, including on definitions and on national reporting. Although the Scottish Government is supportive of the bill, it is, of course, a member's bill, and Mr Johnson retains responsibility for its passage through Parliament.

I am happy to take any questions from members.

The Convener: Thank you very much for that opening statement, cabinet secretary.

You rightly mentioned Beth Morrison and the work that she has done on behalf of her son Calum, and Kate Sanger and the work that she has done on behalf of her daughter Laura. However, those are not new incidents; they did not happen recently. Why have we reached the stage of having a member's bill, when parents have been campaigning for years, including through petitions to this Parliament, seeking the Government to do something? Although it is welcome that the Government supports the bill, why has the Government not done more on the issue before now?

Jenny Gilruth: I have looked at the committee's evidence sessions and, as the committee will know, and as the convener is right to say, the history of this goes back many years. The original petition was, I think, introduced in 2015, and that was followed by the commitment from the Government at that time to look at guidance—and then, of course, a commitment to publish further additional guidance, which we published last year.

It has taken too long—I will absolutely concede that. Part of the delay in relation to the most recent round of guidance was, of course, due to the pandemic, which I think was covered in some of the evidence that the committee heard. However, I accept that that has taken too long, and that it should not have had to come about in the way that it has.

The convener pointed to the fact that we are talking about a member's bill. The committee will be aware that we published guidance last year. We have not yet reviewed the guidance and so, to my mind, there is a data gap in relation to its implementation and how it works.

The committee often asks the Government to do things that we do not have legislative power over because of the Education (Scotland) Act 1980 and the responsibilities of local authorities. A good example of that is guidance on mobile phones, which we debated recently. We can publish non-statutory guidance, but, at the current time, the statutory power rests with local authorities. Based on my understanding of some of the evidence that the committee has taken, we should also be mindful of that in relation to this bill.

As I said in my opening statement, we have not yet reviewed the guidance, and we would want to carry out that review. We still need to gather that data in order to understand to what extent the new guidance is improving practice. The committee has heard from the Association of Directors of Education in Scotland and from others that they are of the view that it is improving practice, but we need to look at the granular evidence. Originally, our view would have been that we would complete the review before considering whether statutory guidance was deemed necessary. However, the timelines for this bill mean that that has not been the case.

We are supportive of the bill at stage 1, but we have a number of concerns that I have written to the committee on, and we would like to see Mr Johnson address those. I am committed to working with him to that end.

The Convener: Do you believe that there has been underreporting on the use of restraint and seclusion in Scottish schools?

Jenny Gilruth: I suspect that there probably has been.

The Convener: Why? If you have suspected that, what have you done about it?

Jenny Gilruth: I think that part of the issue—this does not apply only to restraint—is that there might be reticence on the part of teachers to report, as they might be concerned about or fearful of doing so. We hear that quite often in relation to behaviour in schools, and we have debated some of those issues. In my time as Cabinet Secretary for Education and Skills, I have been clear in calling for better and more consistent reporting, which I think has helped to shift the dial a bit.

However, fundamentally, teachers are often scared to report. The committee heard evidence from the NASUWT to that end—I spoke to Mike Corbett about that last week—and the Educational Institute of Scotland. Committees therefore need to be mindful of that and provide reassurance to the teaching profession, because they might be fearful about how reporting comes across.

As I think that the committee has also heard evidence on, local government is fearful that, were we to have greater reporting, that might lead to the creation of league tables, for example, and it is fearful of what that might mean for individual schools. I think that those issues can be dealt with more sensitively in the round. For example, the NASUWT has asked that we do not publish school-based data, which would certainly be a position that I would support. We need to be careful about how that is done.

However, in my experience, there is a reticence, and perhaps a fear, in the profession when it comes to reporting and what the use of restraint says about them. We need better reporting across the board. That is not true only in relation to restraint; I would highlight that we also need much better reporting on and recording of additional support needs.

My view on the bill is that it speaks to the relationship between local government and national Government in carrying out their responsibilities on education. There is an opportunity for us to learn from that experience and provide for better accountability and transparency, which is an issue that the committee has been pursuing in evidence sessions.

The Convener: You spoke about the fears of teachers and local authorities. What about the fears of parents whose child comes home unwilling to speak about what happened at their school, and who cannot get that information? Throughout our evidence sessions, I have given the same example: if one of my boys trips in the playground and grazes their knee, we immediately get a phone call. That is one of the few issues on which Mr Adam and I agree in this committee, because he has similar experiences with his grandchildren. That happens for children in mainstream education, so why does it not happen when some of our most vulnerable children, who cannot express their own opinions in a normal way, are restrained and secluded?

I am sure that it was not deliberate, but when you spoke about fears, it was all about the fears of the teachers and of local authorities. I have real concerns about the fears of parents who do not know what is happening to their children while they are at school, right now, in 2025, here in Scotland.

Jenny Gilruth: I completely concur with your views on that, convener. I do not have children myself, but I have three nephews and a niece. My sisters receive regular updates, and information is shared about incidents that might have happened at nursery on a routine basis. You are right to flag that challenge. That is, of course, the other side of the coin, when it comes to sharing information with parents. To my mind, we need to see much better information sharing.

The national guidance that we published last year talks about a requirement to report by the end of the school day and Mr Johnson's bill includes a provision, which we support, for that to happen within 24 hours. There is an opportunity here for better sharing of information with parents and carers. When incidents occur, the information should, of course, be shared with parents and carers. We would expect that to happen as a matter of course and something is going wrong when that does not happen. I have been very clear that the events that we heard about from Beth Morrison and Kate Sanger should not be happening in our schools as a matter of course.

The national guidance is an opportunity to improve practice, but we have not yet reviewed that guidance and must have certainty and assurance about where we are in the legislative landscape.

Robert Eckhart might want to come in.

Robert Eckhart (Scottish Government): On the point about underreporting, one of the objectives of the national guidance published last year was to provide a consistent set of definitions of restraint and seclusion in order to help the sector to understand and recognise those practices, so that there can be better recording.

The Convener: Before we move to look at other aspects of the bill, I will take the opportunity to ask you about Drummond school in my region, which I think that you have agreed to visit. Campaigners for the bill, and parents, have told me of concerns about the school using restraint or seclusion, with pupils being left in corridors for quite a long time or being restrained for 30 minutes because of issues that I think could have been handled far better. What are your current thoughts on the situation at that school in Inverness? Is the fact that you are going to visit the school a sign that you are concerned about some of those reports?

Jenny Gilruth: I have received quite a lot of correspondence about the school that the member mentions. In my original correspondence with members, I said that the legislative landscape means that responsibility for the school rests with Highland Council, not with the Government. However, given the quantity of correspondence, I am keen to meet parents and carers and to listen to them directly. I do not want to prejudge that meeting before it takes place and it is difficult for me to comment on individual circumstances, but, given the strength of feeling from parents and carers, my view as cabinet secretary is that I should meet and listen to them. I will allow that meeting to take place and, given his interest, I am more than happy to meet the member and other members.

The Convener: Finally, Rachel Smart from *The Inverness Courier* has done a lot of work on the issue in the past few weeks and has given examples of children at that school—Lily, Cole, Drew and Dexter—who have been restrained and secluded. Some of that reporting is quite harrowing, even though it does not go into the full extent of what is going on. Will you be able to update us if any issues that arise from your meeting are directly linked to the bill? Any further

update from your meeting with Drummond school would also be appreciated.

Jenny Gilruth: I am happy to do so.

The Convener: Thank you. We move to questions from Jackie Dunbar.

Jackie Dunbar (Aberdeen Donside) (SNP): My question follows on from those by the convener. I am interested to hear about the Government's role in protecting children and young people from the inappropriate use of restraint and seclusion. Will the bill assist the Government in that area?

Jenny Gilruth: That speaks to the point that the convener made at the start about the roles of local and national Government. Ministers have some powers relating to improvement in Scotland's schools. There is legislation relating to standards in Scotland's schools—Nico McKenzie-Juetten will be able to name the act—and there is the 1980 act, but the majority of the statutory responsibility for delivery of education lies with local government, which must have policies in place.

However, as we have heard in recent months and years, there has been a push from Parliament to have clearer direction from national Government on a number of issues, not least on this one. We have responded to petition PE1548 and to calls from parents and carers, and we published the national guidance last November. We can take a range of actions, but the primary responsibility for the delivery of education rests with local government. We can provide advisory guidance, and have done so, and we are, of course, discussing today whether Parliament will agree to put that on a statutory footing.

The committee might be interested to know that that might alter the future relationship between local and national Government and how we run our education services. That is a far bigger question than is dealt with by the bill, but the committee might want to be mindful of that, given the other issues that we have discussed in recent years. There are always challenges about where the responsibility for education sits.

08:45

Miles Briggs (Lothian) (Con): I will go back a step to look at the non-statutory guidance that you mentioned in your opening statement. I take on board that you said that the review of the guidance was due to start shortly. However, the NASUWT expressed clear concerns about the guidance when it was published. What learning has the Government taken from those concerns to ensure that such issues do not arise in relation to the bill, especially regarding what the NASUWT said about there being insufficient clarity? It said that the guidance

"will leave children and staff in school at risk".

The Government has a responsibility to consider how to clarify the guidance, which is a point that I will come on to. I know that the Government has not reviewed the guidance, but what lessons have you already learned from the concerns that were expressed about it?

Jenny Gilruth: We have not yet reviewed the guidance, so it would be pre-emptive of me to say that we have learned lessons from it. The guidance has not even been in place for a year, so the review will allow us to learn lessons. It is important that we allow the review to be conducted, regardless of the passage of this legislation.

I am live to the concerns that have been raised by the NASUWT. However, the committee also heard from Mike Corbett—I discussed the issue with him only last week—that his preference is that we look again at the guidance and, for example, at the approach that we have adopted in relation to the national behaviour action plan, on which the NASUWT has played a key role. The NASUWT was also involved in the publication of the guidance. I know that it was critical of the guidance, but it was also involved in its formation.

As I understand it, the view of the NASUWT is that we should look again at the non-statutory guidance and make improvements to it, working with the professional associations, parents, carers and others, as opposed to putting it on a statutory footing. I am sure that Mike Corbett will correct me if I am wrong in that interpretation. We discussed the guidance last week, and he is critical of it, but his view—certainly, the view that was expressed to me—is that the preference of the NASUWT is that the guidance be improved, as opposed to moving it on to a statutory footing.

To go back to the points that I made to the convener, Mike Corbett has concerns about teachers and there are fears in the profession about what the guidance might say if it were to be put on a statutory footing.

Miles Briggs: One of the key aspects of that concern has been about definitions—those that are in the member's bill and those that the Government uses are different. How will the Government amend the bill's definitions of restraint and seclusion, and how will that encompass practices that are not of obvious concern?

Jenny Gilruth: I have written to the committee about the issue of definitions. The definitions that are used in Mr Johnson's bill are different to those that we proposed in the guidance. We think that

the definitions that are currently proposed in the bill are too broad, so we want to see them finessed somewhat. For example, the committee heard anecdotal evidence about whether taking a child's hand while crossing the road would be considered to be restraint.

We need to be much clearer about definitions of restraint. We have suggested that to Mr Johnson in private session, and we will work with him to that end. Of course, it would not be for the Government to amend the bill; it would be for Mr Johnson to lodge those amendments.

With regard to seclusion, the committee has heard evidence on practices that we would not understand to be seclusion. To my mind—I will be corrected by officials on this if I am wrong—seclusion is about a deprivation of liberty whereby, for example, a child would not be able to leave a room. That is quite different to approaches to behaviour and relationships in mainstream settings whereby a child might, for example, be asked to work elsewhere because there are challenges in the classroom, but that child might still be able to go to the toilet—their liberty has not been deprived of them. We need to be more careful with and clearer about our definitions of seclusion. We have made suggestions to Mr Johnson, and, in my correspondence to the committee, I make the point that the definitions are too broad at the current time.

Robert Eckhart, do you want to say anything further on that?

Robert Eckhart: Those are issues that we have identified in our assessment of Mr Johnson's bill. As our guidance outlines, isolating a child away from others, preventing them from leaving and keeping them in a space against their meets the higher category of seclusion. Whether that is a deprivation of liberty is a matter that will depend on the circumstances, but that is the approach that we have taken in the non-statutory guidance.

George Adam (Paisley) (SNP): Good morning. The definitions are one of the things that I am trying to get my head around. As you have quite rightly said, the teaching trade unions have issues, to put it mildly, with the definition. They will have to deal with it day in and day out, so it will be very difficult for them. There are legal concerns, as well as concerns about what the definition is.

My concern is around what would happen if a teacher was trying to stop a child from doing something that they should not be doing. The definition is so tight that if a teacher grabbed a child who was going to jump in front of a car, that could be construed as restraining a child. I know that that is an extreme example, but it could be seen as some form of restraint. Where do we draw the line? I have some concerns that the definition seems pretty vague and it could be opened up to all kinds of interpretation. The key worry is about where it could end up.

Jenny Gilruth: I have been reflecting on some of the evidence that the committee has taken. As I said in my opening statement, most teachers in Scotland are not trained in restraint practices, which I think that we need to be very careful about. In most mainstream settings, those practices would not be used ordinarily. However, as the committee heard from Lynne Binnie, ADES's evidence suggested that the practice was mostly used in early learning and childcare and primary settings and in specialist settings. To my mind, we do not yet have a national picture. During evidence sessions, Mr Briggs quoted statistics from the Care Inspectorate, but that covers settings only in which the Care Inspectorate operates. At the moment, we do not have the national picture for education services, because we do not gather the data. The review is extremely important, as it will provide us with a clearer understanding of what is going on in which settings and which staff are using or not using those practices.

The teaching unions are very keen to point out to me that many teachers do not want to be trained in restraint practices. Certainly, from when I undertook my teacher training many years ago, I know that most people in education will not engage in restraint, but in a specialist education facility, such as an ASN unit or some ELC settings, there may be a member of staff who has been trained in those types of approaches. It is quite a unique approach in Scotland that exists in our education system—although it is not unique to Scotland. We need to be mindful not to set hares running about where we are with restraint because, in my experience, it is not used commonly in mainstream settings.

However, we do not yet have the evidence base. To answer Mr Adams' point about individual incidents, we need the evidence base to inform and to help to support the next steps.

George Adam: I have taken on board from some the evidence that teachers in the classroom might be second-guessing what they are going to do and how they are going to deal with certain situations, which I am concerned about. I do not like the idea of teachers not knowing how to proceed with something because the definitions in the bill are so vague. It is a challenging enough environment for teachers as it is. Will the bill not cause more problems, or am I my being overly dramatic?

Jenny Gilruth: The Government has said that we will support the bill at stage 1, but as the committee has heard about, the trade unions are concerned about some issues. We need to work

with Mr Johnson to ameliorate some of the challenges. Definitions are part of the issue. We will continue to undertake that work, but there are diverging views on the issues, particularly from the teaching unions' perspective, of which I am mindful.

Miles Briggs: I take on board what the cabinet secretary has said, because for most of us, the cases that parents and carers have raised with us have been about children who have additional support needs and in many instances they concern non-verbal children. That is a major concern because parents are not able to follow up on what has gone on during the school day with the child and they have they not been able to find out from professionals.

I wonder about where the Government is minded to see those changes in a school context. The cabinet secretary has raised a point about the findings of the Care Commission. I thought it was interesting that we have seen a reduction in that. I am not quite sure what is behind that, and I do not know whether the cabinet secretary knows either. What has changed to deliver that reduction? That is a two-part question about different school contexts.

Jenny Gilruth: I think that the committee has heard evidence on the role of the Care Inspectorate and, potentially, the role of His Majesty's Inspectorate of Education regarding reporting in future. There are divergent views on that as well.

The committee heard from Pauline Stephen of the General Teaching Council for Scotland that, if we introduce the measures on a statutory footing, we need to be mindful that our approaches to child protection are not currently statutory. They are multi-agency measures, and the current landscape does not necessarily lend itself to a neat fix.

There is a big history behind the bill, with parents pushing for the proposed measures to happen, but it is fair to say that it has been challenging for the Government, over a number of years, to resolve the issues.

As for reducing the number of incidents, my understanding is that the Care Inspectorate has moved away from some practices over a number of years. That has partly been informed by the Promise—from which, I put on the record, I am recused. The committee has heard about the movement and change in behaviour, approaches and practices that has been happening organically over time. There has been a focus on moving away from such types of practices, and the committee has taken evidence on that from witnesses who have concurred with the opinion that has been expressed.

Remember, however, that the Care Inspectorate evidence is only one side of the coin. We do not have the granular detail from education services, and I think that we need it to inform the review.

Miles Briggs: Would you expect that to be appear very quickly following the bill's passage?

Jenny Gilruth: We are reviewing the current guidance regardless of the bill's passage—and it is important that I say that. I am mindful of where we are in the parliamentary year.

Willie Rennie (North East Fife) (LD): You have stated that you are in support of the bill in principle.

Jenny Gilruth: Yes.

Willie Rennie: You have an awful lot of caveats about it. Just tell us how you think you would vote at stage 3. Are you committing to vote for the bill all the way through its passage, or is your support just in principle and, if the detail does not work out, you will not support it later? I know that I am asking you to project forward, but there are an awful lot of caveats in what you are saying, and it sounds quite critical of the bill.

Jenny Gilruth: To be fair—as a woman with caveats—this is not a Government bill. I am being candid with the committee here. We published guidance last November; we are not even a year on since the guidance was published. We need to review that guidance, and it would be remiss of me not to say that we need the data to inform good law. That is important. I am supportive of the bill at stage 1, and I understand the aspiration. I have had a lot of engagement with Mr Johnson on that, and I have set out our position on a number of different areas in correspondence to the committee—in relation to the definitions, which we have discussed, and in relation to the duty to record, on which there is an issue in the bill, although I think it can be resolved pretty easily. There is no requirement for education authorities—our councils—or for independent or grant-aided schools to report the use of restraint and seclusion at a national level under the terms of the 2024 guidance. I think that Mr Johnson's bill has grant-aided schools and independent schools reporting to the individual local authority. Is that correct?

Robert Eckhart: In the authority area that they are situated in.

Jenny Gilruth: That creates challenges for us. We think that those things can be resolved, but I am being honest with the committee, and I have set out in correspondence that those are the issues that we need to resolve with Mr Johnson. He has been very open to doing that, so, to respond to Mr Rennie's point, I do not think that those issues are insurmountable.

Willie Rennie: You have said that it is for Mr Johnson to come forward with amendments, but you could draft amendments.

Jenny Gilruth: Of course we can—and we may yet do so.

The Convener: If I may interject here, I had not thought of this earlier but, on Mr Rennie's line of questioning, I know from having done a member's bill myself that there is a period when the Government, if it is supportive, can take on the bill itself. Given everything that you have said about being supportive, what was your consideration about taking on the bill as a Government bill? I think that the Government gets to consider that during a six-week period.

Jenny Gilruth: Officials can correct me if I am wrong on this, but the bill was introduced in March, I think—

Robert Eckhart: It was introduced in March.

Jenny Gilruth: We had just launched the guidance in November 2024. Our preference was to review the guidance, and our view was that the timescales did not meet the Government's requirement to take on the bill, because we had not yet carried out or started the review, and we needed that granular detail to inform any legislative change. To my mind, it would have been jumping the gun somewhat for us to adopt a bill not four months after the publication of our own guidance.

The Convener: But you know how long a bill takes to go through as a non-Government bill, so the Government has an opportunity. When you were speaking to Mr Rennie it sounded like you agree with lots of things, but you might not do it in the same way. What discussion did you have? Was it simply about that timescale? Did the matter go to the Cabinet so that the Government could consider taking the bill on?

Jenny Gilruth: I cannot recall, on the second point, but I am happy to write to the committee on that. However, I have engaged with Mr Johnson on the matter over a number of years. We have been engaging with Mr Johnson on it throughout my time as cabinet secretary. We have been discussing it, and he has been aware of the need for us to publish guidance. He has fed into some of that process, and his team have been helpful in sharing their thoughts. We have been engaged throughout the period in question.

Convener, you are right that the Government could perhaps have taken a decision earlier on whether to take on the bill. We did not do that because of the timescales associated with the publication of the guidance. We are content to support Mr Johnson's bill at stage 1, but we are still going to carry out a review of how the guidance is operating in practice, which we hope will help to inform the passage of the bill.

09:00

Willie Rennie: So, what has changed? You still have not carried out a review and we are still learning from the experience, so why are you now supporting the bill, when you previously opposed it?

Jenny Gilruth: I do not necessarily agree with Mr Rennie's characterisation of the Government's position as opposing the bill. I think—

Willie Rennie: You did not support it.

Jenny Gilruth: Let us look at the history, which is that the previous cabinet secretary was asked to provide guidance. That was asked for by lots of different stakeholders, before my time as cabinet secretary—I think that that goes back to 2019. The original agreement was to provide guidance. We have moved on from that to putting things on a statutory footing, so I am not sure that I agree with—

Willie Rennie: I am asking about what has changed between the point at which the bill was published, when you said that you were more minded to stick with the guidance approach rather than taking the statutory approach, because you had still not carried out a review. You still have not carried out a review but you are now supportive of the bill in principle. What has changed between then and now—

Jenny Gilruth: Do you mean between the introduction of the bill and now?

Willie Rennie: I am asking what has changed between the point at which the bill was published—when you said that you were minded to stick with the guidance route rather than take the statutory route that was set out in the bill—and now, given that nothing seems to have changed but you are supporting the bill.

Jenny Gilruth: I am not sure that I follow the line of questioning. We published the guidance in November last year; we need to review that guidance, and that was happening regardless of the passage of the bill. With regard to the bill's general principles, we have always been supportive of the kind of approach that Mr Johnson has taken. I do not really have an issue with his approach. I have set out a number of areas that we would like to see amended. It is for Mr Johnson to amend the bill, but the Government can assist with that, and I have been very clear about that. Therefore, I am not sure that I accept that things have changed in that regard.

What has changed is the requirement for the approach to be put on a statutory footing, so we

have had to reflect on that. I do not have an issue with that at the general principles level. We will need to look at the amendments that are lodged at stage 2 and at what our stakeholders' asks and aspirations are. As the committee has heard, there are divergent views on the matter. There are lots of different stakeholders involved in this matter. To be candid, that has been part of the issue that the Government has faced over a number of years—bringing stakeholders together on the publication of guidance. I still think that it is important that we review the guidance, that we have the data and that that informs the legislative process.

Willie Rennie: I do not think that that is particularly clear, but anyway.

Jenny Gilruth: We will have to agree to disagree with my caveats, Mr Rennie.

Willie Rennie: On the reporting mechanisms, you indicated that many of the instances of restraint are in specialist or ELC settings, but there are different reporting mechanisms, with the Care Inspectorate in one regard and others elsewhere. Are you concerned about the different routes for reporting? Is that in your mind, and can you tell us more about that?

Jenny Gilruth: Yes. I have written to the committee on that. Mr Johnson's approach is quite focused on education settings. I completely understand why he has done that, which is not to take away from the approaches that are used in other settings. We think that there is a way in which they could complement each other, and that is the approach that we suggest should work.

