

Education, Children and Young People Committee
Wednesday 28 January 2026
4th Meeting, 2026 (Session 6)

Universities

Introduction

1. Following on from its [pre-budget scrutiny evidence sessions](#) on the long-term financial stability of the college and university sectors, the Committee has agreed to take further separate evidence, from Trade Unions representatives from four institutions.

Committee meeting

2. At today's meeting, the Committee will take evidence from:
 - Dan Cutts, Joint chair, Aberdeen University UCU branch
 - Melissa D'Ascenzio, Joint President, Dundee University UCU branch
 - Sophia Woodman, President, Edinburgh University UCU branch
 - Stewart Forrester, Unite Senior Representative, Strathclyde University

Supporting information

3. A SPICe briefing has been produced for the meeting. This is included at **Annexe A**.
4. Submissions have been received from University of Dundee Trade Unions and from the UCU Scotland. These submissions are included at **Annexe B**.

Clerks to the Committee **January 2026**

Annexe A

SPICe The Information Centre
An t-Ionad Fiosrachaidh

Education, Children and Young People Committee

Wednesday 28 January 2026

4th Meeting, 2026 (Session 6)

Universities

Introduction

The Committee is taking evidence from university trade union representatives on issues impacting university staff. This briefing paper includes a summary of the Committee's recent work in relation to the financial sustainability of universities, an overview of recent reports, information on the 2026-27 Budget announcement for universities and other recent relevant developments.

Background

The Committee has explored the funding, structures and outcomes of the university sector in its recent work. This includes: [scrutiny of the 2026-27 budget](#), a session with [representatives of the university sector on 4 June 2025](#) and [sessions on the University of Dundee](#).

During the Committee's pre-budget scrutiny for 2025-26 and 2026-27, the Committee heard concerns about the financial sustainability of the sector and challenges faced as a result. The Committee's 2026-27 [pre-budget scrutiny letter to the Minister for Higher and Further Education](#) was sent on 14 November 2025, highlighting these concerns. [The Scottish Government published brief responses to all of the subject Committee pre-budget letters or reports alongside the budget](#).

The Committee has also considered universities in relation to post-school reform and the [Tertiary Education and Training \(Funding and Governance\) Bill](#) currently making its way through Parliament. The Bill places a new duty on the SFC to monitor the financial sustainability of post-school institutions and strengthens its existing functions. It provides a regulation-making power for the Scottish Ministers to set out matters on which post-16 education bodies must notify the SFC. The Committee considered the Bill at Stage 1 and [reported its findings on the Bill](#) on 9 September. The Committee received a [response from the Scottish Government](#) on 19 September 2025. The [Stage 1 debate took place on 25 September](#) and the Committee considered the Bill at Stage 2 on [26 November](#) and [3 December](#) 2025. It was [passed at Stage 3 on 20 January 2026](#).

Further and Higher Education: Policy context

Funding for further and higher education is provided to colleges and universities by the Scottish Funding Council with funding provided by the Scottish Government. Fundable

institutions receive funding in return for meeting conditions of grant as set out by SFC. The Scottish Government's '[Purpose and Principles for Post-School Education](#)' framework is intended to set the policy direction.

The principles of the post-school system are:

- **Transparent, Resilient and Trusted:** The system is financially and environmentally resilient; trusted to deliver and effectively governed.
- **High Quality:** High quality opportunities are available for people to enhance their knowledge and skills at the time and place that is right for them.
- **Supportive and Equitable:** People are supported throughout their learning journey, particularly those who need it most.
- **Globally Respected:** Research, teaching, innovation and knowledge exchange undertaken by Scotland must enhance and contribute to global wellbeing, addressing challenges such as the climate emergency and attracting inward investment and talent to study, live and work in Scotland.
- **Agile and Responsive:** Everybody in the system collaborates to deliver in the best interests of Scotland's wellbeing economy.

The [Tertiary Education and Training \(Funding and Governance\) \(Scotland\) Bill](#), which [passed at Stage 3 on 20 January 2026](#), contains provisions to strengthen the existing functions and governance arrangements of the Scottish Funding Council (SFC). The Bill also gives the SFC new functions in relation to securing and funding delivery of national training programmes, apprenticeships and work-based learning and places a new duty on the SFC to monitor the financial sustainability of post-school institutions.

During the Committee's scrutiny of the Bill, concerns were raised about the post-school education sector's ability to implement the proposed changes at a time of financial uncertainty. Further information about the Committee's report and the Scottish Government's response can be [found on the SPICe briefing hub](#).

In response to concerns about funding sustainability of the university sector, the [Scottish Government launched the 'Framework for Sustainability and Success of Scotland's Universities'](#) in December 2025. This is described as a "collaborative project between the Scottish Government, Universities Scotland and other relevant stakeholders to co-design and secure a successful and sustainable future for Scotland's university sector." The [group is expected to conclude its work in the autumn](#), with recommendations expected to be considered by the next Scottish Government.

Ahead of the Stage 3 of the Bill, the Scottish Government [announced in a written answer](#) that from April 2027, colleges and universities would be expected to adopt Fair Work First criteria as a condition of SFC grant.

Pre-Budget scrutiny 2026-27

The Committee's [pre-budget scrutiny work for 2026-27](#) focused on college and university funding, building on previous work looking at the same areas in 2025-26. As part of this

work, the Committee heard evidence on the financial situation at the University of Dundee (UoD).

At the Committee's [5 June 2025 evidence session](#), Members heard evidence from university principals from Edinburgh Napier University, the University of Edinburgh, the University of the West of Scotland and Universities Scotland.

During the session, the impact of the fall in international student numbers due to changes to the student visa regime was discussed, with Principals stating the fall in numbers had caused income to fall by millions over the past two years. Witnesses spoke of international student income being used cross-subsidise teaching of Scottish-domiciled students. Universities Scotland estimated the fall in international student income had cost the sector about £150m “across the board”.

Members heard that the rise in international student numbers had led to an increase in staffing numbers. Now, with international student numbers falling, staff numbers could not be sustained, and redundancies were required at many institutions.

High pay of senior leadership teams at institutions was discussed in the context of financial sustainability and savings universities were hoping to achieve. The Committee heard that the University of Edinburgh planned to make savings of £140m, £90m of this would be through reducing staff numbers and the post of Vice-Principal International had been left vacant.

The impact of the rise in national insurance was discussed, with University of Edinburgh Principal Professor Sir Peter Mathieson stating that the £3.5m brought into his university by the increase in rUK tuition fees was welcome but the rise in employer national insurance contributions would cost £14.5m, outweighing any benefit.

