

**Sent by email**  
**Ref: US-25-050**

Mr Douglas Ross MSP & Committee members  
Education, Children and Young People  
Scottish Parliament  
Edinburgh  
EH99 1SP

Monday, 13 October 2025

Dear Convener and members of the Committee,

The Professor Gillies and BDO report into the University of Dundee highlighted significant failings amongst the former executive and governance team. The findings are specific to one institution, but Professor Gillies also offered a set of lessons for the sector. At the time of publication, Universities Scotland gave our assurance that the sector would reflect on those lessons. We have taken the opportunity to do so and I am pleased to attach a collaborative response on behalf of Universities Scotland, representing Principals, and the Committee of Scottish Chairs, representing Chairs and/or the Senior Lay Member of University Courts.

We have taken a joint approach given that Professor Gillies' report relates to executive functions and matters of governance. This response is in addition and complementary to the more institution-specific consideration of the Gillies report that each individual higher education institution is already undertaking, as would be expected of autonomous institutions as appropriate to their individual structures, purpose and processes.

We see the wider set of lessons offered by Professor Gillies/BDO as a timely opportunity to reassure students, staff and funders that robust, inclusive and transparent financial management and governance processes are in place across the sector. This is important both in response to both the issues at the University of Dundee and the unprecedented scale of the financial challenge facing every university in Scotland.

We would like to draw the following points to your attention:

- We concur with Professor Gillies' conclusion that the Scottish Code of Good Higher Education Governance remains robust, relevant, and fit for purpose.
- Existing work underway as led by the Committee of University Chairs (CUC for universities in England) to review HE governance is expected to generate a significant evidence base of good practice, including on the relationship between executive and non-executive leadership, skills for effective governance, and how governance can evolve to meet future challenges. We intend to draw on this in Scotland, as aligned to the findings in the Gillies report. This will include an



assessment on whether this should be supported by updates or refinements to the Scottish Code of HE governance (which has a long-standing commitment to an enhancement-led ethos and which has been revised twice since 2013 as is consistent with the approach).

- Building on this evidence base, Universities Scotland will convene an inclusive dialogue at national level between our Chairs, Principals and our staff and student representative bodies where we can reflect on the evidence of best practice generated by the CUC review. This recognises the importance of fostering culture of transparency, communication and stakeholder engagement to complement formal regulatory structures.

The deteriorating financial context faced by the sector was not covered within the framing of the questions set by the Scottish Funding Council for Professor Gillies and BDO. Yet Professor Gillies felt compelled to highlight that numerous reports and horizon scans of the financial health of higher education institutions in Scotland in recent years have indicated a difficult and worsening financial landscape for the sector. As Principals and Chairs, it is our responsibility to highlight several factors in our strategic operating environments, but beyond our control, which threaten to increase institutional exposure to financial risk. Until such a time as the structural funding challenges facing the sector are addressed, effective governance and sector leadership will necessitate making increasingly difficult decisions. There are a number of actions that we urge the Scottish and UK Governments, Scottish Funding Council and others to take in order to bring about positive changes in the sector's operating environment. Our written response goes into further detail.

Scotland's universities are autonomous institutions and they are united in their commitment to the highest standards of governance and stewardship. Universities will continue to take the decisions needed now and in the coming years to properly manage themselves through challenging times. We welcome the Gillies Report as a catalyst for reflection, improvement, and collective enhancement.

Yours sincerely,



**Julie Ashworth**  
Chair of the Committee of Scottish Chairs



**Professor James Miller**  
Convener of Universities Scotland

Cc: Committee Clerks

# University sector response to the Gillies Report

From the Committee of Scottish Chairs and Universities Scotland  
2025

- University of Aberdeen
- Abertay University
- University of Dundee
- University of Edinburgh
- Edinburgh Napier University
- University of Glasgow
- Glasgow Caledonian University
- Glasgow School of Art
- Heriot-Watt University
- University of the Highlands and Islands
- Open University in Scotland
- Queen Margaret University
- Robert Gordon University
- Royal Conservatoire of Scotland
- Scotland's Rural College
- University of St Andrews
- University of Stirling
- University of Strathclyde
- University of the West of Scotland

## Preface

[The Professor Gillies and BDO report](#) into the University of Dundee highlighted significant failings amongst the former executive and governance team. The findings are specific to one institution, but Professor Gillies also offered a set of lessons for the sector.