However, there are issues in relation to the policy memorandum and why the bill needs independent and grant-aided schools to report restraint to the education authority in which they are situated. That needs to be looked at. There are issues in relation to the role of the inspectorate, and there is an ask that the inspectorate is involved in national reporting. We look at the financial memorandum in that regard to consider whether this approach will drive more costs. These issues need to be flushed out during stage 2 deliberations, but I do not think that they are insurmountable.

Willie Rennie: Therefore, do you support Pauline Stephen from the GTCS, who has indicated that, although she is supportive of the bill, it should lead to putting the rest of safeguarding on a statutory footing?

Jenny Gilruth: I read Pauline Stephen's evidence. She made the point about child protection services, which I think that I mentioned previously, because that would create a situation in which this guidance was on a statutory footing and then, behind that, there would be a child protection service and systems that are not provided for in the same way. She raised a very important point.

If we were to do what Pauline suggested—what I think that she said that she would do if she ran the world—the bill would become something that it is not currently. It would be a far more extensive piece of legislation. We talk about legislative timescales, and we are all aware of how close we are to dissolution now, so I suspect that that might become a much more unwieldy piece of legislation. That is not to say that it is not important, because, in principle, I agree that there is an opportunity to look across the piste, but the bill is quite focused.

I am sure that you will want to put these points to Mr Johnson to get his views. My view is that we should look at it, but I am not necessarily convinced that the focus of the bill currently lends itself to that approach. However, if the Parliament decides that that is where it wants to go, that is, of course, in the gift of the Parliament.

Willie Rennie: I will follow up what George Adam and Miles Briggs said with regard to definitions. I am speaking as someone who has supported the bill, so I am asking devil's advocate questions. Are you concerned that, if we are not clear, there might be caution among staff at critical moments, when an intervention is required, and, because it is on a statutory footing, they step back?

Jenny Gilruth: Yes, I think that that is a risk, and the committee and the Parliament need to be mindful of that and how we can guard against it with regard to the next steps. However, I would counter that there is probably already a risk of such reticence on the part of staff, which speaks to the issues that the convener raised earlier about reticence with regard to reporting. So that reticence exists already to some extent in the teaching population and the education workforce. If the bill gets to stage 2, which I suspect that it will, we can consider how we might ameliorate that situation by working with local government. However, that is not without its challenges, which is a point that trade unions raised.

Willie Rennie: Are you saying that you will lodge amendments, rather than leaving it to Mr Johnson to make the bill effective and have the confidence of the Government?

Jenny Gilruth: I have said to Mr Johnson that we will work with him on his member's bill. I am not going to be more definitive than that today, Mr Rennie, because these are discussions that we would have at stage 2. However, I have said that we will work with him, and we have had a very positive working relationship thus far. I hope that that provides the member with some reassurance.

Pam Duncan-Glancy (Glasgow) (Lab): Good morning. I will touch on the notification of parents, which is an area that we have discussed a bit already. In the interests of clarity, can the cabinet secretary set out the Government's position on the bill's approach to schools being required to inform parents and carers when restraint is used?

Jenny Gilruth: As I think that I mentioned in response to a previous question, the Government is supportive of the approach. The current guidance requires that parents are notified before the end of the school day, I think, and Mr Johnson's bill says that it should be done within 24 hours. We are supportive of the approach that has been set out.

We also think that there might be an opportunity to deal with some of this in the guidance that will sit alongside the bill.

Pam Duncan-Glancy: Does the Government think that the timescale should be different if there are welfare concerns with regard to informing parents or carers?

Jenny Gilruth: Can Ms Duncan-Glancy give me an example of what that might look like?

Pam Duncan-Glancy: I presume that it means situations in which informing a parent or carer might result in the child being blamed or the parent overreacting, for example. Does the Government have any concerns about that?

Jenny Gilruth: That concern was put to the committee by Mike Corbett of the NASUWT, and I heard again from him last week that better reporting, which the convener has called for and which I support, might put children in danger to some extent. Those are issues that we would need to consider in the round. I was quite taken by Mike Corbett's point, and we would need to be mindful of it. I am sure that there are ways in which we could work with local government to provide more reassurance around that, but it should not be the case that we are not informing parents about things for fear of other things happening. There might be something in the mix in relation to how we work with schools and parents in individual circumstances where there might be a concern at home about that type of behaviour.

Pam Duncan-Glancy: That is helpful; thank you.

We have heard a lot from parents about circumstances when they have not been informed about the use of restraint. As you heard earlier, the parents can hear about an incident from the young person or a third person, or the information comes to light in some other way. Who is accountable when that happens?

Jenny Gilruth: If individuals are not being informed, it is the local authority that is accountable. The headteacher has a responsibility in that regard, too, but statutory responsibility is with the local authority. Therefore, the local authority should have practices in place. I think that the committee has taken evidence on that from ADES and others. Local authorities should have policies in place, and individual schools should be working with parents and carers. The committee has heard evidence that, sometimes, parents are not informed and things go wrong. In my experience, parents are informed. However, we are here talking about how we can ensure that things do not go wrong in the future.

Pam Duncan-Glancy: What is the Government's expectation of schools and local authorities if parents are not informed? What are the consequences of that?

Jenny Gilruth: The national guidance sets out the Government's expectation that parents are notified by the end of the school day, so if a school did not do that, that would run contrary to the national guidance. However, the guidance is not statutory, which is why we are discussing legislation.

Pam Duncan-Glancy: I have heard this morning that the Government is quite keen to gather data and that it recognises that there are some data gaps, which is an important point. I hope that the bill provides an opportunity to address some of that.

Where restraint is used in care settings, incidents are reported externally and can trigger support and challenge, which speaks to the accountability piece that I have just spoken about. In education, that level of live external scrutiny does not necessarily exist. Does the Government believe that schools should move closer to the care model, where incidents are not just logged locally but are actively monitored or challenged?

Jenny Gilruth: That question speaks to the point that Mr Rennie was pursuing in relation to our role in opening up the discussion. Mr Johnson's bill is focused on education settings because, as Ms Duncan-Glancy has alluded to, we have different approaches in care settings and in ELC settings, where the Care Inspectorate has a role. If we were to take a similar approach in education, we would need to be mindful that that would completely alter the nature of the bill. I think it is fair to say that that would elongate its passage, because it would be asking much bigger questions. That is not to say that the issues are not important but, currently, we do not have the national data that we need on those incidents. I agree with Ms Duncan-Glancy's intention in that regard.

There has been a suggestion that the inspectorate would have a role in gathering the

data. When the committee is considering the bill at stage 2, I am sure that it will want to hear from the inspectorate with its views on how that would operate and how local government in particular would co-operate. It would depend on local reporting and recording practices, and we would need there to be much greater consistency across the piece. The Care Inspectorate's approach is quite different from the approach that is taken in education, where there is no statutory requirement to record incidents. Ms Duncan-Glancy makes an interesting point. However, if we were to follow that approach, it would change the nature of the bill that we are discussing. I understand why Mr Johnson has focused on education settings.

Pam Duncan-Glancy: Data gathering is crucial and it is a key reason for the bill.

In other situations, the care setting, which in this case would be the school, would get support following an incident, so that it does not feel alone in dealing with it. Support would also be given to the parents so that they were not left alone in trying to challenge or discuss what has happened. Does the cabinet secretary think that there is a role for any supportive external influence for parents or schools?

Jenny Gilruth: It is difficult to comment on individual incidents, but would we be saying that individual incidents of restraint would always trigger support? I am not necessarily sure that they would. The level of support may vary and look different.

In Scottish education, we place a lot of trust in those who are on the front line. We say that they are the decision makers and that they have the professional skills and knowledge to decide on the best support to put in place. I think that Ms Duncan-Glancy pursued a line of questioning with some of the witnesses about what post-incident support would look like. I am happy to consider that as part of our discussions at stage 2. However, what that would look like would vary according to the individual incidents and individuals in the schools.

Pam Duncan-Glancy: Finally, on reporting, parents have been clear that they want data to be gathered, but they are not interested in creating league tables. They want something specific for their circumstances so that they know when something has happened to their young person and they want to be confident that the system supports that. Does the Government agree that incident data should be recorded nationally, while its analysis should be supportive of the situation, as opposed to creating league tables?

Jenny Gilruth: Yes, but I think that it will be challenging to do that. As the committee will know, local government will have a strong view on the creation of league tables. In education, whether it is about behaviour or exclusion rates, there is often a real reticence on the part of local government partners to have an approach that measures them against one another.

I also think that such an approach—which I do not support—would not be helpful. Reporting might increase in a local authority, which would be a good thing, but then it might feel under the spotlight, simply because of that increase. We have seen that with some local authorities with regard to behaviour—I think that it is quite interesting.

I hear the point that Ms Duncan-Glancy is making, but I think that we need to deal with these issues very carefully. Moreover, it should not take away from the fact that, individually, parents and carers should know of incidents of restraint as and when they happen, and that they should be informed as a matter of course. Our national guidance sets that out, and it is certainly our expectation, but I think that the bill will put it beyond doubt, because it will put it on a statutory footing.

09:15

Pam Duncan-Glancy: Does the cabinet secretary think that there is a way of gathering that data that does not create league tables?

Jenny Gilruth: That has been part of the challenge facing the Government for a number of years. Indeed, the point was pursued by one of the trade unions when it raised concerns about individual school-based data. I think that that sort of thing would need to be undertaken in a very sensitive way. I do not think that the issue is insurmountable, and of course it is part of the bill, which we are supportive of. We will continue to engage with Mr Johnson on this at stage 2, because we need to reassure local government that authorities are not going to be measured against one another and that national data will help inform better practice.

Pam Duncan-Glancy: Thank you.

The Convener: Why do we need to give local government that reassurance? Are we not being a bit timid here? Is that what we say when local government throws up its hands and says, "Oh no, we're worried about being compared with one another"? Authorities should be compared with one another. There might be very valid reasons for the use of restraint and seclusion, but I would like to know what they are. I would like to know which schools in Moray, in Highland and across Scotland are using them, and they can then say, "These are the very good reasons why restraint and seclusion are being used", for example, or "These figures

show that we have issues, and we are going to deal with them."

Jenny Gilruth: I am sympathetic to the points that you make, convener. I would just observe that the statutory responsibilities currently rest at local authority level; I have some powers at national level, but they are limited. When we come to talk about these issues, I would like to see far more Scottish education data in that regard. I am sympathetic to the points that you have made, but local government will not be, so we need to work within the current parameters.

That said, I think that the bill, although it is very focused on restraint, speaks to a wider issue in relation to how we deliver education. I have made the same point previously. The committee will be aware of the appointment of John Wilson, which local government is not particularly fond of—I am sure that members will have seen some of the feedback in that regard. I think that, post the pandemic, we need to think about how we fund our schools, how they are governed, how we support them and what the accountability mechanisms are at both national and local level. I hope that Mr Wilson's appointment will reassure the convener on that point.

What I would say to committee members—I have said this in the chamber, too—is this: please sit down and speak to Mr Wilson about the issues that you, as members, have encountered in relation to the delivery of education.

You raise some important points, convener.

The Convener: I wonder whether, 10 years on from the work of campaigners such as Beth Morrison and Kate Sanger, we would not be having to raise these issues again if the figures were more in the public domain.

Jenny Gilruth: I suspect that you are right.

The Convener: Just before I call Mr Greer, I want to go back to Ms Duncan-Glancy's point about reporting. Some of the written and, indeed, oral evidence that we have received suggests that 24 hours is perhaps too tight a period in which to produce a full report, and that it should be produced the next school day. My concern is that, if something were to happen on a Friday, a family would not know for the whole weekend why their child was very upset. An incident could happen at the end of June on the last day of term and the family would not get anything until after the holidays. In my view, that would be completely inappropriate. Do you agree with that, despite some of the unions thinking that it should be the next school day? There would be significant problems if we were talking about, say, a holiday or weekend.

Jenny Gilruth: I agree with your view, convener, that it should be prioritised, and the national guidance sets out that approach. I do not think that we are going to move away from that view.

The Convener: Okay. Thank you.

Ross Greer (West Scotland) (Green): Good morning, cabinet secretary. Earlier, you flagged up some issues with regard to reporting in independent schools, and I just want to clarify the Government's position on that.

There are three overlapping issues here, I think. First, if we are going to go forward with this, we will not want some two-tier system in which independent schools are not held to the same standard as state schools. However, the fact is that independent schools, in general, do not have a direct relationship with the local authority in which they are situated. Moreover, the local authority in which the school is situated might differ from the local authority that has placed a child in the school's care, particularly if we are talking about an independent special school. It does not even have to be a special school; many of the pupils who attend private schools in Glasgow and Edinburgh come from surrounding local authority areas.

In its initial memorandum on the bill, the Government flagged up a couple of these issues as being worthy of consideration and scrutiny, but I am not entirely clear what the Government's position is on them. Can you clarify it? Is it your position that the bill would have to be amended to resolve some of these issues, particularly the potential for dual reporting?

Jenny Gilruth: Yes. With regard to children attending a school outwith their own area, we are of the view that the report should be made to their local authority. For example, if the placing request caame from, say, the Highland Council for a young person to be placed in Moray, the report should go to where the placing request—[*Interruption*.] I am just checking that with officials, but yes, there is a bit of an issue in that respect.

As for the independent sector, I know that the Scottish Council of Independent Schools is broadly supportive of the bill, but there are issues there. For example, we do not want dual reporting. However, we think that amendments could be lodged at stage 2 that would resolve such issues.

Ross Greer: My other line of questioning is a bit different, but it goes back to the point that you have touched on a few times about industrial relations and the position of the trade unions. It is fair to say that, at the moment, the general area of focus for teachers' unions is not pay, but conditions, workload issues and so on. Do you envisage the bill having any impact, adverse or

positive, on industrial relations and the atmosphere in the Scottish Negotiating Committee for Teachers?

Jenny Gilruth: I think that it is fair to say that the trade unions are not supportive of the legislation, so the Parliament needs to be mindful of that. There is quite a lot of support in the committee for the bill, and, of course, the Government is supporting it at stage 1, too, but we need to work with the trade unions on it.

There is more that we can do in this space to provide reassurance, and I would want to work with Mr Johnson in engaging with the professional associations. They are clear that they do not want the guidance to be put on a statutory footing. For all the reasons that Mike Corbett has set out to the committee, their preference would be for us to work with them on improving the guidance and perhaps making it a bit stronger, as we have done with behaviour. We can give more concrete examples and more support to the profession in that kind of non-statutory space, but that is not where we are here.

I am more than happy to engage with the trade unions on this. However, they have a number of concerns, and I come back to Mr Rennie's point about the bill creating a chilling effect and, as a result, teachers not using restraint. An alternative view is the evidence that the committee took from Barnardo's, which said that, on the contrary, there might be an increase in the use of restraint as a result of the legislation. We need to be mindful of those views.

I would hope that our engagement with the professional associations will not create challenges, but I have met them and have listened to their challenge. We need to do that as the bill progresses.

Ross Greer: I take on board your point that the unions have made their position pretty clear. In the discussions that you have had with them—and I accept that there will be a degree of confidentiality, up to a point—have any of the unions raised the prospect of the legislation becoming an issue in an SNCT setting or in a formal industrial relations context, instead of just being one of the many wider policy discussions that you have with them and which sit outside SNCT?

Jenny Gilruth: Well, anything can happen in Scottish education, Mr Greer. Thinking of the most recent conversation that I had with the NASUWT and the EIS, which was last week, I would say no, but that does not preclude it from happening in the future.

Ross Greer: I appreciate that. Your answer is useful, though.

The Convener: I call John Mason.

John Mason (Glasgow Shettleston) (Ind): The issue of training has already been touched on by others. As Mr Greer has pointed out—it is a point that I was going to raise—it was brought to the committee's attention that, as you have suggested already, teachers are perhaps fearful of restraining kids in any way at the moment. More training—and, indeed, more standardised training—might, in a sense, reassure teachers that they can use restraint, which might, in turn, lead to an increase in its use. Would that concern you?

Jenny Gilruth: Yes, and that was the point that I was making to Mr Greer when I highlighted the evidence from Barnardo's. I can say from my experience as a teacher who worked in mainstream education that restraint was not a practice that I was trained in, and nor were the vast majority of my colleagues. If anything, the counter was true.

We need to be mindful that most teachers will not view this as something that sits with them, because they believe that, when it comes to education, their first duty is to educate. Therefore, we need to be careful about that. The fact is that the bill—and, indeed, our guidance—applies to all settings. I have been pushing with officials the question whether we can be a bit clearer about that at stage 2, and we can discuss these points with Mr Johnson as the bill progresses.

I would not want to see an increase in the use of restraint practices; indeed, that is not the purpose of the legislation, as I understand it. However, such practices exist in some settings, and they have to be accompanied by staff who are appropriately trained. Most staff in our education services are not going to find themselves in those circumstances, because they work in mainstream education. As a result, we need to be careful about whom we are talking about.

I am sure that the committee will probe those points with Mr Johnson, but I should say that the trade unions put the same points to me last week when they raised concerns about the message that is being sent.

John Mason: Could any teacher not be in a situation where there needs to be physical intervention—for example, if a secondary 6 pupil is bashing an S1 who has special needs?

Jenny Gilruth: They could be in that situation, but they might not have had training and might be reticent. It is difficult for me to comment on individual examples but, in my experience, teachers are very reticent ever to involve themselves physically in any debates that may ensue in school, because—responding to the points that the convener made at the start of the evidence session—they are fearful of what may

happen as a result. That is also part of the trade unions' position. We need to be careful about that.

The bill stipulates an approach that does not mandate training, although it does provide for a national list of providers, which we are supportive of. We have provided further detail in that regard in our guidance. I think that the approach that Mr Johnson has taken is the right one, and we will work with him further on training. The training that is required of staff can take a number of days, as I understand it—I think that the committee took evidence on that. We are talking about staff going out of school for quite a long time. We need to think about the costs that that will incur in terms of school budgets and what it might mean for people being out of school and for staff cover. All those things will need to be resolved at stage 2.

To my mind, training on restraint is not something that all teachers will want to take part in. In fact, many teachers will not want to be part of it, because it is for teachers who work in specialist provision or perhaps in ELC.

John Mason: There is quite a lot in this. An issue that has been raised with us is that the de-escalation side of things is, or should be, a key part of the training. I fully accept that some of that applies whether the bill goes through or not. Is it the case that some teachers get all the training—three days a year or whatever it might be—while other teachers get nothing? Is it more of a sliding scale, in that all teachers need and might get training on de-escalation? I am not familiar with the position, but is it the case that, at the more serious end of physical restraint, the training would only be for a minority of teachers?

Jenny Gilruth: At present, all teachers are not trained in restraint. The committee has previously considered the approaches that are used in relation to ASN and teacher training. We cannot mandate individual education providers.

I would have been keen for us to explore the number of hours that are allocated to the teaching of additional support needs in initial teacher education. It is difficult to mandate independent universities, which are autonomous from the Government, as you are about to hear, and tell them that they have to teach X number of hours on autism or dyslexia, for instance.

There are challenges in relation to initial teacher education, but there are also challenges in relation to local government, as local authorities have a responsibility to provide continuing professional development. There are disparate teacher training practices across the country and within local authorities, and they are often dependent on individual teacher needs. At present, we do not mandate; we say that teachers use their professional judgment for their own continuing professional development. They have 35 hours a year—as I recall from the back of my brain—in which to complete CPD activities that they think will benefit their teaching and learning. We do not mandate at the current time.

There are disparate practices, and you are right to say that there will be different approaches to how teacher training is done, but the national list that the bill provides for will give us some certainty. Under the 2024 guidance, only training providers who have achieved Restraint Reduction Network certification should be used, and that approach is mirrored in Daniel Johnson's approach. Consistency is provided for in the guidance and in the bill, but at present we have different approaches across the country. I think that the committee is taking evidence from local government on that.

John Mason: It strikes me that it is probably a good thing to have different approaches, certainly for individual teachers, as there is a whole range of schools out there.

Jenny Gilruth: Yes—and there are rural dynamics.

John Mason: Some mainstream schools have special needs units in them.

Jenny Gilruth: They do.

John Mason: There is a bit of interaction there.

The phrase "training needs analysis" has been raised, although I have forgotten the name of the witness who raised it. Perhaps that is what happens at the moment, but would you be sympathetic to the idea that every member of staff should themselves examine what training they need, given the situation that they are in?

Jenny Gilruth: I am not familiar with the phrase "training needs analysis", but I would argue that teachers do that anyway. They do that every year as part of their CPD—they consider what they are delivering. If they have a class one year with lots of young people with additional support needs, they might say that, as part of their continuing development for that year, they will engage in further training on X, Y and Z to support the young people in their care. That is something that individual teachers take a decision on and we do not mandate that as a Government—neither does local government. However, the committee might want to pursue the issue at stage 2 or with Mr Johnson.

I hear the point that Mr Mason is making, but we also need to be mindful that teachers are professionals, and they tend to make those individual judgments as professionals. I am not sure that it is for me to tell them what training they need in that regard, because their classes and the needs in front of them will change every year.

They adapt their training appropriately and accordingly.

09:30

John Mason: I agree with that—it cannot be a one-size-fits-all approach. We will maybe explore that issue further.

You have already mentioned the idea of having a list of training providers, which you sound sympathetic to. We raised the question of some councils wanting to do more internal training, so that some people will presumably get trained up—

Jenny Gilruth: Train the trainer.

John Mason: Yes, exactly. Some people will get trained up to a high level and then they will train within the local authority. Does that fit with this model?

Jenny Gilruth: I think so. I have seen the evidence and am aware that that practice is used across the country in a range of different ways. Robert Eckhart might want to say more on that.

Robert Eckhart: Just to clarify, to follow the current guidance that was published last year, that approach would be compliant as long as the trainer, in every circumstance, was certified to restraint reduction network standards.

John Mason: So, whether it was a trainer, an individual, a couple of folk within a local authority or an external provider, they would all go through the same training or have the same qualification standard?

Robert Eckhart: Yes, that is right.

John Mason: Okay, thank you.

The other area that I want to touch on, as you have probably gathered, is about resources. In their responses, the EIS and the NASUWT have said that we need more resources in mainstream schools and special needs schools, so that there will be less temptation, need and pressure for restraint. Are you sympathetic to that argument?

Jenny Gilruth: I am always sympathetic to having more money provided to my budget. I have seen the evidence from the EIS and the NASUWT. That is a routine ask from the trade unions—that will not surprise the committee. I accept that pressures on our schools in relation to additional support needs have increased, particularly in recent years. Last year's budget included £28 million of extra money for additional support needs, which complements the additional £1 billion of spend in the previous financial year.