On reserves, Edinburgh Napier Principal Professor Sue Rigby said that while her university's reserves “look as though they are worth a lot of money on paper”, “a lot of that is buildings”, and some of these buildings had issues with asbestos and RAAC. She added:

“Although reserves can look very healthy, if you cannot sell them, they are not worth the paper they are written on. Cash is king in a university.” – [Official Report, 5 June 2025](#)

Future funding was also discussed, with Universities Scotland's Claire McPherson stating that funding to ‘future-proof’ the sector is needed. She said consideration needed to be given to models of delivery, e.g. for part-time and mature learners. Professor Mathieson called for discussion of alternative funding models for the sector. ([Professor Mathieson has since suggested](#) that some students could “make a contribution to the costs”...either “in the form of tuition fees, or they can do it in the form of some kind of graduate repayment scheme and it can be contingent upon salary”).

SFC clawback of funding for under recruitment and courses not delivered was discussed, with witnesses stating that flexibility to use funding already committed was a barrier to change, adding to financial uncertainty.

Professor Rigby described a “bureaucratic lack of agency”, giving the example of SFC being unable to act on clawback of nursing funding due to this being a decision for health

rather than education portfolios. She also described being unable to invest to grow numbers in Scotland, as she could abroad.

[In a letter to the Minister](#) ahead of the 2026-27 Budget announcement, the Committee expressed continued concern about the financial sustainability of both sectors.

The Committee also:

- Highlighted concerns around the funding sustainability of universities, with a heavy reliance on international student income, rising staff costs in part due to a rise in employer National Insurance contributions, and capital maintenance backlogs. Recommendations included a call for university senior management teams to exercise pay restraint, and for a new funding model be developed for the university sector.
- Heard evidence about the financial situation at UoD and committed to continue to monitor the situation, including in relation to the unprecedented use of powers under section 25 of the Further and Higher Education (Scotland) Act 2005 to direct SFC to provide UoD with additional funding, subject to conditions. Up to £62m has been made available to UoD.

[The Minister responded to the Committee's letter](#) on 20 January 2026 following the publication of the 2026-27 Budget. In relation to the points raised about universities, the Minister's response stated that the 2026-27 Budget delivers "a combined increase in resource and capital funding into Scotland's universities of over £55m". The Minister also set out:

- The Scottish Government is working with the sector via the Framework for Sustainability and Success of Scotland's Universities to look at funding and sustainability for the sector. Further information on this is provided in the 'Framework for Sustainability and Success of Scotland's Universities' section of this briefing.
- On funding 'clawback' for unfilled places, the Minister said universities would have the ability to retain funding associated with the under-delivery of places, following the submission of a well-evidenced bid for this money. Currently this relates specifically to 2023-24 (a year when temporary COVID places were still in the system). Further information is [available on the SFC website](#).
- Reiterated the Scottish Government's commitment to encouraging international students. The Committee's concern about over-reliance on international students was not addressed.
- Stated that the Scottish Government "expects universities to exercise restraint in setting senior pay, which should be in step with the salary, terms and conditions offered to other university staff", and the SFC should seek assurance that universities are complying with the Code of Good HE Governance in relation to staff remuneration. In a [16 January 2026 letter to the Committee](#), the Minister said that the upcoming Letter of Guidance would set out that SFC must collate and publish information on Principal pay.

University of Dundee

The Committee also heard evidence on the University of Dundee's financial situation as part of its 2026-27 Pre-Budget scrutiny, during sessions on [19 March 2025](#), [25 June 2025](#), [26 June 2025](#), [1 October 2025](#) and [29 October 2025](#).

During these sessions the Committee heard:

- That the senior management team and Principal did not have good knowledge – and in some cases were unaware - of their financial reporting requirements to SFC.
- That there were internal and external factors involved in the university's financial situation, and there had been inadequate financial discipline and control as well as inadequate oversight and accountability at senior level and issues with organisational culture.
- The fall in international student numbers – particularly taught postgraduate students – had seriously impacted the university's income. While a 25% decrease in international student income was planned for, the actual decrease was closer to 50%.
- SFC stated that the university's recovery plan should have an underpinning strategy, the university must notify SFC of any “no regrets efficiencies” being made.
- A plan for a vision and strategy and a timeline towards this has been set out with UoD, though Members expressed frustration about the length of time this has taken.
- SFC stated it plans to increase engagement with institutions to ensure that governance reviews are taking place.
- Members highlighted that Interim Principal Professor Nigel Seaton remained in post despite his contract coming to an end on 30 September. SFC said it understood the contract had been extended ahead of a proposal being taken to university court on 13 October. There was some confusion around the process.
- SFC's Richard Maconachie said that the pace and scale of the difficulties at UoD had not been seen before, adding:

“Some institutions are experiencing challenges, but we cannot see anything of that magnitude. We are working closely with the universities that we know have concerns, and we will manage that position closely.” – [Official Report, 1/10/25](#)

- SFC described the unprecedented use of powers [under section 25 of the Further and Higher Education \(Scotland\) Act 2005](#) as a “source of robust discussion” at an extraordinary general meeting of the SFC board. SFC did not agree with the characterisation of it as being ‘a conduit’ for the Scottish Government.
- Minister for Higher and Further Education Ben Macpherson stated he was “very clear that the Funding Council is an independent body”. Scottish Government

officials stated that the decision on funding UoD's recovery plan needed to be taken by UoD "with the support of the SFC and through section 25".

- The Minister also stated that funding provided to UoD was to stabilise the university and "is certainly not a licence to cut jobs".
- Scottish Government officials said UoD's recovery plans must go beyond "making the numbers add up" and the recovery plan must have a long-term vision and plan that has buy-in from the university community. As part of this, job cuts cannot be seen as the only way of dealing with the situation.
- Interim Principal Professor Nigel Seaton [gave evidence in October 2025](#). Prof Seaton said that cost reductions were on target, though a recovery plan had not been agreed with SFC. He confirmed that job losses would likely go beyond 300. He also said that UoD soon hoped to receive conditions of grant from SFC, confirming the terms of additional support. (These have [since been published](#) and an [update provided via Written Answer](#).)
- The Scottish Government created a Strategic Advisory Taskforce chaired by Sir Alan Langlands to develop recommendations to support the recovery of UoD. [The taskforce published its report](#) in August 2025.

Gillies Review

The independent investigation into the UoD's finances was led by former Glasgow Caledonian University Principal Professor Pamela Gillies. The investigation focused on three main areas: Financial management; financial reporting and governance and oversight.

The [report on the investigation was published on 19 June](#). It found failures in executive and governance responsibilities. It was also critical of the organisational culture of the university.

The report also concluded that SFC's Financial Memorandum and the Higher Education Institutions and the Scottish Code of Good Higher Education Governance in Scotland are fit for purpose, stating:

"Whilst the University was obliged to comply with the FM, it did not. Whilst the Scottish Code provides a framework for adequate and effective management and governance arrangements, the University failed to operate effectively in practice (both governance and management)." – p63

The report does, however, recommend that the SFC FM "...could usefully be updated for 'responsibilities of the Principal' and in particular in the role as 'Accountable Officer' and the responsibilities of Chair of Court".