The Scottish higher education sector welcomes the publication of the Gillies Report. We recognise the importance of rigorous external scrutiny and the opportunities it presents for reflection, learning, and enhancement. The report is a timely contribution to ongoing debates around governance, leadership, financial sustainability, and student experience within higher education in Scotland and beyond.

The higher education sector is taking the opportunity to reassure students, staff and funders that robust, inclusive and transparent financial management and governance processes are in place. Such reassurance is important in response to both the issues at the University of Dundee and the unprecedented scale of the financial challenge facing every university in Scotland. The leadership skills required of university executive teams, of all governing body members, of our Funding Council, and of the Scottish Government are critical in times of trouble.

We all have a responsibility to step up to meet the scale of that challenge.

This response sets out our sector-wide perspective, structured around the themes of governance, accountability, financial sustainability, student and staff engagement, and the enhancement agenda. This is a supra-institutional response to the Gillies Report and each individual organisation, as would be expected of any autonomous institution, is already undertaking its own review that reflects its individual institutional structure, purpose and processes. These will reflect the requirements as set out in the [Scottish Funding Council's Outcomes Framework and Assurance Model](#).

In responding, we wish to underline three overarching points:

- First, we affirm Professor Gillies' conclusion that the [Scottish Code of Good Higher Education Governance](#) remains robust, relevant, and fit for purpose. The principles enshrined within the Code continue to provide a clear framework to ensure that universities operate transparently, accountably, and in the best interests of their students, staff, and wider communities. Similarly, we affirm Professor Gillies' conclusion that the [Scottish Funding Council's Financial Memorandum with Higher Education](#) is also fit for purpose. However, unlike the Code, it has not been updated since 2014 and, as recommended by Gillies, it would benefit from undertaking the same enhancement approach adopted by the sector's Code.
- Second, we stress that the failures of management and governance highlighted at Dundee are a result of a failure to comply with the Code and do not reflect the situation across the sector. Scotland's universities have consistently demonstrated high standards of governance, accountability, and stewardship. However, the decade-long funding pressures that Dundee experienced as part of the wider context leading to the current situation, are felt by every Scottish university. While the combination of leadership and management failures

at Dundee are not likely to emerge at another institution, we take seriously the lessons drawn from Dundee in shaping institutional responses to the challenges we face.

- Third, we embrace the enhancement-oriented ethos that underpins Scottish higher education. In line with this approach, we recognise that well-functioning governance systems evolve and adapt in response to changing social, economic, and institutional contexts. This is why the sector has taken the opportunity to revise the Code twice since its introduction.

Universities in Scotland make a significant positive contribution to both society and the economy by driving innovation, creating jobs, and attracting global talent. They support industries, strengthen communities through education and culture, and produce skilled graduates. Universities Scotland and the Chairs of Scotland's Universities recognise that public trust in universities is built, not only upon our impact and academic excellence, but on the integrity of institutional leadership.



**Julie Ashworth**  
Chair of the Committee of Scottish Chairs



**Professor James Miller**  
Convener of Universities Scotland

## **Governance and the Scottish Code**

The Scottish Code of Good Higher Education Governance has been reviewed and refined in recent years to ensure that it reflects contemporary expectations of transparency, inclusion, and accountability. Its principles - independence of governing bodies, clear roles and responsibilities, staff and student participation, and robust conflict of interest provisions - remain sound. Evidence from regular sectoral reviews indicates high levels of compliance and positive outcomes in practice.

Universities are complex organisations that face rapid changes in funding, demographics, technology, and international engagement. The Gillies Report reminds us of the importance of ensuring that governing bodies remain responsive, transparent, and inclusive.

The sector therefore commits to using the findings of the Gillies Report as an opportunity for reflection. While the Code remains fit for purpose, our ongoing commitment to enhancement means we are already committed to ensuring it continues to be aligned with best practice.