There is extra money going into the system, but I am sympathetic to the points about resourcing. We need to consider those issues with regard to the financial memorandum. We have raised some challenges in relation to inflation, which has not been accounted for and which I know that the committee will be keen to consider. We need to look at that. If we are looking at a need for extra resourcing, we must consider where that will come from. Of course, we are approaching the budget, so, if members have views on where extra money for education should come from, I am all ears and will engage on a cross-party basis, because I would be supportive of more funding coming to the education portfolio.

John Mason: You tempt me to suggest that we should raise taxes, which I think that Mr Greer would be on board with as well, but I am not sure that the rest of the committee would be that keen. I will leave it at that.

The Convener: Thank you very much, cabinet secretary. That concludes this evidence session on the Restraint and Seclusion in Schools (Scotland) Bill. However, late in the session, you provided me with a hook to ask this next question. In response to Mr Mason, you commented on our next evidence session, which is with the University of Dundee. Will you be watching that evidence session, and what do you expect us to hear from the university?

Jenny Gilruth: I do not want to prejudge the outcome of your engagement with the University of Dundee. I will say that the university is at a critical crossroads, and I know that the committee is mindful of that. We need to ensure the institution's future, and that it is financially stable. The Government has been working on the issue for a number of months, and, as the committee also knows, the Scottish Funding Council is preparing conditions for funding that will support the institution to become financially stable.

I do not want to prejudge the evidence session. I await its outcome, and I am more than happy to continue engagement with the committee.

The Convener: Do you expect that we will hear from Dundee university that it is happy with the Scottish Government at the moment?

Jenny Gilruth: I sincerely hope that the university is happy with the Scottish Government. We are providing a large amount of public money to help it, given the challenges that it has encountered as a result of the financial decisions that were taken by the previous management team.

The Convener: I will bring in any other members if they have any quick questions on this subject.

When Ben Macpherson, the Minister for Higher and Further Education, was before us, I raised concerns about the SFC's impartiality and its independence from the Scottish Government,

particularly with regard to the University of Dundee, and I also raised them with the First Minister at the Conveners Group, so you will be aware of them. What have you made of those concerns, which, it has now been confirmed publicly, were discussed at a meeting of the SFC's board?

Jenny Gilruth: I am going to a meeting with the Scottish Funding Council after this evidence session, so I will interrogate the point that you have made. I am not necessarily sure that I agree with the point about impartiality, but I am more than happy to continue my engagement with the SFC in that regard.

The Convener: When the issue was raised, did you start to speak among yourselves—officials and ministers—to say, "We may have a problem here"?

Jenny Gilruth: Which specific point are you alluding to with regard to impartiality?

The Convener: I am referring to the point that there are people who believe that the SFC is now a conduit for the Scottish Government and that it is not acting impartially with regard to the Scottish Government.

Jenny Gilruth: I think that the evidence base for that was background briefing in the press, with unattributed sources. Is that correct?

The Convener: Yes, but then Mr Maconachie from the SFC confirmed that those discussions had taken place at its board meeting earlier this year. Therefore, board members of the SFC have said to the leadership of the SFC that there are concerns that the funding council is just a conduit for the Government and is not acting impartially with regard to the Government. As the education secretary, what do you say about that?

Jenny Gilruth: I am about to attend a meeting with the Scottish Funding Council. We engage with it regularly. I think that the reports that the member alluded to are some months old. I saw them at the time and I was concerned by them. Of course, over a number of months, I have discussed with the SFC its position in relation to Dundee university. I will continue to have those discussions—in fact, I will do that just after this evidence session concludes.

Willie Rennie: I detect that there is now a much more positive relationship between the SFC, the Government and the university. Do you agree that that is the case?

Jenny Gilruth: Mr Rennie, you know that I am always a positive minister when I am in front of this committee, and in engagement—

Willie Rennie: No, but seriously, do you think that there is now a better relationship?

Jenny Gilruth: Look, it has been challenging, and I am not going to pretend otherwise.

Willie Rennie: It has been challenging, but is it better now?

Jenny Gilruth: Is it better? We need to go back to what happened. Dundee university—

Willie Rennie: Why are you reluctant to say that it is better? I sense that there is a much more positive relationship now. Why are you reluctant to say that?

Jenny Gilruth: I am not necessarily sure that I am reluctant to say that it is better. It is just that I suppose that Mr Rennie presumes that the relationship was bad at some point. I mean, we are bailing out a—

Willie Rennie: Well, it was bad, because you said that the financial recovery plan had been rejected.

Jenny Gilruth: A significant amount of public money is being invested to support the institution. You know that that is extremely unusual, because our universities are independent and autonomous. It is not the case that any other institution is receiving the financial support that Dundee university is receiving at this time, and we need to be mindful of that.

If Mr Rennie thinks that the relationship has improved, that is a good thing—I think that it is positive. Like me, he is a Fife MSP; he wants Dundee university to survive and thrive. It supports a lot of our constituents and a lot of young people in the areas that we represent, so I am absolutely committed to working with the management team to support the university to have the future that will see it thrive.

We have also had really positive engagement with the trade unions, and I am sure that the committee will engage with them and listen to their views, because it is really important that the management team listens to staff and students throughout the process. As the committee has heard in recent months, that has been a challenge.

Willie Rennie: The financial support that you have indicated is not in question, is it?

Jenny Gilruth: No.

Willie Rennie: It will be provided to the university, no matter what happens.

Jenny Gilruth: I have announced the financial support for the university, but I have also set out, in response to the convener, that the SFC is preparing conditions for funding that will support it to do just that. The conditions are important, given that this is public money. I do not think that any MSP at the committee this morning would expect

public money to flow out the door without the Government attaching conditions to it, so that advice is coming to me.

Willie Rennie: However, you are fully confident that the university will be able to meet those conditions and that, therefore, the finance is not in question.

Jenny Gilruth: I would expect the university to be able to meet those conditions, yes.

The Convener: John Mason has a question.

John Mason: In a sense, my concern is the opposite of the convener's, because I wonder whether the SFC is doing what the Government wants. It seems that the university is drifting somewhat. There is no permanent principal in place. Is the SFC not guilty of being a bit hands-off?

Jenny Gilruth: The permanent principal appointment is challenging. Mr Gillespie left in December last year, so, to my mind, that process should have been undertaken long before now. However, that is not the position in which the university finds itself. I also direct the committee back to Pamela Gillies's report, which addressed the issues around governance in the institution and the lack of a permanent leadership team. As I understand it, that remains the position in the university today. I am sure that the committee will want to put those issues to the current management team, but we expect the SFC to pursue them on behalf of ministers, and, since March, I have been engaging with the SFC on all these matters, along with Mr Dey—and now with Mr Macpherson, of course.

John Mason: Is the SFC moving fast enough?

Jenny Gilruth: It is fair to say that I would have hoped that we would have been able to move more quickly. There have been other issues in relation to recent changes in the SFC, which we need to be mindful of, but we are here to support this institution. I think that you know that that is the Government's position. We will continue to engage with the management team and with the SFC, which I will meet very shortly.

Pam Duncan-Glancy: As I understand it, one of the conditions is that the university achieves wide buy-in to the recovery plan—that it is not something that is just imposed. What engagement has the cabinet secretary had with the trade unions about their view on the recovery plan?

Jenny Gilruth: I have had a lot of engagement with the trade unions. As the committee might be aware, I have done that deliberately over a number of months to ensure that we had a ready flow of information coming from the staff in relation to their experience of what was happening in the institution, because not knowing what is happening continues to cause an inordinate amount of stress to staff and students, and, as cabinet secretary, I am very mindful of that. That being said, the recovery plan does not belong to the Government; it belongs to Dundee university, so the university has to engage with staff and students, and it is a matter for the current management team to undertake that.

With regard to the conditions, I think that Ms Duncan-Glancy said that she understands that one of the conditions is that the university will engage with staff and students. I think that that was an ask from the SFC in the correspondence, but in relation to the conditions that the Government will attach directly to the funding, I have not yet been provided with that advice from the SFC. I suspect that I will hear more after this meeting.

Pam Duncan-Glancy: Can you tell us anything just now about the sorts of conditions that will be attached to the funding? In response to my colleague Willie Rennie, the cabinet secretary made the point that, if money is flowing out from the Government to the institution, one might expect conditions to be attached to it. Can you indicate what any of those conditions might be?

Jenny Gilruth: I think that some of the asks were set out in correspondence from the SFC to the university directly, and I think that the committee received a copy of that letter back in August.

Pam Duncan-Glancy: Are those the Government's expectations or the SFC's expectations, or are those one and the same?

Jenny Gilruth: The SFC obviously supports ministers, so you cannot imagine that there would be divergence in our views on these things. However, with regard to the conditions themselves, I have not yet received that information. I met with officials on this matter yesterday, and I am meeting with the SFC later today. I would have expected to receive the conditions perhaps sooner than I have. Dundee university management has been involved in a number of workshops, along with the SFC. I think that the committee heard evidence on that from Richard Maconachie. There have been three workshops, which have helped to inform some of the thinking behind the conditions, but the conditions have not yet been presented to me, so it would be remiss of me to suggest otherwise today.

Pam Duncan-Glancy: That is fair enough. What sort of oversight does the cabinet secretary hope to have on the extent to which the conditions that are attached to the money are adhered to?

Jenny Gilruth: Oversight will be hugely important—this is public money—and there will be

a role for the SFC in that regard and a role for ministers. We will have oversight of the public money and the conditions, but the university is independent, and we need to be careful about the interplay in relation to the section 25 agreement, which allows us to award money to the institution—or rather to provide it with financial assistance—because of the unique set of circumstances in which it found itself.

There are two points to make in that regard: first, that we have certainty in relation to the conditions and that the SFC will ensure, on behalf of ministers, that those are adhered to; and, secondly, that the institution itself has to run independently. In the future, that is where Dundee university needs to get to, and we have a contribution to make in relation to the public money that is being provided.

Pam Duncan-Glancy: Forgive me, but, in that case, how conditional are the conditions?

Jenny Gilruth: Forgive me, I do not have the conditions in front of me.

Pam Duncan-Glancy: I understand that, but, regardless of what they are, are you—

Jenny Gilruth: What they are is quite important—this is a bit hypothetical.

Pam Duncan-Glancy: What they are is, of course, important, but so, too, is the mechanism for holding the university to account in relation to those conditions. Therefore, I am just curious how conditional they are.

Jenny Gilruth: I am curious, Ms Duncan-Glancy—I share your curiosity—but the conditions that are put forward by the SFC will be about providing reassurance in relation to public money but also with regard to what it is feasible for the university to deliver, so we have to be balanced in relation to the conditions. We are not going to ask the university to do things that are unreasonable, but this is about public money, so ministers need reassurance in that regard. I do not have the conditions in front of me, so I cannot give concrete details. Once we have the conditions, I need to engage with the university, and we need to engage through the SFC to that end.

The Convener: Why are you waiting? You said that you expected the conditions before now, so where has the blockage been, and what have you done to speed the process up?

Jenny Gilruth: The SFC has been holding a number of workshops with the university, and I think that it is fair to say that that has taken longer than we would have expected, so there has been a bit of a challenge in that regard—

The Convener: When did you expect to get the conditions?

Jenny Gilruth: I do not want to put an arbitrary date on it, but I think that we would have expected them some time before now. If we wind back the clock to the end of June and my announcement to the Parliament then, we were pretty clear about the announcement of funding and what it was going to provide for. We then had a pretty quick change of leadership team, with an interim leadership team being installed, and we subsequently engaged with the SFC over the summer period. We then had correspondence that the committee is aware of in relation to the SFC setting out requirements regarding what the university was proposing. We have had to work with the university on that, which has taken longer than we had originally anticipated, going back to my announcement in June.

The Convener: Willie Rennie has a question, followed by Miles Briggs.

Willie Rennie: Do you have confidence in the new leadership of Dundee university?

Jenny Gilruth: Yes.

Willie Rennie: You do. The new court has been set up and there are new recruits to the court—

Jenny Gilruth: There are.

Willie Rennie: Are you satisfied with that as well?

09:45

Jenny Gilruth: It is fair to say that there continue to be issues in relation to the court, but that is a matter for the management team, and the university itself, to engage with.

The issues in relation to the court speak to the governance issues to which Pamela Gillies referred. That is for the committee to consider; it needs to be mindful of those aspects. Part of the challenge that Pamela Gillies spoke about was that the court was not working in the way that it should have done in order to provide challenge to decisions that were made previously. I am sure that the committee will want to explore those things, but I will, of course, explore them further with the SFC later to give me reassurance in that regard.

Richard Maconachie has been attending a number of court meetings with observer status for the SFC, so I am sure that I will engage with the SFC further on that this week.

The Convener: What were the issues with the court?

Jenny Gilruth: I think that there were issues with membership. There were issues with trade union engagement as well, and issues with papers

being shared late. That is off the top of my head, convener.

The Convener: Okay—thank you. I bring in Miles Briggs, to be followed by Ross Greer.

Miles Briggs: Dundee university has, quite rightly, received a lot of attention from this committee, from the Scottish Funding Council and from ministers, but every institution with which I have met is reporting its financial vulnerability. How many of our institutions—both universities and colleges—have outlined, in the run-up to the budget discussions, that they are in a similar situation of financial vulnerability?

Jenny Gilruth: All our institutions are currently facing inordinate pressure; I was in front of the committee to discuss the issue earlier this year. There are pressures relating to changes in the United Kingdom Government's approach to immigration, which has harmed some of our institutions. There are issues in relation to employer national insurance contributions—Universities Scotland put a figure of around £50 million on the cost to the sector in Scotland.

There are broader inflationary pressures that mean that staff wages have gone up, so things are more expensive. All those things are compounding factors, but the issues at Dundee university are unique and relate to the financial challenges that we have spoken about previously with regard to Pamela Gillies's investigation, and governance issues. That is why the Government was able to use a section 25 order for Dundee university and not for other institutions.

On the point in relation to the budget, we will continue to engage with Universities Scotland in the run-up to the budget. I am mindful of the issues that Mr Briggs puts to me, because our institutions in Scotland are extremely precious and we want to continue to ensure that they are supported.

Miles Briggs: Do you have confidence that the Scottish Funding Council is looking at each institution's situation and then bringing to you—

Jenny Gilruth: Yes, I do, because I have asked the SFC to undertake that work, and it is in train.

Miles Briggs: What changes do you think could be brought forward in order to make that information more publicly available, and available to this committee? One of my biggest concerns is that there was not an earlier opportunity for oversight at Dundee university, and—arguably—all other institutions have not moved forward in respect of the transparency and availability of accounts.

Jenny Gilruth: I share Mr Briggs's concerns—the issues at Dundee university should have been known to Government long before they were. I reassure the committee that I have put those issues to the SFC. The Tertiary Education and Training (Funding and Governance) (Scotland) Bill is currently a bill before Parliament, and members may want to consider the issues that it concerns more broadly in respect of the role of the SFC and the powers it may have as an organisation in the future.

Ross Greer: That last point concerns exactly the question that I was about to ask. Other committee members are certainly considering whether the Dundee situation has raised issues that we could resolve by amending the bill in relation to the SFC's functions. From the Government's perspective, and from your experience of engaging with the process, have you found limitations in the role of the SFC? Have you wanted the SFC to do things and discovered that legislation as it currently stands makes that impossible? Have you identified potential amendments to the Tertiary Education and Training (Funding and Governance) (Scotland) Bill in relation to the role and functions of the SFC that the Government could lodge at stage 2?

Jenny Gilruth: I sat in the stage 1 debate, which Mr Macpherson was thrown into in his first week after being appointed as the Minister for Higher and Further Education. There are a lot of things happening in tertiary education, which Government needs to reflect on and respond to as a result of the stage 1 debate. I am not going to answer the specific points that Mr Greer made, but we are considering those things in the round. I cannot think of where there has been a legislative block to ministerial action in relation to what has happened at Dundee, but I think that there is a need for greater reassurance.

The issue is that these are independent and autonomous institutions, and we need to be mindful of the Office for National Statistics classification and what bringing any institution closer to Government might do to those institutions. In my view, it would be extremely dangerous if that were to take place; I am sure that Professor Seaton and others will have a view on that when the committee hears from them shortly.

We need to be careful about the role of Government and the role of our independent institutions, but we also need reassurance. That is the point that Mr Briggs was pursuing, and I am in firm agreement with it. We have been raising these issues with the SFC, and the outcome of the Gillies review gives us some pause for thought about how there can be better transparency with regard to some of the financial issues that arose at Dundee university.

The Convener: On that point, there was reporting that the Scottish Government had paid

Deloitte £900,000 to look at the financial health of Dundee university. Was the reporting correct that Deloitte did not even see the recovery plan before it was rejected?

Jenny Gilruth: I saw the reports at the time and, like you, I shared some of the concerns. As I understand it, at that point, the SFC had undertaken to work with Deloitte but Deloitte had not, at that point, undertaken to look at the plan, because the plan was not acceptable to the SFC. That was dealt with in correspondence. The requirements from the SFC were sent back to Dundee, and it was my understanding that Deloitte was then to look at the updated plan.

The Convener: Almost £1 million seems like a lot of money for expertise to be brought in and not to have even a cursory look at a plan—

Jenny Gilruth: But Deloitte will have to look at the plan when it is agreed. Of course, the plan is not for ministers to sign off; it is for the court to agree to. I think that the court—to go back to Mr Rennie's line of questioning in that regard—is very important in that respect.

However, I agree with Mr Ross's observations on the optics of that, and I will continue to pursue those issues with the SFC when I meet with it shortly.

The Convener: Thank you very much. You have been very generous with that additional time on an issue in which the committee is clearly interested, and it will help us with our deliberations later this morning. I thank you and your officials for your evidence today.

09:51

Meeting suspended.

10:08

On resuming—

University of Dundee

The Convener: Welcome back. Agenda item 2 is on the University of Dundee. I welcome Michael Marra and Maggie Chapman, who have joined us for this item. Ross Greer has sent his apologies for this part of the meeting.

I welcome Professor Nigel Seaton, the interim principal and vice chancellor, and Lee Hamill, the interim finance director, at the University of Dundee.

We will go straight to questions. Professor Seaton, where are we with the recovery plan for the University of Dundee?

Professor Nigel Seaton (University of Dundee): The two principal elements of the recovery plan are the reorganisation of the university on the academic and professional services side to become more effective and more efficient. We have been planning the reorganisation for many months and have just begun to work on it, which will facilitate the reduction of costs. We have already made big steps in the reduction of costs. Our voluntary severance scheme was broadly successful and we have disposed of some assets that we do not require, which has brought in some money. In the coming months, we will begin our plan for further reductions in costs. That is partly contingent on having created the new organisational structure.

The Convener: Do you feel that you are on target, or are you behind schedule?

Professor Seaton: We are on target for where we wanted to be with what we had planned over the past few months. If we take a longer view of the history of the university since the crisis became evident in November, we would all have wished that we had been able to move more quickly. I recognise that there was a period during which we did not move quite as quickly as we ought to have done. However, over the past few months, I think that we are more or less on track with what we wanted to do.

The Convener: Really? Plans have been produced by your predecessors and by you and the current board, but they have not been taken forward through the Scottish Funding Council, the Government or whoever takes those decisions. The committee has debated whether those plans have been rejected or not. Is it your view that the previous plans that were presented have been rejected?

Professor Seaton: It is clear that the recovery plan that was presented in the spring was

unacceptable. The plan that we presented to the Funding Council in early August was a wide-ranging plan that included sections on the student experience; learning and teaching; research; the estate; and strategy, including the strategy that was behind that plan. Much of it has not been subject to discussion with the Funding Council, but a letter from the Funding Council of 18 August advised that there were two problematic elements that we should not proceed with: the reorganisation of the university and the reduction of costs over the coming year. In that sense, if I was forced to get off the fence, I would say that it was rejected. However, most of the plan was not discussed.

The Convener: Was it not discussed by the Funding Council?

Professor Seaton: Yes.

The Convener: Sorry—are you saying that it was not discussed by the Funding Council?

Professor Seaton: Yes. Obviously, it was discussed by us as we were putting the plan together. Indeed, many elements of the plan were part of a document that was produced for the Funding Council in order to secure the funding. It was a varied document that contained many elements that had previously existed and elements that were in the process of being planned when we started writing it. The focus of the letter from the Funding Council and further discussions with it was primarily about the reorganisation and the plans for the reduction of operating costs.

The Convener: To go back to my earlier point about whether you are on schedule or not, if you submitted a plan in August and it has not been allowed to go forward because, by your own admission, it has been rejected by the Funding Council, surely you cannot possibly be on schedule. You have had to come up with another plan and we are not there yet—we do not have that.

Professor Seaton: The Funding Council has not impeded our work on the two elements that I mentioned, which are the reorganisation of the university to become more efficient and effective and to improve leadership, and the work on cost reduction. We have carried on with that. It is important to emphasise that senior and junior colleagues across the university spent a lot of time on the plan and it was useful for us and, I hope, for the Funding Council to bring it all together. However, many elements already existed, particularly on learning, teaching and research.

Work on the reorganisation began before we submitted the plan and it continued afterwards. The submission of the plan was a punctuation mark, if you like, in our interaction with the Funding Council. We did not delay doing anything. It might seem as though there was not that much activity, but there was activity in preparation for the change that we have just started, which is the creation of faculties from the academic schools and our reorganisation of professional services.

The Convener: We will get on to that later, because we received an email from the student union last night and significant concerns have been expressed at the university about it.

Is all the work being done internally? Are you using your own internal skills and expertise or are you seeking outside advice?

Professor Seaton: I feel that we have a very capable senior team and there are many capable people in the university. We are primarily doing the work ourselves, but we are taking advice when we need it. Personally, I have a broad network of contacts and advisers. We are getting advice at a corporate level from Universities Scotland, for example, and we get advice when we need it from the Universities and Colleges Employers Association, but we are not contracting with external advisers to do the work.

The Convener: Did you not think that that was an option? Why did you not take that option?

Professor Seaton: Generally, our approach is that, if we have the ability, we should do it ourselves.

The Convener: However, do you have that ability given that, by your own admission, the plan that you submitted in August was rejected by the Funding Council? Does that not indicate that you do not have the ability to produce the plans to the level that is required by the Funding Council, the Scottish Government and others?

10:15

Professor Seaton: I emphasise that the plan was submitted to the Funding Council and not to the Scottish Government, although we had some discussion with the Scottish Government. We never had any hint that the Funding Council thought that the plan was not at the required level, although we felt that it did not like some of the measures that it presented. We never heard any criticism about its quality.

The Convener: There must be, though, because we still do not have a plan.

Professor Seaton: With your permission, it will perhaps help if I say a little about what happened after the plan was submitted. The letter of 18 August from the SFC was responded to by the university—the letter was not directed to me, but to Ian Mair, the chair of court. Having had two conversations with the university court, he

responded as the chair, reflecting the court's conversation, on 15 September.

Since then, the conversations that we have had with the Funding Council have been about helping it to understand what the university intends to do and how it works, which is very necessary. The objective is to put the Funding Council in a position in which it can give us the conditions of grant and confirm the funding. There has also been a lot of analysis of the university's cash balance and cash flow.