Recovery plans

The University of Dundee published details of an initial recovery plan on [11 March 2025](#). Proposals in the initial plan included a 600 reduction in FTE staffing. Following the initial recovery plan, [Scottish Ministers wrote to Professor O'Neill](#) in March 2025 to express concerns.

The UoD's then-[interim Principal and Vice-Chancellor Professor Shane O'Neill wrote](#) to the Committee later in March to provide further information on a number of points. In this letter, Professor O'Neill stated that around 700 individuals could be impacted by redundancy. Following the publication of this letter, Scottish Ministers again publicly stated they did not support the proposed recovery plans. During [First Minister's Questions on 3 April 2025](#) First Minister John Swinney said the plan was "completely unacceptable" and an alternative was required. He added that Deputy First Minister Kate Forbes was leading cross-government work on UoD.

An [updated recovery plan was announced by UoD on 29 April 2025](#), following presentation to and endorsement by the University Court. Proposals in this plan included the reduction of up to 300 staff FTE through a voluntary severance programme. [SFC responded to the updated plan](#) recognising its details "are still to be finalised" and committing to continuing to work with UoD.

On 18 August 2025, SFC wrote to the UoD's Acting Chair of Court in response to a further recovery plan submitted on 11 August 2025 stating:

"The SFC's view is that it is not appropriate that such fundamental decisions on shape and structure, as posited by the current University Recovery Plan, which will bind the University for decades, should be taken by an interim leadership team."
– [SFC letter to UoD Acting Chair of Court, 18 August 2025](#)

The letter went on to state:

"...it is the strongly held view of the SFC that fundamental decisions cannot and should not be taken without the existence of an approved, and properly consulted upon, University Strategic Plan." - [SFC letter to UoD Acting Chair of Court, 18 August 2025](#)

SFC stated it expected a Strategic Plan to be developed over the next 12 months with staff, student and stakeholder engagement.

UoD's Acting Chair of Court Dr Ian Mair [responded on 15 September 2025](#) stating that progress has been made to appoint a permanent Chair of Court and lay members, adding that appointment of a Chair was a necessary step in the process to recruit a new Principal and Vice Chancellor. The process to hire a permanent University Secretary was also underway, but an interim would be required before a permanent replacement was appointed.

On the delivery of 'no regrets' efficiencies, the letter stated:

"Easy and quick actions to reduce spending have already been implemented leaving matters of greater consequence remaining. I consider that the spirit of your letter seeks to strike the right balance between short-term decisions that address financial challenges sooner with the long-term impacts that are in support of a wider vision and strategic direction. We are continuing to explore the measures that could sensibly be taken in the coming months to improve the effectiveness and efficiency of the University, consulting the University's staff as we do so, without unduly constraining our future strategic development." – [Acting Chair of Court letter to SFC, 15 September 2025](#)

On the development and implementation of a University Strategy, the letter stated that the appointment of a Principal was a key element of this.

Additional funding

In a [statement to Parliament on 24 June 2025](#), the Cabinet Secretary for Education and Skills announced up to £40m in further funding for UoD over three financial years, bringing the total additional funding made available by the Scottish Government via SFC up to £62m under section 25 of the Further and Higher Education (Scotland) Act 2005.

[Section 25 of the 2005 Act](#) sets out that, where it appears financial affairs of a college or university have been mismanaged, Scottish Ministers can give SFC direction around the provision of financial support, and SFC must comply with directions given from the Scottish Government.

During her statement, the Cabinet Secretary said it was the first time the section 25 power had been used. The Cabinet Secretary said UoD's future must be secured:

“...through the delivery of a sustainable, long-term recovery plan in which public financial support will work alongside commercial and private investment to ultimately end reliance on extraordinary public funding.” – [Official Report, 25/06/2025](#)

The Cabinet Secretary said that the Scottish Government was keen to see “progress at pace”, adding:

“We will, accordingly, develop appropriate conditions for the funding, working closely with the SFC, and only when that plan is in place will funding be released.”- [Official Report, 25/06/2025](#)

Financial sustainability of universities

The 2026-27 Budget documents as published show a 5.8% increase in total resource budget and 8.2% increase in total capital budget. In correspondence with SPICe, the Scottish Government set out that £20m of resource funding is for the University of Dundee (UoD). When the UoD funding is removed, the increase to the resource budget becomes 3.2% (or £25m). This is set out in **Table 1** below.

This follows a number of years of real-terms decline. During this time, the sector has called for the Scottish Government to address the longer-term sustainability of university funding, and the [‘Framework for Sustainability and Success of Scotland’s Universities’](#) (see ‘Further and Higher Education section of this briefing for further information) has been set up to look at this, due to report by the end of this year.

Table 1: University resource and capital budgets

	2024-25 Scottish Budget £m	2025-26 Scottish Budget £m	2025-26 ABR £m	2026-27 Scottish Budget £m	Difference 2026-27 Budget and 2025-26 Budget £m	% Change 2026-27 Budget on 2025-26 Budget
Higher Education Resource	760.7	773.6	828.8*	818.6	45.0	5.8%
Core resource	760.7	773.6	828.8*	798.6	25.0	3.2%
University of Dundee				20.0	20.0	
Higher Education Capital	356.9	368.3	378.3	398.6	30.3	8.2%
Total	1,117.6	1,141.9	1,207.1	1,217.2	75.3	6.6%

Sources: [Scottish Budget 2026-27](#), [Scottish Budget 2025-26](#) and Scottish Government correspondence with SPICe

Note: * The Scottish Budget 2026-27 states: “Higher Education received in-year funding for specific programmes. This means the figures for the ABR 2025-26 and 2026-27 budget are not directly comparable.”

[Universities Scotland stated](#) that the increase to the capital budget is welcome, while a “slightly above inflation” resource budget increase “does not adequately address the sustained financial challenges the sector has faced over recent years”. Universities Scotland said institutions would continue to experience financial pressures.

Prior to the 2026-27 Budget announcement, in September 2025 the SFC published its report on the [Financial Sustainability of universities in Scotland 2022-23 to 2026-27](#). The report found that financial sustainability remains challenging for many universities. **Please note, it is not yet clear how the 2026-27 Budget will impact the forecasts contained in the report.**

It highlighted that tuition fee income represents the largest source of income for the sector and that universities need international fee income to remain financially sustainable and to support other areas of their operation such as research, which is a loss-making activity. The report stated:

“There is an increasing risk that universities may not meet their international student tuition fee income targets as this continues to be an area of significant fluctuation and risk due to the competitive nature of the international markets, UK visa and immigration policy and geopolitical changes.”