This will be achieved through:

- individual institutions considering each of the 17 institutional lessons offered in the Gillies Report<sup>1</sup>.
- reflecting on the evidence and best practice identified by the Committee of University Chairs (CUC) full review of HE governance,<sup>2</sup> including the relationship between executive and non-executive leadership, skills for effective governance, and how governance can evolve to meet future challenges.

## **Accountability and Transparency**

The Gillies Report calls attention to the need for strong mechanisms of accountability, particularly in financial management and senior decision-making. Scottish universities already operate within a demanding framework of regulation, audit, and oversight, including external scrutiny from the Scottish Funding Council, the Office of the Scottish Charity Regulator, and external auditors. This framework ensures that universities are subject to rigorous accountability standards.

We acknowledge, however, that accountability is not solely a matter of compliance. It is also about culture, communication, and trust. The sector recognises the importance of fostering cultures of openness, timely communication, and stakeholder engagement to complement formal regulatory structures.

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<sup>1</sup> 17 of the 18 sector lessons outlined in the Gillies review apply to institutions, with the remaining recommendation for the Scottish Funding Council

<sup>2</sup> [CUC Reviews Higher Education Governance - Committee of University Chairs](#). CUC announced this Review in May 2025. Note: The Chair of the Committee of Scottish Chairs (CSC) and the Chair of SFC are both members of the CUC Review's steering group.

We therefore endorse the emphasis the Gillies Report puts on strengthening the visibility and accessibility of decision-making. Universities will continue to ensure that governing bodies, senates, staff, students, and external partners are informed and engaged in the decisions that shape institutional futures.

This will be achieved through:

- All Scottish HE institutions reviewing the evidence generated by the Committee of University Chairs (CUC) review of HE governance.
- Universities Scotland hosting an inclusive dialogue at national level, focused on best practice, between our Chairs, Principals, and our staff and student representative bodies where we can reflect on the evidence of best practice generated by the CUC review.
- Collective assessment made on whether the evidence generated by the Committee of University Chairs (CUC) review of HE governance requires any updates or refinements to the Scottish Code of HE governance.

## **Financial Sustainability and Strategic Resilience**

The financial pressures confronting Dundee, as outlined in the Gillies Report, are symptomatic of broader structural challenges in Scottish higher education. These include constrained public funding, rising costs, demographic shifts, and global competition. Such pressures test the resilience of institutions, draw on a different set of leadership skills and place greater importance on effective financial stewardship.

The sector recognises the need to adapt strategically to ensure long-term sustainability. This may involve difficult decisions, but these must always be underpinned by robust governance, meaningful consultation, and transparent communication. The Gillies Report reinforces the point that financial sustainability is inseparable from good governance. We will continue to support one another, share best practice, enhance capabilities and engage constructively with government and funding bodies to address sector-wide financial challenges.

This will be supported by:

- Engagement with UK wide sector expert bodies such as British Universities Finance Directors Group, Association of Heads of Universities Administration and Advance HE to identify ways to continue to enhance training and support for University Executive teams and Court members.
- Strengthening recruitment processes for Chairs of university Courts to ensure that all candidates put forward for election have the requisite skills and experience to undertake these critically important leadership roles, with a view to overcoming the potential barriers presented by an election process.

## **Student and Staff Engagement**

Scottish higher education has long prided itself on the depth of staff and student participation in governance. There is a statutory requirement arising from the Higher Education Governance (Scotland) Act 2016 that ensures representation of staff and students on governing bodies, senates, and committees. However, the Gillies Report highlights that representation alone is insufficient; those voices are actively heard, respected, and integrated into decision-making.

Everyone on the governing body of an institution must consider issues from the perspective of the institution, in line with their legal responsibilities as charity trustees. University Courts have a collective responsibility, and all Court members should be provided with induction and training opportunities to ensure they are able to fulfil their role.

The sector recognises the need to go beyond compliance and foster a culture of genuine partnership. This aligns with Scotland's enhancement approach, which values collaboration, dialogue, and co-creation. Universities will continue to strengthen training for governors, ensure staff and student representatives are fully supported, and embed practices that make engagement meaningful.

We also acknowledge that communication breakdowns—perceived or real—can erode trust. The Gillies Report provides an important reminder that building and maintaining trust requires ongoing attention, transparency, and openness from institutional leaders.