We were required to produce the plan, so we did so. It led to the letter, which told us that there were some things outlined in the plan that we should not do. That letter was responded to, and we have had barely any conversations with the Funding Council about the plan since then. The process has really been about the SFC gaining an understanding of how the university operates and what is intended, and preparing—we hope—to confirm funding.

The Convener: Minutes before you arrived today, we had the cabinet secretary here, and she said that she has not received the information that she expected about the conditions for the funding. The Funding Council has clearly rejected things. Therefore, even in the light of what you have described as having happened after that, I am still looking at the situation from the outside, as an MSP—along with the public who are watching and the media, including *The Courier*, which has done great coverage of the issue—and wondering where we are. I have had no sense from you today about what the next steps will be so that the public, the staff, the students and the university family can think, "Yes—there is now a plan that we can get behind to see the University of Dundee prosper after a very difficult period."

Professor Seaton: There is a lot in that question. I should perhaps say that, because I sit in the university, I have a partial view of the situation. The other important actors are the SFC and the Scottish Government.

We have had a number of workshops with the Funding Council, which have, from our point of view, been very successful. The Funding Council seems to have been pleased with what it learned from them, and I understand that we are approaching the point at which conditions of grant might be decided by the Funding Council. We would, of course, be required to meet the conditions of grant, but we do not write them; the Funding Council does that. I think that it is close to completing them and to agreeing the funding and its timing. I realise that the situation will look different from different angles, but that is how we see it.

The Convener: We have a lot to get through this morning, so I will move on. I want to take you back to Mr Hamill's predecessor, Chris Reilly. What happened there? When his appointment was confirmed, he was praised by the university as someone with a wealth of experience. I have looked at his background and he has turned around quite substantial businesses here in the UK and across the world. He came in and lasted, in effect, one day. He had been in doing some research up to that point, but he left after his first full day.

Professor Seaton: As a point of correction, he left at the beginning of his second week. I am afraid that I cannot say any more about that because we are currently engaged with a legal matter, but I might be able to later.

The Convener: Can you tell me why you, as the new vice-chancellor and principal, did not do more to keep him in his post? If he said to you that he was unhappy about things to the extent that he had to leave within days of taking up the role, why did you not do more to keep him?

Professor Seaton: I appreciate that that is a very reasonable question to ask, but I am afraid that I cannot answer it at the moment, for the reason that I have given.

The Convener: Have you been given legal advice to that effect?

Professor Seaton: I have been given internal legal advice from our legal team within the university, yes.

The Convener: I have quite a lot of information on this that I am quite happy to put into the public domain. I cannot imagine that what you say here will compromise anything, and it just looks suspicious if you will not answer. I am not saying that it is suspicious; I am just talking about what it might look like from the outside.

Professor Seaton: I am, of course, not trying to look suspicious. I am sorry if it looks suspicious, but I am afraid that I can only repeat my previous point. I do not feel that I can say anything about it.

The Convener: Not a single thing? Is that what you are telling us? Can I continue to ask questions, and you can decide?

Professor Seaton: Yes. It might be productive, but I do not feel that I can answer those questions.

The Convener: Well, let us try. We will see where we get to.

Did Mr Reilly send you a lengthy email with concerns about the university and the way forward? You then suggested that he was raising significant issues and that you would require an additional hour's meeting with him the next day. At the start of that one-hour meeting, he resigned,

having had a brief conversation with you. Is that a correct timeframe?

Professor Seaton: I do not feel that I can answer that question, because it impinges on aspects that I do not feel that I can comment on.

The Convener: Did Mr Reilly suggest that you use the services of PwC when producing the recovery plan?

Professor Seaton: I can answer that, because it is a matter of record. His predecessor produced a paper for court—I am not sure that he commented on it personally; forgive me, but I cannot remember—in which it was proposed that we contract out a large part, and particularly the financial analysis of the recovery plan, to PwC. I know that he supported it.

The Convener: Who rejected that? Was it you personally? You told us—

Professor Seaton: It was the university court that decided—

The Convener: Was it on your advice?

Professor Seaton: I spoke against it, but it was spoken against by other people, too.

The Convener: Just to be clear, you were against appointing PwC, despite the recommendation from Helen Simpson, the interim finance director at the time, which was supported by the incoming interim finance director. You felt that your view was better informed than their view.

Professor Seaton: I felt that the university senior team and finance colleagues had the capability to do it. I was in favour of internal people doing it, so I supported that. As it turned out, we did have the capability to do it.

The Convener: I personally disagree, because we are still at a stage where we do not know where we are, but others might take a different view.

You are saying that, internally, people supported that view. Your interim finance director, who came across very well when she appeared before us, and who—this is rare in our considerations of the University of Dundee—impressed the committee, was telling you to appoint an external company, PwC, to assist you, the board and the university in coming up with a recovery plan. That was supported by your incoming interim finance director, whom you and the university welcomed. However, you took a different approach. Why were those two very senior people who are involved in the finances of the university wrong, and why were you right?

Professor Seaton: I did not say that they were wrong. I expect them to say what they think, and they did say what they thought. I am bound by other considerations as well as what senior colleagues advise. I am bound by the effective use of money, much of which is public money, and I feel that there is benefit in an internal team doing something if they have the capability to do it. I felt that the internal team had the capability to do it, and I was right. We had the capability to do it.

I can offer further evidence on that. We have had further work carried out by Deloitte, which has been contracted by the Scottish Government. It has analysed the financial content, particularly of the university recovery plan, and found it to be very sound. It is a matter of record that our internal team was able to do this without spending what would have been hundreds of thousands of pounds of money that the university really does not have.

I am therefore perfectly happy with that decision. I do not feel that I am obliged to follow recommendations that are made by colleagues. I will say what I think, and what I thought was that we had the capability to do this ourselves; that there was merit in doing it ourselves, because of the ownership of our team in doing it; and that it would save money, which was scarce. Those were my reasons. I am not obliged to follow the recommendations of colleagues.

The Convener: At the board meeting at which that was determined, did you withdraw the paper from the interim finance director from the agenda?

Professor Seaton: No.

The Convener: A paper was presented by Helen Simpson to the board meeting on 23 June. I am asking a specific question about a paper, not an oral update. Was a paper presented, as on the agenda, on 23 June?

Professor Seaton: Are you referring to the paper that was about contracting out part of the work?

The Convener: No. It was a financial update.

Professor Seaton: That paper was not withdrawn.

The Convener: It was not on the agenda.

Professor Seaton: Forgive me—I do not remember the content of the agenda that was written on the page, but there was no finance paper provided to court for that meeting.

The Convener: Was there a finance update that was on the agenda, which only materialised because Helen Simpson ensured that she could put across her points of view?

Professor Seaton: Forgive me. At that meeting? No, there was not. Sometimes agendas are changed when papers are not provided. I cannot remember what was on the page at that

meeting, but there was no paper submitted by Helen Simpson on finance. I understand it not to be the paper proposing getting PwC to do work on the plan. No finance paper was provided to the court through the—

The Convener: If it was not a paper, was there due to be a finance update from the interim finance director—as was the normal process for court meetings—which was then removed from the agenda? Did Helen Simpson still insist on giving an update?

Professor Seaton: I beg your pardon. Do you mean an oral update?

The Convener: She had to give an oral update in the end, but was there an agenda item that suggested, prior to the meeting, that Helen Simpson would do that, which did not then happen on the agenda, although she insisted on giving an oral update?

Professor Seaton: I do not recall. Forgive me, but I am still slightly lost. You are asking whether there was a paper in existence that was withdrawn—

The Convener: If it was a paper. You are saying that papers would not be normal, but was there an agenda item that was then removed?

Professor Seaton: No—it was normal that there would have been a paper, but there was not one.

The Convener: Okay. Why was there not a normal paper on the finance of the university when you were discussing a recovery plan?

Professor Seaton: I do not know that. I am not involved in preparing the agenda for court, as university principal. That is a matter for the chair of court and the secretariat that supports him. I forget the precise day, but I think that I was in my first or second day as principal. Even if I had been there for months, I would still not have produced the agenda. That is a matter for court. I can give you my recollection of what happened, but the preparation of the agenda is a matter for court and the secretariat, and not for me.

The Convener: However, you know that such an update is a regular agenda item. Did you raise concerns that it was not on the agenda?

Professor Seaton: It was the first court meeting that I had chaired as principal. There was a suggestion that a paper had been produced and somehow suppressed. We investigated that and we could not find any evidence of it. It is perhaps obvious that there should be—

The Convener: We are now getting to where I was a couple of minutes ago. I think that my earlier questions were clear, but I apologise if they were not. You are now saying that you knew what I spoke about a few minutes ago—that a finance update was normally presented to court, but that did not happen on this occasion. You investigated—

Professor Seaton: The university court had very frequent meetings at a certain point, and I would not be able to say whether there was normally such an update. I know that such updates have been produced before. I do not have any particular insights as to what happened on this occasion as I did not organise the agenda and I had been in post for only a day or two. I repeat that it is primarily a matter for the court.

The Convener: Yes, but you would also repeat that the matter was thoroughly investigated. You said that.

Professor Seaton: A statement was made that this paper had been submitted and that it had been suppressed. A complaint was made. We had an extensive investigation at the university, which established that it had not been submitted through the normal channels. An extensive investigation was made of emails and other possible routes through which it could have been submitted, and no evidence was ever found.

The Convener: It was submitted to the governance secretary. It was not just about financial analysis; it included corporate restructuring.

Professor Seaton: Do you mean submitted for that meeting?

The Convener: Yes.

Professor Seaton: We looked into that, and we found that it was not.

The Convener: Just to be clear, as I am getting conflicting information, you are saying that no paper of that nature—a financial analysis that addressed corporate restructuring—was submitted to the governance secretary.

10:30

Professor Seaton: If it is the paper that I am thinking of. My recollection of that meeting is reasonably good. I cannot remember the exact layout of the agenda, but a statement was made later that a paper of that nature was submitted and then suppressed. We checked carefully and diligently and found that it was not. There might be some other paper—we might be slightly at cross purposes, as we do not have the paper in front of us. However, if I understand your question correctly, which I think that I do, we checked diligently and carefully and found that that paper had not been submitted.

The Convener: That is very interesting, because it is the polar opposite of what I am being told, so there is an issue there.

That was Helen Simpson's final court meeting. In my personal view, she had done outstanding work. She saw the problems before anyone else. When she sat in the witness's chair next to Mr Hamill she told us that, at the end of day 1, she saw the problems at Dundee university that others internally—and, I have to say, externally, including the likes of the SFC—had missed for months.

If that was her final meeting, surely you, as day 1 vice-chancellor and principal, would have expected to hear from her and see a report from her.

Professor Seaton: I do not want this to sound overly focused on me, but I came in at very short notice to a university in the deepest crisis of any British university at least since the second world war, which we are now dealing with. It is a very deep crisis, and I trusted my chair, the court members and the secretariat supporting the court to deal with court business. I am not trying to suggest that I should be completely divorced from court business, but that is governance. I am a leader and that is governance. I was in—I think—my second day as principal, having taken over at very short notice, and I just did not spend a lot of time trying to think about how the chair, with the support of the secretariat, should organise the agenda. I had other things to think about.

The Convener: You have far more experience in the sector than I have, or ever will have, and I respect that. Nonetheless, given everything that you knew about Dundee university when you went into that job, I would have thought that the court was an area to which you would have wanted to pay considerable attention, because it had dropped the ball so many times.

Professor Seaton: Absolutely—I agree with every word of that. The story of the University of Dundee is one of leadership failure and ineffective governance oversight—I agree absolutely with that, but I was focusing on other things. There is clearly a need to reform court, but there is also a need for me to give space to the chair of court and to the people on it for them to do what they feel is right. I am supporting that, and all the people in the secretariat who are supporting court report ultimately to me, so it is a shared responsibility. However, I did not, at that time, concern myself about the detail of a court agenda on what I think was my second day in office.

The Convener: I have a couple of final points. The meeting that we have just been discussing at length was held on 23 June; it was your first court meeting as principal and vice-chancellor. How quickly should minutes be published for meetings such as that?

Professor Seaton: Minutes should be made available when they are confirmed, which should normally be at the next meeting of that committee, so it would be after the next court meeting. There are sometimes extraordinary meetings at which normal business is not done and the minutes might not be confirmed. In general, however, they should be confirmed at the next meeting and they should be available after that.

The Convener: Do you see the minutes before they are published and agreed by the court?

Professor Seaton: No, I do not. I do not have any special locus in the minutes—it is a matter for court. I am—

The Convener: I am not saying that you have—

Professor Seaton: I am a court member, as principal, but the court approves the minutes.

The Convener: I am not saying that you have any special locus, but do you ask to see the minutes?

Professor Seaton: No, I do not.

The Convener: You do not. Do you think that it is right that the minutes of that important meeting on 23 June were not published until earlier this month?

Professor Seaton: That is probably the normal rhythm for a routine court meeting. I think that what probably happened—again, I do not recall exactly—is that it is quite common in times of difficulty to have extra court meetings. At one time, before I joined, there were meetings every week and then every two weeks. I think that it is quite common, with extraordinary meetings, for the minutes to be approved at the next regular meeting. That might be what has happened here, but I cannot confirm that. I can get that information from our governance team and report it as soon as I can after the meeting, if that is of interest to the committee.

The Convener: It would be of interest to me. However, I am just asking whether you think that that is acceptable. In my view, at the moment, there are no routine meetings of the University of Dundee court. There is nothing routine about Dundee university at the moment. Therefore, the onus is on the university to demonstrate openness and transparency. Not having, until October, publicly available minutes for a meeting that happened in June does not meet that criterion.

Professor Seaton: I take the point, but, as I am not sighted on quite what happened with the minutes, I do not feel that I can say more. However, I take the general point about

transparency, and I am happy to provide more information later, after investigation.

The Convener: I found some interesting points in the minutes. I now know that more than 2,500 students attended the welcome week sports fair to see the facilities and browse the sports that are on offer—I got that from the minutes.

What I did not get from them was an update on the cash position, because the university claims the exemptions of sections 30 and 33(1)(b) of the Freedom of Information (Scotland) Act 2002, and you have reserved that information. I got no update on the financial statements, because you reserved that information. I got no update on a number of other issues, including the financial recovery plan procurement, student numbers and the Blueprint Recruitment Solutions system, and I got no information on the SFC indicative funding. All those things are reserved business in those public minutes.

You are happy to tell us about 2,500 students looking at the sports facilities, but you are not happy to make any of that information public. Should the University of Dundee not be far more transparent than that at the moment?

Professor Seaton: I am personally committed to transparency. I will not give you a list of the things that I have done to improve transparency, because it is not relevant to your question, but I am personally committed to that. I have improved the transparency of the senate minutes and how they relate to court minutes. I chair senate; I do not chair the court. I am not trying to pass the buck, but there is a necessary distance between me, as the chief executive of a charity, and the governing body. I do not determine how the court interacts with the Freedom of Information (Scotland) Act 2002. I understand your point and, as I said, I am committed to transparency and openness, and that is really a matter for the court, not me.

The Convener: However, as the principal and vice-chancellor, will you commit to discuss with the chair of the court the issue of its meetings being more transparent?

Professor Seaton: I am happy to. I know that the chair of court will wish to hear—indirectly, as he is not here—from the committee, and I am happy to talk to him about that.

The Convener: I want to get to other members, because I have taken up too much time, but first I want to ask you a question, Mr Hamill. When you came into this job, what did you think about the very quick departure of your predecessor? Did that worry you?

Lee Hamill (University of Dundee): As Professor Seaton said, that matter is with lawyers at the moment—

The Convener: Have you received the same legal advice not to comment on the matter?

Lee Hamill: I have received internal legal advice, and it is something that I am not able to comment on at this time.

The Convener: Okay. Were you excited about joining the University of Dundee, given its financial challenges?

Lee Hamill: I think that “excited” is probably the wrong word. I was very committed to doing all that I can to help the University of Dundee to come through this very difficult time, recognising the huge impact that this situation has had on staff, students, the community and all the stakeholders that are involved with the university. I was very mindful of the seriousness of the situation and extremely committed to doing all that I can to help.

Willie Rennie: I would like to talk about the claims from some that the level of job losses is too severe and too high. You seem to be using two indicators. The first is the staff cost share of total expenditure, which you want to bring closer to the norm for universities in Scotland. The second is the EBITDA—earnings before interest, taxes, depreciation and amortisation—rates, which you have been saying for a long time are too low and which you want to take up to 10 per cent, but which the UCU Dundee branch says is too severe. Can you set out why you think that the figures of 52 per cent and 10 per cent are right and the UCU is incorrect in its claims?

Professor Seaton: If I may, I will make a couple of comments for context, before I address those particular points. The objective of reducing the cost—perhaps to state the obvious—is to reach the position where the cost of operating the university is less than the income. That is the fundamental thing.

The cost can be cut in several ways. There are three basic headings: capital investment; operational costs, such as heating, lighting, insurance, laboratory supplies and so on; and staff costs. Of those, you cannot cut capital investment, because it is already non-existent: we have cut all capital expenditure, except for a very small amount in health and safety; we have cut almost all that we can, although you can always imagine cutting a bit more. Similarly, there is almost nothing to cut with regard to operating expenditure. Therefore, regrettably—I say that particularly because, as Mr Hamill said, our staff group has had a rough time—we are left looking at staff costs.

To be clear, my view is that the staff of the university have been the victims of poor leadership and inadequate governance oversight. They did not cause this situation, but they are going to help us get out of it. We can only get out of it with them, but some of the jobs that we have now will not be affordable in the future. It is a very difficult and regrettable situation.

On the point about the metrics that we are using, we are not a slave to metrics about the performance of different universities. However, it is true that, as a percentage of total income, the staff costs in a university like ours are typically in the low 50s, whereas ours are more than 60 per cent. That supports our view that the staff costs will have to be reduced. We are not doctrinaire in terms of aiming for a percentage; we are doctrinaire about getting the university to run well. That is the principle that we will use to guide us.

On the issue of cash generation, I will pass to Mr Hamill. First, though, I will make a general comment. You can take different views about the estate—that is, the physical infrastructure and the digital infrastructure, which are also important for capital investment. However, if you look at our campus you can see that it has, broadly speaking, been underinvested in for many years—you can see that in the accounts and you can also see it by walking around the campus. I am not suggesting that we are going to solve that radically overnight. There was no capital investment last year and, no matter how vigorously we lead the university's recovery, it is inevitable that there will be no capital investment next year or the year after that. We are making up for a deficit in investment in the university's infrastructure. We feel that a figure of 10 per cent is very reasonable—Mr Hamill can comment on that in a moment. You could argue that it is not high enough or that it is a bit too high. However, it has got to be a significant figure to allow us to regenerate our cash reserves and then to be in a position to borrow from banks.

Earlier, we talked about the recovery plan. I point out that we were given two instructions by the Funding Council. One was to have a plan that leads the university to financial stability and resilience; and the other was to get ourselves to a position where we can borrow money from banks. If we cannot generate cash, we cannot borrow money from banks. There is a potential to borrow substantial sums from a bank or from banks if our financial position is secure. Those are two aspects to do with cash generation.

I will now hand over to Mr Hamill, who can give you more concrete details.

Lee Hamill: I will just give a bit of background and then go through the points in detail. The first thing that I will expand on is the very significant structural deficit that we are currently facing. The university forecasts that, this financial year, it will lose something in the order of £30 million—that is, we will spend £30 million more than we take in. That is just unsustainable. Without further action to reduce our cost base—indeed, without further public money—that situation will go forward in perpetuity. Next financial year, we forecast that the deficit will be slightly less, at around £14 million. As I said, the situation is not sustainable and will limit the choices that the university has.

Secondly, I have also heard the arguments about whether the 10 per cent level of EBITDA is appropriate or acceptable. To put it in context, that is roughly one month's working capital for the university. It represents about £30 million of free cash that will be generated each year—roughly what it costs to run the university for a month, as monthly running costs are between £25 million and £30 million. To give a bit of context around that, our pay run alone each month is about £15 million. That £25 million to £30 million of free cash that we would generate with that 10 per cent level of EBITDA gives us many more choices. It gives us a buffer of security that would protect the university from any adverse shocks that might hit it—perhaps a macroeconomic shock or a black swan event of the type that we have seen over the past five or six years.

When the financial crisis happened this time last year, the university's cash reserves were so depleted that it could not withstand it and had to ask for emergency funding. We would be protected in that sense, at least for a medium-sized economic shock.

10:45

More importantly, if we can rebuild our cash balances over a period of one, two, three or five years—or even 10 years—we will begin to be able to make decisions to reinvest in the things that matter to staff, students and our stakeholders. At the minute, we have no money to reinvest. Our capital investment is simply limited to repairs of the most basic type, health and safety and compliance.

We have two major buildings that are almost completely out of action, because of issues with reinforced autoclaved aerated concrete, and we do not have the money to remediate the RAAC. The most significant of those buildings is the main Dundee University Students Association building—the students union—which is about three quarters out of action. We also have some very large engineering labs—the only double-height-ceiling engineering labs in the university—that are completely unusable because they are not safe. If you were to walk around our campus you would see that there is a legacy of underinvestment in the fabric of the estate.

Although there are some good examples of buildings that we have been able to develop over the past number of years, a lot of work needs to be done on the estate to get it up to standard.

The third issue, which I think is an important one—and which Professor Seaton mentioned—is that, at that level of 10 per cent EBITDA, we become an attractive proposition for commercial lenders. At the minute, we are not able to borrow. I have engaged with a number of commercial banks in my time with the university, and they all tell me the same thing: they need to see evidence of financial sustainability; they need to see that we are clearly at a level of surplus each year, as defined by operating surplus or as defined by EBITDA; and we should be able to demonstrate that over two academic recruitment cycles, which means the September intake that we have just completed and probably the next such intake as well.

We have a strong balance sheet. We do not have any debt. We have a small amount of debt with the Funding Council, but we have no commercial loans at the minute, having cancelled a revolving credit facility in August. We have net assets of around £300 million. I feel that, with a 10 per cent EBITDA that we were delivering on a regular basis, we would be a much more attractive lending proposition to the credit committee of a bank. What would we lend for? We would lend to reinvest back into the university—back into all those things that I have mentioned.

Should the rate be 10 per cent? Should it be 11 per cent? Should it be 9 or 8 per cent? There is a judgment question there. For the reasons that I have explained, we set a 10 per cent rate. However, as with our university recovery plan that we submitted in August, it will take us three years to get to that point. In this financial year we will not be at that level. In the next financial year it will be slightly better, but it will take until the 2027-28 financial year before we would be at that level.

I appreciate that that is quite a long answer to your question, Mr Rennie, but I hope that that provides important context for the committee.

Willie Rennie: It has been very helpful to have that set that out.

Is there a tension, then, between what the banks are telling you is required and what the SFC or the Government said about the bits of the initial recovery plan that they were not satisfied with? Is there a tension between those two groups?

Lee Hamill: Obviously, there have been separate conversations—that goes without saying.