SFC outlined the report's key messages in a [26 September 2025 briefing to the Committee](#) (highlighting that while this is the overall picture, there are variations across the sector):

- The sector reported an underlying operating surplus of £17.2m for 2023-24, with the surplus forecast to rise to £51.5m in AY 2024-25 before declining to a deficit of £12.9m in 2025-26 and rising again to a surplus of £134.9m in 2026-27.
- The 2025-26 deficit is mainly due to low growth in tuition fees, reduced operating and investment income and increased staff costs due to pay inflation. The forecast improvement in 2026-27 is due to more optimistic forecasts for tuition fees, research income, and other income offset by smaller increases in staff costs (reflecting the full impact of the savings from staff restructuring in 2024-25 and 2025-26), other operating expenses and depreciation. However, the forecast improvement in 2026-27 is mainly driven by three universities.
- Nine universities reported underlying operating deficits during 2023-24, and forecasts show this increasing to ten in 2024-25 and eleven in 2025-26 before reducing to seven in 2026-27. Five universities are not projecting any underlying deficits throughout the forecast period.
- Universities' reliance on SFC grants is forecast to reduce by 2% (down to 22%) by the end of 2026-27.
- International fee income is expected to increase from £1,324m in 2023-24 to £1,532m by 2026-27 (15.7% increase) but projections will be revisited after the autumn 2025 student recruitment cycle.
- The sector cash position is forecast to reduce from £1,682m at the end of 2023-24 to £1,511m at the end of 2026-27. No university is forecasting a cash deficit throughout the forecast period; however, many institutions are taking proactive steps to keep them in a positive cash position.
- Sector borrowing is forecast to increase marginally over the planning period to £1,542m at the end of 2026-27.

The [Institute for Fiscal Studies \(IFS\) published a report on Higher education spending](#) in February 2024. The report provides an overview funding in Scotland, concluding that:

“There are no easy answers to increasing university funding, without increasing Scottish Government spending on higher education or requiring some contribution from students towards the costs of their tuition.” - [IFS Higher education spending report, February 2024](#)

In November 2024 ahead of the Scottish Budget for 2025-26, the [IFS published an article highlighting the pressures universities face](#) as a result of declining numbers of international students, a real terms fall in funding for home students and increases in staff costs.

Framework for Sustainability and Success of Scotland's Universities

In response to a question initiated by the Scottish Government on 18 December 2025, the Minister announced the Framework for Sustainability and Success of Scotland's Universities (FSSSU):

“...a collaborative project between the Scottish Government, Universities Scotland and other relevant stakeholders to co-design and secure a successful and sustainable future for Scotland's university sector.

This is an issue that goes beyond party political boundaries, which is why the work of MSPs from across the chamber in seeking to find common ground on these complex issues is desirable and important. The Scottish Government and Universities Scotland are engaging on a cross party basis on this work.

The framework will be driven by a Steering Group including representatives from the sector, from government, from staff and student bodies, and from the business community. This Group will oversee exploration of options for ensuring a sustainable and successful future for Scotland's 19 higher education institutions to 2045, and will focus on designing a route to support the sector to drive change.” – [Written Answer, 18/12/2025](#)

In a [letter to the Committee on 18 December 2025](#), FSSSU steering group co-chairs Scottish Government Director-General for Education and Justice Neil Rennick and Professor Andrea Nolan CBE set out that the group would meet for the first time in January 2026 and was expected to conclude its work in the autumn. Its recommendations are expected to be considered by the next Scottish Government.

The letter stated:

Universities Scotland and the Scottish Government will develop and deliver a co-designed body of work to establish an evidence base that quantifies the current funding gap within the sector, considers the future purpose of Scotland's university sector and the reforms necessary to deliver a sustainable and competitive funding and business model that allows for greater long-term flexibility of provision, and which supports institutions to thrive. This work will be taken forward within the context of a publicly funded tuition fee model. – [Letter to Committee from FSSSU steering group co-chairs](#)

Steering group membership will include Scottish Government officials, Universities Scotland, staff and student union representatives and employers. It will agree the scope of various workstreams and commission project groups.

The full purpose and scope of the review is set out in the letter to the Committee. The work will be built on three 'pillars':

- **Pillar One (to conclude early Spring 2026):** Part 1 will bring together baseline evidence on funding levels and costs of delivery of teaching and research. Part 2 will look at the issues facing the sector and how to tackle these.

- **Pillar Two (potentially to conclude summer 2026):** Sector led, looking at ways in which funding and sustainability challenges can be addressed through efficiencies and/or reshaping of the sector and/or what it delivers. The need to consider interaction with college pathways is highlighted as part of this work.
- **Pillar Three (potentially to conclude Autumn 2026):** Body of work looking at the issues and providing options to address funding and policy gaps.

Fair Work First

On 13 January 2026, the [Scottish Government announced via a written answer](#) that Fair Work First criteria would be further embedded in the further and higher education sectors.

The [Scottish Government's 2025-26 Letter of Guidance to SFC](#) set out that: "SFC should continue to refer to the Scottish Government's Fair Work First guidance to inform its implementation of Fair Work First conditionality in grants."

The [Scottish Government's Fair Work First policy](#) sets out seven criteria to be met:

- payment of at least the real Living Wage
- provision of appropriate channels for effective workers' voice such as trade union recognition
- investment in workforce development
- no inappropriate use of zero hours contracts
- action to tackle the gender pay gap and create a more diverse and inclusive workplace
- offering flexible and family-friendly working practices for all workers from day one of employment
- opposing the use of fire and re-hire practices.

In the [13 January written answer](#), the Minister said that colleges and universities were currently expected to meet two Fair Work First mandatory criteria: payment of at least the real Living Wage; and provision of appropriate channels for effective workers' voice, such as trade union recognition. Institutions were encouraged to meet the remaining criteria.

From April 2027, institutions will now be expected to adopt all Fair Work First criteria and these will be a condition of SFC grant, with an appropriate transition period:

In acknowledgement of the fact that these bodies will be at different stages of implementing the five currently non-mandatory Fair Work First criteria, the SFC will take forward appropriate transition periods for planning. Therefore, an individual body may be given a longer lead-in time to implement a specific criterion, where they, in partnership with recognised trade unions or work representatives, can make a case to do so. This will be done alongside ongoing work by the SFC to undertake closer monitoring of governance at colleges and universities, and consider

enhancements to its current processes, including in relation to Fair Work, through its Outcomes Framework and Assurance Model. – [Written Answer, 13 January 2026](#)

The SFC's Outcomes Framework and Assurance Model covers SFC funded bodies. It sets out SFC's expectations of them in return for the funding they receive. The new system replaced previous assurance and accountability measures (most notably, Outcome Agreements) from AY 2024-25. More information can be found on the [SFC Outcomes Framework webpage](#).

Summary of submissions received

Ahead of today's session, the Committee received submissions from University and College Union (UCU) and the University of Dundee Trade Unions (UCU, UNISON and Unite).