This will be achieved through:

- Considering improvements to induction programmes to strengthen the overall training and support package. This will include emphasising the role of Court members in constructive challenge and oversight, and the legal obligations of all Court members as charity trustees.
- Chairs re-emphasising the importance of enquiry, proactively creating space in meetings for clarifying questions, recognising their value in surfacing risks and deepening understanding.
- Reminding Court members and staff of whistleblowing policies and procedures.
- As previously mentioned, hosting a collective, inclusive dialogue focused on best practice, between our Chairs, Principals and our staff and student representative bodies once we have the evidence generated by the CUC review.



## **The Enhancement Approach**

A distinctive strength of Scottish higher education is its enhancement-led approach. Rather than focusing narrowly on compliance or punitive regulation, Scotland emphasises collective learning, sharing of best practice, and continuous improvement.

Across the sector, universities will use the lessons of Dundee to reflect on their own governance arrangements, revisit communication channels, and review the ways in which staff and student voices are incorporated.

The sector commits to working collectively - through Universities Scotland, the Committee of Scottish Chairs and the Scottish Funding Council - to ensure that the findings of the Gillies Report are translated into constructive, forward-looking action.

In addition, the sector commits to:

- Championing values-led culture by fostering transparency, integrity, and evidence-based decision-making, informed by broad engagement and cultural insight.
- Upholding the Nolan Principles by reinforcing the expectation that all members of University Executive teams and Court adhere to the nine principles of public life.

## **Actions required in Support of the Sector**

Universities face significant financial challenges, with increasing risks for the sector within a complex and dynamic operating environment. While this requires universities to work differently, it also requires change and new forms of support from the Scottish Funding Council, the Scottish Government and UK Government.

The deteriorating financial context faced by the sector was not covered within the framing of the questions set by the Scottish Funding Council for Professor Gillies and BDO. However, as Principals and Chairs, it is our responsibility to highlight several factors in our strategic operating environments, but beyond our control, which threaten to increase institutional exposure to financial risk. Until such a time as the structural funding challenges facing the sector are addressed, effective governance and sector leadership will necessitate making increasingly difficult decisions. Actions that could be taken to make positive changes to the sector's operating environment that go beyond the scope of the Gillies Report, include:

- Reduction in exposure to financial risks and dependence on cross-subsidy through reform of the funding model.
- Multi-year funding and financial transparency to enable effective financial planning. Predictability and transparency on the detail of financial settlements is vital. Annual budget cycles, in year budget decisions and uncertainty on the application of financial recovery policies adds challenges to financial planning within the sector.

- Joined up policy that recognises the impact of policy demands and the consequences of policy decisions on a sector with declining levels of investment.
- Recognition that universities are autonomous organisations operating outside of the public sector and noting the potential unintended impact on ONS classification arising from cumulative policy, regulatory or legislative changes.
- At time of strained resource and capacity within institutions, it is vital that reporting mechanisms support sector accountability while minimising institutional burden.
- Regulation should be both proportionate and transparent. Universities are charities and as such, the Office of the Scottish Charity Regulator regulates the sector. In addition, the Scottish Funding Council has both a regulatory role and a role as funder. It is important that there is clarity on where the Funding Council is acting as a funder and where it is acting in a regulatory capacity.

## **Conclusion**

The Gillies Report into the University of Dundee is a significant moment for Scottish higher education. While it highlights serious challenges at one institution, it is equally clear that the Scottish Code of Good Higher Education Governance remains a robust and effective framework.

We embrace the opportunity to learn from the Dundee experience, to strengthen cultures of accountability and engagement, and to enhance trust among students, staff, and the public.

We await with interest the outcome of the ongoing OSCR investigation into the circumstances at the University of Dundee and will look to consider any sector wide lessons arising from that work when it concludes. This document sets out a clear intention to continue to learn lessons and to engage at an institutional and sector level with staff and student bodies, sector expert groups, our regulators and wider stakeholders.

Scotland's universities are autonomous institutions, but they are united in their commitment to the highest standards of governance and stewardship. Universities will continue to take the decisions needed now and in the coming years to properly manage themselves through challenging times. We welcome the Gillies Report as a catalyst for reflection, improvement, and collective enhancement.

**ENDS**