In my discussions with the SFC, and indeed with Government officials, where I have explained what I have explained to you, that has been well understood. Of course, every week I speak a number of times to the financial team at the SFC, who are qualified accountants, and they understand those matters. When it comes to unlocking commercial lending, they understand that no bank will go forward with unsecured lending, or even secured lending, without a few basic things in place. First, we need to be able to evidence that we are financially sustainable, which we would do through the delivery of sustained surplus and sustained EBITDA. Secondly, we would be able to demonstrate that our tuition intakes and our main sources of income are steady, and that we are delivering what we said we would in that respect. I think that that is well understood.

As for the tension around where the recovery plan got to at the end of August, Professor Seaton has already spoken to that.

Willie Rennie: I will turn to life sciences, but, before I do, what is the Government getting for its £62 million?

Professor Seaton: May I respond to that? As we know from the various interactions of the organisations involved, it is a tricky business to manage, but the Government is getting something very simple: the continued survival, and then thriving, of the University of Dundee.

I emphasise that I am proud to be the principal of the University of Dundee; it is a wonderful university. It has obviously been badly led and badly governed, but it is doing great things for its students, and it is an absolute cornerstone of life in the city of Dundee.

I will give you a figure for what the university contributes. We had an analysis done and, apart from the staff that the university employs directly, it is estimated that it supports another 9,000 jobs across Scotland, mostly in Tayside, and contributes about £1 billion a year in gross value added. It is an absolute cornerstone of civic life and society in the city of Dundee. That is what is being bought for the money. It is deeply regrettable that we should have to ask for that money, and we will be very grateful to get it, but that is what is being paid for: the survival, and then thriving, of a great university.

Willie Rennie: The Government originally thought that it was getting a limitation of the job losses to 300, but the figure is now above that. Your predecessor, Shane O'Neill, indicated that that was the agreement, but that seemed to change. Can you clear up the confusion around what the Government's expectation was for that money and why there was—if there was—a misunderstanding?

Professor Seaton: I can do my best to do that. When I came to the university, I was briefly in

another role as temporary provost on the academic side of the university. In that role, I came in at the very tail end of those interactions.

I can see why what you describe was understood. I think that there was an incomplete interaction between the Scottish Government and the SFC on the one hand and the university on the other. I do not think that the university leadership team—the then university leadership team, I should say—ever believed that it would be possible to run the university without having further job losses. That would have assumed an absolutely unfeasible and unimaginable turnaround in income for the university.

That was not said—I have looked over the correspondence and, indeed, the notes that were taken of various meetings. We never said that we would expect there to be further redundancies. We never said that there would not be. We left open the idea, without saying that we did not think it feasible that the situation might turn around and that, by generating more income, we might remove the need for any other job losses. I do not have deep insights as to why things went in that direction, and I do not want to say that it was necessarily simply a matter of the university not having communicated clearly enough.

I have looked at all the correspondence, and I would say that there is a surprisingly sparse set of correspondence about that. I think that assumptions were made and some points were not made sufficiently clearly. I do not think that I have cleared up the confusion, but I have given you an account of how the confusion arose.

Willie Rennie: Do you think the Government accepts what you say on that now, with regard to the fact that the number of job losses needs to go beyond 300?

Professor Seaton: I think so.

Willie Rennie: Okay. So—

Professor Seaton: It is clearly a very uncomfortable thing, for reasons that I understand, but I think that the Government understands that. There are two approaches to the situation, and only two. One is to reduce the costs—I think that income will rise, but it will never rise to the level at which it would sustain the current level of expenditure, at least not in the foreseeable future. That is what I believe to be true, and that is the basis of our strategy. The other view is to say, "Well, let's not cut the costs because we think that the income will come in and that won't be necessary." I believe that not to be a reliable assumption.

That is where we are. Additional income would have to come primarily from international students, but the evidence for that is not there, and I think that the Scottish Government appreciates and understands that.

Willie Rennie: That is quite a change from what we were told before, which was that it was believed that a new source of income was going to come within the next two to three years that would prevent the need to go further with job losses. However, you are now saying that you think that the Government now accepts that, for the £62 million, the figure will be above 300, which is what it originally expected.

Professor Seaton: Yes—I think that that is true, with the caveat that I am not sure that the university leadership team ever thought that it would be possible to do it without reducing levels of employment in the university further. I do not think that it ever thought that that was likely to happen. I think that that was the unexplored, and slightly unsaid, element from the spring and the early summer.

Willie Rennie: Convener, do you want to come in?

The Convener: What are you basing that on? What if we go out of today's meeting and ask a question in the chamber, or journalists ask the Scottish Government whether it agrees with Professor Seaton and accepts that the number of job losses will have to be higher? Have you had that from Government ministers or civil servants?

Professor Seaton: We heard it in our discussions with the Scottish Funding Council. It might be more accurate to say that the Scottish Funding Council accepts that there will have to be further reductions in the workforce.

On the figure of 300, it might be worth emphasising that the hope and the target for the voluntary severance scheme was 300 full-time equivalent staff, but it did not quite reach that—it was 245 in the end.

I think that the situation is understood. The financial forecasts clearly show that we either reduce the level of expenditure, which will have to come primarily from staffing, or we need to be in the unlikely position where we have an unfeasible amount of additional money, or we decide to remain a ward of the state for the foreseeable future. I do not think that the latter is acceptable to the Scottish Government and it is not a viable future for the university.

The Convener: The cabinet secretary sat in that seat a little over an hour ago and said that she was personally heavily involved with this. She has a local connection, because she is a Fife MSP. Have you had direct discussions with the cabinet secretary or the former or new Minister for Higher and Further Education and their officials about

there being more than 300 job losses at Dundee university?

Professor Seaton: I have not spoken to the cabinet secretary since sometime in the middle of August—I will have to check the date—and I have not spoken to the new Minister for Higher and Further Education since he has been in post.

The Convener: That is quite revealing. The impression that I was given by the cabinet secretary is that she is all over this, but if she has not spoken to you since August and you have not had any discussions with the new minister, that is concerning.

I will finish my point before I go back to Mr Rennie. If you believe that the Government accepts that the number of job losses at Dundee university will be above 300, how far above 300 will it be? What is the threshold at which the Government will say no?

Professor Seaton: That is a matter for the Government. As I said earlier, we hope to receive the conditions of grant and confirmation of funding. I am confident that we will get that support, and it is generous of the Scottish Government to support the future of the university, but it will have to make its own decision about what it wishes to support.

The Convener: I am still unclear, and people who are watching this and are worried about their jobs will be unclear about the level of discussion that you are having with the Scottish Funding Council, the Government and university about the number of job losses that we could see at Dundee university.

Professor Seaton: May I have one more go?

The Convener: Please.

Professor Seaton: The recovery plan, which contained a number for expected job losses, was produced at a certain point in time as information that we were required to produce for the Funding Council. Some things in the plan are secure, because they are to do with strategy and approach. One of those is the objective to become sustainable and to maintain the broad range of teaching and research activities that we have now. The other is the point that we will have to reduce costs primarily through staffing.

There were figures for staffing in the plan, but I do not want to produce a latest figure for staffing, because we have to do further work that will be based on the latest figures for forecast income, which are a bit different, although not radically. It is also the case that, when we are looking at job losses, we have to look at what the jobs are, the salary levels and the terms. We are going to do further work on that.

We are not in a position to say how many jobs we think will be lost, but it is important to be as clear as we can be. To go back to the figures that were given in the recovery plan, the financial situation of the university is similar, the number of jobs that were lost through the voluntary severance scheme is also similar and the underlying strategy remains the same. Therefore, although we do not know how many jobs will be lost, the number will clearly have to be substantial.

Willie Rennie: The strain is being felt, though, is it not? We hear reports about architecture students who are concerned about whether they will be able to achieve their qualification, because of a lack of resources; we hear staff talking about losses of administrative support putting intolerable pressure on them; and we hear about cleaning services being cut back significantly. How are you measuring how the changes are being felt and whether they are, therefore, critical to the operation of the successful bits of the university and to the success of the university? I get a lot of complaints from people that you do not understand how those departments work and, that, therefore, you do not understand when the changes have gone too far.

11:00

Professor Seaton: I will make two comments. First, I meet colleagues at least every month at what we call a town-hall meeting, where we talk about anything, and I have said repeatedly to them that reductions in staffing should not lead to anybody having an impossible job. If people think that they cannot do their job to the standard that is required by their manager and in the time available, they should let their manager know and, if they would like to, they should tell me. It is absolutely central to what we are doing that people should not be asked to do the impossible. Everybody should have the right to a reasonable job—that is very clear to me.

In more concrete terms, we have a process for dealing with that. During the operation of the voluntary severance scheme, we were very careful to ensure that, as far as possible, people did not leave the jobs that were essential. From time to time, in the normal course of events, people leave, and we have a process for making appointments to vacant jobs. We make many appointments to vacant jobs; we try not to, because the university is in great financial difficulty but, when we feel that we have to, we do. You mentioned the example of architecture, and we have made appointments in architecture, although we did not do that as quickly as we should have done.

We have quite a detailed process in which the operational unit—in that case, it is an academic post, so it would be the academic school—will

make a proposal, which we interrogate quite carefully, because every pound that we spend is money that, fundamentally, we do not have. We spend it if we have to spend it, but we try hard not to. If somebody has said that it is a pity that the process does not allow us to react quickly, I think that that is right, and we are now reviewing the process to make it move more quickly. However, the process is in place, and that is what we are using to manage the situation.

Willie Rennie: So you recognise that you have been too slow in making appointments to make the situation tolerable.

Professor Seaton: We may have been too slow. We have had a process that has been too slow and cumbersome for people to use, and we are reviewing it. However, I do not want to give the impression that those appointments could have been made three months ago and that there is a three-month process that is holding things up. It is not like that; it is a process that ought to take only a couple of weeks. We are trying to make the process more efficient and quicker. However, part of the issue is the difficulty of running a university in which there is a need both to have a substantial reduction in costs and, nevertheless, to make key appointments. I am not saying that we get it right all the time, but that is the principle. None of the students will be unable to complete their programme of study because of staffing losses—we are committed to that.

Willie Rennie: I can feel the pain of those who are getting in contact with me. When you do this job, you can sometimes differentiate—you know when people really, really feel things and when they are at their wits' end, and that is what I am getting from people. So, you understand that.

Professor Seaton: I absolutely understand that. There is an uncomfortable timing question with regard to the planned reorganisation of the university, of which we are going through the early stages. One of the reasons that that is being done is to accommodate the voluntary severance departures that we have already had. The eight academic schools have their own support services, and we recognise that those have become quite fragile in some cases. Therefore, I am not surprised by that. It is regrettable, obviously—I regret it greatly—but I understand that there will be some cases such as that.

Willie Rennie: Given the level of cross-subsidy that is required, is the school of life sciences too big for an institution as small as Dundee university?

Professor Seaton: No, I do not think that it is. It is important to say that the school of life sciences is a wonderful world-leading operation. There is always cross-subsidy involved in research activities, and there is a bigger cross-subsidy for activities that are more expensive, including science and engineering activities. All British universities lose money on research—it is a structural question. We recover about 69 per cent of the cost of doing research across the university, which is a very normal figure for a university. Life sciences recover 81 per cent, which is an outstanding outcome for an operation that is substantially funded by charities. Charities are the least generous in the funding that they give, in that they do not cover much of the indirect costs of research. The school of life sciences is a high-performing and financially efficient operation, which is what makes the cross-subsidy, although it still exists, manageable.

Jackie Dunbar: Good morning. I will go back to questions that the convener and Willie Rennie touched on with regard to the voluntary redundancy scheme. How many folk applied for the scheme?

Lee Hamill: We had 428 individual applications, which is the equivalent of 367 full-time equivalent staff.

Jackie Dunbar: How many of those applications were accepted?

Lee Hamill: Of the 428 individual applications, 290 individual applications were accepted, which is the equivalent of 245 FTE posts.

Jackie Dunbar: So that is—I am sorry; I am trying to do my maths quickly. How many applications did you reject?

Lee Hamill: Applications from 108 individuals were rejected. In FTE terms, that is 92 and a fraction.

Jackie Dunbar: So, of the total amount of people who have been made redundant by the university, how many did not apply for the voluntary redundancy scheme?

Professor Seaton: It was a purely voluntary severance scheme, so there were no redundancy pools. Nobody has been made redundant, certainly in recent periods in the university—it has simply been a voluntary severance scheme.

Jackie Dunbar: It was voluntary only.

Professor Seaton: It was voluntary only. I will say, as a caveat, that all universities have fixed-term appointments for research staff, and they leave at the end of those contracts. That is formally redundancy, but that happens all the time.

Jackie Dunbar: Yes, I would not class a fixed-term contract coming to an end as a redundancy.

Professor Seaton: Technically, it is a redundancy, but I just wanted to mention that.

Jackie Dunbar: Therefore, the number of jobs that have gone is 428—no, that was the number of people. You said that that was three hundred and something posts, Mr Hamill—I am sorry, I cannot remember the number.

Lee Hamill: Through the purely voluntary severance scheme, there were 245 FTE redundancies.

Jackie Dunbar: With regard to the staff who are left, what are you doing to ensure that their workloads are not unbearable and that they can still carry out their duties and jobs in a proper manner?

Professor Seaton: I mentioned this earlier but, to be more direct, we have given instructions to all managers at all levels to have regard to that, to ensure that everybody has a job that is doable, and, if they have difficulties, to escalate the matter up the management chain. Indeed, that happens; it often leads to a request for appointments to be made, and we make appointments where we judge that to be necessary.

Jackie Dunbar: How do you ensure that that actually happens? The instruction might go out, but sometimes—I am not trying to say that you are alone in this—that instruction might not be adhered to, to the letter. How do you ensure that no one is put under undue stress and has too great a workload?

Professor Seaton: We work with the management team to try to ensure that that does not happen but, in an organisation in which people are behaving in a human way—sometimes, they do not like to complain and, sometimes, people are busy and do not perhaps attend to things in the way that they would wish to—there might be some people who are labouring under loads and feeling that perhaps they ought not to complain. The university is in difficulty, so that situation is imaginable, but I can only repeat that we are doing what we can through the management line.

I am very open in my conversations with staff. I say on many occasions that I am happy to speak to staff and I often speak to them if they have concerns. I have what we call a town-hall meeting with staff every month and about 1,000 people participate out of a university of 3,000 staff—1,000 out of 3,000 people is a lot. People are busy doing other things and some people might not want to hear from me, but that is quite a high level of participation. I always emphasise the need for people to have a manageable job and tell them that if they do not have a manageable job, they should tell their manager and if they do not feel they are getting anywhere, or even if they feel that they are getting somewhere, they can tell me, which people sometimes do.

Jackie Dunbar: We received an email yesterday saying that 500 jobs have gone from the university since this time last year, either through job freezes, redundancies or voluntarily. Do you agree with that figure, or would you say that it is not factually correct?

Professor Seaton: It is not factually correct. The actual figure is 275 in net terms.

Jackie Dunbar: Did you say 275?

Professor Seaton: Yes, 275, which takes into account the fact that some posts are regarded as essential and are filled. A caveat or footnote to that is that, of the people who have taken voluntary severance, some left at the end of last month but some did not leave if it was thought suitable for them to carry on in order to hand over or to help with the transition. So there are some people who we know will leave because they have taken a voluntary severance package, but who have not quite left.

Jackie Dunbar: I should perhaps also have said that some folk will have resigned to go on to other jobs. Does the figure include them?

Professor Seaton: That figure is for everything, in net terms, including people who have left and others who have been appointed.

Jackie Dunbar: You are saying 275.

Professor Seaton: That is the correct figure.

Jackie Dunbar: That is the total number of jobs or people.

Professor Seaton: That is the net flow of people, taking into account that some people will leave and that a smaller number of people will be appointed. As I said, we try to avoid that, because of the financial situation, but we sometimes appoint people to essential jobs. The overall effect of people leaving, for whatever reason, and of some people coming, leads to an overall difference of 275, not of 500 or so.

Jackie Dunbar: I will leave it there, but I might have more questions later.

Pam Duncan-Glancy: Good morning—I checked the time and it is still morning.

Thank you for responding to the questions so far. I was going to ask about the number of redundancies, but we have covered a fair bit of that. Suffice it to say that people who work in the community in Dundee, including in the university, are deeply worried and stressed. Staff and people in the community have told us that they feel that things are in a managed decline or that the university is on a bit of a suicide mission. They are asking how on earth things can continue with such a reduction in staff. I know—or hope—that you

recognise the gravity of that language and I wanted to put that to you.

It has been put to us that the way in which things are happening and the scale of the job losses means that this is a managed decline and not a recovery. What is your response to that?

Professor Seaton: I recognise everything that you say about the stress and about staff reactions. When I first came into the university, which was actually for a discussion with the previous principal before I came into my earlier interim role, the university was clearly traumatised and I could see that in people's faces.

That is still the case. We have just completed a listening exercise in which we asked to hear about people's experiences and the result is a difficult and harrowing read that shows the impact on individuals. I recognise all of that.

We are confident that we can operate the university with a reduced level of staffing. As I said earlier, we are not overly focused on metrics and are not going to aim for a certain percentage of staff expenditure out of the total income, or anything like that. We know that other universities that are like ours, with a similar size, similar sorts of subjects and doing similar research, can operate effectively on the kind of income that we have and that they do so by having fewer staff. We are working our way through quite how to do that, but I am confident that we can.

We are not on a suicide mission. We will return the university to financial health and will continue to do great things for our staff and students. Of course, the staff were badly treated over the previous period. They have been the victims of what has happened, as I said earlier, but we are doing what we can to support them. We are a great university in our research contribution and in the way that we support students, which we will continue to do.

11:15

A point was made about managed decline. I do not want to talk about the higher education sector in general, but the funding situation is relevant. We have already talked about research being cross-subsidised with income that is received from teaching: the fund from the Scottish Government for Scottish students or students that are resident in Scotland, international student fees and fees from other parts of the UK. Most of our students are Scottish and the funding that we get from the Scottish Government for teaching has dropped in real terms by nearly 40 per cent since 2014. That has mostly, but not always, been gradual, but that has an effect. We need to invest more in our future, but our ability to do that has been constrained. We are a substantially publicly-funded university with a strong sense of public mission. The drop in funding has an effect on what can be done.

The point is that the Scottish university sector in general is not in robust health; we see that around the place and we are not isolated from that. I do not think that Dundee will feel like a university that is in decline, but I think that when we get out of this situation, it will feel like a university that is quite financially constrained, if the public funding situation continues.

Pam Duncan-Glancy: I appreciate that. You will know that committee members are aware of and share concerns about the funding model and are concerned that universities are facing serious financial concerns. I acknowledge that and I recognise that that is part of it.

In response to my question, you said that other universities are managing to deliver services efficiently and that things are okay with fewer staff. For some of the restructuring, including the realignment of professional services, what equality impact assessment did you do in order to determine the broader context and impact of some of the decisions?

Professor Seaton: The equality impact assessments are done at the right time, which is when there is something concrete to assess. We do not assess based on the idea that the university should be reorganised to be more efficient, as that is not concrete enough. However, a consultation has just begun with the trade unions on the integration of professional services. That will primarily affect certain roles in what are now the schools but will become the faculties. We carried out an equality impact assessment on that, and we also did an equality impact assessment of the voluntary severance scheme. We do those things when there is enough concrete information available.

Pam Duncan-Glancy: I appreciate that, however, there is little that is more concrete than people losing their jobs. Obviously, it is important that people understand whether there is an equalities angle. When consultations take place, including with the trade unions about some decisions, that kind of information seems pretty concrete and material to their decision making, is it not?

Professor Seaton: Yes.

Pam Duncan-Glancy: So, when is the appropriate time to do those assessments? Why are they not done during the consultation process, rather than after the fact?

Professor Seaton: I am happy to go back and check and provide information if what I have said is not completely accurate. My understanding is

that the impact assessments are done at the relevant time. In other words, if there is a consultation with the trade unions, assessments will be done during the consultation period.

Pam Duncan-Glancy: On the changes that you have made to student services, it has been suggested that the restructuring has been done with no consultation, which is concerning, given the number of people who are involved in it and particularly given its equality impact. What is your response to that?

Professor Seaton: We have not carried out a restructuring of student services at the moment.

Pam Duncan-Glancy: At all? That is not what we have been told.

Professor Seaton: "Restructuring" can mean different things in different circumstances. There has been no organisational change, or at least no major organisational change, to do with professional services in general.

Pam Duncan-Glancy: What about student services?

Professor Seaton: There has been some realignment of reporting lines, which has been integrated with the provision of library services. I am not on top of all the detail of that. There has been a change of reporting line and there has not been a reduction in staff, except that, across the university, we have accepted some cases of voluntary severance.

We have heard that more than 200 cases have been accepted, so I imagine that some of those would have been in student support. However, we have not carried out a restructuring, except for a change in line of reporting in student services. There has been no further restructuring that I am aware of.

Pam Duncan-Glancy: The other thing that has been put to us was that the decision to restructure the university into faculties was taken without the agreement of the senate and without discussion and agreement with the campus trade unions and student association representatives. Is that a fair representation of what happened?

Professor Seaton: Yes, it is, but it is the responsibility of the university court to decide on organisational changes and of the executive group, which I lead, to propose them. We had three separate discussions at the senate, and extensive consultation with senators. We changed the proposal after consultation with the senate. I discussed it at several town hall meetings. The unions were informed.

The senate is the academic governing body, but the senior governing body is the corporate governing body, which is court, and court decides that.

I should say that all this began in March, well before I came to the university, but in my time, we had a discussion with the senate and I asked for its views on the change. I was clear that the senate was not being asked to agree to it, because it is not for the senate but for the court to agree it, and the court did approve it.

Pam Duncan-Glancy: I will come back to that in a second. You also said that trade unions were told. Should there not be engagement with trade unions, as opposed to giving them instructions or telling them to do something? Surely there should be more proactive engagement.

Professor Seaton: We engage with the trade unions routinely, and we engaged with them on this. Perhaps "engaged" would be a better word than "told".

I emphasise that the creation of the faculties was not a matter for formal consultation, because it was a wide organisational change to create a more suitable academic structure, to get better academic synergy and to improve the representation of senior academic leaders at the university's executive group, which it will do.

When it became clear—which it did later, but not at the time—that we thought that a small number of jobs would be at risk, we began a consultation on that.

Pam Duncan-Glancy: Do you not think that, in order to make the changes to the academic structure that you have just described, you need to speak to the academics and some of the staff? In doing that through the trade unions, you might have perhaps gathered some perspectives that you had not thought about.

Professor Seaton: There was extensive discussion at the senate. It can be done differently in different universities, but in our university, senators are elected by school. The senators from those schools went back and consulted their colleagues. A member of the executive group talked to colleagues in the schools. There was a lot of discussion at several of the town halls that I led. There were abundant opportunities over many months for people to say what they thought about it.