The UCU Scotland submission stated that it retains support for free tuition, but "this policy needs to be properly funded". The submission also stated:

"There has never been a time in the recent history of Scottish higher education where so many jobs are being lost at the same time by so many institutions." – UCU Scotland submission, Jan 2026

The UCU Scotland submission goes on to provide an overview of industrial relations at a number of universities:

- **University of Dundee:** Workers remain unclear about recovery plans and often learn what is going on through press reports. SFC's decision to reject any recovery plan involving mass compulsory redundancies is welcome, but the latest plan proposing job losses for 390 staff has been "neither accepted nor rejected". Strike action is planned for today (28 January), 26 strike days have been taken during this dispute and the union has a renewed mandate for further action. Any recovery plan must have buy in from staff and students and deliver a sustainable future.

The University of Dundee Trade Unions statement also states that staff learned of job cuts and the sale of buildings through press reports, and "failure to adequately communicate and meaningfully consult have been recurring themes throughout this crisis". The trade unions state they have not seen evidence that staff suggestions for income generation have been taken on board. The submission also states that the possibility of compulsory redundancies remains despite around 489 FTE staff having left through various means. The submission states that increasing workload and the impact of the past year's events on staff have also not been addressed by senior management.

- **University of Edinburgh:** Nine days of strike action have been taken since June 2025 to "oppose the £140 million per annum cuts". Compulsory redundancies have not been ruled out, and the number of job losses has not been confirmed. In December 2025, following negotiations, union members voted to commit to no further industrial action until the end of the current April 2026 mandate. In exchange, university senior management has agreed to no compulsory redundancies to the end up July 2026, to set up a voluntary redundancy scheme open to all academic staff with any professional services staff placed at risk of redundancy. Terms around

senior management meetings with staff have also been clarified, the redeployment offer to staff at risk of redundancy enhanced and external recruitment frozen in most cases.

- **Edinburgh Napier University:** Plans to cut 70 jobs were announced in August 2025.
- **Heriot-Watt University:** UCU is currently balloting members at Heriot Watt on strike action and action short of strike. Senior management is looking at a programme of course cuts and job losses, with the loss of at least 41 jobs in Scotland and 10 in Malaysia. Compulsory redundancies have not been ruled out.
- **Robert Gordon University:** 190 jobs have been lost through a mixture of compulsory and voluntary redundancy.
- **University of Aberdeen:** UCU is currently balloting members on strike action and action short of strike. UCU is in dispute with the employer over three matters: the refusal to rule out compulsory redundancies, the failure to consult UCU at the earliest point on organisational change plans, and the employer's freezing of academic promotions. The announcement of plans to open a new campus in Mumbai "came as a surprise to most of the workforce in Aberdeen".
- **University of the Highlands and Islands:** UCU members at UHI's Executive Office took two days of strike action in Autumn 2025 in a dispute with their employer over compulsory redundancies and around a dozen posts were made redundant. In December 2025, senior management committed to: no compulsory redundancies for a year; a review of its avoidance of redundancy policy and to work with union reps to address workload and staff morale. UCUC members voted to resolve this dispute in a meeting before Christmas.
- **University of Stirling:** Savings of £8m are planned and a voluntary severance scheme was opened in summer 2025. 175 staff have left on a voluntary basis in recent months, and university senior managers have refused to rule out compulsory redundancies. UCU is currently balloting members for strike action and action short of strike.
- **University of the West of Scotland:** Members of UCU at UWS voted for strike action over plans to make 75 staff redundant, on top of 112 roles where staff opted for voluntary severance. Action planned for October 2025 was called off after last minute talks where the employer ruled out using compulsory redundancies to make these savings.
- **Queen Margaret University:** Has a voluntary severance scheme in place as it seeks to make savings.
- **Strathclyde University:** The university is seeking to make £35million savings over two years, and is looking to cut 76 jobs this year, including from the National Manufacturing Institute; the Business School; Research and Knowledge Exchange,

and Estates. UCU is currently balloting members for strike action and action short of strike in this dispute. Dispute resolution talks are ongoing.

**Lynne Currie, Senior Researcher (Further Education, Higher Education and Children's social work, child protection and adoption), Scottish Parliament Information Centre (SPICe)
SPICe**

Date: 22/01/2026

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.

The Scottish Parliament, Edinburgh, EH99 1SP www.parliament.scot

Annexe B

University of Dundee Trade Unions submission of 19 January 2026

We are delighted to accept the invitation of the Education, Children and Young People Committee to provide evidence on the ongoing disputes between the three campus Trade Unions (TUs) – UCU, UNISON and Unite – and the University of Dundee.

It has been an extremely difficult year for staff and students at the University of Dundee, particularly so for trade union representatives that have found themselves at the forefront of the ongoing campaign to save jobs. Throughout the year we worked closely with representatives of the Scottish Government, the Scottish Funding Council, and MSPs from different political parties to find a constructive way to address the financial crisis faced by the University. We are extremely grateful to them all for the care and support they showed to staff and students alike.

In June 2025, we believed that a compromise had been reached between the University, the campus TUs, and the Scottish Funding Council (SFC) to limit the number of job losses to 300 FTE through voluntary means. This was agreed on the basis of a financial support package that the SFC would make available to help the University remain solvent in the short term, while it developed a strategic plan for recovery. While the SFC upheld its side of the deal and the TUs stood down the threat of industrial action, the University Executive Group - led by the new interim Principal, Prof. Nigel Seaton - drafted a plan that involved a higher number of redundancies (690 FTE) than the original plan (632 FTE) presented to the SFC in March 2025 by Prof. Shane O'Neill.

It is important to note that the campus Trade Unions were only given a day to read and comment on the University Recovery Plan (URP), before it was submitted to the SFC in August. In addition, the Trade Unions were bound by strict confidentiality so that no information could be disclosed to staff, nor they could express their dismay at the new plan in public. It was only at the end of September 2025 that the University agreed to publish the plan and make it available for all staff to read, a month after the Courier had published it “in full” in their Politics section. Staff learnt of the proposed job cuts and the sale of buildings they worked in through the press.

Failure to adequately communicate and meaningfully consult have been recurring themes throughout this crisis. The restructuring of our eight academic Schools into four Faculties and the transfer to an “integrated” model for Professional Services being two clear examples. TUs have been often invited to meetings where it was evident that decisions had already been made in a different room and the engagement was perceived as a formality.

When the URP was produced, the campus TUs put forward a series of proposals to mitigate the impact on jobs. First and foremost, we challenged the target of 10% EBIDTA as

unreasonably high. In a [report](#) published in 2019 by Audit Scotland, the sector average for EBIDTA was reported to be ~7%. The University of Dundee has never reached 10% EBIDTA over the past 10 years, averaging around 4%. A few percentage points might seem trivial. However, for an income of ~£300m, the difference between setting EBIDTA at 10% and setting it at 7% is £9m, more than half the projected structural deficit as of October 2025, and equivalent to approximately 150 FTE jobs.