We consulted on the idea of creating the faculties, and then later, having settled on the idea of creating them and deciding to do it, we consulted extensively on the question of how to implement the change and get advice through implementation. Indeed, we are still consulting on questions of implementation. We have a questionnaire going out to colleagues that invites them to give their thoughts on how we can best do

it, and asks them about any risks they see and whether, although it looks like they will be in such and such a faculty, they would feel happy in another faculty. What about their research group? Where should that sit?

There is extensive consultation. I return to the point that you started with: it was not a matter for the university senate to decide. The university leadership team is charged with the efficient and effective running of the university under the guidance of court, and that is how we handled the decision.

Pam Duncan-Glancy: It has also been put to us that, when that decision was discussed at the senate, the conclusion from every school ranged from—I am quoting what has been shared—"sceptical" to "hostile" to the idea.

Professor Seaton: I was not working at the university when those first discussions were taking place. I am not sure which meeting that would refer to, but my impression from my chairing—I accept that, as a chair, you might not have the deepest insight into what everybody is thinking at that time—was that there were varied viewpoints, but there was quite a lot of support for it.

We asked for views to shape the decision and now to shape the implementation of it. We did not have a vote at the senate about whether we should do it.

Pam Duncan-Glancy: Government officials put it to us that the role of the recovery plan was not just to make the numbers add up. They also specifically said that the plan should have buy-in from the university community, including staff and students. Given the concerns that I have raised with you and the concerns that we have had raised with us by students, staff, trade unions and others, do you think that you have that buy-in?

Professor Seaton: We have buy-in to elements of it. I refer to my earlier comment about how the plan was produced. Some elements of the plan had been in place for some time, such as on student learning and research, and those strategies had been consulted on. We have already discussed the consultation that is taking place and will continue to take place in different ways on the reorganisation. There will be consultation on reduction of the workforce when the time comes. We do not have concrete plans for that.

The recovery plan that we were required by the Funding Council to submit is still a good indication of our strategy, and it was an indication of how we saw things then. We will be doing further work on that, and we will have extensive consultation with the trade unions when we come to that.

I was thinking about this before I came to the meeting. There are some aspects that we have not consulted on and do not have plans to consult on—property disposal is one aspect, and disposal of intellectual property is another. Indeed, the strategy is one of those aspects, because the strategy of reducing costs in order to make ourselves sustainable was required by the SFC in producing the plan.

As I said, we do not think that delaying and hoping for lots more income to arrive is desirable. Except for one or two things, I think that almost everything in the plan has been consulted on—in some cases, some time ago—is being consulted on or will be consulted on.

Pam Duncan-Glancy: Thank you for setting that out. It has been presented to us is that there is some disquiet, particularly about the processes, the consultation and the engagement mechanisms, which is part of what the Gillies report picked up in terms of lines of communication. I am not hearing a huge amount of, "I am prepared to talk", "I want to hear from" and "I would like to engage". Can you provide any reassurance on the record, for anyone who is concerned about the lack of engagement, that you are open to good ideas and engagement, and that, in particular, you value the role that trade unions and the staff in your institution have in this process?

Professor Seaton: I am very happy to do that. I am pleased to be asked that, actually. I imagine that we will talk more about the Gillies report later on. It was very stark about what the failures were, and a big element was lack of openness and transparency. I will not speak at great length about the past, but the university has clearly had a culture of not being open about what was going on. I think that I can demonstrate in what I have done so far that I am committed to being more open. I have been open in communication with the staff. I have had monthly town-hall meetings. Most universities might have a couple a year, but I have had them every month. Mr Hamill has given a presentation on university finances, which he will repeat probably a couple more times this academic year.

I mentioned the listening exercise. We are about to begin a consultation on a vision for the university, which will be a preliminary to the creation of a new strategic plan, which will be ultimately completed by the new leadership team. We have fortnightly trade union meetings, including frequent updates on the finances. We are told by the trade unions that they would like more information. We will provide anything to the trade unions that they ask for, and we will provide anything to the staff that they ask for, with the usual exceptions of anything that might improperly

refer to a person or to commercially sensitive things, but otherwise we will. I think that we have been very open. I hope that the change of gear in my leadership is clear, but I am open to other suggestions about how we should interact and engage with colleagues.

11:30

I am also eager to engage with—and I do engage with—local MSPs, some of whom are here at this meeting. We have a meeting scheduled for early next month at the request of one of the MSPs. I will go along to talk to the trade unions and the MSPs together about the future of the university—I am very happy to do that. I am not saying that we always get it right, but my objective is openness, and I am open to suggestions to do better in the future.

Pam Duncan-Glancy: Thank you; that is much appreciated.

John Mason: Thanks for all your input so far. I will ask a question to Mr Hamill to start with. Where are we with audited accounts? I have looked on the website and I did not see anything after July 2023.

Lee Hamill: I will begin by discussing the 2023-24 accounts, which are for the year ending 31 July 2024. As the committee will be aware, those accounts were not completed, signed or filed because of the financial crisis. We have been working closely with our independent external auditors. We have targeted December/January—that is, December 2025 to January 2026—to complete that process.

However, there is an important set of caveats that I would like to give the committee. Clearly, for the independent auditors to be able to provide their audit opinion, they need to be able to assess whether the university is a going concern. As we sit here, without the additional sums of money from the Scottish Funding Council—namely, the additional £20 million this academic year and a further £20 million next academic year—and without the steps to reduce cost in the university recovery plan, it is not likely that the independent external auditor will be able to make that assessment.

As Professor Seaton has said, we are awaiting the conditions of grant from the Funding Council that would essentially unlock those additional sums of money for us for the next two years. It is our intention to proceed with the significant cost savings that we have outlined in the recovery plan so that the university can be financially sustainable and our independent auditors will be in a position to assess going concern and, ultimately, give that assessment.

John Mason: Could they not just say that it is not a going concern and get the accounts out in public?

Lee Hamill: There would be a very significant risk with doing that. If we were to be formally assessed as not a going concern by an independent auditor, they would qualify the accounts quite significantly. That would significantly restrict our ability to enter into contracts for goods and services to run the university—

John Mason: Does everybody not already know that you cannot survive without public support? We know it, and the students and staff all know it. What is the problem with printing that?

Lee Hamill: As I said, were we to wish to contract with any suppliers for any goods or services to run the university, our research funders would take issue with that, and charitable donors would have issues with it—

John Mason: Surely, they know that already.

Lee Hamill: You are right, but having it formally assessed is a different matter. All that I can say is that that would be a significant risk for the institution to take and I would not advise it.

John Mason: Okay. We are a bit uncertain about the 2024 accounts. What about the 2025 accounts?

Lee Hamill: The audit work for 2024-25 is under way. That financial year ended on 31 July 2025. Working with our independent external auditors, we have targeted the end of March and the start of April 2026 to conclude that process. The same caveat applies in relation to the going concern assessment, but that would simply follow on from the work that will happen at the end of this year.

John Mason: That is helpful; thank you. What about management accounts? I take it that they are being produced monthly. Who gets to see those? Can we see them?

Lee Hamill: The management accounts are produced monthly, as you would expect, and are shared internally with university committees, all the way up to the committee of court. They go to the finance and policy committee, the audit and risk committee and, indeed, to the university court. We also share them regularly with the trade unions and, at the moment, with any other party who wants to see them. We share them with the Funding Council and I have shared them with certain commercial partners and other university stakeholders and would see no reason not to share them with the committee if you wish to receive them.

John Mason: I do not know what the convener thinks, but I would quite like to see anything that

we can have. That would be great. I would like to see quite a lot, including any draft accounts for 2024 or 2025—I am more interested in the accounts than some of my colleagues are.

You mentioned the audit and risk committee and the finance and policy committee. Do they meet more often nowadays because you have had financial problems?

Lee Hamill: That is right. As I understand it, the audit and risk committee has met monthly since March. I would need to check the exact date, but we can write to you with that specific detail. It has certainly met monthly during my time at the university. Unfortunately, the finance and policy committee has not had a chair until recently, so its October meeting was the first since, I think, June. I can check that precise date and get back to you in writing.

John Mason: It has been suggested that, under the previous regime, financial information did not go to court members or to those committees far enough in advance for people to consider it and to ask questions. Has that changed?

Lee Hamill: Certainly during my time, and for all the committees that I have been to, we have issued financial updates and information in a timely way. We can always do better and the earlier that we give that to committees the better.

John Mason: For example, we get our papers five days before the committee meets. Is that similar at the university?

Lee Hamill: We do our best to do that. I would have to check the specifics but, broadly speaking, we are aware of the need to provide information—particularly financial information that might require extra scrutiny—as far in advance as possible.

John Mason: Fair enough. That is helpful.

This might be a question for Professor Seaton. Some of my colleagues have asked whether there is enough consultation, but there is an incredibly lengthy process under way compared with what you would find in the private sector, and a huge amount of consultation and negotiation is taking place. In the private sector, someone would come in, make decisions and make people redundant. In asking this question I am not suggesting that I support that approach, but why are universities so slow? Mr Hamill, you were at Edinburgh university previously. It seemed to jump more quickly towards redundancies, saving itself from getting into a big problem. Does everything take such a long time because you are so dependent on the SFC?

Professor Seaton: There are several factors, one of which is that universities are very complex. We are a medium-sized business with a turnover of £300 million. Universities are complex for their economic size. That is because they run a wide range of programmes and have complex support services, all of which slows things down a bit. We also hold ourselves to high standards of consultation and process, which is a bit different to some other areas of the economy.

I will try not to make my answer too long, but I will make a general comment about universities. Some of the changes that a university might make to particular subject areas for example are quite difficult to reverse, so there is a tendency to avoid making those changes unless one is absolutely certain about doing so. In our situation, we are not clear about the future scope of the university so we are aiming to maintain all of our activities, which is perhaps different to what would happen in the private sector.

I wanted to say this at some point: we have mentioned the shock and trauma for colleagues who have been affected. There is, if not trauma, a wider sense of shock around, and a feeling that it took a while to work out quite how to deal with the situation. The same probably applies to the Scottish Government and the Scottish Funding Council, too, as they try to find their way through an unfamiliar situation.

There is, perhaps, a distinction to be made between the formal authority and the moral authority. As the university is an autonomous institution, how we manage staffing is a matter for us, but in a situation in which we clearly required support—indeed, support from the community as well as from the Scottish Government—it took us some time to work out how to best address it. We might not be quite up to the speed of movement in the private sector, but I think that we have momentum now, and we are dealing with it.

John Mason: Thank you.

I do not want to be too personal about this, but you are both in interim positions. Can you tell us anything about why that is the case? Does neither of you want to be permanently appointed, or is it felt that the two of you are there to rescue things and then somebody else will come in to take things forward?

Professor Seaton: This might be one of those questions that we should both answer, but I will begin.

We have talked about points of difference between other parts of the economy and universities, but that is a point of similarity. There is a crisis, so there is an urgent need to get somebody in post. To people who have not worked in universities, this might seem like an odd thing to say, but it takes nearly a year to appoint a university principal. It is a complex process that involves senate and court. In our case, we have an acting chair of court, and the process is

constrained by the Higher Education Governance (Scotland) Act 2016. We have to appoint a chair of court, and it is good practice to do that before we appoint a principal.

There is, in part, a sense of urgency. At one time, almost everyone in the senior team was interim, but things are now changing quite a lot. The three vice-principals with responsibility for functional areas—that is, research, teaching and learning and so on—are all in permanent contracts, and, in the reorganisation, we will be appointing four more vice-principals on permanent contracts. We are also now in the process of recruiting a human resources director and a university secretary on permanent contracts.

We are in transition, but I am pretty sure that I will be the last to go, because it takes a long time to appoint a university principal. I think that the earliest date by which a principal can be appointed, taking into account the need to appoint—by which I mean, elect—a chair of court, is probably early autumn next year. I will probably be the last man standing of the interims.

John Mason: We certainly need a bit of stability, because there has been a lot of change. Mr Hamill, do you want to comment?

Lee Hamill: Thank you for the question. All I would say is that, at the minute, I am fully committed to doing all that I can to help Dundee university recover. That is my absolute focus, and I do not think that having “interim” in front of my title makes a difference to that mission. That is what I am here to do, and I am very pleased to be working with Professor Seaton and the senior team to achieve that.

John Mason: Finally, assuming that you get an agreement with the SFC, are you confident that you will not be coming back to ask for more money?

Professor Seaton: Yes.

John Mason: Okay.

The Convener: That was quite an interesting answer.

Going back to a couple of points that were raised in John Mason’s questioning, I note that you said that a permanent chair is required before you advertise for a principal, but then you said that that was good practice. Is it not required?

Professor Seaton: No, it is not required.

The Convener: Surely in exceptional circumstances such as those with Dundee, and given how long all this will take—as we on this committee understand, and as you have explained—you get on with the job of advertising and starting to recruit. My issue is that, if you get your recovery plan through, you might be the last man standing of the interim team, but you will be going; there is an end in sight. The future of Dundee university will be moulded by Nigel Seaton in his interim role, but it will then be handed over to someone else. Surely we want to get that someone else in so that they can mould the future themselves.

Professor Seaton: That point has been discussed on several occasions in the university. We began the process. I should admit that what I probably said the first time was not right, because a permanent chair is not required. I think that it is good practice, but it is not required.

We have been in the process of appointing—electing—a chair of court since late May. We are required to advertise the post and then have an election. For an election to take place, you must have two candidates. When candidates withdrew from the process, we found that we did not have two, so we are going round again. We have had exactly this discussion, and the arguments are exactly as you have put them.

11:45

A long time ago, I was an unsuccessful candidate for a job as a university vice-chancellor. During that appointment process, there was a transition between chairs, so that arrangement can work. It could be argued, as you are doing, that, in a university organisation that is under stress, we should move quickly. However, there is also an argument that we should have continuity of leadership of the university court. At the moment, we expect to run an election in early November. If we do that, we will get a chair of court in post well before Christmas, and then we can begin the process of making the appointment of the new principal. We are already in contact with search agencies, and some preliminary work is being done in that regard. I accept that there is a very good argument that our approach was not right and that we should have done exactly what you are describing. It is a finely balanced argument, but we are where we are. However, you make a good point.

The Convener: The other point that Mr Mason raised with Mr Hamill concerned the university’s committees. Are the court and the committees working effectively?

Lee Hamill: I do not attend court as a member; I sometimes come to court in relation to financial matters. I can speak about the audit and risk committee and the finance and policy committee, because I attend those. The audit and risk committee runs monthly, and has met in August, September and October, and the finance and policy committee—

The Convener: I am not that interested in the dates. If we had spoken to your predecessors—not your immediate predecessors, but others—two years ago, they would have said, "We have an audit and risk committee, a finance and policy committee and we have the court, and everything is fine." However, what we found out from the Gillies report and other investigations is that they might have met, but they were not doing their job. I am trying to understand whether they are doing their job, rather than whether they are meeting and have papers.

Lee Hamill: Yes—

The Convener: Yes, they are?

Lee Hamill: I am giving the dates to give the context of the meetings that I have been at. There have been three meetings so far of the audit and risk committee and one of the finance and policy committee. Based on that sample size, the agendas and the focus on the very serious finance matters at hand for the university, I can say that, in my opinion, they are doing their job. There is scrutiny of these very serious finance matters and the financial information, and some of the questions that your committee has asked today have been asked by those committees. Therefore, I would answer yes to your question.

The Convener: Why, then, do we have a finance committee of an institution that is in financial distress that is not meeting because it does not have a chair?

Professor Seaton: I will respond to that. The Gillies report pointed out many problems with governance, and those are being addressed. I would be happy to talk a bit more about that if asked to do so.

One of the challenges that we have had is that the membership of the university court has been depleted. We have just appointed six more lay members—that is to say, members from outside the university—and we are in the process of electing a chair. However, up to now, we had a depleted population in the court and it was not possible to find somebody who was willing to be chair of the finance and policy committee. It is a great pity, but it is—

The Convener: In those committees—which are crucial, and which have failed previously—is there no acting chair role or deputy role? If I got knocked down by a bus on my way here today, Jackie Dunbar would have very admirably stepped in as deputy convener—she might have wanted to do that many times. Why, if the finance and policy committee is so important, can it not even meet? I find that astonishing.

Professor Seaton: I will not dodge the question, but I emphasise that that is a matter for court, not for me. However, I will give you my opinion. Those committees are preparatory committees for court. What is important is that the court's business is done. The court's business includes the business of the committees. What has happened in the meantime is that all the business that would have gone to the finance and policy committee has been taken directly to court. I do not have any doubt that the business that should be being handled by the finance and policy committee is being done in what one could say is an inefficient way, because the reason for the existence of those court committees is that they have a specialist focus on certain areas of work, and the court does not have to do everything. However, as I see it from my perspective as principal, all the work that would be done by the finance and policy committee is being done by the university's governance structure—it is being done directly by court. That is, of course, not the way that it should be, but in governance terms it seems to me that it is an acceptable way of doing it.

The Convener: I take a completely different view, because, first, having looked at your minutes, I cannot tell what is going on, because you reserve all that information. Secondly, I am still quite concerned that finance reports were withdrawn, but I do not want to go over that again.

On the court, the cabinet secretary said earlier that she has concerns about members and so on. Did the interim chair of the court ask to come along to the meeting today? Did you think that that might have been quite useful? You have deflected a lot of matters on to the court, because you speak as vice-chancellor and principal. I was clear in my invitation to you that you could bring along whoever you needed and wanted with you. Why bring only an interim finance director and not the interim chair of the court?

Professor Seaton: We did not have any prescription about the detail of the discussion, and I judged that Mr Hamill would be the right person to bring. I could have decided to invite the chair of the court, but I did not.

The Convener: Did he ask to be considered?

Professor Seaton: He did not. I mentioned to him that we had been invited and that I had asked Mr Hamill to accompany me, and he said that he thought that that was the right thing to do. It was not suggested by the clerk that I should—

The Convener: No, no—I do not think that that is on us. We asked you on a wide-ranging—

Professor Seaton: As I see it, it is a simple thing: I was asked who I wished to bring, and I brought Mr Hamill. I could have asked for other people to come, but I did not.

The Convener: Do you accept that quite a lot of today's discussion has been about the court?

Professor Seaton: As it turns out, that has been the case. I am sure that, if he were asked to come on a separate occasion, Mr Mair would be happy to come, and would give all the answers to your questions separately from me. I apologise if it was unhelpful that I did not choose to bring the right people, but it was simply a judgment of mine. I did not have a conversation with Mr Mair in which he said, "I do not really want to go," or anything like that; it was simply my judgment. It might not have been the most helpful judgment, but it was mine.

The Convener: I did not expect him to say that he did not want to go; I was just wondering whether he said that he wanted to go. It is good to get that clarification.

Miles Briggs: Mr Hamill, I want to go back to what you were saying earlier about EBITDA. You mentioned a conversation around it being set at 10 per cent. Will you explain the rationale for that decision?

Lee Hamill: The 10 per cent level is a matter of judgment, and we could argue about whether it should be 11 per cent, 12 per cent, 6 per cent or whatever. In our view—which was arrived at through discussion with colleagues—there are three reasons for that level being set. The first is that a 10 per cent EBITDA would deliver around £30 million a year of free cash for the university to reinvest in itself. As you know, we are not a private company but a charity, and we can choose to put all that money back into the projects and the facilities that staff, students and our communities care about. When you walk around our estate, you can see the impact of many years of underinvestment in the fabric of the estate, but that underinvestment is also evident in things such as our digital estate, the equipment in our laboratories and other items involving capital expenditure. That level of EBITDA gives us an ability to reinvest in ourselves that we just do not have at the minute and have not had for several years.

Secondly, that level provides a buffer for the unexpected. As we have seen in recent years, due to macroeconomic events that have affected the country, including universities, such as high inflation, war in Ukraine and Covid, it is prudent to plan for a future in which we expect to see other such shocks. If we have been able to build up our cash reserves over a period of years, we will be more likely to be able to withstand those shocks.

Finally—I know that this is something that we have spoken about before—the funds that we would have as a result of setting such a level of EBITDA create a gateway for accessing commercial lending. If we really want to rectify the effects of the past underinvestment in our physical estate, our digital infrastructure and our equipment, and provide better services for staff and students, commercial lending will be a big part of that. A level of 10 per cent will deliver around £30 million, which is equivalent to one month's operating capital. In discussions with banks, it has been felt that that, among other things that I mentioned before, would make us a far more attractive proposition to potential lenders.

Miles Briggs: Do you think that that level is realistic? Over the past 10 years, the university has used a level of between 3 per cent and 4 per cent, and the University of Edinburgh has set a level of 7 per cent to 9 per cent, with its accounts for 2023-24 suggesting that the level was 5.8 per cent. I am worried that setting it at 10 per cent will again set up the university so that it does not look like an attractive option to commercial lenders. I know that UCU suggested 4 per cent in some of its conversations. That 10 per cent seems high and unrealistic if we are talking about an average of 3 per cent to 4 per cent in the past decade.

Lee Hamill: You are right. I have gone back and looked through Dundee university's audited accounts, and they are quite spiky. In some cases, it got to 7 per cent EBITDA.

However, by focusing on the past, Dundee university will not have a sustainable financial future. The recovery plan that we submitted in August has been reviewed by the SFC's finance team and Deloitte, and we produced it and reviewed it. If we can make changes to the cost base, and provided that there are no unexpected shocks from anywhere else for everybody to deal with, I can see no reason why we would not meet the 10 per cent threshold. Bear in mind the fact that, as I said earlier, it will be a three-year journey to get there. It is not something that we can do immediately.

If we are on that course and things change, we can correct that. It might be that we feel that we can achieve more, or perhaps less, but I can see no reason why we would not achieve that threshold. However, it is very much about focusing on the future rather than on the past.

Miles Briggs: You said that you are relying quite heavily on the SFC and Scottish ministers. Have they had any input? The UCU suggested that a 4 per cent target would remove an additional £18 million through staff cuts, which is the equivalent of 300 jobs.

Lee Hamill: We share all our financial information with the SFC and, more recently, we have shared it with Deloitte, although the latter's work was to assess our cash flows.

I go back to what I said earlier. Another stakeholder could propose a lower-target EBITDA—as Mr Briggs said, it was previously 4 per cent—but that would reduce our ability to withstand any toxic shocks and invest in the fabric of our estates and in the projects and propositions that are important to students and staff in our community. That would make us a far less viable proposition for commercial lenders.

Professor Seaton: I want to emphasise the point that Mr Briggs made about EBITDA of 3 per cent or 4 per cent in the past decade and more. You can see the effect of that when you walk around the campus. We have a working combined heat and power plant, which we are keeping going, but it should have been replaced already.

To give a figure for the quantum involved, there is a single, important, full-height engineering lab that cannot be used because of RAAC. To get that operational now would cost £20 million, which is two-thirds of one year's cash generation—for one laboratory in one building. Even with this plan, we will not be in a position to do that of our own accord until towards the end of the decade.

You can argue that EBITDA should be lower or higher, but you can see the effect of a decade or more of 3 per cent or 4 per cent cash generation when you walk around the campus. We could deliver a great student experience, and we are trying to protect that into the future, but we need to invest if we are to do that. As Mr Hamill says, it can be argued that the level should be a bit higher or a bit lower, but the figures that we have had under these circumstances in the past would not protect the future of the university.