In line with the University of Dundee Redundancy Avoidance Agreement, we encouraged the University to review contractors' costs and to renegotiate terms or end contracts where legally possible. In the past few years, we have witnessed an increased reliance on external contractors for services that we used to provide in house, with associated increase in costs and reduction of the quality and timeliness of service. Similarly, we prompted the University to limit its capital expenditure to essential projects only and requested a list with associated indicative costs. It is important to note that, in the URP, capital expenditure was predicted to raise from £14.5m in 2024/25 to £22.5m in 2029/30, without a clear indication of how these numbers were arrived at. All these suggestions were ignored.

The picture of the University of Dundee offered in the URP was the one of an institution in decline, with a shrinking student population, a growing structural deficit and little space for growth. It was hard to recognise in those words the vibrant and excellent institution that many of us experience while working and studying at the University. The URP was essentially silent on opportunities for growth, relegating them to the narrative section and excluding them from the budget. In the "listening exercise" that the University ran in response to the Gillies report, staff volunteered a wide range of income-generating ideas which, alongside the recommendations from the taskforce chaired by Sir Alan Langlands, should have constituted the foundation for a forward-looking strategy. As of today, we have not seen any evidence that the University is serious about taking any of these suggestions forward. In addition, the URP was extremely pessimistic on students' recruitment, a position that negatively impacted the projected deficit. For the AY 2025/26, before the numbers for January matriculations are finalised, the University of Dundee has already forecasted to overshoot URP recruitment targets by 4.5%, equivalent to £4.4m in favour of budget. This incredible result, which comes after a year of mostly negative press, is down to the hard work of staff that continue to deliver excellent teaching, research, and student experience. The same staff have faced a series of negative measures in 2025. They have seen their salaries decline in real terms as the agreed 2025/26 pay uplift was deferred, the internal job re-evaluation scheme was indefinitely paused, and academic promotions have been halted. We now have less staff, taking on greater workloads and level of duties whilst there is no facility for any acknowledgement or reward. There is also fear amongst staff that in any restructure roles could be downgraded without a job evaluation scheme to protect against this.

When we started this journey in November 2024, the University of Dundee was reporting a structural deficit of £30-35m. By the end of December 2025, 240 FTE staff had left through voluntary severance, with an estimated recurring cost saving of ~£15m. Although this

number was lower than the planned 300 FTE, the University of Dundee has revealed to the ECYP committee in their correspondence of 13 November 2025 that an additional 249 FTE staff have left the University over the past academic year through retirement, resignation, end of contract, and have not been replaced. Against this backdrop and in light of the most recent acceptance by University Court of the conditions for funding from the SFC, it is difficult to understand why the University of Dundee is still refusing to remove the threat of compulsory redundancies.

The financial crisis seems to have obscured one of our fundamental values: [valuing people](#). Across the University, staff have been absorbing the work of roles that have been lost to voluntary severance or that have remained vacant due to the hiring freeze put in place in August 2024. While senior management accepts that staff will have seen an increase in workload, there does not seem to be a clear strategy on how to address this issue, whether through recruitment or realignment of priorities.

Staff and their families at the University of Dundee have been subjected to more than a year of uncertainty around their jobs, their careers, their future. The physical and psychological impact of the mishandling of the crisis are well documented in the “listening exercise” as well as in the more recent Wellbeing Survey conducted by Dundee UCU with its members. The findings from DUCU’s survey show that wellbeing scores are low across all WHO-5 indicators, in association to low morale and low trust. The survey unveils a pattern that diverges from “ordinary workplace stress” and resembles a high-strain/high-stakes environment that could lead to burnout and moral injury.

Finally, we would like to conclude this statement by highlighting that the main points raised by the SFC in the letter of 18 August to the Chair of Court remain to be addressed. In particular, the request to “develop and execute a plan to deliver a University Strategy which can demonstrate appropriate and concrete engagement with staff and students to properly understand and consider their input into the University’s vision” remains unanswered. The draft documents submitted to SFC in December 2025 had no input from staff, students or TUs. Although progress has been made towards the appointment of permanent members of Court and UEG, critical positions continue to be occupied by interims, including the Director of People, the Director of Finance, the Chief Operating Officer, and the Principal and Vice-Chancellor. As staff and TUs we have received little information on Court’s plans to appoint into these positions, while the processes involved, from selection to interview, often remain obscure. Over the past year, it has become apparent that the crisis at the University of Dundee is, in the first place, a governance one. It would be unwise to address its financial challenges without reviewing the governance mechanisms and failures that enabled them.

The University of Dundee is one of the largest employers in the region. A [report](#) commissioned in 2020/21 highlighted that the University supports more than 6500 jobs in the city of Dundee and more than 9000 jobs across Scotland. Every year it contributes ~£500m to the economy of the city and the Tayside region, reaching £975m at National level. The University generates £10 of Gross Value Added for the Scottish economy for

every £1 it receives from public money. Ensuring that it has a prosperous future is of paramount importance, not only for its pivotal role in tertiary education provision and in leading research and development, but also for the prosperity of the city, the region, and the nation.

Kind regards,

University of Dundee UCU, UNISON and Unite branch representatives

UCU Scotland submission of 19 January 2026

The crisis in Scotland's universities: underfunding, cuts and job losses

About UCU

The University and College Union (UCU) is the largest trade union in the post-16 education sector in the UK, representing 120,000 academic and related members across the UK, and is the largest union in the higher education sector in Scotland, with 9,000 members in Scotland's universities.

UCU represents academic workers (including lecturers, researchers, professors, teaching fellows, graduate teaching assistants, post-graduate researchers and other "early careers" academics, etc.), as well as professional support staff (including librarians, administrators, IT staff, student support staff, human resources staff etc.) in Scottish higher education institutions.

A sector in crisis after a decade and more of underfunding

UCU welcomes the committee inviting trade union representatives to attend and give evidence on disputes at their institutions and on funding. UCU is supplementing the evidence that will be provided by some of our local reps with this briefing to provide information on the impact underfunding the sector is having across Scotland. The impact of cuts is not limited to Aberdeen, Dundee, Edinburgh and Strathclyde universities and there are disputes, ballots and industrial action occurring in universities other than the four the committee is hearing from today.

At the end of January 2025, UCU called a rally outside the Scottish Parliament to protest against the then increasingly acute crisis in Scotland's Universities. Members from branches across Scotland, including those giving evidence today, met and heard speeches from politicians from all the major opposition parties.

Since last January, the situation has only got worse with the crisis at Dundee becoming nationally significant and the principal of Edinburgh University announcing the largest cuts and potential job losses ever seen in Scottish higher education.