Miles Briggs: It was estimated that the merging of the eight schools into three faculties would save £1.4 million. Has that been realised?

Professor Seaton: The latest proposal, and the one that we are acting on, is for four faculties. We changed it to four faculties after consultation with staff.

That estimate needs some interpretation, because some of it relates to reduction of bottom-line costs through the integration of support services, and some of it is to do with opportunity costs and the creation of academic capacity. We have roles such as the associate dean for learning and teaching, who deals with the curriculum, learning technology and so on. We have eight of those roles now, and we will have four. All those people will continue in academic roles in the university, but they will have more capacity to do teaching and research.

The estimated saving is made up of a combination of the two. Forgive me: I do not quite remember what the balance was, but we are confident that in both those regards—more efficient operation and delivery of professional services, and liberating a degree of academic capacity—we will get something like that when we have completed the process. That will probably not be until early next year.

12:00

Miles Briggs: Mr Hamill, on the basis of your experience since you have come into post and your experience at the University of Edinburgh, do you think that there is an alternative to the model that has been put forward? The briefing that the committee has had from UCU is interesting in what it says about that, and you have outlined that, on paper, the debt levels of Dundee university are relatively low. Is there an alternative plan that you could talk to the Government about, which might, for example, involve it being the primary lender? The Scottish Funding Council is offering you information about the money that the Government has managed to secure, but would you, as someone who has come in at this point, do something different from what is now proposed?

Lee Hamill: I am afraid to say that, in my view, there is not an alternative model. That is my very simple answer, which I can expand on, if you wish. Having been in post for three months and having worked with Professor Seaton and colleagues, I would love to be able to go to the Government or to the banks to borrow money. I cannot speak for the Government, but banks will not lend us money to pay salaries and operational costs on an on-going basis. I am afraid to say that, given that our revenues are being totally outstripped by our costs, as I mentioned earlier, the only way to make the equation balance is to reduce our costs.

Miles Briggs: Professor Seaton, do you think that the advice that the Scottish Funding Council is offering you is enough? Concerns have been expressed about the SFC's proximity to the Government and, with regard to the future funding model, about an overreliance and overdependence on international students, which I do not think that Dundee university is suggesting is going to change. In the case of most universities, it is only on international students and accommodation that some profit is being made. What are your views on those matters?

Professor Seaton: I am happy to speak about both those issues.

You asked about advice. We get advice from all sorts of quarters, and, occasionally, we get advice from the Scottish Funding Council. Fundamentally, the Funding Council is our funder and our regulator, rather than our adviser, so it is not primarily an adviser.

You also asked about proximity. I will try not to go on at great length, but it is important to say that

higher education funding and regulation is fundamentally a political act. The role of the Funding Council is to implement the Scottish Government's political priorities as they relate to higher education. Usually, it can do that through occasional interactions such as letters of guidance and so on. In this situation, the process is much more intimate, and there is necessary involvement with the universities on the part of the Scottish Government and the Funding Council. Inevitably, there is greater proximity between all three of those actors—the Funding Council, the Scottish Government and us.

If you want to ask us what things we have done right in that interaction, I can give you a short list. There will be a longer list later, when we have thought more about it, and I am sure that the other two organisations that are involved would have similar thoughts. We are feeling our way—separately and together—towards dealing with this unexpected and unfamiliar crisis. I would say that the level of contact, in frequency, depth and intimacy, is much greater than you would normally expect, because of the nature of the crisis. I am happy to say more, but that is my thumbnail sketch on the first of those matters.

On international students, there is a long-running set of analyses on English universities by the Higher Education Funding Council for England, when it existed, and the Office for Students, which I think apply equally well to Scottish universities. What those analyses show is that, historically, there is a massive optimism bias, because people imagine that there will be lots more income, primarily from international students. It is natural to think that one will have income in the future, in contrast to the difficult decisions that have to be taken now. That bias is considerable.

If you look across the higher education sector in Scotland in general, you could say that the problems that we are facing now are because the income from international students has dropped, but you could also say that people were making forecasts through rose-tinted spectacles. We cannot afford to do that now. I do not mean that we are being overly cautious, but we are being very professional and very careful in the way that we make financial forecasts. There is not a pot of gold from international students. Comments have been made about immigration law changing and that being a factor, but there are wider factors, such as the fact that the Chinese market will never come back. China has some fantastic universities, and that market will never come back.

Geopolitically, the situation is very difficult. We are seeing free trade collapse before our eyes. Mostly, that is to do with goods, but, if services come into it, that will affect university education internationally. Therefore, we must be realistic about international student numbers. That also relates to the point that we discussed earlier about the sector as a whole. I do not think that those glory days are coming back; they are not coming back soon, anyway.

Miles Briggs: A cross-party review is about to take place through Universities Scotland, which will finish before the election, but I wonder what you would advise ministers to do, given the health of the sector and the concern that now seems to be expressed weekly by different institutions that are in different levels of financial health.

Professor Seaton: To start with a very personal perspective, this is my second stint as a university vice-chancellor. I am now in my 11th year as a vice-chancellor. I have never complained about university funding. I might sound as though I am being a bit critical, but I am not intending to be—I am intending to be realistic. It is a tough business being in government and deciding what the priorities are and what to raise in tax. I know that that is very difficult, and I never complain.

However, it is important to be clear about what is possible. What is not now possible or sustainable—given the limited income from international students and the declining income that we have had from the Scottish Government for teaching for, I think, the past 12 years—is the level of transfer from teaching income to support research that could previously have been afforded. I think that that is quite close to the end of the road.

I do not have a particular recommendation in that regard. Depending on what you would like to achieve, we could involve more public money, or we could have a system of bringing in more private money, which I know is not favoured by the current Scottish Government. If the funding continues to decline in real terms, it will become increasingly difficult for Scottish universities to fulfil their mission.

Miles Briggs: I read some really good news about the life sciences innovation hub in *The Courier* the other day. I hope that that represents a good opportunity for the university and for a thriving life sciences sector.

Professor Seaton: Absolutely. I did not come here—well, actually, I did sort of come here to bang the drum for the University of Dundee, but I do not want to spend too much time doing it. The quality of the student experience has been recognised in league tables. It is an odd and unsatisfactory situation, but it is an interesting one. It is a wonderful university that does great research and great things for its students, but which has been very badly run. We know how to fix that bit—we are fixing it—but it is a tremendous

university, and I am very proud to be involved with it for a relatively short period.

The Convener: We will stick with the wider university funding issue, which Willie Rennie wants to come back in on.

Willie Rennie: I am happy to come back in after other members, if you wish, given that they have been waiting a long time.

Paul McLennan (East Lothian) (SNP): You mentioned the banking side of things, which I understand, as someone who comes from a banking background. The key things that the banks look at include the culture, the stability and the governance of an organisation. Can you say more about that? If the banks are to lend to you, they will look at past governance issues and how stable the organisation is now. I do not know what discussions you have had with the banks about the culture at the university.

Lee Hamill: I engage with all our banking partners on a monthly basis. You are right that all those questions have come up, because they have also read the Gillies report and they follow very closely the media reporting, the committee's reporting and so forth.

I am very pleased to say that, in early October, we hosted one of our major banking partners on campus. We gave people from the bank a tour to show them facilities in the school of dentistry; they inspected and took part in a live lab demonstration in the school of life sciences; and they met me, other senior colleagues and student ambassadors. Through all that engagement and work, we have given them a sense of what is happening on the ground at Dundee university. I cannot speak for the bank, but I think that it now has a much better understanding and appreciation of the university.

We will have another banking visit in November, and I will continue those lines of communication each month with all our banking partners, because we feel that, eventually, those partners who stick with us through the current crisis will want to work with us and to lend to us in the future.

Paul McLennan: Professor Seaton, to build on that, governance and culture are key issues that have come out throughout this process. I suppose that there is a disconnect in that regard.

We have heard from various MSPs today, and from evidence that we have taken in the past, about the disconnect between the court, the senate, the unions and the students. In relation to changing the culture, can you say more about how you see those parts of the university working more closely together? Where would you like to see that getting to in 12 months or two years?

Professor Seaton: I will begin with culture and then I will talk about the more concrete things. I have worked at five universities in the UK and two abroad, so I have a lot of experience of university culture.

Generally, as there is in all large organisations, there is a tendency to have bureaucracy—lots of committees and discussions. We probably have more of that than other universities; I think that there has been a distrust of individual decision making, action and authority in the university. That is something that you get in all large organisations, but there is perhaps more of it at the University of Dundee. I am conscious of that—I said so to a staff meeting at which there would have been 700 or 800 people online and 200 or 300 in the room. I cannot say that every head nodded when I talked about bureaucracy, but almost every head nodded. We have to work on that. There are too many discussions and meetings and not enough things being done. We are going to address that.

You asked specifically about governance. There are two sides to governance. Corporate governance is a bit different in universities, but I would say that it is still the normal framework of corporate governance. We know that that did not work as it should—it is one of the major areas of failure that was identified by the Gillies report, and we are working on it. We are doing a lot: I will not go through the whole list, but there is induction of new members and financial literacy training. I have already mentioned the recruitment of new members. We have been more transparent. I will take away the point about the use of the Freedom of Information (Scotland) Act 2002, which is something that we ought to consider under the framework of transparency.

On the senate, I am chairing a working group that has the objective of putting the senators more in control of what goes on and giving them the space to promote or propose their own subjects and to produce their own papers. That is something that I believe in. There is further work to do on that, all of which is in the spirit of openness and reform.

As a cautionary note, although we all know that the leadership and governance were ineffective, governance is complex. I am satisfied that we are making good progress, and I think that I can say—Mr Hamill has referred to this indirectly—that the governance is competent and adequate, but, having gone through the experience that we have gone through, we are not there yet when it comes to having the kind of sector-leading governance that we need. It is a work in progress.

Paul McLennan: We are talking about financial support, but the cultural support behind the organisation is really important. You say that the work is on-going. Have you or the organisation set a goal, whereby you are saying, "We need to be in

the position that we want to be in in six months' or 12 months' time"?

Professor Seaton: Culture is a difficult thing to change—

Paul McLennan: It is always an on-going process.

Professor Seaton: —and it is an even more difficult thing to measure, but there are several indicators. One is about openness and not being fearful of speaking. That will be for other people to judge. It is easy for me, as the principal, to say that the culture has changed, but I think that we are much more open, and we welcome challenge. We get a lot of challenge at meetings with staff and from the trade unions.

I did not experience this myself, because I came in later, but there has been something of a good news culture, whereby people have thought, "What is the good news?", or, "I've got some bad things to say, but perhaps I'd better not say them." That is clear from the Gillies report and my colleagues will have experienced it. I think that the situation is improving quickly but, as I said, other people will judge whether that is the case—I am not best placed to judge that.

Paul McLennan: I have one final question—I am conscious of the time. It is about workforce planning, which is an important aspect that colleagues have touched on. It is about the strategic fit between the posts and roles, the staff numbers, the courses and the student numbers. You talked about overseas students. We heard from the student association about its involvement in that. Can you say more about embedding that culture in how you look at workforce planning? Obviously, there is the immediate situation, but that will always be a challenge for universities year to year or on a three-to-five year basis. Can you say a little more about that?

Professor Seaton: There are two timescales. The timescale that we are working with over the next year or so is about operating more efficiently in doing, broadly speaking, what we are doing now. I emphasise that universities change their curriculums all the time. It will feel as though the university has the same interaction with the wider community: it will be teaching the same subjects and doing roughly the same research. That period will involve a change in business processes. Earlier, we discussed some of the efficiency gains that will be made through the creation of the faculties and changes to business processes.

We might feel that, in some areas, performance has to decrease. We would have to address that in a very measured way. Perhaps that would mean taking a bit less time to do things, or perhaps there are some things at the margins that we are doing now that we ought not to do. Those are very reasonable things for a university that is in crisis to deal with. We engage with staff generally. I have mentioned some of the engagement mechanisms, such as surveys and town hall meetings. We will consult generously with the unions at the appropriate time—we go beyond what is required as a legal minimum.

12:15

With regard to the other timescale that you are pointing towards, we have had a lot of discussion with the Funding Council, particularly about what the university's strategy is. The strategy now is to turn around the university with the same range of subjects. We know what obstacles we have to overcome in order to do that. That is the strategy now. The university will produce a strategic plan in the way that is normally understood in higher education—that is, a five to 10-year plan, in which we will look at things such as changed student aspirations, the role of artificial intelligence in university life and in wider society, and—if it is thought to be useful—overseas campuses or campuses in London, which other universities have. That is not a list of things that should be done, but all those things, and the subjects that will be taught, will be considered.

We will then get into more complex and tricky workforce questions, but I will not deal with those, for two reasons: first, because the timescale is too long to address the immediate financial challenge; and, secondly, because I have the lawful authority but not the moral authority to do that, as it relates to the longer-term future of the university.

George Adam: Good morning. I will use the Gillies report as a starter. As we have all said at various points today, the report was about the lack of leadership and the leadership culture in the past, but we are back at this point again.

To use Mr Hamill's example of going to commercial lenders to try to regenerate various parts of the campus and to get equipment for some of the departments, it is normal for a university to try to do something like that. On the whole, though, commercial bankers tend to want to see a strategy and a leadership group that will be there in the long term. However, you might not be there in the next 12 to 18 months.

Given what you are looking at now, is this not a crisis of some priority? From what I can make out—and please correct me if I am wrong—at least four senior posts are still held as interim positions. Would it not be a priority to get to the stage where we can look at people who will be doing that work in the long term? A commercial banker would look at it and say, "Yes, Professor Seaton. That's all well and good. It's a great plan, but you're not going to be here in 18 months."

Professor Seaton: I agree with every word of that. I am sure that that is how they will look at it, and it is urgent that my replacement be put into a substantive role for the long term. As I mentioned, we are progressing with the appointment of people to open-ended contracts in as many of the other roles as we can.

The timescales for getting senior leadership in post—for a principal, specifically—are long in the university. We are constrained by the Higher Education Governance (Scotland) Act 2016 on the speed with which we can elect a chair. The convener's point that we do not necessarily need to do that is well made—that is true. One can make arguments on both sides about whether to do that. We are quite close to knowing whether we can elect a chair next time round, and I am confident that we will be able to do so. However, if we do not elect a chair then, we will certainly have to get going anyway—we cannot afford to wait any longer.

George Adam: Appointing a chair is your number 1 priority. You have to get that and then work your way down the list of the various processes from there. The point is that it is holding back the idea of the university moving forward. I know that the university is at a crisis point at the moment, but we need to get it into a better place.

Professor Seaton: I agree with that. I know that it seems like a long time away, but I hope and expect that, by about a year from now, we will have received the auditors' verdicts on going concern. I also expect us to have reduced the cost base. There are particular aspects of the terms and conditions of academic staff that require a very long notice period, which will mean that some costs will continue for another year, but we should be on the right track financially.

We will have my successor in post by some time next autumn. At that point, we will not be in the sunlit uplands, as it were, but we will be in a very similar position to other universities. We will be under financial stress, but we will have a permanent leadership team in place and a trajectory that leads to sustainability, and then we will begin to invest in our campus and secure the lending. Unfortunately, though, we will still be in a transitional period until roughly this time next year.

The Convener: Throughout our deliberations on the University of Dundee, the committee has been supported by members for the university's local area, two of whom we have with us today. They have been very patient while committee members have gone through their questioning.

Michael Marra (North East Scotland) (Lab): Thank you both for coming today. I will start with the issue of prioritising buildings instead of people. One of the key things that staff tell me is how they feel when they hear that a surplus has to be generated in order to make buildings nicer while they are potentially losing their livelihoods, which will cause the city to lose wages and the economy to suffer. Do you understand how that feels, Professor Seaton?

Professor Seaton: I do understand how it feels. To go beyond that, it is something that the University and College Union often raises as an issue right across the higher education sector. In a way, it is right to say that. A lot of money is spent on fancy buildings that perhaps look very good but sometimes have only a marginal impact on the people who work and study there, so I understand exactly why they say it.

On the other hand, all our staff and students have a right to expect to work and study in reasonable conditions, which refers to both the physical infrastructure, such as the quality of the buildings, and the digital infrastructure, such as the quality of learning technology. At the moment, we cannot invest a penny in either learning technology or the buildings except to carry out some limited health and safety work, so the only answer that I can give—it might not be satisfactory—is that we are required to strike a balance.

I also emphasise that investing in the campus has long-term value that lasts over decades. If we look back at the university's history we can see that current expenditure has been prioritised over investment in the campus, which might have seemed very reasonable, but in the end there has to be a balance. We are happy to discuss quite where the balance point should be, but it cannot be right that we allow the quality of the campus to deteriorate simply in order to sustain employment. There has to be a balance, which I realise is quite hard to find and will not be necessarily agreed by everybody, but that is the question.

Michael Marra: The case that you are making is that the capital investment is mission critical for the university, because it is about ensuring safety—is that what you are saying?

To quite a lot of people, it feels like it is more about buildings getting a coat of paint and looking nicer in order to attract people in. Can you give a commitment that you are not just generating a surplus to build up white elephants or create vanity projects? Can you assure people that the aim is to meet the needs of the institution, the students and the staff?

Professor Seaton: I can absolutely guarantee that. Personally, I am not interested in vanity projects—I do not think that anybody is. There will not be time for such projects at the University of Dundee for some decades. I am interested in giving students good studying conditions and staff

good working conditions. It is not about buildings getting a lick of paint; it is about their suitability for purpose.

The health and safety issues that we are managing are about going beyond that in order to provide decent studying conditions—not world leading, because we do not have enough money for that—so that our excellent students and staff can study and work together.

Michael Marra: I welcome that assurance.

On the issue of borrowing, we have talked about capital availability, which has been a significant concern of ministers and their advisers in my discussions with them. They want to see quick access to borrowing. Can you give a timeframe for that, Mr Hamill?

It is heartening for me to hear that you are having those conversations, and I am sure that ministers will be heartened given their focus on the issue, but what is the timescale given the on-going concerns, financial tests and EBITDA requirements? Might commercial lending be available to meet the capital requirements, so that you can stop cutting jobs in order to pay for them?

Lee Hamill: Based on our discussions to date with banks and on the information that is available to me, we are looking at a minimum of 18 months. That is predicated on a few things: we must be able to access the additional funding that we have spoken about today; we must be able to reduce the cost base to a level where we can continue to be financially sustainable; and we must be able to deliver on the tuition fee targets—that is, student intake targets—in two successive years. That means the year that has just happened—the September intake—the January intake and next September's intake.

If we can demonstrate all of that, we will be on a pathway to accessing commercial lending, although that will be subject to decisions by the credit committees of individual banks.

Michael Marra: Do ministers and their advisers understand that?

Lee Hamill: I have given the same information to the Funding Council and to Government officials.

Michael Marra: But not to ministers. I think everyone here was quite surprised by your answer, Professor Seaton, when you were asked when you had last had a conversation with a Government minister. You said that it was with Jenny Gilruth in August and that you have never spoken to the current Minister for Further and Higher Education. Given the rhetoric that we have heard from the Government, I had assumed that, on day 1 in his post, Mr Macpherson would have said that one of the five top things on his to-do list would be to have a conversation with Nigel Seaton.

You have described this as being one of the biggest crises in a British university since the second world war. Let me give you a quote. On 3 April, in the Parliament chamber, John Swinney said to me:

> "I assure Mr Marra that there is no absence of leadership on that question, which is commanding a huge amount of the Government's time, attention and focus".—[*Official Report*, 3 April 2025; c 25.]

However, you have not had a conversation with the higher education minister, who has now been in post for two months. That is extraordinary, is it not? Have you tried to have a conversation with him?

Professor Seaton: I have not. By way of explanation, I have been cautious. I did speak to his predecessor and we have been working closely with the Funding Council, because our main relationship is with it as our funder and regulator and it works with the Scottish Government. Under these circumstances, and in any circumstances, it is always good to have contact with ministers, but we have mostly focused on the relationship with the Funding Council.

Michael Marra: I will come back to the Funding Council. I can tell you that I have been asking for a meeting with the minister with responsibility for colleges and higher education since he was appointed, but I have yet to get a response. I am really concerned that the matter is not commanding more of the minister's attention. I will leave that point there.

I turn to the Funding Council. I have conversations all the time with university staff who get in touch about different issues, and I had one yesterday with two members of staff who are still completely unclear as to the status of the plan. The committee will perhaps have been given a little more clarity about it today. Will there be a plan? Will we see a published plan, or will we not?

Professor Seaton: We expect that the Funding Council will present us with commissions of grant, and we—and they—hope that will happen soon. As the name suggests, those conditions will be associated with any additional public funding. I expect them to deal with matters such as the proper use of public funds, oversight by the Funding Council—which I think will probably, and very reasonably, include a degree of intrusive oversight—and the role of the university court. Beyond that, I do not think that there will be any constraints on the work of the university as an autonomous institution.

Michael Marra: At the start of the meeting, you said that the letter presented by the Funding Council identified two elements where there were

problems and that you were told not to progress with reorganisation or with redundancies. Those two elements were therefore rejected, but you have not been impeded from taking action on them. From conversations I have had in the past week, I understand that the information about the reorganisation went out in an email to staff, who say that it is progressing although, at the time, they had heard from the Government that it would not be allowed. Setting aside for a moment the real human consequences of redundancies, there is a lack of clarity and people still do not really know what is happening. Do you accept that?

Professor Seaton: I know that you are looking for a yes or no answer, but the three actors—the Scottish Government, the Funding Council and us—are feeling our way together through a difficult set of decisions. I think there will be clarity once the conditions of grant are published and available and that it will then be clear what the constraints on the university are.

Michael Marra: Are you talking about the conditions for the overall annual grant that the university receives?

Professor Seaton: That is separate. Of course there are conditions of grant for that, which are quite detailed, but there will be separate conditions of grant for the additional funding.

Michael Marra: Is that the £12 million, initially? Will you give us the quantum for that?

Professor Seaton: That is the £40 million of additional funding that we will receive over the next two years. Here I will defer to Mr Hamill, because there is a separate discussion on a loan of £12 million, which, I imagine—because it is a loan—will not be covered in the same way. Will that be separate, Mr Hamill?

12:30

Lee Hamill: Yes, that is correct. There will be two tranches of £20 million—£40 million in total—over the next two financial years. As Professor Seaton mentioned, it is a loan from the Funding Council through the financial transactions mechanism, which will be subject to a separate loan agreement.

Michael Marra: When are we likely to see an outcome on that? I believe that there was some concern from court members about whether they might be liable with regard to that loan. The latest that we heard was that the loan was to be effectively turned into a grant. Is that not the case?

Lee Hamill: The loan will still be available to us when we can have the 2023-24 financial accounts that we spoke about earlier signed off by the court and the external auditors, which we hope will happen in December or perhaps early January. That would put the court in a position in which it will have a going concern assessment and therefore its members could, in good conscience and as charity trustees, accept the conditions of the loan agreement. I am hoping for that loan to happen in January.