The September 2025 Scottish Funding Council reportⁱ on the financial sustainability of the sector was stark, evidencing that 11 universities were reporting underlying operating deficits for 2025/26, up from 9 in 2023/24. It showed the sector as a whole moving from an underlying operating surplus of £51.5million for academic year 2024/25, to an operating deficit of £12.9million in 2025/26.

This briefing sets out the situation in each institution facing cuts and job losses. Before looking at an institutional level, we need to consider what has led to the current situation.

UCU supports the policy of free tuition, believing it is an important contributor to the progress that has been made around fair access since 2016. It puts into practice the aspiration that academic ability, not the ability to pay, is the determining factor to accessing higher education. Some media outlets and think tanks have been vocal in articulating their views that free tuition is unaffordable and responsible for the crisis in higher education.

UCU's view is that there is nothing wrong with the policy in itself, but this policy needs to be properly funded.

As early as 2016, Audit Scotland was reporting that “overall funding for universities [had] reduced in recent years...” and that “that SFC allocated £1.1bn to universities in 2014/15, a reduction of four per cent in real terms, since 2010/11”, and that “This reflects reduced funding received by the SFC from the Scottish Government.”¹ The following years did not see any moves to reverse these cuts, with Audit Scotland again reporting in 2019 that university finances had seen a seven per cent decrease in SFC funding since 2014/15.²

In our submission to the Education, Children and Young People Committee in the Parliament ahead of the 2025 draft Scottish budget we noted the decade of underinvestment in the sector with up to that date, funding per student having fallen by 39% in real terms and the SFC research excellence grant having fallen by 43% since 2014/15.

UCU has not been alone in sounding the warning on university funding. The call for increased investment and of an impending crisis has been shared across the sector by Universities Scotland, individual institutions and principals, the National Union of Students, and by external bodies.

The Institute for Fiscal Studies, commenting on the perfect storm facing Scottish Universities late last year said that “... tuition fee(s) for home students remained flat in cash terms in 2024/25 at £1820 - remarkably the fifteenth year in a row it has been at that level...”.

Those budget cuts do not just happen in isolation. For years we have seen restructuring and reorganisation in individual institutions, but the severity of the cuts to the sector, in conjunction with external factors, makes the situation right now unprecedented. Some of the external factors compounding this crisis include changes to immigration law, making UK universities less attractive to international students and making it more difficult to come to study or bring dependents to the UK; and developments overseas where universities have historically recruited students – such as the Nigerian currency crisis. There has never been a time in the recent history of Scottish higher education where so many jobs are being lost at the same time by so many institutions. UCU is contesting these job cuts, in some cases alongside other campus unions, but a significant part of the answer to the current crisis must involve the Scottish Government and Ministers living up to their responsibilities and fully funding their promise of free tuition.

The crisis in individual universities:

Dundee University – Since first learning of the £30million deficit in November 2024, staff at the university have been in a constant state of uncertainty. Now on their third principal since the announcement of the financial black hole, workers are still unclear on senior managers' recovery plans, with staff often learning what is going on through reports in the local Dundee Courier newspaper. UCU welcomes the involvement of the Scottish Funding Council and the decision to reject any recovery plan incorporating mass compulsory redundancies. The latest recovery plan (neither accepted nor rejected by the SFC) had 390 staff losing their jobs including 170 through compulsory redundancies. These are in

¹ See para 35 https://audit.scot/uploads/docs/report/2016/nr_160707_higher_education.pdf

² See https://audit.scot/uploads/docs/report/2019/nr_190919_finances_universities.pdf

addition to the c250 who left through voluntary severance last autumn. UCU members at Dundee are taking strike action on 28 January 2026, and that will take the number of days of strike action taken in this dispute to 26 in total. The union overwhelmingly renewed the mandate for strike action at Dundee in the autumn with 72% voting in favour. We are clear that any new recovery plan must have buy in from staff and students and deliver a sustainable future for the university.

Edinburgh University – UCU members at Edinburgh university have taken nine days of strike action since June last year, to oppose the £140 million per annum cuts announced by principal, Professor Sir Peter Mathieson, in February 2025. The employer has refused to rule out compulsory redundancies in making cuts of this magnitude. The cuts were announced even though the university is not currently in deficit. Nearly a year on, the university has not confirmed the final number of jobs to be cut, which the union estimates at up to 1,800. UCU members renewed their ballot for industrial action in the autumn 2025. In December, following negotiations with the employer, members voted to commit to no further industrial action until the end of their current mandate in April 2026. In return university senior management agreed to no compulsory redundancy exits at the University to the end of July 2026 relating to the cost saving programme; to set up a voluntary redundancy scheme open to all academic staff; and commit that any professional services staff who are subsequently placed at risk of redundancy will be offered an equivalent voluntary redundancy. The employer has agreed to be more transparent on 'protected conversations' that it may offer to staff, with any invitations to such meetings making clear the purpose of the meeting, clarifying that individuals can refuse to participate, and those that do can be accompanied by a trade union representative. In addition, the employer has agreed to enhance its redeployment offer and freeze external recruitment other than in exceptional circumstances. The agreement also commits the employer to meaningful consultation with UCU over its programme of organisational change, importantly ensuring that it consults with trade unions during the design phase of proposals.

The proposal, negotiated by the local UCU branch negotiation team, was debated at length during a branch meeting, and voted on by local members in an electronic ballot. The offer was only narrowly accepted by members, indicating the concerns members continue to have about the situation they face.

Edinburgh Napier University – In August 2025 the principal at Edinburgh Napier University announced that the university was looking to cut 70 jobs amidst what they described as “acute funding pressures”.

Heriot-Watt University – UCU is currently balloting members at Heriot Watt asking them if they are willing to take strike action and action short of strike. The dispute at Heriot-Watt is due to the university's 'right-sizing' exercise where senior managers are looking to cut courses and programmes, which will involve the loss of at least 41 jobs in Scotland and 10 in Malaysia. The university's senior management team is refusing to rule out the use of compulsory redundancies despite repeated requests from the union. The future of the university's successful Scholar programme – a leading online learning platform used in schools throughout Scotland in key subjects including maths, sciences, English and modern languages – is also in doubt. The employer is also proposing to make changes to research time for academic staff, and is one of the issues within the dispute.

Robert Gordon University – 190 jobs have gone at RGU through a mixture of compulsory and voluntary redundancy.

Aberdeen University – UCU is currently balloting members asking them if they are willing to take strike action and action short of strike. UCU is in dispute with the employer over three matters: the refusal to rule out compulsory redundancies, the failure to consult UCU at the earliest point on organisational change plans, and the employer's freezing of academic promotions. The university is facing cuts resulting from senior managers' 'Adapting for Continuing Success' programme amidst ongoing financial concerns at the university. The employer is not involving UCU in the "Adapting for Continuing Success" consultation to date. Despite over 40 staff having recently retired or left employment under a voluntary severance scheme, along with previous voluntary severance schemes in recent years, management at the university has refused to rule out compulsory redundancies. This dispute at Aberdeen comes close on the heels of disputes in late 2023 and 2024 when 25 staff in modern languages faced compulsorily redundancies. In the end strike action planned for March 2024 was called off when management withdrew the threat. The union said that to be back in a similar position so soon showed a lack of goodwill in senior managers' negotiating.