Michael Marra: Okay, that is useful to know.

You will have seen reports of turmoil in the Scottish Funding Council. There have been board meetings where there has been uproar about what is happening at Dundee and particularly about how exposed the Scottish Funding Council is. I have two questions on that. First, given what you have described, is the SFC autonomous from the Government?

Professor Seaton: I note your choice of the word “autonomous”. The Funding Council is autonomous from the Government in the same sense that we are. In other words, it works within a framework, as we do, too, and we take our own decisions within that framework. That is as I understand it. The right people to ask would be the Funding Council—

Michael Marra: I am afraid that we have already asked—the committee has had members of the Funding Council in front of it—and clarity was not forthcoming.

Professor Seaton: The word that you used was “autonomous”. The Scottish Funding Council is clearly not independent, and we are not independent from it. To me, autonomy means that you take your own decisions within a framework. However, the framework here is a much more constraining one. When section 25 has been implemented and money has been provided directly through the Funding Council for special funding to a university, the policy framework is much tighter.

As I said earlier, the relationship between the Funding Council and the Government is much more intimate. It will feel more intimate and constraining, but there is still the question of a framework. How will that be tested? The Funding Council will produce the conditions of grant. They will be produced by the Funding Council, and I am sure that they will be produced by the Scottish Government—

Michael Marra: Is the Scottish Funding Council competent to deal with this issue, particularly given the fire that is running through the sector?

Professor Seaton: I am sure that it is competent to deal with overseeing the recovery of the university, awarding the funding, with the agreement of the Scottish Government, and defining the conditions of grant. We know that it felt that there was a capacity question, because the Scottish Government contracted with Deloitte

to do financial analysis in support of that. Everyone will understand that this is an unusual situation and that the Funding Council does not have the capacity to do all the analysis, but I am confident that it can do its job in overseeing the recovery of the university.

Michael Marra: Secondly, you mentioned earlier that the proposal was put forward by yourself, but there did not appear to be any analysis of that—there was just a letter that came back in response. Do you think that the Funding Council scrutinised the proposal, or was that a political response?

Professor Seaton: I cannot tell, but I did not see it as a political response. We will all learn lessons from this experience, one of which is that we should have asked more questions about the recovery plan and how it would be used. It was perhaps not used by the Funding Council in quite the way that people thought it would when it was being submitted. We got no specific guidance on how to produce it or what it should contain. It helped to focus the discussion, but, as I said, it was a discussion on only two elements: the reorganisation and the plans for the workforce. I am not sure what else I could say about that.

Michael Marra: In that case, I will turn to progress on governance, which various members have touched on. One of the first recommendations in the Gillies report was about the presentation of financial reports to court. The convener has already touched on the lack of transparency in that respect, and you are going to reflect on that. Do you feel that sufficient financial information is now being presented to court?

I will take Mr Hamill first on that.

Lee Hamill: Yes is the short answer. It is hard to imagine what more information could be provided to court, given that we are producing management accounts and cash flow information. I have recently provided a detailed written account of financial matters for court to consider, and I will do the same for the upcoming court meeting early in November.

In my view, then, the answer is yes, but clearly financial reporting is a job that is never done. We must always strive to do more, and we must always strive to take the feedback from court and, indeed, from committees and the community. If there are questions, challenges or critiques, I am very open to hearing all of them and to improving the overall reporting of finances. Those are things that I very much welcome, and I will continue to work on the matter.

Michael Marra: I will close with this point, convener. In the conversations that I have with staff, they tell me that, from day to day, many things are not working in the institution. As people will understand, when you take out the number of staff that the university has done, both through the voluntary severance scheme and through people resigning from key posts, grants do not get signed off and approval cannot be got for posts or expenditure in different areas.

You have talked a little bit about this already, Professor Seaton. Given that level of change, is there any way in which people can be heard? When people tell me about not being able to get those critical decisions pushed through in an institution—and, as some have told me, this is about the wages that they get in their bank accounts and about grants that are not being signed off but which are sitting on executive-level desks instead—is there any way in which I can raise that directly? Given the turmoil, is there any means that you can create internally—or any problem-solving, star-chamber approach that you can take—to ensure that those things get sorted in order to make the organisation work?

Professor Seaton: In an ideal world, in an organisation that was not under great stress, the answer would be to report such things through the line management system. Clearly, though, the higher the level of stress, the less successful that approach will be.

As I have said internally at town hall meetings, I am very happy to hear from anybody, and I occasionally hear from people who feel that they are not being treated well or that they have impossible jobs to do. I urge people to get in touch—they can find my email address online or they can call my office.

Michael Marra: Thank you.

The Convener: I call Maggie Chapman.

Maggie Chapman (North East Scotland) (Green): Thank you very much, convener. Before I start, I put on record my entry in the register of members' interests as rector of Dundee university and, therefore, a member of court. I will keep my questions within territory that does not overlap with that interest.

Good afternoon, and thank you both for your contributions so far. We have heard about a range of topics, and I want to pick up on a couple of different areas, the first of which is finance. I do not know whether this question is best directed at Lee Hamill in the first instance, but I note that you have talked about the areas where you can cut costs—capital investment, operating costs and staff—and have not really talked that much about income generation. What conversations have you had within the university community about income generation that is not about international student numbers, bank loans or money from the Scottish Government?

Lee Hamill: We recently conducted a listening exercise with staff members, and two specific questions within that question set concerned, first of all, where to save money and, secondly, exactly the issue that you have raised of where we can bring in extra income. There have been more than 100 responses to the additional income question, and a group has been working through the suggestions. As you can imagine, there is a broad range of ideas, some of which will be very fine while others, unfortunately, will not be workable, but that process is on-going at the minute.

The senior team is also very open to any ideas that we have not thought of. It is really important that we hear those ideas and have those conversations. That is one way in which we are listening to staff in that regard.

Maggie Chapman: It is helpful to know that that material is being collated, looked at and stress tested. How do you see it fitting into conversations with the SFC and others about the longer-term recovery plan?

Lee Hamill: If we come up with additional ways to increase our income, we will share that with the Funding Council and with Government representatives. As Professor Seaton mentioned, discussions with those stakeholders take place sometimes three times a week, and we are in almost constant dialogue with those important partners. We will factor all that in as we go. Clearly, at the minute, our financial plans are forecasts. If those forecasts change, or the balance of income or costs changes, we can correct our course.

Maggie Chapman: I will stay on finance, but address a slightly different point. Lee Hamill might be best placed to answer the question, but Professor Seaton should feel free to come in. We have talked about loans, grants and various conditions. What is the breakdown of the different chunks of money that exist in loan offers and grant offers from the Government through the SFC?

Lee Hamill: I can answer that. On the money that has been paid to us to date, we received £10 million earlier in the year as a grant. As I said earlier, we hope to soon receive a letter with conditions of grant for a further £40 million in grant funding in two tranches of £20 million. On top of that, through the financial transactions mechanism that we spoke about earlier, there is a loan offer from the Scottish Funding Council of £12 million.

Maggie Chapman: Will the conditions of the loan detail the repayment plan?

Lee Hamill: Indeed. As I understand it, there are standard conditions. There will be a repayment period that details the interest that is payable, which will be at a very low rate.

Maggie Chapman: So, will there be a £50,000 grant and a £12,000 loan?

Lee Hamill: It will be £50 million and £12 million.

Maggie Chapman: Sorry—yes. I left off three zeros there.

Are you able to provide updated student numbers? Everyone has gone through matriculation, and my understanding is that the numbers are better than expected or are not as bad as projected.

Professor Seaton: We have some figures. We will do a double act: Mr Hamill will look up the figures and I will give you the narrative while he is doing that.

Our outcome for student recruitment has been completely remarkable. There are three main areas: students who are resident in Scotland; students from other parts of the UK; and international students. More students were admitted from Scotland than in previous years. We all read the papers and we know what has been said about the university and, accurately, about the failure of leadership and governance, but we are still a great university and we want students to come to us. That number has gone up by about 4 per cent, even though the university has been in very serious difficulty. Three or six months ago, I would have thought that to have been almost unimaginable. It has been great.

The number of students from other parts of the UK has been broadly similar to previously, as has the intake of international students, many of whom are postgraduates. We might imagine that it would have been better if that number had been bigger, but I am confident that it will grow as we put the difficulties behind us. I think that the outcome for student recruitment has been really good.

Maggie Chapman: So, it has been better than projected, and that is down to the hard work of the recruitment team that is made up of the academic and other staff who are facing job cuts.

Professor Seaton: Yes: it has been down to their hard work and due to the perceptions of the underlying quality of the institution.

Maggie Chapman: It would be useful to see the numbers.

Lee Hamill: We can send a detailed summary to the committee, if that is acceptable.

Maggie Chapman: That would be helpful.

My next question about numbers is on job losses. Nigel Seaton spoke earlier about the total difference in staff numbers being 275. The numbers that I have been able to get, looking across the past 15 months or so, show that, in

August 2024, there were 4,367 staff and that, after the voluntary severance scheme this year, there were 3,698 staff, which is a change of 669. I appreciate that some of those staff will have been part time, so the headcount does not equal FTE posts. It would be helpful if the committee could get clarity—not necessarily now, but in the coming days—on that detail. What role will the more than 200 unfilled vacancies play in the figure of 669, or in the way that you describe or define the 275 figure?

Professor Seaton: There is clearly an apparent inconsistency there, so we are happy to go back and check both of those figures.

Maggie Chapman: On engagement with the university community, and the need to improve the culture that you have talked about, you said that you have had good staff engagement at town hall meetings, which roughly one third of staff attended, and that you are willing to provide information when requested and you want to be transparent. Why do you think that Dundee UCU is going on strike for a week in two weeks?

Professor Seaton: That is not a matter of conjecture. The union has told us that it is because it has a mandate for strike action as the university has not ruled out compulsory redundancies.

12:45

Maggie Chapman: How is your engagement with the trade unions working if that is their position? You say that you want to improve the culture and you want to be transparent, but there has clearly been a breakdown in communication.

Professor Seaton: I am not sure that I would agree that there has been a breakdown in communication. I am not a member of a trade union; I lead a university which is in an industrial dispute. I have been a trade union member in the past. It is reasonable and understandable for trade unions to be opposed to redundancies, and it is natural for them to take industrial action to try to prevent them.

I was principal at Abertay University for 10 years and, particularly in the early years, there was often industrial action at the national level that affected the university. As principal, I maintained good relationships with the trade unions.

I am not sure that the relationship between the University of Dundee and unions is as close as it ought to be, but industrial action is not a mark of that. It will have some sort of impact on the running of the university and the students, but it is a normal and reasonable thing for the union to do. I do not regard it as abnormal.

We have work to do on our relationship with the unions, especially as there has been a lack of trust in the past. To make a general comment, I do not think that changing the members of the leadership team will create that trust. There is a corporate lack of trust in the head office on the part of the unions and the wider university community. It matters that people have been changed, but that is not the whole answer.

Industrial action is not a mark of the failure of the relationship, however. It is one of those things that happens, unfortunately.

Maggie Chapman: I might pick up on some of those points again in a little while, but I want to follow up on the point about the sense of community. How do you respond to what we have heard from DUSA that students are concerned about the impact that they see that all this is having on the people who are teaching them, supporting them, making sure that the labs work, and so on? What would you say to DUSA, either directly or indirectly through us?

Professor Seaton: There is a concrete example of that. A group of architecture students were unhappy about the staffing levels and they wrote to me and one of the vice-principals, who then had a meeting with them. I encourage anybody who feels like that to write to me and either I or one of the other senior leaders will have a conversation with them. It might not be very comfortable listening for us, but I am eager to listen.

Maggie Chapman: Thank you for that offer, but you might regret making it publicly.

Professor Seaton: We will see. It is important to hear these things. I do not guarantee that we will have a meeting on the same day, but I do want to hear from people.

Maggie Chapman: I want to go back to the issue of the university engaging with staff and building and sustaining relationships with them. What is your understanding of fair work?

Professor Seaton: Do you mean in a legal sense or a moral sense? I know that you are asking questions of me, but I ask that question of you as it would help me to understand what you want to know.

Maggie Chapman: I mean what is your understanding of fair work as a university principal who has responsibility for the wellbeing of more than 3,000 members of staff?

Professor Seaton: Thank you. I accept that and it is helpful. I know that there is a formal definition of fair work, but I understand the question that you are asking.

I have a clear responsibility to treat my colleagues with respect and to do all that I can to support them. I think that I have a moral responsibility to behave humanely in difficult circumstances. However, to be clear, I do not think that that can possibly stretch to not having a reduction in the staffing when that reduction in the staffing will save the university. There are many unfairnesses in this situation. For example, we have paused academic promotions. That is a fundamentally unfair thing to do, because people do not get the grade that they should have, but it is in the interest of preventing an even greater unfairness, which is the university going into administration, because potentially everybody could lose their job. That is the framework in which I am working.

I am committed to treating people with dignity, treating them fairly and to doing all that I can to support them. To me, that is an absolute moral requirement, but I cannot reconcile that with what I know that some people would like us to be able to do, which is to guarantee that the level of employment in the university will remain as it is now. I do not think that is consistent with the sustainability of the university.

Maggie Chapman: If we turn to the, as you put it, slightly more legal definition, what is your understanding of how the university's fair work statement was created?

Professor Seaton: I have to admit that I have not read the university's fair work statement.

Maggie Chapman: Okay. My follow-on question, which I appreciate you might not be able to answer, concerns what role the unions had in the discussions around the creation of that statement. I ask that because, at a meeting to discuss the fair work statement, union representatives pushed back and challenged it, because it did not refer to the Gillies report and the clear recommendations therein, and did not mention the need to improve relationships with the trade unions. However, those discussions have been ignored—those points have not been incorporated into the statement or into the recommendations that flow from that.

Professor Seaton: May I please take that away, investigate and report back to the committee? I do not feel that I have the necessary knowledge to answer that at the moment.

Maggie Chapman: Okay. My final question comes back to the point of culture. You have talked about the personal and professional trauma that staff have gone through. UCU told us that around 70 per cent of staff who completed the survey are seeking support for poor mental health. We have heard that critical views are being silenced through acts of intimidation, including being identified publicly, that decisions continue to be made behind closed doors and that proper procedures are not always followed.

Those are just some examples, but there are more. I think that staff feel gaslit sometimes, quite frankly, but I know that that is not your intention. We have heard fine words in response to questions from Pam Duncan-Glancy and others today. How are you going to turn that around? It seems that we need to move beyond fine words about what we want in the university community—dignity, humanity and trust—but the question is, how do we do that?

Professor Seaton: I agree with you. I am unsighted on some of the particular points, but overall I agree with you about the need for change. The community is traumatised, and things have to be done differently. We talked about the same thing in the listening exercise. People mentioned mental health. We have a mechanism for the service to support staff's mental health, but I realise that the underlying point is not how you can get help but why you are in that position in the first place. I think that it will be a slow process. Words carry only so much significance; it is by actions that we will create a greater sense of stability over time.

You made a point about the identification of people. I am afraid that I do not fully understand the context of that. Was your point that people are being named so that they can be intimidated?

Maggie Chapman: People who have raised issues are being picked on or identified so that they could be picked on. They now feel more vulnerable than they did before.

Professor Seaton: I realise that I am perhaps adding to the length of my email inbox, but I would want to hear about that. We have a grievance process through which people can complain if they have been badly treated. People sometimes think that they should not use such processes for some reason, but they exist to be used. If anybody feels they have been badly treated, I encourage them to do the formal thing. They should do what they wish to do, but I emphasise that the grievance process exists to be used. It is not a bureaucratic process that is intended to suppress use; it is intended to be used, and I hope that people will feel able to use it if they want to, and they can get in touch with me.

On the point about closed doors, that is a bit less clear to me, because it is necessary that the university leadership team is charged with running the university, under the oversight of the court, and it will sometimes take decisions that people do not know about until they hear about it later. I am not quite so clear about that, but on the point that people should say what they think without fear of

retribution, if there is any fear of retribution, I would wish to know about that.

Maggie Chapman: Okay—thank you. I could go on, but I will not.

The Convener: I have a couple of quick questions to try to wrap up some things from the earlier evidence.

Mr Hamill said in response to some of the final questions that the senior team is open to ideas that it has not thought of. Professor Seaton, what is the most radical, thinking-outside-the-box idea that you have come up with to make the necessary savings at Dundee?

Professor Seaton: You have left the most difficult question until the end.

I think that I have been so focused on the art of the possible that my mind has turned not towards radical solutions, but towards practical and perhaps difficult solutions. Sorry—that is a confession, I know, but I do not think that I have had that kind of radical thought.

The Convener: Will your thinking now move there?

Professor Seaton: That is an interesting challenge; I will take the challenge to think a bit more radically.

The Convener: This week, I have been discussing with others with whom I have had meetings the fact that the University of Greenwich and the University of Kent have come together—

Professor Seaton: Yes, exactly.

The Convener: That is an arrangement whereby the universities keep their own identities but share services. Is that the type of thing that could be considered?

Professor Seaton: That is an interesting initiative. I have spoken to one of the vice chancellors involved and I have a call arranged with the other one, and I have spoken to Universities UK about it. There are various different models, but that model is really interesting because, as you say, it is aimed at increasing efficiency, with each university maintaining its identity and its own student body. It is an interesting example.

Without wishing to sound too negative, however, I would say that the University of Greenwich is in a robust financial situation and the University of Kent is clearly not—that has been a matter of record—and that such an arrangement is not a substitute for good university funding. If there is good, sufficient university funding, these things can be done, but they are not cost neutral—they cost a lot of money to do and they save money later. That sort of thing should be on the table, but that is not a solution to a crisis such as the one that we are facing now—I do not know whether you were hinting that it was, convener. We need to sort ourselves out and then, having done that, other possibilities open up.

The Convener: I am going through my questions in the order that I wrote them down. I know that you have taken legal advice that you cannot comment on Chris Reilly. Can you say, and continue to say, that he left the university by mutual agreement?

Professor Seaton: The position of the university is that he left by mutual agreement. We have said that publicly.

The Convener: And that is your position as well.

Professor Seaton: Yes—it is my personal position, too.

The Convener: Mr Hamill, Willie Rennie asked Professor Seaton if he would need to come back and ask the Government for any more money, and he gave a very clear one-word answer: no. Do you agree with him?

Lee Hamill: It is not our intention to do that.

The Convener: You have said that you are projecting a deficit of £30 million this year and £14 million next year, but you are getting £40 million from the Scottish Government: two tranches of £20 million. I know that there is also the offer of a loan, but I do not think that that is for the running costs—

Lee Hamill: That is right.

The Convener: The £30 million and the £14 million already come to £44 million, and you are getting £40 million. How do you square that circle?

Lee Hamill: I should have said that the £30 million is for the year 2024-25—the most recent set of as-yet-unaudited accounts. That does not include the additional grant money. It is the underlying position of the university. If we were to include the additional grant money, which is obviously non-recurring and is not generated from our base activities, the numbers would change.

The Convener: But you are confident that the £40 million that you have asked for covers it, even though you are projecting significant deficits that exceed that.

Lee Hamill: Yes. The £40 million is coming over the current academic financial year and the next one, and that will allow us to continue to operate.

The Convener: Yes, but I am still unsure about this. The figure that you are going to be spending is bigger than the figure that you are getting.

Lee Hamill: Could you give me—

The Convener: You are going to have a deficit of £44 million, but you are getting £40 million, and you are both saying that you do not need any more than £40 million.

Lee Hamill: We are also planning to make significant cost reductions.

The Convener: To what figure?

Lee Hamill: With regard to next financial year, because of the most recent voluntary severance scheme that we spoke about earlier, just shy of £15 million of savings will be delivered on a full 12-month basis.

13:00

The Convener: Surely those cost savings are in your calculations, given that you know that your year-end deficit is going to be £30 million one year and £14 million the next.

Lee Hamill: The deficit is £30 million in the year just closed—that is, 2024-25. For the year ending 31 July 2026, we are looking at about a £15 million deficit.

The Convener: And that is with cost savings.

Lee Hamill: That is with cost savings in there. For 2026-27, if we had no further cost savings—after all, we have not actioned any of these things yet—and if we had no further grant funding from the Government, that deficit would increase, because of inflation on the cost base.

The Convener: I am still a wee bit unclear about that, but I realise that we are pressed for time.

The last thing that I want to focus on is an issue that Michael Marra touched on: your relationship with the Funding Council. How helpful has it been?

Professor Seaton: What we need from the Funding Council, along with the Scottish Government, is the funding that we need to survive, because we went beyond the point at which we could survive on our own account at some point in the middle of 2024—or maybe early 2024. We need that support to survive, and the Funding Council has been very clear that its job is to help us get it, working with the Scottish Government. We are, I think, very close to getting the conditions of grant and getting a commitment for that funding to be delivered. That is what we wish from the Funding Council, and that is what it is doing for us.

The Convener: *The Courier* reported that, when the plan was rejected and the university was looking at what it needed to do, the Funding Council suggested that, in terms of what needed to be included going forward, it would know what was needed when it saw it. Is that a fair representation?

Professor Seaton: I vaguely remember reading that in *The Courier*. I have forgotten the particular context in which it was meant, but I think that it related to the content of the plan.

The Convener: Have you heard a comment like that from the Funding Council? Did it give such a vague response to serious points?

Professor Seaton: We had a couple of conversations with it in what would have been early July about the requirement in the plan and the clear guidance that it was to return the university to financial sustainability and to allow us to borrow commercially. We asked what the plan should look like, what it should contain and how it should be organised, and it gave us complete freedom about how we should do it. I think that I remember that being said, but I cannot remember the context—I am sorry.

The Convener: If you remember it being said, do you know who said it?

Professor Seaton: I think that Richard Maconachie probably said it, perhaps in connection with the drafting of the plan, but I do not remember the exact context.

The Convener: That is something that we might raise with him, because it is a very vague response. What if a Government minister came to this committee and said, "We do not like what you are doing, but we will know what we like when we see it"? It is not very helpful, is it?

Professor Seaton: I thought that the other question was the hardest one, but it is getting harder again.

No, it is not helpful, but when we all look back at this in a few months or a year, we will see things that we could have done slightly differently. We have a list of things that we should have done differently, and I am sure that the Funding Council and the Scottish Government will have such a list, too. This has been a very delicate and important—and actually quite difficult—process, because it is very unfamiliar to all of us. We have all said things that were perhaps more vague than they could have been, in an ideal world.

The Convener: Okay. I will end it there, because, as Maggie Chapman and others have said, there is a lot that we could go through, but you have been very generous with your time.

We are grateful for the work that you are doing at the university in trying circumstances, but in particular, I would like to reiterate what others—and you, Professor Seaton—have said, which is that our thoughts are with the staff and students who continue to go through difficult times, because

of the uncertainty around the university. All of us on the committee are keen to see a very bright future for Dundee university, and we will do anything that we can to assist with that. Thank you very much.

Meeting closed at 13:05.

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