On 13 January 2026 the University announced it was opening a new "branch campus in Mumbai" after signing a joint venture agreement with a leading India-based education provider. This development came as a surprise to most of the workforce in Aberdeen.

University of the Highlands and Islands – UCU members at UHI's Executive Office took two days of strike action in Autumn 2025 in a dispute with their employer over compulsory redundancies. Around a dozen posts were made redundant. In December 2025 a negotiated resolution of this local dispute was announced with the employer committing to no compulsory redundancies at UHI Executive Office for a calendar year; to review its avoidance of redundancy policy; to work with UCU reps on workload to avoid excessive workload for staff, as well as working with the union to address poor staff morale. UCU members at UHI Executive Office considered this negotiated outcome at a branch meeting before Christmas, and voted overwhelmingly to accept the proposal and resolve the current dispute.

Stirling University – Management at Stirling university are trying to make £8 million of savings and opened a voluntary severance scheme in summer 2025, a matter of months after the principal's salary sky-rocketed to £414,000 a year making him the highest paid university principal in the country. Despite 175 staff having left on a voluntary basis in recent months, university senior managers are looking to make more cuts and have refused to rule out compulsory redundancies. UCU is currently balloting members at Stirling for strike action and action short of strike, as we seek to get guarantees from the employer over job security for workers.

University of the West of Scotland - Members of UCU at UWS voted for strike action over plans to make 75 staff redundant, on top of 112 roles where staff opted for voluntary severance. The action planned for October 2025 was called off after last minute talks where the employer ruled out using compulsory redundancies to make these savings.

Queen Margaret University – The university has a voluntary severance scheme in place as it seeks to make savings.

Strathclyde University – The dispute at Strathclyde is a result of the university claiming it needs to make £35million savings over two years, and is looking to cut 76 jobs this year, including from the National Manufacturing Institute; the Business School; Research and

Knowledge Exchange, and Estates. The union is calling for meaningful consultation with the employer over organisational change, and has expressed concerns about “protected conversations” being used to pressurise individual staff to leave employment. UCU is currently balloting members at Strathclyde University for strike action and action short of strike in this dispute. Dispute resolution talks are ongoing.

Hidden redundancies – fixed term and guaranteed hours contracts

As well as the well documented and reported jobs being lost through voluntary severance or redundancies schemes or, more worryingly, through compulsory redundancies universities are also seeing what are referred to as ‘hidden redundancies’ with less visible jobs being lost without being reported.

Across Scotland’s universities many staff on precarious, fixed-term contracts are being forced out with their contracts not being renewed as would have happened in the past, while hourly-paid staff have had their hours significantly reduced, or cut completely, severely impacting their livelihoods. As well as having a disastrous impact on those staff leaving, the remaining staff are being left with ever increasing workloads. Fixed term and hourly paid staff deliver vital teaching, tutorials, marking, research and student support, and so the reduction and loss of this workforce is significant for the sector.

Pay – a decade and more of below-inflation rises

The financial challenges facing the higher education sector in all parts of the UK have meant over a decade of below-inflation pay for university workers, and where the workforce has seen their pay lose value in real terms by over 25% in this period. The sector has seen numerous disputes over pay, and for this academic year a 1.4% pay uplift has been imposed by employers, with some, including Dundee in Scotland, deferring even this payment. The fact that across the UK employers are imposing such derisory pay awards, when inflation is significantly higher, underlines the crisis in the sector north and south of the border.

Scottish Government and Universities Scotland review

The joint announcement in December 2025 by the Scottish Government and Universities Scotland of a review to produce a *Framework for the Sustainability and Success of Scotland’s Universities* is a welcome recognition that the current underfunding of the sector is unsustainable. UCU is pleased to have been asked to contribute to the review. While the review is an important piece of work and will contribute positively to the debate around Scottish higher education at the next Scottish Parliament elections and inform the spending priorities for the next Scottish Government, it does not do anything to address the current crisis or offer any hope to university workers currently at risk of losing their jobs or students unsure whether their courses will continue to be taught.

Conclusion

UCU welcomes the decision by the Scottish Government alongside Universities Scotland to initiate a review of financial sustainability in the sector and looks forward to contributing and there being strong trade union representation into the review. UCU supports the policy of free tuition for Scottish domiciled students believing it to be an important element in making further progress on fair access in Scotland and meeting the 2016 Commission of Widening Access targets. In that context we welcome the Scottish Government's commitment to free tuition for Scottish domiciled students and welcome the similar commitments from other political parties. Free tuition in itself is not the cause of the current financial crisis in Scottish higher education, rather the underfunding of the policy and the under-funding of teaching in universities is the problem. This has forced universities to seek other, more risky, sources of income, including international student fee income. The lack of Scottish Government funding keeping pace with inflation, has led to universities to chase other unstable sources of income and underpinned the current crisis.

As well as addressing the long-term underfunding of the sector, Scottish universities urgently need reform of governance arrangements. Dundee and the Gillies review highlighted appalling failures in governance, and the deliberate obfuscation of senior managers, poor decision making and a lack of transparency and accountability. The 2016 HE Governance Act, was a start in including trade union input on governing bodies, but senior managers have been able to "manage" their way through much of the Act's provision and to continue business as usual with, as is apparent at Dundee, disastrous consequences. Gillies shows that loyalty to your university includes stepping up to challenge bad management and bad decision making when necessary. Overbearing, ego-driven management and management structures, operating largely in the dark, simply will not bring about a flourishing higher education sector.

Possible areas for governance reform could include the election of senior management positions in universities; increased transparency and openness for university governing body meetings; reviewing of the balance between elected and lay members on university governing bodies; calling for the majority of members of university governing bodies being elected by staff and students; staff being the majority of selection committees for university principals; capping university principals' and senior management pay; and there being more trade union involvement at branch and national level with the Scottish Funding Council on fair work.

Reviewing the sustainability of the sector and reforming the sector's governance are essential and necessary steps but, as outlined in this paper, more than half of Scotland's universities are seeking to make staff redundant, including by compulsory redundancies and cutting millions of pounds from their budgets right now.

When the Scottish Government first announced emergency funding during the early days of the Dundee university crisis, the money was announced for a scheme to provide emergency funding for all universities, not just for Dundee. While later funding has gone straight to Dundee, the Scottish Government needs to step in and provide emergency funding for other institutions to avert the current crisis by providing financial redress for the underfunding of teaching in the past and previous years.

ⁱ <https://www.sfc.ac.uk/publications/financial-sustainability-of-universities-in-scotland-2022-23-to-2026-27/>